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ANNUAL REPORT 2019

enel emgesa

ANNUAL
REPORT
2019

"We are pleased to share the results achieved by Emgesa S.A. ESP in 2019".

LETTER TO SHAREHOLDERS

Dear Shareholders,

We are pleased to share the results achieved by Emgesa S.A. ESP in 2019, which are the outcome of an approach of a renewed strategy and based on an inspiring concept to solve the greatest challenges, as well as the reflection of teamwork, the passion for the best results and the great commitment to deliver our customers a quality product that drives the development, sustainability and growth of the communities where we operate.

The global economy is experiencing a slowdown with a growth close to 2.9%, and low growth in developed and emerging economies. The United States stalled as a consequence of the uncertainty of the trade war with China, although the tension between these countries has decreased, and the outlook for Latin America is marked by low growth rates derived from lower productivity, lower demand for commodities and social protests in several countries that reflect needs for fiscal, labour and pension reforms. Latin America showed a GDP growth lower than the previous years, while Colombia is resilient, growing at 3%. This indicates a superior result with respect to the region and a growth mainly leveraged by higher investment as a result of the ratified financing law in the month of December. Some economic indicators of 2019:

> An unemployment rate of 10.5%

> GDP growth of 3.3%

> Inflation of 3.8%

> Producer Price Index (PPI) Internal Supply of 4.7%

> A current account deficit of approximately 4.4% of national GDP

Accordingly, Colombia continues to be one of the promising economies in the region and is perceived as such by the risk rating agencies that grant the country the investment rating. Within this macroeconomic scenario, during 2019 we continued to achieve successes and progress along our path as part of the Enel Group, a global business group.

Our country had a national demand for electrical energy during 2019 that was 71,925 GWh, which represents a growth of 4% compared to the previous year.

During the first months of 2019, the contributions of the

main rivers nationwide were deficient in the dry season due to the weak El Niño phenomenon 2018-2019. In the second half-year there was a deficit of contributions especially in the Antioquia region. The hydrological contributions during 2019 of the basins afferent to the Bogota and Guavio River chain were slightly above the historical average.

In 2019, Emgesa's net power generation reached 15,229 GWh, with an increase of 8.4% compared to 2018, mainly due to greater hydraulic and thermal generation as a result of the greater requirement of power plants for the system, which positioned us as the first generator in Colombia. Emgesa's net installed capacity is 3,506 MW, 20.1% of the country's capacity (17,465 MW).

We were able to carry out optimal portfolio management that contributed to achieving an annual variable margin of $2.56 trillion (11% higher than in 2018), obtained by total energy sales of 18,291 GWh.

In 2019, we participated in the auction for the assignment of firm energy obligations of the Reliability Charge for the period December 2022 - November 2023. In this process, Emgesa acquired obligations in its plants for 12,404 GWh-year at a price of 15.1 USD/MWh.

In 2019 we supplied energy in the Wholesale Market through contracts, as a result of public calls or private invitations, reaching sales of 24.5 TWh, distributed between the years 2019 and 2028. We also maintained an 18% share in the country's Non-regulated Market with a sale of 4,043 GWh at the end of the year. In the gas sale business, we continued to consolidate our participation with 3.9% of the Non-regulated Market.

At the end of 2019, the availability of the Emgesa generating park was 90.3%, with a decrease of 0.9 percentage points compared to 2018, due to the implementation of the Life Extension project and environmental improvement at the Termozipa power plant.

In the management of the generation plants, we highlight the installation of the DeNOx system in Termozipa, as part of the Life Extension project and improvement in environmental performance. The installation of the first Battery Energy Storage System (BESS) in Colombia began in the same plant. In the Betania Power Plant, the most extensive overhaul was carried out in its 32nd year of operation, focused on Unit 2. Additionally, within the Automation and Telecontrol project, the Darío Valencia, Laguneta and El Salto power plants had remote control from the Guaca Power Plant. The same project also advanced in the automation of other power plants in the Bogota River Chain.

From an environmental perspective, we highlight the construction of an artificial wetland in the Cartagena Power Plant, in order to eliminate dumping into the bay of domestic wastewater generated in the powerhouse. In El Quimbo, the investments associated with the fulfilment of the commitments of the Environmental License continued, we made progress in the restoration plan for tropical dry forest, which has 11,079 ha, and within the framework of the Fish and Fishing Programme of Upper Magdalena, the permits from the aquaculture and fisheries authority to start the repopulation project with the planting of 500 thousand fingerlings.

In 2019 we carried out the intervention at risk of electrical contact in electrical panels of the Cartagena, Termozipa and Bogota River power plants, and we certified the personnel exposed to electrical risk in protection control measures. Within the Fatality Prevention Programme, safety conditions were evaluated in order to improve operational controls in electrical and mechanical risks, potential situations of impact with objects and entrapments, work at height and lifting of loads. Additionally, we implemented the Fire Systems Improvement Plan under the guidelines of the technical standard NFPA 850.

In the financial area, Emgesa's operating income in 2019 reached $4.09 trillion, showing an increase of 10.0% compared to 2018, explained mainly by an increase in energy prices on the Stock Exchange, resulting from a deficit of rains.

Fixed operating costs increased by 7.9% YoY, and amounted to $ 0.22 trillion, mainly due to higher operation and maintenance costs at the power plants and higher personnel costs due to salary adjustments. EBITDA in 2019 was $2.33 trillion, with an increase of 11.5% compared to 2018.

Net income was $1.23 trillion, which represented a YoY increase of 20.8%, mainly explained by an 11.7% reduction in net financial expense. This decrease was mainly due to a lower level of indebtedness, taking into account that Emgesa registered a financial debt of $3.01 trillion, 20.7% less than in 2018. In 2019, $0.74 trillion corresponding to maturities of local bonds and credits were amortised. At the end of the year, we maintained 100% of the debt in pesos, of which 65% have interest indexed to the CPI, and the remaining 35% have a fixed rate. Finally, at the end of the period, 92% of the financial debt was long-term. On the other hand, the growth in net income was also due to a lower current tax rate, as a result of the reduction of the income tax rate by 4 percentage points for the year 2019.

Assets totalled $9.11 trillion, with net property, plant and equipment representing 89.2%, and cash and cash equivalents 3.1% of total assets.

We carried out preventive collection management programmes, and obtained a manageable portfolio ratio of 0.04%. However, the average ratio of consolidated past due loans for the year reached 29.6%, mainly due to the Electricaribe S.A. ESP portfolio, which amounts to $98,990 million.

For the seventh year in a row, Emgesa received the IR (*Investor Relations*) recognition for its commitment, transparency and high standards in terms of disclosure of information and relationship with investors. In turn, Fitch Ratings Colombia gave Emgesa a Long Term and Short Term national rating of 'AAA (col)' and 'F1 + (col)', respectively. It also gave a 'AAA (col)' rating to the Bonds and Commercial Paper Programme worth $4.4 trillion, with a stable outlook. In addition, Emgesa's international rating as an issuer of long-term corporate debt in local and foreign currency was ratified at BBB by Standard & Poor's and by Fitch Ratings, with a stable outlook.

In relation to our workers, Emgesa closed 2019 with a direct staff of 599 employees. Change management, strong leadership, talent evolution and leveraging the digital culture are the engine to continue working for the people's well-being. In 2019, the strengthening of the diversity and inclusion strategy was maintained, with the creation and development of initiatives that seek to respect and promote the principles of non-discrimination, equal opportunities and inclusion in the performance of the Company's activities, in order to improve the work environment and achieve the highest quality of life at work. Also, we participated in 25 events as speakers of best practices in gender equality management.

Regarding sustainability, in 2019 Emgesa continued to develop its actions with local communities within the framework of the shared value creation policy, promoting sustainability based on principles of equitable and mutual development for all parties involved. This, taking into account the operational policies and practices that increase competitiveness, contributing to improve the economic and social conditions of the communities where we operate.

In 2019 we strengthened our positioning at the national level by presenting the Circular Economy strategy, developed in spaces with unions, national and local governments, academia and the private sector. On the other hand, we continued with our support for the country's comprehensive development, generating actions to strengthen and build territorial peace, through a partnership with the Prodepaz Network.

In 2019, the Company adequately carried out best practices in Corporate Governance, had an adequate internal control system, implemented all the proposed improvement actions and fully complied with current regulations. In addition, it has a robust compliance system made up of different elements such as the Criminal Risk Prevention Model, the Code of Ethics and the Zero Tolerance Plan against Corruption, among others, which has led us to the certification of our Anti-Bribery Management System under the ISO 37001 standard. Emgesa and Codensa are the first companies in the country to have this certification. By the 2020, all relevant steps will be taken to be recertified in the ISO 37001 standard and continue with the proper performance of best practices in Corporate Governance.

We conclude this tour of the Company's management by expressing our conviction that the growth prospects of the Colombian economy, the high quality and commitment of our human resources, as well as the support provided by belonging to a multinational with global coverage such as the Enel Group, will allow us to face with optimism the imminent challenges of 2020, which have been defined by the Group as follows

Digitization: Continue with the consolidation and use of information systems and digital tools to improve process efficiency. Additionally, advance with the integration of robotisation solutions for the operation and maintenance of the power plants.

Operational efficiency: Achieve efficiencies in processes, based on the optimisation of investments, asset management, and the implementation and start-up of new maintenance strategies.

Modernization: Bring the plants to technological standards and combat technical obsolescence, under the development of the scheme for the remote operation of the plants and with the remote control project in the Cadena del Río Bogotá plants.

In order to comply with article 47 of Act 222 of 1995, in relation to the operations carried out with the shareholders and administrators, they reportedly observed the applicable legal provisions and are duly reflected in the financial statements. Furthermore, Emgesa complies with the rules on intellectual property and copyright and all software available for the management of the Company has the corresponding licenses and therefore complies with the rules on intellectual property and current copyright in Colombia.

Pursuant to the provisions of article 87 of Act 1676 of 2013, the Company has reportedly not hindered the free circulation of invoices issued by vendors or suppliers.

In accordance with the provisions of numeral 4 of Official Letter 028 of 30 September 2014 of the Financial Superintendence, Emgesa's Implementation Report of Best Corporate Practices can be consulted on the corporate website. It also made available the Country Code survey for 2019 in the relevant information link of the Financial Superintendence of Colombia.

In line with the Emgesa Corporate Bylaws, the following reports are submitted to the Shareholders:

> Management Report by the General Manager corresponding to the period 1 January to 31 December 2019, received by the Board of Directors.

> Report of the firm Ernst & Young Audit S.A.S., as Statutory Auditor, on Internal Control.

> Certified and audited year-end financial statements.

> Report of Article 446 of the Code of Commerce.

> Special Report of the Corporate Group pursuant to Article 29 of Act 222 of 1995.

> Corporate Governance Reports

Furthermore, in accordance with the provisions of numeral 12 of article 68 of the Bylaws, we inform the Shareholders that the Company has an internal control office that oversees compliance with the control and management programmes. In addition, the external audit of management and results is currently underway by the firm Ernst & Young Audit S.A.S. and its results will be reported in the Unified Information System (SUI) of the Superintendence of Domiciliary Public Services, in accordance with the terms established in the current regulations. Additionally, during the period covered by the report, the Company, as the issuer of securities, has controlled and disclosed the financial information in accordance with the applicable regulations.

To conclude, we thank our Shareholders for their vote of confidence in us by keeping their investment in the Company, which motivates us every day to generate value and good results and also contribute to the development of the country.

MARCO FRAGALE
General Manager

JOSÉ ANTONIO VARGAS LLERAS
Chairman of the Board of Directors

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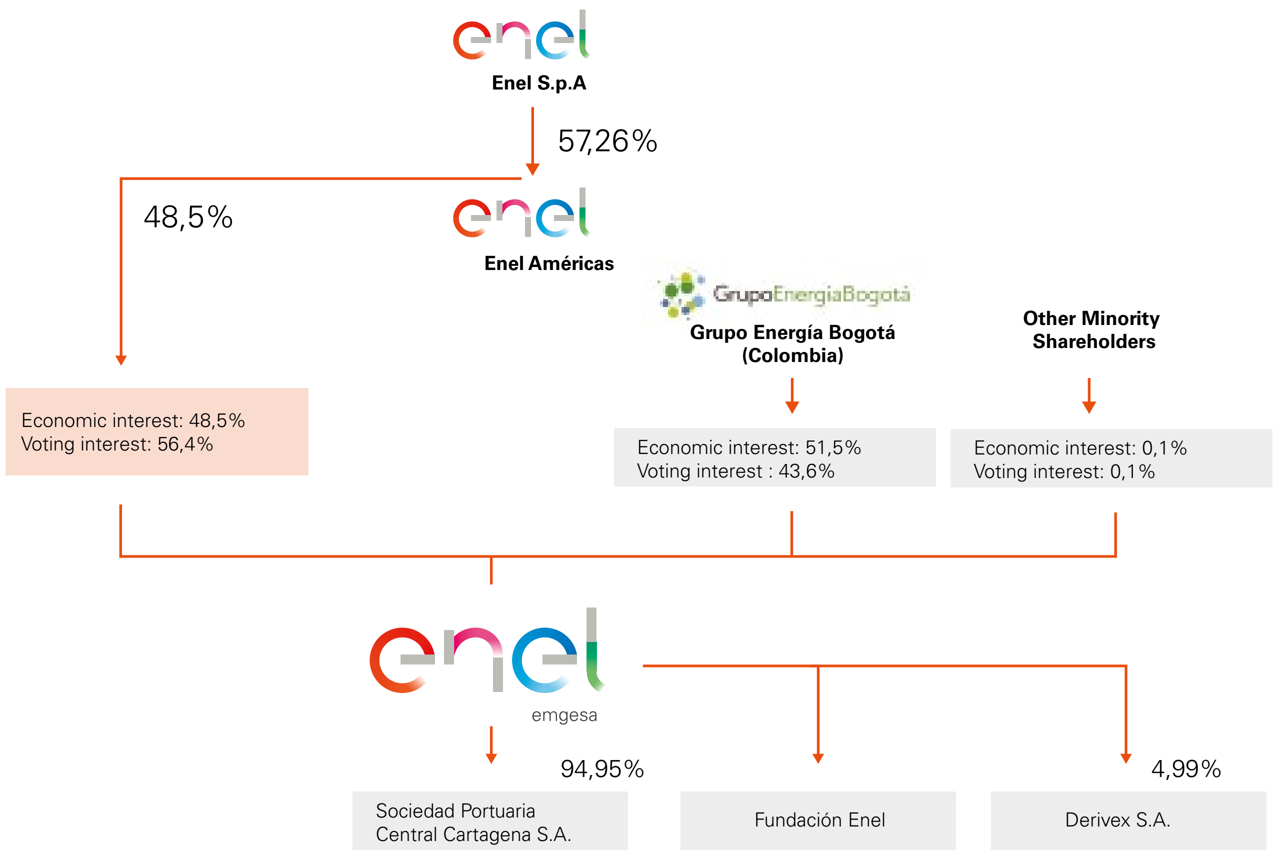
1. THE COMPANY, ITS CONTEXT AND MAIN RESULTS

OWNERSHIP STRUCTURE



SHAREHOLDING STRUCTURE

Shareholders	Voting common shares		Non-voting preferred shares		Total shareholding structure	
	(%) Interest	Number of shares	(%) Interest	Number of Shares	(%) Interest	Total Number of Shares
Grupo Energía Bogotá S. A. ESP	43,57%	55.758.250	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

CORPORATE PURPOSE

The corporate purpose of the company Emgesa is the generation and trade of electric power in the terms of Act 143 of 1994, as amended, modified or repealed, and all types of activities related directly, indirectly, complementary or auxiliary with the business of gas fuel trade, advancing the necessary actions to preserve the environment and good relations with the community in the area of influence of their 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, marketing, storage, marketing, transportation and distribution of minerals and stone material, as well as administrative, operational management and technical 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 petroleum for the generation of energy, as well as the import of natural gas for the generation and/or sale of energy. In addition, the company may promote and establish establishments or agencies in Colombia and abroad; Acquire any kind of real or personal property, lease them, transfer them, encumber them and give them as security; exploit trademarks, trade names, patents, inventions or any other intangible property; participate in public and private tenders; celebrate and execute all kinds of contracts and acts, whether civil, labour, commercial or financial or of any nature that are 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, parents, subsidiary, and third parties money in mutual; rotate, 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 social purpose; assume any form of association or business collaboration with natural and legal persons, national or foreign, to carry out related, related or completed activities with its corporate purpose.

Changes in corporate governance

The Emgesa's General Shareholders' Meeting approved in 2019 the following changes in its corporate governance:

The Ordinary General Shareholders' Meeting of 26 March 2019, by means of Minutes No. 102, approved the amendment to the Corporate Bylaws in the sense of including two new articles: 93.1 – Compliance with best corporate practices and 93.2 – Commitment to the prevention of corruption.

CORPORATE GOVERNANCE

Board of Directors

- **Chairman of the Board:** José Antonio Vargas Lleras
- **General Manager:** Marco Fragale
- **First Alternate to the General Manager:** Lucio Rubio Díaz
- **Second Alternate to the General Manager:** Fernando Javier Gutiérrez Medina

The Company has a Board of Directors conformed by seven principal members, each of them with an alternate, elected by the General Shareholders' Meeting through the electoral quotient system. In accordance with the Corporate Bylaws, as long as the Company is a security issuer, 25% of the Board members shall be independent according to the law. The Board members are appointed for two-year terms, as per article 58 of the Corporate Bylaws, and they can be re-elected indefinitely, and without prejudice of the faculty of the Shareholders Meeting to remove them freely at any time. The functions of the Board of Directors are described in article 62 of the Corporate Bylaws.

In the ordinary session No. 102 of the General Shareholders' Meeting held on 26 March 2019, the election of the following Board of Directors members was approved:

SEAT	PRINCIPAL	ALTERNATE
FIRST	ANDRÉS CALDAS RICO	DIANA MARCELA JIMÉNEZ RODRÍGUEZ
SECOND	LUCIO RUBIO DÍAZ	FERNANDO JAVIER GUTIÉRREZ MEDINA
THIRD	JOSÉ ANTONIO VARGAS LLERAS	MICHELE DI MURRO
FOURTH	ASTRID ÁLVAREZ HERNÁNDEZ	ANDRÉS BARACALDO SARMIENTO
FIFTH	ÁLVARO VILLASANTE LOSADA	FELIPE CASTILLA CANALES
SIXTH (Independent)	LUIS FERNANDO ALARCÓN MANTILLA	RODRIGO GALARZA NARANJO
SEVENTH (Independent)	LUISA FERNANDA LAFAURIE RIVERA	MARÍA PAULA CAMACHO ROZO

Board members' attendance

The Board of Directors met twelve times: The Board members participated in said sessions as indicated below. All meetings had a quorum to meet and decide validly.

SEAT	No. of sessions attended Principal Members	No. of sessions attended Alternate Members *
FIRST	11	1
SECOND	12	0
THIRD	12	0
FOURTH	6	5
FIFTH	9	3
SIXTH (Independent)	8	4
SEVENTH (Independent)	12	0

*** Alternate members in zero did not have to replace the principal member insofar as there were neither absolute nor temporary absences.**

Audit Committee

In accordance with the provisions of the Corporate Bylaws, the Company's Good Governance Code, and Act 964 of 2005, the Company has an Audit Committee, consisting of four Board members, two of which are independent members. The Chairman of the Committee is an independent member chosen from within. This committee has a Secretary, who may or may not be a member. The Statutory Auditor attends the meetings of the Committee with the right to speak but without vote.

The Board of Directors in its session No. 468 of 24 April 2019 approved the composition of the Audit Committee, which was formed as follows:

PRINCIPAL	ALTERNATE
LUCIO RUBIO DÍAZ	FERNANDO GUTIÉRREZ MEDINA
ÁLVARO VILLASANTE LOSADA	FELIPE CASTILLA CANALES
LUIS FERNANDO ALARCÓN MANTILLA	RODRIGO GALARZA NARANJO
LUISA FERNANDA LAFAURIE	MARÍA PAULA CAMACHO

The duties of the Audit Committee are described in article 96 of the Corporate Bylaws, of which the following stand out: (i) Supervise compliance with the internal audit programme, which must take into account the business risks and fully evaluate all areas of the company. (ii) Ensure that the preparation, presentation and disclosure of financial information complies with the provisions of the law. (iii) Review the year-end financial statements, before they are submitted for consideration by the Board of Directors and the General Shareholders' Meeting. (iv) Establish the policies and practices that the Company will use in the construction, disclosure and disclosure of its financial information. (v) Define the mechanisms that the Company will use to consolidate the information of the control bodies for the presentation of the same to the Board of Directors. (vi) Issue a written report regarding the transactions that have been entered into with related parties, having verified that they were carried out under market conditions and that they do not violate the equal treatment of the shareholders; and (vii) The others assigned by the Board of Directors.

In view of the foregoing and in compliance with its main duties of supporting the Board of Directors in the supervision of the Company's financial accounting management, the Audit Committee submits to the General Shareholders' Meeting a report corresponding to the previous fiscal year, where it shows the fulfilment of the duties described above.

Audit Committee members' attendance

The Audit Committee met five times in 2019: four ordinary sessions and one extraordinary session. The Committee members participated in these sessions as indicated below. All meetings had a quorum to meet and decide validly.

SEAT	No. of sessions attended Principal Members	No. of sessions attended Alternate Members *
FIRST	5	0
SECOND	5	0
THIRD (Independent)	2	3
CUARTO (Independent)	5	0

*** Alternate members in zero did not have to replace the principal member insofar as there were neither absolute nor temporary absences.**

Main activities

We emphasise the following 2019 Committee activities, which are framed within the members' duties to supervise internal control and the Company's compliance programmes:

> Approval and monitoring of the 2019 Audit Plan

> Monitoring of Action Plans 2019

> Monitoring the *Compliance Road Map*

> Approval of the 2018 Annual Report of the Audit Committee

> Analysis of separate and consolidated financial statements as of 31 December 2018 and the respective Statutory Auditor's report. The Audit Committee agreed to recommend to the Board of Directors that the consolidated financial statements as of 31 December 2018 be submitted to the General Shareholders' Meeting for approval.

> Analysis of the summary of ethical complaints

> Review of the Company's risk identification and evaluation Policy, especially the risk map

> Follow-up of the Statutory Auditor's Quarterly Report

> Quarterly report of operations with related parties

> Quarterly report of events on the Integrated Securities Market Information System (SIMEV)

Good Governance and Evaluation Committee

In accordance with the provisions of the Corporate Bylaws and the Good Governance Code, the Company has a Good Governance and Evaluation Committee, made up of three Board members. The Chairman of the Committee is elected among its members. This Committee shall have a Secretary who may or may not be a member.

The Board of Directors, in its session No. 468 of 24 April 2019 approved the composition of the Good Governance and Evaluation Committee, which was conformed as follows:

PRINCIPAL	ALTERNATE
JOSÉ ANTONIO VARGAS LLERAS	MICHELE DI MURRO
LUCIO RUBIO DÍAZ	FERNANDO GUTIÉRREZ MEDINA
ASTRID ÁLVAREZ HERNÁNDEZ	ANDRÉS BARACALDO SARMIENTO

The duties of the Good Governance and Evaluation Committee are described in Article 98 of the Corporate Bylaws, it being worth to highlight: (i) Oversee that the shareholders, investors, other stakeholders and the market, at large, have full, truthful and timely access to the company's relevant information. (ii) Review and evaluate fulfilment of its duties by the Board of Directors over the period. The evaluation must contemplate the following: attendance of the members to the meetings; their active participation in the decisions and follow-up of key corporate issues. (iii) Monitor negotiations performed by the members of the Board of Directors with actions taken by the company or other companies of the same group. (iv) Supervise compliance with the remuneration policy for Board members. (v) Be aware of complaints expressed by investors, shareholders and other stakeholders with respect to compliance with this code and have them conveyed timely by the person in charge of the virtual office for service of shareholders and investors.

In view of the foregoing and in compliance with its main duties of supporting the Board of Directors in monitoring compliance with good governance provisions set forth in the Law, the Corporate Bylaws, the Good Governance Code and the Internal Regulations of the Board of Directors, the Good Governance and Evaluation Committee submits to the General Shareholders' Meeting a report corresponding to the previous year, where it reports the fulfilment of the duties described above.

Good Governance and Evaluation Committee members' attendance

The Good Governance and Evaluation Committee met three times. The Committee members participated in these sessions as indicated below. All meetings had a quorum to meet and decide validly.

SEAT	No. of sessions attended Principal Members	No. of sessions attended Alternate Members *
FIRST	3	0
SECOND	3	0
THIRD	2	1

*** Alternate members in zero did not have to replace the principal member insofar as there were neither absolute nor temporary absences.**

Main activities

We emphasise the following activities of the Committee during 2019, which are framed within the responsibilities contemplated in the Law, the Corporate Bylaws, the Good Governance Code and the Internal Regulations of the Board of Directors:

> Consideration of the compliance report of the Good Governance Code at the end of the fiscal year January-December 2018

> Consideration of the Self-evaluation report of the Board of Directors and the proposal to modify the Bylaws to be approved by the Shareholders Meeting

> Consideration of the work plan of the Good Governance and Evaluation Committee

> Consideration of the work plan for the self-evaluation of the Board of Directors

> Review of the behaviour protocol in energy contracting processes

Participation of Board members in governing bodies of other organisations:

Principal Board Members

ANDRÉS CALDAS RICO
Member of the following Board of Directors: Codensa S.A. ESP, Legis S.A., Fundación Enel Colombia, and Enel X Colombia S.A.S

LUCIO RUBIO DÍAZ
Member of the following Board of Directors: Codensa S.A. ESP, MAPFRE Colombia S.A., Enel X Colombia S.A.S., SIEPAC and Fundación Enel

JOSÉ ANTONIO VARGAS LLERAS
Member of the following Board of Directors: Codensa S.A. ESP, Enel Américas S.A., Italian Chamber of Commerce, Fundación Batuta, Fundación Enel Colombia, and Asociación para el Progreso de la Dirección.

ASTRID ÁLVAREZ HERNÁNDEZ
Member of the following Board of Directors: Transportadora de Gas Internacional S.A ESP, Codensa S.A. ESP, Gas Natural de Lima y Callao S.A., Transportadora de Energía Centroamérica S.A., Calidda, Dunas Energía S.A.A, and Electrodunas S.A.A.

ÁLVARO VILLASANTE LOSADA
Member of the following Board of Directors: Transportadora de Gas Internacional S.A ESP

LUIS FERNANDO ALARCÓN MANTILLA
Member of the following Board of Directors: Grupo Sura, Almacenes Éxito, Frontera Energy Corp, and Edemco S.A.S.

LUISA FERNANDA LAFAURIE
Member of the following Board of Directors: Mercantil Colpatria, FDN, and Grupo SEISSA S.A.

Alternate Board Members

DIANA MARCELA JIMÉNEZ RODRÍGUEZ
Not member of Board of Directors in other organisations.

FERNANDO GUTIÉRREZ MEDINA
Member of the Board of Directors of Sociedad Portuaria Central Cartagena S.A.

MICHELE DI MURRO
Member of the Board of Directors of Codensa S.A. ESP, Enel X Colombia S.A.S.

ANDRÉS BARACALDO SARMIENTO
Member of the following Board of Directors: Codensa S.A. ESP, Transportadora de Gas Internacional S.A. ESP, Gas Natural de Lima y Callao S.A., Calidda, Contugas SAC, and Gas Natural S.A. ESP - Vanti

FELIPE CASTILLA CANALES
Member of the following Board of Directors: Codensa S.A. ESP., Calidda, Contugas, Re Energy

RODRIGO GALARZA NARANJO
Member of the Board of Directors of Financiera de Desarrollo Nacional S.A. –FDN

MARÍA PAULA CAMACHO ROZO
Member of the Board of Directors of Oleoducto de los Llanos Orientales Sucursal Colombia and Oleoducto de Colombia S.A.

2. OUR VALUE CHAIN

POWER GENERATION

The Company's management was aimed at improving processes and adopting best practices at international standards, which allowed the efficient development of projects, achieving optimal operational and economic results.

Below are the main actions in operational, technical, health, safety, environment and quality issues of 2019, as well as the main challenges for 2020.

Operational performance

In 2019, Emgesa's net power generation reached 15,229 GWh, with an increase of 8.4% compared to 2018, mainly due to the greater hydroelectric generation, given by higher contributions with respect to the historical average in the Bogota River and the increase in thermal generation due to the greater requirement of the plants for the system, which positioned Emgesa as the first generator in the country with 21.7% of the total energy generated. On the other hand, this year the historical record for month generation was broken in two of the hydroelectric power plants: Guavio (849.2 GWh/month) and El Quimbo (273.2 GWh/month). Additionally, El Quimbo set a new annual generation record since its start of commercial operations (2,231 GWh/year).

The following chart shows the detail of the net generation by technology:

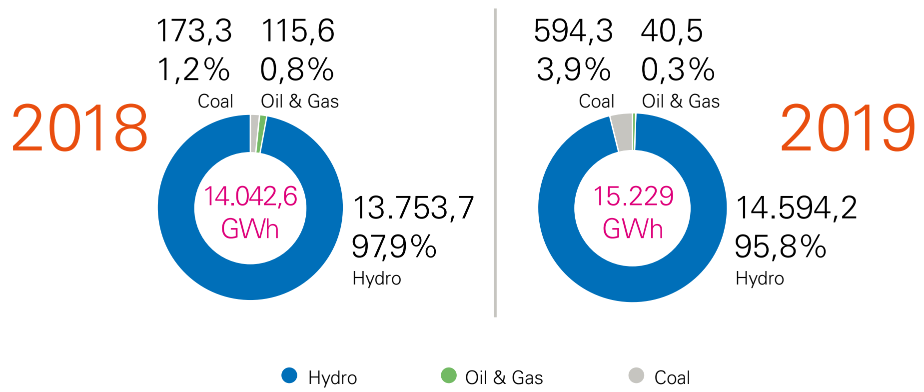


Chart No. 1. Net generation by technology

The availability of the Emgesa generator park in 2019 was 90.3%, with a decrease of 0.9 percentage points compared to 2018, due to the implementation of the Life Extension project and environmental improvement at the Termozipa power plant. The following charts presents the detail of availability by technology:

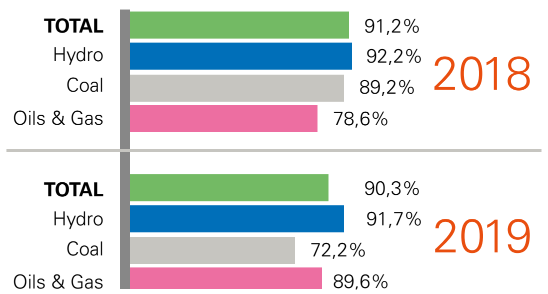


Chart No. 2 – Availability by technology (2018-2019)

In total, 177,461 service hours of Emgesa's generation units were recorded during 2019, 7,990 hours less than in 2018.

The utilisation factor ended at 50% compared to 46% in 2018. The following chart presents the breakdown by technology of this variable and shows greater use of hydraulic technology in 2019 due to the commercial strategy and high resources in some basins, and in coal-fired thermal technology at the Termozipa plant due to high market prices.

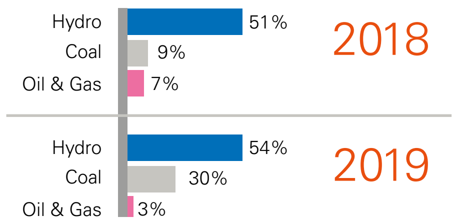


Chart No. 3 – Utilisation factor by technology (2018-2019)

Hydraulic technology

To obtain the operational results presented above, different investment and intervention actions were carried out in the hydroelectric power plants, which are described below:

Guavio Hydroelectric Power Plant:

> Modernisation of the excitation system of Unit 1 and the speed and voltage regulators of Minor Unit 2 was carried out, as well as the change of the main valve (DN300) of minor unit 2.

> From the security point of view, in the wells that physically and electrically communicate the Cavern with the Control Building, a significant improvement was made in the communication of the winch (elevator) with the operator, as well as the improvement in emergency stop of said system.

> The implementation of the Perimeter Architecture and the application of cybersecurity policies to the SCADA system of the Plant were carried out.

> In the Civil area, from June to December 2019, the recovery of the weir at the foot of the dam was carried out in order to guarantee that at any time of the year, the measurements of the leaks can be carried out to adequately monitor the behavior of the dam.

Betania Hydroelectric Power Plant:

- The major overhaul on the plant in its 32 years of commercial operation in Unit 2 was carried out, which considered the change of the stator winding, the modernisation of the speed and voltage regulators, recovery of the profiles in runners, flow metering among others, within a shutdown that lasted 95 days, with the intervention of more than 170 people, 69,000 man hours worked in day and night shifts, an investment of $12,000 million, complying with time, cost, scope, and most importantly, with Zero Accidents.

El Quimbo Hydroelectric Power Plant:

It completed its fourth year in commercial operation and in the course of 2019 important milestones were achieved, such as:

- Increase in the net effective capacity declared to the National Interconnected System (SIN) from 396 MW to 400 MW.
- Filling of the reservoir to its maximum level on July 28, 2019, confirming the correct operation and stability of all its facilities.
- Certification in the Technical Regulation of Electrical Installations (RETIE), before the Centre for Research and Technological Development (CIDET), becoming the first certified plant of the Enel Group in Colombia.
- Obtained the first patent for Emgesa from the Superintendence of Industry and Trade, through Resolution No. 46923, for the project "Micro-injection and oxygen dosing system for discharge waters of El Quimbo hydroelectric power plant".

Pagua Chain (Paraiso – Guaca):

- Investments and execution of activities in the Automation and Remote Control project, advancing in the construction of the Guaca Control Centre.
- Inspection of the Guaca and Paraiso cargo pipeline, the Pondaje leakage tunnel and the stilling tank in the Paraíso Power Plant, in order to determine its current status to schedule an adequate overhaul that will extend its useful life.
- Change of the pole of Phase 1 of Unit 1 GIS Substation of Paraiso Power Plant. Additionally, the change of the auxiliary excitation generators of the two plants was completed.

Old Bogota River Chain:

- Modernisation of the battery chargers at the Muña, Charquito, Tequendama and Laguneta power plants. Furthermore, 60% progress was made in the modernisation of battery banks in the Muña II pumping station and in the Charquito, Tequendama and Darío Valencia power plants.
- Modernisation of the speed regulators of the four units of the Tequendama Power Plant.
- Modernisation of the power circuit breaker for Unit 1 at the Darío Valencia plant, the recovery of the discharge structure of units 1 and 2 was also carried out.
- Intervention on the power transformers and repair of the rotor poles in the El Salto Power Plant.
- Implementation of the remote control from the Guaca Power Plant of the Dario Valencia, Laguneta and El Salto power plants. The same project also advances in the automation of other plants in the Bogota River Chain.

Digitalisation of information systems and innovation:

- Entry into operation of the InGEN platform, an information system for the operational management of the generation units and maintenance scheduling, including new features, among which is the automatic calculation of the official parameter IHF (Historical Incidental Unavailability Index).
- Modernisation of energy meters of the commercial frontiers of hydraulic plants with greater precision and resolution, in addition to new online energy monitoring functionality and power quality variables through a Measurement Management System, which has been integrated into the PI (Plant Information)system.
- Strengthening of the PI system, which integrates more signals and allows the development of diagrams of supervision of electrical and hydraulic variables of plants in real time, managing to supply data for online efficiency analysis and to strengthen the predictive maintenance strategy. Systems such as InGEN, PME, SCADA Planta, AMAQ were integrated, continuing to digitise processes aligned to the Group's digital transformation.
- Integration of robotisation solutions such as:
  - Drone inspections in Civil and Environmental Technical Support activities.
  - Application of virtual reality in the implementation of a digital twin of the plant as a pilot plan.
  - Acquisition of augmented reality glasses for support and training activities in the Operation and Maintenance area.

Thermal technology

In 2019, thermal generation management focused on the execution of works associated with the Life Extension project and improvement in the environmental performance of the Termozipa Power Plant and in complying with dispatches for safety generation with the Cartagena Power Plant to respond to contingencies in the Caribbean area. The main actions carried out were:

Termozipa Thermal Power Plant:

> Scheduled shutdowns for the installation of new burners with ultra-low NOx emissions, change of main boiler banks in units 3 and 4, installation of 4.16 kV Medium Voltage Cells and Low Voltage Motor Control Centres and the maintenance of electrostatic precipitators (ESP).

> Installation of the first Battery Energy Storage System (BESS) in Colombia that will allow the plant to increase its CEN while maintaining compliance with the provision of the primary frequency regulation service.

> Compliance with the legal emission tests for Units 4 and 5 with satisfactory results thanks to the operational controls established by the Plant, and after the interventions of the Useful Life Extension project and improvement in environmental performance.

Cartagena Thermal Power Plant:

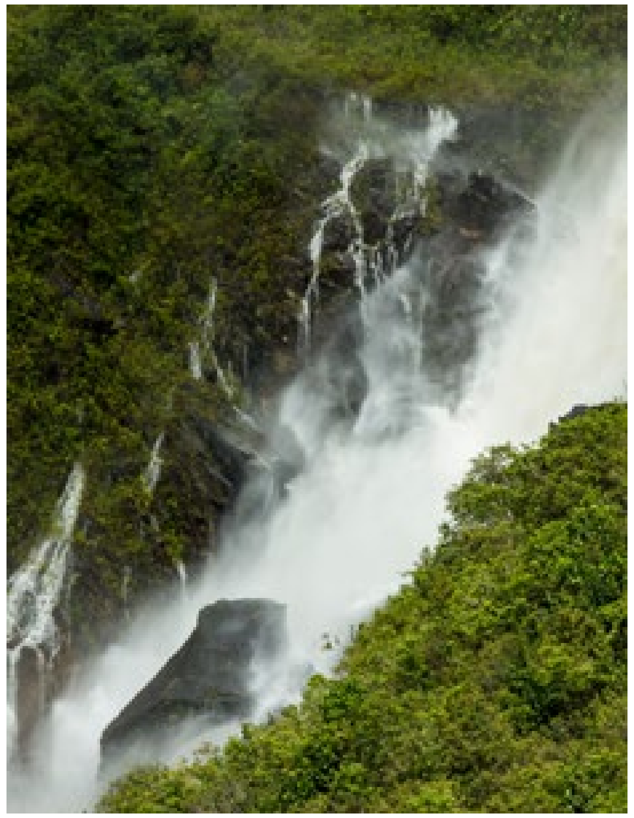
> Generation for safety in the Caribbean area in the face of transformer overload problems in the Cordoba - Sucre area and in the event of contingencies of transmission lines at 500 kV. Some corrective maintenance was performed by continuous start and stop cycles.

ASSET SALE AND MANAGEMENT

Emgesa sells electricity and gas and manages the generation assets in the Wholesale Market. It makes electrical energy sales to non-regulated customers, as well as bulk energy purchases and sales to other market agents. In the gas sector, it sells to customers in the non-regulated market, delivering the product at well head or directly to the consumption site, as well as trading in the Wholesale Gas Market.

Relevant events

In February 2019, Emgesa participated in the auction for the assignment of Firm Energy Obligations of the Reliability Charge called by the Energy and Gas Regulation Commission (CREG) for the period 2022 - 2023. In this process Emgesa acquired for its plants obligations for 12,404 GWh-year, which are added to the obligations previously acquired by the El Quimbo plant in the 2008 GPPS auction.



During 2019, Emgesa implemented the Energy Management Centre for Energy and Gas with an investment of nearly $3 billion (hardware and software), becoming the first company in the sector in the country to have a state-of-the-art monitoring centre for energy management in the very short term, thus anticipating the regulatory implementation of intraday markets in 2021.

Furthermore, the acquisition of I-REC's renewable energy certificates was encouraged, in the negotiations for the sale of electrical energy in the Unregulated Market, thus achieving the certification of 241 GWh-year to its customers. Furthermore, Emgesa participated in the energy derivatives market as part of its strategy to mitigate the risk associated with the volatility of energy prices in the spot market. As of 31 December 2019, 32.3 GWh of purchase of energy futures in this market were settled.

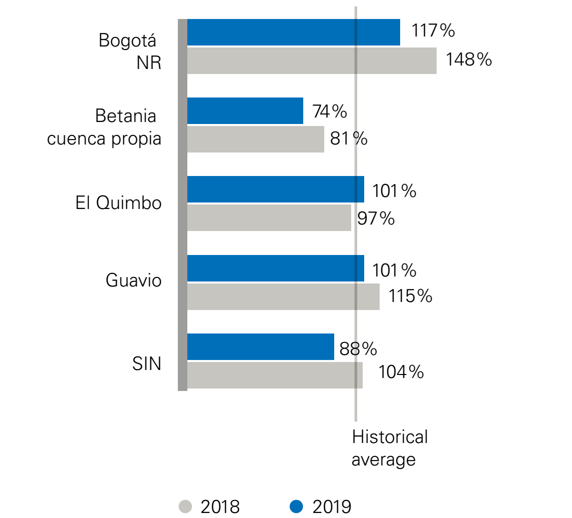
In addition, in 2019 the consolidation of the natural gas sales market in Colombia continued, achieving the entry of new industrial customers, with contracts of up to three years. Emgesa served customers in Bogota, Manizales, Barranquilla and Cartagena. The volume of gas sold during the year was 4,556 GBTU, 60% higher than in 2018.

Hydrological contributions

The ENSO (El Niño Southern Oscillation) conditions in the Central Pacific were typical of a weak El Niño episode that began in September 2018 and ended in June 2019, according to publications by the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM) and international agencies.

In the first quarter of 2019, the contributions of the main rivers at the national level (SIN) were deficient in the dry season due to the incidence of the Weak El Niño 2018-2019 phenomenon that decreased rainfall in Colombia. For the second quarter, the contributions were in surplus, without affecting the weak ENSO conditions. During the second half-year, there was a deficit of contributions due to the low records of the second rainy season in the country, especially in the Antioquia region, mainly due to atmospheric phenomena that inhibited precipitation as the subsidence phase of the intra-seasonal MJO wave (Madden-Julian Oscillation).

The accumulated hydrological contributions during 2019 of the basins afferent to the Bogota and Guavio River Chain were slightly above the historical average. In the case of El Quimbo, normal hydrological contributions were presented and for the Betania own basin they were low.



Cumulative annual average of the hydrological contributions [in historical average %]

Below is the breakdown of Emgesa's discharge (56%) regarding the behaviour of the whole system in 2019.

Emgesa's reserves started with 2.5 TWh and ended with 2.7 TWh. The reserves at the country level (SIN) started with 12.2 TWh (72% of the useful volume) and ended with 11.1 TWh (62% of the useful volume):

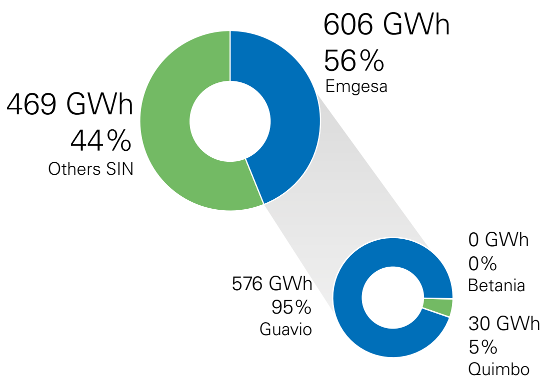


Illustration 1. Discharges Emgesa 2019

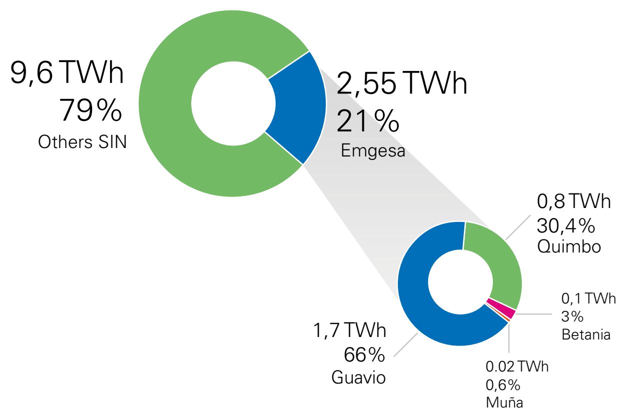


Illustration 2. Reserves at the beginning of 2019

Spot market

Energy and Gas Management Centre (EGMC)

New trends in electricity markets require the incorporation of new tools and technological developments for real-time management of resources.

In order to anticipate the great changes that the evolution of the Colombian electricity market will bring, Emgesa implemented the Energy and Gas Management Centre, with an investment of nearly $3 billion, including hardware and software. A workspace designed and focused on human factors was built to support the new market processes that will operate continuously.

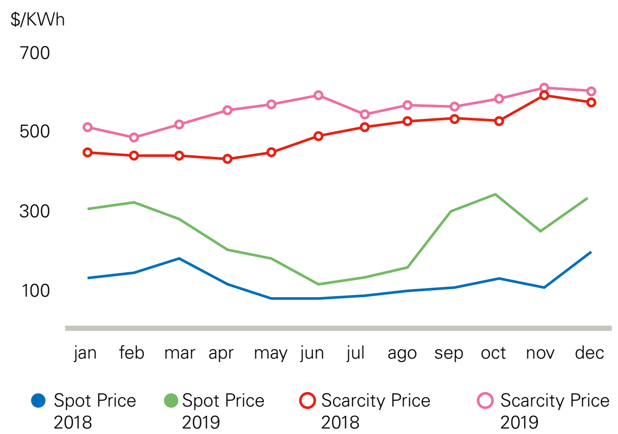
The EGMC will facilitate the optimisation of the operation of the portfolio in the short term by monitoring, visualizing, analysing and simulating information from the generation plants and the hydrometeorological behaviour of areas of interest for decision-making in real time. The implemented solution gathers the Enel Group's experience in the energy sector at a global level and will allow Emgesa to respond to new market challenges.

CGEG *Energy Management*

Short-term management

The spot market or Energy Exchange allows the generators and marketers of the sector to transfer their surpluses and shortfalls in real time.

The demand is not completely exposed to the variations in the spot price due to the existence of the scarcity price, which represents a price cap from which the requirement for the Firm Energy Obligations (OEF) assumed by the generators is materialised.



Spot market prices and scarcity prices

The average market price for the year was 228 $/kWh, it grew 97% compared to 2018.

	2019	2018	Dif	
	$/kWh	$/kWh	$/kWh	%
Market price	228	116	+ 112	+97%
Scarcity price	525	472	+53	+11%

Table 1. Comparative market price

In this context, Emgesa's variable margin for 2019 was $ 2.56 trillion, 11% higher than 2018.

Weather derivative

Climate change is a reality that increasingly has severe impacts on the finances of the industry, and the electricity sector is no exception.

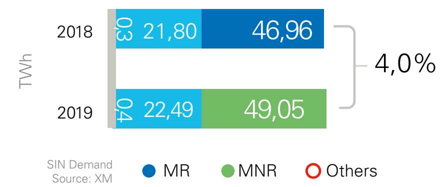
Due to this and given that the electricity system in Colombia has a large share of conventional renewable resources (hydraulic energy), in 2019 Emgesa entered the weather derivatives market, a new financial hedging tool that guarantees the stability of the variable margin in the face of climatic phenomena such as rain, temperature, radiation, etc.

Particularly for the hydrology conditions expected in early 2019, it was decided to take such hedge for the El Guavio power plant. This pilot exercise reduced the exposure of the variable margin of said power plant to possible fluctuations in the tributary flows to the Guavio reservoir for the June-December period of the same year.

Emgesa entered the weather derivatives market, as one of the first companies in the sector to take this type of financial position.

Demand

The national demand for electrical energy during 2019 was 71.9 TWh, presenting a growth of 4% compared to the previous year. In particular, the demand from the Non-regulated Market corresponded to 31.3% of the total demand for electrical energy, i.e., 22.49 TWh. On the other hand, the demand of the Regulated Market corresponded to 68.2%, i.e., 49.05 TWh; and others for 0.36 TWh, corresponding to 0.5%



Demand SIN. Source: XM

Management of the Reliability Charge and Secondary Market

For the 2018-2019 period of the Reliability Charge, Emgesa had an OEF commitment of 13,899 GWh previously assigned, which was fulfilled in 98%, both due to the availability of its own generation resources and the management of the Safety Rings. defined in the CREG regulation.

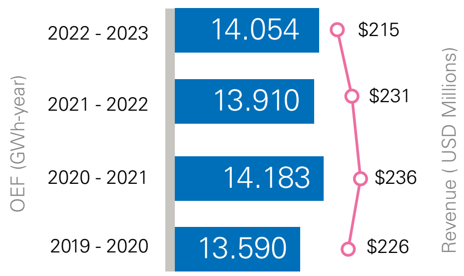
	TOTAL (GWh)	TOTAL (MUSD)
Allocated remuneration	13.899	235
Received by availability plants	13.111	222
Received by security rings management	501	9

Table 2. Management of the Reliability Charge

Allocation of Firm Energy Obligations (OEF)

Emgesa participated in the auction for the allocation of Firm Energy Obligations (OEF) of the Reliability Charge for the period between December 2022 and November 2023, held on 28 February 2019, according to the call published by CREG Resolution 104 of 2018. In this process, Emgesa acquired obligations in its plants for 12,404 GWh-year at a price of 15.1 USD/MWh, which are added to the obligations of the 1,650 GWh-year that El Quimbo plant previously acquired in the GPPS auction from 2008.

The obligations acquired by Emgesa for the period December 2022 to November 2023 and the previous periods, together with their equivalent revenue from the Reliability Charge, are illustrated below:



Firm Energy Obligations and expected revenue

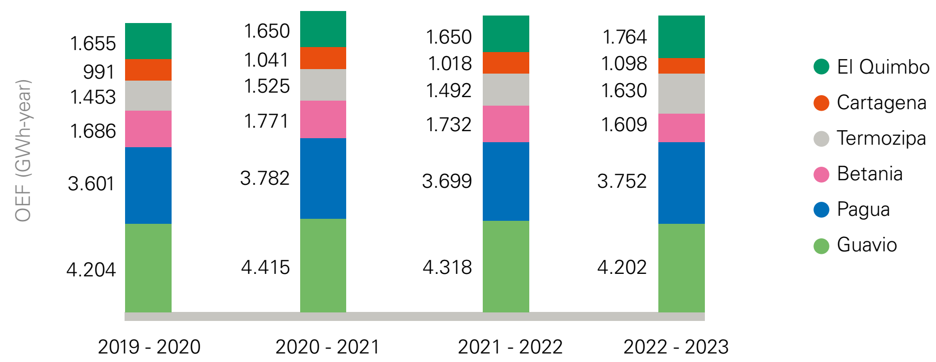
The rates to calculate the respective revenue for each period are found in the following table:

Charge period	Rate [USD/MWh]	
	Existing Power Plants	El Quimbo
Dec 2019 to Nov 2022	16,66	16,24
Dec 2022 to Nov 2023	15,1	16,24 For 1.650 GWh-year OEF (previously allocated) 15,1 For 114 GWh-year OEF (Allocated in auction Feb-2019)

Table 3. Rates to calculate revenue according to the charge periods and the type of power plant. Values indexed to Nov-19 with American IPP. Source: XM font

1 In the auction, 60.1 TWh-year of OEF were assigned, which, added to the OEF of previously assigned to power plants and the PNDC, results in a total of 91.5 TWh-year of OEF for the auctioned period. After the allocation, 2 new projects assigned did not present guarantees, therefore the assigned OEF stood at 58.0 TWh-year, for a total of 89.4 TWh-year. With this auction result, from December 2022 the System will have the energy of 15 new projects, 6 special projects and 1 existing project with works, in addition to the energy of the existing plants.

