





**OPEN POWER  
FOR A BRIGHTER FUTURE.**  
WE EMPOWER SUSTAINABLE PROGRESS.



**Annual Report**  
**Emgesa 2021**

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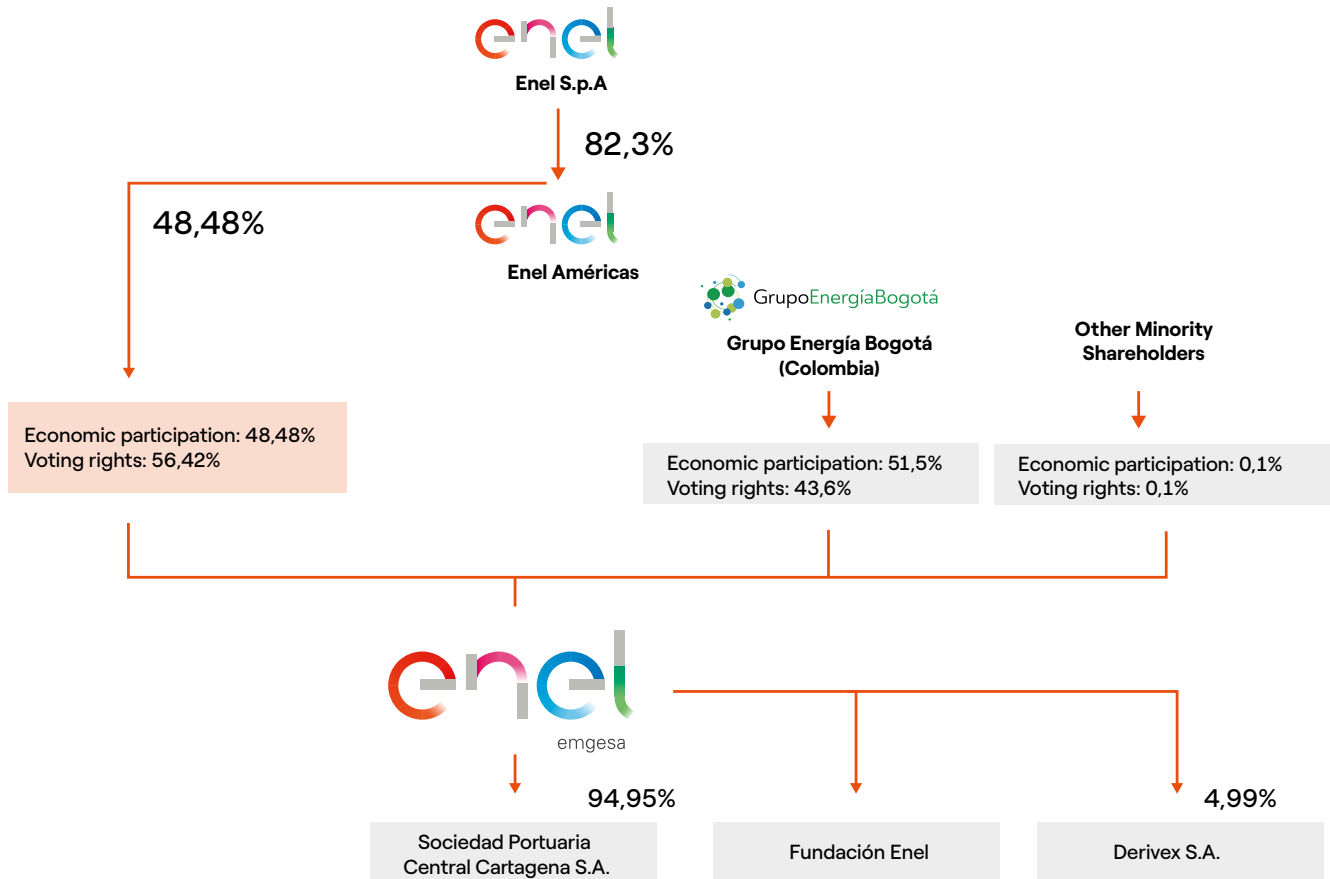
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# **1.** **The Company, its context and key results**

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# OWNERSHIP STRUCTURE



# SHAREHOLDER COMPOSITION

Shareholders	Voting common shares		Non-voting preferred shares		Total shareholder composition	
	(%) 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
	<b>100%</b>	<b>127.961.561</b>	<b>100%</b>	<b>20.952.601</b>	<b>100%</b>	<b>148.914.162</b>

## CORPORATE PURPOSE

The main purpose of Emgesa is the generation and sale of electricity under the terms of Act 143 of 1994, as amended, and all kinds of activities related directly or indirectly, complementary or auxiliary to the fuel gas sale business, taking the necessary measures to preserve the environment and good relations with the community in the area of influence of its projects; and to carry out works, designs and consulting in electrical engineering and sell products for the benefit of its customers. Also, in the development of its corporate purpose, the company may carry out all activities related to the exploration, development, research, use, sale, storage, marketing, transportation and distribution of minerals and stone material, as well as the 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 petroleum for the generation of energy, as well as the import of natural gas for the generation of energy and/or sale. The company may also promote and create establishments or agencies in Colombia and abroad; acquire any kind of real or personal property, lease, dispose, encumber and pledge them; use trademarks, trade names, patents, inventions or any other intangible property; participate in public and private bids; enter into and execute all kinds of contracts and acts, whether civil, labor, commercial or financial or of any nature that may be necessary, convenient or appropriate for the achievement of its purposes, including par-

ticipation in financial derivatives markets of energy commodities; sell any product or by-product derived from the operation of generation plants other than electrical energy, as well as any other product that has as a component any of the above; give to, or receive from, its shareholders, parents, subsidiaries, and third parties, money in mutual agreement; draft, accept, endorse, collect and pay all kinds of securities, negotiable instruments, shares, executive securities and others; enter into partnership agreements or acquire shares in companies and participate as a partner in other public utility companies; split and merge with other companies that have a similar corporate purpose; assume any form of association or business collaboration with individuals and legal entities, national or foreign, to carry out activities related, connected or complementary to its corporate purpose.

## Changes to internal regulations

During 2021, the following change to the internal regulations was approved by the General Shareholders' Meeting of Emgesa:

By means of Minutes No. 106 of the extraordinary General Shareholders' Meeting of EMGESA S.A. ESP held on July 27, 2021, the merger commitment between the companies Emgesa S.A. ESP (absorbing company), Codensa S.A. ESP., Enel Green Power Colombia S.A.S. ESP. and ESSA 2 SpA (absorbed companies).



# CORPORATE GOVERNANCE

Considering the health emergency caused by COVID-19, the sessions of the different governing bodies for 2021 were held by videoconference via Microsoft Teams, respecting the terms of Article 19 of Act 222 of 1995, as amended by Article 148 of Decree Law 019 of 2012 and Article 1 of Decree 398 of March 13, 2020. In December they were held in a hybrid format (face-to-face and non-face-to-face).

## Board of Directors

**Chairman of the Board of Directors:** José Antonio Vargas Lleras

**General Manager:** Lucio Rubio Díaz

**First Alternate General Manager:** Eugenio Calderón López

**Second Alternate General Manager:** Fernando Javier Gutiérrez Medina

The Company has a Board of Directors composed of seven (7) principal members, each of them with a personal alternate, elected by the General Shareholders' Meeting by means of the electoral quotient system. In accordance with the Company's bylaws and as long as the Company is an issuer of securities, 25% of the members of the Board of Directors must be independent in accordance with the law. The appointment of members of the Board of Directors is made for periods of two (2) years, in accordance with Article 58 of the Company's bylaws, and its members may be re-elected indefinitely, and without prejudice to the power of the Shareholders' Meeting to freely remove them at any time. The duties of the Board of Directors are described in Article 62 of the Company's bylaws.

In ordinary session No. 105 of the General Shareholders' Meeting held on March 24, 2021, the election and ratification of the following members of the Board of Directors 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 (Independent)	LUISA FERNANDA LAFAURIE RIVERA	OSCAR SÁNCHEZ ARÉVALO
QUINTO	JUAN RICARDO ORTEGA LÓPEZ	JAIME ALFONSO ORJUELA
SEXTO	ÁLVARO VILLASANTE LOSADA	MÓNICA LETICIA CONTRERAS
SEVENTH (Independent)	MARTHA VELEÑO QUINTERO	LUIS JAVIER CASTRO LACHNER

## Board meeting attendance

The Board of Directors met in twelve (12) ordinary sessions and two (2) extraordinary sessions, one (1) of which was a written vote meeting, for a total of fourteen (14) sessions. Board members participated in said ordinary sessions as follows:

SEAT	No. of sessions attended by principal member	No. of sessions attended by alternate member*
FIRST	12	1
SECOND	13	0
THIRD	13	0
FOURTH (Independent)	13	0
FIFTH	12	1
SIXTH	13	0
SEVENTH (Independent)	12	1

\*Alternate members with zero attendance did not have to replace the principal Board member, since the latter had no absolute or temporary absences.

\*The attendance did not consider the written vote remote meeting.

All meetings had a quorum to meet and decide validly.

## Audit Committee

In accordance with the provisions of the Company's bylaws, the Company's Corporate Governance Code and Act 964 of 2005, the Company has an Audit Committee, composed of four (4) members of the Board of Directors, of which two (2) are independent members. The Chairman of the Committee is an independent member elected from among its members. This Committee has a Secretary, who may or may not be a member of the Committee. The Independent Auditor attends the meetings of the Committee with the right to speak but not to vote.

The Board of Directors, in meeting No. 493 of April 21, 2021, approved the composition of the Audit Committee, which was formed as follows:

PRINCIPAL	ALTERNATE
LUCIO RUBIO DÍAZ	FERNANDO GUTIÉRREZ MEDINA
ÁLVARO VILLASANTE LOSADA	MÓNICA LETICIA CONTRERAS
MARTHA VELEÑO QUINTERO	LUIS JAVIER CASTRO LACHNER
LUISA FERNANDA LAFAURIE	OSCAR SÁNCHEZ ARÉVALO

The duties of the Audit Committee are described in Article 96 of the Company's bylaws, of which the following stand out: (i) Supervise compliance with the internal audit program, which must consider the business risks and comprehensively 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 to the consideration of the Board of Directors and the General Shareholders' Meeting. (iv) Establish the policies and practices to be used by the Company in the construction, disclosure and dissemination of its financial information. (v) Define the mechanisms to be used by the Company to consolidate the information of the governing bodies for its presentation to the Board of Directors. (vi) Issue a written report regarding related-party transactions, ensuring that they were carried out under market conditions and that they do not violate the equality of treatment among shareholders; and (vii) Any others assigned by the Board of Directors.

In view of the foregoing and in compliance with its main duty 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's fulfillment of the duties described above.

## Audit Committee attendance

The Audit Committee met five (5) times, of which four (4) were ordinary meetings and one (1) was an extraordinary meeting. The members of the Committee participated in these sessions as indicated below:

SEAT	Sessions attended by principal member	Sessions attended by alternate member*
FIRST	5	0
SECOND	5	0
THIRD	5	0
FOURTH	5	0

\*Alternate members with zero attendance did not have to replace the principal member of the Committee, since the latter had no absolute or temporary absences.

All meetings had a quorum to meet and decide validly.

## Main activities

The following activities of the Committee during 2021 stand out, which are framed within its responsibilities of overseeing the Company's internal control and compliance programs:

- Approval and monitoring of the Audit Plan 2021.
- Monitoring of Action Plans 2021
- Monitoring of the Compliance Road Map
- Approval of the Audit Committee Annual Report 2020
- Analysis of the separate and consolidated Financial Statements as of December 31, 2020, and the respective Independent Auditor's report. The Audit Committee agreed to recommend to the Board of Directors that the consolidated financial statements as of December 31, 2020, be submitted to the General Shareholders' Meeting for approval.
- Analysis of summary of ethical complaints made.
- Review of the Company's risk identification and assessment policy, monitoring the main risks presented in the risk map.
- Follow-up of the Independent Auditor's quarterly report.
- Related-party transactions quarterly report
- Events reported quarterly to the Integrated Information System of the Securities Market (SIMEV).

## Corporate Governance and Evaluation Committee

In accordance with the provisions of the Company's bylaws and the Company's Corporate Governance Code, the Company has a Corporate Governance and Evaluation Committee, composed of three (3) members of the Board of Directors. The Chairman of the Committee is elected from among its members. This Committee has a Secretary, who may or may not be a member of the Committee.

The Board of Directors, in meeting No. 493 of April 21, 2021, approved the composition of the Corporate Governance and Evaluation Committee, which was formed as follows:

PRINCIPAL	ALTERNATE
JOSÉ ANTONIO VARGAS LLERAS	MICHELE DI MURRO
LUCIO RUBIO DÍAZ	FERNANDO GUTIÉRREZ MEDINA
JUAN RICARDO ORTEGA	JAIME ALFONSO ORJUELA

The duties of the Corporate Governance and Evaluation Committee are described in Article 98 of the Company's bylaws, of which the following stand out: (i) Monitor that shareholders, investors, other stakeholders and the market in general, have complete, true and timely access to the Company's relevant information. (ii) Review and evaluate the way in which the Board of Directors complied with its duties during the period. The evaluation shall contemplate, among others, the following: the attendance of the members to the meetings, their active participation in the decisions and their follow-up on the main issues of the Company. (iii) Monitor the negotiations made by the members of the Board of Directors with shares issued by the Company or by other companies of the same group. (iv) Supervise compliance with the remuneration policy for the members of the Board of Directors. (v) Be aware of the complaints raised by investors, shareholders and other stakeholders regarding compliance with this code and transmitted in a timely manner by the person in charge of the Virtual Office for Shareholders and Investors.

In view of the foregoing and in compliance with its main duties of supporting the Board of Directors in overseeing compliance with the provisions of corporate governance set forth in the Law, the Bylaws, the Corporate Governance Code and the Internal Rules and Regulations of the Board of Directors, the Corporate Governance and Evaluation Committee submits to the General Shareholders' Meeting a report corresponding to the previous fiscal year's fulfillment of the duties described above.

## Corporate Governance and Evaluation Committee attendance

The Corporate Governance and Evaluation Committee met four (4) times. The members of the Committee participated in these meetings as indicated below:

SEAT	Sessions attended by principal member	Sessions attended by alternate member*
FIRST	4	0
SECOND	4	0
THIRD	4	0

\*Alternate members with zero attendance did not have to replace the principal member of the Committee, since the latter had no absolute or temporary absences.

All meetings had a quorum to meet and decide validly.

## Main activities

The following activities of the Committee during 2021 stand out, which are framed within its responsibilities contemplated in the Law, the bylaws, the Corporate Governance Code and the Internal Rules and Regulations of the Board of Directors:

- Consideration of the report on compliance with the Company's Corporate Governance Code at the January-December 2020 fiscal year-end.
- Consideration of the self-evaluation report of the Board of Directors and the proposal to amend the bylaws to be approved by the Shareholders' Meeting.
- Consideration of the work plan of the Corporate Governance and Evaluation Committee.
- Consideration of the work plan for the self-evaluation of the Board of Directors.



## Participation of Board members in governing bodies of other organizations

### Principal Members

#### Andrés Caldas Rico

- Codensa S.A. ESP.
- Legis S.A.
- Fundación Enel Colombia
- Enel X Colombia S.A.S.

#### Lucio Rubio Díaz

- Codensa S.A. ESP.
- Fundación Enel Colombia
- Enel X Colombia S.A.S.

#### José Antonio Vargas Lleras

- Codensa S.A. ESP.
- Enel Américas S.A. ESP.
- Fundación Enel Colombia

#### Luisa Fernanda Lafaurie

- Mercantil Colpatría
- MASSY HOLDINGS
- FDN

#### Juan Ricardo Ortega López

- Codensa S.A. ESP.
- Transportadora de Gas Internacional (TGI)

#### Álvaro Villasante Losada

- Transportadora de Gas Internacional S.A. ESP.
- Calidda
- Trecca

#### Martha Veleño Quintero

- Codensa S.A. ESP.
- Alpopular
- Corferias
- Grupo Energía Bogotá S.A. ESP.

### Alternate Members

#### Diana Marcela Jiménez Rodríguez

- Asocodis
- Andesco
- Fundación Enel Colombia

#### Fernando Gutiérrez Medina

- Sociedad Portuaria Central Cartagena S.A.
- Michele Di Murro
- Codensa S.A. ESP.
- Fundación Enel Colombia
- Enel X Colombia S.A.S.

#### Oscar Sánchez Arévalo

- Oleoducto Bicentenario de Colombia S.A.S.
- Serviport S.A.
- Jaime Alfonso Orjuela
- TGI
- Contugas (Perú)

#### Mónica Leticia Contreras

- Farmatodo
- Fiduciaria Corficolombiana
- Triple A
- Postobón

#### Luis Javier Castro Lachner

- Codensa S.A. ESP.
- Mesoamérica Andino Colombia
- PNS de Colombia S.A.
- Restcafe S.A.S.
- Frayco S.A.S.
- Grupo Energía Bogotá S.A. ESP.





# Letter to Shareholders



**José Antonio Vargas**  
Chairman of the Board of Directors



**Lucio Rubio**  
General Manager

## Dear Shareholders:

We are pleased to share the results achieved by Emgesa S.A. ESP for 2021, one of the most challenging years in recent times, both for the company and for humanity in general, since efforts were aimed at mitigating the social and economic impacts of the health emergency caused by COVID-19, when economic reactivation, vaccination and digitalization were the main components of the global agenda.

On this occasion, we would like to take a look at the major issues, starting with the context in which we operated and then going into the details of our main achievements. Let us begin then with an overview. Economies around the world focused on achieving a social and commercial reactivation that would allow them to advance and recover their previous levels of growth. In 2021, a global growth close to 5.5% was achieved compared to 2020, taking the economies to levels close to 2019. Our region of Latin America and the Caribbean had an important economic recovery estimated at 6.2% compared to 2020, which materialized due to the increase in household consumption of goods and services, the activation of industry and job recovery. In Colombia, despite the restrictions of the health emergency and the economic effects from the high inflation, a YoY growth of 9.8% was achieved, which places the country above world figures and positions it as one of the most attractive in the region.

This is evident when observing some indicators for 2021:

- Unemployment rate: 13.7%.
- GDP growth: 9.8%.
- Inflation: 5.62%.
- Producer Price Index - PPI: Domestic Supply of 18.71%

We see then 2021 as a year in which Emgesa had to overcome great challenges, under a complex scenario that urged to address the needs of development clearly and firmly, sustainability, economic and social growth of the sector. The company managed to positively impact not only the business development but also the communities and environments where we operate, through the approach of an integrated and renewed strategy.

To begin this review of the previous year, we would first want to show our appreciation for all our employees who, thanks to the work at home system and the hybrid attendance modalities, together with their dedication and commitment, allowed us to continue providing a quality service to each of our customers, also ensuring the welfare and health of their colleagues, with empathy, commitment, responsibility and sense of belonging, and Emgesa's position as one of the most important generating companies in the country.





Emgesa achieved important results that consolidate it as one of the leading companies in the sector and also allows us to continue on our path to strengthen the company within the Enel Group, a worldwide business group.

To understand the context in which we operate, let's start by seeing the national demand for electricity in the country, which for 2021 was 74 TWh, representing a YoY increase of 5%, mainly due to the economic recovery after the health emergency caused by COVID-19.

In the first half of 2021, hydrological contributions throughout the National Interconnected System (SIN) were in surplus with respect to the historical average, due to climatic conditions and phenomena that resulted in a moderate La Niña phenomenon (high hydrology) that had been occurring from the second half of 2020 to the first half of 2021. For the second half of the year, although the contributions decreased, they behaved slightly above the historical average, thus ending the year with a high percentage of reserves.

In particular, our Company's net power generation reached 13,112 GWh, due to the increase in water contributions throughout the country, which caused drops in the spot price with a utilization factor of 43%, meeting the requirements of the national interconnected system. By 2021, Emgesa ranked third largest generator in the country, with 17.7% of the total energy generated. Emgesa's net installed capacity was 3,503 MW.

The contribution margin in 2021 reached COP\$3.19 trillion, showing a YoY increase of 15.9%, mainly explained by higher prices in contracts due to the effect of the significant

YoY increase in the Producer Price Index (PPI), coupled with a higher sales volume in both the Wholesale Market and the Deregulated Market, thanks to the recovery of domestic demand and the implementation of an assertive sales strategy by increasing the share of sales in contracts in anticipation of a high hydrology.

This growth has occurred not only with the sale of energy, Emgesa continued expanding its portfolio and offering energy solutions focused on sustainability and efficiency. Renewable energy certificates (I-RECS), issued by THE INTERNATIONAL REC STANDARD, were offered, which guarantees that the energy consumed during a given period comes from the generation of renewable energy. Additionally, the carbon credits market got stronger, which the company is part of since 2020, thanks to the certification of our power plants El Quimbo, Darío Valencia Samper, El Salto II, Tequendama and Guavio Menor.

As part of the sales scheme, the company managed a total of 17,589 GWh, supplied in the Wholesale Market through contracts, as a result of public calls or private invitations, reaching sales of 10,991 GWh, which represented a YoY increase of 3.4%. Energy was supplied to the country's Deregulated Market with sales of 3,942 GWh as of 2021 year-end, which represented a YoY increase of 6.3%. In addition, 2,656 GWh were sold in the Spot market.

These results are obtained thanks to the availability of our generation park, which in 2021 was 88.8%, with highlights such as: modernization and stator replacement works carried out in unit 5 of the Guavio hydropower plant, which extended its useful life and ensured reliable operation. At the El Quimbo power plant, civil works were carried out to maintain the drainage and dam structures to ensure the structure's reliability. Meanwhile, at the Rio Bogota power plants, there were activities to modernize the equipment and remote control necessary for operation; turbine maintenance is also continuing at Unit 3 in Cartagena.

All these activities are necessary to ensure the reliability of the generation park in future years.

As for the generation plants' management, we highlight the company's commitment during the health emergency, taking care of the health and safety of our workers and at the same time ensuring the continuity and reliability of our operations while complying with the operation and maintenance processes required in our facilities and meeting the regulatory standards. Efforts were also focused on the implementation of biosafety protocols necessary to ensure the well-being of each of our employees. Thus, for the second consecutive year, the company was certified in biosafety operations by the Colombian Institute of Technical Standards (ICONTEC), which confirms that the processes used in the operation of the generation plants follow adequate practices and protocols to reduce danger



factors associated with the COVID-19 health emergency. Also in terms of safety and health, we continue achieving the goal of zero accidents in our operation with a culture of self-care and mutual care, as well as the different strategies for risk management and control.

We are aware of our interaction with the environment; therefore, our commitment to care for and protect the environment focused on complying with the strategic objectives in biodiversity protection, involving innovation in environmental activities and the proper use and protection of natural resources in the ecosystem where we operate, promoting knowledge and care of our natural wealth among the communities. This commitment is reflected in the areas of influence of the power plants, including El Quimbo, where the Cerro Matambo 3 Civil Society was registered as a natural reserve, consolidating an area of 3,598 hectares that make us the second largest reserve of tropical dry forest in the country. In addition, through joint work with strategic partners from the academic sector, we continue to repopulate fish in our reservoirs, as well as monitoring fauna and flora, directing our efforts to their care and protection.

Innovation is one of our strategic pillars and, in this regard, our company was positioned nationally in 2021 as an innovative brand, generating strategies to create value in our processes and find answers to the imminent challenges. This was achieved through the execution of projects, patents, creative sessions, brainstorming, and events to promote the innovative culture in co-creation with suppliers, customers, startups and academia, among other actors of the innovation ecosystem. This positioned the Enel brand as an Open Innovation Leader in the country's energy sector in the ranking conducted by 100 Open Startups - Connect Bogota Region [1], and Top 11 in the Business Innovation Ranking 2021 conducted by ANDIRevista Dinero. Additionally, the company was a finalist in the CIER Innovation Awards with its Open Innovation platform - Open Innovability, representing Colombia in the International phase, competing with 12 companies in Latin America. It was also a finalist in the FISE Innovation Awards 2021 with the "Demineralized Water" Project, for its excellent results in innovation and circular economy.

Also, for the first time we launched the *Emprende con Enel* program, an initiative of shared value and innovation, which contributes to the strengthening of entrepreneurship in our areas of influence that were affected by the pandemic. As a result of the investment made in R&D&I projects, Emgesa obtained a \$2,489 million tax discount for the 2021 fiscal year.

Within the dynamics of power generation we have strengthened our role in society driven by the public commitment to the global sustainable development agenda embodied in the 17 Sustainable Development Goals (SDGs), integra-

ting sustainability in business, with an inclusive approach and leaving no one behind, creating long-term value for all stakeholders, while promoting the socioeconomic and environmental identity of the territories where we operate and generating value for the company and for the country.

This component has been updated in 2021 and embodied in the Sustainability Plan 2021-2023, whose objective is the generation of sustainable value in the long term, having as starting point the contributions generated by the business to development with a focus on decarbonization and electrification as cornerstones of the strategy, articulated with the framework of our policy of Creating Shared Value (CVC) and consistent with the purpose of promoting the country's development. During 2021, we have achieved the implementation of different circular economy initiatives, such as the Quimbo reservoir biomass project, water management and optimization with the use of rainwater, and sale of surplus demineralized water for industrial processes in Cartagena. Another example of our commitment to the environment during 2021 was the creation of Enel Biodiversa, a strategy that integrates the actions developed for the protection of the environment and natural resources.

Let's not forget that all this was achieved thanks to people, and on this occasion our efforts were aimed at achieving coherent and purposeful work environments to promote self-management, autonomy and unleash the people's potential through a model of gentle leadership that improves the well-being of workers and their teams, valuing proactivity and individual responsibility and highlighting the talent and role of women within the organization; all in line with our Open Power culture and values and in response to the new normal and the challenges faced.

We also continued implementing the salary compensation policy for our employees, through which, with transparency and objectivity, we intend to directly impact the management of the organization, talent, leadership and care for people. We furthered our commitment to diversity and inclusion, honoring the Equipares certification given by the Ministry of Labor, which since 2015 accredits us as a responsible company in gender equality. In addition, under the Friendly Biz Corporate seal and in partnership with the LGBT Chamber of Commerce, we carried out different activities to raise awareness about sexual diversity.

Our success is also visible in business terms. For the ninth consecutive year, Enel received in Colombia the IR (Investor Relations) recognition for its commitment, transparency and high standards in terms of information disclosure and investor relations. Fitch Ratings affirmed at 'AAA(col)' and 'F1+(col)' the national long and short-term ratings, respectively, and at BBB with negative outlook the international rating, still above the sovereign rating of the Republic of Colombia.



In terms of finance, the results objectively show our excellent management, with a net income of COP \$1.71 trillion, which represented a YoY increase of 33.4%, largely explained by the favorable performance of EBITDA (+19%), and the decrease in financial expenses derived mainly from a lower average debt balance reducing average cost.

At the end of 2021, our net financial debt was COP \$2.15 trillion. 74% of the financial debt is long-term (remaining maturity over one year) and the composition by interest rate is distributed as follows: 67% of the debt is indexed to the CPI, 20% to IBR and the remaining 13% is at a fixed rate. Total assets amounted to COP \$9.04 trillion, of which net property, plant and equipment accounted for 90%, trade accounts for 3.1% and cash and cash equivalents for 2.3% of total assets.

At the start of 2021, a new Investment Framework Agreement was signed between the shareholders Enel Américas S.A. and Grupo Energía Bogotá S.A. ESP, providing for a merger process by absorption in which Emgesa S.A. ESP will absorb Codensa S.A. ESP, Enel Green Power SAS ESP and the Chilean company Essa 2 SpA, to create the company Enel Colombia S.A. ESP, which will carry out the activities of generation, sale, distribution and storage of energy, as well as any other commercial activities detailed in the corporate purpose of the companies involved in the merger.

The respective merger commitment by the governing bodies of the companies involved in the merger was approved by the General Shareholders' Meetings in July 2021 and by the Bondholders' Meetings of Emgesa S.A. ESP and Codensa S.A. ESP in September 2021. As a result, the request for authorization of the merger was submitted to the Superintendence of Corporations in October 2021 and is currently being processed.

This merger operation will allow the consolidation of synergies, the increase of the benefits of the companies involved through the combination of their assets, the convergence to a single business model that will allow a coordinated distribution of their products and services, thus offering a unified value proposition to the consumer.

It is worthwhile to mention that Emgesa has a robust compliance system composed 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 enabled the ISO 37001 certification on the Anti-Bribery Management System (SGAS), making us, together with Codensa, the first companies in the country to have this certification.

In the development of these good practices, the company consolidated the internal control system, implemented all the proposed improvement actions and fully complied with current regulations, thus, according to the provisions of paragraph 4 of External Circular 028 of September 30, 2014, of the Financial Superintendence, Emgesa's Best Corporate Practices Implementation Report can be consulted on the corporate website. Additionally, the 2021 Country Code survey was made available online by the Financial Superintendence of Colombia.

We openly declare our commitment to the regulations and laws and therefore abide by the provisions of Article 87 of Act 1676 of 2013, and report that the Company has not hindered the free circulation of invoices issued by vendors or suppliers. Also, that in accordance with the provisions of Act 142 and 143 of 1994, the Company has an internal control system and an independent auditor of management and results; additionally, during the reporting period, the Company, as issuer of securities, has controlled and disclosed financial information in accordance with the applicable regulation.

We conclude our review of the Company's management in 2021 by expressing our conviction that the high quality and commitment of our human resources, as well the support of the Enel Group, a multinational corporation with worldwide coverage, will allow us to face with optimism the challenges of 2022, which have been defined by the Group under the following focal points:

**Safety:** Managing contingencies and emergencies as a pillar of the business continuity plan. Innovation and best practices in occupational health and safety, further improving our processes and equipment with better standards and continuing on the path of zero accidents.

**Decarbonization:** Continue on the path of growth in renewables to continue on the road to decarbonization and the achievement of the "Net Zero" target by 2040 declared by the Enel Group.

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

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

Modernization: Bring the plants to new technological standards and overcome technical obsolescence with state-of-the-art technology, under the development of the scheme for the remote operation of the plants, giving continuity to the Telecontrol project and the plant modernization project.

In accordance with the provisions of paragraph 12 of Article 68 of the Company's Bylaws, we hereby declare to the Shareholders that we have an internal control office that oversees compliance with the control and management programs, as well as an external auditor for results management.

In compliance with Emgesa's Bylaws, we present the following reports to the Shareholders:

- Management report of the General Manager for the period from January 1 to December 31, 2021, accepted by the Board of Directors.
- Report on internal control by the firm KPMG S.A.S., as Independent Auditor.
- Certified and audited year-end financial statements.
- Report on Article 446 of the Code of Commerce.
- Business Group Special Report, in accordance with Article 29 of Act 222 of 1995.
- Corporate Governance Reports

Finally, we thank our shareholders for their trust and support in keeping their investment in the Company, which motivates us to maintain an active generation of clean energy that transforms the world.

**Sincerely,**



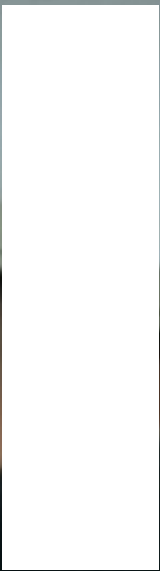
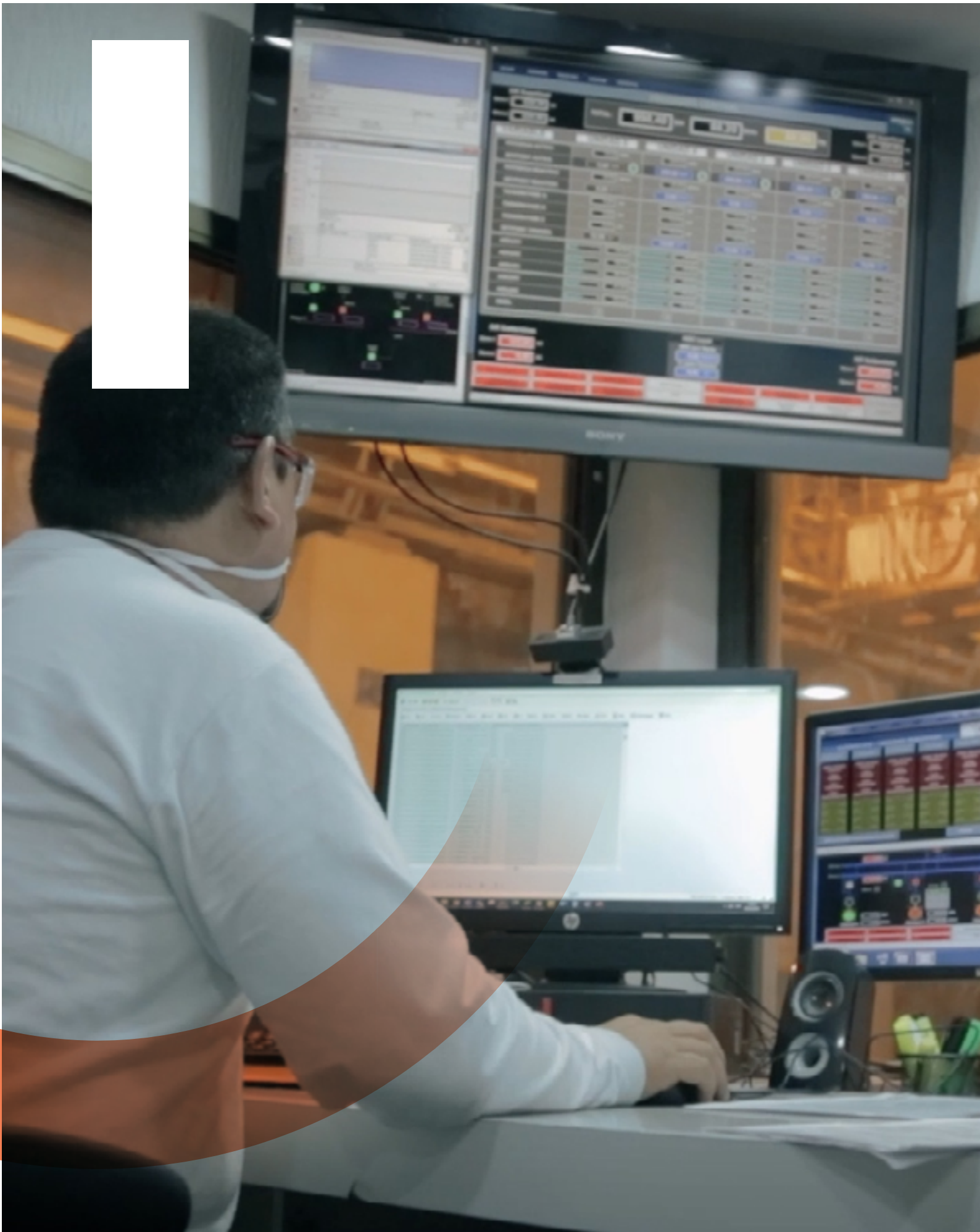
**José Antonio Vargas**  
Chairman of the Board of Directors



**Lucio Rubio**  
General Manager

## **2.** **Our value chain**

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# POWER GENERATION

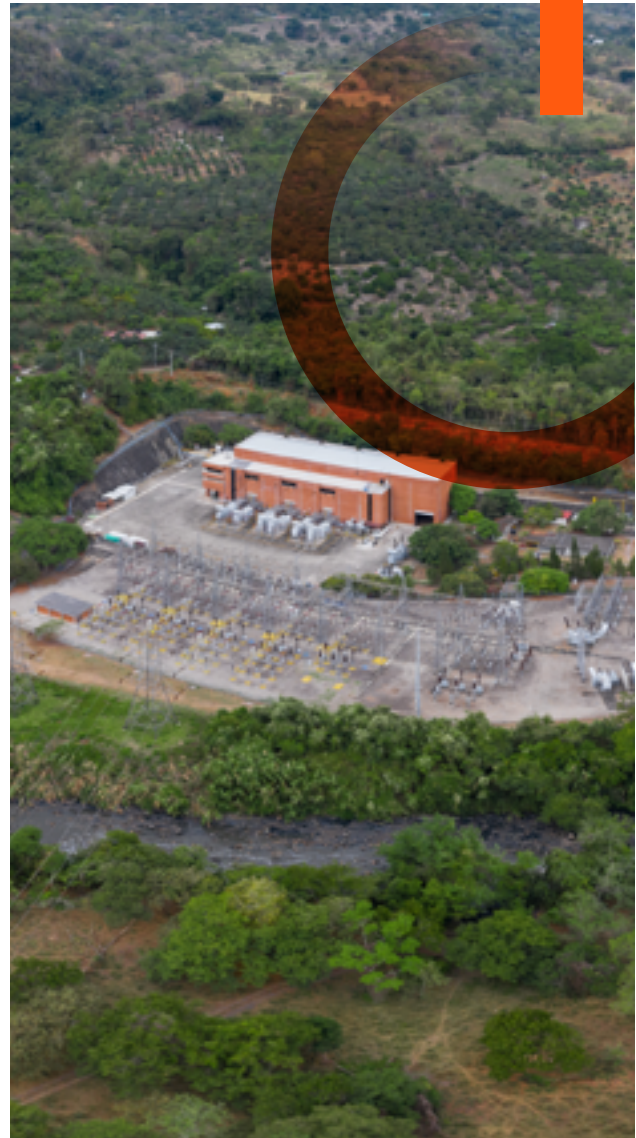
The Company's operations focused on improving processes and adopting the best global practices, which allowed the efficient development of projects, achieving optimal operational and economic results in this second year of the pandemic. For power generation, one of the main focuses is the availability of the generation park, which led to meeting the requirements, supporting the reliable and safe operation of the National Interconnected System and guaranteeing the coverage of the energy demand.

Below are the main actions in operational, technical, health, safety, environmental and quality issues for 2021, as well as the main challenges for 2022.

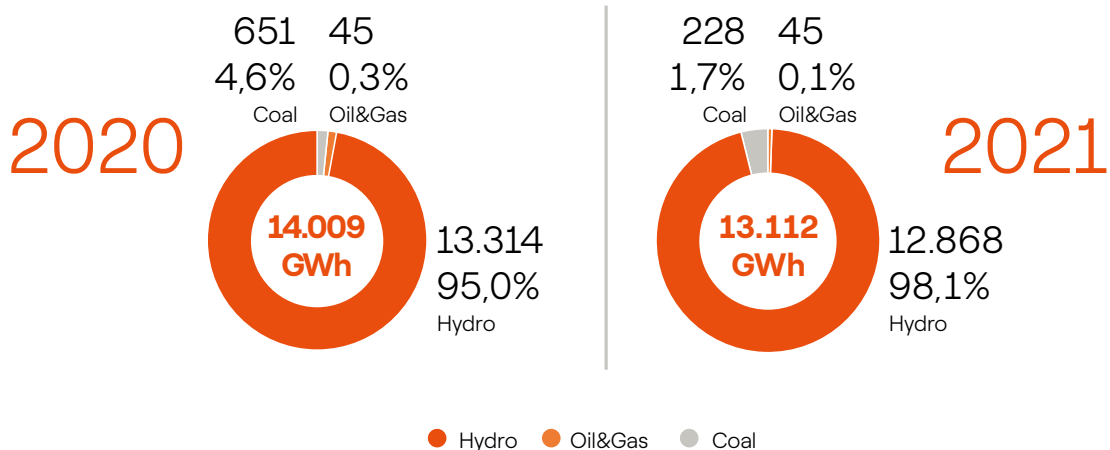
## Operational performance

In 2021, Emgesa's net power generation reached 13,112 GWh, with a YoY decrease of 6.4%. There were higher hydro contributions, which meant low prices in the spot market and this led to a lower generation by the Company. Emgesa ranked third largest generator in the country, with 17.7% of the total energy generated.