The OEF allocations for each Emgesa power plant were consolidated in the following chart:

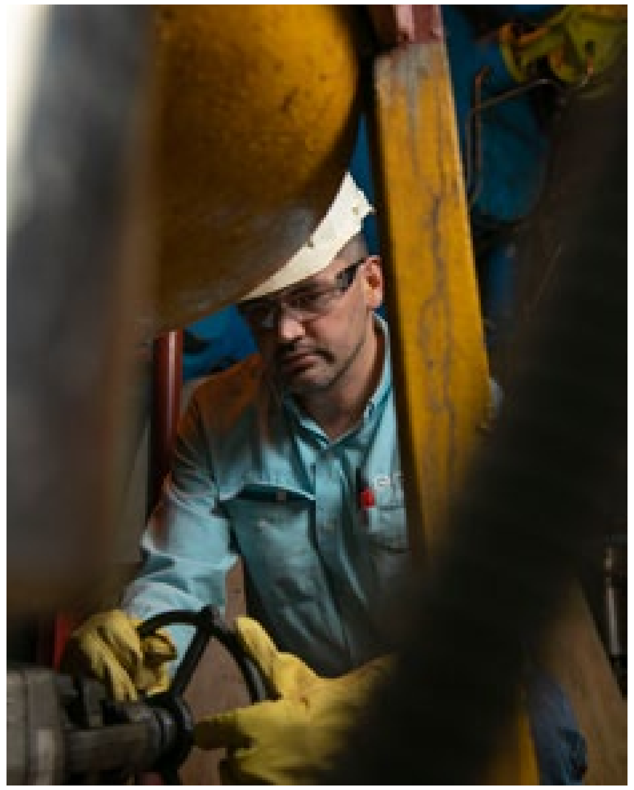


Emgesa OEF by plant

Fuel management

Special fuel oil

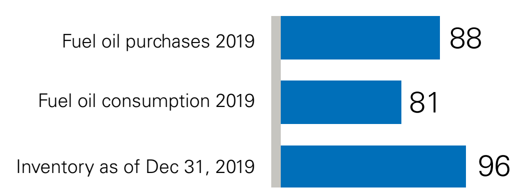
In 2019, the consumption and purchase of fuel oil for the Cartagena Power Plant presented a reduction of 70% and 72% respectively, compared to 2018, due to the decrease in safety generations (restrictions on the Transmission and Distribution network) in the Bolivar area , for improving the infrastructure of the local electricity system. In addition, despite a weak El Niño Phenomenon, the National Interconnected System did not require the dispatch by merit of the power plants that operate with liquid fuels.



The Cartagena Power Plant was the main consumer of liquid fuels (diesel, fuel oil and kerosene) used for safety thermal generation in the SIN and tests. It also registered a consumption of natural gas, purchased on the spot market, equivalent to a consumption of 17,000 barrels of fuel oil. Regarding the average unit price of fuel oil purchased, there was a decrease of -0.6% compared to 2018 due to the relative stability of prices in the international market.

In November, the execution of the fuel oil supply contract that was in force since December 2017 ended. As of December 2019, two new supply contracts began to support the operation and revenues of the Reliability Charge for the period of December 2019 to November 2022.

THOUSANDS OF BARRELS



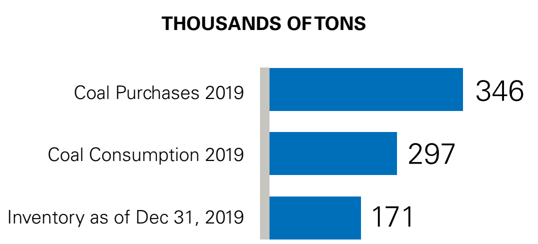
Fuel oil management 2019

The inventory volume as of 31 December 2019 was 96,000 barrels, 10% higher than 2018 year-end, consistent with the operating conditions in the presence of the Weak El Niño Phenomenon during the first months of the year.

Coal

In contrast, during 2019 the purchasing volumes for the operation of the Termozipa Power Plant increased by 1,115% compared to 2018, due to the Weak El Niño Phenomenon that developed between September 2018 and July 2019. This energy condition caused in the SIN an increase in the dispatch of coal-fired power plants and, consequently, the increase in fuel consumption, which for the Termozipa Power Plant represented an increase of 250% compared to 2018. The volume consumed in the Power Plant corresponded to 8% of the total used in the SIN for thermal generation with coal.

The consumption of fuels for power generation in the SIN presented a slight increase in 2019. As such 18.7% of the electricity demand was covered with the generation of thermal plants, compared to 15% in 2018.



Coal management 2019

On the other hand, there was a 38% increase in the level of coal inventory at the end of 2019 compared to 2018.

Wholesale market

In the wholesale market, energy purchase and sale operations are carried out in large blocks between generators and sellers to execute long-term contracts subject to defined prices and quantities. During 2019, Emgesa sold energy in the Wholesale Market through contracts, as a result of public calls or private invitations. The detail is evident in the following table:

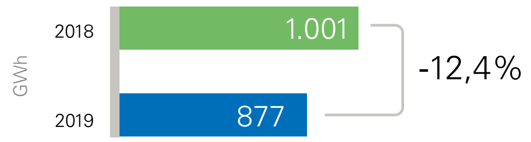
Figures in GWh	2018	2019	Variation	
Wholesale Market	11.330	11.108	-222	-1,9%

Wholesale energy sales

Emgesa participated in 46.4% of the public bidding processes in the Colombian market, as well as in other sales processes to serve the Regulated Market and/or support contracts from other generators, reaching sales of 24.5 TWh, distributed between 2019 and 2028.

Energy purchases

In order to support energy sales in contracts, Emgesa purchases energy through contracts from other agents in the Wholesale Market. The following chart shows the level of energy purchases at the end of 2019:



Energy purchases year-end 2019

Purchases in 2019 decreased 12.4% compared to 2018.

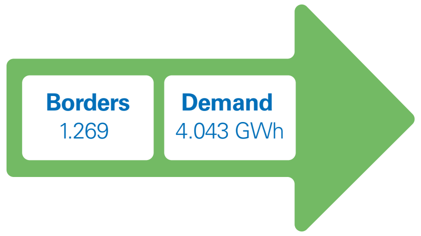
Non-regulated market

The Non-Regulated Market consists of end customers that consume more than 55 MWh-month or that have from 0.1 MW of maximum power demand. Emgesa serves customers in the industrial and commercial sector mainly in this market, for which it has specialised means of providing advice in the negotiation of energy and offering energy solutions geared towards efficiency.

The commercial demand of the Non-Regulated Market served by Emgesa in 2019 was 4 TWh, equivalent to 18% of the total national demand of this market, consolidating itself as the second energy supplier in the country. During this year 1,269 borders (telemetry points) corresponding to 464 customers were served.

Figures in GWh	2018	2019
Non-Regulated market	4.387	4.043

Non-Regulated Market Demand Served by Emgesa



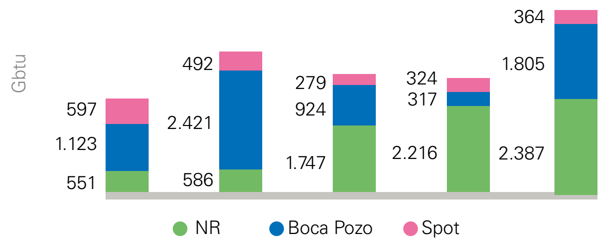
Summary customers non-regulated market

Demand from Emgesa's Non-regulated Market is distributed in the Caribbean 26%, Centre 60% and South-West 14%.

Additionally, in the year 3.6 TWh were sold in contracts between the years 2019 and 2034 to customers of the Non-Regulated Market.

Gas sales

Gas volumes sold during 2019 (4,556 GBTU) were 60% higher than in 2018, additionally, a sale of 78% of gas surpluses was achieved in the spot market. The Company served industrial (non-regulated) customers in Bogota, Manizales, Barranquilla and Cartagena and 5 customers at well head (secondary market). The signing of 12 new sales contracts for 2020 with duration of 1, 2 and 3 years was achieved:



Gas Sales 2019

Structuring of new products - Renewable Energy Certificates

Emgesa has decidedly entered the market for renewable energy certificates, always in search of innovation and diversification of its offer of services associated with electrical energy, and in favour of the comprehensive satisfaction of increasingly demanding customers.

Through the document issued by the International Rec Standard (IREC), customers are assured that the energy consumed during a given period was generated from conventional renewable energy sources, adding an element of preponderant and differentiating value to the qualities intrinsic to the service. During 2019, Emgesa achieved 241 GWh-year for nine customers from the Non-Regulated Market.

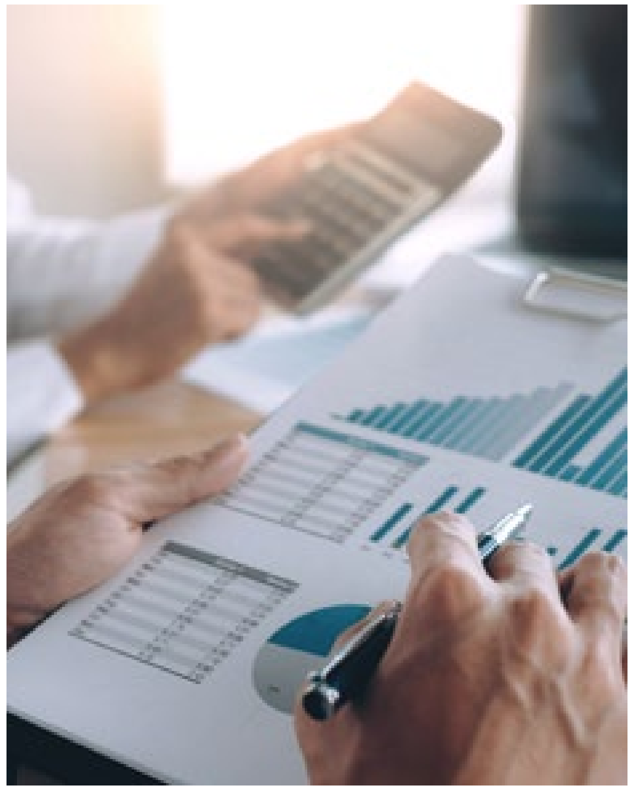
Energy Derivatives Market

Emgesa participates in the energy derivatives market as part of its strategy to mitigate the risk associated with the volatility of energy prices in the spot market.

In 2019, transactions for 32.3 GWh of energy futures were settled through the Derivex platform. In turn, energy futures sales contracts for 35.8 GWh were signed for a period not exceeding 24 months.

Futures operations with Derivex in 2019 were covered with cash guarantees for a value of $ 830 million and with TES for $ 1,086 million, which are considered as restricted cash.

On the other hand, in 2019 Emgesa acquired 4.99% of Derivex's shareholding, the entity that manages the trading system for operations on electrical energy derivatives in Colombia, thus consolidating its support for the development of new hedging mechanisms in the sector of energy in Colombia.



Foreign Exchange Hedge

In order to mitigate the risk of volatility associated with the exchange rate of the Colombian peso against the dollar, in 2019 Emgesa hedged through Forward contracts for $19 million. With the transaction, it was possible to secure $4,475 million of the Variable Margin.

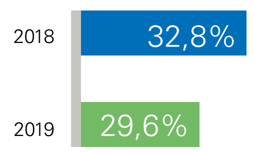
Enel X - Codensa Framework Agreement

In 2019 Emgesa signed a Framework Agreement with Codensa, for the purpose of developing business opportunities for Codensa's portfolio of products, works and/or services for the benefit of Emgesa's Non-Regulated Market customers. Emgesa's main interest in this Agreement is to maintain and increase the added value and satisfaction of current and future customers.

Portfolio

In 2019, programmes for preventive collection management and application of strategies focused on improving customer collection management were carried out, so it was possible to obtain a manageable portfolio index as of 31 December 2019 of 0.04. %.

However, the consolidated loan portfolio ratio for the year reached 29.6%, mainly due to the portfolio of agent Electricaribe S.A. ESP, which amounts to $ 99,000 million and is frozen by the inauguration of the Superintendence of Public Services as of 14 November 2016.



Consolidated annual portfolio index

Metering

In 2019, the second cycle of five-year audits established in the Metering Code (CREG Resolution 038 of 2014) was carried out, for which Emgesa received a total of 108 visits for the Non-Regulated Market and generation with a satisfactory result. This way for operational, commercial, regulatory and surveillance and control purposes, we ensure that the measurements used are accurate and reliable, developed in accordance with current technological capabilities.

In April, the Energy and Gas Regulation Commission published CREG Resolution 033 of 2019, which establishes that in the event of not reporting consumption within 48 hours, the Commercial Borders will be understood to be in failure and this condition will be considered. to evaluate the maximum failure limit established in the same resolution, whose non-compliance may lead to the cancellation of the borders. Emgesa established a work plan reinforcing the crews in the field and adjusting business processes to ensure access for technical personnel to the borders and attend to contingencies at the times established by regulation.

In the second half of 2019, the incorporation process of the Emgesa Metering Management Centre began, considering the physical space, personnel, telecommunications and contingencies necessary to ensure the start-up and stability of the process of remote reading and reporting to the ASIC In compliance with current regulations, during this project, digitisation, innovation and data analytics policies have been included, the incorporation will conclude in the first half of 2020.

Key figures

The following table summarises the results of the main processes:

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Energy (GWh)											
Energy Demand from the SIN	54,679	56,148	56,739	59,370	60,890	63,571	66,175	66,318	66,893	69,122	71,925
Generation of SIN	55,966	56,888	58,620	59,989	62,197	64,328	66,548	65,942	66,667	68,943	70,115
Energy exports	1,358	798	1,955	714	1,377	849	460	45	19	106	6
Energy Imports	21	10	8	7	29	47	45	378	194	233	1,564
Unattended Demand	51	48	65	89	43	46	41	43	51	52	51
Hydroelectric Generation	40,837	40,557	48,432	47,582	44,363	44,742	44,682	46,798	57,343	57,648	54,443
Thermoelectric Generation	15,071	16,292	10,147	12,293	17,776	19,516	21,798	19,093	9,316	11,509	14,785
ACPM generation	276	478	5	85	145	180	1,043	1,348	12	14	17
Carbon Generation	3,697	3,578	1,636	2,865	5,527	5,659	6,256	5,400	2,398	3,687	7,256
Fuel oil	92	98	105	147	127	113	491	534	50	115	35
Gas	10,894	11,928	8,090	8,849	11,625	13,009	13,451	11,005	6,195	6,961	7,087
Imported Gas	-	-	-	-	-	-	-	33	28	735	389
Others (Gas JetA JetA Querosene Mix)	111	210	311	347	352	555	559	772	633	-	702
Wind Generation	58	39	41	55	58	70	68	51	3	43	63
Solar Generation	-	-	-	-	-	-	-	-	5	8	133
Generation (GBTU)											
Thermal Gas SIN	86,822	102,053	71,262	75,766	98,225	110,297	108,554	90,780	54,154	53,859	55,700
Thermal Gas Imported SIN	-	-	-	-	-	-	-	438	404	10,366	5,529
Thermal Gas EMGESA	2,653	2,144	1,524	1,002	7	-	171	227	39	42	109
POWER SIN (MW)	13,509	13,303	14,427	14,362	14,559	15,481	16,420	16,594	16,779	17,322	17,465
Hydraulic	8,997	9,044	9,718	9,777	9,875	10,900	11,501	11,611	11,726	11,837	11,919
Thermal	4,458	4,185	4,634	4,509	4,598	4,485	4,814	4,865	4,902	5,309	5,360
Others (Solar wind generator)	53	73	75	76	85	96	105	118	151	177	185
Maximum Demand of Power of the SIN	9,290	9,100	9,295	9,504	9,383	9,551	10,095	9,904	9,996	10,190	10,642
EMGESA POWER (MW)	2,861	2,880	2,881	2,881	2,896	3,030	3,420	3,489	3,493	3,505	3,506
Hydraulic	2,450	2,469	2,469	2,469	2,484	2,618	3,008	3,078	3,082	3,097	3,097
Thermal	411	411	412	412	412	412	412	411	411	408	409
Generation Portfolio EMGESA (GWh)	**12,659**	**11,306**	**12,100**	**13,037**	**12,755**	**13,630**	**13,691**	**14,954**	**14,766**	**14,043**	**15,229**
Guavio	5,529	4,306	4,522	6,241	5,405	5,603	6,603	5,949	5,081	4,937	5,475
Bethany	2,038	1,726	2,603	2,197	1,938	2,286	1,550	1,907	2,621	2,128	2,250
Pagua	3,786	3,724	3,783	3,674	4,222	4,339	3,476	3,963	3,062	3,223	3,393
El Quimbo	-	-	-				159	1,448	2,190	1,892	2,231
Cartagena	224	241	206	203	91	74	332	330	53	116	40
Thermozipa	747	791	264	394	934	914	1,150	592	119	173	594
Run-of-River	-	-	-	-	46	322	327	554	1,086	841	701
Minor	335	517	721	328	118	92	95	211	555	732	544
Energy Marketed EMGESA (GWh)	**11,460**	**10,946**	**10,544**	**11,719**	**11,570**	**10,969**	**12,488**	**13,328**	**15,703**	**15,698**	**15,151**
Wholesale Market	8,979	8,335	7,639	8,682	8,425	7,669	8,497	8,696	10,837	10,612	11,108
Unregulated Market	2,481	2,611	2,905	3,037	3,145	3,300	3,991	4,632	4,866	5,086	4,043
OBLIGATIONS FIRM ENERGY (GWh)											
OEF System	**54,732**	**56,535**	**64,914**	**68,224**	**69,866**	**64,264**	**67,952**	**72,207**	**72,326**	**75,832**	**77,965**
Hydraulics	25,887	26,566	29,493	32,722	33,939	31,048	34,010	36,274	36,424	38,316	39,951
Thermal	28,739	29,746	35,104	35,156	35,575	32,744	33,415	35,365	35,267	36,736	37,963
Co-generator	106	223	317	347	352	472	526	567	633	734	-
Other	-	-	-	-	-	-	-	-	2	46	51
OEF Emgesa	**11,187**	**11,835**	**13,301**	**13,311**	**13,529**	**12,095**	**12,462**	**14,093**	**13,204**	**13,918**	**13,899**
Hydraulic	8,835	9,063	10,143	10,150	10,316	9,252	9,858	11,122	10,804	11,441	11,418
Thermal	2,351	2,772	3,159	3,161	3,213	2,843	2,604	2,971	2,400	2,477	2,481
TRANSACTIONS - SIN (Thousands of Millions $)											
CxC remuneration	1,619	1,451	1,607	1,559	1,640	1,906	2,751	3,403	3,504	3,594	4,002
Cost of Restrictions	277	499	705	622	296	282	433	998	1,455	1,996	903
Transactions on the Stock Exchange	2,547	2,445	1,407	1,870	2,670	3,447	3,909	4,109	2,032	2,295	4,648
AGC Service	526	504	294	444	709	882	1,628	1,199	526	553	788
TRANSACTIONS - EMGESA (Thousands of Millions $)											
CxC remuneration	377	291	333	347	357	424	593	807	808	763	762
National Stock Sales	344	268	226	317	385	658	615	534	216	268	541
National Stock Purchases	161	206	50	109	197	170	153	192	158	138	261
AGC Service	154	135	91	121	268	189	554	440	77	88	83
HYDROLOGY- RESERVOIR											
Contributions SIN regarding M.H. (%)	89	107	135	104	91	91	80	83	97	103	88
Energy Contributions - SIN (GWh)	43,139	52,305	73,699	56,447	49,619	50,242	48,017	53,118	63,001	65,828	55,444
Useful Volume -SIN (%)	65	78	89	73	69	75	61	74	65	72	66
Useful Volume -SIN (GWh)	10,000	11,957	13,968	11,181	10,495	12,132	10,563	12,586	11,091	12,161	11,126
Discharge - SIN (GWh)	441	3,457	5,911	2,434	151	776	883	376	3,445	5,303	1,075
Discharges Emgesa (GWh)	296	2,177	1,131	897	5	680	504	157	382	1,724	606
PRICES AND INDICATORS											
National Stock Price ($ / kWh)	139	129	75	116	177	225	378	300	106	116	228
CERE Rate Average Year ($ / kWh)	30	27	29	30	33	31	43	55	57	58	61
MC ($ / kWh)	114	121	132	134	140	144	156	167	178	190	205
PPI	88	92	97	95	94	100	105	108	111	114	121
CPI	102	104	108	111	113	117	122	132	137	143	149
Exchange Rate Average Year ($ / USD)	2,180	1,902	1,854	1,799	1,880	2,018	2,743	3,051	2,951	2,932	3,301

Customer relations and service plan

Customer relations

To communicate effectively with its customers, Emgesa has designed a plan through different communication channels:

Sales force

As part of the value proposition to customers, we have a team of commercial area coordinators, experts in energy market, energy management, quality of supply and sector regulation, who provide personalised advice and follow-up. Emgesa serves customers nationwide, its sales force is located in the cities of Bogotá, Cali and Barranquilla.

Call Center

Customers have at their disposal national service lines available 24 hours a day, 365 days a year, where all doubts and requirements are addressed, as well as claims for quality of supply with the corresponding Network Operator.

Customer relations plan

Website

Emgesa customers can access personalised content at www.enel.com.co/es/empresas/enel-Enel-Emgesa.html.

Events and training

In order to share relevant information of the energy sales business with customers, Emgesa has developed a training plan related to:

- Energy market
- Regulations and standards in force
- Efficient use of energy
- Economic prospects
- Other news

As of year-end 2019, 393 customers attended the events that are part of the relationship plan.

Customer satisfaction

Emgesa's customer satisfaction survey model has been designed to measure the perception of the market against the offer of products and services, and seeks to focus efforts and resources on the inducers of customer satisfaction and that which adds value to the product.

The Quality Satisfaction Index (ISCAL) has been stable in levels of excellence in the last years. The customer satisfaction model evaluates aspects of the relationship as attention by the commercial coordinator, media, invoice, image, among others. The 2019 result was 87%.

Regulatory market management

In October 2019, the Ministry of Mines and Energy, through the Energy Mining Planning Unit, carried out the second auction of long-term contracts, after a first auction declared unsuccessful that took place in February. This auction, exclusively for non-conventional sources of renewable energy, allowed the allocation of long-term contracts for seven generating companies and 22 sales companies. The auction closed with a weighted average allotment price of $95.65 kilowatt hours.

On the other hand, CREG defined the conditions for the call for the expansion of the Reliability Charge auction, for the assignment of electric power generation projects that may come into operation in the period 2022-2023. The definition of a closed envelope auction was highlighted in the process, (previously descending clock). The main results are:

- Closing price: 15.1 USD / MWh.
- Energy assigned in the auction: the total of Firm Energy Obligations for the auctioned term is 250.55 GWh/day, of which 164.33 GWh/day were assigned in this auction and the remaining 86.22 GWh/day correspond to previous allocations .
- The definitive additional net effective capacity for the system in 2022-2023, when validating compliance with the requirements, will be 3,710 MW, distributed as follows: 940 MW thermal, 1,372 MW hydraulic, 1,160 MW wind and 238 MW solar.

In July, the Energy and Gas Regulation Commission (CREG) published Resolution 060 of 2019, "Whereby temporary modifications and additions are made to the Operating Regulations to allow the connection and operation of photovoltaic and wind solar power plants in the SIN and other provisions are issued." This resolution defines the operational requirements and commercial aspects for the treatment of non-conventional sources in the operational dispatch.

That same month, the Commission published Resolution 080 of 2019, "Whereby general rules of market behaviour are established for agents who carry out the activities of household public services of electrical energy and fuel gas." The CREG considers it necessary to establish a regulatory framework that, in addition to the specific rules of the market and obligations, defines general rules of behaviour that promote and allow to deepen: 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.

During September, the Commission issued Resolution 096, "Whereby the option of access to the central dispatch is extended to power plants of less than 20 MW connected to the National Interconnected System." Plants less than 1 MW and distributed generators will not be able to participate in the central dispatch, and will be able to sell their energy to sellers that serve the regulated and unregulated market. On the other hand, plants between 1 MW and 20 MW may opt for the central dispatch. If they choose not to be under the central dispatch, they will be able to sell their energy to sellers who serve the regulated and non-regulated market.

In addition, CREG published Resolution 098, "Whereby it defined the mechanisms to incorporate storage systems with the purpose of mitigating inconveniences presented by the lack or insufficiency of energy transport networks in the National Interconnected System." This Resolution is issued given the urgency required for the Battery Energy Storage Systems (BESS) to come into operation, with the sole purpose of mitigating the existing problems due to the lack or insufficiency of electric power transmission networks and it will be in force until 31 December 2022.

In October 2019, the Commission published Resolution 117, through which a Purchase Reconfiguration Auction was called for the periods 2020-2021 and 2021-2022; the mechanism carried out in December 2019 by XM S.A. E.S.P. assigned total amounts of 4,278,410 kWh-day for the period 2020-2021, and 2,152,383 kWh-day for the period 2021-2022. The award price for both amounts is 16.6 USD/MWh of committed firm energy.

The CREG further published Resolution 132 of October 15, 2019, "Whereby the mechanism of holders of the Reliability Charge is defined for assignments of Firm Energy Obligations to new power plants". New plants that have not been assigned with OEF can participate in any allocation mechanism with an estimated variable fuel cost that does do not exceed the current Fuel Part Shortage Price, the power plants will be assigned for a period of 10 years and will be remunerated at USD (Feb 2019) $ 9/MWh.

In September 2019, the Superintendence of Household Public Utilities published the regulation of the national surcharge of $ 4/kWh, as part of the measures required to guarantee the provision of the electrical energy service by the companies intervened by the said Superintendence. This rate will be applied to socioeconomic strata 4, 5 and 6, commercial and industrial, will be applied from November and will be retroactive to July and its collection is considered a third-party revenue.

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

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

At the end of June 2019, and as part of the provisions of the 2019 regulatory agenda, the CREG published Resolution 055 of 2019, which defines the selection rules for the manager of the natural gas market, the conditions under which it will provide its services and remuneration, as part of the natural gas operation regulations, as a fundamental part of the process of choosing the new gas market manager to start its services in 2020.

In August 2019, the Commission published for comments CREG Resolution 082 of 2019, whereby it establishes a series of measures in relation to the sale of the natural gas transportation capacity in the primary and secondary markets, so that: i) its allocation is carried out efficiently, at the price level and quantities; ii) the lack of transparency in the information related to the availability and access of the existing transport capacity is eliminated, such as that derived from expansions through market mechanisms or centralised schemes; iii) incorporating more agile and efficient allocation mechanisms that respond to market needs.

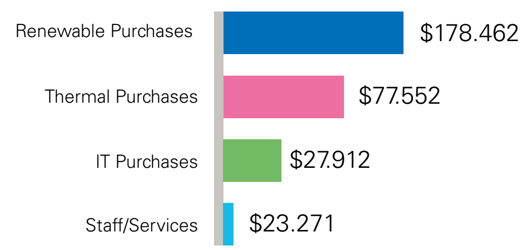
PURCHASE AND PROCUREMENT MANAGEMENT

The procurement operation is part of the supply chain and aims to acquire materials, works and services, through an adequate and timely selection of suppliers and engagement. This is to ensure the provision of services and the supply of goods in accordance with the needs of the Organisation.

It includes the activities that start when the Company has a need for a material, work and/or service, until the legal relationship is formalised by signing a contract, or signing a purchase order on account of the acceptance of a commercial offer.

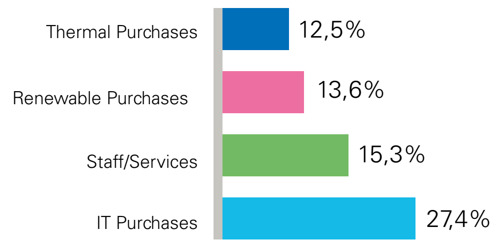
Key indicators

In 2018, there were awards for a value of $307,198 million, between purchases of renewable generation, purchases of thermal generation, general services and purchases associated with technology and information technology.



Award volume by area

With these purchases, savings of 14.9% were achieved, distributed by purchase portfolios as indicated below:



Savings management

2019 highlights

> The implementation of the Procurement Transformation project was continued with the aim of creating value and improving the experience of stakeholders, in an integrated process of joint work. The competences of the buyers were increased, and the integration and communication with the customer were improved through solutions that involve the suppliers from the moment the need arises.

> Glassdoor was launched, a tool that aims to consolidate supplier information and that allows users to make decisions easily regarding their performance.

> The implementation of the Should cost methodology was carried out, a tender analysis tool that defines how much a product or service should cost if it were produced with maximum efficiency and effectiveness, based on manufacturing or process practices and efficient technologies.

> Challenging goals were defined for the times implemented in the procurement processes according to the type of purchases, which were reflected in the optimisation of the processes, approach and integration with customers and faster awards.

> The module for the qualification and evaluation of supplier performance was launched under a new project called WeBUY. This process allows the supplier evaluation to be integrated using a single tool as well as facilitating interaction between user areas and suppliers.

> The Innovation by Vendors workshop with suppliers called PRO-VEERNOS was developed. It is designed to share problems and solutions, concerns, difficulties, opportunities for improvement, among others, for greater integration and ease of work.

> The Supplier Day event was held, with the participation of 102 companies and the aim of sharing Emgesa's vision with suppliers from the procurement processes, the purchasing plan for the next three years, the 2020 investment plan, safety, description of the purchasing process and the application of levers to create value for the processes.

> As a result of the SHE 365 programme, the initiative to implement the supplier safety assessment was created. 45 processes were carried out.

Purchase management

Purchase of services for thermal generation

The following were some relevant processes during 2019:

> Activities for electromechanical integration and civil works for the BESS project (Battery Energy Storage Systems) at the Termozipa Power Plant. This was awarded for a value of $6,557 million, which is part of the company's vision of innovation.

> The design, supply, supervision and start-up of the primary coal sampler for the Termozipa Power Plant, which was awarded for a total value of $4,117 million, and aims to automate the reception and validation of the quality of the coal.

> The local labour service for the overhaul, inspection and testing of the turbo generator of unit 3 of the Termozipa Power Plant awarded for a value of $1,630 million, which aimed to develop the major maintenance of the unit seeking to improve its operation.

Purchase of materials and procurement of works and services for renewable generation

The following were some relevant processes during 2019:

> The construction of the screeds of the Chivor and Batatas Rivers, which was awarded for a value of $21,249 million and aimed to improve the river channel avoiding the erosion of the conduction structure.

> The automation of the Bogota River power plants for a value of $16,127 million and aimed to implement the remote control system of the plants from any operation centre.

> The winding change of Unit 5 of the Central Guavio awarded for a value of $7,171 million, which had the objective of repowering the unit.

Purchase of Services & Staff

Some relevant processes awarded during 2019 were:

> Procurement of the prepaid healthcare service, for an awarded value of $3,491 million. This service aims to comply with the provisions of the collective bargaining agreement and improve the quality of life conditions for employees and their families.

> The special personnel transportation service was awarded for a value of $3,457 million. This service generates added value in the quality of life and safety of workers.

Purchases of information systems and technologies

Some relevant processes during 2019 were:

> - Contract for the design, supply, assembly service and installation of communications cabinets with back-up power or chargers for the facilities attached to the remote control network of the Bogotá river, with the aim of improving the enclosure of the cabinet and the power system - 48vdc of the communications switch. The value of the contract was $244 million including VAT and savings of 1.5% were obtained.

Contractor control

With the aim of mitigating the legal-labour risks from the procurement of services, ensuring compliance with contractual obligations and in turn strengthening relations with contractors, the following actions were carried out:

> For the most relevant contracts, 63 audits and labour inspections were carried out with the purpose of validating compliance with legal labour obligations, occupational health and safety, information security and contractual requirements. Faced with the findings, action plans were established by the contractors and at the end of the year 68% of them were already implemented and the risks determined were minimised.

> The Vendor Rating performance evaluation was carried out quarterly for 18 contracts in relation to compliance with labour legal obligations, which seeks that these companies have a continuous improvement in the provision of their services.

> 41 new executed contracts were inspected to validate compliance with the labour law.

Additionally, the module for accreditation of technical profiles in the contract management system "Gestor.com" was developed, in order to comply with resolution 312 of 2019 issued by the Ministry of Labour, and during 2019 a total of 354 contracts have been uploaded to Gestor.com, of which as of 31 December 2019 there were 288 contracts in "active" status, the others have already been terminated.

3. HOW WE PROJECT OURSELVES TOWARDS OUR ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

The environmental management focused on the following strategic objectives:

> The activities defined in the environmental license of the El Quimbo Power Plant were carried out, as well as the environmental management plans of the Cadena Pagua, Cadena Antigua, Cartagena, Betania and Guavio plants, approved by the National Authority for Environmental Licenses (ANLA), achieving the closure of more than 386 obligations. Arrangements were made with the regional environmental authorities for the renewal and obtaining of permits that will guarantee the operation within the framework of sustainable development.

> Within the framework of the Alto Magdalena Fishing Programme that has been developed in the area of influence of the El Quimbo Power Plant for six years, monitoring was carried out, identifying a total of eight vulnerable species characterised in the IUCN (International Union for Conservation of Nature), and others in less or almost threatened concern. Finally, permits were obtained from the aquaculture and fisheries authority and the repopulation project began with the release of 500,000 fingerlings. This makes Emgesa the first company in Colombia to be authorised to develop fish repopulations.

> The use of drones was implemented in renewable power plants. During the year, 15 flights were carried out, which aimed to monitor environmental management measures seeking to optimise resources.

> The implementation of the model of sustainable plants in renewable plants began, in order to recognise, measure and improve the sustainable performance of each plant, focusing on the protection of the environment, rational use of resources, biodiversity, health care and security, circular economy and stakeholder interest. The programmes developed were: the use of drones in the environment, implementation of LED lighting, PCB Free Oil, rain and fog water collection systems, sustainable water treatment plants and use of organic waste.

> Work was carried out on oil spill risk prevention through the implementation of the Hydro Prevention Plan Oil Risk, the objective of which is to identify equipment that contains used oil and is at risk of spillage in power plants, to establish action plans to prevent and mitigate the occurrence of environmental incidents.

> Progress was made in the El Quimbo tropical dry forest restoration plan, which has 11,079 ha in its entirety.

> As part of the execution of the project to extend the useful life and improve environmental performance at the Termozipa Power Plant, the installation of the DNOx system was completed in all the units, which represents a significant improvement in emissions compared to the limits established in The Colombian environmental regulations, in the same way, the request for obtaining tax benefits by BEPP and LE systems was presented to ANLA, and a certificate of rent discount was obtained for investments in environmental control equipment for the DNOx project.

> The execution of activities in favour of strengthening the environmental culture in the communities and educational institutions in the area of influence of the Termozipa and Cartagena power plants continued through the development of agreements with the Parque Jaime Duque and Mamonal Foundations.

> The construction of an artificial wetland in the Cartagena plant was carried out, eliminating the domestic residual water spills generated in the machine house.

Institutional waste management campaign

The second phase of the integrated waste management campaign was carried out, which consisted of developing a strategy for monitoring 160 ecological points installed in the Company and improving the waste classification process. For this purpose, the cleaning process of the offices now incorporates the daily inspection of these containers, which now have a QR code that allows to control the condition of the containers and the photographic record of the problems that arise during separation, which has made it easier to effectively determine training and awareness strategies. Additionally, for electrical and electronic equipment waste management, eight special containers were installed in the main headquarters of the Company.

To facilitate the search for information on the Company's waste separation campaign, a window on this topic was created on the intranet called "Waste Classification" which can be saved as one of the favourite applications in the users' profile.

Considering the growing interest of the staff to learn more about the final destination of the materials that are deposited in the containers, a new video was made that describes all the phases of the recycling process and the social work achieved with the materials recovered after being donated to the Sanar Foundation.

Environmental regulation

In 2019, the environmental regulation management focused on the participation in the joint construction with the different national, department and local environmental authorities of the regulation of strategic issues for the different areas of Emgesa, guiding the efforts towards the incorporation of the proposals in order to meet the interests and needs of the Company.

An analysis was made of the most critical aspects of the environmental regulations issued during 2019 and related to Emgesa's own activities, associated with: environmental licensing of projects, environmental compensation, conservation incentives, environmental benefits, reservoir management, quality of air, archaeology, Land Management Plans, Management Plans and Watershed Management, Water Resources Management Plan, guidelines for the development of prior consultation processes, waste management (ordinary, electronic and dangerous), Transfers of the sector electrical, and climate change; of which the following administrative acts stand out:

Regarding environmental licensing processes and environmental impact, Resolution 1107 was issued, which modifies Resolution 1402 of 2018 in relation to the General Methodology for the Preparation and Presentation of Environmental Assessments, and provides that the environmental assessments prepared in accordance with the Methodology adopted through Resolution 1503 of 2010 and that have not been submitted will not be governed by this administrative act as long as these studies are filed before 2 August 2020. Resolution 077 was also issued, providing dates for the presentation of Environmental Compliance Reports within the framework of the environmental monitoring process of projects under the jurisdiction of the National Authority for Environmental Licenses (ANLA), establishing annual, semi-annual or quarterly dates so that the ANLA has more time to review them throughout the year. Moreover, we actively participated in the design of decree 2106, which seeks to simplify, suppress and reform unnecessary processes and procedures in the Public Administration, with special emphasis on environmental administrative procedures, for which we successfully proposed the Government to integrate the process of lifting the ban in order to reduce the issuing times of licenses.

Regarding archaeology, Decree 138 represents a significant step forward in the definition of the administrative procedure and the respective times that the Colombian Institute of Anthropology and History (ICAHN) has to resolve the requests submitted as part of the projects, and is the result of the two-year efforts with unions and several entities, where we identified alternatives to streamline and optimise the procedures with said Institute. In turn, resolution 297, as part of the regulation of decree 138, adopted the form for submitting the requests of natural or juridical persons that require the implementation of a Preventive Archaeology Programme.

As for Basin Management and Use Plans, Resolution 957 approved the adjustment and update to the Plan for the Management and Use of the Bogota River Basin and became a higher hierarchy standard and environmental determinant for the preparation of Land Use Planning throughout the basin. This plan was developed through participatory processes in which we made contributions, clarifications and adjustments in reference to the existing infrastructure and possible future projects.

One of the issues with the highest incidence during the 2016-2019 was related to the environmental flow. The Ministry of Environment sought to regulate the use of water resources in the basins, through the issuance of a national application methodology, even in structuring. By 2018, this methodology was modified to include the Bogotá River basin in its application, seeking compliance with order 4.30 "Environmental and Ecological Flow of the Bogotá River", issued by the Administrative Court of Cundinamarca, through which the Ministry of Environment and Sustainable Development must develop and adopt a specific methodology for estimating the environmental flow. Consequently, Resolution 2130 was issued, which adopts the methodology for estimating the environmental flow in the Bogota River. This applies to projects subject to environmental licensing and seeks to establish in different sections of the basin percentages of use of the flow according to the water supply depending on the ecosystem services it provides. The management for the issuance of the standard was carried out with the Presidency of the Republic, the Ministries of Mines and Energy and, Environment and Sustainable Development, IDEAM, UPME, CNO, XM, Andesco, Andi and companies in the sector.

This standard supposes a risk for Emgesa and the operation of the generation chains in the Bogota River, because the application of methodology could limit the available flow for the power plants, which is authorised through concessions issued by the CAR, regional environmental authority for Cundinamarca, and which has the obligation

to apply the methodology in said basin. In addition, resolution 1869 declared the Salto del Tequendama as a Natural Heritage of Colombia, a waterfall of natural formation close to the river power plants and subject of cultural interest in the middle river basin.

Additionally, we participated in the definition of the National Circular Economy Strategy, which seeks to maximise the added value of production and consumption systems in economic (profitability), environmental (climate change) and social (employment) terms, starting from circularity in flows of materials, energy and water. We participated throughout 2019 in the updating of sectoral goals (line sources and use of energy) and the regional workshops related to the Strategy.

With respect to climate change, in 2019, Emgesa contributed significantly to the energy transition through the study "Zero greenhouse gas emissions roadmap for Colombia: diagnosis, perspectives and guidelines to define possible strategies for climate change", to identify a possible roadmap for the Colombian energy transition, in an exercise that involved different national stakeholders. The purpose of this study is to identify how to achieve carbon neutrality by 2050. As a result of our efforts, the Company was invited by the Colombian Government to be part of the Colombian official delegation at COP25 Chile, held in Madrid in December 2019, to present the results of the study in the Colombia pavilion, together with the Ministry of Environment and Sustainable Development through the Colombian Low Carbon Development strategy, which shares the goal of carbon neutrality by 2050 for Colombia.

SUSTAINABILITY MANAGEMENT

Sustainability is a key factor in business stability. Along with innovation, it represents an engine of development and always involves the need to combine growth and balance of environmental, social and Corporate Governance (financial) aspects. For this reason, sustainability is increasingly integrated into the industrial and financial strategy, creating value, opportunities and synergies with the business lines and with the environment.

Purpose:

OPEN POWER FOR A BRIGHTER FUTURE.

We promote sustainable progress. The equation Sustainability = Value is the starting point: Acting sustainably creates value for shareholders and investors, but also generates clear and recognisable value for society.

The Enel Group publicly declared its commitment to the 17 Sustainable Development Goals (SDGs) with special emphasis and quantitative objectives in six of them: quality education (SDG 4), access to electricity (SDG 7), climate action (SDG 13), socioeconomic development (SDG 8), industry, innovation and infrastructure (SDG 9); and sustainable cities and communities (SDG 11).

Sustainable strategy with our stakeholders

In 2019, Emgesa continued to develop its actions with local communities in line with the shared value creation policy, focused on generating value in the medium and long term, creating a balance between social, economic and environmental profitability.

In 2019, an open dialogue channel was maintained with representatives of the communities in the area of influence of the operations, with which the main needs of the context and the expectations of the stakeholders were identified, taking into account the particularities of each community and their rights, as well as the priorities and possible risks of operations. Additionally, this process was supported by formal mechanisms for complaints and grievances established by the Company in the areas of influence of its operational and corporate management. At this point it is important to highlight that participatory communication was guaranteed for the El Quimbo Hydroelectric Power Plant with 35 disclosure pieces on the implementation of the Environmental Management Plan, 10 outreach meetings in the six municipalities in the area of direct influence with local authorities and communities resettled and receivers and 30 trips to the construction and restoration area with community leaders.

Projects that contribute to SDG No.4: Quality education

GOOD ENERGY FOR YOUR SCHOOL

The Good Energy for your School programme contributes to the quality of education by reducing electrical risk and improving the infrastructure of public educational institutions. In 2019, it reached 2,442 children and youths from nine educational institutions in Bogota and the department of Cundinamarca.

CONTRIBUTION TO THE CONSTRUCTION OF THE DEPARTMENT EDUCATIONAL INSTITUTION EL TEQUENDAMA

Thanks to the economic contribution to the municipality of El Colegio, it was possible to meet the requirements and contributions necessary for the construction of the mega-school of El Tequendama, as contemplated in the National Infrastructure Plan of the Ministry of National Education, which defines that the municipalities that achieve contributing a percentage of the resources for the works will be benefited with the economic contribution of the State. The Companies of the Enel Group got involved in the project with $350 million, and the Municipality of El Colegio with $150 million, to access the state contribution and complete the $ 6.6 billion of the construction cost.

In 2019, the construction of this mega-work was completed, which will contribute to the quality education of more than 1,200 students from the municipality in rural and urban areas, consisting of an area of 2,853 m2, 16 classrooms, 2 multipurpose classrooms, 1 technology room, 2 integrated laboratories, 1 multiple dining classroom and 2 recreational areas. This work was delivered to the educational community and local authorities in the presence of the Governor of Cundinamarca.

ENERGY INCUBATORS

In 2019, 21 vulnerable youths from the municipalities of Ubala, Gachala, Gama, Soacha, Sibate, San Antonio del Tequendama and El Colegio, began their higher studies at the Minuto de Dios University, in professional careers such as Public Accounting, Systems Engineering, Social Communication, Social Work, Psychology, Business Administration and Agroecological Engineering.

The beneficiaries are granted 70% of the total value of their university undergraduate, in addition to semester financial support and psychosocial support in the development of their studies and professional internships.

EDUCATING THROUGH DANCE

Emgesa continued to support the Educating through Dance programme, which aims to train contemporary dance to promote the values and good use of free time, mitigating psychosocial risks in this vulnerable population. In 2019, children and youth from the Arroz Barato, Puerta de Hierro, Albornoz and Policarpa neighbourhoods carried out a comprehensive training process and participated in presentations, artistic exchanges and exhibitions in the communities. This year, 30 beneficiaries were trained for 8 months: children and youths between 10 and 17 years old, of whom 87% are women.

SCHOOL KITS

In 2019, 128 school kits were delivered to children and youths in vulnerable conditions in Bogota. These kits were part of the solidarity gift strategy for customers that benefited stakeholders, delivering a basic school supplies to the beneficiaries, for the start of their 2019 school year.

COMPUTER DONATION

With the delivery of 95 computers that were discharged from the Company, children and youth from different areas of influence of the operation were benefited, belonging to educational institutions, community organisations and protection institutions. These elements allow beneficiaries to have a working tool for the best development of their training processes.

ENVIRONMENTAL EDUCATION - EL QUIMBO

Approximately 2,139 people benefited from the environmental education programme through the different programmes to strengthen and raise awareness in the communities on preventive and environmental defence measures, strengthening ecological groups, promoting good environmental practices with resettled families, and strengthening school environmental projects in 16 educational institutions.

EQUIPMENT FOR EL QUIMBO SCHOOLS

Within the framework of the "Works for taxes" mechanism, Emgesa provided 70 educational centres in the municipalities of Tello and Baraya with new educational equipment that will help improve the educational quality standards of these two towns in northern Huila that have historically been affected by the armed conflict in Colombia.

Projects that contribute to SDG No. 7: Affordable and Clean Energy

LIGHTING OF COMMUNITY SPACES

In partnership with the Un Litro de Luz Colombia Foundation, in 2019 the Enel Colombia Foundation continued with the recovery of community spaces through the installation of 103 lights with solar technology, in places such as sports fields, parks and sidewalks in the municipalities of San Antonio del Tequendama, El Colegio, Sibate, Soacha and Ubala (Mámbita) that had no lighting.

In developing this initiative, we had the active participation of the municipal authorities and the communities, led by the Community Action Boards, who identified the points to intervene and later participating in the assembly, installation and training as Ambassadors of Light for the maintenance of this infrastructure, ensuring its appropriation and conservation.

Projects that contribute to SDG No. 8: Decent Work and Economic Growth

COFFEE PRODUCTION CHAIN

For 2019, the development approach of the Coffee Production Chain Strengthening project of the Enel Colombia Foundation was based on three lines of action:

A. Business and associative strengthening for the entry into operation of the central business unit for the coffee cherry community processing of four Producer Organisations. (Asocafega of Gachala, Asofincas of Gacheta, Ascamecol of El Colegio and Asopalmares of Viota).

B. Standardisation of the flow of the equipment operation process to obtain quality dry parchment coffee through the coffee cherry community processing centres.

C. Development of markets for dry parchment coffee micro-lots from coffee cherry community processing centres.

At the same time, the project also contributes to the empowerment of women producers, through the methodology of equality between men and women, which has allowed them to be more closely related to decision-making instances of the Boards of Directors of Associations.

The repowering of the medium voltage energy circuits adjacent to the mini community processing centres of coffee has not only guaranteed the energy supply for the coffee community processing centres, but also improved the quality of service for the sectors intervened in the towns of Alto del Palmar in Viota, Santa Isabel in Mesitas and Bombita in Gacheta.

119 associate coffee-growing families and users of the coffee processing centres established in the 4 municipalities mentioned above are linked to this process.

COCOA PRODUCTION CHAIN

This programme is promoted by the Company through the Mambita Non-National Agricultural and Farmer Association (ASOAGROMA), in the inspections of Mámbita, Soya and San Pedro de Jagua in the municipality of Ubalá. For 2019, the post-harvest link was strengthened. 50 producers participated in this initiative, which have a cultivation of 1 ha each, on their own farm, in production. They sell cocoa through their association of producers, and manufacture some artisan products based on cocoa for local marketing.

SUSTAINABLE ARTISANAL FISHING

This programme was started in 2019 and seeks to strengthen the fishing activity in Cartagena, and specifically in the towns of Puerta de Hierro, Arroz Barato, Albornoz and Policarpa. The programme will develop actions aimed at developing sustainable fishing and caring for the environment and will continue in 2020, in the implementation of its components: 1. Relationship with port authorities; 2. Responsible artisanal fishing, 3. Coastline cleaning; 4. Mangrove planting.

TOGETHER FOR THE BOARDS

In 2019, 893 leaders and members of 97 community action boards of the municipalities of Ubala, Gama, Gachala, Sibate, Soacha, El Colegio and San Antonio del Tequendama, participated in the training process on citizenship issues and project formulation within the framework of the Together for the Boards programme.

Of the total of participants, 35% (306) are interacting in the programme through a Chat Bot, which has been used to incorporate a technology component into the training process.

A community training process (57 workshops) was consolidated in political and pedagogical training, entrepreneurship and formulation, evaluation and project management, in each municipality. In addition, 35 initiatives were developed by the communities which are eligible for financing by the Municipal Authorities and other actors.

PRODEPAZ NETWORK

In 2019, support for the country's comprehensive development continued, generating actions to strengthen and build territorial peace, through a partnership with the Prodepaz Network. As a support entity, we contribute to the public advocacy process in the territories where the Development Programmes for Peace are carried out.

During the year, the actions of the Network were supported, which included an advocacy and communication line for the construction of peace, the strengthening of the Network of inhabitants and the territorial development for La Guajira.

TEENAGE MOTHERS SCHOLARSHIP BANK

Emgesa continued with its Scholarship Bank for Teenage Mothers of the Cartagena District. Through this programme, a group of young mothers can carry out their

technical studies and receive comprehensive support for their training process, psychosocial and health conditions, to ensure the completion of their studies and entry into the world of work. In 2019, five new youths began their cycle of comprehensive intervention, in addition 5 children benefited, and 15 relatives of the young women affiliated.

BUSINESS FACILITATION

The Company's presence in the territory was strengthened with the implementation of the Business Facilitation strategy, which came to an end supporting entrepreneurs from the municipalities of El Agrado, Garzon and Gigante. In the framework of this strategy, in 2019, 111 entrepreneurs were supported with business or business ideas that required support in the management trilogy to achieve consolidation.

ENTREPRENEURS WITH ENERGY

Emgesa supported the resident non-owner and non-resident non-owner population that received seed capital through the "Entrepreneurs with Energy Strategy", with

the aim of strengthening their productive projects. For this, 67 workshops with a social, economic and commercial focus were held, in which 1,334 people participated in the municipalities of Altamira, El Agrado, Garzon, Gigante, Paicol, Tesalia and El Pital.

COCOA EFFECT

We started the cooperation agreement with Casa Luker, the United States Agency for International Development (USAID), Eafit University, and the Saldarriaga Concha Foundation, to promote the planting of 700 ha of cocoa, initially in six municipalities of Huila: El Agrado, Garzón, Gigante, El Pital, Campoalegre and Rivera, seeking to improve the living conditions of producers and generate inclusive rural development.

An anchor project under the cocoa agroforestry system is being implemented in 60 hectares in the jurisdiction of the municipality of El Agrado, where a nursery, a clonal garden, a training centre and a cocoa baba processing plant will also be built. Emgesa allocated $10 billion to co-finance a series of productive projects in the six municipalities in the El Quimbo area of influence, which will benefit more than 1,500 families.

PRODUCTIVE SYSTEMS - EL QUIMBO

The following projects stand out: the purchase of the lot for the construction of the Garzon wastewater treatment plant (WWTP), the establishment of 100 poultry units with the equal number of vulnerable women, and the planting of 30 ha of cocoa, 50 of coffee and 30 of fruit trees in El Agrado; the productive strengthening of the beekeepers of Gigante and the planting of 50 ha of avocado and the construction of bio-healthy parks; in Thessaly, the strengthening of the cocoa production system and the installation of a cane honey processing plant stand out.

Emgesa signed two cooperation agreements with the Municipal City Hall of Gigante, for the construction of 20 organic gardens in educational institutions, and to train a group of artisans in the municipality in the management and creation of guadua objects in order to diversify the supply of handicrafts, in addition to formally consolidating this group as a representative union of the municipality.