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



**Graph No 1. Net generation by technology**

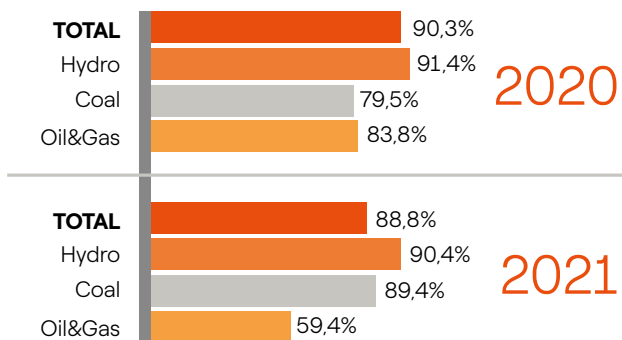




The availability of Emgesa's generation park in 2021 was 88.8%, decreasing with respect to 2020, mainly due to the turbine maintenance of unit 3 of the Cartagena power plant and the change of the stator of unit 5 of the Guavio power plant, activities necessary to guarantee the reliability of the generation park in future years.

The following graph shows the detail of availability by technology:

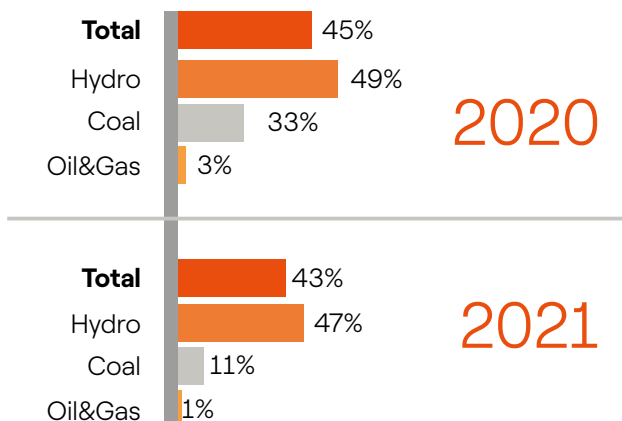
**Graph No. 2 - Availability by technology (2020-2021).**



A total of 182,043 hours of service were recorded for Emgesa's generation units during 2021, 1,355 hours more than in 2020.

The utilization factor ended at 43% compared to 45% in 2020, meeting the requirements of the National Interconnected System. The following graph shows the detail by technology of this variable, which evidences lower utilization due to low spot prices.

**Graph No. 3 - Utilization Factor by technology (2020-2021)**



## Hydraulic technology

During the second year of the pandemic, the Enel Group's resilience and commitment to the operation and maintenance of the power plants was once again demonstrated, meeting the highest standards in the continuous and reliable provision of service. Supported by the use of technological, IT and innovative tools such as remote operation, smart glasses and quality of life improvement management, optimal results were achieved.

The main actions carried out in the power plants were:

### Guavio Hydropower Plant

The stator of unit 5 was replaced after 30 years in service, and the electrical protections and the excitation system were modernized, extending its useful life and guaranteeing its reliable operation. This included the implementation of innovation projects with the installation of thermographic cameras and high-resolution cameras for inspection of the impeller of this unit.

In 2021, a generation record was reached at Guavio Menor, with a generation of 51,054 MWh.

As part of the civil works, the total recovery of the Batatas tunnel sill was carried out to guarantee the inflow of the affluent to the reservoir.

### El Quimbo Hydropower Plant

A project was started to optimize the oxygenation of the water discharged from the plant to guarantee the dissolved oxygen conditions in the waters of the Magdalena River downstream of the dam.

A strategic plan was implemented in the control system in order to increase the reliability of the units and guarantee the generation process.

As part of the civil activities, maintenance work was carried out on the drainage structures and dam, among others, guaranteeing the reliability of the infrastructure.

### Betania Hydropower Plant

The plant, with a net capacity of 540 MW, reached its maximum historical annual generation in its 35 years of commercial operation with 2,742 GWh, surpassing by 2.4% the previous record of 27 years ago in 1994.

The modernizations carried out included the control system for the intake gates and the auxiliary services circuit breakers.

### Rio Bogota Power Plants

From the Center for Monitoring and Remote Operation (CEMOR), the change management team was consolidated for continuous improvement in addressing failures, planning interventions in generation assets and decision making.

Equipment relevant to the operation was modernized, such as: excitation systems and power switches and self-cleaning filter systems and cleaning grids at the Tequendama power plant, low-voltage distribution boxes at the Medio and Alto Río Bogota power plants.

Accompaniment and management of the infrastructure round table with the communities, with emphasis on the follow-up and control of the road agreement with the municipality of El Colegio, which began to be executed.

### Operational efficiency projects

Through the HyDEA (Hydro Efficiency Analyses) project, which aims to apply efficiency analyses in hydropower plants, taking advantage of the potential offered by big data, we continued making progress in projects that, without requiring investments in infrastructure, improve the performance of the plants during operation:

**Plant Coordinator:** with the aim of applying efficiency analysis in hydropower plants, a performance model was designed to achieve an optimal distribution of the operating load between units in the Laguneta and Limonar power plants.

**Operation follow-up:** a deployment was carried out to obtain a visualization of the estimate of possible production losses in the Charquito and Laguneta - Limonar power plants.

### Central automation and remote control project

The automation and remote control of the generation units at the Río Bogota power plants was carried out, complying with the schedule and optimizing operating resources. This project was submitted to the Ministry of Science, obtaining tax and fiscal benefits.

### Cross-cutting projects

We developed a robotic platform for safe inspections (Rhiino), which consists of a robot that can perform inspections in areas with hazardous atmospheres without the need for personnel to enter.

### Rhiino Project

As part of the dam monitoring and safety program, the project to recover instrumentation and install a seismic monitoring system for the El Guavio and El Quimbo dams was executed.



As part of the predictive maintenance, drones were used for inspections and monitoring of the entire infrastructure of the renewable energy plants.



## Coal technology

In 2021, management in thermal power plants focused on improving the reliability of the main equipment and meeting the requirements of the grid operator to meet demand and ensure the safety of the National Interconnected System.

The main actions were:

### Termozipa Thermal Power Plant:

As part of the maintenance plans, the turbine overhaul of unit 2 and the generator overhaul of unit 5 were carried out to guarantee the reliability of the plant and minimize the failure rate in the future.

The new demineralized water plant was put into service, with high quality standards to ensure the proper operation of the boilers.

### Cartagena Thermal Power Plant:

As a result of the failure in the turbine rotor of unit 3, we continued working on the recovery of the equipment for the unit's availability. It is expected to be completed in the first half of 2022.

The Automatic Voltage Regulator (AVR) of unit 3's generator was changed, complying with the established regulatory standards and providing greater reliability of the systems.





## Improvement in Operation and Maintenance Across Technologies

Seeking the standardization of processes for the operation and maintenance of the thermal and renewable power generation park, reliability and improvement in generation plants, implementation of sustainability practices and strengthening innovation in internal processes of power generation, in 2021 we worked on initiatives such as:

- Consolidation of the digitalization strategy for the management of operational information of the power plants.
- Integration of tools and platforms for online efficiency monitoring.
- Sustainable Plant Program, which promotes continuous improvement in power plants.
- Global robotization program, RoBoost, which seeks to improve the efficiency of O&M activities through the use of robots.
- Power G Award program, with the purpose of recognizing the implementation of improvement and innovative projects.
- Development of models for optimal stock of materials and spare parts, focusing on critical systems and equipment.
- Procurement strategy through e-Catalog to optimize material purchase management processes.
- Strengthening of warehouse management at the plants.



Finally, the company remained active in the carbon credits market, ratifying its strategic guidelines and support for global decarbonization.

Improvements were made to digital tools that allowed greater availability and management of plant procedures and documentation of the Safety, Environment and Quality Unit.

**Continuous improvement:** as part of the ongoing improvement of management systems, the implementation of the KAIZEN philosophy continued with the execution of four events, which facilitated:

- Improvement in interference management through digital tools in thermal power plants Colombia.
- Optimization of HSEQ Colombia-Peru documentation.
- Improvement in the management and effective dissemination of regulatory documents.
- Optimization of the Tequendama Colombia Power Plant Refrigeration System.

## Asset Management and Sales

During 2021, Emgesa continued to interact with its customers mainly through virtual customer service formats. The Company offered advice in the negotiation of energy and gas, energy solutions aimed at efficiency and sustainability, and made continuous improvements in communication channels. At the end of the year, it resumed face-to-face training in the main cities of the country. The following are some of the highlights:

- Negotiation of carbon credits, with the sale of 4 million certificates to its customers.
- Participation 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. Emgesa carried out 76% of the energy futures transactions that were settled.
- Different preventive collection management programs were carried out and strategies were applied focused on improving customer collection management, thus achieving a manageable portfolio index of 0.2% and a collectability index of 99%.
- The consolidation of the natural gas market in Colombia continued, with the entry of new industrial customers, through contracts of up to three years. The volume of gas sold during the year was 2,980 Gbtu.



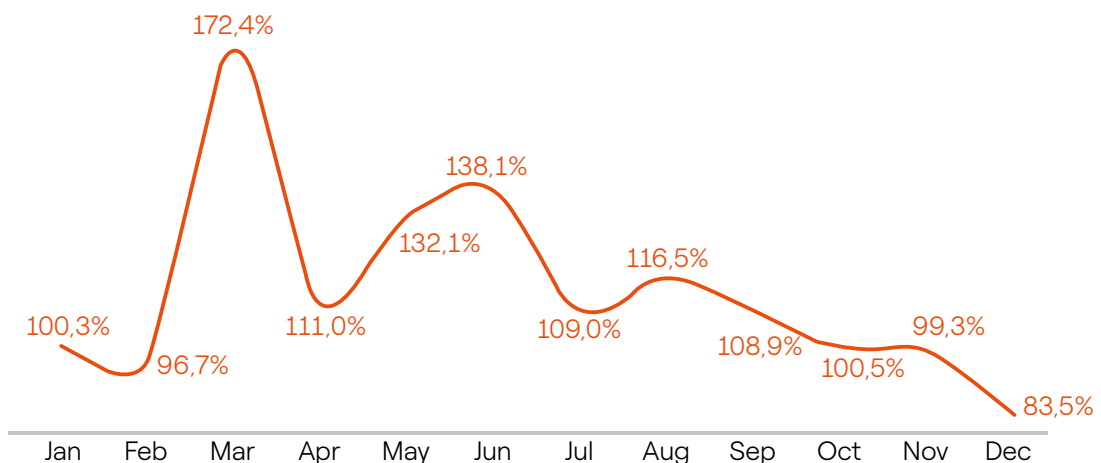
### Water contributions

For the National Interconnected System (SIN), 2021 was a year with surplus contributions in relation to its historical averages (M.H.) both at the system level (114%), and in the different regions that comprise it (Antioquia: 114%, Center: 118%, East: 112% and Others: 115%). The highest contributions occurred mainly between March and June in Antioquia, Centro and Oriente. In the second half of the year, contributions were close to normal.

These contributions were the result of the combination of different climatic phenomena that impact the country on multiple scales of time and space, including ENSO (El Niño Southern Oscillation) conditions, which throughout the year were characterized by below-normal temperatures (except for July) in the Central Pacific Ocean, which had been occurring since mid-2020. This led to the consolidation of a La Niña event (high hydrology) of moderate intensity, from the July–September quarter of 2020 to the April–June quarter of 2021. Subsequently, oceanic and atmospheric conditions coupled again to give rise to another La Niña event, which began to consolidate from the July–September quarter of 2021, with weak to moderate intensity.

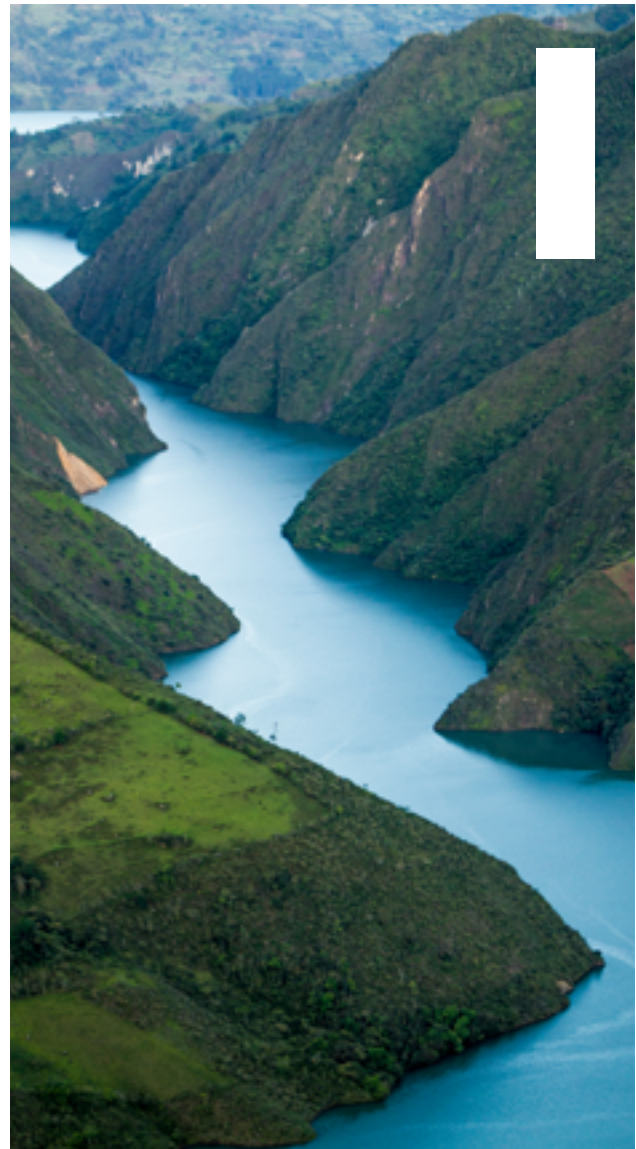
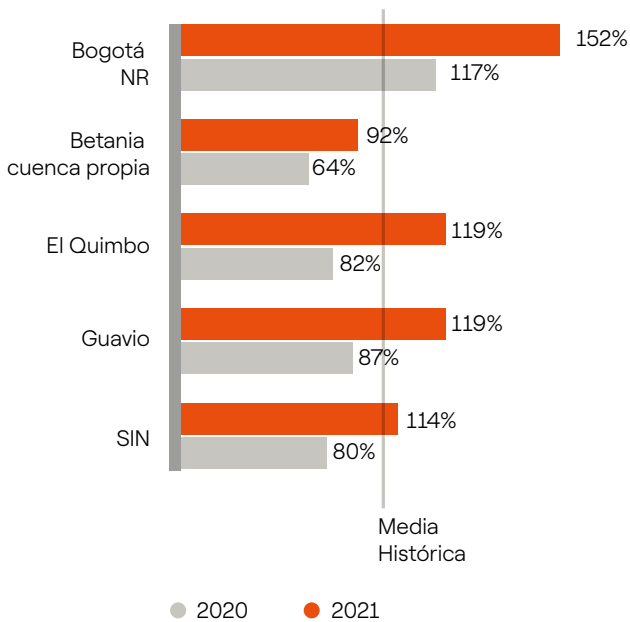
Another factor that affected the contributions to the SIN was the hurricane season, which was the third most active in terms of the number of significant storms (21 in total) since records have been kept. Additionally, the humidity coming from the Amazon region had a great impact on the contributions from the eastern region, which were mostly in surplus during the season of greatest inflows (March–September), with an impact on some SIN basins in the central region (El Quimbo and Río Bogota).

### Monthly hydrological contributions to the SIN during 2021 as % M.H.



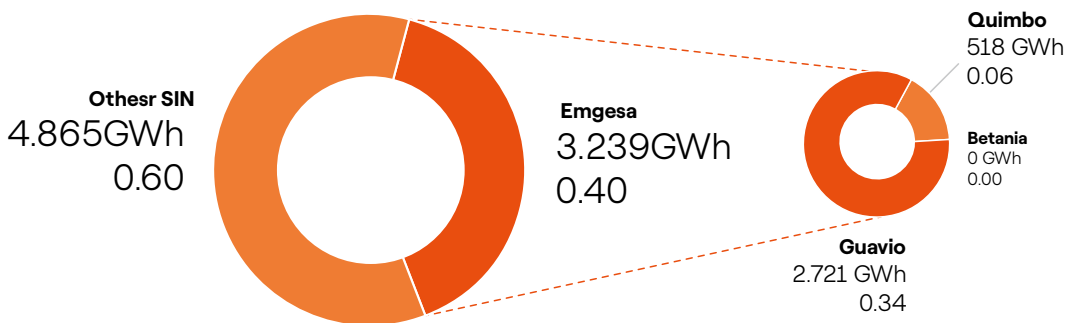
Compared to 2020, the hydrological contributions of Emgesa's basins for 2021 were higher and, in all cases, except Betania (92% M.H.), in surplus. For the SIN, the contributions for 2021 were also higher than those for 2020 and, also, in surplus (114% M.H.).

**Cumulative annual average of hydrological contributions.**



During 2021, the National Interconnected System had total discharges of 8.10 TWh, of which Emgesa contributed 3.24 TWh, equivalent to 40%, corresponding to the El Guavio (2.72 TWh) and El Quimbo (0.52 TWh) reservoirs.

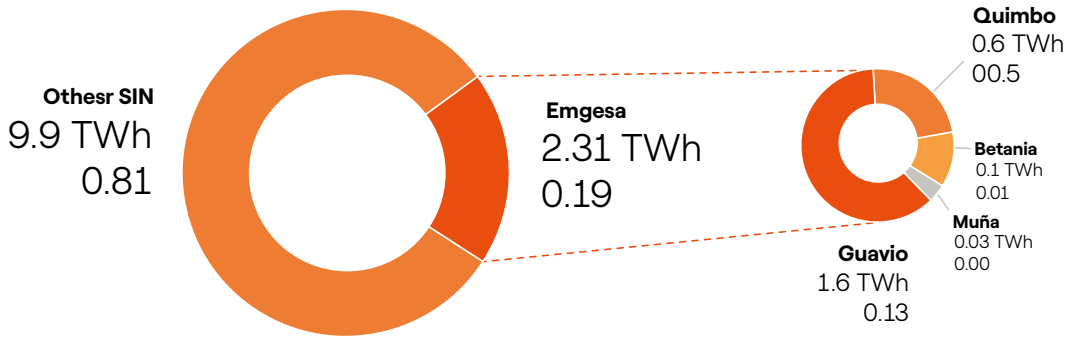
**SIN annual totals**



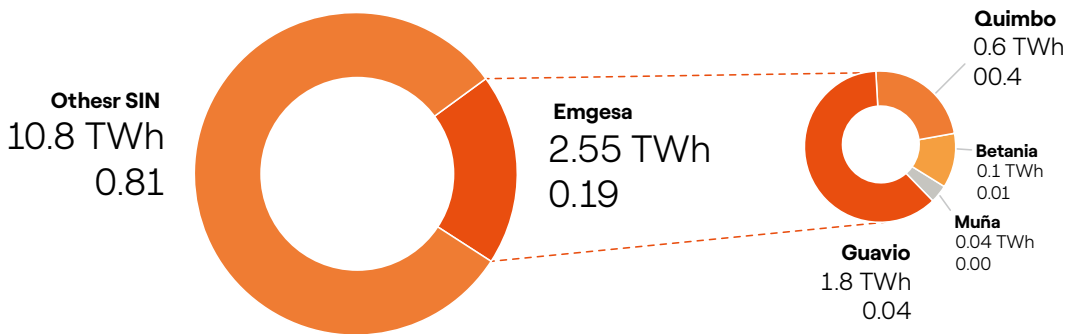
Under this climatology, contributions and discharges, the SIN reserves, which started the year with 12.17 TWh, increased to 13.31 TWh by the end of the year; Emgesa's share in these reserves remained at 19%, going from 2.31 TWh in January to 2.55 TWh in December.



## SIN and Emgesa reserves at the beginning of 2021



## SIN and Emgesa reserves at the end of 2021



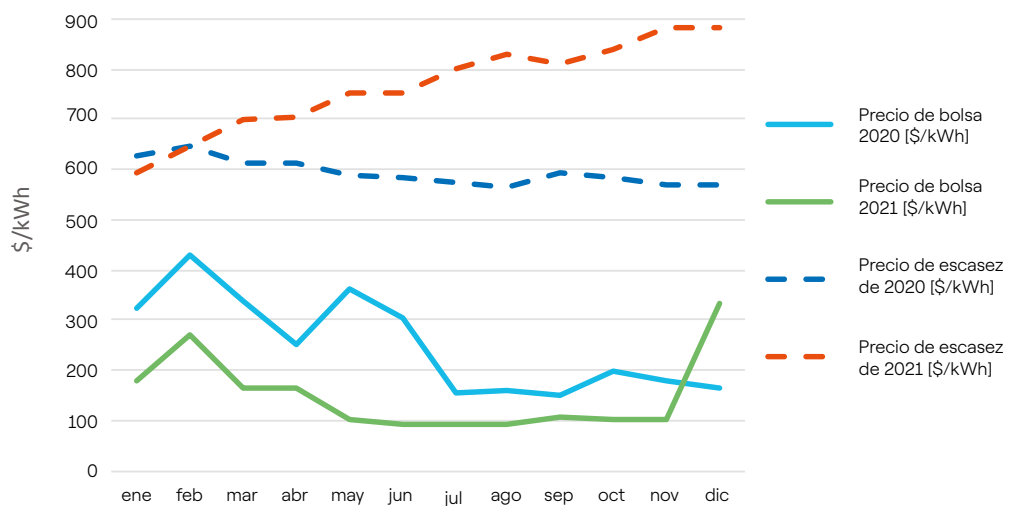
## Spot market

### Short-term management

The spot market or Energy Exchange allows the sector's generating and trading agents to trade their surpluses and shortages in real time.

Thanks to the Reliability Charge scheme, which proposes the scarcity price as the ceiling of the spot market and becomes the point of reference from which the requirement of the Firm Energy Obligations (OEF) assumed by the generating agents materializes, sellers are not completely exposed to the variations of the short-term market price.

### Spot prices and scarcity price



The average spot price for the year was 151 \$/kWh, a 40% YoY decrease, as a result of the high contributions on reservoirs for energy production due to the La Niña phenomenon. The scarcity price increased 29% with respect to 2020, mainly because of the increase in the price of fuels used for thermal generation, due among other things to a higher exchange rate, given that the scarcity price is calculated under the methodology of real operating costs.

### Market Price Comparison

	2021	2020	Diferencia	
	\$/kWh	\$/kWh	\$/kWh	%
<b>Market price</b>	151	252	- 101	-40,2%
<b>Activation scarcity price</b>	766	594	+172	+29,1%

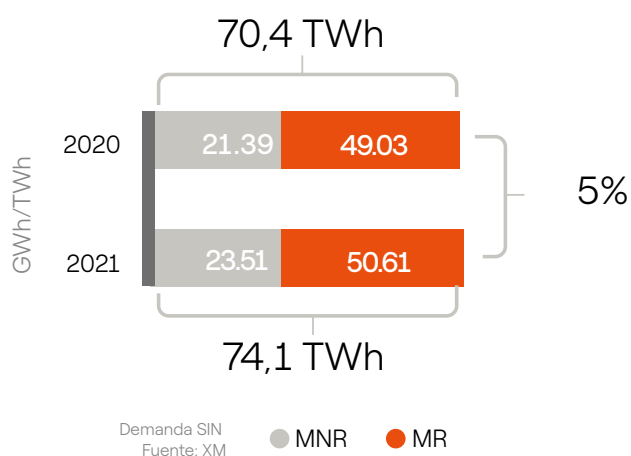
### Exchange Rate Risk Hedging

To mitigate the volatility risk associated with the exchange rate of the Colombian peso against the dollar, in 2021 Emgesa hedged through forward contracts for US \$30 million, thus securing its variable margin.

## Demand

Domestic electricity demand during 2021 was 74 TWh, presenting a YoY increase of 5%, mainly due to the economic recovery following the COVID-19 health emergency. In particular, demand from the deregulated market corresponded to 32% of total electricity demand, i.e. 23 TWh. On the other hand, demand from the regulated market corresponded to 68%, i.e. 51 TWh.

### SIN Demand – Source: XM



## Management of the Reliability Charge (CxC) and Secondary Market

For the 2020-2021 period of the Reliability Charge, Emgesa had a firm energy obligation (OEF) commitment of 14,183 GWh previously assigned, which was met in 99.3%, both due to the availability of its own generation resources and the management of the Security Rings defined in the CREG regulations.

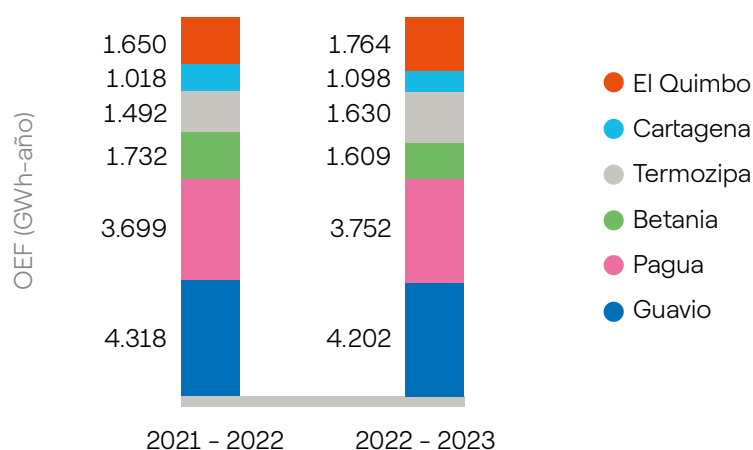


## Management of the Reliability Charge

	TOTAL (GWh)	TOTAL (MUSD)
Remuneration assigned	14.183	239
Received for plant availability	13.379	223
Received for Security Rings management	714	12
<b>Total Retained Energy</b>	<b>14.093</b>	<b>235</b>

The current OEF allocations for each of the Company's plants are shown in the following chart:

### Emgesa's OEF by plant



## CxC technical parameters audit

In February 2021, the audit of the technical parameters of Emgesa's hydro and coal plants reported for the Firm Energy Obligations (OEF) auction for the 2022-2023 charge period was completed, this process included the review of 155 parameters.

The Energy and Gas Regulatory Commission (CREG) opened in May an administrative action to determine the existence of discrepancies in the audit of parameters of the Pagua generation chain. In the process, Emgesa was able to explain in detail the technical reasons why it does not agree with the discrepancies contemplated by the auditor.

## Energy Management In Figures

Emgesa's variable margin for 2021 was \$3,195 billion, 15.9% higher than in 2020.

## Fuel Management

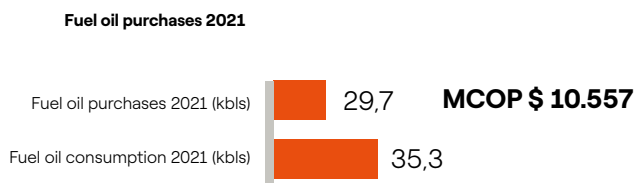
In 2021, fuel oil consumption at the Cartagena power plant (35.3 kbls) was similar to that of 2020 (36.7 kbls), registering a 4% reduction. This is due to the fact that generation remained at a low level thanks to the electricity infrastructure projects that came into operation and that expanded the area's import limits (Caribbean Reinforcement and Ituango Circuits), which make the area's generation requirements for security purposes increasingly lower. On the other hand, purchases (29.7 kbls for \$10,557 million) presented an increase of 205% with respect to 2020 (9.7 kbls) in order to maintain the storage at an adequate level to cover the operation, considering the available units of the Power Plant.

To support the obligations derived from the Reliability Charge for the period Dec/2022-Nov/2023, the term of the supply contract was extended until November 2023.

The Cartagena Power Plant participated with 58% of the consumption of liquid fuels (diesel, fuel oil and kerosene) used for safety thermal generation in the National Interconnected System (SIN) and testing.

As for the average unit price of purchased fuel oil, there was a YoY increase of 42% due to the increase in prices on the international market during 2021 as a result of the recovery of demand and markets, once the COVID-19 restrictions decreased.

### Fuel oil management 2021



The inventory volume as of December 31, 2021 was 63.7 kbls, 4% lower than at the end of 2020 (69.2 kbls).

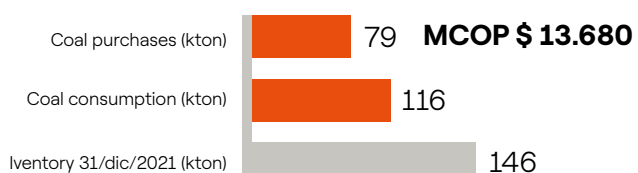
The supply of biodiesel for the heating and start-up processes of the generation units of the Cartagena and Termozipa thermal power plants was contracted for the period March/2022–February/2025 for a value of \$28,125.6 billion.

### Coal-Termozipa Power Plant

In 2021, coal purchases of the Termozipa Power Plant registered a significant YoY decrease of 78% (79 kton for \$13,680 million), due to the high availability of hydraulic generation in the SIN during the year due to the effects of the materialization of the La Niña event, an energy condition that caused a reduction in the dispatch of coal-fired thermal power plants and, consequently, a reduction in purchases and consumption of the fuel. For the Termozipa power plant, this represented a 66% YoY decrease in purchases. The volume consumed in the power plant corresponded to 7% of the total used in the SIN for thermal generation with coal.

Regarding the level of coal inventory, there was a reduction of 23% at the end of 2021 compared to 2020.

### Coal Management 2021



Furthermore, in terms of sustainability, the 21-23 Plan for the Development of Coal Suppliers – Ash Customers was successfully executed, strengthening Emgesa’s value chain, which included the definition of the Circular Business Model for different stakeholders (academia and industry). An opportunity was identified for the reuse of the mining by-product in civil works, resolving negative environmental impacts.

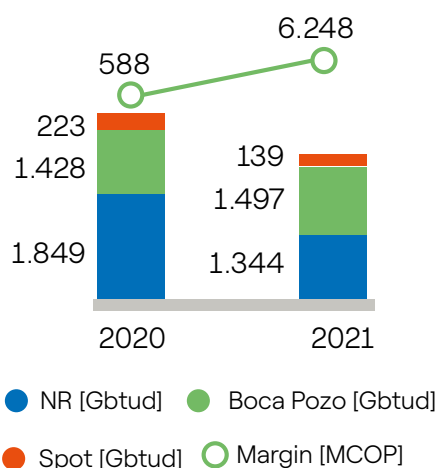
### GAS SALES

Gas volumes sold during 2021 (2,980 Gbtu) showed a YoY 15% decrease, due to changes in the customer portfolio, mainly in the Atlantic Coast.

However, this did not affect the variable margin of the business in 2021, which reached \$6,248 million. The good results in 2021 were mainly due to the sale of the total quantities of natural gas purchased, commercial management in the secondary market and active participation in the market manager’s Short-Term Use It or Sell It auction processes.

In total, Emgesa served 11 industrial customers (deregulated) in Bogota and Manizales, and 4 wellhead customers (secondary market). Also, new sales contracts were signed for 2022 with a term of one and three years, and a new market was entered in the Antioquia region:

### Gas sales 2021



## Wholesale Energy Market

In the wholesale market, energy purchase and sale transactions are carried out in large blocks between generators and sellers to execute long-term contracts subject to defined prices and quantities. During 2021 Emgesa sold energy in the Wholesale Market through contracts, as a result of public calls or private invitations. The detail is shown in the following table:

### Energy sales wholesale market

Figures in GWh	2020	2021	Variation	
Wholesale market	10.626	10.991	365	3,4%

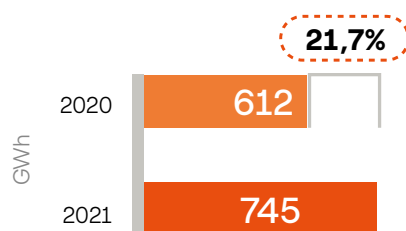
The Company participated in 30% of the public bidding processes in the Colombian market, as well as in other sales processes to serve the regulated market and/or support contracts of other generators, reaching sales in 2021 for 10.9TWh and making sales in the course of this year for 10.2 TWh, distributed between 2021 and 2036.

### Energy purchases

In order to support energy sales in contracts, in addition to the production of its own generation assets, Emgesa also purchases energy through contracts from other agents in the wholesale market. The following graph shows the level of energy purchases at the end of 2021:

#### Energy purchases 2021 year-end.

Source: Emgesa



## Deregulated Market

The deregulated market is composed of those final customers who consume more than 55 MWh-month or who have from 0.1 MW of maximum power demand. In this market, Emgesa mainly serves customers in the industrial and commercial sector, for which it has specialized customer service resources to provide advice on energy negotiation and offer energy solutions aimed at efficiency and sustainability.

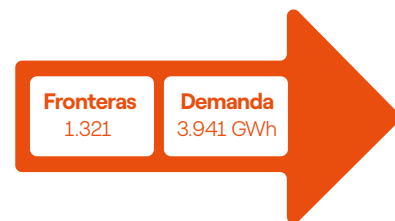
The commercial demand of the Deregulated Market served by Emgesa in 2021 was 3.9 TWh, equivalent to 17.4% of the total national demand of this market, having a recovery of 6.3% with respect to the previous year, positioning the Company as the country's second energy supplier.

During this year, 1,321 borders (consumption points) corresponding to 487 customers were served.

### Deregulated market demand Emgesa

Figures in GWh	2020	2021	Variation	
Deregulated market	3.704	3.941	237	6,3%

### Deregulated market customers



Emgesa's deregulated market demand is distributed in the Caribbean 21%, Central 68.5% and South West 10.3%.

## Customer Relations And Customer Service Plan

### Customer relations

In 2021, customer service was mainly based on a virtual scheme; however, it was resumed at the end of the year, with training sessions in Bogota, Cali, Barranquilla, Cartagena and Medellin.

Through the different channels for customer service, such as the website, call center, WhatsApp Business, social networks and specialized coordinators, customers can learn about market information, verify the performance of the contract, validate billing data, make payments, know the consumption history, consult matrices, make requirements, request technical support, among other relevant information that allows them to make decisions within their company.

### Customer relationship plan



### Commercial strength

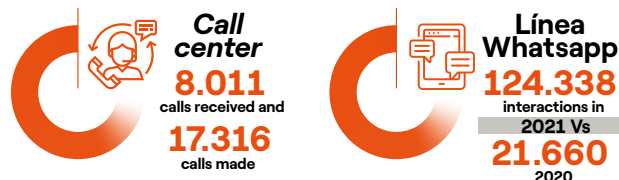
Emgesa adjusted its customer service scheme, dedicating one area exclusively to sales, negotiation and customer acquisition, and another to after-sales, focused on customer loyalty, maintenance and support, providing permanent technical, commercial and regulatory advice. During the pandemic, this allowed us to be closer and more efficient in meeting customer requirements, with a comprehensive approach to their needs through our portfolio of services, energy, gas, carbon credits and International Renewable Energy Certificates (IRECs).

### Call Center

Emgesa’s customers have at their disposal 24 hours a day, 365 days a year, nationwide service lines for inquiries, requirements and supply quality claims with the corresponding Grid Operator. Since 2020, a new channel was enabled for this purpose through a WhatsApp Line with continuous operation throughout the year.

The most consulted issues in 2021 were related to: quality of supply, billing, procedures and requests.

### Customer service channels



### Website

Customers can access personalized content at [www.enel.com.co/es/empresas/enel-Emgesa.html](http://www.enel.com.co/es/empresas/enel-Emgesa.html).

### Emgesa’s website





## Events and training

To share with customers relevant information of the energy sale business, Emgesa developed a training plan related to:

- Energy market
- Regulation and current standards
- Efficient use of energy
- Economic perspectives
- Other current topics

At the end of 2021, 771 attendees participated in the virtual events that are part of the relationship plan.

## Customer satisfaction

Emgesa's customer satisfaction survey model measures the market's perception of the products and services offered, and seeks to focus efforts and resources on customer satisfaction indicators and those that add value to the product.

The Quality Satisfaction Index (ISCAL) has remained at excellent levels in recent years, thanks to the development of the customer relationship plan. The customer satisfaction model evaluates aspects of the commercial relationship such as: customer service from its commercial coordinators, means of communication, billing, image, among others.



## Structuring New Products

### Carbon Credits

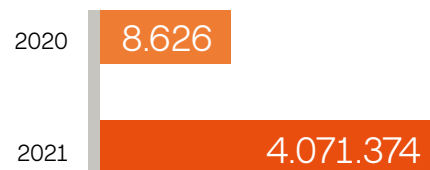
Emgesa, always in search of innovation and diversification of its offer of services associated to electric power and gas for the overall satisfaction of increasingly demanding customers, entered the carbon credits market in 2020, achieving the certification of the El Quimbo, Darío Valencia Samper, El Salto II, Tequendama and Guavio Menor power plants.

The certificates associated with these plants can be used by customers interested in the voluntary carbon market, for Greenhouse Gas (GHG) mitigation, or for the non-causation of the carbon tax in Colombia.

In 2021, the Company achieved the sale of 4,071,374 certificates equivalent to 100% of the certificates available for the period 2016 to June 2020.

### Sales - Carbon Credits

Source: Emgesa



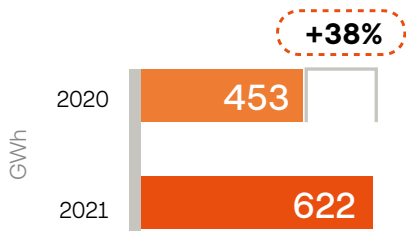
### Renewable Energy Certificates

IRECs issued by THE INTERNATIONAL REC STANDARD are a cutting-edge product offered by Emgesa to its customers, through which it guarantees that the energy consumed during a given period was generated from renewable energy sources, thus adding an element of greater and differentiating value to the intrinsic qualities of its products.

During 2021, Emgesa managed to have 54 customers in the deregulated market and five customers in direct negotiations obtain such green certificate, which represented a consumption of 622 GWh-yr.

## IRECs Consumption

Source: Emgesa



## 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 2021, transactions for 24.52 GWh of energy futures were settled on the Derivex platform, of which 76% were carried out by Emgesa with a total energy traded of 18.72 GWh/year.