SUSTAINABLE TOURISM - EL QUIMBO

During 2019, a special awareness process was carried out with the communities regarding sustainable tourism and transfers from the electricity sector, taking into account the dynamics that the territory will have once the Reservoir

Management Plan is approved and for the communities to carry out special monitoring. of the monies that the company transfers to the municipal administrations and the environmental authority as a result of the generation of energy.

RESETTLEMENTS - EL QUIMBO

In the development of the social and economic strengthening activities that Emgesa carries out with the communities resettled collectively and individually in the area of direct influence of the El Quimbo Hydroelectric Power Plant, 89 production projects were consolidated, in production chains in cocoa, passion fruit, pineapple crops , coffee, livestock. 83 beneficiary families restored their income level in terms of the State Indicator (IE), greater than or equal to 2 current legal monthly minimum wages (SMMLV).

IRRIGATION DISTRICTS - EL QUIMBO

The irrigation districts of the collective resettlements of Nuevo Veracruz (Montea), Nuevo Balseadero (Santiago & Palacio) and San José de Belén (La Galda), allowed the economic reactivation of 56 beneficiary families. The Llanos de La Virgen Irrigation District is under construction for the Nueva Escalereta resettlement community, which will culminate in the second half of 2020.

Projects that contribute to SDG No. 11: Sustainable Cities and Communities

VITAL

In partnership with the Siemens Colombia Foundation, two water purification filters were installed that benefit more than 420 students from the Pueblo Nuevo educational institutions in San Antonio del Tequendama and San Benito in Sibate. According to the United Nations, non-drinking water and poor sanitation are the main causes of infant mortality. Filters installed in educational institutions will eliminate 99.9% of viruses and bacteria, so it is expected to improve the quality of life of the student community in our areas of influence.

CONSTRUCTION OF SHALLOW WELLS - EL QUIMBO

In order to create shared value, Emgesa and the community receiving the San José de Belén collective resettlement from the villages of La Galga and Yaguilga, from El Agrado Huila, articulated actions to meet the water demand during the summer, with the subscription of a cooperation agreement in which the Company contributed the sum of $500 million and the community $58 million for the construction of 21 shallow wells, which are currently in operation.

Projects that contribute to SDG No. 13: Climate Action

MOCOA PEACE FORESTS

In response to the natural tragedy that occurred in April 2017, which affected 17 neighbourhoods and 4,506 families, the Companies activated a volunteer programme in which, for each peso donated by employees, Codensa and Emgesa contributed twice as much, in order to support the reconstruction of an environmental barrier of 1.5 hectares that managed to protect the lives of the inhabitants of the Condominio Norte and El Carmen neighbourhoods during the avalanche.

This contribution made within the framework of a Meeting of Minds with the Solidarity Foundation for Colombia has directly benefited 187 families, some of which have been

trained and constituted as Guardians of the Environment, allowing a social and environmental reconstruction of their own territories.

Thanks to the positive impact generated by the development of this initiative, the following phases of the project were included in the National Government's Mocoa Reconstruction Plan, through document CONPES 3904 of 31 October 2017.

The construction of this Peace Forest was completed and handed over to the inhabitants of the sector and national, regional and local entities.

RENACE FOREST (CODENSA-EMGESA NATURAL RESERVE)

The forest was born as a sustainability initiative for the conservation and protection of 690 hectares of high Andean forest. It is located in the Municipality of Soacha, and contributes to the recovery and connectivity of the ecosystems located in the middle and lower basins of the Bogota river. Since 2012, nearly 35,000 trees have been planted in compensation for the Companies' activities.

SUSTAINABLE MOBILITY

The sustainable mobility plan, Movernos, seeks to promote the use of bicycles, walks and carpooling among all Company employees. During 2019, 146 people joined, registering the routes carried out on the mobility platform, which represent an accumulated of 22,147 kilometres travelled by bicycle and walks, and 485 people mobilised in carpools. This initiative brings benefits related to health, well-being, quality of life, savings, and reduced time, among others.

Other initiatives

VOLUNTEERING

The Enel Group's corporate volunteering in Colombia is carried out through three lines, which allow the Company's employees to contribute to different social causes: my time, my hands, my knowledge.

In 2019, a total of 29 volunteering activities were carried out in the three lines, where 367 employees of the Companies participated and with which 1,510 children benefited through the improvement of educational spaces, and 1,632 people were helped through different foundations.

PARTNERSHIP TEQUENDAMA FALLS HOUSE MUSEUM

With the aim of carrying out joint actions that promote environmental awareness and preserve historical and cultural memory in the Salto del Tequendama area, Emgesa signed a cooperation agreement with the Fundación Granja Ecológica el Porvenir, owner of the Tequendama Falls House Museum. This house was built in 1923, and last year it received the declaration of cultural interest of national interest. Its main objective is to make people aware of the contamination of the Bogotá river and how to recover its ecosystem.

MALOKA TRAVELLER IN SIBATE AND EL COLEGIO

In 2019, Emgesa, in agreement with Maloka, developed a renovation process that, in addition to moderniSing its interactive rooms and its different thematic contents, also includes the transformation of the traveling exhibitions of the Maloka Traveller programme. This programme seeks to bring science and technology closer to the population of Cundinamarca from their expressions in everyday life, promoting learning, enjoyment and reflection on these issues, especially in places that are difficult to access.

The digital planetarium, the Vander Graff generator, the math and perception rooms, as well as the environmental workshops, were some of the interactive experiences where students, teachers and families from the community were able to enjoy for free, with an attendance of more than 6,777 from the municipalities of Sibate and El Colegio.

VILLAPROVI LAND DONATION

In response to the need for the construction of the Priority Interest Housing Programme (VIP) Villa Maria, led by the municipality of Ubala and the Cundinamarca Governor, within the framework of the national programme Podemos Casa, this property was donated for the construction of the Wastewater Treatment Plant (WWTP), which will benefit 100 families in the municipality of Ubala. The property has an area of 28,860 m2, which correspond to old facilities of the Guavio Hydroelectric Power Plant camp, in its construction stage.

AMBULANCE DONATION

Under the mutual aid agreement with the Tocancipa fire department, the Company donated a fully equipped ambulance to this institution. This is a contribution to emergency or disaster response in the municipality of Tocancipa and strengthens the work of the emergency bodies in the area.

SUSTAINABILITY IN THE SUPPLY CHAIN

In order to promote sustainability and the approach of Creating Shared Value, in 2019 the sustainability criterion was developed to evaluate in tenders the purchase of products and services, called K Sustainability.

K Sustainability allows to identify in tenders, the candidates for suppliers with the greatest development and commitment in sustainability issues within the organisation. This criterion is applied according to the characteristics of each process: type of service, economic value and impacts and has three benchmark pillars: 1) Business policy; 2) Development and inclusion for employees; and 3) Community management.

In 2019, the application of K Sustainability in bidding processes was strengthened. This process has developed the engagement of local labour, the development of social projects in communities in areas of influence and the strengthening of business policy, associated with sustainability, among suppliers.

SUSTAINABILITY REPORT 2018

The Company published its 15th Sustainability Report, thus completing more than a decade of transparent and accountable exercises before its stakeholders. The report was prepared under the parameters of the New Global Reporting Initiative (GRI) Standards, and the specific sector supplement for the electricity sector. The document was verified by the audit firm Ernst & Young Audit SAS, and achieved the "Advanced GC" in the Communication on the Progress of the Global Compact, complying with the ten principles to which the Company adhered since 2004.

COMPETITIVE BUSINESS PROGRAMME

The Competitive Business programme is promoted in coordination with the Global Reporting Initiative (GRI), in order to build capacities in SMEs so that through sustainability measurement and its reporting process, they increase their competitiveness, which will allow them access to new market opportunities.

As a result of this programme, the SMEs produced their sustainability report in 2019, which is a great achievement for Enel and the companies, since this process is a practice of the organisations' transparency, where they publish their impacts and contributions to the global sustainable development goals.

CIRCULAR ECONOMY

The Circular Economy (CE) for the Group is a new paradigm that reinforces the economic component of sustainability, whose objective is to maintain the economic value of products as long as possible and to minimise the use of raw materials. The implementation of the CE is being developed through three phases, taking advantage of the company's strategic objectives: change towards renewable generation, Open Power and the shared value approach.

In 2019 the CE strategy and experiences were presented in spaces with unions, national and local governments, academia and the private sector such as Andesco, Andi, and Crea Impacto. The Company continued to work to adopt CE as a business opportunity and for a transition to CE.

RELATIONSHIPS AND COMMUNICATION

Institutional relations

The relationship strategy was aimed at maintaining the Company's reputation and positioning, within the framework of transparency and zero tolerance against corruption, and strengthening the relationship with its stakeholders.

In 2019, the construction of public policies and sector regulations was reinforced, jointly with the different actors involved, through the inclusion and alignment of the expectations, interests and needs of stakeholders within the Company's institutional agenda, as well as in the strengthening within Emgesa of the definition of the corporate position through an articulated and systematised strategy.

Management focuses on strategic issues resulting from interaction with institutional stakeholders, highlighting the following milestones during the period:

> Characterisation, planning and development of the relationship strategy with the new Regional and Local Government, in order to position Emgesa among territorial and local institutions.

> Exploration and follow-up of more than 40 high-impact legislative initiatives for the Company, with the support of the ANDI and ANDESCO trade unions.

> Strengthening the relationship with the Government of Huila, managing institutional activities and interactions and activities programmed by the National Government.

> Follow-up and articulation of the interactions with institutional stakeholders regarding the incorporation of non-conventional renewable sources into the energy matrix.

> Management of the institutional agenda for the management of short-term situations in the areas of influence of the Company's operation.

Management is projected towards strengthening strategic relationships through a process of ongoing improvement in the design, implementation and monitoring of relationship plans that support the management of all areas of the Company throughout.

Communication management

Media relations

During 2019, the work focused on strengthening the Company's relationship with journalists and its reputational positioning in traditional and alternative media, based on three dimensions of the RepTrak model: supply, citizenship and work.

One of the most relevant issues reported during this year was the 100% filling, for the first time since its entry into operation in 2015, of the El Quimbo Hydroelectric Power Plant reservoir, a milestone of great relevance for the Company's operation. Other topics were also disseminated, such as the first battery energy storage in Colombia that is being installed in the Termozipa Thermal Power Plant and the National Award for Energy Efficiency awarded by ANDESCO to Emgesa.

Fruthermore, issues such as Emgesa's sustainability programmes in the areas of influence of its power generation plants were reported, including the signing of an agreement with the fire department of five municipalities of Huila to strengthen their management, the launch of a bridge linking the paths of San Pedro Alto and Las Mercedes in the municipality of Ubala (Cundinamarca), the launch of "Cocoa Effect", a project to improve cocoa productivity in Huila over the next 30 years, and co-financing of the Company for more than $13 billion to promote productive projects in the department of Huila.

Finally, the Company's initiatives for the well-being of its employees were disclosed, including the benefits of quality of life, its gender equality programs and its position as one of the most important employer brands in the country.

Digital

During 2019, the Company's social media strategy focused on raising its reputation in the dimensions defined and mentioned above. 1,300 contents were communicated about the projects and initiatives that are developed to contribute to the progress of the communities in the areas of influence, environmental sustainability, skills and services as energy and gas marketers, and the different measures to contribute to well-being and improvement. of the quality of life of the Company's workers. These publications were viewed 16,639,720 million times, showing growth four times greater than the 2018 indicator.

Additionally, more than 652,840 interactions were generated on Facebook, Twitter, LinkedIn and Instagram. People shared publications on 11,178 opportunities, having a growth of this indicator of just over 50%, compared to last year.

After a year of creation, the Instagram account community increased and reached 3,825 followers. It has been consolidated as a channel to communicate stories in real time and strengthen the storytelling strategy in order to deliver timely, valuable and valuable content to users.

Finally, the El Quimbo section on the website was restructured to highlight the sustainability projects that have been developing in the region. 11,387 visits were recorded, with a residence time of 2:12 minutes and a rebound rate of 59%. The rebound was reduced by 5% and the residence time was increased by 1:05 minutes.

Brand identity management

With the aim of continuing to position the Company as the best benchmark in energy generation and sales, throughout the year participation in the most relevant scenarios in the sector and in those aimed at promoting topics of interest to the Group such as They are innovation, the energy transition, gender equality, the circular economy and sustainability.

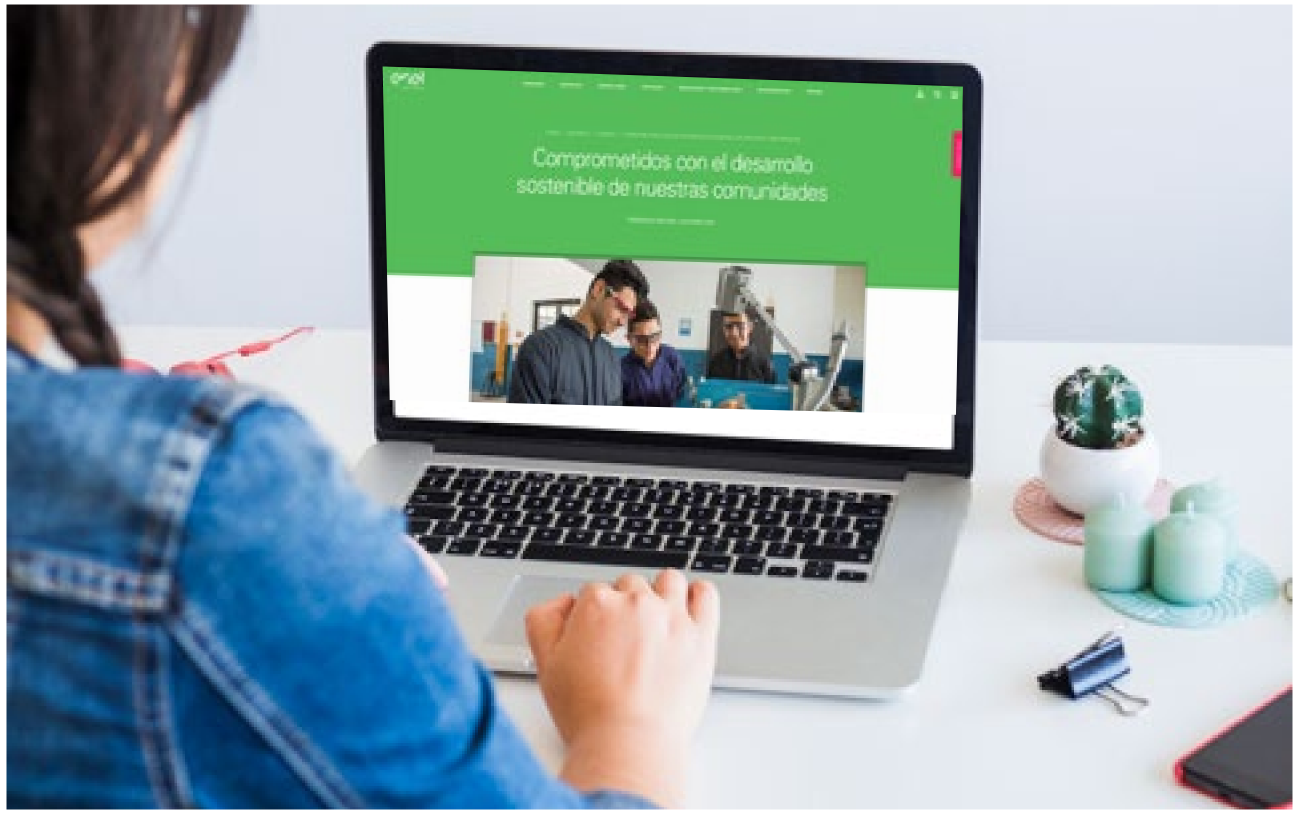
Participation in public venues and association with sponsorships contributed to Emgesa's positioning as a company that creates energy solutions and that faces with commitment the challenges of today and tomorrow to positively transform people's lives, through the development of their communities, companies and cities.

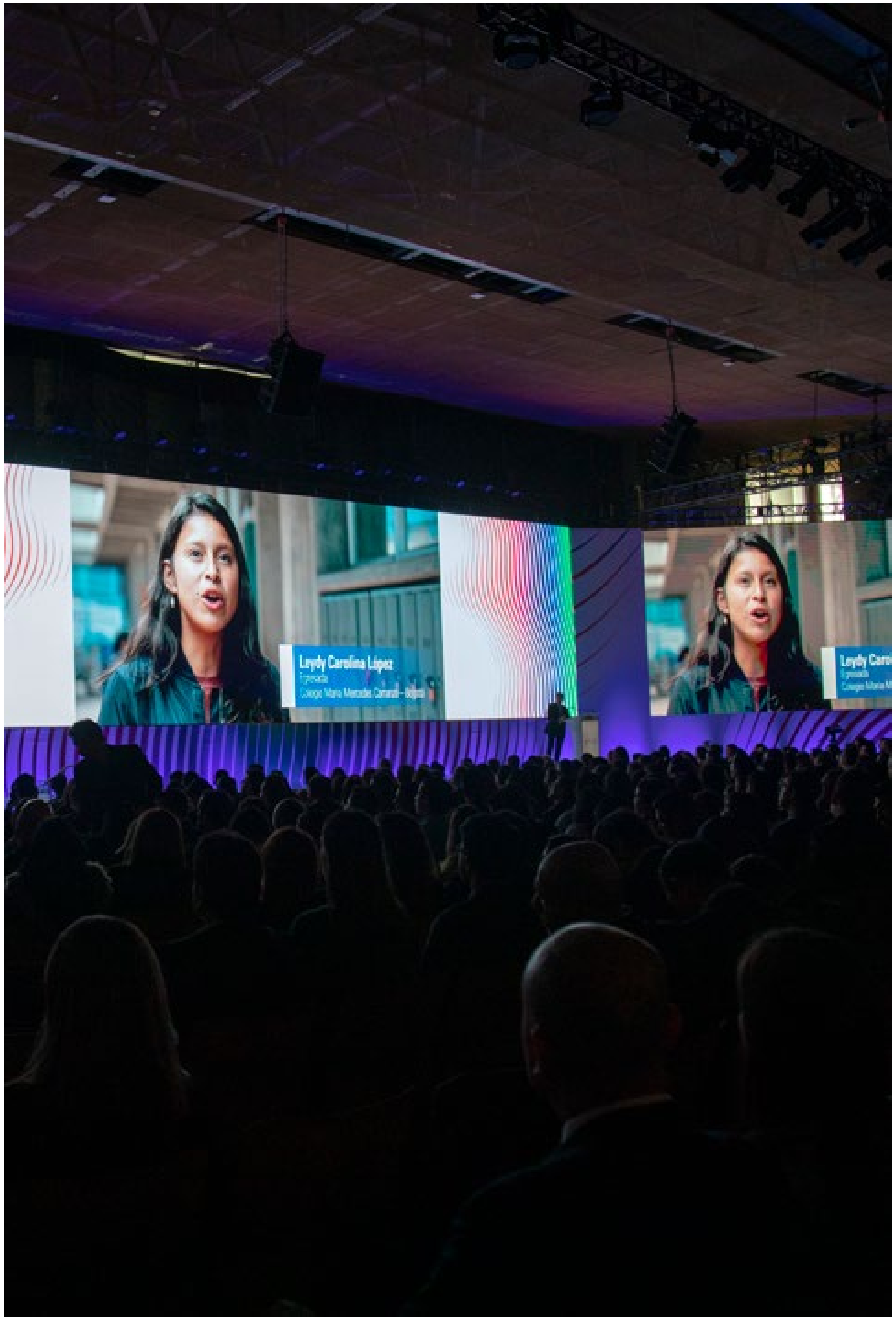
The communication actions were aimed at reflecting a more humane and open Company to people and the preventive maintenance of generation assets in favour of quality and efficiency in power generation.

Between sponsorships and presentations at public outreach events in the sector, the Company was present in more than 64 stages.

Advertising

Two webinars were developed to advertise and explain the voluntary disconnectable demand and the transition of the energy contracting model in Colombia. The registration of 181 people and 334 live reproductions was achieved. On this platform, we are building a community interested in issues related to energy sales in Colombia.





4. INTERNAL MANAGEMENT THAT YIELDS RESULTS

PERSONNEL MANAGEMENT

Emgesa's management model revolves around its employees. As part of its strategy, the Company designs and implements practices that allow them to experience opportunities for development, growth, and improvement of their quality of life and their families.

The personnel management strategy is based on five high-impact principles:

People & Organisation Strategy

HAPPINESS
drives growth

Diversity and care for people
- Sustainable gender equality model
- New focus of diversity
- Benefits on demand

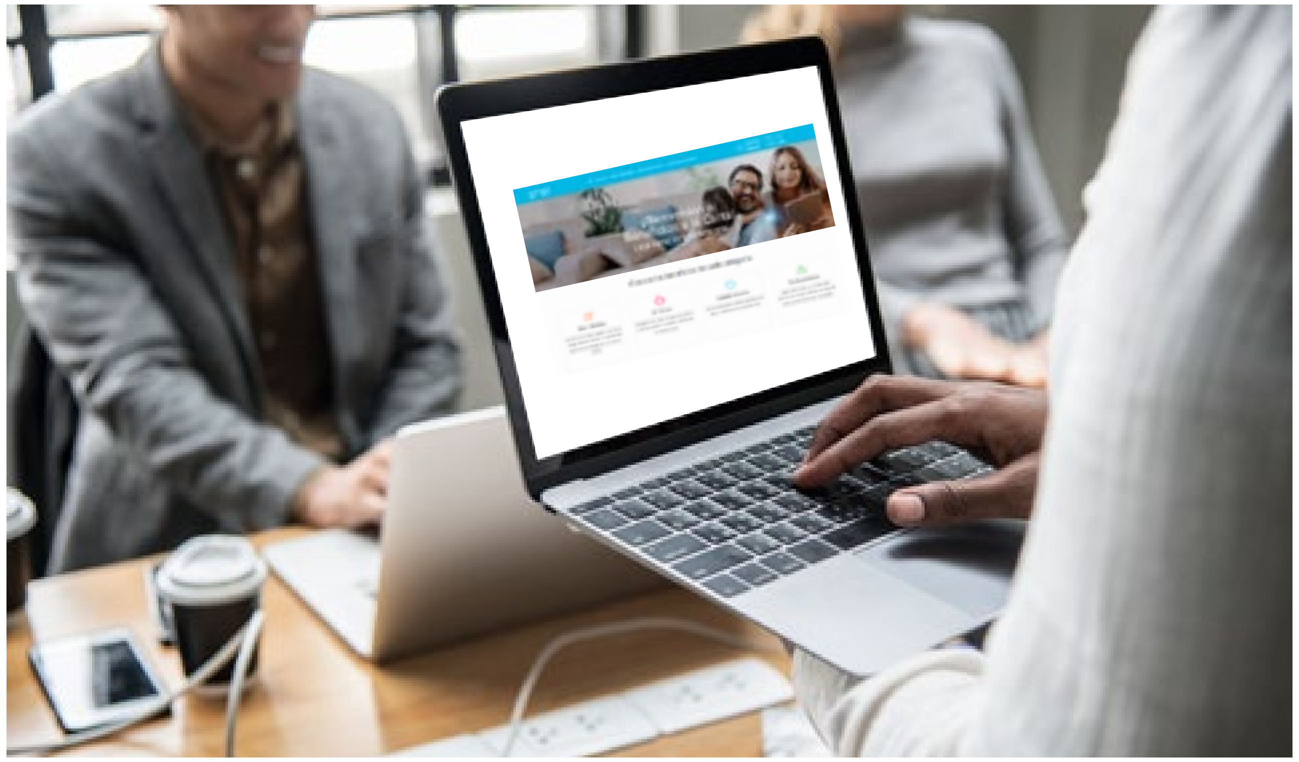
Change management
- Change management leadership
- Adapting to the desired culture
- Communication management

Organisation management
- Digital organisational architecture and structure
- Efficiency
- Work environment and spaces
- Data analytics
- From integrated culture to HSEQ

Talent and leadership
- Employer brand
- Leader strengthening 4.0
- Happiness environment and culture
- Employee journey
- Osmosis

Digital culture
- Streamlines work
- Adoption and use of digital tools and methodologies
- Processes aligning people and technology

This is why within the framework of the Open Power culture, efforts are constantly made to ensure innovative practices and reliable processes in all dimensions of people management, which from different areas positively impact the lives of their workers, and that, in turn, allow the Organisation to have high levels of commitment and higher productivity rates.



Quality of life

Benefits on demand, new Quality of Life Model

Thinking about the diversity, digitising the worker's experience with benefits, delivering greater benefits to enjoy according to each moment in life and improving the quality of life of workers and their families, were the reasons that led the Company to create the Benefits On Demand, the new Quality of Life model for workers and their families. More than 70 benefits can be managed on a new and modern digital platform.

The platform has four categories of benefits (some benefits apply according to the nature and characteristics of the position, and must be processed from a physical workplace designated by the Company):

1. **Smart Working:** To work differently in the workday: flexible hours, compressed hours on Fridays, compressed days at Christmas, work at home due to extraordinary situations and flexible remote work.
2. **My Time:** To balance the time dedicated to work, personal and family life. Divided into two subcategories:
   - **Unique Moments to charge our energy:** Birthday time, balance day, assistance to sick family member, balance and volunteer day, additional maternity leave, gradual postnatal return for mothers, paid additional paternity leave, first day of school and additional rest day in December.
   - **Tailored Time:** New benefit that meets the needs of several workers and families. Each worker can choose three hours a year to share time with family, pets, friends or on Halloween.
3. **My Experiences:** Associated with the different activities that workers and their families can share. Three subcategories were designed:
   - **Tailored Experiences:** New benefit created so that workers can choose entertainment, cultural, wellness, sports experiences, among others, that best suit their tastes and interests and can be enjoyed in their free time together with family or friends. Here the worker chooses his birthday gift.
   - **Corporate Experiences:** Sports, recreational and cultural activities programmed annually that seek to create bonds of friendship, take advantage of health benefits, contribute to the balance between personal and work life and encourage healthy competition among people. The workers enjoyed the activities: Just for Me aimed at singles, karting tournaments, volleyball, bowling, field tennis and football 6, Enel athletics club and challenge; and with their families, recreational vacations for children, ecological hike, a work day with mom and dad, flight days and the Christmas show.

- **Celebrations:** Workers can meet and schedule to participate in corporate events such as Women's Day, celebration for fathers and mothers, typical afternoons at Cundinamarca venues, children's party and end of year celebration for workers.

4. **Complementary:** Benefits associated with psychological counselling, educational assistance, excellence scholarship, health plans, vehicle policy, loans, life insurance, eBike to work programme, parental programme and special moments in life.

5.811 redemptions in Benefits on Demand in two categories

5.026 My experiences | 785 My time

Smart Working category **62** active workers in the flexible remote work benefit

41 | 21

My Experiences

More than 1,212 participations in 40 events

More than 892 family members attended the events

Use of benefits

97% | 92%

	EDAD
Less than 25	75%
Between 25 and 35	96%
Between 36 and 55	95%
Over 55	82%

Significant figures in the use of benefits in 2019

5 requests or phycological counselling

22 requests for special moments in life

Birth	55%
Condolences	27%
Incapacity	18%

Psychological counselling requests and special moments in life in 2019

9% of EMGESA workers are active

Use of e-bike EMGESA 97% | 92%

159 Active ebike to work users

	EDAD
Less than 25	75%
Between 25 and 35	96%
Between 36 and 55	95%
Over 55	82%

Significant figures in the use of the eBike To Work Programme in 2019

Currently **4** workers are recipients

In 2019 a new Excellence Scholarship was awarded

Participation in the Excellence Scholarships benefit for children of workers

Organisational Happiness Strategy

In 2019 Emgesa continued to mobilise the DNA of Organisational Happiness. Some of the initiatives carried out to measure and promote the appropriation of the Organisational Happiness model are mentioned below.

26 talks with senior management leaders to measure H-DNA appropriation within the organisational culture

In 20 march, international day of happiness, the Happiness Thermometer is applied **564** workers participated

8 talks to measure the happiness model's perception, appropriation and experience in the organisation, **71** workers participated

9 "Your Enel Journey" workshops, where **189** workers from different segments participated

28 essential moments were identified associated with happiness

16 less effort high impact milestones

12 more effort high impact milestones

20 H-DNA **WORKSHOPS**

Consistency
Gratitude
Service
Compassion
Resilience

251 **PERSONS**

throughout the country participated in the workshops

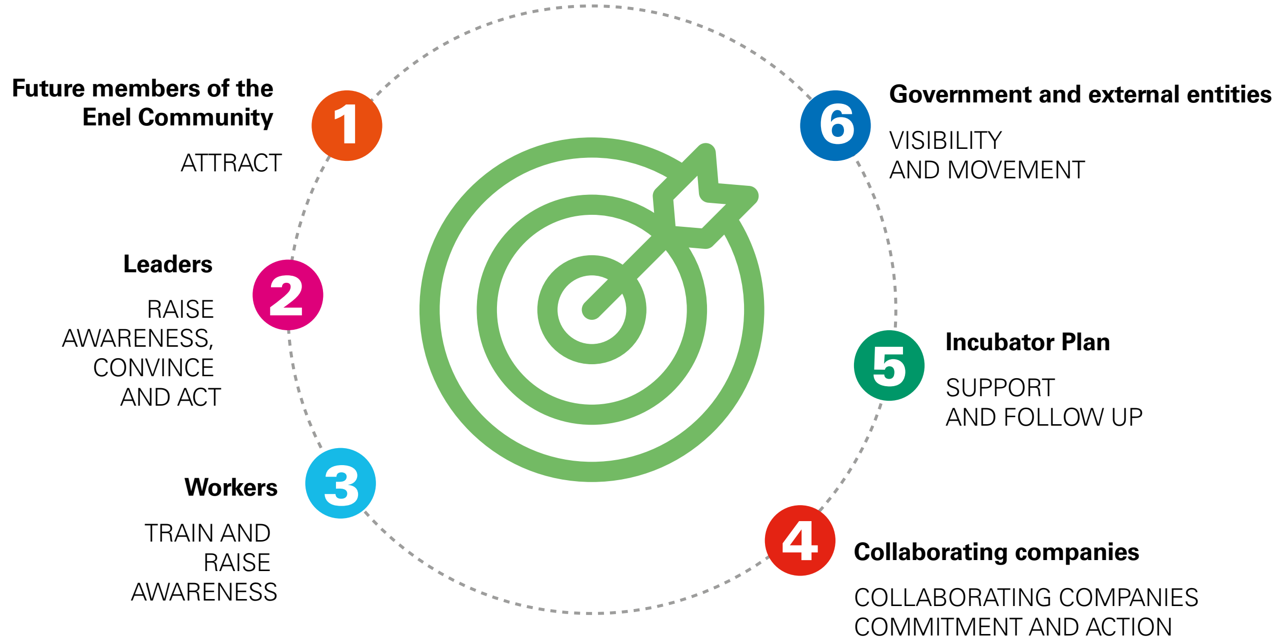
15 in corporate offices

5 in substations

5 in power plants

Diversity strategy: Let's Activate Inclusi-ON

Several initiatives were developed to respect and promote the principles of non-discrimination, equal opportunities and inclusion in the performance of the Company's activities. In 2019, in the gender focus, six audiences were identified:



Future members of the Enel community

The Young Talent Programme incorporated eight candidates who during the internships showed talents of interest to the business to train in relevant Company issues. The interview manual without gender biases was also designed for this audience, which is shared with the supervisors who participated in the interviews of new candidates.

Leaders

The first meeting of Enel-Colombia Leaders was held with a focus on diversity and inclusion, with 152 leaders from different areas of the Company who were made aware of the impact of their decisions and actions on this issue.

Workers

The Diversity Week was held, where the "Let's Activate Inclusion-ON" campaign was launched. Pedagogical contents were shared, activations and awareness activities were carried out, families and children participated, and conferences were held with experts such as Adrianella Betancourt, Director of Health and Valor and leader of the Diversity and Inclusion Committee of Pfizer Colombia.

The Diversity and Inclusion (D&I) Committee was created, made up of Directors and leaders of corporate strategy management. The D&I speak up was also launched, a space where workers from different areas can be an active part of future initiatives to be managed within the D&I framework.

Government and external entities

In 2019 Enel Colombia was present at 25 events as speaker of good practices in managing gender equality, having an impact on the Government and external entities such as ministries, universities, NGOs, among others.

Other actions

In 2019, D&I management was expanded with other vulnerable populations, the community of sexual diversity and people with disabilities. Best practices were reviewed with other companies and entities focused on labour inclusion.

WOMEN IN EMGESA
MAKE UP
24,2%
OF THE COMPANY

OCCUPY
32%
OF LEADERSHIP POSITIONS

97%
HAVE USED AT LEAST ONE BENEFIT OF QUALITY OF LIFE

Significant figures in gender management in 2019

Tender Management of Health Plans and Life Insurance

The bidding processes were carried out seeking better conditions in three categories for the following scope: 1,034 users of prepaid healthcare, 170 users of the complementary plan, and 137 users of medical service to family members. The Company covers from 50% to 100% of the cost of healthcare plans, always thinking about the health and well-being of our workers and their families, and 100% of life insurance is covered.

Training and development of our workers

Different trainings, events and programmes were carried out aimed at managing the talent of the workers and providing the tools and knowledge necessary to develop different technical, soft, digital and leadership skills, allowing for alignment with corporate strategies and transversal competences.

Faculty of Leadership

Exclusive faculty for leaders. This year it incorporated a group of compulsory courses on relevant topics that drive digital transformation and leadership, as well as elective courses on particular needs for relationships with its teams. 93% of leaders participated in at least one course

For 2019, the digital version of the Leader's Guide was maintained, based on the principles of communication and focus, feedback and recognition, and inspires your team; through various pedagogical material. Additionally, 4.0 leadership workshops were held to deepen and define the behaviours of a leader in digital culture.

Performance evaluation (OFE&Evaluation)

Starting in 2019, the methodology changed, opening two evaluation models, Open Feedback (OFE) to evaluate Open Power behaviours. The tool allows to provide and request real-time feedback from all colleagues and the supervisor. This process facilitates open and direct dialogue.

Succession plans

In order to have personnel prepared to assume positions or critical processes of the operation, ready successors and pipeline successors are prepared, people with high potential who have a succession and career plan.

Climate and Safety Survey

In 2018, the work climate survey was carried out, which evaluates the categories of Happiness, Commitment and Safety, in addition to two open questions about the work climate. The participation percentage was 94.5%, the result will be obtained by 2020. In 2019, 32 action plans were implemented in order to strengthen the climate in different areas of the Organisation.

Development methodologies

General figures

- 9 Emgesa employees carried out coaching processes.
- 12 workers were accompanied by a mentor or guide.
- 20 workers graduated from the industrial engineering programme thanks to the support of the Professionalisation Programme.
- The benefit of study loans and sponsorships was granted to 16 professional workers at different universities.

Internal outdoor methodology

An Outdoor session was designed in which 93 people participated, in order to strengthen different skills such as: coordination, alignment, planning, teamwork, among others. A budget optimisation of $225 million and a rating of 4.78 out of 5 was achieved.

Job Shadowing Project

The "All Enel" Job Shadowing programme is personal development programme where a "guest" worker shares with another "host" worker for five days. This experience gives the worker the possibility to discover different activities, expand their work network and share their activities with other colleagues.

Individual Development Plan

The IDP includes activities aimed at strengthening different skills, through self-management actions, temporary performance in other activities, technical mentoring, participation in projects, and training courses. In total, 1.468 actions were registered in the IDP for 487 workers, obtaining a distribution of activities as follows:

ACTIVITIES	AMOUNT
Self-management activities	17
Temporary	9
Training	1432
Technical mentoring	3
Participation in projects as Team Leader	4
Participation in projects as a Team Member	3
TOTALS	**1468**

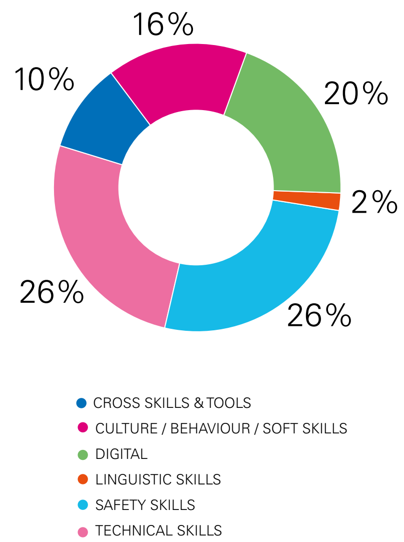
Number of IDP actions

Corporate University

The Corporate University was launched with 153 courses offered at different faculties such as: Open Power, digital transformation, techniques and leadership.

Soft and Technical Skills Training

In total, 58,556 hours of training corresponding to training in different competition groups were carried out. In 2019, 625 workers participated.



Percentage of hours by type of training

Languages

Both English (885%) and Italian (12%) training was carried out, in total 3,178 hours of training were carried out, with the participation of 61 workers.

Sustainability focus training

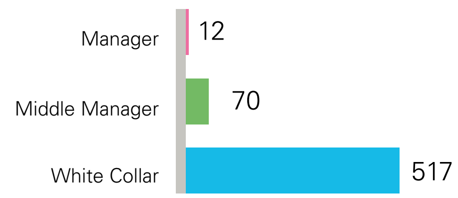
Training was carried out on security (86%), environmental (10%) and anti-corruption (4%) topics for a total of 17,649 hours of training.

Change Management Office

An own methodology was designed to work the Company's strategic projects, supporting them in change management. By 2019 the methodology was redesigned with six steps with an emphasis on Agile and the Enel Group's digital transformation strategy. In 2019, change management was mainly focused on digital transformation processes.

Personnel management

At the end of 2019 Emgesa closed with a staff of 599 workers, 1% less than the immediately previous year, 96.49% of the workers had an indefinite-term contract and 3.51% a fixed term contract. The classification according to the job category is detailed below:



Direct Personnel as of 31 December 2019 by job category

Additionally, Emgesa closed with a total of 30 interns (regulated by Sena quota) and 23 university interns (agreements with universities) as of 2019 year-end.

According to the strategy of equality and equity, the total number of women in the Company as of 2019 year-end was 145 workers, the same as the previous year.

Compensation

The Company carried out several activities in order to stimulate the achievement of better results; recognise higher levels of performance; attract, motivate and retain workers:

> Analysis of best compensation practices in other companies.

> Analysis with external reference markets, internal equity and review of critical roles, among others.

> 106 salary levelling for direct personnel: 61 for personnel under a collective agreement and 45 for personnel outside the agreement (comprehensive salary).

Organisational model and structures

In 2019, Emgesa continued the application of the organisational model in Colombia in the different areas of staff, services and business line. The main changes in the different organisational levels nationwide, which were supported with the respective organisational executives, were made in the Power Generation business line, and in the staff areas of Administration, finance and control, Communications, People and Organisation, Sustainability and Digital Solutions.

Employee loans

The Company during 2019 provided economic resources for loans for a total amount of $7,893,264,177, which were granted to 186 Emgesa workers in different credit lines.

The loan portfolio of the Company's active and retired personnel and the balance as of 31 December 2019 amounted to $24,698,854,363.

Internal movement

The internal movement rate for the group was 16.5%, considering:

PROMOTIONS	TRANSFERS	INTERNAL MOVEMENTS
43	19	62
Direct selection + internal competition + recategorisation	Direct selection + internal competition + recategorisation	

*** Internal Movements / Average cumulative workforce of the Organisation**

Personnel selection

A process effectiveness rate of 92% was achieved with coverage of 196 vacancies in total. For 2019, 45 direct vacancies (including internal contests), 95 places for university student interns and SENA apprentices were filled; and finally, 56 temporary staff processes were processed.

Direct selections and recategorisations

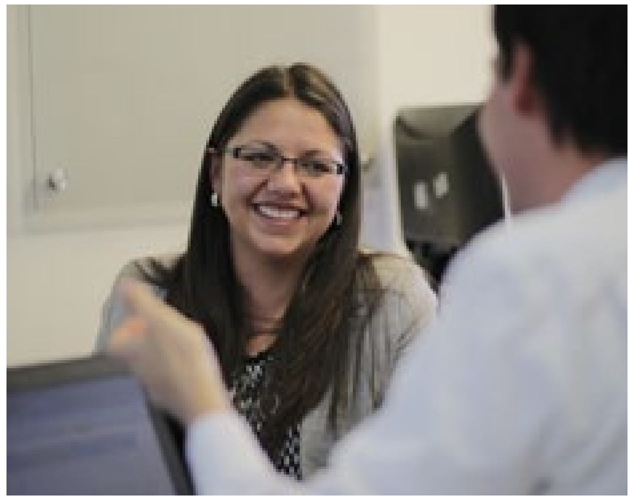
During 2019, 16 direct selections and 13 recategorisations were made that influence changes at a higher position level and/or transferred from the organisational unit. 34.5% of the direct selections and recategorisations made correspond to women. 31.7% of leadership positions are filled by women.

Internal competitions

48.8% of vacancies were filled through internal competitions, taking advantage of the competencies of internal staff to complement the different areas. We continued with the process of personalised feedback on 100% of the internal applicants.

Digital culture

Six competencies necessary to adapt assertively to the digital culture were identified, which are aligned to the Company's Open Power culture. These have already been incorporated into the processes that are managed by People and Organisation. At the same time, work is being done to create a communication campaign that ensures the understanding of digital skills and its adoption by workers.



IDENTIFYING AND SOLVING COMPLEX PROBLEMS	ADAPTIVE CREATIVITY	COLLABORATIVE COMMUNICATION	CONTINUED LEARNING
Identifying and solving problematic situations in complex and uncertain scenarios, through assertive use of data looking at the big picture.	Capacity to generate disruptive ideas, adapting to changes and unexpected scenarios.	Capacity to generate value through cocreation processes with the customer, in collaborative and digital environments.	Learn in a self-taught and permanent way through the use of digital tools, generating shared value.
PROACTIVITY	INNOVATION	TRUST	RESPONSIBILITY

RESILIENCE	Recovers from adversity and learns	CHANGE MANAGEMENT	Understands the needs and impacts of change, making the necessary behavioural adjustments to enable their implementation

Employer brand

In 2019, we worked on automation and digitisation of the processes associated with the selection of personnel through the following tools:

> **Taleo:** 191 vacancies were managed through this platform. The platform allowed: global visualisation of vacancies, greater control and greater possibilities for workers. The participation of more than 500 internal workers in the competitions held during the year was achieved.

> **Magneto:** Consolidated as the main tool to attract external talent to the Organisation, according needs, profiles and vacancies.

National fairs

We participated in 33 university fairs nationwide in order to introduce students to the business objective, learning opportunities and growth within the Companies. We also participated in conferences focused on strengthening the Enel attitude for people interested in belonging to the Group.

Young Talent

The programme aims to give the 8 best university interns the possibility of participating in a development and training programme on topics relevant to the Company. These students are incubators for future business openings.

Employee experience

Based on a diagnosis, a care and operation model was built that allows participants to feel closer, more transparent and more effective with respect to the response from all fronts of the People and Organisation Management (P&O) involved in the process of covering a vacancy.

Participation in the ILO World Congress

The International Labour Organisation (ILO), the world's highest regulatory body on labour issues, held its conference No. 108, where more than 150 countries participated with representatives of employers, the Government and trade union organisations.

Emgesa was invited for the second consecutive year to be part of the commission of representatives of the Colombian business sector. During the meeting, Convention 190 concerning the Elimination of Violence and Harassment in the World of Work and Recommendation 206 with the same title were approved.

CESLA

This Centre for Social and Labour Studies (CESLA) is engaged in analysing the relationship between employers and employees, in order to offer scientific evidence that influences the transformation of public labour policies in favour of promoting employment and social development in the country. For 2019, the Centre for Social and Labour Studies (CESLA) issued the Third Report on Absenteeism and the Second Collective Bargaining Report, in whose construction the Enel Group participated as a member of the CESLA Primary Committee.

Regulatory Proposal

The Company has been working on positioning as a business group that proposes public policies on labour issues, that shares and promotes its best labour practices and that works on labour legal aspects hand in hand with unions.

For this reason, in 2019 the Company was called to form part of the Regulatory Proposal Group led by ANDI and made up of representatives from six companies, for the purpose of studying the most relevant labour legal problems in the country and generating policy proposals and new regulations that contribute to the improvement of workspaces.

From this effort started in 2019, six lines of regulatory proposal were defined for 2020, covering topics such as absenteeism, union and collective bargaining management, the pension scenario and digitisation within the employment contract scenario.

Prevention of Workplace and/or Sexual Harassment

To continue strengthening the prevention of situations of Workplace and/or Sexual Harassment, the Company in 2019 launched the communication campaign "Zero Tolerance for Harassment. In addition, during this year the modification of the internal policy was advanced, integrating it into global policy. In addition, the installation of the new Labour Coexistence Committees for the Enel Group Companies was carried out and will be valid until 31 December 2020.

You deserve it

The development of the "You deserve it" strategy continued, focused on encouraging Company employees to schedule and enjoy their vacation periods. In addition to carrying out a communications campaign, this initiative was promoted by the leaders and area committees, who encouraged their teams to be part of this programme.

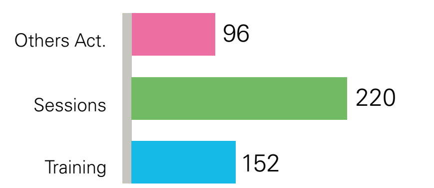
INNOVATION AND DIGITAL TRANSFORMATION

Innovation

It is one of the Enel Group's value levers, which seeks through an open innovation system to integrate solutions into different challenges with internal and external actors to generate sustainable projects in new businesses, or new internal processes that generate value for the customer and the Organisation. In this sense, there are different tools and actors that allow the creation of a decentralised innovation process for the incubation of projects by each Business Line.

PARTICIPATION IN INNOVATION ACTIVITIES

Emgesa had the participation of 468 people in the different programmes and activities carried out, distributed as follows:



Impact on People

IDEAS MANAGEMENT

With the support of the innovation ambassadors, 12 sessions were held to solve Emgesa's business challenges, in which 409 ideas were generated, 53 were selected, and 3 are in progress.

FINANCIAL RETURN

EMGESA obtained for the first time in several years an investment approval worth $5.76 billion, with the possibility of obtaining $ 1.44 billion in lease discounts for 2019, for the BESS technological development project.

PATENTS

The Superintendence of Industry and Trade granted Emgesa, through Resolution 46923, its first invention patent, thanks to the project "Microinjection and oxygen dosing system for discharge water from a hydroelectric plant".

This project ensures the preservation of the life of the species, and injects and doses the oxygen from the water masses with high flow rates and discharge speeds, to maintain energy generation levels in harmony with the Magdalena River ecosystem.

Image 1. Patent Model "Microinjection and oxygen dosing system for discharge water from a hydroelectric plant" Enel Emgesa 2019

OPEN INNOVATION

ENEL EXPLORA PROGRAMME

SIts objective is to make the people of the Organisation know and interact with other innovation ecosystems and experience new ways of innovating. It was attended by 65 workers from different areas and companies, who voluntarily enrolled in the Enel Explora programme and learned about the Innovation system of the Universidad de los Andes and the BBVA innovation centre.

INTRAPRENEURSHIP

During 2019, 12 internal brainstorming sessions were developed to solve business challenges, in which 220 people participated and 409 ideas were generated. Some of them are detailed below:

ENERGY MANAGEMENT JOURNEY MAP

How to transform the customer experience into a flexible and innovative service supported by digital solutions was the challenge we worked on. New projects that the business requires to maintain customer satisfaction were identified.

Renewable Energies Brainstorming Session

42 ideas were explored, and 4 initiatives focused on the challenge of managing all the parameters of regulatory reporting in a smart digital tool were prioritised.

Use of waste in the Bogota River

Con el apoyo de universidades, se diseñó un prototipo para la gestión y el aprovechamiento de residuos en el río Bogotá. Se desarrollaron seis comités de innovación en los que se evaluaron 155 ideas de las cuales fueron seleccionadas 29 para desarrollo. Adicionalmente, fueron presentadas mejores prácticas en técnicas operacionales.

MAKE IT HAPPEN

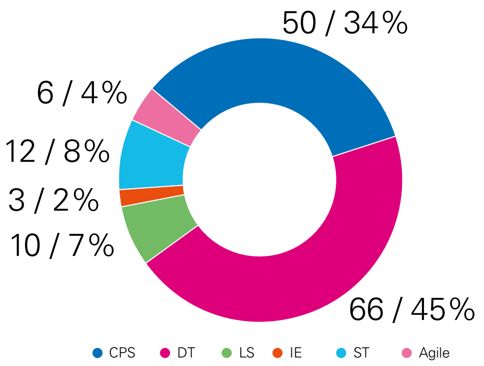
The Global Corporate Intrapreneurship programme was launched. This programme gives all workers the opportunity to propose, share and develop innovative ideas, either from two paths, Green Journey (new business models) and Blue Journey (improvement ideas for existing activities at Enel).

In Colombia, 15 ideas from all business lines were registered, 10 of which were approved in the second phase and 7 by Emgesa were internationally recognised.

Training in Innovation

INNOVATION ACADEMY

A total of 15 courses were taught with a participation of 8% of the direct staff in Creative Problem Solving (CPS), Design Thinking (DT), Lean Start-up (LN), Emotional Intelligence, Storytelling and Agile; whose participation was as follows:



Participation by course

INNOVABILITY DAYS

The Innovability Days were held, a week dedicated to the construction of spaces to motivate the culture of innovation and sustainability among all the workers of the Organisation, who experienced different moments:

- Pitch Day of MAKE IT HAPPEN
- Inspiring lectures by Fernando Heinscke, CEO of María Panela, and Robbie J. Frye, an intellectual nomad who works on the growth of start-ups.
- Solutions to challenges by expert ambassadors in innovation methodologies.
- Presentation of the Enel Group innovation model by Alessia Sterpetti, Head of Open Innovation and Idea Factory Global Italia.
- Evaluation panel of start-ups (best 13 ventures out of the 100 that initially applied).

AMBASSADORS NETWORK

By the end of 2019, the network of innovation ambassadors had 20 participants from several areas of the Organisation.

On Ambassador's Day, the effort made by this network was recognised, which contributes to the design and facilitation of sessions to share knowledge with all employees, structure and teach courses on tools to solve challenges and support the execution of innovation projects. in the different lines of business. The Meeting of Innovation Ambassadors was also held.

Digital transformation

2019 was a year aimed at digital transformation, a determining factor for the Company's competitiveness and long-term sustainability. Based on an analysis of processes and needs, the operation model was redesigned and new experiences were built for the customer. The transformation of Emgesa to a data-driven company is also highlighted, that is, a company capable of taking full advantage of the data it has.

Emgesa focuses on the digitisation of three strategic pillars: customers, assets and people, leveraging these services on platforms, cybersecurity and cloud services.

Customers

Emgesa has set out to be a digital leader in the energy sector with an offer of differential value in the market, developing and incorporating new digital capabilities that represent a differential competitive advantage in its relationship with the customer and the market in general.

Projects:

- Veliq Project - Validations of the daily market billing

Assets

Emgesa seeks the efficient management of the assets installed in its plants by using digital technology for the "connection" and remote management of the assets, thus automating business processes and improving the operational performance of the assets.

Projects:

- PowerGIS Project - Hydrological and cartographic information management system
- EGMA Project - Energy and Gas Monitoring Centre
- E-Planner Project - Centralised view of all maintenance activities at Thermal Generation Plants
- Cybersecurity- Security, availability and integrity of the operational systems of all Generation Plants
- Data Gathering PI Project - Collection of information on the operating systems the Renewable Generation Plants
- Electronic Renewal Project IP Telephony
- Electronic Network Renewal Project - Technological update of communications equipment

People

The digital transformation seeks to industrialise internal processes, adopting a service-oriented work logic, making automatic workflows, in order to improve quality, transparency and control with a consequent increase in productivity.