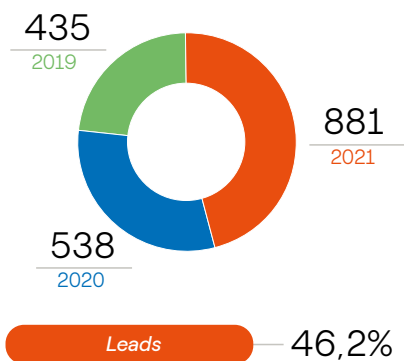
## Framework Agreement With Enel X - Codensa

The Framework Agreement with Enel X - Codensa allowed us, as strategic partners, to make our services and capabilities known to a larger number of customers.

Thanks to our contact with each customer and the accompaniment of their needs, we achieved a 46.2% growth in the generation of leads compared to the opportunities of 2020.

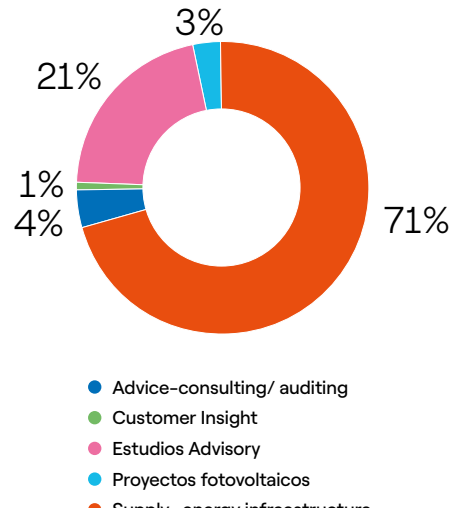
Below is a comparison of the opportunities generated from 2019 to 2021 detailing the growth, approach and contact with customers.

### Opportunities Generated



By 2021, sales were made for a value of \$2,136 million, focused on the following products: 71% infrastructure, 21% studies, 4% consulting, 3% photovoltaic and 1% customer insight.

### Participation by Category



One of the leading products in the market is Voluntary Disconnectable Demand (VDD), for which 91 opportunities were created in 2021 in a total of 52 customers, representing eleven business closings for 23.4 MW, which represented 32 customers for 50.7 MW at the end of 2021.

With these results, the Company ranked third demand aggregator in the market, with a revenue for customers for this 2021 of \$2,122 million.

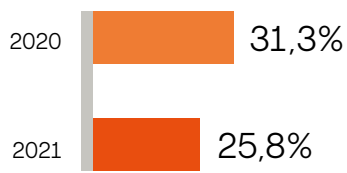
## Portfolio

In 2021, different preventive collection management programs and the application of strategies focused on improving customer collection management were carried out, thus achieving a manageable portfolio index of 0.2% and a collectibility index of 99% as of December 31, 2021.

The consolidated overdue portfolio index for the year reached 25.8%, a YoY decrease of 5.5%. This consolidated portfolio ratio is mainly affected by the portfolio of the agent Electricaribe S.A. ESP, in liquidation, which amounts to \$99 billion and is frozen due to the takeover of this Company by the Superintendencia of Public Utilities on November 14, 2016.

## Consolidated annual portfolio index

Source: Emgesa

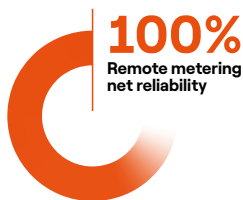


Índice consolidado de cartera anual  
Fuente: Emgesa

## Metering

In 2021, with the aim of performing remote reading, validation and reporting of generation borders, deregulated energy market and gas customers, Emgesa's metering management center (CGM) managed a total of 1,937 meters, with successful results, ensuring the quality, timeliness and reliability of information, and adding value to internal and external customers. This way, the Company guaranteed that the measurements used were accurate and reliable, in accordance with current technological capabilities in compliance with current regulations and the value promise of the process.

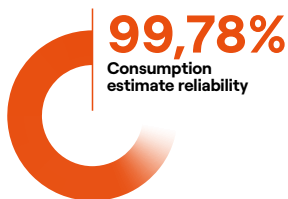
### Quality indicators



Ensure that the energy reported to XM corresponds to the energy settled for the customer and conciliated with the Grid Operator.  
Goal: 99%



Ensure that the energy reported to XM corresponds to the energy measured initially by the CGM.  
Goal: 98%



Estimate the consumption of energy for billing purposes.  
Goal: 95%



Measure the amount of energy in risk should the concerning MR fail.  
Goal: 95%

To maintain the field operation during the pandemic, Emgesa established a work plan with the collaborating companies, standardizing the mandate contracts aimed at addressing the technical normalizations in the metering systems, as well as reinforcing its biosafety protocols for the field crews and adjusting the technical and commercial processes. The above in order to guarantee the safe access of technical personnel to customers' facilities to address contingencies within the times established by the regulation and thus guarantee compliance with the deadlines for reporting and billing consumption.

New tools for process automation and data analytics were implemented in order to transform the demand and instrumentation data of the metering equipment in key information for strategic and operational decision making of the customer and the Company, optimizing operation times, adding value through dynamic dashboards, generating opportunities for improvement in the control of demand and metering systems of customers.

## Market regulatory management

Regulatory management focused especially on the discussion of the public policies necessary for the country's energy transition. Indeed, the sector had the opportunity to deepen the regulatory signals necessary to consolidate these changes, a discussion that had two fundamental fronts: the debate that continued around the Energy Transformation Mission, and the public debates around the Energy Transition Bill, promoted by the National Government.

On the first front, the construction process undertaken by the Ministry of Mines and Energy together with the sector's agents, among which Emgesa actively participated, stands out. This process concluded with the publication of the Energy Transformation Mission Booklet, in which recommendations and actions were proposed, with defined deadlines, which set the roadmap to advance changes in the sector that aim, according to the Ministry, to modernize the sector and increase its dynamics and competitiveness.

On the second front, the Company went through various channels to contribute to the public discussions surrounding the legislative project that aimed to establish a law with provisions for Colombia's energy transition, the dynamization of its energy market and, in short, to channel the contributions of this transition to the country's economic reactivation. These public debates carried out in the Congress of the Republic resulted in Act 2099 of 2021, issued in July.

## Key measures adopted in the energy and natural gas market

### Wholesale market

- The Ministry of Mines and Energy published Resolution 40060, which regulates Article 296 of Act 1955 of 2019 and refers to mandatory contracting with Non-Conventional Renewable Energy Sources (NCRES). The rule applies to all marketers that serve the regulated and deregulated market, which are required that 10% of annual energy purchases intended to serve end users come from NCRES.
- The Ministry also issued Resolution 40141 through which it defined the final conditions for the participation of generators and sellers in the third auction of Long-Term Contracts, and in which it indicated the participation of projects of Non-Conventional Renewable Energy Sources with capacity equal to or greater than 5 MW. Along with this norm, the Ministry then issued Resolution 40179 "Whereby the auction of long-term contracts for electric power generation projects is called and the parameters for its application are defined", the awarding process was carried out on October 26, and more than 700 MW of power were awarded.
- Moreover, the Energy and Gas Regulatory Commission - CREG issued CREG Resolution 075 of 2021, through which provisions and procedures for the connection to the National Interconnected System are dictated. This final Resolution considered the public policy guidelines on connection issued by the Ministry of Mines and Energy, through Resolution MME 4031 of 2020. The new rule facilitates the entry into operation of generation projects subject to transmission works that present backlogs, while regulating supplementary operating schemes that can make the connection of projects viable.

### Reliability Charge

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

### Natural Gas

- In January 2021, the CREG published CREG Resolution 001, with the purpose of regulating the mechanism for the allocation of natural gas transportation capacity when there is contractual congestion in the primary market in a standard quarter, in accordance with CREG Resolution 185 of 2020.
- On August 4, 2021, Act 2128 "Whereby the supply, continuity, reliability and coverage of fuel gas in the country is promoted" was enacted. This new law aims to encourage the supply of fuel gas in the country and expand its use, in order to generate positive impacts on the environment, quality of life and health of the population, in addition to access to public service, as established in Act 1955 of 2019.
- In October 2021 the CREG published CREG Resolution 175 of 2021, by which the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System are established, and other provisions regarding natural gas transportation are issued.

### Others

- Thanks to the internal work of the regulatory areas and the business lines of both Emgesa and other Enel Group companies in the Latin American region, whose purpose is to promote regulatory implementation in the ancillary services markets, it was possible to carry out the first cycle of workshops on ancillary services together with the World Energy Council - Colombia. This cycle comprised three virtual sessions, with the participation of international experts on the subject, and of which the last session stood out with the presence of regulatory authorities from Colombia, Chile, Peru and Brazil, and the participation of close to 500 registered participants from more than 15 countries.

- After several months of approaches, and thanks to an internal analysis that allowed to see the opportunities that the decision would entail both for the Company and for the union and the enrichment of the regulatory discussion in the sector, in October Emgesa decided to return as a full member of the Colombian Association of Electric Power Generators (ACOLGEN).

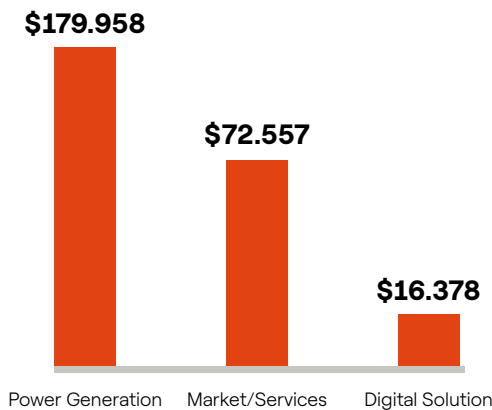
## Procurement and Supply Management

The procurement function aims to manage the supply chain from the needs of the business lines to the satisfaction of the customers, carrying out an operation with world-class performance to create value for the business, suppliers, customers and the human team.

### Key indicators

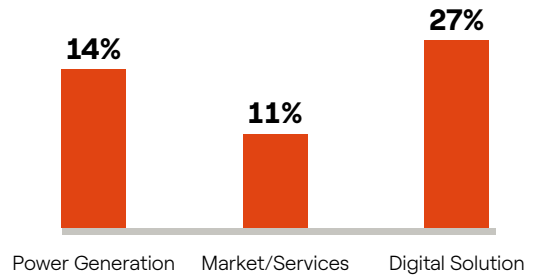
During 2021, contracts were awarded for a value of \$268,893 million, including generation purchases, general services and purchases associated with technology and information technology.

### Award volume by area



These purchases resulted in savings of 14%. This result was obtained from negotiations with suppliers, obtaining better market prices for the Company. The savings achieved are distributed by purchase portfolios as indicated below:

### Savings management



### Key achievements in 2021

- In 2021, a new methodology called Baseline was implemented, designed to define the base price of a service or supply, using a unique model to measure the efficiency and effectiveness provided by the purchase management.
- In June 2021, the Supplier Development Program was launched to link companies to strategic interest market groups that have a low number of qualified suppliers and to support the growth trajectory of local suppliers as a measure of economic reactivation and inclusion in the market.
- During 2021, as a result of the Talent Swap in Enel Colombia with a large supermarket company, the need was identified to create a CAP (Supplier Service Center) in order to improve the experience in the relationship with these partners. After analyzing the 47 points of pain expressed by 17 suppliers in a local qualitative market study, four working groups were formed in which 127 professionals from all areas of the Company participated. We were able to create a model with different lines of attention: self-management with a frequently asked questions portal, instructional videos for each process, a Chatbot and finally a mobile application. Progress was made in the integration of frequently asked questions and answers for the supplier, and in the Chatbot with 24/7 availability to answer supplier queries. Thanks to the model and the prototypes now in place, the project team was invited to participate in the Make It Happen global event and was the winner at the Pitch Day.
- 138 suppliers participated in the Suppliers Journey, Sustainable Supplier Day, an event aimed at collaborating companies to publicize and raise awareness of the importance of sustainability in the supply chain and supplier development, as well as to encourage participation in purchasing processes through the implementation of sustainability practices in their offers.



- A training program was carried out under the Aproximate scheme, which consists of a space for internal relations with the business units to inform them of the latest developments in the purchasing area. The activity was carried out in three sessions dedicated to each business line, with the participation of 141 people.

## Purchasing management

### Purchase of services for Power Generation

The following were some of the relevant processes contracted during 2021:

- Major Reconditioning Service of generation equipment and units of Hydropower Plants (Guavio, Guavio Menor and Bajo Rio Bogota). The service was awarded for three (3) years for a value of \$15,392 million, which has as scope the maintenance of equipment and systems associated to the power generation units.
- For the Llanos de la Virgen Irrigation District, El Quimbo Hydropower Plant, the following services were contracted: "Repair of piping to the conduction systems" and "Repairs, splices, tests and adjustments in the intra-predial system" for a total amount of \$9,449 million. The scope of this service consisted of the execution of the topography work necessary for the location, layout, inventory, stakeout and topographic control of the works to be executed, as well as the necessary adjustments to put the entire intra-predial area into operation.
- Execution of the Social Management Plan, social programs and projects of the environmental management plan and requirements of the environmental license of the El Quimbo Hydropower Plant, for a value of \$5,198 million, and whose scope contemplates the design of the prevention, correction, mitigation and compensation plans of the impacts, for whose execution the license is requested, and the evaluation of the impacts that may occur.

### Procurement of services and staff

Some relevant processes awarded during 2021 were:

- Design and remodeling service for administrative headquarters for a value of \$28,516 million.
- Procurement of the maintenance and cleaning service for Emgesa's administrative, commercial and operational offices for a total value of \$11,551 million and a period of three years. This contract involves the development of offices to have employees return to work with flexible attendance.

### Procurement for information systems and technologies

- Procurement of the application for automatic capture of the dispatch program, redispatches, automatic authorizations and others for Emgesa's generation park, issued by the National Dispatch Center. This new application was awarded for \$402 million, with savings of 8.11%.
- Supply of satellite voice and data plans for BGAN M2M / ISAT PHONE2 terminals. The supply of satellite voice and data plans for BGAN M2M / ISAT PHONE2 terminals compatible with the INMARSAT network are acquired as part of the contingency plans in case of failures in the cellular mobile network. These satellite communication plans were awarded for \$21 million, with savings of 11.44%.



# **3.** How we project ourselves onto the environment

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# Environmental management

Environmental management focused on the strategic objectives of Biodiversity, Innovation, Natural Resources and Decarbonization and Energy Transition (BIRD).

For each of these pillars, the main achievements for 2021 are presented below:

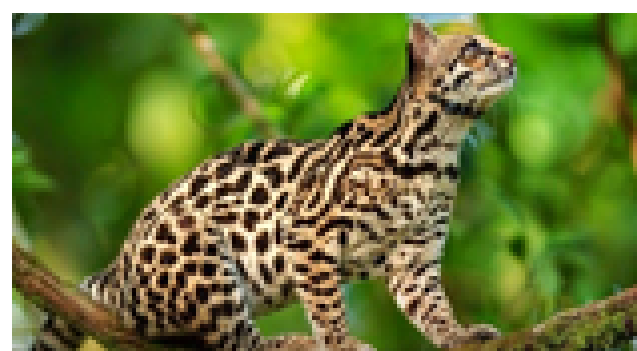
## BIODIVERSITY:

**El Quimbo Protected Areas:** through Res. No. 184 of November 26, 2021, the Ministry of Environment and Sustainable Development (MADS) and National Natural Parks of Colombia, registered as a Civil Society Natural Reserve, Cerro Matambo 3, with an area of 2,266.63 hectares. These 3,598 hectares, included in Colombia's National System of Protected Areas (SINAP), contribute to the country's conservation objectives. This reserve is the largest in the tropical dry forest ecosystem in the department of Huila and the second largest in Colombia, as well as the largest area undergoing ecological restoration in the country.

**El Guavio Protected Area:** Emgesa and CORPOGUAVIO began the process to declare the Los Farallones Natural Reserve a protected area. To achieve this, the Company has gathered the necessary information, meeting the parameters required by the Ministry of Environment and Sustainable Development, and based on a feasibility study it conducted in 2016. This study concluded that the area, due to its attributes and particularities, is suitable to be declared a Regional Natural Park. Now it is the Alexander Von Humboldt Biological Resources Research Institute that is in charge of issuing the concept on the favorability of the declaration.

**Protection and recovery of fauna:** as part of the Alto Magdalena Fish and Fishery Program, 1,618,000 fingerlings were repopulated in El Quimbo and 1,270,000 fingerlings of the species capaz, pataló, dorada, and bocachico in Betania. The IUCN list also includes the capa (*Pimelodus grosskopfii*). At the national level, the species bocachico (*Prochilodus magdalenae*), tarpon (*Brycon moorei*), amberjack (*Pimelodus grosskopfii*) and pataló (*Ichthyoelephas longirostris*) are listed as Vulnerable (VU) Critically Endangered. The restocking allows artisanal fishermen to carry out their normal activities and is in line with biodiversity protection. Fauna and flora monitoring was carried out in the area of influence of the Termostiza power plant, establishing a diagnosis of the ecosystems surrounding the plant,

and progress was made in the San Antonio de Tequendama Biodiversity Studies in the cloud forest ecosystem. During the forum "Mammal Friends of the Cloud Forest", held together with the Bochica School of Environmental Thought in San Antonio del Tequendama, the discovery of some of the species that inhabit it was announced. Among the recordings made with camera traps, the red-tailed squirrel, the black-eared chucha, the paca and a margay were found.





**Restoration Publications:** ANDI launched the book “Elevando la acción colectiva empresarial para la gestión integral del Bosque Seco Tropical en Colombia” (Raising Collective Business Action for the Integrated Management of the Tropical Dry Forest in Colombia), in which Emgesa participated as part of the technical team. In this publication, the Tropical Dry Forest Ecological Restoration Plan of the El Quimbo Hydropower Plant was presented as one of the successful business cases at the national level, to comply with the compensation of licensed projects through ecological restoration.



**CASALACO Bird Guide Publications:** A Guide for the identification of birds was built with the community, to strengthen the development of bird watching in the municipalities of influence of CASALACO’s generation plants.



**Actions with the communities in the areas of influence:**

**Betania:**

- Experiential virtual workshops on bird watching, drawing and painting for the recognition of biodiversity and the territory
- Identification of tree flora of the Ecological Trails around the Betania Reservoir (Yaguara Ecological Trail; Momico Forest Park Trail).
- Family Vegetable Gardens to promote food security and sovereignty in the municipalities of the AID Betania.
- Sensitization and awareness-raising of the community on the issues of biodiversity and climate change.

**Río Bogotá:**

- Strengthening of the environmental activities of the “Nacederos de Vida” (Hatcheries of Life) aqueducts.
- Reforestation day in the strategic ecosystems of the paramo of the Aguas Claras trail.
- Illustrated guide of birds in the villages of El Charquito, Alto de la Cruz and San Francisco (Soacha).

**Guavio:**

- Guavio Orchid Clinic
- POMONA ecoproject community nursery for the recovery, propagation and planting of species of horticultural, ornamental and conservation interest.
- Ecoproject for the management and use of solid waste in Mambita power plant.



## Innovation

The drone flight inspection plan was carried out as part of the BIRD strategy in the innovation line, for the improvement and optimization of environmental management and handling activities implemented in the thermal and renewable energy plants. The company also received recognition for the most innovative idea with the Fumigator Bird project, a periodic fumigation system to control vectors (mosquitoes) in the Muña reservoir and the Bogota riverbank.

## Natural Resources

**Closing of environmental liabilities:** The activities defined in the environmental license for the El Quimbo power plant were carried out, as well as the environmental management plans for the Cadena Pagua, Cadena Antigua, Cartagena, Betania, and El Guavio power plants, approved by the National Environmental Licensing Authority (ANLA), achieving the definitive closure of more than 377 liabilities at El Quimbo and Betania.