Projects:

- Upgrade Windows 10
- Office 365 - The best tools for productivity and cloud collaboration.
- Printing system - Renewal of the printing, copying and scanning service
- Renovation of storage and backup systems
- Cybersecurity awareness
- E-travel - Global platform to manage work trips
- EMMa (Enel Meeting Manager) - Room reservation optimisation
- Digitisation process of advances and legalisation of travel expenses
- Colombia Contractors Web (Gestor.com) - Control and historical record of contract management
- Total Tax Contribution -TTC- Automation of the annual tax report
- E4E AWS Migration Project
- Third Party Portal - Payment and invoice information for creditors and suppliers
- GECM Billing - Invoice processing through metadata
- Safety Report - Accident registration on the ground and information on safety walks
- Electronic Renewal IP Telephony

OSH, SAFETY AND MANAGEMENT SERVICES

Occupational safety and health

For the fourth consecutive year, a result of zero labour accidents was obtained from own employees and from contractor companies, reaffirming our commitment to people's health and lives.

Energy Management

The specific HSEQ Integrated Management Policy was created for the Energy Management activities of collaborating companies and suppliers, which directs them towards the safety, integrity and health of people as strategic elements in the sustainable development of their work, continually guaranteeing protection of the environment and the satisfaction of its stakeholders.

The Quality System managed:

> Creation of a single information repository that facilitates document management and data protection for customers and suppliers.

> An internal and external audit as part of the follow-up to its implementation and maintenance, obtaining as a result zero Non-Conformities, two recommendations and an opportunity for improvement.

> 43 indicators that measured the performance of the objectives and goals.

> 13 action plans that contributed to the process of continuous improvement of Management processes.

> Comprehensive review of the procedures of the processes, in comparison with the applicable norms and regulations for commercial activity.

As for the management of Safety and Health at Work, its integration and alignment with the Quality Management System was structured, facilitating the creation of own documents and tools, for their implementation and improvement in Management processes. One of the strategic pillars was compliance with the Zero Accident Policy in all Energy Management collaborators, which includes contractor companies and suppliers; This was reflected in compliance with the local goal of the Frequency Rate (FR), Severity Index (SI) and Work-related Accidents (WA), which remained at zero throughout the year.

In the operational control of activities and manoeuvres, the following actions were managed, among others, based on Resolution 0312 of 2019 and Enel Group standards:

> Implementation of the Co-pilot Chambers Project, which facilitated the identification of specific action plans for the control of electrical risk in Telemetry operations. Energy Management Colombia became the first Global Trading Management to implement this type of technology.

> Development of the SHE 2019 Leadership programme in conjunction with other Business Lines, which focused on the identification of best safe practices for the execution of activities.

> 40 improvement actions in the Telemetry processes, commercial technical operations, hydrology and supply of solid fuels.

> 74 IPALES inspections (60% more than 2018) that allowed identifying better work methods, digitizing information, eliminating unsafe conditions, among others.

> Definition of HSEQ requirements for the procurement of solid fuels (coal).

> 21 contract materialisations in telemetry processes, commercial technical operations, ash sales, hydrology, among others.

> Implementation of quality and safety and health plans at work, in order to measure and control compliance with the defined objectives, goals and programmes, according to the technical specifications of the processes.

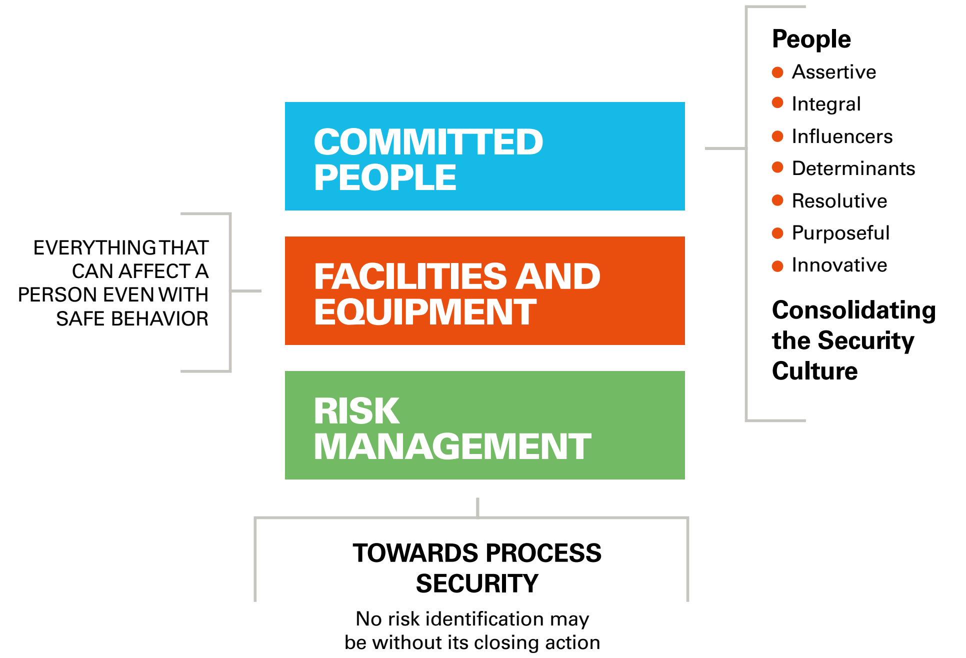
> Training in first aid, eating habits, emergency care, evacuation, and prevention and dissemination campaigns were carried out on lessons learned from events presented in the Company.

Asset sale and management

In the hydroelectric power plants, 2019 closed with an approximate total of 931,808 man hours worked by own personnel and 2,649,228 by contractor personnel. In the thermal power plants, a total of approximately 287,042 man hours worked by own personnel and 1,299,697 man hours worked by contractor personnel were reached.

The aim is to generate tools to promote the objectives and goals in terms of reducing accidents, incidents and protecting the environment. Among the most relevant initiatives that are applied are:

Focus and Act: The Focus and Act programme was born as a response to new challenges and as a way to intervene efficiently in events that may materialise, redesigning the way of acting through three pillars: committed people, risk management and facilities and equipment.



PARE Programme to control Electric Risk: An intervention was carried out regarding the risk of electrical contact in electrical panels of the Cartagena, Termozipa and Bogota River power plants. Additionally, personnel exposed to electrical risk were empowered and certified in control measures on protections and specialised personal protection elements for protection against electric arcs.

Fatality Prevention Programme and activities such as Safety Moving Parts, Special Tools e Intrinsic Safety: Safety conditions were evaluated in order to improve operational controls on priority risks such as electrical, work at height and lifting of loads, risk facing simultaneities and interferences in the development of activities in the same equipment, mechanical risk in potential situations of impact with objects and entrapments; further consolidating work procedures that ensured these controls.

Extra Checking on Site - ECoS: Continued implementation of the preventive and corrective improvements identified according to the global programme of the generation lines, which seek to recognise, through an external perspective, aspects to be improved in favour of prevention and incident prediction in power generation processes.

Safety Moving Pool: This strategy was deployed in which experts and specialists from different countries accompany major maintenance activities by carrying out inspection, monitoring and sharing good practices of other maintenance.

SHE 365: Spaces were generated to promote successful initiatives to transform behaviours in the field of occupational health and safety, such as "Leadership", which have raised awareness of the importance of influential leadership, optimising the operation and maintenance processes, the briefings on safety and environment.

Safety of processes, facilities, equipment and emergency response: The Fire Systems Improvement Plan was implemented under the guidelines of the technical standard NFPA 850 and to strengthen emergency response.

Asbestos treatment and control: Systematic sampling of friable asbestos was carried out in the generation plants. In thermal generation, signposts were installed to alert the risk in the structures with friable asbestos and in some potential situations it was removed.

Security

Security risk management

Methodological tools were built to apply in the service contractors the Security Conditions of Annex III of Country Contracting. They are standardised guidelines for the management of the physical security processes of installations, information security, and fraud and corruption management.

The development of a Security ToolBox allows identifying the main risks associated with the activities and operations carried out by the Company's contractors, such as: economic losses due to damage to corporate assets, damage to the continuity of operations, non-compliance with the availability of assets generation, loss of human life or personal injury, impact on the image of the Company, fraud impact on business profitability, and non-compliance with regulations for the processing of personal data, and information security.

Counterparty risk management

In 2019, 267 counterparty analyses were carried out, aimed at identifying and dealing in a timely manner with the reputational and legal risks that may arise from third-party business or contractual relationships.

For our company, honour, suitability, efficiency and transparency of suppliers must be consistent with the ethical values and principles established by the Enel Group in Colombia.

Protection of infrastructure and local operation

In order to bring all the Company's installations to the optimum state of security, a security analysis and standardisation system for installations in Colombia (SANEC) was developed, which allows the identification, qualification, control and management of operational, physical and environment risks, thus ensuring the minimum security standard in the different types of installations that the Company has, and facilitates the efficient and timely investment of resources. This system also ensures:

- Protection of the Company's strategic assets;
- Decreased risk of theft and intrusion;
- Improvement of operating conditions;
- Decreased preventive maintenance;
- Risk control with third parties and the environment; and
- Increased customer confidence

Information security and personal data protection

The information security policy was established, which seeks to define the basic guidelines for the protection of confidentiality, integrity and availability of information within the framework of continuous improvement.

The personal data protection programme trained, through awareness workshops, 30 workers representing 20 key areas of the Company, in order to guarantee respect for customer information rights and improve processes taking into account the lessons learned about claims for complaints regarding the subject.

Management services

During 2019, quality and innovation management focused on the following fronts:

Integration of the HSEQ Management System and the Energy Efficiency System: The necessary adjustments were made to integrate the Energy Efficiency Management System to the current HSEQ Integrated Management System.

Certification of the Energy Efficiency Management System - ISO 50001: Certification was obtained for the Cartagena power plant and the certification was maintained at the Termozipa power plant. Additionally, the ANDESCO award for Energy Efficiency was received.

Transition to the International standard of Safety and Health at work ISO 45001: Hydraulic generation plants obtained certification in the new ISO 45001 standard, demonstrating the commitment to the Health and Safety of personnel.

Maintenance of the Anti-Bribery Management System-ISO 37001: Training of internal auditors was carried out, who supported the audits to strengthen the Company's Anti-Bribery Management System.

Innovation and ongoing improvement: The use of virtual reality and augmented reality was introduced to enhance the training and technical support processes. Projects that contribute to the safety of people were carried out, such as O&M Tips (QR code reading app with relevant information to act on site), Pórtico Pescante (Design and development of equipment for lifting loads), Safety Spray Shields (Design and installation protection shields against leaks), Portable Alarm System, with which, through the use of drones, the online identification and display of incidents is achieved.

Supplier qualification and evaluation: The supplier qualification and evaluation process was leveraged, achieving in 2019 a total of 167 supplier qualifications and 510 evaluations of contracts in execution.

QA/QC Quality Assurance and Control: The Quality Moving Pool scheme was implemented in the projects developed in Termozipa and Cartagena (dock construction), with the support of global quality engineers and local participation. 16 quality plans for the main contracts were reviewed, approved and monitored.

Internal customer service

12,515 requests for services were answered through the CASA administrative service channel with a level of service opportunity of 94.05%, perceived quality in the service process of 94.01% and customer satisfaction index in 99.07%.

Additionally, the contractor service was implemented through CASA on the Gestor.com contract management system.

Real estate management

The following real estate management activities stand out in 2019:

- **Bogota River Power Plants:** The settlement of the Yalconia property located in an urban area of the Municipality of El Colegio was carried out, achieving the delivery by the municipality of this property.
- **Guavio Power Plant:** The 2.8 hectare property called "Villaprovi" was donated to the municipality of Ubala, for the construction of the Wastewater Treatment Plant for the Villa María housing project.
- **Cartagena Thermal Power Plant:** Confirmation was obtained from the Colombian Maritime Directorate of ownership of the Cartagena Thermal Power Plant, ratifying the ownership of Emgesa.
- **Betania Reservoir:** Irregular occupations were reduced by 2% compared to 2018. As a result of the Land Management and Sanitation Project, the processes of purchasing prescription began and the land of the reservoir was encompassed for an advance of 26% of the total.
- **El Quimbo Hydroelectric Power Plant:** At the end of 2019, a total progress of 86% in the deed was obtained, as a result of the Land Management and Sanitation Project; in addition, the aggregation of 56 properties was carried out for a progress of 30% of the total reservoir grounds; this as part of the process of land use planning of the municipalities that are part of the Power Plant's area of influence.

General services and facilities management

Renovation and adaptation of spaces

Guaca Power Plant: New Data Processing Centre. In Termozipa Power Plant: Remodelling of bathrooms and dressing rooms, installation of Agile rooms and certification of the elevator of the plant according to the Colombian technical standard NTC 5926-1. Others: Remodelling of the diner of the Paraiso Power Plant, construction of new operation offices in Termo Cartagena, remodelling of kitchens for staff houses of the Guavio Power Plant and construction of a new access gate in the Betania Power Plant.

Document Management Project

The project for the standardisation of the document management process was continued according to Decree 1080 of 2015. Document Retention Tables (DRT) were defined for the entire company, and the policies, procedures and instructions were submitted for the approval of the entities in charge.

INTERNAL AUDIT MANAGEMENT

During 2019 the internal audit management was mainly aimed at strengthening and updating practices and methodologies of Corporate Governance, compliance and risk insurance in the Company. Thus, the Company's internal control system was strengthened in order to improve quality, transparency, service, competence and leadership in the sector and in the country.

Among the main actions that were developed in 2019 are:

Corporate behaviour

Relevant documents were issued and updated (Gifts and Hospitality Policy, Personal Data Treatment Policy, Know Your Customer Colombia Organisational Procedure and Labour and/or Sexual Harassment) and the update of the Matrix of the Criminal Risk Prevention Model (testing of controls and monitoring of criminal risks present in the Company's processes).

The activities aimed at sustaining the Anti-Bribery Management System (SGAS) certification obtained in 2018, in compliance with the international standard ISO 37001, continued.

The System allows to prevent, detect and respond to the risk of bribery, strengthening the Company's anti-bribery organisational culture. This establishes a series of conducts that provide guarantees to the administration, investors, partners, personnel and other interest groups that the Organisation is taking the necessary and appropriate measures with the aim of preventing, detecting and responding to the risk of bribery of the most suitable way.

The Internal Audit of the system was developed by an external inspector in order to verify the conformity of the implemented system. The result of the evaluation was of general conformity, confirming that it is a mature and consolidated system, which has been in operation for several years and has evolved with the dynamics of the organisation, integrating processes that demonstrate compliance with the requirements of the ISO37001 standard.

The Emgesa Internal Compliance Committee, which is responsible for monitoring the implementation and adequacy of compliance programmes framed in tools, protocols and control systems, also actively operated to ensure transparent, honest, fair and ethical actions in the performance of the Company's activities.

During the year, the training programme on bribery, corruption, ethics and compliance continued. Sessions were held with more than 200 collaborators, with the aim of strengthening knowledge on ethical and compliance issues, as well as raising awareness of criminal risk prevention policies and principles, emphasizing the prevention of corruption in risk processes. such as state contracting, institutional relations, contracting and management of consultancies and minor purchases.

Induction training was also carried out for personnel who enter the Company, emphasizing the policies and protocols of the compliance programme, Code and Ethical Channel, Model for the Prevention of Criminal Risks and conflicts of interest.

Additionally, more than 29 pieces of communication were disseminated by internal means such as emails, video, intranet and billboards, and direct link to the ethical channel was promoted in most Emgesa Managements.

Emgesa celebrated Ethics Week (May), through communication pieces, training, contests, among others. Additionally, the "Gifts and Hospitality" policy issued in May 2019 was presented and a meeting with Enel Group Suppliers was held, emphasizing the risks of corruption, the use of the ethical channel and the presentation of the "Ethical Guide for Suppliers" .

On the other hand, the communication channels that have been arranged as consultation or complaint mechanisms (ethical channel, emails, calls, among others) were monitored and managed, with the aim of protecting the complainants from retaliation or discriminatory behaviour, ensuring the confidentiality of their identity and making an adequate analysis and closing of the reported events.

Externally, there was participation in various initiatives as hosts of the Second Working Session of the Electricity Sector Collective Action (May 2019), in which Emgesa hosted and presented its Compliance Programme and the experience of certification of the ISO 37001 standard Likewise, the practices regarding Compliance and Anti-bribery were disclosed in spaces such as the Annual Global Compact Congress - UN Colombia (May 2019), Launch of the Network of Compliance officers and with the Secretariat of Transparency.

In 2019, Emgesa continued with its active participation in the commitment of the Collective Action for Ethics and Transparency of the Electricity Sector that seeks to promote healthy competition, trust and sustainability of companies and the sector. The Company actively participated in the working table to update the Competition Risk Matter in the Electricity Sector, which identified the risk scenarios for the sector, as well as mitigation actions and best practices as companies. Likewise, work was carried out on updating the Manual of Good Practices for Free Competition in the Electricity Sector, which aims to provide guidelines and basic recommendations that allow them to take the necessary measures to prevent the occurrence of violations of free competition regulations. and acquire knowledge on how to act in the matter.

In turn, Emgesa is part and promoter of the "No eXcuses" initiative with its stakeholders, led by the Alliance for Integrity and Global Compact Colombia. This project worked on the creation and dissemination of a primer that makes it possible to make visible in a practical way the 10 most frequently used excuses to justify illegal acts, and offer clear and understandable arguments against them, as well as providing advice to respond to these excuses within the framework of an ethics and compliance anti-corruption programme.

The challenges for the future include continuing to update and implement best practices and consolidate ourselves as benchmarks in the country in terms of Corporate Governance, compliance, ethics, transparency, and the fight against corruption.

Audit and risk assurance duty

Throughout 2019, we continued our efforts on an audit duty in line with best practices, which had the information system as a tool that supports the management of the audit and compliance duty.

The annual audit plan was completed satisfactorily, which included the performance of eight audit jobs, in which the process of Unscheduled Maintenance (Focus H&S), Delegated and Excluded Purchases, Management of infrastructure contracts (El Quimbo), Large Stops, Management of communications contracts, Purchases for the line of renewables, Payroll Management, and Analysis of the adequacy of the Internal Anti-Bribery Control System with respect to ISO 37001.

For 2019, as in previous periods, the results of the audit work have not revealed weaknesses that compromise the fulfilment of the Company's objectives.

The progress and compliance of the action plans as a result of previous audits were also monitored, with the aim of solving weaknesses and improving the internal processes of the Company. As of 31 December 2019, action plans older than six months were closed.

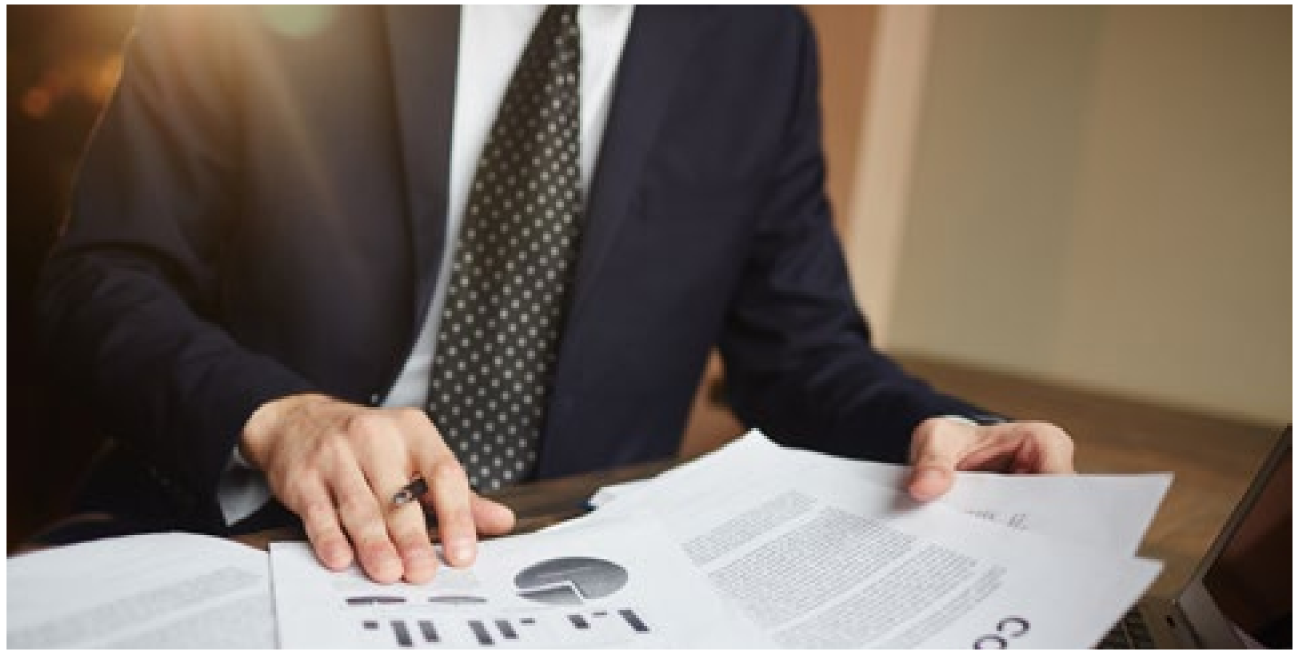
LEGAL MANAGEMENT

Legal management focused on the early detection of risks and legal opportunities for risk prevention and the correct direction and advice for decision-making within the Organisation.

The main milestones of 2019 are described below:

Regulatory management

From the regulatory perspective, we actively worked on structuring new businesses for the sale of electrical energy and natural gas, as well as on the legal analysis of the regulatory proposals of the Energy and Gas Regulation Commission (CREG) and in the follow-up of legislative initiatives that impact the Company's activities, highlighting, in particular, the rules for auctions for the Reliability Charge and long-term energy contracts that the Ministry of Mines and Energy has been promoting. On the other hand, the actions regarding the situation derived from the intervention of Electricaribe and the current claim in favour of the Company were accompanied. Furthermore, a timely response was given to the requirements of several supervisory and control entities.



Business management

The support for the structuring and sale of electrical energy and natural gas stands out, especially in long-term contracts. Also, legal support was continued for the energy derivatives market and for the green certificates market in the sale of energy.

The legal management in the renegotiation of fuel supply contracts for the generating park also stands out, as well as the tender for the subscription of new supply contracts and the legal support in the process carried out by the Superintendence of Household Public Utilities in the case of Electricaribe to ensure the adequate fulfilment of the payment obligations of said customer.

Litigations

In terms of litigations, at the end of 2019, in total for the El Quimbo Power Plant, the Company responded to more than 1,600 actions for the protection of constitutional rights, 97% of which have been ruled in favour of the Company, only 3% unfavourable rulings without involving a financial compensation measure order or other management order. Within the judicial processes of expropriation that the Company carried out in order to acquire the ownership of the properties required for the construction and operation of the El Quimbo Hydroelectric Power Plant, expert opinions have been submitted claiming disproportionate and unreal economic compensation. During 2019, several irregular situations took place that violated the Company's rights of defence and due process, however, through new rulings issued by the Supreme Court of Justice in use of the constitutional action for protection, they have been re-established. In 2019, the Company's detailed defence in these processes continued, reaching a declaration from the highest hierarchical bodies in order to ward off violations of the Company's fundamental rights.

In relation to the serious damage processes brought as a result of claims from people who sold their properties to the Company for the El Quimbo project and whose claims were excessive, in 2019, 100% of second instance rulings were in fvour of the Company, proving that Emgesa duly applied the unit price manual without causing harm to the community.

Regarding corporate litigations, 20 arbitration lawsuits filed by local partner Grupo Energía Bogota S.A. ESP were contested, which aimed to challenge the social decisions of the highest corporate bodies which made decisions in favour of the Company regarding the distribution of profits, brand evolution, renewable energy markets, etc., which in the opinion of Grupo Energía Bogotá constitutes a breache of the investment framework agreement and corporate bylaws. At the end of 2019, these procedures are grouped in a single litigation.

Environmental management

Under Resolution 2984 of 2017, by means of which the term of the Bogota River water concession was extended, the Company requested the Cundinamarca Regional Autonomous Corporation (CAR) to approve the Compensation Plan proposed by Emgesa, which was adjusted according to the results of the discussion work tables carried out with the Corporation.

In relation to the El Quimbo Hydroelectric Power Plant, we processed the issuance of Resolution 257 of 20 February 2019 by AUNAP, to authorise the cultivation of bocachico and capaz fish, and extend for three years Resolution 1926 of 10 November 2016. The decision adopted by said authority allows Emgesa to fulfil one of the obligations established in the environmental license for fish repopulation.

Finally, the Upper Magdalena Regional Autonomous Corporation (CAM) released Emgesa of any type of liability, for allegedly causing a forest fire.

5. FINANCIAL RESULTS

FINANCIAL MANAGEMENT

The following are the most relevant figures and indicators:

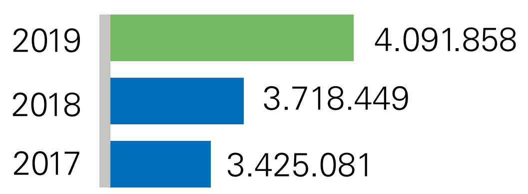
	2018	2019	Variation
Operating revenues	3.718.449	4.091.858	10,04%
Operating costs and expenses	1.412.021	1.528.369	8,24%
Contribution margin	2.306.428	2.563.490	11,15%
Administrative Expenses	211.858	228.520	7,86%
EBITDA	2.094.570	2.334.969	11,48%
Earnings before taxes	1.568.165	1.823.483	16,28%
Provision Income tax	547.827	591.331	7,94%
Net income	1.020.338	1.232.152	20,76%

IFRS figures in millions of pesos

Emgesa's revenue in 2019 reached $ 4,091,858 million, showing an increase of 10.04% compared to 2018, due to the fact that the company maintained a significant level of energy sales, which, together with higher energy stock prices, as a consequence of the rain deficit in the country, had a positive impact on sales transactions both in the spot market and in contracts with the non-regulated market that are indexed to said price.

Due to the better hydrological conditions presented in the Emgesa basins compared to the market average, Emgesa increased its generation by 1.2 TWh during 2019, to meet contractual obligations and thus decrease the volumes of energy purchases, positively impacting the company's contribution margin.

Revenue



Figures in millions of pesos

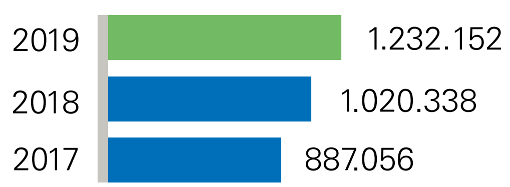
The cost of sales amounted to $1,528,369 million, 8.24% higher than the previous year, mainly explained by the increase in the cost of energy purchases, derived from a higher spot market price, as explained above.

Administrative expenses amounted to $228,520 million, a YoY increase of 7.86%, mainly due to higher personnel costs due to salary adjustments.

Therefore, EBITDA was consolidated at $2,334,969 million, which shows an increase of 11.48% compared to 2018 and an EBITDA margin of 57.06% on revenue.

Finally, the Company's net income for 2019 was $1,232,152 million, which represented an YoY increase of 20.76%, mainly explained by an 11.7% reduction in net financial expense compared to last year, from $301,088 million in 2018 to $265,737 million in 2019. The decrease in financial expenses was mainly due to a lower average debt balance compared to the same period in 2018. Additionally, a lower current tax rate was recorded, as a result of the reduction of the income tax rate by 4 percentage points for 2019.

Net income



Figures in millions of pesos

As of 31 December 2019, the Company's assets totalled $9,117,487 million, of which the item of net property, plant and equipment, represented 89.18%, for a value of $8,130,922 million, and cash and equivalents cash amounted to $283,675 million, equivalent to 3.1% of total assets.

Compared to 31 December 2018, total assets decreased by 1.43%, mainly explained by the use of cash for payments made for the maturity of local bonds, income tax and dividends.

Assets	2018	2019	Variation
Current Assets	1.093.730	825.830	-24,49%
Non-current assets	8.156.233	8.291.657	1,66%
Total Assets	9.249.963	9.117.487	-1,43%

Figures in millions of pesos

Emgesa's total liabilities as of 2019 was $4,374,269 million, a YoY decrease of 12.70%, mainly due to the amortisation of debt maturities with internal cash (bonds and bank loans).

Liabilities and equity	2018	2019	Variation
Current liabilities	1.668.320	1.281.513	-23,19%
Non-current liabilities	3.342.395	3.092.756	-7,47%
Total liabilities	5.010.715	4.374.269	-12,70%
Total equity	4.239.248	4.743.218	11,89%
Total liabilities and equity	9.249.963	9.117.487	-1,43%

Figures in millions of pesos

Regarding the level of indebtedness, as of 31 December 2019, Emgesa registered a financial debt of $3,017,877 million, 20.7% less than the indebtedness recorded at the end of 2018.

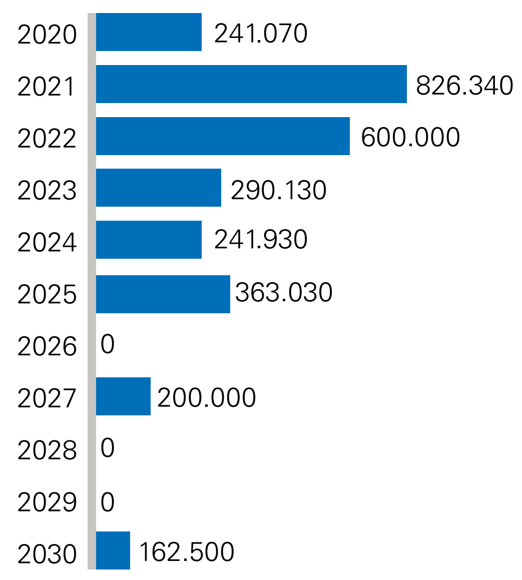
During 2019, $ 746.9 billion were amortised corresponding to maturities of: local bonds $596.9 billion, local loans $ 150 billion, among which is the prepayment of an obligation for $135,000 million.

Therefore, the significant capital of the financial debt as of 31 December 2019 was divided between bonds issued in the local capital market for $2,188,240 million and bonds indexed to Colombian pesos issued in the international market for $736,760 million.

Emgesa maintained as of 2019 100% of its debt in pesos. On the other hand, 92% of the financial debt was long-term (it had a remaining maturity of more than one year). 65% of the debt had interest indexed to the CPI, and the remaining 35% at a fixed rate.

The following is Emgesa's maturity profile as of 31 December 2019:

Maturities Profile



Figures in millions of pesos

In turn, the Company's equity amounted to $4,743,218 million as of 2019, which represented a positive variation of 11.89%, mainly explained by higher net income for the year and an increase in retained earnings.

Dividends

On 26 March 2019, the General Shareholders' Meeting in ordinary session approved the distribution of profits for the period January to December 2018, for a total amount of $714,237 million, equivalent to a distribution of 70% of available profits plus $6,397 million for the reversal of the 2018 tax reserve.

In 2019, Emgesa paid a total of $696,571 million in dividends to its shareholders corresponding to the last instalment of the dividends declared on the 2017 net income and to the first two instalments of the dividends declared on the 2018 net income.

Current Ratings

On 15 April 2019, Fitch Ratings Colombia confirmed in 'AAA (col)' and 'F1 + (col)' the National Long-Term and Short-Term Ratings, respectively, of Emgesa S.A. ESP. The rating agency also ratified in 'AAA (col)' the rating of the Bonds and Commercial Paper Programme for $4.4 trillion with a stable outlook.

In addition, Emgesa's international rating as issuer of long-term corporate debt in local and foreign currency was ratified at BBB by Standard & Poor's on 15 October 2019 and by Fitch Ratings on 15 April 2019 with a stable outlook.

In the case of Fitch Ratings, the rating was based on the solid business profile, supported by the diversification of its generation matrix and its strong competitive position. The firm indicated that the Company maintains a solid generation of operating cash flow that, together with the limited needs for capital investments, supports the expectation of a greater reduction in leverage in the medium term. It also stressed that the ratings incorporate the positive effect on cash generation, as well as the strategic importance of Emgesa for its shareholders.

In turn, the Standard & Poor's report reflects the expectation that Emgesa will continue to be a key subsidiary of Enel and that its parent company will support it even in a hypothetical scenario of sovereign stress, added to the healthy credit metrics currently registered and expected to be maintained for years to come. All of the above led to obtaining a rating above the Colombian sovereign rating (BBB -).

Investor Relations Recognition

Since 2013 the Colombian Stock Exchange has granted this recognition to companies that voluntarily adopt good practices in terms of disclosure of information, relations with their investors and good Corporate Governance.

For the seventh year in a row, Emgesa received the IR -*Investor Relations*- recognition for its commitment, transparency and high standards regarding disclosure of information and its relationship with investors.

This recognition has as requirements that companies have a representative who is available to attend to investor inquiries in Spanish and English, who reveal additional information to that which is ordinarily requested, through the website that is constantly updated, and additionally that it makes periodic publications of financial and corporate information.

Tax Management

The management of Tax Consulting in 2019 focused on an active participation in the operations of the Company as described below:

Tax litigations focused on: dealing with litigation and controversies with territorial entities (i.e., municipalities and departments) and other public entities (e.g. Upper Magdalena Regional Autonomous Corporation), (ii) maintaining applicable tax benefits to Emgesa S.A. E.S.P., including those granted to the El Quimbo Hydroelectric Project; and (iii) discussion and refund of the undue payment of Special Contribution.

Regarding territorial taxes, the Council of State favourably resolved the controversy between Emgesa S.A. E.S.P. and the municipality of Caloto for the Industry and Trade Tax that was supposedly owed in that municipality. The Council of State analysed the characteristics of the operation of Emgesa S.A. E.S.P. and dismissed the municipality's claim, which amounted to $1,074 million plus interest.

Throughout the year, the tax benefits applicable to the operation of Emgesa S.A. E.S.P. were monitored. Especially, the continuity of the special deduction benefit in real productive income fixed assets for the El Quimbo Hydroelectric Project was ensured. For this purpose, compliance with the obligations of the legal stability contract was monitored, with which, an unqualified opinion was obtained by the external auditor.

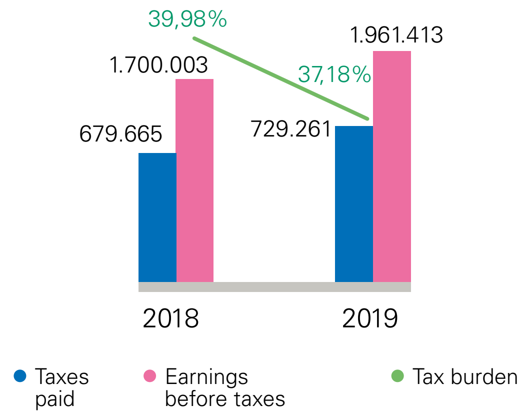
The liquidation of the Special Contribution for the Superintendence of Household Public Utilities for taxable year 2013 and 2014 was successfully discussed. Emgesa maintained in both cases that the basis on which it had been determined was flawed, a position that was shared by the Council of State. Consequently, the return of $773 million and $963 million will be due for the terms of 2013 and 2014, respectively, plus interest.

During the year, acquisitions of real productive fixed assets were made that allow taking a tax discount on income for the VAT paid of $20,113 million. This discount will be applied in the tax returns of the taxable year in which the corresponding tax conditions are met.

Tax benefits for investments in environmental improvement have been processed with the environmental authority for the Company's investment in Termozipa within the Best Enviromental Performance Practice (BEPP) project.

The first disclosure of the Total Tax Contribution (TTC) of 2018 was made, which showed the Enel companies' transparency in their fiscal responsibilities, fully complying with current tax regulations, which contributes to economic and social development of Colombia through the payment and collection of all taxes. The TTC allows to identify, measure and communicate the business asset that represents the tax contribution of Enel Colombia, so that it is effectively incorporated into the reputational value, given the value it generates and contributes to society.

Emgesa's tax burden, including all national and local taxes, for the last two years is as follows:



Internal control

As part of the Internal Control System, Enel Emgesa has an internal control model based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) international reference framework to provide financial reporting assurance in compliance with the United States Sarbanes Oxley Act (SOX) of 2002 and Italian Act 262 of 2005; subject to evaluation by those responsible for controls and different audits.

Management personnel and other controllers carried out the process of self-evaluation and certification of the Internal Control model, confirming their responsibility to establish, maintain and evaluate the effectiveness of the Internal Control Model of the Company's Financial Report.

In response to the responsibility for internal monitoring of the Internal Control Model, the firm Deloitte & Touche executed this process without identifying significant issues, thus concluding that the Internal Control Model of the Financial Report operates effectively.

Additionally, the firm Ernst & Young as fiscal auditor and external auditor during 2019 audited the relevant processes and controls and its results were communicated to the Company's Audit Committee without identifying significant design and operational deficiencies regarding the report's internal control model. Financial.

For the issues identified in the self-assessment process and in the audits, action plans were designed to mitigate the observations received and promote continuous improvement of the internal control model.

Access Policies

In 2019 and in compliance with the internal control policies of the Enel Group, the certification of accesses to the relevant information systems was carried out as a monitoring and assurance activity on adequate and authorised access to the systems under scope.

Electronic billing

In compliance with Resolution 000010 of 6 February 2018, as of 1 January 2019 the Company implemented the receipt of electronic invoicing for customers and suppliers.

6. SEPARATE FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS

Emgesa S.A. E.S.P.

For the years ended 31 December 2019 and 2018 and for the twelve-month period ended 31 December 2019 and 2018, with Statutory Auditor's Report

Building a better working world

Independent Auditor's Report

To the Shareholders of:

Emgesa S.A. E.S.P.

Opinion

I have audited the accompanying financial statements of Emgesa S.A. E.S.P., which comprise the statement of financial position as of 31 December 2019 and the corresponding statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying financial statements fairly present, in all material respects, the Company's financial position, taken from the books, as of 31 December 2019, the results of its operations and the cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company, in accordance with the Code of Ethics Manual for accounting professionals and with the ethical requirements that are relevant to my audit of the financial statements in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 accompanying financial statements. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. Based on the above, below, I detail how each key matter was addressed during my audit.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Consequently, my audit included the performance of procedures designed to respond to the risks of material misstatement assessed in the financial statements. The results of my audit procedures, including the procedures performed to address the matters listed below, form the basis of my audit opinion on the accompanying financial statements.

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Key audit matter	How my audit addressed the key audit matter
Key audit matter 1 The Company has established a procedure for the monthly recognition of the estimate for income and costs (variable margin) corresponding to the sale of energy in the wholesale market, non-regulated market, power exchange and gas sales. Said estimate is presented by the difference between the commercial billing cut-off and the monthly accounting cut-off, in which the estimate corresponds to the energy that has been delivered but not invoiced at the accounting cut-off. For income with commercial cycles that do not match the accounting cut-off, management estimates the amount to be recognized for energy delivered but not invoiced and its associated costs (variable margin) at the end of the fiscal year. This area is identified as a key aspect of auditing due to the complexity of the estimation process and management's judgment applied in the assumptions used.	In relation to this key audit matter, our audit procedures as of 31 December 2019 included the following: 1. Understanding the criteria and procedures used by management for the estimate of income from energy delivered but not invoiced, including verification of the effectiveness of the relevant controls associated with the process. 2. We carried out substantive analytical procedures related to management's estimate of energy purchases for a given month of the current year versus management's estimate of energy purchases for the same month of the previous year, obtaining an explanation of possible significant deviations. 3. We performed an analysis of fluctuations between revenues from energy delivered but not invoiced and in the accumulated income accounts compared to the previous period to identify possible significant deviations. 4. We carried out, through sampling, a selection of the energy purchases issued by the most representative third parties from which Emgesa purchases energy. 5. We compared the economic variables (PPI and Exchange Rate) estimated by management versus real data for the month with external sources, which allows us to identify possible significant deviations and whether they are justified. 6. We identified that the differences determined by management in relation to the estimated variable margin and real margin are duly justified according to the behaviour of real purchases and energy already invoiced for the current month. 7. We tested the effectiveness in terms of design and operation of controls executed by management in which variable margin is compared against the resulting real margin once the income and costs are fully invoiced

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Reporting Standards generally accepted in Colombia (CFRS), which includes designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying the appropriate accounting policies, as well as establishing the accounting estimates reasonable under the circumstances.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

» Identify and assess the risks of material misstatement of the 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.

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» Conclude on the appropriateness of 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 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 my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

» Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with those charged with 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 my audit.

I also provided those charged with 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 my independence, and where applicable, related safeguards.

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

Other affairs

The financial statements under accounting and financial reporting standards accepted in Colombia of Emgesa S.A. E.S.P. as of 31 December 2018, which are part of the comparative information in the accompanying financial statements, were audited by another auditor designated by Ernst & Young Audit S.A.S., on which he expressed his unqualified opinion on 20 February 2019.

Report on other legal and regulatory requirements

Based on the scope of my audit, I am not aware of situations indicative of non-compliance in the fulfilment of the following Company obligations: 1) Keep the minutes books, shareholder register and accounting, according to legal regulations and accounting technique ; 2) Carry out the operations in accordance with the bylaws and decisions of the Shareholders' Meeting and the Board of Directors, and the regulations related to comprehensive social security; and 3) Keep the correspondence and the vouchers of the accounts. Additionally, there is agreement between the accompanying financial statements and

Management's report, which includes Management's statement on the free circulation of the invoices issued by vendors or suppliers. The report corresponding to the requirements of article 1.2.1.2 of Decree 2420 of 2015 was issued separately on 20 February 2020.

The engagement partner on the audit resulting in this independent auditor's report is Edwin Vargas.

Jeferson Arley Delgado Pérez
Independent Auditor
Professional License 220202 –T
Designated by Ernst & Young Audit S.A.S.
TR–530

Bogota, Colombia
20 February 2020

Emgesa S.A. E.S.P.

Statement of Financial Position – Separate

(Thousands of pesos)

	Note	As of 31 December 2019	As of 31 December 2018
Assets			
Current Assets:			
Net cash and cash equivalents	4	$ 283.674.744	634.767.165
Net other current financial assets	5	13.471.927	85.969.598
Net other current non-financial assets	6	24.096.655	19.027.599
Net commercial accounts receivable and other receivables	7	239.008.801	152.986.102
Current accounts receivable from related entities	8	183.358.252	135.427.801
Net inventories	9	82.219.623	65.551.826
Total current assets		**825.830.002**	**1.093.730.091**
Non-current assets:			
Net Other non-current financial assets	5	554.417	1.923.594
Net Other non-current non-financial assets	6	32.179.900	7.611.813
Net commercial accounts receivable and other receivables	7	12.315.176	16.979.005
Investments in subsidiaries, joint ventures and associates	10	9.150.247	9.044.889
Net intangible assets other than capital gains	11	106.535.547	79.282.827
Net Property, plant and equipment	12	8.130.921.628	8.041.391.221
Total non-current assets		**8.291.656.915**	**8.156.233.349**
Total assets		**$ 9.117.486.917**	**9.249.963.440**
Liabilities and equity			
Current liabilities:			
Other financial liabilities	13	329.192.028	761.644.281
Current commercial accounts payable and other payables	14	349.053.095	390.931.680
Current accounts payable to related entities	8	226.662.717	189.108.090
Provisions	15	102.533.817	83.963.304
Current tax liabilities	16	207.188.045	169.973.468
Provisions for employee benefits	17	36.624.002	30.791.084
Other non-financial liabilities	18	30.258.940	41.908.207
Total current liabilities		**1.281.512.644**	**1.668.320.114**
Non-current liabilities:			
Other financial liabilities	13	2.688.684.643	3.042.178.911
Provisions	15	147.259.379	120.395.854
Provisions for employee benefits	17	88.556.371	79.386.870
Deferred tax liabilities	19	168.255.638	100.433.685
Total non-current liabilities		**3.092.756.031**	**3.342.395.320**
Total liabilities		**$ 4.374.268.675**	**5.010.715.434**

Emgesa S.A. E.S.P.

Statement of Financial Position – Separate (Continued)

(Thousands of pesos)

	Note	As of 31 December 2019	As of 31 December 2018
Equity			
Issued capital	20	$ 655.222.313	$ 655.222.313
Issue premiums		113.255.816	113.255.816
Other reserves	20	560.353.525	566.750.629
Other comprehensive income (OCI)		(31.398.646)	(23.850.401)
Net income		1.232.152.218	1.020.338.048
Retained earnings		743.412.486	437.311.071
Earnings from CFRS conversion effect		1.470.220.530	1.470.220.530
Accumulated earnings and profits		3.445.785.234	2.927.869.649
Total equity		**4.743.218.242**	**4.239.248.006**
Total liabilities and equity		**$ 9.117.486.917**	**$ 9.249.963.440**

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

The undersigned Legal Representative and Accountant certify that we have previously verified the affirmations contained in these financial statements and that they have been accurately taken from the Company's accounting books.

Marco Fragale
Legal Representative

Alba Lucia Salcedo Rueda
Public Accountant
Professional Card 40562–T

Jeferson Arley Delgado Pérez
Statutory Auditor
Professional Card 220202-T
Appointed by Ernst & Young Audit S.A.S. TR–530
(Refer to my report dated 20 February 2020)

Emgesa S.A. E.S.P.

Income Statement, by Nature – Separate

(Thousands of pesos, except earnings per share)

	Note	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Revenues from ordinary activities	21	$ 4.069.676.348	$ 3.667.452.751
Other operating revenues	21	22.181.772	50.996.157
Total revenues from ordinary activities and other operating revenues		**4.091.858.120**	**3.718.448.908**
Provisioning and services	22	(1.528.368.514)	(1.412.020.726)
Contribution margin		**$ 2.563.489.606**	**$ 2.306.428.182**
Works for fixed assets		10.859.668	7.773.531
Personnel expenses	23	(105.074.712)	(90.715.014)
Other fixed operating expenses	24	(134.305.286)	(128.916.425)
Gross operating profit		**2.334.969.276**	**2.094.570.274**
Depreciations and amortisations	25	(242.039.717)	(216.269.595)
Impairment losses	25	(455.677)	(2.426.192)
Operating profit		**2.092.473.882**	**1.875.874.487**
Financial revenues		20.471.977	24.685.196
Financial expenses		(299.356.318)	(332.963.582)
Capitalised financial expenses		13.566.737	7.977.253
Exchange difference		(419.754)	(786.833)
Net financial earnings	**26**	**(265.737.358)**	**(301.087.966)**
Earnings from other investments			
Earnings from other investments		105.358	97.587
Earnings from sale of assets	27	(3.359.067)	(6.719.474)
Earnings before taxes		**1.823.482.815**	**1.568.164.634**
Income tax expense	28	(591.330.597)	(547.826.586)
Net income		**$ 1.232.152.218**	**$ 1.020.338.048**
Basic earnings per share			
Basic earnings per share from continuing operations	29	8.223,20	6.801,24
Weighted average number of common shares outstanding		**148.914.162**	**148.914.162**

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

The undersigned Legal Representative and Accountant certify that we have previously verified the affirmations contained in these financial statements and that they have been accurately taken from the Company's accounting books.

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Emgesa S.A. E.S.P.

Statement of Comprehensive Income – Separate

(Thousands of pesos)

	Note	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Net Income		**$ 1.232.152.218**	**$ 1.020.338.048**
Components of other comprehensive income not reclassified to earnings before taxes:			
Gains (losses) on new measurements of financial instruments measured at fair value through OCI	5-30	(1.948.552)	(1.342.940)
Gain (losses) on new measurements of defined benefit plans	30	(8.131.850)	(5.747.248)
Gains (losses) on cash flow hedges	30	959	959
Other earnings before taxes		**$ (10.079.443)**	**$ (7.089.229)**
Components of other comprehensive income reclassified to earnings before taxes			
Gains (losses) on cash flow hedges	30	1.066.579	3.754.778
Other gains reclassified to earnings before taxes		**1.066.579**	**3.754.778**
Income tax relative to components of other comprehensive income not reclassified to earnings before taxes			
Gain (losses) on new measurements of defined benefit plans	30	1.886.585	564.163
Total income tax relative to components of other comprehensive income not reclassified to income tax		**1.886.585**	**564.163**
Income tax relative to cash flow hedges of other comprehensive income	30	(421.966)	(363.953)
Income tax relative to components of other comprehensive income		(421.966)	(363.953)
Other comprehensive income	**30**	**(7.548.245)**	**(3.134.241)**
Total comprehensive income		**$ 1.224.603.973**	**$ 1.017.203.807**

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

The undersigned Legal Representative and Accountant certify that we have previously verified the affirmations contained in these financial statements and that they have been accurately taken from the Company's accounting books.

Marco Fragale
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Emgesa S.A. E.S.P.

Statement of Changes in Equity – Separate

(Thousands of pesos)

	Note	Issued capital	Issue premium	Other reserves: Legal reserve	Other reserves: Statutory Reserve	Other reserves: Occasional reserve	Other comprehensive income: Gains and losses on new measurements of financial instruments measured at fair value and cash flow hedges	Other comprehensive income: Gains and losses on defined benefit plans	Accumulated earnings and profits	Total Equity
Initial balance as of 31 December 2017		**$ 655.222.313**	**$ 113.255.816**	**$ 327.611.157**	**$ 178.127**	**$ 241.806.480**	**$ (2.653.016)**	**$ (18.063.144)**	**$ 2.530.928.567**	**$ 3.848.286.300**
Changes in equity										
Comprehensive income										
Net income		-	-	-	-	-	-	-	1.020.338.048	1.020.338.048
Other comprehensive income	30	-	-	-	-	-	2.048.844	(5.183.085)	-	(3.134.241)
Comprehensive income		-	-	-	-	-	2.048.844	(5.183.085)	1.020.338.048	1.017.203.807
Dividends recognised as distributions to owners	-	-	-	-	-		-	-	(623.784.115)	(623.784.115)
Increases (decreases) due to other changes, equity		-	-	-	-	(2.845.135)	-	-	387.149	(2.457.986)
Total increase (decrease) in equity		**-**	**-**	**-**	**-**	**(2.845.135)**	**2.048.844**	**(5.183.085)**	**396.941.082**	**390.961.706**
Final balance as of 31 December 2018		**$ 655.222.313**	**$ 113.255.816**	**$ 327.611.157**	**$ 178.127**	**$ 238.961.345**	**$ (604.172)**	**$ (23.246.229)**	**$ 2.927.869.649**	**$ 4.239.248.006**
Changes in equity										
Comprehensive income										
Net income		-	-	-	-	-	-	-	1.232.152.218	1.232.152.218
Other comprehensive income	30	-	-	-	-	-	(1.302.980)	(6.245.265)	-	(7.548.245)
Comprehensive income		-	-	-	-	-	(1.302.980)	(6.245.265)	1.232.152.218	1.224.603.973
Dividends recognised as distributions to owners	-	-	-	-	-		-	-	(720.633.737)	(720.633.737)
Increases (decreases) due to other changes, equity	**20**	-	-	-	-	(6.397.104)	-	-	6.397.104	-
Total increase (decrease) in equity		**-**	**-**	**-**	**-**	**(6.397.104)**	**(1.302.980)**	**(6.245.265)**	**517.915.585**	**503.970.236**
Final balance as of 31 December 2019		**$ 655.222.313**	**$ 113.255.816**	**$ 327.611.157**	**$ 178.127**	**$ 232.564.241**	**$ (1.907.152)**	**$ (29.491.494)**	**$ 3.445.785.234**	**$ 4.743.218.242**

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

The undersigned Legal Representative and Accountant certify that we have previously verified the affirmations contained in these financial statements and that they have been accurately taken from the Company's accounting books.

Marco Fragale
Legal Representative

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Emgesa S.A. E.S.P.