**Waste management:** Through the Zero Waste program strategy, the treatment, use and recovery of non-hazardous and hazardous waste generated at the thermal and renewable energy plants was carried out, with a percentage of more than 52%, in line with the established goals.

The production phase of the Waste Management software (WALL-D) began in the thermal power plants, and the implementation and configuration phase of the platform began in the renewable power plants, bringing the Betania and El Quimbo plants into production. The WALL-D platform makes it possible to keep an inventory of the quantities of waste stored and identify their characteristics for classification, labeling and subsequent disposal.

**PCB management:** The PCB sampling plan was carried out in the thermal and renewable energy plants to identify contaminated equipment, in accordance with the provisions of Resolution 0222 of 2011 with respect to the goals of marking equipment subject to inventory. Emgesa is above 60% of the target for 2020.

**Water resource management:** WAVE programs were established to optimize and reduce industrial water consumption in the processes of the Termozipa plants, making progress in the implementation of 100% of the project "Recovery of wastewater from the water treatment plant", which allows the reuse of water from washing filters in the reverse osmosis plant at the plant.

**Leak risk prevention:** To prevent the risk of oil spills, a plan was implemented to identify equipment containing used oil that is at risk of spilling, and action plans were implemented to prevent leaks.





### Environmental permits:

- At Termozipa, the renewal of the wastewater discharge permit was obtained and additional measures were implemented to control particulate matter emissions in the coal and ash yards.
- At Cartagena, the second stage of the industrial wastewater treatment system (neutralization and buffer tank) was completed. In addition, domestic discharges into the bay of Cartagena were eliminated through artificial wetlands.
- At Betania, the wastewater discharge permit for the Betania power plant was renewed by the Alto Magdalena Regional Autonomous Corporation.

**Atmospheric emissions:** The Company monitored NO<sub>x</sub>, SO<sub>x</sub> and particulate matter emissions from the Termozipa and Cartagena thermal power plants and the air quality in the surrounding areas, ensuring environmental compliance through projects such as: implementation and operation of low NO<sub>x</sub> burners, permanent control and monitoring of critical combustion variables, construction of a wind protection barrier in the coal yard, and monitoring and control of fuel quality.



## Decarbonization And Energy Transition

As part of its commitment to the circular economy, the Cartagena Power Plant sold demineralized water as a by-product of its internal processes to companies in the region.

## Environmental regulation

There was active participation in the different environmental and related public consultations published by national, regional and local entities. This participation allows the construction of a regulation that is balanced with the reality of the sector so that, in practice, it can be applicable.

There was active and articulated participation in the management of issues relevant to the sector from the environmental point of view. In this sense, different actions were developed on issues such as management of equipment with PCBs, forestry related to public services infrastructure, preventive archeology and fortuitous findings in projects, works and activities, articulation and implementation of the National Strategy for Circular Economy and improvement of environmental administrative processes and procedures. In addition, we addressed issues such as the secondary use of reservoirs, environmental flow in energy generation projects, positioning with respect to the national system of tradable emission quotas and the Comprehensive Climate Change Management Plan for the mining and energy sector.

The relationship with environmental authorities in the area of influence was consolidated, achieving work and joint construction spaces with entities such as the Regional Autonomous Corporations, National Authority of Environmental Licenses, Governors and the Colombian Institute of Anthropology and History - ICANH, with which it has been possible to make significant progress in the development of the administrative processes with these entities, for the purpose of advancing the projects.

Emgesa is a key player in the development of initiatives and actions regarding energy transition and the development of actions to mitigate the impact of emissions and the improvement of air quality. In 2021, the company worked on gaining an ally to update the Energy Transition Route (RTE) of Enel Colombia for 2020, which can be nurtured with the ambition challenges posed by the COP27. The ETR is a study conducted based on technical and economic information to understand emission reduction scenarios, the result of which are the necessary recommendations for the country to achieve the objectives of the Paris agreement.

## Comprehensive Climate Change Management Plan

In order to advance in the regulation of the Nationally Determined Contribution (NDC), in 2021 the "Climate Action Act" was issued with the purpose of regulating the NDC goals and some other aspects such as greenhouse gas inventories of the country's industrial sector. The NDC also raises for the first time the need to elaborate the Strategy for the Just Transition of the workforce to a resilient and low carbon economy.

In this sense, Emgesa, as a company of Enel Colombia, launched its first comprehensive Climate Change Management Plan, to identify, evaluate, prioritize, define and update goals, measures and actions for adaptation and mitigation to reduce vulnerability to climate change and the promotion of a low-carbon development, as well as to measure and document the performance in terms of climate change. This initiative is developed under four key strategies:

- Climate partnerships
- Emgesa joined the Carbon Neutral Electricity Sector Alliance of the Ministry of Mines and Energy and the Carbon Neutral Colombia Program of the Ministry of the Environment and Sustainable Development.
- Mitigation
- Governance
- Adaptation

## Sustainability Management

Driven by the leadership of the Enel Group and by its strong public commitment to the global sustainable development agenda embodied in the 17 Sustainable Development Goals (SDGs), the Company understands sustainability as an umbrella that permeates the organization and contributes to the development of a sustainable business model that generates value in the long term, through the substantial alignment between the priorities and needs of stakeholders and the priorities in the Company's strategy.

With this approach, the Sustainability Plan 2021-2023 was updated; its objective is the generation of sustainable value in the long term, for which it takes as a starting point the contributions generated by the business to development and joins the global trends of decarbonization and electrification as structural pillars of the strategy.

## Evolution of the Creating Shared Value framework: We adapt to the peculiarities of business needs - the shared value ecosystem.

In 2021, the review and update of the Enel 211 Group's Creating Shared Value (CSV) policy and the new Innovability RACI was carried out to integrate sustainability into the businesses. The main opportunities arising from the update are:

- Facilitate Enel's Purpose through Shared Value, according to the pillars of the Group's Strategic Plan and the related Sustainability Plan.
- To build a common, simplified framework that takes into consideration the peculiarities of the business lines and countries
- Responding to the new needs of the external environment and to the critical issue posed by the pandemic
- Promote a just energy transition, human rights and equity in the communities.
- Enhance social innovation and inclusive business solutions across the Open Innovability® ecosystem.
- Driving inclusive business for vulnerable customers and stakeholders
- Find a "non-financial" evaluation model complementary to the economic impact assessment.
- Enhance sharing of practices and scale shared value creation solutions to solve community needs
- Take advantage digitalization opportunities for efficiency, data intelligence and integration with internal business platforms
- Encourage "proactive" and storytelling communication.

In line with the Creating Shared Value (CSV) policy and as part of stakeholder relationship management, below we present the main initiatives and actions that contribute to the fulfillment of the SDGs and therefore to the improvement of the quality of life of the communities where we operate:

## Projects that contribute to SDG No. 4: Quality Education

### Good energy for your school

The Good Energy for your School program contributes to the quality of education through the reduction of electrical risk and the improvement of the infrastructure of public educational institutions, with social inclusion criteria. In 2020, 1,743 children and adolescents in nine educational institutions in eight municipalities in the departments of Cundinamarca (municipalities of Ubala, Gachala, Tocancipa, Granada, El Colegio, San Antonio del Tequendama) and Huila (municipalities of Hobo and Cam-poalegre) benefited. In the case of the Department of Huila, the Enel Colombia Foundation contributed more than US\$11,500.

Region	Municipality	Educational Institution	Beneficiaries
<b>El Guavio</b>	Gachalá	IE Baldomero Sanín Cano – Sede jardín infantil - IE Boca de Monte	150
<b>Rio Bogota Hydropower Plants</b>		IE Pradilla – Sede Antioqueña	34
		IE Pradilla – Sede Paraíso	35
<b>Rio Bogota Hydropower Plants</b>	San Antonio de Tequendama	IE de Mariano Santamaría – Sede Simón Bolívar	75
<b>El Huila</b>	Yaguará	Ana Elisa Cuenca Lara – Sede Mirador	27
<b>El Huila</b>	Hobo	Roberto Suaza Marquínez sede Las Vueltas	29







There were two interventions in the El Guavio region, benefiting 126 children and adolescents in the municipalities of Ubala and Gachala.

### Environmental education in municipalities in the area of influence of the El Quimbo power plant.

193 actions were carried out to promote environmental awareness in the regions influenced by the El Quimbo Hydropower Plant, among which the following stand out:

- Trainings in the electricity sector by municipality.
- Environmental actions with communities and public and/or private institutions.
- Visits to promote environmental practices among resettled families
- Collective training for resettled families.
- Articulation between ecological groups and institutions.
- Advice and support in the formulation of projects for ecological groups.

### Center of Excellence for Rural Education (CEER) Sibate

In 2021 Emgesa was linked to the co-financing of the project for strengthening capacities in science, technology and innovation (CTEI) for the relationship school - rural context, through the appropriation and use of ICTs in the Romeral district of the municipality of Sibate, Cundinamarca. The project will benefit 10,334 students and families in the municipality with the provision, installation, assembly and improvement of educational environments for training in the transformation of dairy and fruit products, and the photovoltaic modules needed to light up these spaces.



### Energy incubators

In 2021, 11 vulnerable adolescents from the municipalities of Ubala, Gachala, Gama, Soacha, Sibate, San Antonio del Tequendama and El Colegio, continued with their higher education studies at Universidad Minuto de Dios, through the sponsorship of 70% of the total value of their university degree, in addition to a semester's economic support and psychosocial accompaniment in the development of their studies and professional practices.

### Educating through dance

Emgesa continued to support the program Educating through Dance, to promote values and good use of free time, mitigating psychosocial risks. In 2021, 30 children between 10 and 17 from the neighborhoods of Arroz Barato, Puerta de Hierro, Albornoz and Policarpa, undertook a process of comprehensive training in contemporary dance and participated in presentations, artistic exchanges and exhibitions in the communities.

### School kits

The Company increased the number of regions benefited and delivered 1,500 school kits and 70 electronic tablets to schools in Bogota, Medellin, Cali, Barranquilla, Cartagena, Bucaramanga, Neiva, Magdalena and Cesar, to strengthen educational processes. The backpacks were made from Enel's endowment clothing by people who were victims of the armed conflict. In addition, the kits contained a message for the students through a card designed and manufactured by people with cognitive disabilities.



## Computer donations

During 2021, Emgesa donated 241 used computer equipment in good condition within the framework of the technology renewal program to 12 beneficiary entities in Cundinamarca, Choco, Bolívar, Guajira and Cesar, within which are Municipal Mayors' Offices, Community Action Boards, NGO's, Educational Institutions, etc., from the municipalities of Ubala, Gachala, Gama, El Colegio, Sibate, San Antonio de Tequendama, Tocancipa and Cartagena. This initiative is part of the Enel Group's circular economy strategy and contributes to the vision of shared value, and contributes to SDG 4: Quality Education, 8: Decent work and economic growth, and 12: Responsible production and consumption.



## Construction of the Providencia Cultural Center

The Solidarity for Colombia Foundation built the Providencia Cultural Center, thanks to the resources received from several entities, among which the Enel Foundation and the Group's employees contributed more than \$90 million, as part of the "Helping makes us well" campaign developed in 2020 in response to the effects of hurricane Iota.



## SDG 7: Affordable and clean energy

### Lighting of community spaces

The Enel Colombia Foundation and the Un litro de Luz Foundation, continued in 2021 to follow up and install new solar luminaires, this year 15 poles were installed with their luminaires in the municipality of Soacha and El Colegio, in sports fields, parks and rural trails, for an inventory of 185

poles since 2018. Progress was made in the identification and prospecting of new points for the following year.



## SDG No. 8: Decent Work and Economic Growth

### Improvement of Ubala roads

Company machinery was provided for road maintenance in zone B of the municipality of Ubala, in more than 70 supports that benefited more than 1,500 people. This way, we contributed to the circulation of people and goods during the winter season.

### Coffee production chain

During 2021, the implementation of the agreement to strengthen the associative businesses of the organizations Asocafega, Ascamecol, Asopalmares and Asofincas continued. The focus was on the entry into operation of the business unit of community cherry coffee processing microcenters, and the standardization of their processes for obtaining quality dry parchment coffee.

An inter-institutional agreement was signed with the National Federation of Coffee Growers of Colombia and the municipality of Gachala to strengthen coffee plantations in the villages of the municipality of Gachala, install a drying silo in the Diamante area, and increase the number



of coffee growers and shady areas in the area neighboring the Murca micro power plant, for its entry into operation in 2022.

### Sustainable Production Systems in Ubala, Cundinamarca

The implementation of the sustainable production systems project began, together with the local partner Asogamu. This project benefits 43 families in the areas bordering the Guavio reservoir and near the Chivor river micro-basin. It allowed defining the most appropriate sustainable production system for the geography, infrastructure and needs of each family, among the following:

- Biodigesters - Production of natural fertilizer and biogas (10 families).
- Composters - Disposal of excreta and plant material for natural fertilizer (10 families)
- Home gardens - Food security (8 families)
- Water harvesting - Water supply (10 families)
- Silvopastoral systems - Cattle feed (4 hectares)



### Pomona Integral Community Center in Mambita, Cundinamarca.

An inter-institutional agreement was signed with the Municipal Mayor's Office of Ubala, for the donation of the land and infrastructure known as Pomona in the inspection of Mambita and the contribution of \$300 million for its improvement and operation of offices or premises, an event hall and a theater. More than 1,500 people will benefit from the cultural and economic development of these communities.



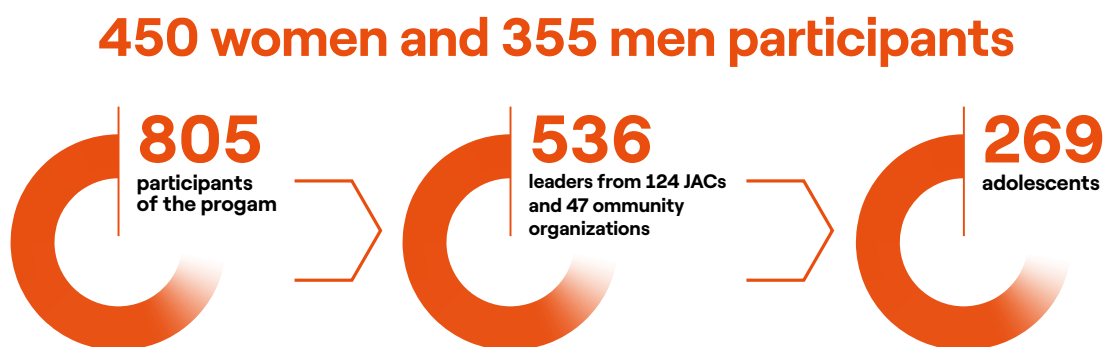
### Sustainable artisanal fishing

In 2021, fishing tools were delivered, and coastal cleaning and mangrove planting activities were carried out to stimulate the ecosystem and protect the coast from erosion. In addition, the exchange of knowledge and community empowerment were fundamental to strengthen this economic activity in the communities of the neighborhoods of Puerta de Hierro, Arroz Barato, Albornoz and Policarpa in the city of Cartagena.

## Together for the Boards

Together for the Boards, a training space for JAC, Social and Productive Organizations of the municipalities of Ubala, Gama, Gachala, Soacha, San Antonio del Tequendama, Sibate, El Colegio and La Vega in Cundinamarca, in towns with similar characteristics in terms of their precarious socioeconomic conditions and their difficult access to education, health, justice, information, formal employment, formal economies and free internet.

These training processes in adolescents and adults were executed through WhatsApp and Telegram for 16 groups of leaders and 8 groups of adolescents. Similarly, 515 of the participants received training through chatbots or WhatsApp groups, on gender, health, citizen participation and project formulation.



## Strengthening beekeeping in the Tequendama region

Together with the Santacruz Zoo Foundation, in the municipality of San Antonio del Tequendama, an agreement was signed to conserve and raise awareness about the protection of bees. In 2021, an apiary was established with five hives for demonstration and production activities and 10 local producers interested in learning about the activity were identified. Zoo personnel were also trained in technical beekeeping topics and collected information to systematize indicators, in order to offer training to producers in the region on these aspects.

## Teenage mothers' scholarship bank

The Company continued with its Scholarship Bank for Teenage Mothers in the District of Cartagena. Through this program, a group of young mothers can complete 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 2021, five new young women began their cycle of comprehensive intervention, in addition to five children and fifteen family members of the young women involved.

## Strengthening beekeeping activities in the Municipality of Garzón, Department of Huila.

An agreement was signed with the beekeepers' association Asoapis, in the municipality of Garzón; this organization is made up of 53 members, most of whom are senior citizens. The Company loaned 170 hectares of land adjacent to the reservoir, located in the municipalities of Altamira, El Agrado, Garzón and Gigante.

This initiative creates shared value, since the Association supports the Company with the protection of the land and Emgesa supports the Association's processes to diversify its products (propolis, pollen, royal jelly, waxes, and wine processing) and be able to produce 180 tons of honey in 2022. In addition, it seeks to favor the environment through pollination and plant reproduction and indirectly benefit approximately 300 people.

## Cacao Effect

With the participation of Emgesa, together with the strategic partners United States Agency for International Development (USAID), Luker Foundation, Luker Chocolate, Saldarriaga Concha Foundation and Eafit University, we held the Strategic Planning Committee and closed the 2021 activities of the Cacao Effect project, whose objective is to strengthen the cocoa production chain and living conditions in Bajo Cauca, Uraba, Tumaco and the central-south zone of the department of Huila. The total cost of the





project is US\$6,921,179. Enel's investment in the project, represented in kind (land on loan) is US\$259,778.

During 2021, 170 hectares were rehabilitated in Huila, reaching 100% of the execution goal, and 208 hectares were planted, representing 95% compliance, for a cumulative total since 2019 of 590.8 hectares rehabilitated and 340 planted. Productivity stood at 306 kilograms per hectare, and with respect to cocoa sales, the department had an advance of 106%, reaching \$1,384,163,146, impacting 394 producer partners.

The activities include training in leadership and management tools, which strengthen the Organizational Capacity Index (ICO). And we managed to train since 2019 more than 500 women in entrepreneurship with a gender approach. In the last year, 314 of them participated in 35 workshops in significant training cycles, and 59 kits were delivered to them.

### **Municipality of Tesalia**

The project "Strengthening the production and marketing of cherry tomatoes through protected crop technology in three associations: Agroprosur, Asocapa and Asosanjosé, in the municipality of Tesalia, Department of Huila", which is projected to directly involve more than 90 beneficiaries of the respective associations, for an estimated time of five years.

The investment for this project is \$105,476 dollars, and Emgesa's contribution is \$54,031 dollars, equivalent to 51%.

### **Municipality of Paicol**

The project for the "bovine genetic improvement, to strengthen the productive capacities of 100 small and medium cattle breeders, through the program of science, technology and agricultural innovation for peace, in the municipality of Paicol-Huila" was approved and is projected to begin in the first half of 2022.

This project will have an investment of \$200 million and consists of the delivery of pregnant recipients through bovine embryo transfer. In addition, technical support will be provided for the management of the cows and the genetically improved offspring to be born.

### **Sustainable tourism-El Quimbo**

A training workshop was held with the group La Bruja en Ambiente, from the town of La Jagua, municipality of Garzón, on the requirements of the camping sites that can be developed on the land given on loan by the Company, as an alternative activity to the development of the forest nursery project.

### **Resettlements-El Quimbo**

The Company consolidated 89 productive projects related to the production of cocoa, passion fruit, pineapple, coffee and livestock, which enabled households to earn more than two times the legal minimum wage. On the other hand, Emgesa executed the commitments acquired in the Environmental License and in the Act of Compensation to 46 families in the process of compensation, of the resettlement program, with the closing of the measure.