Statement of Cash Flows, Direct Method - Separate

(Thousands of pesos)

		Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018
Cash flows from (used in) operating activities:				
Types of collections by operating activity				
Collections from sales of goods and services	$	4.002.059.338	$	3.966.164.725
Collections from royalties, fees, commissions and other revenues from ordinary activities		10.055.272		27.622.591
Collections from bonuses and compensations, annuities and other benefits of subscribed policies		16.010.050		22.645.686
Types of cash payments from operating activities:				
Payments to vendors for supply of goods and services		(1.732.941.345)		(1.525.931.428)
Payments of operating leases (IFRS 16)		(5.446.733)		-
Payments to and on behalf of employees		(93.716.912)		(90.021.449)
Payments of bonuses and compensations, annuities and other obligations from subscribed policies		(22.554.752)		(21.561.807)
Other payments for operating activities		(7.919.436)		(8.554.302)
Net cash flows from operating activities		**2.165.545.482**		**2.370.364.016**
Paid income taxes		(484.765.676)		(471.236.449)
Other cash outflows		(40.416.322)		(34.399.199)
Net cash flows from operating activities		**1.640.363.484**		**1.864.728.368**
Cash flows from (used in) investment activities:				
Cash flows used to gain control of subsidiaries or other businesses		-		(7.162.460)
Other payments to acquire equity or debt instruments from other entities		(136.000.000)		(417.400.000)
Other collections for the sale of equity or debt instruments from other entities		205.400.000		395.000.000
Loans to related entities		(92.658.471)		(81.000.000)
Purchase of property, plant and equipment		(347.482.806)		(260.109.172)
Collections from related entities		81.000.000		448.526
Interest received from investment activities		15.230.931		19.205.113
Net cash flows used in investment activities		**(274.510.346)**		**(351.017.993)**
Net Cash flows from (used in) financing activities:				
Loan reimbursements		(746.900.000)		(524.517.306)
Dividends paid to shareholders		(696.571.125)		(599.705.710)
Interest paid financing		(265.948.230)		(314.963.962)
Interest paid for operating leases (IFRS 16)		(872.893)		-
Payments of finance lease liabilities		(2.208.287)		(2.366.183)
Payments of liabilities for operating leases (IFRS 16)		(5.446.733)		-
Other cash outflows financing		1.001.709		(941.808)
Net cash flows used in financing activities		**(1.716.945.559)**		**(1.442.494.969)**
Net increase (decrease) in cash and cash equivalents	**$**	**(351.092.421)**	**$**	**71.215.406**
Cash and cash equivalents initial balance		634.767.165		563.551.759
Cash and cash equivalents final balance	**$**	**283.674.744**	**$**	**634.767.165**

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

The undersigned Legal Representative and Accountant certify that we have previously verified the affirmations contained in these financial statements and that they have been accurately taken from the Company's accounting books.

Marco Fragale
Legal Representative

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(Refer to my report dated 20 February 2020)

CONTENT

(In thousands of pesos)

1. Overview

Economic Entity

Emgesa S.A. E.S.P. (hereinafter the "Company") is a commercial stock company organised according to the Colombian laws as a public utility, regulated by Act 142/1994.

The Company 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.

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

The situation of the Corporate Group registered with the trade register of the Bogot Chamber of Commerce was updated by registration No. 02316803 of book IX of 28 March 2018, without any change being made with respect to the parent company (Enel S.P.A.). The situation of the Corporate Group is exercised by the company Enel SpA (parent company) indirectly over the companies Emgesa S.A. E.S.P. and Codensa S.A. E.S.P. through the company Enel Américas S.A.; indirectly on Sociedad Portuaria Central Cartagena S.A. E.S.P. through Emgesa S.A. E.S.P.; indirectly on Sociedad Inversora Codensa S.A. E.S.P. through Codensa S.A. E.S.P.; indirectly on the companies Enel Green Power Colombia S.A.S E.S.P. and El Paso Solar S.A.S. E.S.P. through Enel Green Power S.P.A. On 21 June 2018, through registration No. 1171351, the registry of the Corporate Group was updated in order to include the Enel Foundation and the company Enel X Colombia S.A. E.S.P. On June 27, 2019, through a private document, under number 02480893 of book IX, the Business Group was modified, in the sense of indicating the inclusion of the companies Parque Solar Fotovoltaico Sabanalarga S.A.S. and Parque Solar Fotovoltaico Valledupar S.A.S., which are indirectly controlled by the foreign company Enel Green Power SpA through Enel Green Power Colombia S.A. E.S.P. (subsidiaries).

Corporate Purpose – The Company's 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, labour, 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.

Change in the Company's corporate purpose - on 18 December 2017, an extraordinary session of the General Shareholders' Meeting was held, which approved the opening of new business lines and, as a result, the extension of the Company's corporate purpose, in the sense of including (i) 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 and (ii) the participation in financial derivatives markets of energy commodities. The formalisation and subsequent registration of this amendment to the Company Bylaws with respect to the Company's corporate purpose was conditioned upon the approval of this change by the Bondholders' Meeting, which gave its approval on 3 May 2018. Through public deed No. 1555 of the 11th Notary Public of the Bogota Circle dated 17 May 2018, the corporate bylaws amendment that accounts for the foregoing was formalised and registered in the public register of the Chamber of Commerce on 25 May 2018 .

The Company has 1 hydraulic generation stations and 2 thermal power plants, located in the departments of Cundinamarca, Huila and Bolívar:

Plant	Technology	Declared Capacity
Guavio	Hydraulics	1.250,0 MW
Menor Guavio	Hydraulics	9,9 MW
Betania	Hydraulics	540,0 MW
El Quimbo	Hydraulics	400,0 MW
Guaca	Hydraulics	324,0 MW
Paraíso	Hydraulics	276,0 MW
Darío Valencia	Hydraulics	150,0 MW
Tequendama	Hydraulics	56,8 MW
Salto II	Hydraulics	35,0 MW
Charquito	Hydraulics	19,4 MW
Limonar	Hydraulics	18,0 MW
Laguneta	Hydraulics	18,0 MW
Termozipa	Thermal	225,0 MW
Cartagena	Thermal	184,0 MW

Gas Trading

The gas regulatory year ended 30 November 2019, the new gas year begins with 11 industrial customers located in the cities of Bogota, Manizales, Cartagena and Barranquilla. In addition to strengthening relationships with customers in the wholesale market, by 2020 the Company continues to be a relevant player in the natural gas market in Colombia. Sales during 2019 were 112.2 Mm3, which meant a contribution of 0.12% to the Company's variable margin, while in 2018 sales were 79.5 Mm3, which meant a contribution of 0.18% to the Company's variable margin.

Legal and Regulatory Framework

For the implementation of the new framework stipulated by the Constitution, the Household Public Utilities Act (Act 142/1994) and the Electric 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 Electric 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 trade 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, long-term auctions of firm energy are carried out, within the "Reliability Charge" scheme. 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 Energies (NCRE) into the national energy system. This regulation gives fiscal and tax incentives to project developers associated with these technologies, without affecting the architecture of the current wholesale market. It also proposes the creation of a fund for the research and development of NCRE 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 24 of 2015, which regulates large-scale self-generation activity, and UPME published Resolution No. 281 of 2015, which defines the limit of small-scale self-generation equal to 1MW.

Additionally, the CREG issued Resolutions 11 and 212 of 2015, which promote demand response mechanisms. It also published Resolution 61 of 2015 to determine the methodology for calculating the firm energy of wind power plants in order to allow their participation in the Reliability Charge scheme, which was recently modified by Resolution No. 167 of 2017. 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. In 2016, UPME published Resolution No. 45, which defines the procedures for requesting certificates that endorse the Non-Conventional Energy Sources ("NCRE") projects and the list of goods and services exempt from duty or value added tax ("VAT").

With the adoption of the Reference Action Plan 2017-2022 for the development of the Programme 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 Operational Manual of FENOGE, which contains aspects related to sources of funding, allocation of resources, organisational structure, methodology of presentation and selection of projects and the execution process, was recently published in MME Resolution 41407 of 2017.

During 2017, the CREG published Document 161, whereby it proposed four alternatives for the integration of Non-Conventional Sources of Renewable Energy (NCRE) into the generator park, which are: i) Green premium, ii) Long-term agreements under a pay on a generation basis model, iii) long-term agreements for average energy and iv) long-term agreements under a pay as per contracted model.

Emgesa S.A. E.S.P.
Notes to the Financial Statements - Separate
(In thousands of pesos)

In February 2018, the CREG issued Resolution 030 of 2018, with simplified procedures to authorise the connection of Small-Scale Distributed Self-Generators (less than 1 MW), Large-Scale Generators up to 5 MW and Distributed Generators (defined as up to 0.1 MW) that employ Non-Conventional Renewable Energy Sources (NCRE). In the case of resources of less than 100 kW, a procedure was defined by means of a registration form with the Distributor, without the need for connection surveys, which involves very short periods for reviewing the requests (5 days), as well as testing and connection (2 days), which in any case requires minimum technical conditions in terms of protection and electrical safety.

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.

Continuing with the aforementioned Decree, the Ministry of Mines and Energy issued Resolutions 40791 and 40795 of August 2018, ending the construction cycle of the public policy that will enable the fulfilment of the objectives of strengthening, complementing and diversifying the country's energy matrix and thus reaching a historic milestone with the launch of the first long-term electric power auction in the country. As a fundamental element in the issuance of these resolutions, a long-term energy auction is created that will allow, among others, the greater incorporation of renewable energies into the national energy system.

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.

This auction, held on 26 February 2019, did not result in the award of long-term contracts for annual average energy, since the competition indicators (concentration and dominance) set by the Energy and Gas Regulation Commission (CREG) were not exceeded.

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. As a result of this mechanism, generation responsibilities were assigned to eight awarded projects with a total effective capacity of 1,298 megawatts of installed capacity, 5 of them wind and 3 solar. In the process, 7 generating companies and 22 marketing companies were assigned. The auction closed with a weighted average allocation price of $95.65 kilowatt hours, about $50 pesos below the current average cost of generation in bilateral contracts. In developing the award process, the Energy and Gas Regulation Commission established the price of $200/kWh as the individual maximum limit and the price of $160/kWh as the average maximum limit.

The target demand determined by the Ministry of Mines and Energy was 12,050.5 MWh/day. The total assigned energy was 10,186 MWh/day. The Long-Term Energy Contracts Auction No. 02-2019 had, in total, the participation of 20 generators and 23 qualified marketers, i.e., those who fulfilled all the prequalification requirements established for said mechanism.

Regarding the firm energy for the reliability charge, the CREG published Resolutions 167 and 201 of 2017, whereby it defines the methodology to calculate the firm energy of wind and solar plants. Additionally, the Commission for the Regulation of Energy and Gas (CREG), through Resolution 140 of 2017, defined a new methodology for calculating the scarcity value of the Reliability Charge, which is called the marginal scarcity price (MSP); this MSP will govern the assignments of Firm Energy Obligations (FEO) that will be carried out in the future, and will therefore represent the price at which said energy will be remunerated during a critical period. This new calculation methodology avoids any mismatch between the cost of local generation and fuel price markers in the international market, as the marginal scarcity price reflects the costs of local fuels.

The Commission for the Regulation of Energy and Gas - CREG, with the publication of CREG Resolutions 083 and 084 of July 2018, provided the opportunity to assign energy obligations of the Reliability Charge for the periods 2019-2020, 2020-2021 and 2021 -2022, and called for a reconfiguration auction for the sale of energy for the period 2018-2019.

Both regulatory measures seek to ensure the availability of an efficient energy supply for the country in the medium and long term and were issued after the analysis of the system's firm energy balance. This analysis was based on the demand projections of the Mining and Energy Planning Unit (UPME), the firm energy of the existing plants and the relevant information on its generation history and the possible scenarios for the entry of new projects.

In addition, the CREG defined the conditions for the call for an auction of the reliability charge for the allocation of electric power generation projects that may enter into operation in the 2022-2023 period. Through this regulatory decision, an auction of the reliability charge is called, by which scheme the generators commit to deliver a product called firm energy, the purpose of which is to cover the supply of energy for the national demand, even in the most critical hydrological cycles.

The Resolution establishes, among other aspects, that the auction be done through the sealed-envelope mechanism, i.e., it changes in relation to auctions of the reliability charge carried out in previous years through descending clock auctions.

On 28 February 2019, as planned, the reliability charge auction was conducted for the period 2022 to 2023, the following results of which stand out:

Closing price: 15.1 USD/MWh.

Energy assigned in the auction: the total firm energy obligations for the auctioned term is 250.55 GWh/day, of which 164.33 GWh/day were assigned in this auction and the remaining 86.22 GWh/day correspond to previous assignments.

The additional net effective capacity for the system in 2022-2023 will be 4,010 MW, distributed as follows: 1,240 MW thermal, 1,372 MW hydraulic, 1,160 MW wind and 238 MW solar.

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.

In September 2019, the CREG issued Resolution 096, which extends the option of access to the central dispatch, to power plants less than 20 MW connected to the National Interconnected System. Plants with less than 1 MW and distributed generators will not be able to participate in the central dispatch, and will be able to sell their energy to dealers that serve the regulated and non-regulated market. On the other hand, power plants between 1 MW and 20 MW may opt for the central dispatch. If they do not choose the central dispatch, they will be able to sell their energy to dealers who serve the regulated and non-regulated market.

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 October 2019, the CREG published Resolution 117, whereby a Purchase Reconfiguration Auction was called for the periods 2020-2021 and 2021-2022; the mechanism carried out in December 2019 by XM S.A. E.S.P. assigned total amounts of 4,278,410 kWh/day for the period 2020-2021, and 2,152,383 kWh/day for the period 2021-2022.

The award price for both amounts is USD 16.6/MWh of committed firm energy.

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.

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.

In turn, the Ministry of Environment and Sustainable Development published on 3 August 2016 Resolution 1283 of 2016, which provides the procedure and requirements for the issuance of the environmental benefit certification by new investments in projects of non-conventional renewable energy sources ("NCRES") and efficient energy management, to obtain the tax benefits set out in articles 11, 12, 13 and 14 of Act 1715 of 2014. MADS Resolution 1303 of 2018 amended Resolution 1283 of 2016 to carry out the environmental benefit certifications for new investments in projects of Non-Conventional Renewable Energy Sources (NCRES) and efficient energy management.

Furthermore, the Ministry of Environment and Sustainable Development 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.

Finally, 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 ICA and the exemption from customs duties as provided in articles 12 and 13 of Act 1715 of 2014.

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 materialised 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.

The Ministry of Mines and Energy, through Resolution 40006 of 2017, adopts the Transitory Natural Gas Supply Plan, which initiates the processes of procurement and allocation to carry out the works required by the UPME to ensure the security of supply and reliability in the short and medium term. As part of this process, at a regulatory level, the CREG has developed regulations related to gas infrastructure, such as regasification terminals, open seasons and extensions through procurement for the natural gas transport network.

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, emphasising 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.

At the end of June 2019, and as part of the provisions of the 2019 regulatory agenda, the CREG published Resolution 055 of 2019, which defines the selection rules for the manager of the natural gas market, the conditions under which it will provide its services and remuneration, as part of the natural gas operation regulations, as a fundamental part of the process of choosing the new gas market manager to start its services in 2020.

In August 2019, the CREG published for comments CREG Resolution 082 of 2019; where it establishes a series of measures in relation to the sale of natural gas transportation capacity in the primary and secondary markets, so that: i) its allocation is carried out efficiently in terms of prices and quantities; ii) the lack of transparency in the information related to the availability and access of existing transport capacity is eliminated, such as that derived from expansions through market mechanisms or centralised schemes; iii) more agile and efficient allocation mechanisms that respond to market needs.

2. Bases for Presentation

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

The separate 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 Company's general-purpose separate financial statements as of 31 December 2019, have been prepared in accordance with the Colombian Financial Reporting Standards (CFRS), which take into account all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the SIC Interpretations, the IFRIC interpretations and the conceptual framework for financial information, as applicable, issued and approved by the International Accounting Standards Board (IASB) as of 31 December 2016, and which were published in Spanish by such organisation in 2017, and incorporated into the Colombian technical accounting framework by Act 1314 of 13 July 2009, and compiled and updated as per Decree 2483 of 2018, issued by Decree 2420 of 2015, as amended.

The application of these international standards in Colombia is subject to some exceptions established by the regulator and contained in Decree 2420 of 2015, as amended. These exceptions vary depending on the type of company and are as follows:

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» Exceptions applicable to all financial information preparers.

Article 2.2.1 of Decree 2420 of 2015, complemented by Decree 2496 of the same year and as amended by Decrees 2131 of 2016 and 2170 of 2017, provides that 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 Company belongs to Group 1 for adoption according to the definitions of Decrees 2784 of 28 December 2012 and 3024 of 27 December 2013, according to which the Company issued the first comparative financial statements under CFRS as of 31 December 2015.

The general-purpose separate 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 such assets and liabilities registered at fair value.

The preparation of the separate 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 Company prepares its separate 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 2020 onwards

Decree 2270 of 2019 compiled and updated the technical framework of the Financial Information Standards accepted in Colombia, which had been incorporated by Decrees 2420 of 2015, 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2018, including some interpretations, modifications or amendments whose application is effective from January 1, 2020.

These interpretations, modifications, and amendments, as well as the evaluation of the impacts according to the analyses carried out by the Company, are described below:

Amendments to IAS 19: Plan amendment, curtailment or settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a period. When a plan amendment, curtailment or settlement occurs during the annual reporting period, the amendments to IAS 19 specify that an entity must:

» Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

» Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: (i) the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and (ii) the discount rate used to remeasure that net defined benefit liability (asset)..

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in net interest, is recognised in other comprehensive income.

The changes must be applied to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2020, with earlier application permitted. The Company will assess the possible impacts of the application of these amendments.

IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income tax when tax treatments involve an uncertainty that affects the application of IAS 12. The Interpretation does not apply to items outside the scope of IAS 12 such as other taxes, levies and interest and penalties associated with uncertain tax treatments. This interpretation addresses specifically the following:

» whether an entity considers uncertain tax treatments separately;

» the assumptions an entity makes about the examination of tax treatments by taxation authorities;

» how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and

» how an entity considers changes in facts and circumstances.

An entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty. The interpretation is included in the Technical Compilation and Update Annex 1- 2019, of Decree 2270 of 2019 and is effective for the annual reporting period that begins on or after January 1, 2020, with earlier application permitted, certain exemptions are allowed in the transition. The company does not expect impacts due to the application of this interpretation.

Annual improvements 2018 (issued in October 2018)

The improvements were introduced in the Colombian accounting framework through Decree 2270 of 2019, and include:

Amendments to IFRS 3: Definition of a Business

The amendments to the definition of a business in IFRS 3 – Business Combinations help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business; remove the assessment of whether market participants are capable of replacing any missing elements; add guidance to help entities assess whether an acquired process is substantive; narrow the definitions of a business and of outputs; and introduce an optional fair value concentration test. They also add examples to illustrate the application of the amendments.

Since the amendments apply prospectively to transactions or events that occur on or after the date of the first request, the Company will not be affected by these amendments on the cut-off date.

Amendments to IAS 1 and IAS 8: Definition of Material or with Relative Importance

The amendments align the definition of "Material" across the standards IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and clarify certain aspects of the definition. The new definition states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

2.4. Financial Reporting Standards Not Incorporated into the Accounting Framework Accepted in Colombia, Issued but Not yet Effective

IFRS 17 Insurance contracts

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for insurance contracts covering measurement and recognition, presentation and disclosure. Once in effect, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with specific characteristics. of discretionary participation. This standard includes few exceptions.

The general objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, which primarily seeks to protect previous local accounting policies, IFRS 17 provides an integral model for these contracts, including all relevant issues. The essence of this standard is a general model, supplemented by:

» A specific adaptation for contracts with characteristics of direct participation (variable rate approach).

» A simplified approach (the premium allocation approach) mainly for short-term contracts.

IFRS 17 has not been introduced into the Colombian accounting framework by any decree to date.

2.5. Relevant Estimates and Accounting Criteria

In the preparation of the Financial Statements, specific estimates have been used by the Company'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 3.2.12.).

» The useful life of intangible assets and property, plant and equipment. (See Notes 3.2.6. and 3.2.7.).

» The expected credit loss from commercial accounts receivable and other financial assets (See Note 3.2.8. (B)).

» The hypotheses used for the calculation of the fair value of the financial instruments. (See Note 3.2.13.).

» Revenues and expenses arising from generation activities, which mainly come from energy sales through bilateral contracts to the wholesale and unregulated market, the energy market, the Automatic Generation Control (AGC) service and the reliability rate, as well as the purchases of energy necessary to deal with such contracts (See Note 3.2.16.).

» Probability of occurrence and amount of uncertain or contingent liabilities (See Note 3.2.10.).

» 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 3.2.7.).

» 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 3.2.11).

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, recognising the effects of changes in the judgment or estimates in the respective future Financial Statements.

3. Accounting Policies

3.1. Changes in Policies

IFRS 16 Leases

IFRS 16 leases became effective as of January 1, 2019. This standard was issued in January 2016 and replaced IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to take into account all leases under a single model in the statement of financial position similar to the accounting for financial leases under IAS 17. 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 term of 12 months or less). On the start date of a lease, a lessee recognises a right-of-use asset and a lease liability. Lessees must separately recognise the interest expense, the lease liability and the depreciation charge for the right-of-use asset.

Lessees are also 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 contract generally recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

(In thousands of pesos)

Lessor accounting under IFRS 16 continues to classify all leases using the same classification principle as in IAS 17, either as operating or finance leases.

IFRS 16, which is effective for annual periods beginning on January 1, 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Company adopted IFRS 16 according to the retrospective model with cumulative effect, recognising its effects from the date of adoption without restatement of the comparative information. As a practical solution, the Company has chosen not to apply the standard to contracts that were not previously identified as containing a lease under IAS 17 and IFRIC 4.

The Company has elected to use the exemptions proposed by the standard in lease agreements for which the lease terms end within 12 months from the date of initial application, and in the lease agreements for which the underlying asset is of low value.

The Company has evaluated the current office lease agreements, and identified leases that comply with the conditions of IFRS 16 in service contracts in areas such buildings and vehicles.

Right-of-use assets were measured at 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 borrowing rate on the lease start date.

Item	Total Recognitions from 1 January to 31 December 2019	Recognition During 2019 (a)	Recognition adoption 1 January 2019
Right-of-use assets			
- Buildings	$ 6.307.350	$ 395.507	$ 5.911.843
- Fixed installations and others (vehicles)	9.206.262	8.179.068	1.027.194
Total right-of-use assets impact of IFRS 16	**$ 15.513.612**	**$ 8.574.575**	**$ 6.939.037**
Lease liabilities			
- Buildings	$ 6.307.350	$ 395.507	$ 5.911.843
- Fixed installations and others (vehicles)	9.206.262	8.179.068	1.027.194
Total lease liabilities impact of IFRS 16	**$ 15.513.612**	**$ 8.574.575**	**$ 6.939.037**

(a) In the period from January to December 2019, the following were recognised: i) the right-of-use asset and the vehicle lease liability of the contract with Transportes Especiales FSG for $7,861,531, and ii) the updates to the value of the right-of-use asset and the lease liability for the indexations to the lease fees of adoption contracts for $257,179.

Right-of-use assets are depreciated on a straight-line basis over the shortest of the term of the lease and the estimated useful life of the assets as December 2019, as follows:

Classes of asset by use	Estimated range of useful life years
IFRS 16 leases	
Buildings	2 – 5
Fixed installations and others (vehicles)	1 - 3

Impacts Summary

The effect of the adoption of IFRS 16 is as follows:

Impact on the Statement of Financial Position

Statement of Financial Position Item	Balance as of 31 December 2019	Total recognitions from 1 January to 31 December 2019
Buildings	$ 4.841.529	$ 6.307.350
Fixed installations and others (vehicles)	5.949.433	9.206.262
Total right-of-use assets	**$ 10.790.962**	**$ 15.513.612**

Buildings	$ 4.978.349	$ 6.307.350
Fixed installations and others (vehicles)	6.258.803	9.206.262
Total lease liabilities	**$ 11.237.152**	**$ 15.513.612**

Impact on the Income Statement for the twelve months ended 31 December 2019:

Income Statement Item	Movement from 1 January to 31 December 2019
Depreciation	
- Buildings	$ 1.465.821
- Fixed installations and others (vehicles)	3.256.829
Total depreciation	**4.722.650**
Financial expenses	
- Buildings	402.423
- Fixed installations and others (vehicles)	470.470
Total financial expenses	**$ 872.893**
Lease expenses (*)	
- Buildings	(1.692.626)
- Fixed installations and others (vehicles)	(810.996)
Total lease expenses	**(2.503.622)**
Deferred tax	**(565.348)**
Total impact on income statement	**$ 2.526.573**

(*) Lower value of the lease expense corresponding to the contracts that were recognised as finance lease under the guidelines of IFRS 16.

Impact on the Statement of Cash Flows:

Cash Flow Statement Item	Movement from 1 January to 31 December 2019
Payments to suppliers for the supply of goods and services (Payments of operating leases)	$ (6.319.626)
Net flow of operating activities	**(6.319.626)**
Payments of liabilities from finance leases	5.446.733
Interest paid (leases)	872.893
Net flow of financing activities	**$ 6.319.626**

Leases

The Company has lease agreements for offices, vehicles and other means of transport used in the operation.

The generalities of these contracts are:

» The Company acts as lessee and assumes the corresponding obligations.

» Most contemplate restrictions to sublease assets.

» They include extension, termination and fee update clauses.

The movement during the period from January to December 2019 of the right-of-use assets derived from the adoption of IFRS 16, is as follows:

	Buildings	Other Installations	Total
Additions by IFRS 16			
Adoption 01/01/2019	$ 5.911.843	$ 1.027.194	$ 6.939.037
New contracts and indexations	395.507	8.179.068	8.574.575
Depreciation	(1.465.821)	(3.256.829)	(4.722.650)
Final balance 31/12/2019 Right-of-use assets	**$ 4.841.529**	**$ 5.949.433**	**$ 10.790.962**

The carrying value of lease liabilities (net present value of the liabilities included in other financial liabilities) and interest and the movements during the period are detailed below:

	Current	Non-current	Total
Additions by IFRS 16			
Adoption 01/01/2019	$ 2.005.743	$ 4.933.294	$ 6.939.037
New contracts and indexations	2.599.286	5.975.289	8.574.575
Interest	872.893	-	872.893
Payments	(5.446.733)	-	(5.446.733)
Other movements	4.562.091	(4.253.706)	308.385
Final balance 31/12/2019 IFRS 16 lease liabilities	**$ 4.593.280**	**$ 6.654.877**	**$ 11.248.157**

The table illustrates the maturities of the minimum future payments and the net present value of the contracts recognised in the adoption:

Minimum lease payments, finance lease obligations	Gross	Interest	Present value
Less than one year	$ 5.230.352	$ 648.077	$ 4.582.275
More than one year, but less than five years	7.181.268	526.391	6.654.877
Total	**$ 12.411.620**	**$ 1.174.468**	**$ 11.237.152**

Additionally, lease expenses of short-term contracts (valid for less than 12 months) that are exempt from IFRS 16 are maintained in the Income Statement, the detail is as follows:

Income Statement Item	Movement from 1 January to 31 December 2019
Lease expense	
Buildings	$ 254.932
Others	527.601
Total lease expenses short-term contracts	**$ 782.533**

3.2. Accounting Policies Applicable to General-Purpose Financial Statements

These separate financial statements follow the same accounting policies and measurements applied in the 2018 financial statements, except for the modifications derived from the entry into force of IFRS 16.

3.2.1. Financial Instruments

3.2.1.1. Cash and Cash Equivalents

This item in the 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 realised in cash and which have a low risk of change in value.

3.2.1.2. Financial Assets

The Company classifies its financial assets in the following measurement categories: measured at fair value and measured at amortised cost. The classification depends on whether the financial asset is a debt or equity instrument.

3.2.1.2.1. . Debt Instrument

With IFRS 9 becoming effective as of 1 January 2018, version 2015, the classification of financial assets at amortised cost is maintained and that of financial assets at fair value is extended; the previous version corresponding to 2014 only included financial assets at fair value through profit or loss and the present version adds the classification of financial assets at fair value through other comprehensive income.

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(a) **Financial Assets at Amortised Cost**

A debt instrument is classified as measured at "amortised cost" only if it meets the following criteria: the purpose of the business model of the Company 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 amortised cost of the instrument, which are recognised through profit or loss. When the financial asset is derecognised, the accumulated gain or loss previously recognised 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 amortised 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 recognised 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.

3.2.1.2.2. 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 Company can make an irrevocable election in the initial recognition to recognise changes in fair value through other comprehensive income in equity.

3.2.1.2.3. Derivative Financial Instruments and Hedging Activities

Derivatives are recognised 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 recognised in profit or loss as "other gains / losses, net". If they are designated for hedging, the method to recognise 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 Company designates certain derivatives as:

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

(b) Hedging of a particular risk associated with a recognised 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 Company 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 company 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 recognised in profit or loss. The gain or loss related to the cash portion of the derivatives is recognised in the income statement as "financial expenses", as well as the non-cash portion, which is also recognised in the income statement but as "other gains/ (losses), net".

If the hedging no longer meets the criteria to be recognised through the hedging accounting criteria, the adjustment of the book value of the hedged item is amortised 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 recognised through other comprehensive income. The gain or loss relative to the non-cash portion is recognised 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 recognised in equity are transferred from equity and included as part of the initial cost of the asset. The capitalised amounts are finally recognised 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 recognised through the hedging accounting treatment, any gain or loss accrued in equity on that date is kept in equity and recognised 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 recognised through other comprehensive income. The gain or loss related to the non-cash portion of the hedging is immediately recognised 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 date of these financial statements, the Company has no hedges of investments in a foreign operation.

3.2.1.3. Financial liabilities

Financial liabilities are classified as subsequently measured at amortised 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 Company has to cover the market risks associated with the interest rate or the exchange rate.

3.2.1.3.1. Debts (Financial Obligations)

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

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

The costs incurred to obtain the debt are recognised 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 capitalised as prepaid costs paid for services to obtain liquidity and are amortised in the respective loan period.

Loans are classified in current liabilities, unless the company 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 capitalisation. All other debt costs are recognised in the income statement in the period in which they are incurred.

3.2.1.4. Financial Assets and Financial Liabilities with Related Parties

Loans and debts with related parties are initially recognised 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 amortised cost, using the effective interest method. The amortisation of the interest rate is recognised 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.

3.2.1.5. 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 recognised at fair value and subsequently at amortised cost using the effective interest method.

3.2.1.6. Recognition and Measurement

Conventional purchases and sales of financial assets are recognised on the date of negotiation, which is the date when the company 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 company has substantially transferred all risks and benefits inherent to the property.

In the initial recognition, the Company measures financial assets at fair value plus, 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. 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 recognised 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 amortised cost and which is not part of a hedging operation is recognised in profit or loss of the period when the financial asset is written-off or impaired through the amortisation process using the effective interest method.

Subsequently, the Company measures all equity instruments at fair value. When Management has opted for presenting unrealised and realised 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 recognised in profit or loss, provided they represent a return on investment.

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

3.2.1.7. 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 recognised amounts and Management has the intention of liquidating the net amount or realisation of the asset and pay for liabilities simultaneously.

3.2.1.8. 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 Company 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.

3.2.2. Inventories

The stock in inventories includes materials on which the risks and benefits of the property have been acquired; these classifications include materials and fuels.

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.

The cost 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 Company's ordinary operating cycle, such as scrap and technologically out-dated 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 realised, which in some cases represent their cost as scrap sales.

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

As of the presentation date of the financial statements, the amount of inventories does not exceed its recoverable amount.

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

The Company 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 amortised 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 Company 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 presentation date of the financial statements, the company does not have any non-current assets held for sale or discontinued activities.

3.2.4. Investments in Subsidiaries

A subsidiary is an entity controlled by the Company. 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 separate financial statements of the Company, 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 Company according to their interest, under the item "Gain (loss) of associates accounted for using the equity method." The measurement of the equity method is assessed according to the materiality of the figures and taking into account the interest in each subsidiary.

3.2.5. Investments in Associates and Joint Ventures

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

Joint arrangements are those entities in which the Company 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 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 recognised as goodwill. Goodwill is included in the book value of the investment, is not amortised 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 Company currently has joint arrangements represented in trusts. A joint operator will recognise 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 Company has not registered any goodwill generated on investments in associates and joint ventures or joint arrangements.

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.

3.2.6. Intangible Assets

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

Intangible assets are amortised linearly throughout their life, from the moment when they are in usable condition. The Company evaluates in the initial recognition whether the useful life of the intangible assets is defined or indefinite and the amortisation period, which is reviewed at the end of each year.

The criteria for recognising 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 Company 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 recognised 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 amortisation and impairment losses that, in each case, have been caused.

Average useful life for amortisation:

Item	Range of years of estimated useful life 2019	2018
Rights *	20-50	20-50
Development costs	1-5	1-5
Licences	1-5	1-5
Software	1-5	1-5
Other identifiable assets	1-5	1-5

(*) Refer to the rights that the Company has registered to obtain the usufruct of the greater flow of useful water from the Chingaza and Río Blanco projects. Its amortisation is recognised 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.

Gains or losses arising on sales or withdrawals of property, plant and equipment are recognised 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.

As of the date of these financial statements, the Company has no intangible assets with an indefinite useful life.

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3.2.7. Property, Plant and Equipment

Property, plant and equipment are initially recognised 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 Company 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 Company will have to make with respect to the closing of its facilities are incorporated into the asset value for the updated value, recognising from an accounting standpoint the respective provision for dismantling or restoration. The Company 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, modernising or improvement representing an increase in productivity, capability, efficiency or extension of useful life are capitalised as greater cost of the respective goods.

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 Company 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 Company expects to use them. The estimated useful life and residual value are revised periodically and, if applicable, adjusted prospectively. On the presentation date of these financial statements, the Company did not consider significant the residual value of its fixed assets.

Below are the main types of property, plant and equipment, together with their respective estimated useful life.

Types of property, plant and equipment	Range of years of estimated useful life 2019	2018
Plants and equipment		
Civil works plants and equipment	20-85	20-85
Electromechanical equipment Hydroelectric power stations	20-35	20-35
Electromechanical equipment Thermal power stations	19-40	19-40
Buildings	20-85	20-85
Fixed installations, accessories and others	5-35	5-35
Finance leases		
Buildings	2-5	2-5
Fixed installations and others (vehicles)	2-3	2-5

The Company 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 Company 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 gains or losses arising from sales or withdrawals of goods under property, plant and equipment are recognised 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.

3.2.8. 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 Company, all assets operate integrally, and cash flows of a plant cannot be considered independently from the rest of the generation assets; therefore, the Company 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 Company in nearly every case.

To estimate the value in use, the Company 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 next ten years, estimating cash flows for coming years by applying reasonable growth rates, which are neither growing nor exceeding the average long-term growth rates for the respective sector. 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 loss (Reversal)" 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 recognised 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.

As of the date of the financial statements, the Company has no record of impairment due to property, plant and equipment and Intangibles.

(b). Financial Assets

The Company 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, recognising 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 Company manages its commercial portfolio individually, the group defined that the most appropriate way to manage the Company's credit risk expectation is by performing an individual assessment on each counterparty with which the Company 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 materialises. 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:

The expected credit loss on the other financial assets determined by the collective general model as of 1 January 2018 is as follows:

Probability of Default (PD): It is determined in accordance with the group guidelines for each category, considering the Company'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 materialises. 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.

3.2.9. Leases

Policy applied for 2018

To determine whether a contract is, or contains, a lease, the Company analysed the economic background of the agreement, evaluating if the performance of the contract depends on the use of a specific asset and if the agreement transfers the right of use of the asset. If both conditions are met, at the beginning of the contract, based on their fair values, payments and considerations related to the lease are separated from those corresponding to other items incorporated in the agreement.

Leases where all risks and benefits inherent to the property are substantially transferred are classified as financial. The rest of the leases are classified as operating.

Financial leases under which the company acts as lessee, are recognised at the beginning of the contract, registering assets according to its nature and liabilities for the same amount and equal to the fair value of the leased good, or at present value of the minimum payments for the lease, should it be less. Subsequently, the minimum payments for the lease are divided between financial expense and debt reduction. The financial cost is recognised as expense and is distributed among the periods that constitute the term of the lease, thus obtaining a constant interest rate in each period on the balance of the debt pending amortisation. The asset is depreciated with the same terms as the rest of similar depreciable assets, should there be reasonable certainty that the lessee will acquire the property at the end of the lease. If there is no such certainty, the asset is depreciated in the shortest of either the useful life of the asset or the lease term.

In the case of operating leases, the instalments are recognised as expense if lessee and as revenues if lessor, linearly during the term of the lease, except if there is another systematic distribution basis that is more representative.

Policy applied for 2019

IFRS 16 Leases became effective as of January 1, 2019. In its application, the Company evaluates the nature of the transactions that take the legal form of a lease. The standard provides specific criteria for the lessor and the lessee.

Lessee

IFRS16 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 recognise 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 recognised 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 recognised as an adjustment to the right-of-use asset.

The right-of-use asset is initially recognised 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 recognised separately.

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 recognises 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 recognised as the fair value of the underlying asset discounted using a market rate of interest. In addition, cost of sale is recognised as the cost, or carrying amount if different, of the underlying asset.

Operating Lease

Lessor recognises 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.

3.2.10. Contingent Provisions, Liabilities and Assets

The existing financial statement of the financial statements of the company, whose amount and type of payment are uncertain, are registered in the statement of financial position value that is estimated as most likely for the company to cancel the obligation.

The provisions are quantified taking into account 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 Company includes the best estimates on risk of civil, labour 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 labour 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 realisation of revenues is almost certain, recognised in the financial statements. The Company will refrain from recognising any contingent asset.

3.2.11. Taxes

Includes the cost of generally mandatory taxes in favour of the State and payable by the Company 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 Company operates.

3.2.11.1. 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 realised, 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. As of 31 December 2019 at the 33% rate 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 recognised 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 realised, 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 recognised 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 recognised 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 company can control their reversion and it is likely that there will be no reversions in a foreseeable future.

Act 1943 of 2018 modified the income tax rate as of taxable year 2019, defining the following rates: 2019, 33%; 2020, 32%; 2021, 31%; 2022 onwards, 30%; which apply to the taxable net income obtained each year. In addition, Act 2010 of 2019 confirmed these rates. The effects of temporary differences that imply payment of a lower or higher income tax in the current year are accounted for as deferred tax credit or debit at the current tax rate when the differences are reversed (33% for 2019, 32% for 2020, 31% for 2021 and 30% for 2022 onwards), provided there is a reasonable expectation that such differences will be reversed in the future and, also for assets, that at that moment sufficient taxable income will be generated.

The income tax expense is accounted for pursuant to IAS 12 "Income Taxes".

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 realisation, in which case they are not recognised until their effective materialisation, 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 favour.

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.

3.2.11.2. Sales Tax

The generation of electric energy is not subject to sales tax (VAT), but the Company additionally provides services such as: rental or lease of equipment, maintenance of equipment, sale of scrap, lease of land, among other services taxed with the general rate of 19%, with the exception of the services provided to state entities, in which case the applicable rate is the one in force on the date of the resolution or award act, or of the execution of the respective contract.

The treatment of the sales tax (VAT) in the purchase of goods and services is recorded as the higher value of cost or expense.

a. The equipment components rented and on which maintenance service is provided are usually: meters and modems.

b. The properties leased are:

- Road Centrar Cartagena.
- Plot Ubala – Guadualito
- Plot Hydrological stations
- Suite D115 Mambita Camp.

3.2.12. Employee Benefits

(a). Pensions

The Company has commitments related to pensions, both for defined provision and defined contribution, which are managed through pension plans. For the defined provision plans, the company 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 recognised and the commitments for defined provision plans represent the current value of accrued. The company does not have assets affected by these plans.

(b). Other Obligations Subsequent to the Workplace Relationship

The Company 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 labour 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 Company implemented a voluntary retirement plan, which included in its benefits a temporary income for the qualifying employees having less than 10 years left to be entitled to the old age pension. The benefit consists in a monthly payment of between 70% and 90% of the salary, from the moment of contract termination by mutual agreement until 4 months after the worker meets the age requirement pursuant to the Law to access the old age pension (62 years for men, 57 for women). These payments will be made using resources placed by the Company in a private fund, assigned to each employee included in the plan. It has been treated as a post- employment benefit as the Company is responsible for providing additional resources required to meet this obligation or receive a reimbursement in case of excess.

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

(c). Long-term Benefits

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

3.2.13. 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 maximises the price that would be received for selling the asset or that minimises 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, maximising the use of observable relevant input data and minimising 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 prise (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 Company takes into account 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 Company's own credit risk;

» With respect to financial assets and financial 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.

3.2.14. Foreign Currency Conversion

(a). Functional Currency and Presentation Currency

The line items included in the financial statements are valued 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 Company's functional currency 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.

(b). Transactions and Balances in Foreign Currency

Company 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.

In addition, at each year-end closing, the conversion of balances receivable or payable in a currency other than the functional currency for each company is performed at the type of exchange in force on the closing date. The valuation differences produced are registered as exchange differences in the statement of comprehensive income.

Balances denominated in foreign currency are expressed in Colombian pesos at the representative exchange rates on 31 December 2019 and 31 December 2018 of $3,277.14 and $3,249.75 for US $1, and $3,678.59 and $3,714.95 for 1 Euro.

3.2.15. Classification of Balance as Current and Non-current

The Company 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 realise, sell or use them during the Company'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 Company 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.

3.2.16. Recognition of Revenues

The Company 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: Recognise 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 Company 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 Company 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 Company performs them.

» The Company's performance creates or improves an asset that the customer controls as it is created or improved.

» The Company's performance creates or improves an asset with an alternative use for it. The Company has the enforceable right to pay the performance it has completed to date.

Revenue is recognised 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 Company 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 Company must determine if the commitment to fulfil the performance obligations is their responsibility or that of a third party. In the event that the Company 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 Company controls and satisfies performance obligations with customers, it acts as principal and recognises 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 Company acts as agent and recognises the revenue for the net amount of the consideration it is entitled to.

Contract costs:

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

Contract Assets and Liabilities:

The Company will recognise 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 Company 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 Company to transfer goods and/or services to customers for which the Company has received a consideration from customers.

3.2.17. Recognition of costs and expenses

The Company recognises 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, amortisation, 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 capitalised as constructions in progress.

3.2.18. 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.

3.2.19. Reserves

Registered as reserves are the appropriations authorised 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 contemplates the establishment of reserves applicable to the Company is the following:

» The Code of Commerce requires the Company 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 Company'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.

3.2.20. Earnings per Share

The basic earnings per share are calculated as the quotient between the net gain of the period attributable to Company shareholders and the average weighted number of common shares outstanding in said period, after making the appropriation for preferred dividends corresponding to 20,952,601 shares as of 31 December 2019 of Empresa de Energía de Bogotá S.A. E.S.P. Preferred dividends have a value of US $0.1107 per share (*).

(*) Figures expressed in full dollars.

(In thousands of pesos)

3.2.21. 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 Company 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 Company's Board of Directors, while in the second instance is the General Shareholders' Meeting's responsibility.

3.2.22. 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.

The Company, for all purposes, in accordance with the guidelines of IFRS 8, has only one operating segment associated with the electric energy business; however, the Company records transactions in the gas business, but 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

		As of 31 December 2019		As of 31 December 2018
Balances in banks (1)	$	226.040.670	$	533.257.546
Short-term deposits (2)		40.000.000		29.000.000
Other cash and cash equivalents		17.633.870		72.467.674
Fiduciary commissions and collective portfolios (3)		17.663.370		72.562.744
Impairment cash and cash equivalents		(29.500)		(95.070)
Petty cash		204		41.945
	$	**283.674.744**	**$**	**634.767.165**

The equivalent detail in pesos by type of currency of cash and cash equivalents above is as follows (See note 31):

Currency		As of 31 December 2019		As of 31 December 2018
Colombian Pesos	$	280.236.362	$	633.033.189
U.S. Dollars		3.438.382		1.723.305
Euros		-		10.671
	$	**283.674.744**	**$**	**634.767.165**

(1) The variation in banks corresponds to: i) Collection of $4,022,465,410, ii) payments (energy, variable costs, O&M, capex, fuels, insurance, remuneration) for ($2,236,276,594), iii) payment of dividends in January, May and October for ($696,571,125), iv) interest payment ($268,558,400), v) income tax and VAT on royalties ($485,061,717), vi) payment of bonds for ($596,900,000), vii) payment club deal BBVA loan ($150,000,000), and viii) others (returns, derivative compensation, others) $103,685,550.

(2) Short-term deposits correspond 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 31 December 2019, the balance corresponds to:

Bank		Amount	FN Rate	Days	Start	Maturity	Item
Itau	$	40.000.000	4.44%	90	15-oct-19	15-jan-20	Bonds
Total	**$**	**40.000.000**					

As of 31 December 2018, the balance corresponds to:

Bank		Amount	EA Rate	Days	Start	Maturity	Item
Colpatria	$	29.000.000	4.39%	90	16-oct-18	16-jan-19	Bonds
Total	**$**	**29.000.000**					

(3) Fiduciary commissions and collective portfolios correspond to usual operations of additions and decreases made daily by the treasury to these entities, in order to channel the proceeds from collection. Below is the detail as of December 2019:

Financial institution		As of 31 December 2019		As of 31 December 2018
Credicorp Capital-Fonval	$	11.138.234	$	3.085.158
BBVA Fiduciaria- Fondo Efectivo Clase G		4.914.875		463.046
Alianza Fiduciaria-Fondo Abierto Alianza		784.690		11.299.727
Corredores Asociados Interés Derivex		361.122		463.089
Corredores Asociados Interés		221.627		9.175.749
Valores Bancolombia –Renta liquidez		135.067		343.157
Fiduciaria Corficolombiana- Confianza Plus		107.755		104.060
Fiduciaria Corficolombiana-Valor Plus I-Vía Perimetral (a)		-		47.440.163
BBVA Fiduciaria País		-		185.047
Fiduciaria Bogotá Sumar		-		3.548
	$	**17.663.370**	**$**	**72.562.744**

(a) Portfolio established to meet obligations related to construction of the perimeter road for the El Quimbo area of influence, formerly known as Collective portfolio QB.

As of 31 December 2019, it corresponds to the cancellation of the trust Fiducia Corficolombiana Valor Plus Vía Perimetral corresponding to the El Quimbo hydroelectric power plant; however, the commitments acquired by the Company will be carried out as provided.

As of 31 December 2019, the Company presents restricted cash (See note 35).

(In thousands of pesos)

5. Other financial assets, net

	As of 31 December 2019		As of 31 December 2018	
	Current	Non-current	Current	Non-current
Trusts	$ 10.536.056	$ -	$ 9.215.309	$ -
Trusts (1)	10.547.404	-	9.279.311	-
Trust impairment	(11.348)	-	(64.002)	-
Guarantees energy derivatives markets	1.832.169	-	1.790.665	-
Other Assets (2)	1.103.702	-	74.381.226	-
Term deposits (a)	-		69.400.000	
Other assets (b)	1.109.150	-	4.981.226	-
Impairment of other assets	(5.448)	-	-	-
Hedging and non-hedging derivative instruments (3)	-	-	582.398	-
Financial investments - unlisted or illiquid companies (4)	-	554.417	-	1.923.594
	$ 13.471.927	**$ 554.417**	**$ 85.969.598**	**$ 1.923.594**

(1) As of 31 December 2019 and 2018, the balance of the trusts corresponds to:

	As of 31 December 2019	As of 31 December 2018
Trusts Zomac (a)	$ 5.636.246	$ 600.354
Trusts Embalse Tominé (b)	2.352.957	4.666.480
Trusts Embalse Muña (b)	1.681.541	1.436.831
Trusts El Quimbo (c)	876.660	2.575.646
Total	**$ 10.547.404**	**$ 9.279.311**

(a) As of 31 December 2019, the Zomac trusts for $205,760 and for $5,430,486 were established after the approval of the Territory Renewal Agency (ART) for the payment of income and complementary taxes for taxable periods 2017 and 2018, through the execution of viable projects of social importance in the different municipalities located in the zones most affected by the armed conflict (ZOMAC).

(b) The balance as of 31 December 2019 corresponds mainly to trusts with BBVA as follows:

Tominé Reservoir Trust No. 31636 for $2,343,890 and Trust No. 31555 for $9,067, intended for the management, operation, maintenance and improvement of the Reservoir in accordance with Resolution No. 0776 of 2008. With the Muña Reservoir Trust Fund No. 31683 for $1,679,896, intended for compliance with the ruling of the State Council within the public interest claim filed with No. 479 of 2001, and Trust Fund No. 32374 for $1,645, intended for compliance with Resolution No. 1153 of 17 June 2015 for the development of the Environmental Management Plan for the Muña Reservoir.

(c) The Quimbo trust was established with Corficolombiana to meet commitments derived from the construction of the hydroelectric power plant, the variation corresponds mainly to the payments associated with said item for $ 1,698,966.

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

(2) Other current financial assets are composed of:

(a) As of 31 December 2019, the Company has no Certificates of Deposit maturing in more than 90 days.

As of 31 December 2018, the Company had established Certificates of Deposit with which it sought to mitigate its liquidity, risk as follows:

	Value	EA Rate	Term	Start	Maturity
Sudameris	$ 50.000.000	4,00%	98	10/10/2018	16/01/2019
Colpatria	17.000.000	4,40%	92	16/10/2018	18/01/2019
Colpatria	2.400.000	4,42%	98	16/10/2018	24/01/2019
Total	**$ 69.400.000**				

(b) As of 31 December 2019, the amount of other assets corresponds mainly to embargoes for $733,778, corresponding to: National Mining Agency (ANM) for $492,682 Order No. 594 of 08-08-2019, Gabriel Chaux Campos for $144,000 executive process official letter No. 0761 and other processes for $97,096, detailed below by financial institution:

Embargo	Process	Bank	Value legal deposit
National Mining Agency (ANM)	Auto No. 594 del 01-08-2019	Davivienda	$ 492.682
Gabriel Chaux Campos	Official Letter No. 0761	Davivienda	36.000
Gabriel Chaux Campos	Official Letter No. 0761	Occidente	36.000
Gabriel Chaux Campos	Official Letter No. 0761	BBVA	36.000
Gabriel Chaux Campos	Official Letter No. 0761	Colpatria	36.000
First Municipal Civil Court Garzon - Huila	No. 412984003001 207-0341-00	Davivienda	25.000
First Municipal Civil Court Garzon - Huila	No. 412984003001 207-0341-00	Bancolombia	25.000
Second Municipal Civil Court Garzon - Huila	Official Letter No. 0728	Bancolombia	8.000
Regional Autonomous Corporation Magdalena	Neiva 2018-082	Colpatria	6.492
Pension and Parafiscal Taxes Unit	Process No 89947	Davivienda	4.947
Pension and Parafiscal Taxes Unit	Process No 89947	Banco Bogotá	4.947
Pension and Parafiscal Taxes Unit	Process No 89947	BBVA	4.947
Pension and Parafiscal Taxes Unit	Process No 89947	Corpbanca	4.947
Twenty-Ninth Municipal Civil Court Bogotá	No. 110013103029201700441-00	Banco Caja Social	4.334
Ruben Charry Conde	No 41872408900120120003800	Banco de Bogotá	3.673
Regional Autonomous Corporation Magdalena	Neiva 2018-082	BBVA	3246
Regional Autonomous Corporation Magdalena	Jagua 2018-077	Colpatria	1075
Regional Autonomous Corporation Magdalena	Betania 2018-076	BBVA	271
Regional Autonomous Corporation Magdalena	Betania 2018-076	Colpatria	217

The variation corresponds to the return of the resources seized by the Municipality of Guachené for $1,268,575 and the reclassification of the balance of said embargo for $2,737,818 to the account receivable from the municipality, derived from alleged tax debts.

As a background, we must consider the 2018-204 process with the Administrative Court of Cauca, which is currently discussing whether or not the Company was required to declare Industry and Trade Tax in the Municipality. In this respect, the Council of State confirmed on 4 December 2019 the order to return the seized money in the process of judicial debt collection, although the Municipality stated that it will not comply with the order for now. On account of this decision of the Municipality, as well as other actions that the Company considers irregular, a criminal proceeding continues against the competent officials of the Municipality for the early seizure and restriction of the sums of money that are still under dispute, in contempt of the orders of the Administrative Court of Cauca and the Council of State.

Finally, the external counsel representing the Company in the tax controversy has estimated that the probability of success for the recovery of the sums is greater than 75%.