39 families have completed the two-year period of monitoring the management of the productive projects, and are preparing for the report on compliance with the compensation measure. The Company continued to accompany two families that completed closure in a period of no more than two years.

In 2021, the Company accompanied the associations of users of the Asosanjosedebelen and Asonueoveracruz irrigation districts in the process of handing over the irrigation systems. The formal closure of the accompaniment to Asosantogopalacio was given, highlighting the achievements made during the last six years in terms of organization, formalization and operation, both of the irrigation district and the association, which is now self-sustainable.

## Irrigation Districts–El Quimbo

### Nueva Escalereta Resettlement (Altamira)

In Nueva Escalereta, 53 km from the El Quimbo Hydro-power Plant, management continued with the Rancho Espinal receiving community, to define the signing of the permanent easement that will allow reactivating the construction works of the La Pescada irrigation district, in Llano de la Virgen, which will irrigate the productive projects to be implemented with the families of the resettlement, as well as the completion works of the viaduct.

Between 2015 and 2020 additional agreements and investments were made with Asollanos, in search of agreements, achieving in 2021 to agree on the access to the intake, under the accompaniment of the Ombudsman's Office, different areas of the company, and representatives of Asopescada. Follow-up meetings have been held involving the Rancho Espinal community and the resettled population, providing continuous monitoring and compliance with the agreed commitments.

### Nuevo Balseadero Resettlement (Garzón)

In this resettlement, the Asosantogopalacio irrigation district was accompanied in the legal proceedings before the Rural Development Agency (ADR) and DIAN. Evaluations and follow-up of the Organizational Capacity Index (ICO) were carried out, two advisory services were provided to the Board of Directors for the application of internal regulations to users, and the closing of the accompaniment of the association's activities was carried out, having achieved self-sustainability.

### Nuevo Veracruz Resettlement (Gigante)

We continued with the maintenance of the Asonueoveracruz irrigation district and provided organizational su-

port related to procedures, advice, work and operation follow-up, in addition to the evaluation and follow-up of the Organizational Capacity Index (ICO), making progress in the negotiations for the delivery of the infrastructure.

### San José de Belén Resettlement (El Agrado)

In Asosanjosedebelen we followed up on the irrigation district works. We also supported the maintenance work of the system, gave advice on procedures and organizational aspects, as well as on the evaluation and follow-up of the Organizational Capacity Index (ICO), making progress in the negotiations for the delivery of the infrastructure.

## Give your endowment a second chance:

The objective of this project is to transform the endowments of employees and collaborating companies, which are no longer in use and are in good condition, into new items, such as backpacks for different foundations that serve children in vulnerable populations, within the framework of the Solidarity Gift project.

Through an internal campaign, we were able to collect more than 600 garments, including shirts, jeans and jackets, to be transformed by survivors of the armed conflict, through the World Corporation for Women, from which the Company purchases the products.





## SDG No. 11: Sustainable Communities and Cities

### VITAL (Life, Innovation, Technology, Clean Water)

In partnership with the Siemens Colombia Foundation, and with the support of Empresas Públicas de Cundinamarca, two water purification filters were installed, benefiting more than 600 students at the El Vino Rural Educational Institution in La Vega, Cundinamarca, and 250 inhabitants of the Las Alegrías aqueduct in the municipality of La Cadera, Cundinamarca.

In addition, as part of this program, three healthy hydration points and a filter were installed at the Santacruz Zoo Foundation, so that visitors can refill their water bottles and for the zoo's own activities, such as the use of water for animals that are in the clinical phase and require drinking water for their handling.

The filters installed in the educational institutions and aqueducts will eliminate 99.9% of viruses and bacteria, which is expected to improve the quality of life of the student community in the areas of influence.



### Agreement for improvement tertiary roads signed between Emgesa and the municipality of El Colegio - Cundinamarca

Emgesa signed an agreement with the municipality of El Colegio - Cundinamarca to improve 16.34 km of tertiary roads, 4 km in asphalt and the remaining 12.43 km in road-way shaping, patching and sealing of cracks in asphalt pavement. This intervention will facilitate the mobility of the inhabitants of all the villages adjacent to the operation of Emgesa's Hydropower Plant.

During the second half of 2021, the Municipality of El Colegio, through the Secretary of Infrastructure, made progress in the intervention of the first 1.5 km asphalt stretch in the Paraíso sector.

### Donation by Emgesa of the Brasilia property for a housing project under construction by the Municipality of El Colegio.

In 2021 the Municipality of El Colegio (Cundinamarca) began construction of the social housing project "Mi Casa Ya" (My House Now). This project is being executed in the Brasilia property in the Francia district, donated by Emgesa to the Municipality, and has an area of 63,351 m<sup>2</sup>. It will benefit 920 families, with the construction of 46 five-story towers with four apartments per floor, in addition to their common and social areas.

### Risk and environmental management program in the communities of the area of direct influence of Emgesa - Cartagena Power Plant

The program benefited at least 233 people in the neighborhoods of Puerta de Hierro, Arroz Barato, Albornoz and Policarpa in Cartagena de Indias, through environmental culture actions to improve living conditions.





## No. 13: Climate Action

### 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, about 52,700 trees have been planted in compensation for the activities of the Companies. With the support of entities specialized in conservation and biodiversity, more than 200 species of fauna and flora have been identified in the Renace Forest, including species classified internationally as vulnerable or critically endangered.

One of the latest commitments made by the Companies as part of their contribution to the restoration of the forest was to join the National Government's initiative, "#SembrarNosUne", which aims to plant 180 million trees between 2020 and 2023.

The Enel Group companies in Colombia planted 50 trees in the Renace Forest as a tribute to the workers, their families and loved ones who were victims of COVID-19. This activity is framed within the strategy led by the Ministry of Environment that will establish the "Bosque La Esperanza, a tribute to those killed by the pandemic" and joins the national strategy that will plant 180 million trees by 2022.

On #GlobalBigDay2021, bird watching days were held for various birds such as owls, sparrows, hummingbirds, woodpeckers, swallows and blackbirds. The goal is to collect information and share it for the dissemination of science, conservation and education.

For the second half of the year, after the approval of the respective biosafety protocols, the program of visits to the forest was resumed, with 107 visitors.

## Other Sustainability Initiatives

### Volunteering

Through corporate volunteering, employees use their time and knowledge to support several economic, social and environmental causes. In 2021, 614 employees participated, benefiting 1274 people, through the following actions:

- **Excel training:** 46 volunteers trained students from the Arborizadora Alta school in basic and intermediate Excel.
- **Vocational experiences Educating with Energy:** a space for the exchange of vocational experiences was held with 175 adolescents from the Delia Zapata school in Bogota. This action was articulated with the program Educating with Energy, of the Enel Colombia Foundation and the Organization of Ibero-American States OEI.
- **S.O.S. Mentoring:** 15 volunteers from Emgesa and Enel in Mexico, Italy and Guatemala, as well as 17 volunteers from other entities such as Minuto de Dios Corporation and Accenture, carried out a 35-hour mentoring process that strengthened the skills and competencies of 33 entrepreneurs in Colombia. This initiative was carried out in partnership with Youth Business International and its local partner Corporación Minuto de Dios Foundation.
- **Celebration of special dates:** in coordination with Fundación Talleres Esperanza and a group of 18 volunteers, we celebrated the Day of Love and Friendship to share and create greater understanding of intellectual disabilities.
- **Adopt an Angel:** in partnership with Corporación El Minuto de Dios, 752 Christmas gifts were delivered to children and adolescents in Bogota and Madrid Cundinamarca. Employee contributions benefited 212 people, children, adolescents and senior citizens in Cundinamarca (Ubate, Mambita, El Colegio), Cesar (El Paso) and Huila (Garzón, El Agrado).

### Salto del Tequendama House Museum Partnership

Emgesa and the Granja Ecológica El Porvenir (GEP) Foundation, owner of the Casa Museo Salto de Tequendama, executed an agreement to promote environmental awareness and preserve the historical and cultural memory in the Salto del Tequendama area.

Given the contingency caused by COVID-19, which put the sustainability of the project at risk, Emgesa supported the Casa Museo in maintenance activities of the building built nearly 100 years ago.

In 2021, the operation of the Museum continued, interrupted only by the closures ordered by the Government.



Approximately 15,000 visitors were able to see and enjoy not only the details of the building but also learn more about biodiversity and culture.

### Sustainability in the supply chain

In order to promote sustainability and the Creating Shared Value approach, in 2020 the implementation of the K Sustainability criterion, designed to be evaluated in tenders for the purchase of products and services, continued.

The K Sustainability allows to identify in the bids, the candidates to suppliers with greater development and commitment to sustainability issues. This criterion is applied according to the characteristics of each process: type of service, economic value and impacts, and evaluates five pillars: 1) Corporate policy; 2) Development and inclusion for employees, 3) Community management, 4) Certifications and 5) Circular economy.

In 2021, the application of K Sustainability in bidding processes was strengthened. This process has deepened in generating proposals to promote the circular economy, the linkage of local labor, the purchase of goods and services in the communities of the area of influence, the development of social projects in communities in areas of influence and strengthening of corporate policy, associated with sustainability, in suppliers.

This is reflected in the 124 contracts in which sustainability criteria were included for the selection of bidders, of which 13 had at least one criterion of circular economy, 111 had included a criterion of community management and an additional one of development and inclusion for employees.

### Sustainability Report 2020

The Company's 17th Sustainability Report was published, thus completing more than a decade of transparent and responsible exercises of accountability to its stakeholders. The report was prepared under the parameters of the Global Reporting Initiative (GRI) – New Standards, and the specific sector supplement for the electricity sector. The document was verified by the auditing firm KPMG, and achieved the "Advanced CG" in the Communication on Progress of the Global Compact, complying with the ten principles to which the Company has adhered since 2004.

### Human Rights

In 2013, the Enel Group formally stated, for the first time, its commitments and responsibilities regarding human rights, and in particular those applicable to its business activities and corporate operations. This was achieved through the adoption of a policy developed on the basis of the approach indicated by the United Nations in its "Guiding Principles on Business and Human Rights". The previous document was updated in 2021 to include:

- The evolution of the regulatory framework, considering, among others, the European Union taxonomy which aims to classify which economic activities and investments can be considered sustainable.
- The evolution of the financial market, also in light of the increased attention of analysts / ESG indices to risks related to how companies manage human rights both in terms of public engagement and implementation of due diligence processes.
- The evolving operational, organizational and management context of the Enel Group.

The activity was carried out through a consultation process involving international experts, non-governmental organizations and other companies and was conducted by a cross-functional working group within the Group. The policy identifies 12 principles classified into two macro-themes: labor practices, and community relations and society. It also establishes how environmental degradation and climate change are intertwined with human rights, since the implementation of measures to mitigate their effects will only occur if their social impact is taken into account.

## Global Compact Network Colombia

Coordination and synergy meetings were held with the Global Compact communications team and the Company participated in the annual congress: SDGs from Climate Change and education to meet the 2030 sustainability agenda, with the conference "Enel Group Strategy in Colombia for Climate Action" by Paolo Dagher, Sustainability Manager.

In addition, and within the framework of the Congress, the Network recognized the Company's good practices in sustainable development in 16 of the 17 SDGs, and a special category for Human Rights. It also made a special recognition in gender equality and to the good practices of sustainable development of PACTO GLOBAL for SDG 15 for the Enel Biodiversa project - Ecological restoration plan of El Quimbo Tropical Dry Forest.

## Biodiversity - Enel Biodiversa

In 2021, the Company integrated into the Enel Biodiversa initiative, the biodiversity actions it has been developing for 14 years on issues of: protection of the environment and natural resources, the fight against climate change and the contribution to sustainable economic development. Enel Biodiversa is a long-term, cross-cutting strategy based on four strategic pillars: conservation, restoration and protection; creation of shared value; communication and visibility; and knowledge management.

In the process, 80 initiatives and projects were identified that respond to the strategic pillars, working with more than 20 strategic partners. In addition, close to 1,000 species of fauna and flora have been identified and protected.

The ENEL Biodiversa - El Quimbo Tropical Dry Forest Ecological Restoration Plan received recognition in 2021 for good sustainable development practices from PACTO GLOBAL for SDG 15.

## Comprehensive Climate Change Management Plan

As part of the Enel Group's Strategic Plan for Decarbonization, and in order to measure and document performance, evaluate compliance with its own goals (global and local) and respond qualitatively and quantitatively to stakeholders, in 2021 the Company created the Comprehensive Climate Change Management Plan (PIGCC), whose main objective is to identify, evaluate, prioritize, define and update adaptation and mitigation goals, measures and actions to reduce vulnerability to climate change and promote low-carbon development in the Enel Group's companies in Colombia. The plan has four strategic pillars: mitigation, adaptation, climate partnerships and governance. For more information on the PIGCC, please refer to the Regulation chapter.



## Circular economy

The Enel Group understands the importance of a sustainable economic model as an enabler of the country's development, for this reason it decided to redesign its development model to orient it towards a circular economy approach, based on six main approaches: a) Repair and improvement; b) Repowering; c) Water management; d) Waste management; e) Platforms/equipment/shared buildings; and f) Circular entries.

Within Emgesa in 2021, progress was made in specific projects, among which the following stand out for their important environmental and circularity benefits:

Circular inputs (renewables, reuse, recycling):

- Rainwater harvesting and reuse of wastewater: 515 m<sup>3</sup>/year of water harvested.
- Electronic billing for large customers: 0.5 tons of paper saved per year.

Shared use (increased usage rate through shared use/access/ownership):

- Sale of demineralized water: 4,234 m<sup>3</sup>/year of water treated and sold to industrial processes.

New life cycles (maintaining value through remanufacturing, reuse and recycling):

- Filter-pressing of hydraulic oils: 20,163 gal/yr of treated oil.
- Sale of materials and components from retired major equipment (transformer and stator): 189 tons of copper recovered and sold.
- Management of usable waste (scrap metal, batteries, oils, lighting waste, obsolete wiring): 431 tons of residual materials from the operation recovered.
- Use of biomass removed from reservoirs: 70,000 m<sup>3</sup>/year of recovered waste.

The document "Enel Colombia's Vision and Position in Circular Economy" expands on this information and the perspectives proposed to increase circularity in the following years.

## **Stakeholder relations management – incidents with communities**

### **Working groups for conflict resolution – Municipality of El Colegio**

In view of the blockades carried out by the communities regarding the progress of the tertiary road improvement agreement signed between Emgesa and the Municipality of El Colegio, the Company respected the protest option and promoted dialogue channels. Thus, four working groups were held to create solutions in aspects of: infrastructure – tertiary road improvement agreement, provision of electricity service, environmental issues, and social issues.

Opportunities were identified to create value, and agreements were reached regarding the start of works to improve the tertiary roads adjacent to the generation plants, an agreement financed by Emgesa and whose executor is the Municipality of El Colegio; investments to improve the electric power distribution infrastructure by Codensa; and the execution of social projects, mainly infrastructure projects in the villages adjacent to the operation.

## **El Quimbo Hydropower Plant**

### **Blockade against the development of works of the La Pescada Irrigation District, municipality of Altamira, by the receiving community of Rancho Espinal**

In 2021, the receiving community of Rancho Espinal, municipality of Altamira, persisted in blocking the entrance to their lands, preventing the reactivation of the construction works of La Pescada Irrigation District, whose operation is necessary for the implementation of the Agricultural Productive Projects of 61 families resettled in Llano de la Virgen.

Accompanied by the Ombudsman's Office and the Spokesperson of Altamira; delegates from the areas of sustainability, infrastructure, institutional relations of Enel-Emgesa; and the social operator, different roundtables were held with the participation of representatives of the organizations Asollanos, Community Action Board de Llano de la Virgen and Rancho Espinal Aqueduct.

As a result, on September 15, an agreement was reached for the formalization of the perpetual easement for shared access to the intake, located in the La Pescada stream, during and after the completion of the works, and the company agreed to carry out some actions requested by the community of Rancho Espinal, for the improvement of its irrigation district and rural aqueduct.

This is a major milestone, since the access for the completion of the 120 m. viaduct and the irrigation district in general, will allow the continuity and fulfillment of the pending socioeconomic activities to be developed with the families resettled in Llano de la Virgen.

### **Resistance of artisanal fishermen of Puerto Seco, municipality of Gigante, to participate in the Fishery and Fishery Management Program.**

During the first 9 months of 2021, the artisanal fishermen of the Puerto Seco sector, in the El Espinal district of the municipality of Gigante, refused to participate in the activities carried out within the framework of the Fish and Fishery Resource Management Program, arguing nonconformities and employment needs, limiting the intervention of Enel-Emgesa.



However, thanks to the sensitization and mediation of the company's professionals, it was possible to establish agreements that allowed, in October, to reactivate their cooperation for the fish tagging process, as well as to resume the hiring of a fishing assistant, in charge of continuously monitoring the fishermen's catches. Among the commitments acquired with this population is the turnover of the hired person, benefiting the local labor force.

### **Temporary blockade of subsistence miners at the entrance to the authorized extraction point for beach material in the municipality of El Agrado.**

On December 9, about 50 subsistence miners, originally from the municipalities of Garzón, El Pital and El Agrado, blocked for approximately two hours the entrance to the authorized point of extraction of beach material, located in El Agrado, due to their disagreement with the applicability of Act 1955 of 2019 of the Ministry of Mines and Energies, which states that, in order to access the authorized material extraction polygons, one must be attached to the corresponding municipal mayor's office.

According to preliminary information obtained by Enel-Emgesa, through the land inspectors, these miners wish to work in different polygons, regardless of the municipality where they are registered, which is inappropriate according to the aforementioned Law. The protesters decided of their own free will to leave the area, without the mediation of the company's professionals being necessary.

## **Relations and Communication**

### **Institutional relations**

The Institutional Stakeholder Relationship Policy was updated in 2021 and its deployment led to the Model of Trust and Value with Institutions - PL 1118. This policy establishes guidelines for the development of the relationship with institutions through commitment, transparency and legality, always seeking to maintain the good name and positioning of the Company.





During the year, training sessions on the Policy were held with employees throughout the Company, with the development of five workshops and a webinar, covering 10 managements and more than 220 internal participants.

The actions were aimed to the adequate and effective management of the strategic issues of the business lines, established in the Institutional Agenda 2021, through interaction with institutional stakeholders. The following relevant events are highlighted:

- **Legislative front:** The exploration and follow-up of more than 40 legislative initiatives of high impact for the Company was carried out with the support of the trade associations. We also followed up, monitored and analyzed Bills of Law and Draft Agreements, as well as relevant regulations.
- **Department Government of Cundinamarca:** The relationship with the Government gained value thanks to the rapprochement and articulation of other issues of interest and on which it is necessary to strengthen communication with the municipalities.
- **Works for Taxes:** We facilitated the implementation of projects under the Works for Taxes mechanism, adopted by the Company.
- **Circular Economy:** Actions were developed in coordination with public institutions at different levels for the promotion of the circular economy.
- **Biodiversity:** Stakeholders were defined, articulated and prioritized nationwide and in Bogota, for the development of the strategy of dissemination and positioning of the Enel Biodiversa strategy, through institutional management.
- **Relations with Huila and El Quimbo commitments:** A short and medium-term strategy was prepared and executed to address the problems and relations with national, regional and local authorities. The National Government led actions and advocacy in the National-Territory articulation scenarios and the analysis of political relations for the approach with public institutions was carried out.
- **Renewable generation projects in Guajira, Cesar and Atlantico:** the implementation of the institutional relationship strategy was carried out, with the required adjustments, for the Department and the relationship with national and regional authorities was consolidated, in order to solve problems with the communities and situations of the current situation.

## Communication management

### Internal communication

In this second year of pandemic, the internal communication channels in Colombia were consolidated as the main tools for information and alignment of Emgesa's corporate measures to promote the health and safety of workers, as well as the continuity of the energy service.