(3) As of 31 December 2019, the Company has liquidated three (3) derivatives with active valuation corresponding to two (2) forwards with Banco ITAU and one (1) with Scotibank Colombia to cover the Equivalent Real Energy Cost (CERE) exposure, as detailed below:

Derivative	Underlying	Risk Factor	Asset Notional	Currency	Fixed rate	MTM	Liquidation
FORWARD	CERE Exposure Hedging Dec-2019	Exchange Rate	$ 900.000	USD	3.120	$ 362.394	$ 362.394
FORWARD	CERE Exposure Hedging Dec-2019	Exchange Rate	950.000	USD	3.135	358.885	368.087
FORWARD	CERE Exposure Hedging Dec-2019	Exchange Rate	950.000	USD	3.275	235.581	235.581
Total valuation			**$ 2.800.000**			**$ 956.860**	**$ 966.062**

(In thousands of pesos)

Moreover, as of 31 December 2018, it had one (1) derivative with active valuation with a forward with BNP PARIBAS to cover the Equivalent Real Energy Cost (CERE) exposure, as detailed below:

Derivative	Underlying	Risk factor	Asset Notional	Currency	Fixed rate	MTM
FORWARD	CERE Exposure Hedging Dec -2018	Exchange Rate	2.500.000	USD	3.040,24	582.398
Total valuation			**2.500.000**			**$ 582.398**

(4) Financial investments in unlisted companies are:

Share Certificates	Economic activity	Common shares	% Interest	As of 31 December 2019	As of 31 December 2018
Derivex S.A.	Commercial	35.764	4,99%	$ 554.417	$ -
Electrificadora del Caribe S.A. E.S.P.	Energy	109.353.394	0,22%	-	1.923.594
				$ 554.417	**$ 1.923.594**

As of 31 December 2019, a decrease originated in the investment in Electricaribe S.A E.S.P.is reflected as a result of the valuation calculated at fair value based on the Company's interest in Electricaribe's equity, this being the most appropriate method for measuring the investment by the conditions of the counterparty; this equity instrument is classified as measured at fair value through other comprehensive income, for $1,923.594, this Company was intervened by the Colombian State and its financial statements as of 30 September 2019 present a negative equity.

In May 2019 the Company 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 2019, the investment valuation was adjusted and a decrease of $24,960 was recorded.

6. Other Non-Financial Assets, Net

	As of 31 December 2019		As of 31 December 2018	
	Current	Non-current	Current	Non-current
Prepayments for acquisition of goods (1)	$ 14.838.947	$ -	$ 12.288.840	$ -
Other debtors (2)	8.528.349	133.715	6.188.501	718.488
Other debtors	13.268.116	-	10.303.493	-
Impairment of other debtors	(4.739.767)	-	(4.114.992)	-
Employees benefits from loans (3)	729.359	7.817.217	550.258	6.893.325
Taxes accounts receivable (4)	-	24.228.968	-	-
	$ 24.096.655	**$ 32.179.900**	**$ 19.027.599**	**$ 7.611.813**

(1) The balance of advances mainly includes the guarantees delivered to XM for the negotiations in the energy operations for $12,168,086.

Below is a breakdown of the main advances as of December 2019:

	As of 31 December 2019	As of 31 December 2018
Deposits in guarantee XM	$ 12.168.086	$ 5.807.808
Agencia De Aduanas Suppla S.A.S.	840.000	-
T.M.E. S.P.A. Termomecánica Ecología	561.684	3.402.708
Procesos y Diseños Energéticos S.A.	275.250	750.154
Mosquera Casas Cristian	254.221	254.221
Cass Constructores S.A.S	248.396	248.396
Solarte Nacional de Construcciones	248.396	248.396
Delstar Energie	145.592	-
Rainpower Norge AS	-	603.304
Pegasus Blending International SAS	-	151.364
	$ 14.741.625	**$ 11.466.351**

(2) As of 31 December 2019, the other debtors are mainly composed of the 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 $4,531,059 and the billing of fines and penalties for contracts, scrap sales and leases for $8,501,497.

(3) As of 31 December 2019, corresponds to employee loan benefits are awarded at rates between 0% and 7%, which is why the Company deducts future cash flows at the market rate, recognising as a prepaid benefit the difference between the Market rate and the rate awarded, and amortising them over the life of the loan.

(4) As of 31 December, corresponds to the tax discount of $18,679,748 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.

In addition, the balance in favour generated in the 2003 income statement for $5,549,220, which was requested from the DIAN, in included. This balance in favour is under discussion with the DIAN through the tax inspection process, which was taken to the courts. On 27 July 2017, the Administrative Court of Huila issued a first instance judgment accepting the arguments of the DIAN, considering that certain income of the Company, such as adjustments for inflation and non-operating income, do not qualify for the Páez Act exemption, because they are not related to the electricity generation activity. The judgment did not raise a legal basis and failed to rule on several defence arguments presented by the Company. In addition, the Court confirmed a judgment of inaccuracy without analysing a difference of criteria or defining the sanctionable event.

Therefore, on 10 August 2017, the Company filed the appeal reiterating that the benefit falls on the Company and the law does not discriminate its application when it comes to non-operating income. New decisions of the Council of State that support the position of the Company were put into consideration. It was insisted that there is a difference of criteria and therefore the judgment of inaccuracy must be lifted. On 22 September 2017, the process was distributed to the Council of State, where the second instance will take place. On 10 November 2017, a transfer was filed to plead, and the closing arguments were filed on 24 November of the same year. On 17 January 2018, the process entered the magistrate's office for a second instance decision, at which stage two years may elapse.

7. Net commercial accounts receivable and other receivables

	As of 31 December 2019		As of 31 December 2018	
	Current	Non-current	Current	Non-current
Gross commercial accounts (1)	$ 241.101.146	$ 43.242.362	$ 153.160.865	$ 43.242.362
Gross other accounts receivable (2)	3.561.788	12.429.872	3.293.463	17.111.252
Portfolio Thermal Compensations	-	-	2.366.301	-
Gross commercial financed portfolio (3)	-	55.747.757	934.239	57.304.698
Gross retired employees financed portfolio	270.774	-	284.740	-
Total gross commercial accounts receivable and other receivables	**$ 244.933.708**	**$ 111.419.991**	**$ 160.039.608**	**$ 117.658.312**
Provision for impairment of commercial accounts (4)	(5.804.721)	(43.242.362)	(6.068.053)	(43.242.362)
Provision for impairment of other accounts receivable	(118.176)	(114.696)	(49.100)	(132.247)
Provision for impairment of commercial financed portfolio (4)	-	(55.747.757)	(934.239)	(57.304.698)
Provision for impairment of retired employee financed portfolio	(2.010)	-	(2.114)	-
Total provision for impairment	**$ (5.924.907)**	**$ (99.104.815)**	**($ 7.053.506)**	**($ 100.679.307)**
Net commercial accounts	235.296.425	-	147.092.812	-
Net other accounts receivable	3.443.612	12.315.176	3.244.363	16.979.005
Portfolio Thermal Compensations	-	-	2.366.301	-
Net commercial financed portfolio	-	-	-	-
Net retired employees financed portfolio	268.764	-	282.626	-
Total net commercial accounts receivable and other receivables	**$ 239.008.801**	**$ 12.315.176**	**$ 152.986.102**	**$ 16.979.005**

(In thousands of pesos)

As of 31 December 2019, the composition of commercial accounts is as follows:

	Current portfolio	Past due portfolio 1-180 days	181-360 days	>360 days	Total current portfolio
Gross commercial accounts	**$ 237.515.965**	**$ 305.757**	**$ -**	**$ 3.279.424**	**$ 241.101.146**
- Large customers	106.077.113	-	-	-	106.077.113
- Institutional customers	18.120.641	-	-	-	18.120.641
- Others	113.318.211	305.757	-	3.279.424	116.903.392
- Provision for impairment	**(2.369.781)**	**(155.516)**	**-**	**(3.279.424)**	**(5.804.721)**
Net commercial accounts	**$ 235.146.184**	**$ 150.241**	**$ -**	**$ -**	**$ 235.296.425**

As of 31 December 2018, the composition of commercial accounts is as follows:

	Current portfolio	Past due portfolio 1-180 days	181-360 days	>360 days	Total current portfolio
Gross commercial accounts	**$ 149.843.691**	**$ -**	**$ 833.932**	**$ 2.483.242**	**$ 153.160.865**
- Large customers	79.643.986	-	-	-	79.643.986
- Institutional customers	14.237.031	-	-	-	14.237.031
- Others	55.962.674	-	833.932	2.483.242	59.279.848
- Provision for impairment	**(2.750.879)**	**-**	**(833.932)**	**(2.483.242)**	**(6.068.053)**
Net commercial accounts	**$ 147.092.812**	**$ -**	**$ -**	**$ -**	**$ 147.092.812**

(1) As of 31 December 2019, the portfolio of current commercial accounts presents a variation of $87,940,281, which corresponds mainly to:

(a) Increase in the estimated wholesale market and non-regulated market portfolio, due to the fact that the sale of accounts receivable without recourse was not carried out as of 31 December 2019 for $95,109,317.

In accordance with the foregoing, the Company transfers the energy portfolio through the non-recourse accounts receivable agreement signed in October 2018 with Banco Santander S.A. de España (hereinafter the "Bank"). The Company has retained control over a portion of the financial assets that are the subject of the contract, which is recognised in the statement of financial position as "ongoing involvement".

In relation to the "ongoing involvement" portion that continues under the control of the Company, there is a decrease of $6,421,487 because there was no sale of portfolio as of 31 December 2019. (See Note 13-4).

As of 31 December 2019, there are no sales operations of accounts receivable:

Breakdown ongoing involvement	As of 31 December 2019	As of 31 December 2018
Total book value of accounts receivable before transfer	$ -	$ 122.008.249
Total book value of the assets that the Company continues to recognise	-	6.421.487
Book value of associated liabilities	-	(6.421.487)

(b) Increase in the wholesale market portfolio due to billing expiration of customers Empresas Públicas de Medellín, Centrales Eléctricas del Norte and Celsia Tolima S.A. E.S.P., for $6,087,516.

(c) Decrease for the non-regulated market and other customers due to lower energy demand in December 2019 compared to the same period in 2018 for customers Triple A S.A. E.S.P and Ecopetrol S.A., for $6,835,065.

(d) As of 31 December 2019, 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 2019, mainly includes housing loans to employees for $10.700.799.

(3) As of 31 December 2019, the value corresponds mainly to the commercially financed portfolio of Energy supply contracts No. EDCC-111-2012 and EDCC-154-201 and to addendum number EDCC-136-2013/EM-13-213, executed with the wholesale

market customer Electrificadora del Caribe S.A. E.S.P. Due to internal cash flow difficulties of the customer, the parties agreed to extend the payment of the invoices to the first day of the third month immediately following the month of consumption, so the Company classifies this portfolio as a long-term financed portfolio for $55,747,757. Additionally, in February 2019, Termocandelaria made the payment of the obligations in favour of the Company for $2,491,180, which acted as operator of the transactions on the stock market, through the representation of XM Compañía Expertos en Mercados S.A. E.S.P.

(4) For the impairment provision, the models defined by the Company 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 2019	As of 31 December 2018
Simplified Individual Model (a)	$ 104.794.840	$ 107.549.352
General Collective Model (b)	5.020.945	4.457.525
Total	**$ 109.815.785**	**$ 112.006.877**

(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.

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 2019, the Company 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 2019 Current	As of 31 December 2019 Non-Current	As of 31 December 2018 Current	As of 31 December 2018 Non-Current
Codensa S.A. ES.P. (1)	Other (*)	Colombia	Loans receivable from group companies	$ 92.658.471	$ -	$ 81.000.000	$ -
Codensa S.A. E.S.P. (2)	Other (*)	Colombia	Sale of energy	85.334.255	-	53.699.255	-
Codensa S.A. E.S.P. (3)	Other (*)	Colombia	Other services	1.651.327	-	133.796	-
Codensa S.A. E.S.P. (1)	Other (*)	Colombia	Financial interests	792.396	-	276.572	-
Enel Green Power Colombia S.A. E.S.P. (4)	Other (*)	Colombia	Management services	2.029.713	-	109.609	-
Sociedad Portuaria Central Cartagena S.A. (5)	Subsidiary	Colombia	Advance for maintenance	-	-	75.057	-
Sociedad Portuaria Central Cartagena S.A. (6)	Subsidiary	Colombia	Management services	417.787	-	36.334	-
Enel S.P.A. (7)	Controlled	Italia	Other services	173.376	-	73.002	-
Enel Gl Th Generation (7)	Other (*)	Italia	Other services	155.491	-	-	-
Enel Global Trading SPA (8)	Other (*)	Italia	Other services	121.260	-	-	-
Enel Chile S.A (7)	Other (*)	Chile	Other services	24.176	-	24.176	-
			Total	**$ 183.358.252**	**$ -**	**$ 135.427.801**	**$ -**

(*) 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 $1,012,463.

(1) Corresponds to the intercompany loan for $92,658,471 disbursed in October and November 2019 and interest of $792,396 due on 31 January 2020 at an effective rate of 5.34%.

(2) Corresponds to the portfolio resulting from the sale of energy, generating an increase as of 31 December 2019, as this portfolio was not negotiated in the factoring operation.

As of 31 December, the Company has energy sales commitments with Codensa S.A. E.S.P. for $3,558,012,773

As of 31 December 2019, the Company supports the sale of energy with Codensa S.A E.S.P. with blank promissory notes.

(3) Corresponds mainly to the provision of services for mandatory compliance additions for environmental issues PCH Rio Negro for $1,419,311.

(4) Corresponds mainly to the billing of the contract for the provision of assistance services in the management and operation of the management processes of November and December 2019, between Enel Green Power Colombia S.A. E.S.P. and the Company, for $2,000,260.

(5) The variation between 31 December 2019 and 2018, corresponds to the legalisation of the advance for the maintenance of the barge of Sociedad Portuaria Central Cartagena.

(6) Corresponds to the rendering of services under the asset management, use, operation and maintenance agreement for $82,421 and engineering services for the construction of the dock for $335,366.

(7) Corresponds to the provision for the costs of expatriate personnel in Italy and Chile.

(8) Corresponds to the billing for reimbursement of the coordination costs for the event Enel Day Trading América in June 2019.

Accounts payable to related entities

				As of December 31 2019	As of December 31 2018
Name Related Company	Country of origin	Relationship	Transaction Type	Current	Current
Grupo Energía Bogotá S. A. E.S.P.	Colombia	(**)	Dividends	$ 91.872.043	$ 79.481.152
Grupo Energía Bogotá S. A. E.S.P. (1)	Colombia	(**)	Other services	-	40.460
Enel Américas S.A.	Chile	Controlling	Dividends	86.464.868	74.803.250
Enel Produzione Spa (2)	Italia	Other (*)	Assessments and projects	13.567.925	7.565.834
Enel Produzione Spa (3)	Italia	Other (*)	Other services	936.806	762.389
Codensa S.A. E.S.P. (4)	Colombia	Other (*)	Energy purchase	11.768.298	11.311.486
Codensa S.A. E.S.P. (4)	Colombia	Other (*)	Other services	31.590	406.296
Enel Italia Srl (5)	Italia	Other (*)	Assessments and projects	7.947.106	2.914.885
Enel Italia Srl (6)	Italia	Other (*)	Other services	713.694	463.400
Enel Italia Srl (3)	Italia	Other (*)	Other services	293.514	52.707
Enel Green Power Colombia S.A.S. (7)	Colombia	Other (*)	Energy purchase	5.089.653	525.231
Enel Green Power Colombia S.A.S. (8)	Colombia	Other (*)	Other services	24.111	1.717
Enel Generación Chile S.A. (9)	Chile	Other (*)	Other services	1.811.640	3.092.515
Enel Generación Chile S.A. (3)	Chile	Other (*)	Other services	407.954	195.043
Enel SPA (3)	Italia	Controlling	Other services	1.176.313	432.419
Enel Iberoamérica SRL (3)	España	Other (*)	Other services	1.100.182	739.059
C.G. Term. Fortaleza (3)	Brasil	Other (*)	Other services	901.726	740.797
Enel Green Power Brasil Participações (3)	Brasil	Other (*)	Other services	722.931	745.735
Enel Global Trading SPA (10)	Italia	Other (*)	Other services	681.320	308.000
Enel Global Trading SPA	Italia	Other (*)	Other services	-	126.668
Cesi SPA (11)	Italia	Other (*)	Other services	400.534	1.113.248
Enel Gl Th Generation SRL (3)	Italia	Other (*)	Other services	370.609	289.369
Enel Gl Th Generation SRL (10)	Italia	Other (*)	Other services	369.686	200.686
Sociedad Portuaria Central Cartagena S.A. (12)	Colombia	Subsidiary	Other services	10.214	34.563
Enel Green Power SPA (13)	Italia	Other (*)	Other services	-	2.588.922
Enel Fortuna S.A.	Panamá	Other (*)	Other services	-	172.259
			Total	$ 226.662.717	$ 189.108.090

Emgesa S.A. E.S.P.
Notes to the Financial Statements - Separate
(In thousands of pesos)

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

(**) Grupo Energía Bogotá S. A. E.S.P. is shareholder of the Company (See Note 20).

(1) Corresponds to the cancellation of bills for the connection service between Grupo Energía Bogotá of the Tesalia substation (Quimbo) from October to December 2018.

(2) Corresponds to the engineering services for the BEPP (Best Enviromental Practice Project) and Life Extension projects of the Termozipa Power Plant.

(3) Corresponds to the account payable of the costs of expatriate personnel from Spain, Italy, Brazil and Chile in Colombia.

(4) Corresponds mainly to toll estimates, Regional Transmission System (STR), Local Distribution System (SDL) and energy billing for $11,484,183, charges for Codensa service works for$ 269,190 and accounts payable for other items for $46,515.

(5) The variation corresponds to the computer services provided during 2019 related to Digital Worker Transformation for $1,117,453, Governance-E4E SAP Renewables for $1,017,438, Global CKS-SAP-TAM-SYSTEM $1,193,189, Online Monitoring and Infrastructure for $626,660, Cyber Security-Digital Enebler Services for $743,224, Intranet Applications and Global Travel for $321,325.

(6) Corresponds to the provision for Technical Fee.

(7) The variation corresponds to the increase in the purchase of energy in 2019 compared to 2018 for $4,564,422.

As of 31 December 2019, the Company has energy purchase commitments with Enel Green Power Colombia S.A.S. for $403,970,082, corresponding to the average committed energy of the El Paso Solar renewable energy generation plant.

(8) Corresponds to the account payable for payroll and labour credits.

(9) Corresponds to engineering services for power generation plants - Termozipa, environmental adaptation project and extension of useful life.

(10) Corresponds to the provision by Technical Fee Energy Management for Trading and Generation for the technical services performed within the business group that respond to fundamentally strategic and operational needs.

(11) Corresponds to the Engineering services under a framework agreement for the Muña and Central Paraíso reservoirs

(12) Corresponds to balances of port service billings

(13) The variation corresponds to the reversal of the provision for the concept of Technical Fee registered at the end of 2018.

Transactions with economic associates, effects through profit or loss:

Revenues/ Company	Transaction Type	As of 31 December 2019	As of 31 December 2018
Codensa S.A. E.S.P.	Sale of Energy	$ 1.081.372.827	$ 752.923.600
Codensa S.A. ESP	Financial revenues	1.467.623	297.791
Enel Green Power SPA	Other services	2.588.922	-
Sociedad Portuaria Central Cartagena S.A.	Operation and interest	407.838	175.214
Enel Green Power Colombia S.A.S.	Other services	375.266	362.399
Enel Produzione S.P.A.	Exchange difference	358.264	17.533
Enel Produzione S.P.A.	Other services	3.034	-

(In thousands of pesos)

Enel GL TH Generation	Other services	155.491	-
Enel GL TH Generation	Exchange difference	270	-
Enel Italia Srl	Exchange difference	135.537	-
Enel S.P.A.	Other services	100.375	73.002
Enel S.P.A.	Exchange difference	-	19.214
Enel Green Power Brasil Participações	Exchange difference	14.706	-
Enel Generación Chile S.A.	Exchange difference	46.059	-
Cesi SPA	Exchange difference	5.960	1.185
Enel Fortuna S.A.	Exchange difference	-	9.500
Enel Global Trading SPA	Exchange difference	-	8.003
		$ 1.087.032.172.	**$ 753.887.441**

Costs and expenses / Company	Transaction Type	As of 31 December 2019	As of 31 December 2018
Codensa S.A. E.S.P.	Transport of energy	$ 147.804.789	$ 138.382.874
Codensa S.A. E.S.P.	Other services	-	473.745
Enel Green Power Colombia S.A.S.	Other services	23.857.317	525.231
Enel Italia SRL	Other services	5.021.572	2.409.238
Enel Italia SRL	Exchange difference	25.864	27.818
Enel S.P.A.	Other services	1.668.630	840.878
Enel S.P.A.	Exchange difference	11.386	-
Enel Gl Th Generation SRL	Other services	952.385	490.055
Enel Gl Th Generation SRL	Exchange difference	2.964	-
Fundación Enel	Donations	842.195	1.126.699
Enel Iberoamérica SRL	Other services	818.356	115.256
Sociedad Portuaria Central Cartagena S.A.	Management and operation	708.840	663.512
Enel Global Trading SPA	Other services	679.997	543.977
Enel Global Trading SPA	Exchange difference	1.023	-
Cesi SPA	Other services	223.931	-
Cesi SPA	Exchange difference	10.063	35.949
Enel Fortuna	Other services	200.314	360.683
Enel Fortuna	Exchange difference	2.713	
C.G. Term. Fortaleza	Other services	160.929	358.044
Enel Produzione S.P.A.	Exchange difference	137.140	36.529
Enel Produzione S.P.A.	Other services	-	993.438
Enel Generación Chile S.A.	Exchange difference	41.920	157.970
Enel Generación Chile S.A.	Other services	2.253	
Grupo Energía Bogota	Other services	9.365	
Enel Green Power SPA	Other services	-	2.350.561
Energía Nueva Energía Limpia México	Other services	-	843
Energía Nueva Energía Limpia México	Exchange difference	-	842
Endesa Energía S.A.	Exchange difference	-	52
		$ 183.183.946	$ 149.894.194

As of 31 December 2019, transactions between related parties have been carried out under conditions equivalent to transactions with mutual independence between parties (See Note 16 transfer pricing)

Board of Directors and Key Management Personnel

Board of Directors

The Company 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 2019 was elected by the General Shareholders' Meeting in ordinary session held on 26 March 2019. 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 24 April 2018.

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 26 March 2019.

(*) Figure in full dollars.

According to minutes of the General Shareholders' Meeting number 102 held on 26 March 2019, the following Board of Directors were approved under the terms set out below.

Row	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	Astrid Álvarez Hernández	Andrés Baracaldo Sarmiento
Fifth	Álvaro Villasante	Felipe Castilla Canales
Sixth	Luis Fernando Alarcón Mantilla	Rodrigo Galarza Naranjo
Seventh	Luisa Fernanda Lafaurie	Maria Paula Camacho

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 2019	As of 31 December 2018
Lafaurie Luisa Fernanda	$ 44.792	$ 37.414
Caldas Rico Andrés	44.792	33.907
Rubio Diaz Lucio	40.989	37.414
Vargas Lleras José Antonio	40.906	47.921
Villasante Losada Alvaro	37.705	17.539
Alarcón Mantilla Luis Fernando	29.502	40.588
Álvarez Hernández Gloria Astrid	22.095	19.875
Andres Baracaldo Sarmiento	15.382	-
Galarza Naranjo Rodrigo	15.290	6.579
Merizalde Arico Camila	10.603	16.227
Vivas Munar Diana Margarita	-	34.155
Di Murro Michele	-	3.633
Jiménez Rodríguez Diana Marcela	-	3.507
Total overall	**$ 302.056**	**$ 298.759**

(In thousands of pesos)

Key Management Personnel

Below is the list of Key Management personnel:

Name	Position	Period
Lucio Rubio Díaz	Country CEO	January – December
Bruno Riga	General Manager Emgesa	January – December
Marco Fragale	General Manager Emgesa	November – Dcember
Michelle Di Murro	Administration, Finance and Control Manager	January – December

The remuneration earned by the Key Management personnel from 1 January to 31 December 2019 amounts to $4,041,776. These remunerations include salaries and benefits in the short and long term (annual bonus for meeting objectives, loyalty bonus)

	As of 31 December 2018		As of 31 December 2017	
Remunerations	$	2.505.015	$	1.915.567
Long-term benefits		1.096.305		831.279
Short-term benefits		440.456		393.285
	$	4.041.776	$	3.140.131

Incentive plans for key management personnel

The Company 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 2019, the Company does not have any share-based payment benefits for the Key Management personnel or any guarantees in their favour.

As of 31 December 2019, there are no indemnity payments for contract termination.

9. Net inventories

	As of 31 December 2019		As of 31 December 2018	
Coal (1)	$	33.220.870	$	22.183.861
Fuel Oil (2)		31.098.817		29.957.788
Power elements and accessories, net (3)		17.899.936		13.410.177
Total Inventories	**$**	**82.219.623**	**$**	**65.551.826**

(1) Coal (Central Termozipa): As of 31 December 2019, the increase in the value of the coal inventory compared to 2018 corresponds mainly to the higher volume of purchases recorded during 2019 and the increase in prices that occurred during the first months of 2019 due to regulatory conditions (safety and environmental) in the mining sector that affected the supply and availability of coal.

(2) Fuel Oil (Central Cartagena): As of 31 December 2019, the increase in the value of the fuel oil inventory compared to 2018 corresponds mainly to the fact that in 2019 a replenishment of the stock was made to face the summer period, which started in December 2019.

The value of the inventories recognised as expense during the period corresponds to the consumption for the generation of energy. (See Note 22).

(3) Elements and accessories consist of:

	As of 31 December 2019		As of 31 December 2018	
Spare parts and materials (a)	$	18.091.252	$	13.807.851
Provision of Materials (b)		(191.316)		(397.674)
Total power elements and accessories, net	**$**	**17.899.936**	**$**	**13.410.177**

(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 Company.

(b) As of 31 December 2019, an obsolescence provision is presented for $364,889 corresponding to: $245,252 for materials from hydroelectric power plants (Betania and Darío Valencia) and $119,637 for materials from thermal power plants (Cartagena and Termozipa).

Additionally, a provision of $158,531 is made corresponding to the Cartagena and Termozipa thermal power plants, the value of the provision for obsolescence is recognised in other fixed operating expenses.

As of 31 December 2019, the Company does not present inventories pledged to guarantee compliance with debts.

10. Investments in subsidiaries, joint ventures and associates

Article 2.1.2. of part 1 of book 2 of Decree 2420 of 2015 complemented by Decree 2496 of 2015 sets out the application of Art. 35 of Act 222, which indicates that the interests in subsidiaries must be recognised in the separated financial statements using the equity method. Under this guideline, the Company applied the equity method as of 2016. In January 2017, the amendment to IAS 28 became effective, which allows investments to be recognised using the equity method in the separate financial statements, eliminating the exception to IFRS that existed in the local framework with respect to the standards issued by the IASB. This also according to the defined policy (see Notes 3.2.3 and 3.2.4).

Below is the breakdown of the recognised investments:

Share Certificates	Economic Activity	Relationship	Common Shares	% Interest	Value 31/12/19		Value 31/12/18	
Sociedad Portuaria Central Cartagena S.A.(1)	Port Services	Subsidiary	851.757	94,95%	$	9.150.247	$	9.044.889
					$	**9.150.247**	**$**	**9.044.889**

(1) The Company's Board of Directors in session No. 460 of 25 September 2018 authorised the capitalisation operation of Sociedad Portuaria Central Cartagena S.A. (SPCC) for $8,391,460 (including the items of calculations of the amount to be capitalised on shares), in order to comply with concession agreement No. 006 of 2010 signed between SPCC and the ANI and its respective addendum signed in 2014 to ensure the logistics of the fuel that guarantees the reliability charge of the Cartagena Power Plant of the Company for the period 2019 to 2022.

The Company recorded a valuation for the calculation of the equity method in Sociedad Portuaria Central Cartagena for $105.358 during 2019. Sociedad Portuaria Central Cartagena S.A. filed an application to transfer the investment schedule for two years on 1 November 2016 to the National Infrastructure Agency (ANI), in order to carry out alternative studies to replace the support of the Reliability Charge of the Cartagena Power Plant of the Company with liquid fuels.

As of 31 December 2019, the financial information of the subsidiary was:

Assets	$	12.324.373
Liabilities		3.131.135
Equity (*)		9.193.238
Total liabilities + equity	$	12.324.373
Revenues	$	825.534
Costs and expenses		(704.089)
Financial results		36.956
Corporate and deferred taxes		(56.852)
Net income	$	101.549

(In thousands of pesos)

11. Net intangible assets other than capital gains

		As of 31 December 2019		As of 31 December 2018
Rights (1)	$	44.561.706	$	43.820.713
Development costs		1.596.805		2.412.498
Licences		4.330.182		6.641.500
Software (2)		36.454.551		20.945.478
Other identifiable intangible assets		19.592.303		5.462.638
Constructions and work in progress		19.427.334		5.215.185
Other intangible resources		164.969		247.453
Net intangible assets	**$**	**106.535.547**	**$**	**79.282.827**
Cost				
Rights (1)	$	86.547.141		83.322.027
Development costs		5.335.542		5.335.542
Licences		20.829.112		20.699.883
Software (2)		59.591.292		36.423.292
Other identifiable intangible assets		23.296.748		9.084.599
Constructions and work in progress		19.427.334		5.215.185
Other intangible resources		3.869.414		3.869.414
Gross intangible assets	**$**	**195.599.835**	**$**	**154.865.343**
Amortisation				
Rights (1)	$	(41.985.435)	$	(39.501.314)
Development costs		(3.738.737)		(2.923.044)
Licences		(16.498.930)		(14.058.383)
Software (2)		(23.136.741)		(15.477.814)
Other identifiable intangible assets		(3.704.445)		(3.621.961)
Intangible assets accumulated amortisation	**$**	**(89.064.288)**	**$**	**(75.582.516)**

(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 amortisation is recognised by the straight-line method in a period of 50 years. The amortisation of the period corresponds to $2,484,120.

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. In 2019 it showed an increase for $3,225,114.

(2) The increase in 2019 corresponds to software associated with the projects: E4E (financial and accounting system) $4,606,394; Control Room and Hydrology repository (energy monitoring and hydrological management) $4,364,387; Bidding Strategy-Veliq stock (pricing and billing validation systems) $2,608,058; Local S&S-system and remote control Rio Bogota $2,149,857; DWT (central stops management portal) $1,049,110; Coal Management and Cybersecurity (analysis of variables and central operating security) $1,999,421; Allegro (development of liquid and coal contract management) $827,368; Global operational (global homogenisation of processes) $727,483; other corporate and commercial software for ICT projects, renewables and trading $4,835,922.

Amortisation for 2019 corresponds to $7,658,927.

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

									Other identifiable intangible assets				
		Development costs		Rights		Licenses		Software		Constructions and Works in progress		Other intangible resources		Intangible assets
Initial balance 31/Dec/17	**$**	**3.406.634**	**$**	**46.304.834**	**$**	**9.207.658**	**$**	**9.262.531**	**$**	**5.266.910**	**$**	**329.937**	**$**	**73.778.504**
Movements in intangible assets 2018														
Additions		-		-		-		-		15.182.177		-		15.182.177
Transfers		-		-		-		15.233.902		(15.233.902)		-		-
Amortisation		(994.136)		(2.484.121)		(2.566.158)		(3.550.955)		-		(82.484)		(9.677.854)
Total movements in identifiable intangible asset		(994.136)		(2.484.121)		(2.566.158)		11.682.947		(51.725)		(82.484)		5.504.323
Final balance 31/Dec/18	$	2.412.498	$	43.820.713	$	6.641.500	$	20.945.478	$	5.215.185	$	247.453	$	79.282.827
Movements in intangible assets 2019														
Additions (a)		-		-		-		-		40.734.492		-		40.734.492
Transfers		-		3.225.114		129.229		23.168.000		(26.522.343)				-
Amortisation		(815.693)		(2.484.121)		(2.440.547)		(7.658.927)		-		(82.484)		(13.481.772)
Total movements in identifiable intangible asset		**(815.693)**		**740.993**		**(2.311.318)**		**15.509.073**		**14.212.149**		**(82.484)**		**27.252.720**
Final balance 31/12/2019	**$**	**1.596.805**	**$**	**44.561.706**	**$**	**4.330.182**	**$**	**36.454.551**	**$**	**19.427.334**	**$**	**164.969**	**$**	**106.535.547**

(*) As of December 2019, additions were registered for $40,734,492, corresponding to: compensation plan for water rights CAR for $16,166,382; E4E (financial and accounting system) for $4,606,394; Quimbo legal stability premium for $3,225,114; EM Control Room analyses (energy and gas monitoring centre) for $2,040,249; INGEN and Local system Colombia (development of new solutions) for $1,824,911; Bidding Strategy (pricing support system) for $1,462,125; Local S&S and telecontrol Rio Bogota for $1,242,659; Vliq stock (system for market billing validations) for $1,145,933; DWT (central stops management portal) for $1,049,110; Hydrology repository (hydrological information management system) for $1,018,199; Cybersecurity (core operational security) for $949,945; ANS SAP (application management) for $780,329; Governance (centralisation of SAP ERP platforms) for $454,394; Coal Management and Mape (conversion development and analysis of variables) for $379,328; energy management (developments in the energy management module) for $370,516; Allegro (development of liquid and coal contract management) for $322,201; other corporate and commercial software for ICT projects, renewables and trading $3,696,703.

As of 31 December 2019, the Company has no intangible assets with ownership restrictions or loan guarantees.

As of 31 December 2019, there are no acquisition commitments in intangible assets through official subsidy.

12. Net Property, Plant and Equipment

		As of 31 December 2019		As of 31 December 2018
Plants and equipment	$	7.499.647.231	$	7.401.427.277
Hydroelectric power plants		6.906.067.769		6.864.184.366
Thermoelectric power plants		593.579.462		537.242.911
Construction in progress (1)		285.060.839		305.948.913
Land		268.948.319		268.904.705
Buildings		50.586.126		48.635.465
Fixed installations and others		14.768.288		12.389.337
Fixed installations and accessories		6.820.626		5.687.807
Other installations		7.947.662		6.701.530
Finance leases (2)		11.910.825		4.085.524
Fixed installations and others		1.119.863		-
Assets for use IFRS 16		10.790.962		-
Buildings		4.841.529		-
Fixed installations and others (Vehicles)		5.949.433		-

(In thousands of pesos)

	As of 31 December 2019	As of 31 December 2018
Net property, plant and equipment	**$ 8.130.921.628**	**$ 8.041.391.221**
Cost		
Plants and equipment	10.920.730.048	10.641.568.883
Hydroelectric power plants	9.933.277.555	9.737.522.997
Thermoelectric power plants	987.452.493	904.045.886
Construction in progress	285.060.839	305.948.913
Land	268.948.319	268.904.705
Buildings	94.681.947	83.539.617
Fixed installations and others	76.665.848	72.637.590
Fixed installations and accessories	32.260.879	30.952.492
Other installations	44.404.969	41.685.098
Finance leases (2)	19.301.956	7.644.775
Fixed installations and others	3.788.344	-
Assets for use IFRS 16	15.513.612	-
Buildings	6.307.350	-
Fixed installations and others (Vehicles)	9.206.262	-
Gross property, plant and equipment	**$ 11.665.388.957**	**$ 11.380.244.483**
Depreciation		
Plants and equipment (*)	(3.421.082.817)	(3.240.141.606)
Hydroelectric power plants	(3.027.209.786)	(2.873.338.631)
Thermoelectric power plants	(393.873.031)	(366.802.975)
Fixed installations and others	(61.897.560)	(60.248.253)
Fixed installations and accessories	(25.440.253)	(25.264.685)
Other installations	(36.457.307)	(34.983.568)
Buildings	(44.095.821)	(34.904.152)
Finance leases (2)	(7.391.131)	(3.559.251)
Fixed installations and others	(2.668.481)	-
Assets for use IFRS 16	(4.722.650)	-
Buildings	(1.465.821)	-
Fixed installations and others (Vehicles)	(3.256.829)	-
Accumulated depreciation	**$ (3.534.467.329)**	**$ (3.338.853.262)**

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

(1) Corresponds to the investments made by the Company as of 31 December 2019, in the different plants. The main assets under construction correspond to improvements, replacements and modernisations in the thermal and hydroelectric power plants. The main projects underway in 2018 are: Life extension project and Beep Others of Termozipa; recovery of civil structures and additional works, galleries and Quimbo dam; recovery of stators unit 5 and modernisation of Guavio regulators; Telecontrol Cadena Rio Bogota system of central power plant Guaca.

Plant	As of 31 December 2019	As of 31 December 2018
CC-Termozipa	$ 202.815.021	$ 175.428.210
CH-Quimbo	41.391.074	104.948.164
CH-Guavio	14.091.185	2.311.832
CH-Pagua (Guaca –Paraíso)	10.980.394	1.517.316
CH-minor power plants Rio Bogotá	8.430.387	8.660.317
CF-Cartagena	3.468.897	3.071.116
Other investments	2.563.219	3.244.812
CH-Betania	1.320.662	6.767.146
Total constructions in progress	**$ 285.060.839**	**$ 305.948.913**

CH- Hydroelectric Power Plant CC- Coal Power Plant CF- 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 as of 31 December 2019	**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/2017	**$ 204.451.802**	**$ 268.950.793**	**$ 42.607.220**	**$ 6.909.746.475**	**$ 502.643.324**	**$ 6.611.659**	**$ 7.084.898**	**$ 5.416.218**	**$ 7.947.512.389**
Movement in property, plant and equipment									
Additions	307.332.378	-	-	-	-	-	-	-	307.332.378
Transfers	(205.835.267)	-	7.652.954	112.179.600	83.909.694	-	1.782.360	310.659	-
Withdrawals		(46.088)		(2.154.576)	(4.467.105)	(18.757)	(4.987)	(170.290)	(6.861.803)
Depreciation expense	-	-	(1.624.709)	(155.587.133)	(44.843.002)	(905.095)	(2.160.741)	(1.471.063)	(206.591.743)
Total movements	101.497.111	(46.088)	6.028.245	(45.562.109)	34.599.587	(923.852)	(383.368)	(1.330.694)	93.878.832
Final balance 31/Dec/18	**$ 305.948.913**	**$ 268.904.705**	**$ 48.635.465**	**$ 6.864.184.366**	**$ 537.242.911**	**$ 5.687.807**	**$ 6.701.530**	**$ 4.085.524**	**$ 8.041.391.221**
Movement in property, plant and equipment 2019									
Additions (a)	307.465.761	-	-	-	-	-	-	-	307.465.761
Transfers (b)	(328.353.835)	281.046	11.142.330	202.621.006	108.920.938	2.030.401	3.358.114	-	-
Withdrawals (c)	-	(237.432)		(1.564.009)	(1.495.373)	(47.772)		(1.546.435)	(4.891.021)
Depreciation expense	-	-	(9.191.669)	(159.173.594)	(51.089.014)	(849.810	(2.111.982)	(6.141.876)	(228.557.945)
Other increases (decreases)	-	-	-	-	-	-	-	15.513.612	15.513.612
Total movements	(20.888.074)	43.614	1.950.661	41.883.403	56.336.551	1.132.819	1.246.132	7.825.301	89.530.407
Final Balance 31/12/19	**$ 285.060.839**	**$ 268.948.319**	**$ 50.586.126**	**$ 6.906.067.769**	**$ 593.579.462**	**$ 6.820.626**	**$ 7.947.662**	**$ 11.910.825**	**8.130.921.628**

(a) As of December 31, additions to property, plant and equipment correspond to investments made in the adaptation, modernisation, 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 2019
CC – Termozipa	Acquisition of electromechanical equipment, Life Extension Project and Beep Others environmental improvement.	$ 132.417.599
CH – Quimbo	Recovery of civil structures. Necessary works were executed to improve the performance of the civil works of the reservoir, as well as to meet additional works and commitments derived from environmental obligations generated during the construction of the plant.	101.037.245
Centrales Menores (Rio Bogotá)	Recovery windings stators and excitation systems unit 1-2; overhaul unit 3 Laguneta, central automation and telecontrol, recovery of central runners; recovery of Muña III coils, acquisition of electromechanical equipment and recovery of structures.	20.545.404
CH – Guavio	Stator unit 5 Guavio plant, modernisation of the excitation system, speed regulators, recovery of turbines and central impellers, Guavio civil works and energy and electromechanical equipment.	18.443.397
CH-Guaca	Telecontrol automation and central data processing centre; Guaca and Paradise stator windings; odour management and central lifting system Paraíso.	12.114.447
CH – Betania	Reinforcement of tailings dams and recovery of needles and shells; turbine pits recovery; excitation systems units 1 and 2, central automation and telecontrol; acquisition of electromechanical equipment and recovery of structures.	10.736.489
Otras inversiones	Movable assets and civil works in Hydroelectric and thermal power plants; computer and communication equipment.	6.383.923
CF - Cartagena	Unit 3 turbine assembly system, steam generator systems and fan systems, recovery of civil structures, plant equipment improvements. Acquisition of energy and electromechanical equipment.	5.787.257
Total		**$ 307.465.761**

CH- Hydroelectric Power Plant CC- Coal Power Plant CF- Fuel Oil Power Plant

(b) As of 31 December 2019, 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

From 1 January to 31 December 2019	
Plant	Total activation
CH- Quimbo	158.548.169
CC – Termozipa	102.657.210
Otras Inversiones	16.811.891
CH – Betania	14.878.923
CH - Centrales Menores (Rio Bogotá)	9.055.289
CH – Guavio	7.641.381
CH-Tequendama	6.806.525
CF – Cartagena	6.263.728
CH-Dario Valencia	3.294.875
CH-Guaca	2.395.844
Total	**328.353.835**

CH- Hydroelectric Power Plant CC- Coal Power Plant CF- Fuel Oil Power Plant

(c) As of 31 December 2019, losses for $4,891,021 are made corresponding to hydroelectric power plants, $1,564,009; vehicle lease, $1,546,435; thermal power plants, $1,495,373; hydraulic power plant properties, $237,432; fixed installations and accessories and other installations, $47,772.

As of 31 December, the Company has no property, plant and equipment with any restrictions or loan guarantees.

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

(2) **Finance Lease**

They correspond to the lease agreements of vehicles established mainly with Transportes Especializados JR S.A.S. to support the Company's operation, as well as buildings for the Company offices with Free-Standing Trust Funds Fiduciaria Bogotá.

The average term of the agreements is between 16 and 65 months, during which period the recognised assets are amortised.

Regarding the vehicle fleet, 88% of it is contracted with Transportes Especiales FSG and 4% with Compañía Naviera del Guavio Ltda., which will be amortised in a maximum term of 25 instalments.

On the other hand, the balance of buildings corresponds 71% to the contract with Free-Standing Trust Funds Fiduciaria Bogotá and 24% to the contract with Caldwell Management S.A.S. which will be amortised in a maximum term of 53 instalments.

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 2019			As of 31 December 2018		
	Gross	Interest	Present value	Gross	Interest	Present value
Less than one year	$ 5.495.137	$ 648.077	$ 4.847.060	$ 2.300.178	$ 161.951	$ 2.138.227
Over one year but less than five years	7.229.652	526.391	6.703.261	194.827	21.809	173.018
Total	**$ 12.724.789**	**$ 1.174.468**	**$ 11.550.321**	**$ 2.495.005**	**$ 183.760**	**$ 2.311.245**

Operating Lease

The income statements as of 31 December 2019 and 2018, include $254.932 and $2.983.046, respectively, corresponding to the payement of operating leases, including:

Administrative offices	Start date	End date	Purchase option
Premises cafeteria 82-Zona E	jan-19	dec-19	No
Cali office	apr-19	mar-20	No

These contracts are adjusted annually based on the Consumer Price Index (CPI), applying for Zona E a rate of CPI + 1.5 points.

As of 31 December 2019, 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 (*)	$ 10.800	$ 929.325
Over one year but less than five years (*)	-	1.071.600
	$ 10.800	$ 2.000.925

(*) VAT no included.

Insurance Policies

Below are the policies for the protection of Company property:

Insured property	Insured property	Insured value (Figures in thousands)	Maturity	Insurance company
Company assets	Non-contractual civil liability	USD$20.000	1/11/2020	Axa Colpatria
	Non-contractual civil liability (tier of USD 200 million in excess of USD 20 million)	USD$200.000	1/11/2020	Mapfre Seguros Colombia
	Non-contractual civil liability (tier of EUR 300 million in excess of EUR 200 million)	€ 300.000	1/11/2020	Mapfre Seguros Colombia
	Environmental civil liability	USD 11.323	31/10/2020	Chubb Seguros
Civil works, equipment, contents, stores and loss of profit	All risk material damage, earthquake, seaquake HMACC – AMIT, loss of profit and machinery breakdown	€ 1.000.000	31/10/2020	Mapfre Seguros Colombia
Vehicles	Non-contractual civil liability	$600.000 por vehículo	02/01/2020	Seguros Mundial
Goods	Transport of goods	$5.000.000 por despacho	31/07/2020	HDI Seguros S.A.

(*) The Company's policy agreements are executed in dollars and euros

Compensations received as of 31 December 2019 for casualties are as follows:

Casualty	Date of claim	Insurer	Protection affected	Value of claim
Quimbo (1)	01/06/2016	Mapfre	Daños materiales	$ 9.662.648
Quimbo (1)	01/06/2016	Mapfre	Lucro cesante	6.347.402
Total				$ 16.010.050

(1) This claim occurred in 2016 and was compensated by the insurer in 2019.

13. Other financial liabilities

	As of 31 December 2019			As of 31 December 2018		
	Current			Current		
	Capital	Interest	Non-current	Capital	Interest	Non-current
Bonds issued (1)	$ 241.043.837	$ 78.740.276	$ 2.681.981.368	$ 596.874.317	$ 82.726.065	$ 2.922.005.893
Lease obligations (2)	4.836.045	11.005	6.703.275	2.138.228	-	173.018
Derivatives (3)	4.560.865	-	-	1.922.833	-	-
Securitisation (4)	-	-	-	47.669.218	-	-
Club Deal (5)	-	-	-	30.000.000	313.620	120.000.000
	$ 250.440.747	**$ 78.751.281**	**$ 2.688.684.643**	**$ 678.604.596**	**$ 83.039.685**	**$ 3.042.178.911**

(In thousands of pesos)

(1) As of 31 December 2019 the variation corresponds mainly to:

- Payment of B10-09 bonds for $160,060,000 and B3-16 bonds for $234,870,000, both tranches matured on 11 February 2019.
- Payment of B6-13 Quimbo bonds for $152,530,000 and B6-13 Emgesa bonds for $49,440,000, both tranches matured on 11 September 2019.

In financial debt, the Company has seven (7) bond issues in the local market under the Company's bond issuance and placement programme and one (1) bond issue in the international market.

The main financial characteristics of the bonds issued since 2005 and in force as of 31 December 2019 are as follows:

Company Issue and Placement Programme for the Local Market

The Company has a bond issue and placement programme that allows it to issue successive issues of such securities under the global quota that is authorised and available, and during the period of validity thereof. As of December 31, 2018, the Company had offered and placed eight (8) bond issues (also referred to as "Tranches" in accordance with the terminology set forth in the programme prospectus) charged to the programme, 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 Company's Programme are rated AAA (Triple A) by Fitch Ratings Colombia S.C.V., and are dematerialised under the management of Deceval S.A. There were no bond issues in 2019.

The following describes the general financial conditions of the Company's bond issue and placement programme 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 authorised 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 authorised 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 authorised 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 authorised global amount:	In an additional $ 650,000,000
Third placement term extension:	Until 14 September 2018
Inclusion of commercial papers in the programme:	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 Authorised 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 authorised global amount as of 31 Dec 2019	$4,400,000,000
Amount issued under the programme 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 Company has issued 8 tranches under the above programme, as follows:

First Tranche:

Total value placed:	$170,000,000
Balance as of 31 December 2019:	Sub–series B10: $0
Nominal value per bond:	$10,000
Issue term:	10 years
Issue date:	20 February 2007
Maturity date:	20 February 2017
Coupon rate:	CPI + 5.15% E.A.

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 2019:	$55.500.000	
Nominal value per bond:	$10.000	
Issue term:	Sub–series A5: 5 years	
	Sub–series B10: 10 years	
	Sub–series B15: 15 years	
Issue date:	11 February 2009, for all sub–series	
Maturity date:	Sub–series A5: 11 February 2014	
	Sub–series B10: 11 February 2019	
	Sub–series B15: 11 February 2024	
Coupon rate:	Sub–series A5: DTF A.R. + 1.47%	
	Sub–series B10: CPI + 5.78% E.A.	
	Sub–series B15: CPI + 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 2019:	$89,580,000	
Nominal value per bond:	$10,000	
Issue term:	Sub–series E5: 5 years	
	Sub–series B9: 9 years	
	Sub–series B12: 12 years	
Issue date:	2 July 2009 for all subseries	
Maturity date:	Subseries E5: 2 July 2014	
	Subseries B9: 2 July 2018	
	Subseries B12: 2 July 2021	

(In thousands of pesos)

Coupon rate:	Subseries E5: Fixed-Rate 9,27% E.A. Subseries B9: CPI + 5.90% E.A. Subseries B12: CPI + 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.

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 2019:	$266,043	
Balance as of 31 December 2019:	$499,733.957	
Nominal value per bond:	$10,000	
Issue term:	Subseries B10: 10 years Subseries B15: 15 years	
Issue date:	13 December 2012	
Maturity date:	Subseries B10: 13 December 2022 Subseries B15: 13 December 2027	
Coupon rate:	Subseries B10: CPI + 3.52% E.A. Subseries B15: CPI + 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 2019:	$201.705	
Balance as of 31 December 2019:	$362.828.294	
Nominal value per bond:	$10.000	
Issue term:	Subseries B6: 6 years Subseries B12: 12 years	
Issue date:	11 September 2013	
Maturity date:	Subseries B6: 11 September 2019 Subseries B12: 11 September 2025	
Coupon rate:	Subseries B6: CPI + 4.25% E.A. Subseries B12: CPI + 5.00% E.A.	

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

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 2019:	$280.161	
Balance as of 31 December 2019:	$589.719.839	
Nominal value per bond:	$10.000	

Issue term:	Subseries B6: 6 years Subseries B10: 10 years Subseries B16: 16 years	
Issue date:	16 May 2014	
Maturity date:	Subseries B6: 16 May 2020 Subseries B10: 16 May 2024 Subseries B16: 16 May 2030	
Coupon rate:	Subseries B6: CPI + 3.42% E.A. Subseries B10: CPI + 3.83% E.A. Subseries B16: CPI + 4.15% E.A.	

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 2019:	$194.034	
Balance as of 31 December 2019:	$289.935.966	
Nominal value per bond:	$10.000	
Issue term:	Subseries B3: 3 years Subseries B7: 7 years	
Issue date:	11 February 2016	
Maturity date:	Subseries B3: 11 February 2019 Subseries B7: 11 February 2023	
Coupon rate:	Subseries B3: CPI + 3.49% E.A. Subseries B7: CPI + 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 2019:	$220.087	
Balance as of 31 December 2019:	$299.779.913	
Nominal value per bond:	$10.000	
Issue term:	Subseries E6: 6 years	
Issue date:	27 September 2016	
Maturity date:	Subseries E6: 27 September 2022	
Coupon rate:	Subseries E6: 7.59% E.A.	

(In thousands of pesos)

Global International Bonds in Pesos

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

In accordance with to the Offering Memorandum, the Company paid the interest in 2018 at a final rate of 9.11%.

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 2019	$812.763
Balance as of 31 December 2019	$735.947.236
Use of funds	Financing of new projects such as The Quimbo and refinancing of other finances, in addition to other general uses of the Company.
Nominal value	$5,000 each bond
Term	10 years, with amortisation 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

The detail of the debt bond obligations as of 31 December 2019 is as follows:

Description	EA Rate	Current: Less than 90 days	Current: Over 90 days	Total current e	Non-current: 1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	Over 10 years	Total non-current
Second Tranche Programme B104-15	10%	$ 759.897	$ -	$ 759.897	$ -	$ -	$ -	$ 55.500.000	$ -	$ -	$ 55.500.000
Third Tranche Programme B105-12	10%	2.190.614	-	2.190.614	89.580.000	-	-	-	-	-	89.580.000
Outside bond Z47	9%	7.663.755	-	7.663.755	89.187.236	-	-	-	-	-	89.187.236
Outside bond Z58	9%	55.073.450	-	55.073.450	646.760.000	-	-	-	-	-	646.760.000
Fourth Tranche Programme B10	7%	1.138.935	-	1.138.935	-	299.875.611	-	-	-	-	299.875.611
Fourth Tranche Programme B15	7%	771.567	-	771.567	-	-	-	-	199.858.346	-	199.858.346
Fifth Tranche Programme B12	8%	1.825.734	-	1.825.734	-	-	-	-	362.828.294	-	362.828.294
Sixth Tranche Programme B16	8%	1.620.369	-	1.620.369	-	-	-	-	-	162.372.823	162.372.823
Sixth Tranche Programme B10	7%	1.785.254	-	1.785.254	-	-	-	186.303.179	-	-	186.303.179
Sixth Tranche Programme B6-2	7%	1.188.543	131.052.879	132.241.422	-	-	-	-	-	-	-
Sixth Tranche Programme B6-14	7%	997.480	109.990.958	110.988.438	-	-	-	-	-	-	-
Seventh Tranche Programme B-7	8%	3.421.399	-	3.421.399	-	-	289.935.966	-	-	-	289.935.966
Eighth Tranche Programme E6	8%	303.279	-	303.279	-	299.779.913	-	-	-	-	299.779.913
Total bonds		$ 78.740.276	$ 241.043.837	$ 319.784.113	$ 825.527.236	$ 599.655.524	$ 289.935.966	$ 241.803.179	$ 562.686.640	$ 162.372.823	$ 2.681.981.368

The detail of the obligations for debt bonds as of 31 December 2018 is as follows:

Description	EA Rate	Current: Less than 90 days	Current: Over 90 days	Total current e	Non-current: 1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	Over 10 years	Total non-current
Second Tranche Programme B104-10	9%	$ 162.058.441	$ -	$ 162.058.441	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Second Tranche Programme B104-15	10%	716.178	-	716.178	-	-	-	-	55.500.000	-	55.500.000
Third Tranche Programme B105-12	10%	2.064.704	-	2.064.704	-	89.580.000	-	-	-	-	89.580.000
Outside bond Z47	9%	7.663.755	-	7.663.755	-	90.000.000	-	-	-	-	90.000.000
Outside bond Z58	9%	55.073.450	-	55.073.450	-	645.210.343	-	-	-	-	645.210.343
Fourth Tranche Programme B10	7%	1.051.333	-	1.051.333	-	-	299.840.710	-	-	-	299.840.710
Fourth Tranche Programme B15	7%	713.176	-	713.176	-	-	-	-	199.844.996	-	199.844.996
Fifth Tranche Programme B12	8%	1.708.117	-	1.708.117	-	-	-	-	362.801.451	-	362.801.451
Fifth Tranche Programme B6-1	8%	653.545	152.510.681	153.164.226	-	-	-	-	-	-	-
Fifth Tranche Programme B6-2	8%	211.836	49.433.636	49.645.472	-	-	-	-	-	-	-
Sixth Tranche Programme B16	8%	1.505.481	-	1.505.481	-	-	-	-	-	162.364.060	162.364.060
Sixth Tranche Programme B10	7%	1.653.541	-	1.653.541	-	-	-	-	186.281.811	-	186.281.811
Sixth Tranche Programme B6-2	7%	1.096.073	-	1.096.073	131.025.339	-	-	-	-	-	131.025.339
Sixth Tranche Programme B6-1	7%	919.875	-	919.875	109.965.973	-	-	-	-	-	109.965.973
Seventh Tranche Programme B-3	7%	237.068.812	-	237.068.812	-	-	-	-	-	-	-
Seventh Tranche Programme B-7	8%	3.194.464	-	3.194.464	-	-	-	289.879.442	-	-	289.879.442
Eighth Tranche Programme E6	8%	303.284	-	303.284	-	-	299.711.768	-	-	-	299.711.768
Total bonds		**$ 477.656.065**	**$ 201.944.317**	**$ 679.600.382**	**$ 240.991.312**	**$ 824.790.343**	**$ 599.552.478**	**$ 289.879.442**	**$ 804.428.258**	**$ 162.364.060**	**$ 2.922.005.893**

(2) The increase in lease obligations as of 31 December 2019 corresponds mainly to the recognition of the liability resulting from the adoption of IFRS 16 Leases, as follos:

	As of 31 December 2019: Current	Non-current
Contracts IFRS 16 adoption	**$ 1.725.069**	**$ 3.385.423**
Buildings	1.407.004	3.385.423
Fixed installations and others (Means of transport)	318.065	-
Contracts signed from January to December 2019 (*)	**$ 2.857.206**	**$ 3.269.454**
Buildings	102.715	83.207
Fixed installations and others (Means of transport)	2.754.491	3.186.247
Total lease liabilities IFRS 16	**$ 4.582.275**	**$ 6.654.877**

Effective annual rates of the above contracts range from 6.74% to 13.25%.

The financial expense corresponding to the amortisation of the lease agreements signed between 1 January 2019 and 31 December 2019 is $422,867.

(*) In buildings, the most significant contract is with Free-Standing Trust Fund Fiduciaria Bogotá for $3,545,393, and, in means of transport, leases with Transportes Especiales FSG for $5,773,469.

The detail of the commercial lease obligations as of 31 December 2019 other than IFRS 16 is as follows:

Description	Rate	Type of rate	Current: Less than 90 days	Current: Over 90 days	Total current	Non-current: 1 to 2 years	Total non-current
Equirent S.A	8%	Fixed	$ 15.256	$ 31.447	$ 46.703	$ -	$ -
Mareauto Colombia S.A.S	12%	Fixed	74.105	143.967	218.072	48.398	48.398
Total leases			**$ 89.361**	**$ 175.414**	**$ 264.775**	**$ 48.398**	**$ 48.398**

The detail of the commercial lease obligations as of 31 December 2018 is as follows:

Description	Rate	Type of rate	Current: Less than 90 days	Current: Over 90 days	Total current	Non-current: 1 to 2 years	Total non-current
Equirent S.A	8%	Fixed	$ 183.333	$ 570.079	$ 753.412	$ 46.702	$ 46.702
Mareauto Colombia S.A.S	12%	Fixed	61.037	191.013	252.050	126.316	126.316
Transportes Especializados JR S.A.S.	12%	Fixed	362.997	769.769	1.132.766	-	-
Total Leasing			**$ 607.367**	**$ 1.530.861**	**$ 2.138.228**	**$ 173.018**	**$ 173.018**

(3) As of 31 December 2019, the main variation corresponds to the constitution of the MTM Climate Swap for $(4,287,967) with Munich RE to cover the draught scenario that may arise in the generation of the El Guavio plant. On the other hand, the liquidation of the Swap derivative for $145 of the cash flow hedging on the interest rate debt in CPI of the Fourth Tranche Programme B10 bond and 3 forward derivatives with a liability valuation of $273 corresponding to coverage for payment of insurance bills worth $207, coverage for the automation of Rio power Plant for $35 and technical bills for $30.

(In thousands of pesos)

As of 31 December 2018, a forward derivative with a liability valuation of $959 corresponding to the underlying asset for the payment of capex in Termozipa and a SWAP of $1,921,874 to cover the interest rate debt in CPI of the Fourth Tranche Programme B10 bond, of the cash flow hedging type, which were paid in full according to their maturity on 2 February and 13 December 2019, respectively.

(4) The variation corresponds to the transfer of liability to Banco Santander for the sale of the estimated portfolio in accordance with the framework agreement for the sale of uncollected accounts receivable, which is aimed at the sale of loans, through assignment without recourse to the Bank, the Company being responsible for the existence, legality, effectiveness, validity and enforceability of the accounts receivable and the commercial agreement with a group of eligible debtors, but not for the solvency of the debtors. As of 31 December 2019, the transfer of liability was $41,247,732, because of the foregoing "if an entity does not transfer or retain substantially all the risks and rewards inherent to the ownership of a transferred asset, and retains control over it, it will continue to recognise the asset transferred to the extent of its ongoing involvement. The extent of the entity's ongoing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the asset transferred." As of December 2018, the sale of the estimated portfolio, the ongoing involvement for the Wholesale Market and Non-regulated Market was recognised for $6,421,486.

As of 31 December 2019, the company has no obligations corresponding to bank loans.

(5) As of 31 December 2019, the Company has no obligations corresponding to bank loans, the Club Deal loan was repaid according to the prepayment on 12 December 2019 for the total value of the $135,000,000 loan that had been acquired with Banco BBVA. It was repaid with own resources since there was cash availability and a decrease in financial expenses was achieved.

The detail of Club Deal obligations and bank loans as of 31 December 2018 is as follows:

		Current		Non-current					
Description	EA Rate	Over 90 days	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
		$ 30.313.620	$ 30.313.620	$ 15.000.000	$ 30.000.000	$ 30.000.000	$ 30.000.000	$ 15.000.000	$ 120.000.000
Total Club Deal			$ 30.313.620						$ 120.000.000

As of 31 December 2019, the Company has $3,928,803,095 in unused authorised credit lines, jointly with Codensa S.A. E.S.P. and re-assignable between the two Companies, in respect of which, if required, the financial entities will update the conditions for their approval and disbursement.

Additionally, an intercompany credit line with Codensa S.A. E.S.P. has been approved for USD $100 million for general purposes of the Company". As of 31 December 2019, there are no guarantees in financial obligations.

14. Commercial accounts payable and other payables

	As of 31 December 2019	As of 31 December 2018
Accounts payable for goods and services (a)	$ 171.174.036	$ 228.853.451
Suppliers for purchase of energy (b)	77.584.390	94.606.436
Other accounts payable (c)	69.855.966	43.847.938
Taxes other than income tax (d)	30.438.703	23.623.855
Provision for tax payments	22.095.140	16.401.288
Territorial taxes, municipal contributions and related	8.343.563	7.222.567
Total commercial accounts payable and other payables	**$ 349.053.095**	**$ 390.931.680**

(a) The variation from 31 December 2019 to 2018 corresponds mainly to payments of civil works and maintenance of the power plants for $41,824,559, payment for block energy purchases mainly from Empresas Públicas de Medellín, Alto Porce Hydroelectric Power Plant, Americana de Energía for $19,633,374.

Additionally, as of 31 December 2019, a liability associated with services was recognised mainly from Accenture, Compass Group Services de Colombia, Everis de Colombia, Indra Colombia, Inemec, Integral, Reivax and Transportes Especiales FSG for $13,415,818

(b) The variation between 31 December 2019 and 2018 corresponds to the decrease in the estimate for liabilities of the variable margin associated with the costs of power generation for $16,106,517 and gas generation for $915,529.

(c) The variation between 31 December 2019 and 2018 mainly corresponds to the recognised liability of other accounts payable associated factoring services Citibank payment to suppliers for $6,196,485, Axia Energía for $7,161,105, Mapfre Seguros Generales de Colombia for $3,929,546, Alto Magdalena Regional Autonomous Corporation for $1,781,163, Proing for $1,452,815 and Seguridad Atlas for $1,303,371.

As of 31 December 2019, a liability for the contribution of energy from non-regulated market network operators was recognised for $2,579,988 and a surcharge of $4 kilowatt hour contemplated in the National Development Plan, article 311, for commercial and industrial users of socioeconomic strata 4 , 5 and 6, in order to cover the payment of financial obligations incurred by the business fund of the Superintendence of Household Public Utilities, collected through the sellers of the electric energy service for $5,299,630.

(d) As of 31 December 2019 and 2018, taxes other than income tax correspond to:

	As of 31 December 2019	As of 31 December 2018
Provision for tax payment (*)	$ 22.095.140	$ 16.401.288
Territorial taxes, municipal contributions and related (**)	8.343.563	7.222.567
	$ 30.438.703	**$ 23.623.855**

(*) The variation between 31 December 2019 and 2018 corresponds to the withholding tax on third parties for $$4,839,398 and self-withholdings of $$854,454, respectively.

(**) As of 31 December 2019 and 2018, corresponds mainly to the contribution of Act 99 for $6,966,646 and $5,905,113, respectively.

As of 31 December 2019 and 2018, taxes other than income tax are detailed as follows:

	As of 31 December 2019	As of 31 December 2018
Self-withholding payable to tax authority	$ 13.724.203	$ 12.869.749
Withholding on third parties	8.370.937	3.531.539
Contribution Act 99	6.966.646	5.905.113
Net industry and trade tax	847.772	886.342
Industry and trade withholding	385.703	372.625
Net VAT payable	143.442	58.487
Current tax liabilities	**$ 30.438.703**	**$ 23.623.855**

15. Provisions

	As of 31 December 2019		As of 31 December 2018	
	Current	Non-current	Current	Non-current
Other provisions	**$ 99.825.117**	**$ 139.413.713**	**$ 80.879.788**	**$ 112.232.378**
Environmental and works Quimbo (1)	80.203.836	60.353.887	51.148.256	35.773.793
Quimbo Restoration Plan (1)	19.185.321	63.329.404	29.731.532	76.458.585
CAR Compensation Plan (2)	435.960	15.730.422	-	-
Provision for legal claims (3)	**2.708.700**	**6.823.789**	**3.083.516**	**7.863.353**
Civil and others	2.509.278	5.674.243	2.885.294	6.719.868
Labour	199.422	1.149.546	198.222	1.143.485
Dismantling (4)	**-**	**1.021.877**	**-**	**300.123**
Total Provisions	**$ 102.533.817**	**$ 147.259.379**	**$ 83.963.304**	**$ 120.395.854**

(In thousands of pesos)

(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 includes the restoration of forests, maintenance of the protection strip and the reservoir, development of the fish and fishery programme and wildlife, flora, climate and landscape monitoring programs.

The rate used to discount the flows of the environmental and Quimbo works provision and the Quimbo restoration plan as of December 2019 is 6.76% and 6.48% EA, and, as of December 2018, 7.63% and 7.44% EA, respectively.

(2) CAR compensation plan: As of 31 December 2019, the value recognised as a provision for the CAR compensation plan corresponds to the Company's environmental obligation in accordance with resolution 2984 of 9 October 2017 executed on 10 April 2018, which grants a water concession for the operation of the Rio Bogota and Termozipa power plants, issued by the Regional Autonomous Corporation (CAR) of Cundinamarca. On 12 November 2019 the adjusted compensation plan is sent to the CAR according to the result of the discussion tables of 2019, which is pending approval.

The rate used to discount the flows from the CAR compensation plan provision as of December 2019 is 6.80% EA.

(3) As of 31 December 2019, the value of the allegations of the claims against the Company for administrative, civil and labour litigations and constitutional actions amount to $4,233,777,090. Based on the evaluation of the likelihood of success in the defence of these cases, $2,685,199 have been provisioned, including the financial update to cover the probable losses for these contingencies. Management believes that the outcome of the lawsuits corresponding to the non-provisioned part will be favourable to the Company's interests and would not cause significant liabilities that should be accounted for or that, if they arise, would not significantly affect the Company's financial position. Additionally, penalties are provisioned for the El Quimbo Hydroelectric Power Plant for $3,147,969, which are detailed in Note 32.

On the other hand, there are success premiums for $3,699,321, which will be effective when the counsel achieves has a ruling in favour of the Company in the agreed processes.

As of 31 December 2019, the values of claims for administrative, civil, labour and contractor litigations are detailed as follows:

Processes	Qualification	No. of processes	No. of processes (undetermined amount)	Value of contingency (a)	Value of provision
	Probable		-	1.371.209	$ 1.348.968
Labour	Likely	22	6	1.720.696	-
	Remote	5	-	20.181.000	-
Total Labour		**32**	**6**	**23.272.905**	**1.348.968**
Floods before 1997	Probable(*)	5	-	1.009.819	1.011.996
	Likely	2	-	4.196.251	-
Total floods before 1997		**7**	**-**	**5.206.070**	**1.011.996**
	Probable	5	1	295.500	281.962
Others	Likely	34	27	5.611.331	-
	Remote	28	17	122.335.255	-
Total Others		**67**	**45**	**128.242.086**	**281.962**
Floods after 1997	Probable	2	-	42.223	42.273
	Likely	1	-	4.297.203	-
Total floods after 1997		**3**	**-**	**4.339.426**	**42.273**
	Probable	1	-	4.700	-
Quimbo			35	436.512.694	-
		2	1	5.377.741	-
Total Quimbo		**181**	**36**	**441.895.135**	**-**
Emgesa-civil	Likely	21	15	417.232.038	-
Total civil		**21**	**15**	**417.232.038**	**-**
Total Processes		**311**	**102**	**$ 1.020.187.660**	**$ 2.685.199**

(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 Company. 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 recognised to the Company by the Ministry of Finance and Public Credit. (See Note 6).

Detail of the main legal processes that the Company has as of 31 December 2019 qualified as probable:

Processes	Start Date	Claim	Purpose of the lawsuit	Current status and procedural situation
José Rodrigo Alvarez Alonso	2013	33.000.000	Collective Action: Due to the construction of the El Quimbo Hydroelectric Project, its income from artisanal or business activities was reduced by an average of 30%, without taking into account the socioeconomic census of the project.	In the evidentiary stage.
Luz Nelly Olarte y Otros (94) Acumulado con: 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)	2019	2.953.181	Ordinary Non-contractual Civil Liability for events of 1994	Pending resolution of appeal and writ for the protection of constitutional rights filed by the Company
Proceal	2011	1.903.847	Compensation for the mass death of fish that occurred in Betania in February 2002	First instance ruling appealed.
Orlando Rojas Cleves	2018	445.223	Ineffectiveness of layoff, by worker in a situation of manifest weakness, compensation Act 361 of 1997; Employer blame.	Hearing of Article 80 was set for 30 January 2020, La Plata Huila
Yohana Farley Rodriguez Berrio	2014	300.000	Compensation for damages due to employee death	In Court since 17 July 2017 to set a second Hearing in the Superior Court of the Civil Chamber of Neiva
Luis Alfonso Marín	2018	215.310	Lawsuit for flooding of the Magdalena river in April 2011	In court pending resolution of the Company's request for nullity
Hernando Rivera Espinosa	2018	192.000	Compensation for layoff without just cause	
Audenago Rodríguez Cardozo	2019	143.783	Lawsuit for flooding of the Magdalena river in April 2011	Process was referred to the 20 Civil Court of the Bogota Circuit and a hearing date was set for 10 March 2020
Dionel Narváez Castillo	2016	110.000	Solidarity	From 10 June 2019 in the Superior Court of the Civil Chamber of Neiva, to resolve the first instance appeal proposed by Impregilo.
German Claros Valenzuela	2018	44.370	Declaration of ineffectiveness layoff and employer guilt in workplace accident – solidarity	Pendiente fijación Audiencia Articulo 80
Luís Ferney Yara (94)	2018	18.720	Ordinary Non-contractual Civil Liability for events of 1994	Pending balance settlement of ruling by the court
Aldo Enrique Maltes Escobar	2019	Undetermined	Damages caused by events of 2007 Purification, Prado and Saldaña floods 2017	Pending impleader Axa Colpatria
CAR	2018	Undetermined	Lawsuits against CAR resolutions that impose obligations for environmental management of the El Muña, Tominé and Río Bogotá reservoirs.	In Court pending resolution of evidentiary stage and others pending second instance ruling.
COMEPEZ S.A.	2015	Undetermined	Public interest claim to protect the healthy environment, water quality and other collective rights.	For first instance ruling since June 2018.

Processes	Start Date	Claim	Purpose of the lawsuit	Current status and procedural situation
GRUPO ENERGÍA BOGOTA	2019	Undetermined	14 accumulated arbitration procedures seeking the invalidity of the Minutes of the Board of Directors and General Shareholders' Meeting raising the following arguments: i) Conflicts of Interest with related economic companies. ii) Impossibility to confirm authorisations to hire. iii) Conflict of interest unduly dismissed. iv) Violation of the AMI in terms of distribution of profits. v) Insufficient information for decision making, etc.	Initial stage, settlement and determining arbitration fees

The Company 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 favourable to the Company and will cause no significant liabilities that must be accounted for or that, if materialised, will not significantly affect their financial position.

From 31 December 2018 to 31 December 2019, the eventual processes varied by $352,126,294, mainly due to the following processes:

Type of process	Plaintiff	Purpose of the claim	Value	Action	Month
Arbitration	GRUPO ENERGÍA DE BOGOTÁ S.A. E.S.P.	Invalidity of Board of Directors minutes (6 Processes)	$ 417.232.038	New Process	jul-19
Civil liability	Jeysson Pastrana Tovar	Damages Caused	1.879.611	New Process	jan-19
Adm. Direct repair	Ivan Supuy Home y otros 13 demandantes	Damages caused by Quimbo to residents for damage to their economic activity	1.052.581	New Process	jan-18
Civil_Verbal	Tigre Colombia SAS	Property damage caused	(450.000)	Ended Process	may-19
Administrative Actions	ANLA	Collection Resolution that Imposes Environmental Sanction	(2.500.000)	Ended Process	jan-19
Civil_ Ordinary	Nelly Chaux de Almario	Serious injury	(2.741.531)	Ended Process	nov-19
Civil_ Verbal	Aceneth Sanchez Tamayo	Serious injury	(2.916.900)	Ended Process	nov-19
Adm. Nullity and Restoration	CHIVOR SA ESP	Nullity claim on the liquidation for Chivor under Capacity Charge.	(2.926.000)	Ended Process	jan-19
Adm. Nullity and Restoration	CHIVOR SA ESP	Nullity claim on the liquidation for Chivor under Capacity Charge.	(3.330.000)	Ended Process	jan-19
Adm. Nullity and Restoration	CHIVOR SA ESP	Nullity claim on the liquidation for Chivor under Capacity Charge.	(3.653.000)	Ended Process	jan-19
Civil_ Verbal	Luis Herminson Rodriguez Sanchez y Otros	Serious injury	(4.500.000)	Ended Process	nov-19
Adm. Nullity and Restoration	CHIVOR SA ESP	Nullity claim on the liquidation for Chivor under Capacity Charge.	(10.892.000)	Ended Process	jan-19
Civil_ Ordinary	Israel Urriago Longas y Otro	Serious injury	(14.519.332)	Ended Process	oct-19
Verbal Higher Value	Ruber Cufino Hernandez y Otros	Compensation population	(19.609.174)	Change of claim	apr-19

As of 31 December 2019, the Company has no provision for fiscal litigations qualified as probable.

The movement of provisions as of 31 December 2019 and 31 December 2018 is as follows:

	Provision for legal claims	Dismantling, restoration and rehabilitation costs	Total
Initial balance 1 January 2018	**$ 10.712.379**	**$ 225.345.171**	**$ 236.057.550**
Increase (Decrease) in existing provisions	2.717.444	46.874	2.764.318
Provision used	(1.696.351)	(40.619.483)	(42.315.834)
Financial effect update	(30.113)	8.639.727	8.609.614
Recoveries	(756.490)	-	(756.490)
Total movements in provisions	234.490	(31.932.882)	(31.698.392)
Final balance as of 31 December 2018	**$ 10.946.869**	**$ 193.412.289**	**$ 204.359.158**
Increase (Decrease) in existing provisions	1.270.904	64.010.356	65.281.260
Provision used	(115.376)	(28.864.797)	(28.980.173)
Financial effect update	6.611	11.702.859	11.709.470
Recoveries	(2.576.519)	-	(2.576.519)
Total movements in provisions	(1.414.380)	46.848.418	45.434.038
Final balance as of 31 December 2019	**$ 9.532.489**	**$ 240.260.707**	**$ 249.793.196**

The movement of the provision for legal claims in 2019 corresponds mainly to:

(a) Allowances:

Process type	Plaintiff	Purpose of the Lawsuit	Value	Date
Adm_Direct_Repair	Aldo Enrique Maltes Escobar	Damages by 2007 events Purificación, Prado and Saldaña floods 2017	28.560	Oct-19
Civil _ Ordinary	Libardo Chico	Ordinary of non-contractual civil liability for events from 1.994	1.562	Jul-19
Civil _ Ordinary	Luz Nelly Olarte y Otros (94)	Ordinary of non-contractual civil liability for events from 1.994	800.000	Jun-19
Civil _ Ordinary	Urbano Sanchez Perdomo	Ordinary of non-contractual civil liability for events from 1.994	4.000	Feb-19
Civil_Verbal	Audenago Rodriguez	Lawsuit for flooding of the Magdalena river in April 2011	4.700	Jul-19
Civil_Verbal	Luís Alfonso Marin	Lawsuit for flooding of the Magdalena river in April 2011	275.400	May-19
Labour_Ordinario	Hernando Rivera (94)	Compensation for layoff without just cause	1.200	Nov-19
Éxito bonus	(en blanco)	Muña Reservoir Lawsuit	103.091	Dec-19

(b) Payments:

Process type	Plaintiff	Purpose of the Lawsuit	Value	Date
Adm_Nullity_and_Restoration	CAR	lawsuit against resolutions of the CAR for environmental management of the El Muña Reservoir and the Bogota River.	(6.979)	Feb-19
Adm_Direct_Repair	Aldo Enrique Maltes Escobar	Damages by 2007 events Purificación, Prado and Saldaña floods 2017	(28.560)	Mar-19
Civil_ Ordinary	Libardo Chico	Ordinary of non-contractual civil liability for events from 1.994	(27.562)	Apr-19
Civil_ Ordinary	Luís Ferney Yara (94)	Ordinary of non-contractual civil liability for events from 1.994	(7.055)	Apr -19
Civil_ Ordinary	Ruben Charry	Ordinary of non-contractual civil liability for events from 1.994	(18.104)	Apr -19
Civil_ Ordinary	Urbano Sanchez Perdomo	Ordinary of non-contractual civil liability for events from 1.994	(22.416)	Sep-19
Civil_Verbal	Audenago Rodríguez Cardozo	Lawsuit for flooding of the Magdalena river in April 2011	(4.700)	Nov-19

(In thousands of pesos)

(c) Recoveries:

Process type	Plaintiff	Purpose of the Lawsuit	Value	Date
Civil Ordinary	Alfonso Rodriguez	Ordinary of non-contractual civil liability for events from 1.989	(1.000.000)	Mar-19
Civil_ Ordinary	Maria Gladys Guzman Yotros	Ordinary of non-contractual civil liability for events from 1.994	(434.119)	Mar-19
Civil_ Ordinary	Diomedez Lozano Apache(94)	Ordinary of non-contractual civil liability for events from 1.994	(343.403)	Mar-19
Civil_ Ordinary	Hernan Useche Culma (94)	Ordinary of non-contractual civil liability for events from 1.994	(240.911)	Mar-19
Civil_ Ordinary	Abundio Carrillo (94)	Ordinary of non-contractual civil liability for events from 1.994	(140.740)	Aug-19
Civil_ Ordinary	Saúl Cárdenas Trujillo (94)	Ordinary of non-contractual civil liability for events from 1.994	(138.638)	Mar-19
Civil_ Ordinary	Laura Patricia Ayerbe Cortes	Ordinary of non-contractual civil liability for events from 2011	(45.019)	Aug-19
Civil_ Ordinary	Alfaro Almanza Muñoz	Ordinary of non-contractual civil liability for events from 2007	(35.548)	Aug -19
Civil_ Ordinary	Ruben Charry	Ordinary of non-contractual civil liability for events from 1.994	(6.896)	Mar-19
Civil_ Ordinary	Angel E Guerra (89)	Ordinary of non-contractual civil liability for events from 1.989	(6.336)	Mar-19
Civil_ Ordinary	Urbano Sanchez Perdomo	Ordinary of non-contractual civil liability for events from 1.994	(3.227)	Aug-19
Civil_ Ordinary	Gerardo Charry	Ordinary of non-contractual civil liability for events from 1.994	(3.154)	Mar-19
Civil_ Ordinary	Alfaro Almanza Dussan	Ordinary of non-contractual civil liability for events from 1.994	(2.217)	May-19

Impregilo Consortium Claim

During 2015, the Impregilo OHL Consortium submitted to the Company 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 Company and Impregilo Consortium were carried out as a result of the previous negotiation tables held between September 2015 and March 2016. The Company, 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 authorised by the Company to be included in agreement CEQ 021 through addendum 17 signed in January 2017.

In November 2016, the Company, 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 formalised 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 Company 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 Company. AXA Colpatria rejected the claim for quality assurance and stability of the works.

The Company 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 Company is conducting analyses and consultations to determine the possibilities of success when filing an arbitration against CIO and AXA Colpatria for the quality of the placement of the rock fill on the downstream side of the dam.

Two external consultants have been hired to carry out the technical assessment to determine the contractor's constructive and economic responsibilities for the claim on the Impregilo-OHL Consortium for the reprofiling of the El Quimbo Hydroelectric Project dam. The final report will be ready for 28 February 2020 and General Management will decide whether or not to resort to an Arbitration Court.

Provision Environmental Investment Programme 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 Company as of 31 December 2018 has registered as part of the total provisioned $22,128,147 corresponding to the 1% investment programme 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 25 November 2019, the 1% liquidation of the Investment Plan as of 30 June 2019 was submitted for review and approval of ANLA.

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

» Acquisition of land and/or improvements in paramo areas, cloud forests and areas of influence of springs, groundwater recharges, river springs and water rounds.

» Interceptors and wastewater treatment systems

(4) As of 31 December 2019, the provision for dismantling electromechanical equipment in El Quimbo originates from the variation in the interest rate used to discount future flows, VPN. The rate used as of December 2019 is 8.39% EA and as of December 2018, 11% EA.

16. Current tax liabilities

The tax returns for the 2016, 2017 and 2018 taxable years are open for review by the tax authorities. However, in Management's opinion, should it occur, no significant differences are expected.

Income tax

	As of December 2019		As of December 2018	
Current income tax (1)	$	525.577.620	$	486.524.661
Year income tax prepayment		(164.842.483)		(167.905.090)
Tax deductions and withholdings (2)		(2.563.348)		(3.808.202)
Self-withholding		(96.338.013)		(89.051.695)
Self-withholding other items		(60.281.977)		(56.386.561)
Taxes payable previous year (ZOMAC) (3)		5.636.246		600.355
Current tax liabilities	**$**	**207.188.045**	**$**	**169.973.468**

(1) As of 31 December 2019 and 2018, the current income tax liability consists of:

	As of 31 December 2019		As of 31 December 2018	
Income taxes related to net income (See Note 28)	$	525.249.795	$	486.059.456
Income taxes related to components of other comprehensive income (See Note 30)		327.825		465.205
	$	**525.577.620**	**$**	**486.524.661**

(In thousands of pesos)

(2) As of 31 December 2019 and 2018, tax discounts consist of:

	As of 31 December 2019	As of 31 December 2018
VAT on productive real fixed assets (AFRP)	$ 1.484.384	$ -
Industry and Trade Tax paid	868.415	-
25% of donations made to non-profit entities	210.549	203.252
VAT on the import or acquisition of heavy machinery for basic industries	-	3.604.950
	$ 2.563.348	**$ 3.808.202**

(3) Corresponds to the benefit granted by the National Government that gives the possibility to companies to pay their income tax through direct investment projects, viable and priority social interest in the areas most affected by the armed conflict (ZOMAC).

On account of the tax reform, Act 1943 of 2018, the aforementioned benefit will be effective as of 30 June 2019, as it will regulate the works for taxes that have been approved until that date. As of 1 July 2019, the application of the benefit for works changes the methodology, now being controlled through agreements with public entities at the national level and with requirements different from those previously established.

The main reconciling items between earnings before tax and the net taxable income that explain the difference between the rate for companies of 33% corresponding to the income tax and the 4% Surcharge (2018), with respect to the effective rate on profits of 32, 43% as of 31 December 2019, and of 34, 93% as of 31 December 2018, are the following:

Item	As of 31 December 2019 Value	Rate (%)	As of 31 December 2018 Value	Rate (%)
Accounting earnings before income tax	**$ 1.823.482.815**		**$ 1.568.164.634**	
Items that increase net income				
Deductible provisions	(37.979.147)	(0.69)	(32.535.906)	(0.68)
Taxed revenues				
Contribution to financial transactions	5.867.131	0.11	4.778.745	0.10
Others				
Non-deductible expenses	5.324.318	0.10	2.880.576	0.06
Non-deductible taxes	-	0.00	277.687	0.01
Amortisation in science and technology				
Presumptive interests	8.464	0.00	12.001	0.00
Total items that increase net income	**(26.779.234)**	**(0.48)**	**(24.586.897)**	**(0.52)**
Items that reduce net income				
Deductions for productive real fixed assets	(8.279.062)	(0.15)	(19.750.706)	(0.42)
Tax depreciation and amortisation	(195.413.714)	(3.54)	(208.797.977)	(4.39)
Total items that reduce net income	**(203.692.776)**	**(3.69)**	**(228.548.683)**	**(4.81)**
Taxable net income	**1.592.506.694**		**1.315.013.910**	
Tax rate	33%		33%	
Income tax	**525.527.209**	**28.82**	**433.954.590**	**27.67**
Occasional earnings	504.111		15.145	
Occasional earning tax rate	10%		10%	
Occasional earning tax	**50.411**		**1.515**	
Total income tax and complementary	**$ 525.577.620**		**$ 433.956.105**	

As a result of the tax reform, Act 1819 of 2016, as of 2017 the current tax surcharge was created, which for the year 2018 is equivalent to 4%. Accordingly, the tax effects, comparatively for 2019 and 2018, are as follows:

Item	As of 31 December 2019 Value	As of 31 December 2019 Rate (%)	As of 31 December 2018 Value	As of 31 December 2018 Rate (%)
Taxable net income surcharge	-		1.315.013.910	
Non-taxable base surcharge	-	(0,00)	(800.000)	(0,06)
Taxable net income surcharge	-		1.314.213.910	
Tax rate surcharge	0%		4%	
Income tax surcharge	-		52.568.556	
Income tax and surcharge	**$ 525.577.620**		**$ 486.524.661**	

Item	As of 31 December 2019	As of 31 December 2018
Total income tax and complementary	$ 525.577.620	$ 433.956.105
Income tax and surcharge	-	52.568.556
Total	**$ 525.577.620**	**$ 486.524.661**

Equity Reconciliation

	As of 31 December 2019	As of 31 December 2018
Accounting equity	$ 4.743.218.242	$ 4.239.248.006
Estimated liabilities	297.491.197	292.277.281
Payroll contributions and pensions and other employee benefits	39.615.159	32.756.603
Tax adjustment on assets (*)	(751.067.102)	(575.566.648)
Tax adjustment on deferred charges	13.169.046	10.429.920
Debtors provision	3.079.362	39.767.353
Tax adjustment on investments	5.672.530	5.752.929
Deferred tax (See Note 19)	168.255.638	100.433.685
Tax equity	**$ 4.519.434.072**	**$ 4.145.099.129**

(*) 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 external advisors have validated each of the contracts made during 2018 with related parties from abroad in order to validate the correct application of the market prices in each one. In 2020, the study and supporting documentation will be prepared to comply with the tax obligation in July 2020.

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 Company'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

(In thousands of pesos)

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 favourability):

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 Company:

» 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 proven 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 in a timely manner.

» 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 during 2018.

b. Obligations of the Nation:

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

The audit of the 2018 legal stability agreement was filed with the Ministry of Mines and Energy within the term provided, on 29 March 2019.

17. Provisions for Employee Benefits

	As of 31 December 2019		As of 31 December 2018	
	Current	Non-current	Current	Non-current
Obligations for defined post-employment and long-term benefits (1)	$ 7.668.688	$ 86.457.073	$ 8.254.181	$ 79.386.870
Social benefits and legal contributions (2)	28.955.314	2.099.298	22.536.903	-
	$ 36.624.002	**$ 88.556.371**	**$ 30.791.084**	**$ 79.386.870**

(1) The Company 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, which refer to:

Retirement Pensions

The Company 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 recognised liability in the 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 statement of financial position, together with adjustments for unrecognised 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 authorised by the Financial Superintendence through Decree 1555 of 30 July 2010.

The pensioner base for the recognition of this benefit corresponds to:

Item	As of 31 December 2019	As of 31 December 2018
Pensioners	291	294
Average age	67,38	66,40

Other post-employment benefits

Pensioner benefits

The company provides the following aids to pension-retired employees: (i) education aid, (ii) electric energy aid, in accordance with the provisions of the collective bargaining 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.

The pensioner base for the recognition of this benefit corresponds to:

	As of 31 December 2019	As of 31 December 2018
Education aid		
Pensioner	41	47
Average age	19,70	19,30
Energy aid		
Pensioner	286	287
Average age	67,30	66,30
Health service (*)		
Pensioner	87	95
Average age	58,60	58,60

Retroactive severance pay

Retroactive severance pay, which is considered a post-employment benefit, is liquidated for employees belonging to the labour 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.

The employee base for the recognition of this benefit corresponds to:

Item	As of 31 December 2019	As of 31 December 2018
Employees	89	90
Average age	54,60	53,60
Seniority	26,00	25,00

(In thousands of pesos)

Long-term benefits

The Company recognises 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.

The employee base for the recognition of this benefit corresponds to:

Item	As of 31 December 2019	As of 31 December 2018
Employees	145	147
Average age	53,60	52,60
Seniority	24,50	23,50

As of 31 December 2019, 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 2019	As of 31 December 2018
Discount rate	5,81%	6,80%
Salary increase rate (active personnel)	4,90%	5,00%
Pension increment rate	3,85%	4,00%
Estimated inflation	3,85%	4,00%
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

The movement of obligations for benefits defined as of 31 December 2019 and 2018 is the following:

	Retired personnel		Active personnel		
	Pensions (a)	Benefits	Retroactive severance pay	Five-year term	Defined benefits plan
Initial balance as of 31 December 2017	$ 68.001.049	$ 7.883.787	$ 5.291.184	$ 4.566.264	$ 85.742.284
Cost of Current Service	-	-	232.644	171.064	403.708
Cost for Interest	4.574.909	517.106	345.988	276.632	5.714.635
Paid Contributions	(6.692.619)	(525.722)	(933.186)	(1.468.111)	(9.619.638)
Actuarial (gains) losses arising from changes in financial assumptions	3.921.705	223.661	9.424	50.080	4.204.870
Actuarial (gains) losses arising from changes in adjustments by experience	622.924	140.856	828.677	(397.265)	1.195.192
Final balance as of 31 December 2018	**$ 70.427.968**	**$ 8.239.688**	**$ 5.774.731**	**$ 3.198.664**	**$ 87.641.051**

	Retired personnel		Active personnel		
	Pensions (a)	Benefits	Retroactive severance pay	Five-year term	Defined benefits plan
Cost of Current Service	-	-	243.623	113.508	357.131
Cost for Interest	4.713.825	539.008	389.436	193.196	5.835.465
Paid Contributions	(6.051.866)	(558.915)	(982.415)	(657.716)	(8.250.912)
Actuarial (gains) losses arising from changes in financial assumptions	7.482.755	549.738	457.211	88.108	8.577.812
Actuarial (gains) losses arising from changes in adjustments by experience	(602.459)	(204.469)	449.075	323.067	(34.786)
Final balance as of 31 December 2019	**$ 75.970.223**	**$ 8.565.050**	**$ 6.331.661**	**$ 3.258.827**	**$ 94.125.761**

(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; we have, upon apply these parameters as of 31 December 2019 and 2018, that the post-employment benefits liability for future retirement pensions amounts to $54,810,964 and $56,211,614, respectively. The sensitivity in question was made by the firm Aon Hewitt México, which used the following set of hypotheses:

Type of rate	As of 31 December 2019	As of 31 December 2018
Discount rate	8.89%	10.13%
Technical interest	4,80%	4,80%
Estimated inflation	3.91%	5.09%

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.

	Retired personnel		Active personnel		
Change in discount rate	Pensions	Benefits	Retroactive severance pay	Five-year term	Defined benefits plan
- 100 basic points	86.069.475	9.471.797	6.845.887	3.363.689	105.750.849
+ 100 basic points	67.709.913	7.793.861	5.870.076	3.159.965	84.533.815

Collective Bargaining Agreements

Collective Agreement - SINTRAELECOL 2015-2018 – Extension to 2019

The Collective Bargaining Agreement signed with SINTRAELECOL ended on 30 June 2018, however, the union did not file the corresponding complaint, so the bargaining text has been automictically extended as provided by the law for a term of six (6) months, with the new end date on 30 June 2020. In accordance with the applicable regulations, the complaint must be made by the union at the latest 60 days prior to the end of the new extension term. This complaint activates the beginning of the direct negotiation stage, a stage that ends with the signing of a new agreement or with the referral to an arbitration tribunal if an agreement is not reached.

Collective Agreement - ASIEB 2016-2019

On 1 June 2016, the Collective Bargaining Agreement with the ASIEB Trade Union Organisation 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 submitted a request for negotiation on 30 December 2019, which vegan the analysis of the start of the direct settlement stage.

(In thousands of pesos)

18. Other non-financial liabilities

	As of 31 December 2019	As of 31 December 2018
Advances for sale of energy (1)	$ 26.396.175	$ 38.090.160
Deferred income	3.862.765	3.818.047
Total	**$ 30.258.940**	**$ 41.908.207**

(1) The variation between 31 December 2019 and 2018 corresponds mainly to the decrease in advances for energy purchases of $11,649,267, mainly from the customer Electricaribe S.A E.S.P. bilaterally agreed upon prior collection for energy delivery, energy purchases are backed by bank guarantees.

19. Net deferred taxes

The breakdown for deferred tax liabilities as of 31 December 2019 is provided below:

	Initial Balance as of 1 January 2019	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 2019
Other provisions (1)	24.278.572	(10.809.148)	-	13.469.424
Defined contribution obligations	7.803.697	(181.135)	2.214.410	9.836.972
Deferred tax assets	**$ 32.082.269**	**(10.990.283)**	**2.214.410**	**$ 23.306.396**
Excess of tax depreciation on book value (2)	(130.478.393)	(58.624.114)	-	(189.102.507)
Forward and swap	(2.037.561)	-	(421.966)	(2.459.527)
Deferred tax liabilities	**(132.515.954)**	**(58.624.114)**	**(421.966)**	**(191.562.034)**
Net tax deferred liabilities	**(100.433.685)**	**(69.614.397)**	**1.792.444**	**(168.255.638)**

(1) As of 31 December 2019, the detail of deferred tax assets for other provisions corresponds to:

	Initial Balance as of 31 December 2018	Increase (Decrease) due to deferred taxes through profit or loss	Final balance as of 31 December 2019
Provisions of works and services	$ 7.604.375	$ 1.485.198	$ 9.089.573
Provision labour obligations	1.189.091	984.861	2.173.952
Provision quality compensation	1.953.648	(1.190.734)	762.914
Others	487.767	(14.781)	472.986
Provision for uncollectible accounts	13.043.691	(12.073.692)	969.999
	$ 24.278.572	**$ (10.809.148)**	**$ 13.469.424**

(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 2019 by rate is presented below:

	2020 Income	2021 Income	2022 Income
Fixed assets	$ -	$ -	$ (639.073.538)
Provisions and estimated liabilities	23.058.498	(161.455)	14.886.803
Defined contribution obligations	-	-	32.789.898
Portfolio	1.539.681	1.539.681	-
	$ 24.598.179	**$ 1.378.226**	**$ (591.396.837)**
Income tax rate	32%	31%	30%
Income tax	**$ 7.871.417**	**$ 427.250**	**$ (177.419.051)**
Occasional earnings	8.647.463		
Rate	10%		
Tax	864.746		
Net deferred tax	$ (168.255.638)		

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.

The breakdown for deferred tax liabilities as of 31 December 2018 is provided below:

	Initial Balance as of 1 January 2018	Increase (Decrease) due to deferred taxes through profit or loss	Increase (Decrease) due to deferred taxes through other comprehensive income	Increase (Decrease) due to deferred taxes through profit or loss for rate change	Increase (Decrease) due to deferred taxes through other comprehensive income for rate change	Final balance as of 31 December 2018
Other provisions (1)	33.989.893	(10.499.765)	935.512	(147.068)	-	24.278.572
Defined contribution obligations	7.285.697	217.467	1.640.469	(728.834)	(611.102)	7.803.697
Deferred tax assets	**$ 41.275.590**	(10.282.298)	2.575.981	(875.902)	(611.102)	**$ 32.082.269**
Excess of tax depreciation on book value (2)	(73.716.961)	(69.895.746)	-	13.134.314	-	(130.478.393)
Forward and swap	(1.673.608)	-	(541.941)	-	177.988	(2.037.561)
Deferred tax liabilities	**(75.390.569)**	(69.895.746)	(541.941)	13.134.314	177.988	**(132.515.954)**
Net tax deferred liabilities	**$ (34.114.979)**	(80.178.044)	2.034.040	12.258.412	(433.114)	**$ (100.433.685)**

(1) As of 31 December 2018, the detail of deferred tax assets for other provisions corresponds to:

	Initial Balance as of 31 December 2017	Increase (Decrease) due to deferred taxes through profit or loss	Increase (Decrease) due to deferred taxes through other comprehensive income and other movements in equity	Final balance as of 31 December 2018
Provisions of works and services	$ 6.074.479	$ 1.529.896	$ -	$ 7.604.375
Provision labour obligations	451.136	737.955	-	1.189.091
Provision quality compensation	2.483.837	(530.189)	-	1.953.648
Others	543.052	(55.285)	-	487.767
Provision for uncollectible accounts (a)	24.437.389	(12.329.210)	935.512	13.043.691
	$ 33.989.893	$ (10.646.833)	$ 935.512	$ 24.278.572

(a) The provision for uncollectible accounts (portfolio) shows the deferred tax calculation for the impact of the implementation of IFRS 9 reflected in the line of comprehensive income for $935,512. (See note 30).

(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.

(In thousands of pesos)

» 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 2018 by rate is presented below:

	2019 Income	2020 Income	2021 Income	2022 Income
Fixed assets	$ -	$ -	$ -	$ (437.810.462)
Provisions and estimated liabilities	24.458.542	(83.562)	(83.562)	3.928.819
Defined contribution obligations	-	-	-	26.012.318
Portfolio	31.813.882	7.953.471		
	$ 56.272.424	**$ 7.869.909**	**$ (83.562)**	**$ (407.869.325)**
Income tax rate	33%	32%	31%	30%
Income tax	**$ 18.569.900**	**$ 2.518.371**	**$ (25.904)**	**$ (122.360.798)**
Occasional earnings	8.647.463			
Rate	10%			
Tax	864.746			
Total deferred tax liabilities	**$ (100.433.685)**			

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.

20. Equity

Capital

The authorised 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:

Shareholder composition as of December 31, 2019:

	Common shares with voting rights		Preferred shares without voting rights		Shareholding structure	
Shareholders	**(%) Interest**	**Number of shares**	**(%) Interest**	**Number of shares**	**(%) Interest**	**Number of shares**
Grupo Energía Bogotá S. A. E.S.P.(1)	43,57%	55.758.250	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**

(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.

(*) Full figure expressed in USD

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	Common shares with voting rights		Preferred shares without voting rights		Shareholding structure	
Shareholders	**(%) Interest**	**Number of shares**	**(%) Interest**	**Number of shares**	**(%) Interest**	**Number of shares**
Grupo Energía Bogotá S. A. E.S.P.(1)	43,57%	55.758.250	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**

(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.

(*) Full figure expressed in USD

Distribution of dividends

The General Shareholders' Meeting of 26 March 2019, according to Minutes No. 102, ordered the distribution of dividends for $720,633,737, paid as follows: 100% of the preferred dividend and 38% of the ordinary dividend on 22 May 2019; 37% on 17 October 2019; and 25% on 15 January 2020.

Grupo Energía Bogotá has reportedly filed a request for arbitration with the Bogota Chamber of Commerce, where it seeks the nullity of this Minutes, including in the contested matters the approval of the profit distribution project.

The General Shareholders' Meeting of 20 March 2018, according to Minutes No. 99, ordered the distribution of dividends for $623,784,116 charged to the net income of 31 December 2017. Dividends on the 2017 net income are paid as follows: 100% of the preferred dividend and 38% of the ordinary dividend on 16 May 2018; 37% on 24 October 2018; and 25% on 16 January 2019.

Arbitration Tribunal of Grupo Energía Bogotá S.A E.S.P. VS. Enel Américas S.A.

On December 4, 2017, Enel Américas S.A. was notified of the request for initiation of arbitration proceedings filed by Grupo Energía Bogota S.A. E.S.P. in relation to the differences arising in the profits distribution of the year 2016 for Emgesa S.A. E.S.P. and Codensa S.A. E.S.P., as regulated by the Investment Framework Agreement -AMI-.

Grupo Energía Bogotá S.A. E.S.P. argues that Enel Americas acted against its own actions when voting for a profits distribution of 70%, in breach of provisions of clause 3.8 of AMI which establishes the form of profits distribution compelling the parties to vote favourably for the distribution of the 100% possible to distribute during each exercise.

The claims are (i) Declaration of non-compliance of AMI by Enel Américas S.A. (ii) Legitimacy of Grupo Energía de Bogotá S. A. E.S.P. to convene an Extraordinary Shareholders' Meeting that includes in the agenda the distribution of the percentage pending distribution for the year 2016. (iii) Distribution of 100% of the percentage pending distribution for each Company.

On December 12, 2017, a public draw for arbitrators was held for the arbitration court; however the parties wish to choose their own arbitrators as indicated in the Investment Framework Agreement (AMI).

Grupo Energía Bogotá S.A. E.S.P. filed a new lawsuit which was notified on 10 April 2019 and answered by Enel Américas on 13 May 2019. The parties were summoned to a conciliation hearing, but it never took place because Grupo Energía Bogotá S.A. E.S.P. file an amendment to the lawsuit, including claims for damages for more breaches of the Investment Framework Agreement: i) Distribution of profits 2016, 2017 and 2018, ii) Non-development of non-conventional renewable energy generation projects, ii) Conflicts of interest in contracts with economic related companies of the Enel Group and iv) Imposition of the Enel brand on the companies Codensa S.A. E.S.P. and Emgesa S.A. E.S.P.

This process is attended directly by the lawyers of Enel Américas. Taking into account the evidentiary stage of the process currently in progress, the contingency is qualified as remote. Management considers that this situation does not affect the financial statements as of 31 December 2018.

Arbitration Tribunals of Grupo Energía Bogotá SA ESP versus Emgesa S.A. E.S.P.

There are 20 arbitration proceedings requests filed by the local partner Grupo Energía Bogotá S.A. E.S.P. against the Company, seeking the annulment of the Minutes of the Board of Directors and General Shareholders' Minutes, raising the following arguments: i) Conflicts of Interest with related economic companies; ii) Impossibility of ratification of authorisations to contract; iii) Undue removal of the conflict of interest; iv) Violation of the AMI regarding the distribution of profits.

The claims of the lawsuit are similar, stating that the decisions are flawed because they breach a peremptory standard, are absolutely null and void for the purpose and cause, breach the provisions of the AMI regarding the distribution of profits, and approving some minutes while an arbitration is in progress. The amount is undetermined, however, the decisions taken regarding operations with related economic companies of high impact for the business are involved.

By order dated 21 June 2019, the Arbitration Court that was first installed decided to accumulate the procedures into one because the claims are similar and they can be carried out by the same proceedings between the same parties. This way, Emgesa S.A. E.S.P. will only be involved in only one arbitration. The arbitration is currently in the lawsuit response phase.

The minutes challenged by Grupo Energía de Bogotá to date are the following:

(1) Grupo Energía de Bogotá against the Company, challenging of Minutes 451 of 14 December 2017 and 452 of 23 January 2018 (referring to the reconstruction of the events and clarification of authorisation to purchase energy El Paso Project).

(2) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes No. 453 of 21 February 2018. (Whereby the text of the Board of Directors Minutes No. 452 of January 2018 was approved and decided to bring to the General Shareholders' Meeting the profit distribution project for the year 2017).

(3) Grupo Energía de Bogotá against the Company, related to the challenge to Minutes No. 98 of 13 February 2018 of the Extraordinary Shareholders' Meeting of the Company (Whereby the ratification of the purchase of energy was voted to Enel Green Power S.A.S. E.S.P. of the El Paso Project and revalidation of the actions taken by Management). Removal of the conflict of interest.

(4) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes No. 454 of 20 March 2018 (Whereby the "Threefold NDA special report between Codensa, Emgesa and EnerNOC" is not subject to vote. Conflict of Interest.

(5) Grupo Energía de Bogotá against the Company, related to the challenge to the General Meeting Minutes N 99 of 20 March 2018 (Whereby the profit distribution project was approved for fiscal year 2017, no proposal was approved for modification of the Articles of Association presented by GEB, the operations with economic associates of the Company were ratified in 2017, a conflict of interest was removed in transactions with related parties for fiscal year 2018).

(6) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes N 455 of 24 April 2018 (Whereby the extension of the intercompany agreement with Enel Italia SR.L was approved, regarding the "Cloud Service, Licenses and Cybersecurity and Digital Enablement Services", and submitted the proposal of approval of the" Technical Services").

(7) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes N 456 of 22 May 2018 (Whereby the hiring with Enel Italia SRL was approved regarding the "Cybersecurity and Development Services and Supply of IT Platforms").

(8) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes N 457 of 20 June 2018 (For not submitting to the Board of Directors' approval the discussion on the "Image Evolution Emgesa- Enel-Emgesa".

(9) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes N 458 of 17 July 2018 (relative to the presentation as special report of the "Enel Colombia Corporate Building" and modification of Competencies of bodies of the Board of Directors and General Shareholders' Meeting"). Furthermore, because the content of the minutes is inaccurate compared to what actually occurred in the meeting)."

(10) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes N 459 of 21 August 2018 (relative to the inaccuracy of the contents of the minutes in relation to what actually occurred in the meeting, no record was made of the participation of some members, for example related to the agreement between the

Company and EGP or conflicts of interest and improper presentation of special reports for example "Upcoming need for capitalisation of SPCC" where the information was modified minutes before the meeting).

(11) Grupo Energía de Bogotá against the Company, related to the challenge to Board of Directors Minutes N 460 of 25 September 2018 (relative to the approval of the capitalisation of SPCC by the Company, Commercial Partnership Emgesa-Codensa and approval of Technical Services, as well as the special report on the declared interest of the CREG to participate in the reliability charge auction for the El Paso solar project and New Cartagena thermal generation, Mandate Agreement between the Company and Codensa for the distribution of invoices to customers of the Company's non-regulated market, and evolution of the Emgesa brand to Enel Emgesa). Conflicts of interest are raised and not submitting as special report to the Board of Directors.

(12) Grupo Energía de Bogotá against the Company, related to the challenge to Extraordinary Shareholders' Meeting Minutes N 100 of 20 September 2018 (relating to the removal of conflict of interest and ratification of transactions with related parties: Mandate Agreement between the Company and Codensa for the distribution of invoices in the Bogota areas, Framework Agreement for Business Cooperation between the Company and Codensa, Purchases of natural gas transportation capacity, Capitalisation of SPCC, Supervision, control, operation and technical support service in issues of operation and maintenance provided by the Company to EGP, Project Management Services provided by EGP to the Company, NDA with Enel Green Power in order to seek business opportunities, Grupo Éxito Agreement, Sale of Natural Gas to TGI SA ESP; Contributions of the Company to the Enel Colombia Foundation) to the extent that sufficient information was not provided, the conflict of interest was not properly removed and the Meeting could not ratify operations with economic affiliates regarding agreements executed more than a year before.

(13) Grupo Energía de Bogotá against the Company, related to the challenge of Board of Directors Minutes N 462 of 23 October 2018 (relating to the authorisation for the sale of power and renewal of the PCH Rio Negro usufruct agreement until the date of sale of the asset). It was stated that there was not enough information for the Board of Directors and that there is a conflict of interest to renew the agreement.

(14) Grupo Energía de Bogotá against the Company, related to the challenge of Board of Directors Minutes No. 463 of 22 November 2018 (related to the authorisation to represent and commit the Company within the auction CXC-2022-2023; Authorisation for the sale of energy Non-Regulated Market. Authorisation for the sale and purchase of energy - Non-conventional renewable energy projects; Preclosing Presentation 2018 and budget approval 2019-2021). It is argued that El Paso cannot be represented by the Company because its approval mechanism is questioned; Although it was not approved, there is a conflict of interest and there is insufficient information for the authorisation for the sale of energy - non-conventional renewable energy projects; There is a violation of the AMI regarding the distribution of profits, which must be 100%.

(15) Grupo Energía de Bogotá against the Company, related to the challenge of Board of Directors Minutes No. 464 of 19 December 2018 (related to the authorisation for the sale of energy; special report on participation as a buyer in the Long-Term Auction). It is argued that there is insufficient information for the authorisation for the sale of energy and is not consistent with the special report.

(16) Grupo Energía de Bogotá against the Company, related to the challenge of Board of Directors Minutes No. 465 of 22 January 2019 (related to the authorisation for the sale of energy; Request for authorisation to submit a binding and unconditional purchase offer for energy in the Long-Term Auction; Approval of the BESS Termozipa Project - First storage system with batteries in Colombia for primary frequency regulation and approval of the Project Optimisation Management Central Coal Termozipa). It is stated that there is insufficient information for the authorisation for the sale of energy and conflict of interest. File. 114461.

(17) Grupo Energía de Bogotá against the Company, related to the challenge of Extraordinary Shareholders' Meeting Minutes No. 101 of 18 January 2019 (related to the lifting of the conflict of interest of operations with related parties) to the extent that sufficient information was not provided, no conflict of interest was duly raised, and the Meeting could not ratify operations with economic associates regarding contracts entered into more than a year ago. File. 114571.

(18) Grupo Energía de Bogotá against the Company, related to the challenge of Board of Directors Minutes No. 466 of 20 February 2019 (related to the approval of documents to be submitted for consideration of the Shareholders' Meeting - report to the audit committee containing operations with economic related parties during 2018 and profit distribution project for 2018). File. 115467.

(In thousands of pesos)

(19) Grupo Energía de Bogotá against the Company, related to the challenge of Board of Directors Minutes No. 467 of 20 March 2019 (related to the approval of the request to access the Works for Tax mechanism and special reports on the purchase of energy and representation El Paso - EGP). File. 116157.

(20) Grupo Energía de Bogotá against the Company, related to the challenge of General Meeting Minutes No. 102 of 26 March 2018 (by which the profit distribution project for the 2018 fiscal year was approved, the report of the Audit Committee was considered, the operations with economic associates of the Company in 2018 were ratified, the conflict of interest in operations with economic associates in the fiscal year 2019 was lifted). File. 116255

Reserves

	As of 31 December 2019	As of December 2018
Legal Reserve (1)	$ 327.611.157	$ 327.611.157
Reserve (Art. 130 Tax Code) (2)	232.564.242	238.961.345
Other Reserves	178.126	178.127
	$ 560.353.525	$ 566.750.629

(1) In accordance with the Colombian Law, the Company 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 26 March 2019, according to Minutes No. 102, ordered the reversal of the tax reserve for $6,397,104, as a result of a higher accounting than fiscal depreciation of the assets as of 31 December 2018. 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.

21. Revenues from Ordinary Activities and Other Revenues

Revenue from contracts with customers

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Sale of Energy (1)	$ 3.982.801.268	$ 3.602.700.224
Sale of Gas (2)	86.875.080	64.752.527
Total revenue	**$ 4.069.676.348**	**$ 3.667.452.751**
Other revenues	4.177.939	6.886.929
Total revenue from contracts with customers	**$ 4.073.854.287**	**$ 3.674.339.680**
Other revenues outside the scope of IFRS 15 (3)	18.003.833	44.109.228
Total revenue and others	**$ 4.091.858.120**	**$ 3.718.448.908**

(1) The variation in energy sales including the stock market sales as of 31 December 2019 is mainly due to:

(a) Increase in energy price for the non-regulated market of $ 42/kWh, generated by higher income of $60,770,714.

(b) Decrease in demand by 1,806 Gwh for the wholesale market, represented by lower revenues of $214,965,415.

(c) Increase in demand by 1,584 Gwh for economic associates, according to the contracting model in 2019 there are 9 contracts, higher revenues of $328,387,600.

(d) Increase of 313 Gwh, represented in higher revenues of $205,908,145.

(2) Gas sales show an increase compared to 2018 of $22,122,553, mainly due to an increase in sales volume of 1,392,675 Mbtus.

(3) The decrease is mainly due to the compensation received in 2018 from Mapfre corresponding to the claims occurred at the Guavio Power Plant for $41,426,510. In 2019, compensation for material damages and loss of profit was received for the damages caused to the horizontal joint and the parapet walls, at the El Quimbo Hydroelectric Power Plant for $16,010,050.

Negative Reconciliations CREG Resolution 176 of 2015

On 26 February 2016 the Company 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 Company 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.

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 2019, there is no additional update.

Disaggregated revenue from contracts with customers

The Company 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*	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Sale of Energy Wholesale Market	*- Over time*	$ 2.193.763.445	$ 2.080.341.260
Sale of Energy Non-regulated Customers	*- Over time*	1.369.108.743	1.308.338.030
Sale on Energy Exchange	*- Over time*	419.929.080	214.020.934
Total Sale of Energy		**3.982.801.268**	**3.602.700.224**
Sale of Gas	*- Over time*	86.875.080	64.752.527
Total Sale of Gas		**86.875.080**	**64.752.527**
Other revenues	*- Over time/on a point in time*	4.177.939	6.886.929
Total other revenue		**$ 4.177.939**	**$ 6.886.929**
Total revenue from contracts with customers		**$ 4.073.854.287**	**$ 3.674.339.680**
Other revenue outside the scope of IFRS 15		18.003.833	44.109.228
Total revenues and other operating revenues		**$ 4.091.858.120**	**$ 3.718.448.908**

Contract assets and liabilities

Contract assets: The Company 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 Company has fulfilled all performance obligations.

Contract liabilities: The Company presents the contract liabilities in the statement of financial position, in the item of other current non-financial liabilities (see Note 18). Contract liabilities reflect the Company'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 2019	As of 31 December 2018
-Wholesale customers	$ 13.513.912	$ 29.573.526
-Non-regulated customers	12.882.263	8.516.634
	$ 26.396.175	**$ 38.090.160**

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 Company.

» **Sale of Gas**

As in the sale of energy, the fulfilment of performance obligations is carried out over time since the Company is entitled to payment in the event that the contract is terminated for the supply of gas.

» **Other revenues**

Other revenues present performance obligations fulfilled over time, as customers receive and consume simultaneously the goods and/or services undertaken with customers. Some examples of revenues recognised over time are mainly deviations from trading 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.
	- Reliability charge	- Corresponds to revenues received for excess of firm energy, to support the unavailability of third-party power plants.

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Significant judgments in the application of the standard

» Sale of Energy and Gas

The Company supplies energy and gas to customers in the wholesale, non-regulated, exchange and gas markets. Revenue is recognised 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 Company 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 Company provides operation and maintenance management services, sells waste material and ash. In addition, it receives revenues from deviations from trading and from energy backup in the secondary market. These revenues are recognised to the extent that the control thereof 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 Company 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.

» 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 Company 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 recognised as contract liabilities

The Company recognises contract liabilities as revenues, to the extent that they fulfil the performance obligations.

» Assets recognised for obtaining or fulfilling contracts with clients

The Company does not present costs for obtaining or fulfilling contracts, so it does not have assets associated with this item.

22. Provisioning and Services

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Energy purchases (1)	$ 686.479.986	$ 565.949.033
Energy transport costs (2)	456.232.074	422.323.722
Other variable provisioning and services (3)	131.986.172	110.408.114
Taxes associated with the business (4)	94.702.429	172.950.423
Fuel consumption (5)	93.427.675	95.896.510
Purchase of gas (6)	65.540.178	44.492.924
	$ 1.528.368.514	**$ 1.412.020.726**

(1) The variation as of 31 December 2019 corresponds mainly to energy purchases on the stock market at a higher price of $ 122/kWh for $133,239,150. Decrease in energy purchases in contracts by 124 Gwh for $37,635,886 and increase in energy purchases from economic associates for $23,332,085.

(In thousands of pesos)

(2) The variation corresponds mainly to the increase in transportation costs associated with the billed energy for the non-regulated market, an increase in the number of customers and in regulated charges derived from an increase in the rates of STR (regional transmission system) and ADD (distribution areas) for $33,908,352.

(3) Taxes associated with the business and other variable provisioning and services

		Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018
Contributions and Royalties Act 99 of 1993 (a)	$	94.593.829	$	76.018.733
Solidarity Fund Reform Act 633 (b)		30.094.529		26.684.086
Other local taxes associated with the business		4.449.419		3.963.315
Industry and trade tax		2.848.395		3.741.980
	$	**131.986.172**	**$**	**110.408.114**

(a) In accordance with Act 99 of 1993, the Company 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 Energisation of Non-Interconnected Areas - FAZNI is a fund whose resources are allocated in accordance with the law and with the energisation policies for non-interconnected areas, as determined by the Ministry of Mines and Energy, to finance plans, programs and/or prioritised 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.

(4) Other variable provisioning and services:

		Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018
Restrictions (a)	$	51.097.203	$	126.976.298
Cost CND, CRD, SIC		17.476.415		15.946.119
Other generation support services		13.496.674		8.745.789
Secondary Market Reliability Charge (b)		8.930.521		18.583.840
Contributions Regulating Entities		3.567.578		2.559.786
Reading services		134.038		138.591
	$	**94.702.429**	**$**	**172.950.423**

(a) Corresponds to the limitations of the National Interconnected System - SIN, to meet the energy requirements. Restrictions give rise to forced generations of energy that can be more expensive than generations in ideal conditions.

The variation in the restrictions is based on the fact Resolution 195 of 2016 was issued in light of the declaration of the El Niño phenomenon and transfers the costs of the thermal power plants with cash on the value of the restrictions (these have no limit). For 2018 attacks on the infrastructure of the national interconnected system increased, which increases restrictions. With respect to 2019, there is a decrease in the restrictions due to the execution of the guarantee associated with the Ituango Hydroelectric Project due to loss of firm energy obligation since 1 December 2018, as defined in CREG resolution 154 of 2019. Due to the above, the rate component of restrictions falls to $ 2/kWh for December 2019, during the course of the year the average behaviour was $ 16/kWh.

(b) The variation in purchases of the secondary market is due to the scheduled maintenance of the Guavio plant, between October and November 2018, which implied a significant increase in the volume of purchases required to address the unavailability of the resource with the highest net effective capacity belonging to the generating portfolio.

(5) Decrease in consumption of liquid fuels for the generation of the Central Cartagena for $46,935,330 and increase of coal for the generation of the Termozipa Power Plant for $44,466,495.

(6) Variation due to purchases of natural gas in 42,447,552 M3 equivalent to $21,047,254 for increase in sale.

23. Personnel Expenses

		Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018
Wages and salaries (1)	$	84.039.762	$	72.023.506
Social security service and other social charges		20.335.651		18.634.489
Expenses for retirement benefit plans obligation (2)		679.899		(1.411.017)
Other personnel expenses		19.400		595.429
Expenses for post-employment benefits obligation (3)		-		872.607
	$	**105.074.712**	**$**	**90.715.014**

(1) Wages and salaries for 2019 and 2018 are made up of the following items:

Description		Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018
Salary	$	51.121.439	$	49.944.228
Bonuses		17.089.101		8.363.642
Vacation leaves		5.753.564		4.444.957
Service bonus		4.899.238		4.005.758
Severance pay		2.849.499		3.269.268
Amortisation Employee Benefits		2.326.921		1.995.653
Total wages and salaries	**$**	**84.039.762**	**$**	**72.023.506**

(2) In 2019, the company recorded a post-employment benefit expense of $679,899, corresponding to special five-year bonuses and in 2018 there is a recovery of expenses, associated with the reversion of senior management retirement bonus.

(3) During 2019, no voluntary retirement plans were made, the value corresponds to the recognition of costs by voluntary retirement plan addressed to generation persons under the modality of temporary income, which resulted in six (6) participants accessing the benefit of income, assistance and life insurance.

24. Other Fixed Operating Expenses

		Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018
Independent professional services, outsourced and others (1)	$	43.716.269	$	43.104.486
Other supplies and services		39.174.560		35.766.696
Insurance premiums		23.810.152		21.829.703
Repairs and conservation		20.924.974		19.105.693
Taxes and contributions (2)		3.538.633		3.565.303
Transportation and travel expenses		2.358.165		2.561.497
Leases and fees		782.533		2.983.047
	$	**134.305.286**	**$**	**128.916.425**

(1) Below is the breakdown of independent professional services, outsourced and others:

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Other management and operation contracts	$ 13.609.274	$ 14.837.996
Fees	10.631.857	11.360.587
Software development services and computer applications	9.417.777	5.948.361
Telemetry service	6.801.761	6.997.809
Expat expenses	3.255.600	3.959.733
	$ 43.716.269	**$ 43.104.486**

(2) (2) Corresponds mainly to the recognition of property tax for $3,538.633 and $3,257,540 for the years 2019 and 2018, respectively.

25. Depreciation, Amortisation and Impairment Losses

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Depreciations (See Note 12) (1)	$ 228.557.945	$ 206.591.742
Amortisations (See Note 11)	13.481.772	9.677.853
Impairment of financial and non-financial assets (2)	455.677	2.426.192
	$ 242.495.394	**$ 218.695.787**

(1) As of 31 December 2019, there was an increase mainly due to the depreciation generated in constructions, machinery and other assets for $7,096,728, thermal power plants for $6,246,012, hydraulic plants for $3,952,648; the expense of lease asset impairment in 2019 is $4,670,815.

(2) As of 31 December 2019, corresponds to impairment of financial assets, mainly due to the calculation under IFRS 9 for the credit loss expected from the commercial portfolio determined by the simplified individual model, generating an impairment recovery of $247,919, and the collective model applied to other non-financial assets, generating an impairment expense of $703,596.

26. Net Financial Income

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Revenue from cash and cash equivalents (1)	$ 15.407.950	$ 20.738.949
Interest on accounts receivable	3.143.658	2.373.586
Interest for customer financing	1.068.330	1.572.661
Interest for associate financing	852.039	-
Financial revenues	**$ 20.471.977**	**$ 24.685.196**
Financial obligations (2)	(258.505.119)	(302.794.692)
Other financial costs	(22.244.414)	(14.345.366)
Tax on movement of funds	(11.734.262)	(9.557.490)
Obligation for post-employment benefits	(5.923.573)	(5.764.714)
Financial expenses IFRS 16	(872.893)	-
Finance lease	(76.057)	(501.320)
Financial expenses	**(299.356.318)**	**$ (332.963.582)**
Capitalised financial expenses (3)	13.566.737	7.977.254
Net financial expenses	**(285.789.581)**	**$ (324.986.328)**
Revenues from realised exchange difference (4)	26.800.438	23.029.861
Expense for unrealised exchange difference (4)	(27.220.192)	(23.816.694)
Net exchange difference	**(419.754)**	**$ (786.833)**
Total net financial income	**$ (265.737.358)**	**$ (301.087.966)**

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(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 2019 corresponds mainly to:

(a) The Colombian Central Bank during 2018 had two reductions in the intervention rate, going from 4.75% to 4.5% on 30 January and to 4.25% on 30 April, such rate was maintained on 31 December 2018. The average rate for 2018 was 4.38%. In 2019, the Colombian Central Bank intervention rate did not change and remained at 4.25% throughout 2019.

(b) The yields of the average placements of the Company during 2019 and 2017 were 4.37% and 4.56%, respectively.

(2) Financial obligations as of 31 December 2019 correspond to interest on the bonds issued and generated under the Company's programme for the issuance and placement of bonds, as follows:

Operation	Value
Bonds issued	$ 250.230.991
Club Deal	8.274.128
Total expenses of financial obligations	**$ 258.505.119**

Financial obligations as of 31 December 2018 correspond to interest on the bonds issued and generated under the Company's programme for the issuance and placement of bonds, as follows:

Operation	Value
Bonds issued	$ 283.196.383
Club Deal	13.616.296
Bank Loans (Banco de Crédito del Perú)	5.982.013
Total expenses of financial obligations	**$ 302.794.692**

(3) The capitalisable financial expenses in 2019 correspond to the following projects:

Station	Project	Value
Thermal	Beep Others project (environmental improvement and Life Extension)	$ 8.009.090
Hydroelectric	Additional works Quimbo station dam	5.557.647
	Total	**$ 13.566.737**

The annual nominal rate for capitalisation of interest costs as of 31 December 2019 corresponds to 8.21%.

(4) The origins of the effects on profit or loss due to exchange differences correspond to:

	As of 31 December 2019	
	Revenue from exchange transactions	Revenue from exchange transactions
Balances in banks	$ 22.216.078	$ (24.419.915)
Commercial accounts	-	(40)
Other assets	3.088.365	(2.502.432)
Total assets	**$ 25.304.443**	**$ (26.922.387)**
Accounts payable for goods and services	892.043	(255.724)
Current accounts payable to related entities	603.952	(42.082)
Total liabilities	**$ 1.495.995**	**$ (297.806)**
Total exchange difference	**$ 26.800.438**	**$ (27.220.192)**

(In thousands of pesos)

	As of 31 December 2018			
	Revenue from exchange transactions		Revenue from exchange transactions	
Balances in banks	$	8.538.768	$	(19.099.426)
Net commercial accounts		3.937.714		(788.382)
Current accounts receivable from related entities		250.500		(50.196)
Other assets		359.925		(1.261.616)
Total assets	**$**	**13.086.907**	**$**	**(21.199.620)**
Accounts payable for goods and services		8.503.350		(2.467.960)
Current accounts payable to related entities		1.439.604		(149.114)
Total liabilities	**$**	**9.942.954**	**$**	**(2.617.074)**
Total exchange difference	**$**	**23.029.861**	**$**	**(23.816.694)**

27. Sale and disposal of assets

	Twelve-month period from 1 January to 31 December 2019		Twelve-month period from 1 January to 31 December 2018	
Result in Sale of Assets	$	(3.359.067)	$	(6.719.474)
	$	(3.359.067)	$	(6.719.474)

As of 31 December 2019, the company presents a net effect on the result on sale and disposal of assets for $3,359,067, corresponding to derecognitions with effect on loss of $4,132,947, which are due to hydraulic power plants for $1,631,095, thermal power plants for $1,495,373, leases and properties for $1,006,479.

Disposals with effect on profit for $773,880, which are due to own vehicles for $347,800 and hydraulic power plant properties for $426,080.

28. Income tax expense

The provision through profit or loss for income tax and income surcharge consists of the following:

	As of 31 December 2019		As of 31 December 2018	
Current income tax	$	525.527.209	$	433.954.590
Income surcharge		-		52.568.557
Tax on occasional earnings		50.411		1.515
Current income tax against equity		(327.825)		(465.205)
Industry and Trade tax discount and donations		(1.078.963)		-
Current income tax from previous years (1)		(2.454.632)		(6.152.503)
Total current tax	**$**	**521.716.200**	**$**	**479.906.954**
Deferred income tax from previous years (1)		235.622		5.623.931
Deferred tax movement		69.378.775		62.295.701
Total deferred tax		**69.614.397**		**67.919.632**
Income tax expense	**$**	**591.330.597**	**$**	**547.826.586**

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, each asset began to be analysed. The reserve is reversed for assets for which the accounting depreciation begins to match and/or becomes greater than the fiscal depreciation, releasing $6,397,103 for the Meeting of March 2019, leaving a reserve balance of $232,564,242.

(1) The income tax of previous years consists of:

(a) 2018 income adjustment value of $2,454,631, which corresponds to the difference between the provisioned value and the actual expense of the income statement.

(b) Value of deferred tax for difference in labour provisions and actuarial calculation of $235,623.

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 2019:

Effective tax rate reconciliation	As of 31 December 2019		As of 31 December 2018	
Profit (Loss) for the period	$	1.232.152.218	$	1.020.338.048
Income tax expense (revenue)		591.330.597		547.826.586
Earnings (loss) before tax	**$**	**1.823.482.815**	**$**	**1.568.164.634**
Legal rate of current tax		33%		37%
Tax according to current legal rate	**$**	**(601.749.329)**	**$**	**(580.220.915)**
Permanent differences:				
Non-deductible taxes (1)		(1.936.153)		(1.870.880)
Expenses without a causal relationship and other non-deductible expenses (2)		(1.736.579)		(210.320)
Net effect movement estimated liabilities and permanent provisions		2.182.599		6.007.352
Presumptive interest		(2.793)		(12.000)
Accounting depreciation value depreciation tax		5.862.411		8.351.919
Deductions for productive real fixed assets		2.732.090		7.307.761
Profit from the sale of fixed assets taxed with occasional earnings		50.411		1.514
Other permanent differences		(31.227)		32.000
Income adjustment year 2017 income tax return (3)		2.219.010		6.152.503
Industry and Trade Discount and 25% Donations		1.078.963		-
Differential adjustment rates - deferred adjustment previous years (Tax reform) (4)		-		6.634.480
Total permanent differences	**$**	**10.418.732**	**$**	**32.394.329**
Income tax (expense) revenue	**$**	**(591.330.597)**	**$**	**(547.826.586)**

(1) Corresponds mainly to 33% of the tax on movement of funds for $1.936.153.

(2) Corresponds to 33% non-deductible expense provisions for $793.487 and rejection of industry and trade tax expense for $943.092.

(3) Corresponds to the adjustment of the income tax return in 2018 for $2.219.010.

(4) Corresponds to the adjustment of the deferred tax, as a result of the adjustment of temporary differences in the income tax return in 2017 for $5,623,931 and deferred tax update according to the future rates issued by the tax reform Act 1943 of 2018 for ($12,258,411).

29. 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 2019, there are no common shares acquired by the Company.

(In thousands of pesos)

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Profit attributable to owners	$ 1.232.152.218	$ 1.020.338.048
Preferred dividends (1)	7.601.172	7.537.642
Profit attributable to owners adjusted to preferred dividends	1.224.551.046	1.012.800.406
Weighted average of outstanding shares	148.914.162	148.914.162
Basic earnings per share (*)	**$ 8.223,20**	**$ 6.801,24**

(*) 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.

30. Comprehensive Income

The breakdown of other comprehensive income is shown below:

	Twelve-month period from 1 January to 31 December 2019	Twelve-month period from 1 January to 31 December 2018
Components of other comprehensive income that will not be reclassified to net income:		
Gains (Losses) on new measurements of financial instruments measured at fair value rough OCI (1)	$ (1.948.552)	$ (1.342.940)
Gains (losses) for new measurements of defined benefits plans (2)	(8.131.850)	(5.747.248)
Gains (losses) on cash flow hedges (4)	959	959
Other income that will not be reclassified to earnings before taxes	**$ (10.079.443)**	**$ (7.089.229)**
Components of other comprehensive income that will be reclassified to earnings before taxes:		
Gains (Losses) for cash flow hedges	1.066.579	3.754.778
Other income that will be reclassified to earnings before taxes	**$ 1.066.579**	**$ 3.754.778**
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)	1.886.585	564.163
Total income taxes related to components of other comprehensive income that will not be reclassified to the period tax	$ 1.886.585	$ 564.163
Income tax related to components of other comprehensive income that will be reclassified to earnings before taxes		
Tax effect for cash flow hedges (5)	(421.966)	(363.953)
Total income taxes related to components of other comprehensive income that will be reclassified to the period tax	**$ (421.966)**	**$ (363.953)**
Total other comprehensive income	**$ (7.548.245)**	**$ (3.134.241)**

(1) As of 31 December 2019, corresponds to losses from the investment in Electricaribe 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 2019 and 2018, actuarial losses with effect on equity are presented below:

	As of 31 December 2019		As of 31 December 2018	
	Pensions and Benefits	Retroactive severance pay	Pensions and Benefits	Retroactive severance pay
Initial balance	**$ (12.710.123)**	**$ 958.389**	**$ (18.183.432)**	**$ 120.287**
Actuarial gain (loss)	**7.225.564**	906.286	4.909.146	838.102
Current and deferred tax	**1.886.585**	-	564.163	
Final balance	**$ (3.597.974)**	**$ 1.864.675**	**$ (12.710.123)**	**$ 958.389**

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 2019 and 2018, respectively, as detailed below:

	As of 31 December 2019	As of 31 December 2018
Income tax	$ 327.825	$ 465.205
Deferred tax	(2.214.410)	(1.029.368)
Final balance	**$ (1.886.585)**	**$ (564.163)**

(4) As of 31 December 2019, 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 2019 and 2018, corresponds to the deferred tax related to the cash flow hedges, as detailed below:

	As of 31 December 2019	As of 31 December 2018
Deferred tax related to cash flow hedges	$ (421.966)	$ (363.953)
Final Balance	**$ (421.966)**	**$ (363.953)**

31. 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 2019			
	(EUR)	(US Dollars)	(CHF Swiss Francs)	(thousands of pesos)
Cash and cash equivalents (Note 4)	-	1.049.200	-	3.438.382
Debtors	143.686,	59.491	-	723.521
Accounts payable	(7.601.402)	(8.213.119)	(1.521)	(54.883.128)
Net (liability) position	**(7.457.716)**	**(7.104.428)**	**(1.521)**	**(50.721.225)**

	As of 31 December 2018			
	(EUR)	(US Dollars)	(CHF Swiss Francs)	(thousands of pesos)
Cash and cash equivalents (Note 4)	2.872	530.288	-	1.733.976
Debtors	1.186.143	1.991.981	-	10.879.899
Accounts payable	(5.038.517)	(2.087.142)	(244.473)	(26.307.071)
Net (liability) position	**(3.849.502)**	**435.127**	**(244.473)**	**(13.693.196)**

(In thousands of pesos)

32. Penalties

As of 31 December 2019, the status of penalties is shown below:

a) No resolution is pending that implies a possible penalty by the Superintendence of Household Public Utilities, due to breaches to the legal system, specifically Act 142, Act 143 and the Regulation issued by the Commission for the Regulation of Energy and Gas. As of 30 June 2019, there is only one sanctioning procedure closed in 2013, the penalty of which consisted of a warning (without monetary value) for matters similar to those mentioned in this paragraph.

Environmental penalties

a) The National Authority of Environmental Licenses (ANLA) confirmed the penalty against the Company 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. The Company brought a lawsuit against the Resolutions issued by the ANLA, through a process of Nullity and Restoration of right.

   The initial hearing was held on 4 June 2019, the hearing set for August was cancelled by the Cundinamarca Administrative Court.

   The Court set a date to hold the evidence hearing on 25 February 2020.

b) The Regional Autonomous Corporation of Upper Magdalena (CAR) decided in the appeal against Resolution No. 2239 of 29 July 2016, in which the Company was penalised 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 right and process was brought in October 2017, it is being reviewed with the CAM's response to the claim, the initial hearing was scheduled by the Court on 20 May 2020.

c) On 12 January 2018, the Company 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:

   - Resolution No. 3590 of 10 November 2016, the CAM penalised the Company for not having the dumping permit of the Montea resettlement.

     A request for Nullity and Restoration of Right was filed, since 30 May 2019, the process is in court ending first instance ruling.

   - Resolution No. 3653 of 10 November 2016, the CAM penalised the Company for not having the dumping permit of the Santiago and Palacios resettlement.

     A request for Nullity and Restoration of Right was filed on 21 May 2019, an unfavourable first instance ruling was issued against the Company by the Sixth Administrative Court of Neiva Huila, currently the process is being Appealed.

   - Resolution No. 3816 of 10 November 2016, the CAM penalised the Company for not having the dumping permit of the La Galda resettlement.

     A request for Nullity and Restoration of Right was filed, the CAM answered the claim and the process is pending date for the initial hearing.

Tax penalties

a) Vehicle tax, extemporaneity imposed on vehicle sold without transfer to buyer. Fine amount $713.

b) Penalty for late presentation of the December 2018 Palermo Industry and Trade tax withholding statement, for $344 for the change of the collecting bank, as established in the municipality.

c) Penalty for late presentation of the December 2018 Cali Industry and Trade tax withholding statement, for $173 for the change of the collecting bank, as established in the municipality.

d) Penalty for correction of the December 2018 withholding tax statement, for $399.

e) Penalty for late presentation of the 2018 Espinal Industry and Trade tax statement, for $345, due to regulatory change.

f) Penalty for late presentation of the 2018 Cerete Industry and Trade tax statement, for $1.172.

g) Penalty for late registration in the municipality of Pamplona, for starting operations at the beginning of 2018, for $828.

h) Penalty for late presentation of 2018 magnetic media for $102,810.

i) Penalty for late presentation of the 2014 Pereira Industry and Trade tax statement, for $464 plus default interest of $ 305.

33. Other Insurance

In addition to policies relative to property, plant, and equipment (see Note 12), the company has the following policies:

Property/person insured	Risks covered	Insured amount	Expiry	Insurance Company
Employees having a direct contract with the Company	Death, total and permanent disability	Maximum individual insured amount: $1.800.000	31/01/2020	Seguros bolivar
Advisors or directors	Civil liability of directors and managers	$ 15.773.178	10/11/2020	SBS Seguros

34. Commitments and Contingencies

I. Purchase Commitments:

The Company as of 31 December 2019 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	$ 127.308.346	$ 73.885.483	$ 42.557.713	$ 85.048.652	$ 328.800.194
Total	**$ 127.308.346**	**$ 73.885.483**	**$ 42.557.713**	**$ 85.048.652**	**$ 328.800.194**

As of 31 December 2019, the Company has commitments to sell energy in long-term contracts for the period of 2020-2024 for $13,214,162.

The following is the summary of the commitments to purchase materials and services:

Period	Materials	Services	Total
2020-2021	$ 66.707.994	$ 196.356.843	$ 263.064.837
2021-2022	24.032.735	111.461.114	135.493.849
2024-2028	-	976.720	976.720
Total	**$ 90.740.729**	**$ 308.794.677**	**$ 399.535.406**

II. Canoas Pumping Station Agreement

On 5 December 2011, the inter-institutional agreement between Empresa de Acueducto y Alcantarillado de Bogotá E.S.P. (EAAB) and the Company, with the objective of joining forces to ensure the construction of the Canoas Pumping Station, through economic and operational contribution offered by the Company.

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 optimisation of water quality.

The economic contribution of the Company 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.

(In thousands of pesos)

The agreement is valid for 27 years from date of execution and until the Company 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, the 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 Company 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.

III. Contingencias y Arbitrajes

The Company 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 favourable to the Company and will not cause significant liabilities which must be accounted for or which, if they do, will not significantly affect their financial position.

The main litigations that the Company has as of 31 December 2019 classified as contingent are:

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 favourable to the company
Ruber Cufino Hernandez Y Otros	2017	38.117.538	Compensation as a non-resident population	In the superior council of the judiciary solving a conflict of jurisdiction
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	First instance ruling favourable to the company
José Edgar Bejarano	2017	32.000.000	Collective action for flooding in the Upía River (Villanueva and Barranca de Upía in Casanare) downstream of the Guavio reservoir.	Testimony hearing pending
Jesus Maria Fernandez 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.	In court pending initial hearing date
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.	In the administrative court of Neiva pending resolution of appeal filed by the Company against the order that did not rule the expiry
Aura Lucia Diaz Garcia Y Otros	2017	20.349.603	Compensation as a non-resident population	Pending date for evidence review
Antonio Jesus Moreno	2017	15.831.622	Compensation Non-resident population	In the superior council of the judiciary solving a conflict of jurisdiction
Fanol Bermeo Bermeo Y Otros	2017	10.400.000	Damages caused to front men	In court pending first instance ruling
Carlos Arrigui Ramon	2015	10.000.000	Serious injury	Second instance ruling favourable to the company
Piscicola New York S.A. Procesadora Y Comercializadora De Alimentos S.A. - Proceal S.A. Piscicola Rios 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 date of settlement hearing.
Maria Esther Rojas De Irrigui	2015	6.000.000	Serious injury	Second instance ruling favourable to the company
Lucia Motta De Barrera	2017	5.596.309	Serious injury	First instance ruling favourable to the company
Yaneth Joven Suarez	2017	5.486.229	Serious injury	First instance ruling favourable to the company
Ricardo Rivera Chaux	2017	5.416.668	Serious injury	First instance ruling favourable to the company

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	Evidence review
Rosario Florez Angarita Y Otros	2017	4.416.785	Non-contractual civil liability compensation	In the superior council of the judiciary solving a conflict of jurisdiction
Jose 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	In court to solve impleader
Mendez Arboleda Sas	2016	3.749.528	Serious injury	Pending hearing for first instance ruling
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	Pending to solve impleader
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	The amendment to the lawsuit was answered on 13 January 2020
Pedro Hernandez 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	2018	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	Pending initial hearing date
Yustina Esquivel Buesaquillo Y Otro	2018	887.248	Compensation for damages caused by pheq to your work on a.i.d properties	In court to solve the appeal and in benefit of appeal against the Company for the order that declared non- jurisdiction.
Gustavo Adolfo Trujillo	2017	807.302	Serious injuries	In the superior council of the judiciary solving a conflict of jurisdiction
Alquileres Y Constructores Aderco Ltda	2013	195.490	Lawsuit for theft of machinery to the Company's subcontractor	Objection of expert opinion
Orlando Baena Rodríguez	2018	150.000	Full compensation for damages	Pending hearing of art. 77.
Leovigildo Antonio Rolong Montenegro	2013	40.000	solidarity wages and benefits	Has been suspended since 26 November 2014.
Jose Omar Cano Campos	2018	25.000	Invalidity of administrative acts - denies the inclusion in the census of the recipient population affected by (pheq) and its corresponding compensation	In the superior council of the judiciary solving a conflict of jurisdiction
Derly Andrea Lasso Torres Y Otros 19	2019	Undetermined	compensation for damages to the receiving population	In the upper council of the judiciary pending solution to conflict of jurisdiction
Maria Francy Bejarano Martinez Y Otros	2016	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	In the evidentiary stage

The main tax-related processes that the Company has as of 31 December 31 2018 classified as contingent are:

Industry and Trade Tax (ICA).

The companies of the power generation line have been required by some municipalities to pay Industry and Commerce Tax (ICA) based on their income. However, this ignores the application of the special regime contained in Act 56 of 1981, according to which this tax must be paid taking into account the capacity of power generation installed in the plant.

It is worth noting the actions of nullity and reinstatement of right against the appraisal settlement made by the Municipality of Guachené on account of the ICA of fiscal years 2012 to 2016, which amount to $3,650,683.

The Company, together with its external and internal advisors, based on reiterated jurisprudential criteria, concluded that contingent events related to the industry and trade tax have a losing probability of less than 50%. This considering that the Constitutional Court declared applicable article 181 of Act 1 607/2014, reiterating that the sale of energy is the conclusion of the generation activity, so that provided the energy sold has been generated by the seller, the ICA tax will only be applied at the location of the generation plant, according to Act 56/1981. The Council of State accepted this and in 2016 resolved several process in favour of the Company.

(In thousands of pesos)

2003 Fiscal Year Income Tax

The process is based on the company administration not recognising benefits resulting from applying the Páez Act. As such, tax authorities considered that the company could not avail of benefits considered in such Act regarding all its revenues.

The process value amounts to $117,113,000. The Company, together with its external advisors, concluded that the contingent event related to the 2003 income has a losing probability lower than 50%.

Forest Use Rate 2014 and 2019

The background of this controversy is the environmental license of El Quimbo, which indicated the possibility of paying to the Upper Magdalena Regional Autonomous Corporation (CAM) the compensatory rates for the impact or use of natural resources, where applicable. Based on this, the CAM issued in 2014 a settlement of the forest harvesting rate, applying a rate corresponding to the provision of technical services established in the Inderena Agreement 048 of 1982. The Company maintains that collection is illegal based on the following arguments:

(i) Agreement 048 is void, and the rate provided in 1982 could not be applied, since it was provided for Inderena (entity suppressed since 1994); and,

(ii) CAM has not provided any service. In fact, the Law requires that the costs for environmental impact studies, diagnoses, monitoring of projects and others related to environmental licenses be borne by the individual who requested it.

In 2019, the CAM settled this rate for the second time, expanding the volume of material that it had already analysed in the 2014 determination process. The Company reiterates the arguments set forth above and adds that, in addition, this second settlement would be void to the extent that the Law prohibits a second settlement on the same events.

It is worth bearing in mind that the Company brought a lawsuit in a simple action for annulment against Agreement 048 of 1982, which CAM refers to as the basis for collection.

The amount of the proceeding against the 2014 settlement amounts to $28,605 million, while the amount of the proceeding against the 2019 settlement is $24,090 million. In both cases, the Company, together with its external advisers, estimated that the contingent event has a probability of loss of less than 50%.

2013 Fiscal Year Income Tax

The origin of the audit is the Legal Stability Agreement signed by the Company, which included an estimated investment schedule that, according to the DIAN, serves as a limit to calculate the deduction for investments in productive real fixed assets. To the extent that the Company made an investment higher than estimated (which implied the payment of an additional premium), the deduction was calculated based on the actual investment made. However, the DIAN argues that the deduction must be calculated based on the estimated investment and not based on the actual investment. For which reason it rejects the deduction that exceeds the estimated investment, thus generating a higher tax payable by Company.

The amount of this contingency amounts to $49,972 million. The Company, together with its external advisers, concluded that the contingent event has a probability of loss of less than 50%.

Proceeding brought by Manufacturas Eliot against the Company

Manufacturas Eliot, a customer of the Company, demands the return of the sums that were collected for the contribution of the electricity sector, since it considers that it was exempt from this payment

The amount of this contingency amounts to $5,077 million. The Company, together with its external advisors, concluded that the contingent event has a losing probability lower than 50%.

Compensar - Solidarity Contribution

Compensar filed a lawsuit against the Company in order to obtain a refund of $679,641,826 originated in the delay in the payment of the solidarity contribution from May 2009 to July 2012. Compensar alleges that it is excluded of the contribution in three of its offices because it is a non-profit organisation that develops assistance activities in these offices. The Company

granted the exclusion and later revoked said concession and made the retroactive payment to Compensar under the Commercial Offer signed between the Parties.

On 18 July 2017, the initial hearing was held, in which the Company filed an appeal against the judge's decision not to declare proven the exceptions of lack of jurisdiction, ungrounded lawsuit and motion to dismiss for lack of standing. For this reason, the file was referred to the Council of State to resolve the appeal.

On 10 August 2018, the Council of State issued an order declaring proven the exception of the ungrounded lawsuit, ordering the termination of the process. Compensar presented an incident of nullity against this action, which was resolved unfavourably on 7 December 2018. In other words, the Council of State denied the request for nullity, confirmed the termination of the process and referred the file back to the Administrative Court of Cundinamarca .

On 14 February 2019, the Administrative Court of Cundinamarca issued an order abiding by the decision of the Council of State, which formally ended the judicial discussion.

35. Energy Derivatives Market

Since 2016, the Company accessed the energy derivatives market with the objective of entering into energy futures contracts with which it mitigates the risk associated with the volatility of energy prices in the SPOT market, thereby managing its contracts portfolio.

As of 31 December 2019, 5.28 GWh of energy futures purchases have been settled in the year in order to cover the contracting portfolio.

In May 2018, the Board of Directors approved the change to the Company'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 2019, there are also futures contracts in force for the sale of energy for 18 GWh, with a purpose other than the coverage of the contracting portfolio. In turn, as of 31 December 2019, 27.05 GWh were settled, which were not considered in the hedging strategy.

As of 31 December 2019, the Derivex valuation closes as follows:

Operation	MTM	No. Operations
Purchase	352.530	2
Business	(1.101.528)	53
Sale	-	-

The above operations are backed by guarantees which as of 31 December 2019 amount to $821,248 in cash and $1,125,143 in TES, which are considered restricted cash.

36. Risk Management

The Company is exposed to certain risks it manages through the implementation of identification, measurement, concentration limitation, and supervision systems.

The basic principles defined by the Company to implement its risk management policy include the following:

a) Comply with good corporate governance standards.

b) Comply strictly with the 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. Authorised 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 Company'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.

The purpose of risk management relative to interest rates is to reduce the volatility of the financial cost reflected in the income statement.

Depending on the estimates by the Company 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 31 December 2019			As of 31 December 2018		
Interest rate	Variation (basic points)*	Sensitivity in COP thousands		Variation (basic points)*	Sensitivity in COP thousands	
IPC	+/- 3,16%	(+/-)$	62.289.485	+/- 5,14%	(+/-)$	133.171.674
IBR	+/- 2,23%	$	-	+/- 4,08%	(+/-)$	6.380.346

(*) Changes or movements in interest rates were calculated based on their historical volatility over a three-year period 2017-2019 and 2016-2018 for the 2019 and 2018 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) (aDebt contracted by the Company 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 Company is the Colombian peso, it is necessary to mitigate the exchange rate risk by minimising 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 Company 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 Company has contracted exchange rate hedges for a notional amount of USD 6,664,723 and EUR 505,400 maturing in January 2020.

Commodity Risks

The Company 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 Company 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.

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The Company 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 Company 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:

	Current			Non-current				
Item	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
Issued bonds (principal + interest)	$ 111.782.376	$ 358.647.044	$ 470.429.420	$ 1.762.611.992	$ 669.334.154	$ 617.496.390	$ 162.364.060	$ 3.211.806.596
Bank loans (principal + interest)	-	-	-	-	-	-	-	-
Financial lease obligations (principal + interest)	202.665.848	470.409.167	673.075.015	467.587.170	67.165.527	-	-	534.752.697
Commercial accounts payable and other payables	349.053.095	-	349.053.095	-	-	-	-	-
Total	**$ 663.501.319**	**$ 829.056.211**	**$ 1.492.557.530**	**$ 2.230.199.162**	**$ 736.499.681**	**$ 617.496.390**	**$ 162.364.060**	**$ 3.746.559.293**

Credit Risk

The Company performs a detailed follow-up of credit risk.

Commercial Accounts Receivable

The company 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 Company'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 Company.

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 recognised and legally established in Colombia. For international risk rating, those granted by Moody's, S & P and Fitch are acceptable. When a Financial Counterparty has more than one rating, the lowest one will be considered for the purposes in this section.

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.

(In thousands of pesos)

» **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 Company 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 Company for risk management purposes and this ratio is adequate for hedge accounting purposes.

37. 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 2019:

	Book value	Fair value
	As of 31 December 2019	
Financial assets (1)		
Integrated Housing	$ 6.543.136	$ 7.226.337
Conventional Housing	4.350.011	4.350.012
Pensioned housing	2.640.811	2.924.986
Other loans	172.781	172.781
PSJ Housing	57.083	57.082
Total assets	**$ 13.763.822**	**$ 14.731.198**

	Book value	Fair value
	As of 31 December 2019	
Financial liabilities (2)		
Bonds issued	$ 3.001.765.481	$ 3.216.113.685
Lease obligations	11.550.325	12.098.773
Total liabilities	**$ 3.013.315.806**	**$ 3.228.212.458**

(1) The Company evaluates accounts receivable and other receivables in the long term, based on measurement parameters such as interest rates, 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 estimated by discounting future cash flows using the rates available for debts with similar conditions, credit risk and maturities. The Company uses the discount rates of the zero-coupon curve according to the maturities of each issue.

The fair value of cash and cash equivalents and commercial accounts payable are rounded up to their book value, due to the short-term maturities of these instruments.

As of 31 December 2019, the Company keeps in its Financial Statement the following financial assets and liabilities, measured at their fair value, classified by levels, in accordance with the defined policy (see note 3.2.13):

Financial Assets	Level 3
Financial investments - unlisted or illiquid companies	$ 544.417

To measure this equity instrument at fair value, the Company'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.

This methodology was also applied in the previous period.

Financial liabilities	Level 2
Derivative instruments (See Note 13)	$ 4.560.865

38. 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 2019		As of 31 December 2018	
Financial Assets	**Current**	**Non-Current**	**Current**	**Non-Current**
Amortised cost				
Cash and cash equivalents	$ 283.674.744	$ -	$ 634.767.165	$ -
Commercial accounts receivable and other receivables	239.008.801	36.544.144	152.986.102	16.979.005
Accounts receivable from related entities	183.358.252	-	135.427.801	-
Other financial assets	13.471.927	-	85.387.200	-
Total financial assets at amortised cost	**719.513.724**	**36.544.144**	**$ 1.008.568.268**	**$ 16.979.005**
Fair value through profit or loss				
Other financial assets	-		582.398	-
Total Financial assets at fair value through profit or loss	**$ -**	**$ -**	**$ 582.398**	**$ -**
Fair value through OCI				
Other financial assets	-	554.417	-	1.923.594
Total financial assets at fair value through OCI	**$ -**	**$ 554.417**	**$ -**	**$ 1.923.594**
Amortised cost				
Other financial liabilities	$ 324.631.163	$ 2.688.684.643	$ 759.721.448	$ 3.042.178.911
Commercial accounts payable and other payables	349.053.095		390.931.680	
Accounts payable to related entities	226.662.717		189.108.090	
Total financial liabilities at amortised cost	**$ 900.346.975**	**$ 2.688.684.643**	**$ 1.339.761.218**	**$ 3.042.178.911**
Fair value through profit or loss				
Other financial liabilities	4.560.865	-	1.922.833	-
Total financial liabilities at fair value through profit or loss	**$ 1.922.833**	**$ -**	**$ 1.922.833**	**$ -**

39. Approval of Financial Statements

The general purpose financial statements of the Company as of 31 December 2019, were approved by the Audit Committee according to Minutes No. 061 of 24 February 2020 and recommended by the Board of Directors according to Minutes No. 478 of 24 February 2020, in order to be submitted to the General Shareholders' Meeting in accordance with the provisions of the Code of Commerce.

40. Subsequent Events

Intercompany loan repayment:

On 15 January 2020, Codensa S.A. E.S.P. repaid the loans granted in October for $68,862,265 at a rate of 5.34% E.A., the interest paid corresponds to $717,938.

(In thousands of pesos)

On 17 January 2020, Codensa S.A. E.S.P. repaid the loan granted in November for $23,796,206 at a rate of 5.34% E.A., the interest paid corresponds to $244,372.

Payment of dividends

On 15 January 2020, the excess of the dividends corresponding to the 2018 profit for $178,336,911 was paid.

Hedge maturity date

In December 2019, three (3) derivatives were acquired with liability valuation with Scotibank Colombia to cover the real equivalent cost exposure in investments, projects and others that matured in January 2020, as detailed below:

Derivative	Underlying	Risk factor	Asset notional	Currency	Active fixed rate	Maturity		MTM
FORWARD	Insurance bill payment exposure coverage	Exchange rate	5.937.723	USD	3.322,56	28 de january de 2020	$	206.937
FORWARD	Investment/project exposure coverage	Exchange rate	727.500	USD	3.335,03	15 de january de 2020		35.706
FORWARD	TFee exposure coverage	Exchange rate	505.400	EUR	3.753,58	17 de january de 2020		30.255
Total valuation							**$**	**272.898**

CREG Resolution 200 of 2019

In January 2020, CREG published Resolution 200 of 2019, through which it defines a scheme to allow generators that meet the requirements to share assets for their connection to the National Interconnected System. The plants must be centrally dispatched plants or plants fllowing the central dispatch in accordance with the provisions of CREG Resolution 086 of 1996.

Renewal of insurance policies

On 3 January 2020, the Non-contractual Civil Liability policy that covers the Company's vehicles with Mapfre Seguros de Colombia was renewed until 2 January 2021.

ERRATUM

EMGESA S.A. ESP 2019 ANNUAL REPORT

In Pg 84 of the Emgesa SA ESP Annual Report in Chapter OSH, Safety and Management Services, the opening paragraph reads: “For the fourth consecutive year, a result of zero labour accidents was obtained from own employees and from contractor companies, reaffirming our commitment to people’s health and lives. Below are the most relevant results…” This, refers solely and exclusively to Safety and Management Services and not to the results of work-related accidents of the entire company.

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