The channels remained in 100% digital formats; therefore, efforts were focused on continuing to provide immediate information and generating attractive content that kept workers connected with the corporate strategy and culture from their work mode (from home, the office and the operation).

Differential campaigns and dissemination plans were also developed. Enel Days migrated to a digital experience, resulting in more than 3,500 visits with an average duration of 43 minutes to the digital event in Colombia.

Among the campaigns that stood out the most in 2021 is the **Ethics Week**, in which through a live show type virtual event and three pedagogical capsules, workers identified the importance of the Zero Tolerance Policy with Corruption, apply it and act ethically and transparently in different corporate and everyday situations; obtaining 600 connections, 400 interactions, 77 likes and more than 1,500 views to the contents.

Another of the campaigns highlighted was **#YoMeVacuno**, which had three objectives: to ensure understanding of the pros and cons of vaccines, their advantages in the face of the health crisis and promote vaccination through the health system; to promote the updating of vaccination and health status of personnel; and to mobilize workers, family members and contractors to have their vaccination schedule completed. The campaign supported the partnership achieved with ANDI **#EmpresasPorLaVacunación**.

The campaign **Lo Mejor de Enel es lo Mejor de ti** was also developed, which seeks to raise awareness, educate and inform employees about the importance of building reputation. Also, the R Community was created, a team of 34 people from the different business lines who, through their relationship and knowledge of the projects, identified actions that contribute to building reputation in the different stakeholders of Emgesa.

The **Digital Experience Week** was also held, in a 100% virtual format, focused on the energy transition strategy, where more than 1,300 workers with their Avatar met in a

Convention Center to tour five spaces that recreated the projects that contribute to the electrification, urbanization, decarbonization, people and digitalization pillars.

It is also worth mentioning the **Innovability Week**, an initiative in which more than 700 people from Enel in Colombia, Chile and Peru were connected to a virtual environment for a week in which they learned about the importance of innovation in processes and how the Circular Economy can be merged with these to create new possibilities.

Finally, another highlight was the 2021 Leaders Meeting, an event that made the Company's leaders aware of what the gentle leadership proposed by Enel means and the importance of evolving to this model.

The new formats had a positive impact on the receptivity of internal communication channels: firstly, the webinar It's time to connect was highlighted, with seven editions and more than 1,700 attendees on average. Secondly, the *Entérate* daily newsletter, in which an average of 4 to 5 news items were issued daily. In third place, the corporate email of Internal Communications Colombia, which was activated at times of high interest, for the dissemination of campaigns and immediate updates. And fourthly, the Intranet, which maintained its readership at 86%.

## Media

In 2021, one of the most important announcements for the Company was made: the transforming partnership with Grupo Energía de Bogotá (GEB), which in 2022 will mark a new milestone with the birth of Enel Colombia. Nearly 450 news items were published on this topic. Of these, 94% were positive and 63% were published in the country's main media. Thanks to this, Enel companies in Colombia strengthened their reputational positioning in the leadership dimension.

During the year, 54 Emgesa press releases were sent, which generated more than 515 publications in the media and a return on investment (ROI) of approximately \$4.6 billion in free press. *El Tiempo*, *Revista Semana*, *La República* and *Valora Analitik* were some of the national media that covered the Company's news.

The content with the greatest media coverage was the inauguration of the first Large Scale Storage Battery System (BESS) at the Termozipa Power Plant, for which a hybrid press conference was held with the attendance of the Minister of Mines and Energy, Diego Mesa. This news generated 65 publications in the media, representing an ROI of more than \$860 million in free press.



The decision to inform the media about the controlled opening of the gates of the El Quimbo Hydropower Plant stands out. The purpose of this was to boost the reputational dimension of transparency and ensure that regional journalists and, therefore, the community, had the necessary information to implement the relevant preventive measures. With this content, 44 neutral publications were generated in the media.

We also highlight the press releases on the vacancies available for internship students (48 publications in total) and the sustainability activities in favor of the communities in the areas of influence. These include the provision of internet service in Huila, the agreement signed with Asogamu to increase sustainable production in Ubala, and the delivery of the Wimpeshi public water tanks under the Agua Guajira project, which guarantee access to drinking water for 3,000 Wayuu indigenous people. A press conference was held in La Guajira for the launching of the latter project, which is part of Emgesa's tax works, with the presence of the President of the Republic, Iván Duque.



On the environmental front, we had the launch of Enel Biodiversa, as well as some of its flagship projects: the progress of the Orchid Clinic in the province of Guavio and the recognition granted to the Ecological Restoration Plan of the Tropical Dry Forest of El Quimbo for its contribution to the Sustainable Development Goals (SDGs).

Finally, the financial results throughout the year evidenced the Company's good performance and robustness to continue guaranteeing reliability to the system.

## Digital media

The digital media strategy focused on contributing to the Company's positioning by increasing own-source content, according to the dimensions of the reputation model on which we have been working, with special emphasis on citizenship and supply.

Regarding content campaigns, Enel Biodiversa stands out, through which the initiatives and actions carried out by the Company in favor of biodiversity protection were made visible, generating 96 publications in social networks and reaching 225,000 users, with a total of 8,152 interactions. This demonstrates the good reception of environmental issues among the community.

In addition, the campaign *Emprende con Enel* was widely deployed in digital channels, with the purpose of convening entrepreneurs in five particular fields to support the economic reactivation process in the midst of the pandemic. It reached a total of 165,875 users, demonstrating the Company's commitment to contribute to the country's development amid the COVID-19 situation.

We also continued with the dissemination of topics associated with the projects and initiatives developed to contribute to the progress of the communities in the areas of influence, the different measures to contribute to the well-being and improvement of the quality of life of the Company's employees and the socialization of Enel's circular economy model.

LinkedIn had a growth in publications related to the services provided as energy and gas marketers, through which it was possible to reach 313,380 users, with a total of 2,721 interactions.

The contents published in social networks during 2021 reached a total of 3,132,005 users in all spaces; in addition, 11,980 interactions were recorded on Facebook, 2,974 on Twitter, 13,689 on LinkedIn and 12,413 on Instagram.

In turn, the website had a total of 49,690,648 views, which represented a YoY increase of 12%. The positioning of the corporate website in search engines was optimized, which allowed 48% of visitors to enter through organic searches



during 2021. The most visited topics in the stories section refer to digital transformation and sustainability issues, as they are contents focused on the self-management of needs and social impact on communities.

### **Brand management and content strategy**

In 2021, the Company's reputation indicator was 66.4 points (RepTrak® PULSE), up two percentage points from the previous year, and 3.17 points from 2019, indicating a sustained improvement both individually and in its competitive position vis-à-vis the energy sector. An overall increase of more than two percentage points was achieved in each of its component dimensions: performance, leadership, supply, citizenship, innovation, integrity and labor.

This result is due to the definition of a communication strategy that demonstrated a clear purpose, with a cross-cutting focus on sustainability, which prioritized the dissemination of projects aimed at: 1) improving the quality and reliability of service, 2) supporting communities to foster their development, 3) protecting and preserving the country's ecosystems through Enel Biodiversa, among other projects and initiatives. Furthermore, the announcement of the signing of a new investment framework agreement with Grupo Energía de Bogotá had a positive influence on the result.

The Company remained in the MERCOSUR ranking among the 100 companies with the best reputation in Colombia, ranking #74, climbing eight positions with respect to the previous year, and showing a clear rebound in its corporate leadership; it also obtained the #35 position in the Merco Talento monitor, which recognizes it as one of the best companies to work for in the country. Employers for Youth Colombia 2021 ranked it #33 among the best companies for young professionals, and #2 among energy companies.

In social responsibility, Emgesa received special recognition from the Ministry of Energy and Mines, which seeks to highlight the most significant experiences in the sector, for the Agua Guajira project, demonstrating its commitment to SDG 10 of Reducing Inequalities, by bringing drinking water to more than 3,000 Wayuu indigenous people, with the construction of a public battery that works with solar photovoltaic technology.

The Global Compact recognized the company for best practices in sustainable development in SDG 15 for the El Quimbo Tropical Dry Forest Ecological Restoration Plan. Finally, the Private Social Investment Index awarded it a place among the 25 companies with the best social investment practices and among the 11 companies with the best performance in the "Synapsis" category.

In terms of innovation, the ANDI ranked it #11 out of 340 participating companies, in recognition of its efforts to increase its capabilities in science and technology. The 100 Open Startups ranking recognized Enel as #1 in the sector and #5 in the country out of 100 companies selected, for its leadership in open innovation and its work with startups. In the CIER Innovation Awards, the Company received a place in the national phase with the Open Innovability platform in the "innovative platform" category.

In terms of diversity and inclusion, the Company received the Equipares Gold Seal recertification, which is the highest level of recognition in the process of certification of the Gender Equality Management System by the Ministry of Labor.

In terms of integrity and transparency, it received the IR 2021 recognition, a partnership between CESA and the Colombian Stock Exchange to promote best practices in information disclosure and investor relations, with a score of 91.4% out of 100%.

### **Events, sponsorships and public presentations**

To continue positioning the Company as the energy generation and sale benchmark, throughout the year we sought to participate in the most relevant scenarios of the sector and in those aimed at promoting the discussion and presentation of topics of interest to the Group, such as innovation, energy transition, clean energy, gender equality, circular economy, environmental protection and sustainability.



Participation in public scenarios and sponsorship contributed to the positioning of Emgesa as a company that creates energy solutions that faces the challenges of today and tomorrow with commitment to positively transform the lives of people through the development of their communities, companies and cities. The communication actions were aimed at reflecting a Company that is more human and open to people, and the preventive maintenance of generation assets in favor of quality and efficiency in energy generation.

Between sponsorships and public presentations, the Company was present in 50 scenarios.

Nine internal and external events were also held to support the disclosure and relationship needs of the areas with their different stakeholders, and nine other events of a transversal nature to help position the Group's strategic issues.

## Advertising

Between August and December 2021, an advertising campaign was developed in digital media in order to position Emgesa as the right partner for companies and generate qualified leads (potential customers) for the portfolio of products and services for the unregulated market: carbon credits, I-REC certifications and long and short-term gas contracts.

Five virtual webinars were also developed between March and November 2021 with a participation of 1,470 registrants, more than 1,620 people connected and 2,060 views. These virtual conferences were held with the aim of strengthening business relationships with current and future customers. This way, we continued to build a community interested in issues related to energy marketing in Colombia.

## Real-time communications

During 2021, real-time communication focused primarily on addressing, integrating and monitoring the situation of the health emergency caused by COVID-19, and supporting prevention and response actions in response to this situation.

In turn, adverse situations were addressed in accordance with the Company's Critical Event Management policy in Colombia. In addition, a case study of a crisis faced by an external company was developed to analyze the processes and experience and adopt best practices.





# **4.** **Internal management that yields results**

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# PERSONNEL MANAGEMENT

## Our people and their value

Emgesa seeks to foster a coherent and purposeful work environment, in which the attraction, retention and development of talent are reflected in the well-being of workers and teams, as well as in the Company's results. Thus, it deploys a model based on four pillars: people, organization and processes, spaces and technology, which promotes autonomy, self-management and the empowerment of people through gentle leadership.

The transformation to a liquid structure seeks to embark on a path of projects and innovations that will change the way of working, always putting people and service skills at the center, valuing proactivity and individual responsibility, in order to leave hierarchy aside, making way for a space where all talents can manifest themselves without fear and dignifying the role of women.

### PEOPLE

**Nurture talents through inclusive and results-oriented gentle leadership**

**Open Feedback Evaluation**  
New empowerment and evaluation system

**People Blooming**  
People in the right place (skills, attitude, passion)

**Empowerment Path**  
Managerial evaluation: strengths/weaknesses, attitude/motivation

**Succession Plan**  
Generational turnover, diversity, merit, mobility, gender

**Soft Leadership**  
New management model, gentle leadership

**Up-Skilling/ Re-Skilling/ External Skilling**  
Adaptation changes, skills development, dynamic environment

**Back to School**  
Present experiences and opportunities

**Women Network**  
Global community women (experiences, initiatives, needs, connections, innovation, etc...)

**Social Dialogue**  
Union negotiations, equal employment conditions

**Global Wellbeing Program**  
New welfare model (8 pillars)

**Inclusive Workplace - Bias & Harassment Training Initiatives**  
Respect, culture free of prejudice, harassment and discrimination

**Inclusive Workplace - Value for Disability**  
Culture of disability (physical and digital environment)

**School Academy**  
Skills, shared culture, accessible knowledge internal trainers

# PROJECTS

### Organization and Processes

**Simplification and less bureaucracy**

**Organizational Re-Design**  
Adaptive and flexible organizational model

**Procedures Simplification**  
Empowerment, reduction of bureaucracy, simplification of processes

### Spaces

**Spaces that support our new way of working**

**Wellness Oriented Spaces**  
Inspired spaces (hybrid work, wellness)

**Co-Working Spaces**  
Spaces that foster relationships and exchange of knowledge

### Technology

**Platforms, data-driven culture, collaboration analysis and well-being**

**Workplace Analytics**  
Dashboard, collaboration (Microsoft), privacy

**New Routine Training for the Hybrid Work**  
Collaboration in the hybrid model, increase in digital skills in our people

**Reservation Tool**  
Experience reserving workspaces

### Other relevant projects

**Onboarding**  
Strengthen onboarding from acceptance of the offer to the first 15 months of employment

**Referral Program**  
Involve workers in the search (referrals) of internal and external candidates

**Recruiting Specialist**

**Talent Eng. Program**

**Resignation**

**Employer Value Proposition**  
Survey to define value proposition (satisfaction, motivation sense of belonging)



Twenty (20) projects are derived from these four pillars, providing a single strategic direction and pipeline at Group level. They are interrelated with a focus on Open Power culture and values, digitalization, process simplification, a more fluid organization, emphasis on data management and hybrid platforms and work models.

Based on this new model, the focus is on attracting, retaining and developing the best talent, seeking to incorporate people who identify with the Open Power values (innovation, trust, responsibility and proactivity).

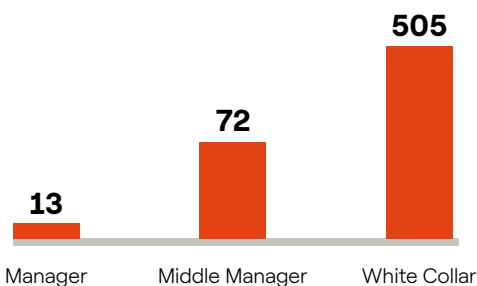
The selection policy focuses on ethical principles, equal opportunities for all, accessibility to offers, opportunities for internal candidates and technical rigor.

In addition, job satisfaction is promoted, which contributes to improving the work environment and boosts experiences of happiness. Opportunities are generated for reconciliation between personal, family and work life, development and learning, contribution of work to social development and compensation, within the framework of Total Rewarding, generating memorable experiences in their corporate journey, with commitment and sense of belonging to the Company.

## Our figures

Emgesa closed the year with a workforce of 590 workers, 4% lower than at the end of the previous year, mainly due to the termination of projects. Of the workers, 96.4% had indefinite term contracts and 3.6% had fixed term contracts. The classification according to position category is detailed below:

### Direct personnel headcount as of 12.31.2021 by position category



Additionally, Emgesa closed the year with a total of 33 apprentices (regulated by SENA quota) and 28 university interns (agreements with universities).

On the other hand, at the end of the year the Company had 142 female employees, a figure 6% lower than at the end of the previous year.

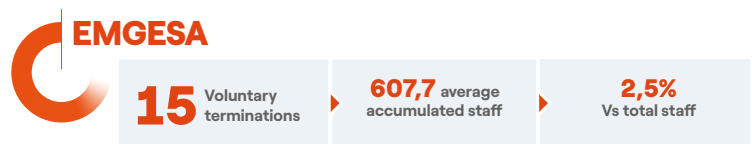
### Turnover

In 2021, the employee turnover rate was 8.4%, 1.2% higher than the previous year. This was mainly due to an increase of 48.6% in retirements, and a decrease of 9.6% in new hires. 24% of the retirements correspond to the Transition Fund Project, which consists of a voluntary retirement plan that seeks to support the digitalization and process automation strategy.



### Voluntary termination rate

Voluntary terminations<sup>(1)</sup> increased in 2021, having a rate of 2.5% compared to 2.3% in 2020.



### Internal mobility

The internal mobility<sup>(2)</sup> indicator refers to the role changes that an employee can make or choose within each of the Companies, especially when moving from one organizational area to another one, or changes in position level that require the execution of different activities.

In this regard, in 2021 the Company's internal mobility indicator was 28.9%, considering the following:

### Osmosis

Consists of promoting cross-turnover between business lines by identifying and developing profiles with a flexible and open-minded

(1) Number of voluntary terminations / Average accumulated staff of the Organization  
 (2) Internal Movements / Average accumulated staff of the Organization

## Promotions



## Transfers



## Internal movements



approach. The People Blooming program is expected to increase this indicator and support mobility and professional growth. In 2021, three people had a cross-turnover.

### Compensation

The salary compensation of employees is carried out transparently and objectively with the intention of directly impacting the management of the organization, talent and leadership, and diversity and care for people. This way, we seek to add value, recognize superior levels of performance, attract, motivate and retain the most competent and qualified people in the labor market, in alignment with the business strategy. Highlights for 2021:

- As an additional variable compensation mechanism, the bonus for Energy Management members was granted which is applied according to the percentage of compliance with objectives, specifically those that exceed the results stipulated in the compensation models.
- In order to maintain competitive salaries, internal equality, reduce the gender gap, promote the development and retention of talent, as well as to recognize superior performance levels, the Monetary Rewarding action was applied. A total of 138 salary adjustments were made during the year, 93 for personnel covered by the agreement and 45 for personnel not covered by the agreement. In addition, 76 non-wage bonuses were awarded, 36 were granted to employees with collective bargaining agreements and 40 to employees outside of collective bargaining agreements.

### Salary gaps<sup>(3)</sup>

The Company monitors wage gaps in order to define actions to promote equality. Compared to the previous year, Emgesa showed a decrease of 1.7%, going from a rate in favor of women of 23.3% to 21.6%.

Type of position	Manager	Middle manager	White collar	TOTAL
Emgesa	124%	100,4%	120,5%	121,6%

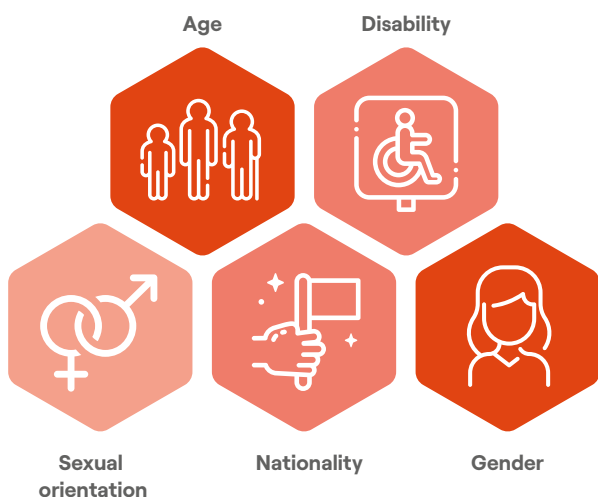


(3) For the wage gap indicator, when it is =1, it is balanced between men and women. If: >1 it is in favor of women, and if <1 it is in favor of men.

## Talent without labels: Diversity and inclusion

The culture of diversity for the Enel Group companies in Colombia is a differential feature with respect to the management of its talent. It seeks to encourage respect for conciliation and differences as a fundamental value. In 2021, the diversity school continued with topics related to age, gender, sexual orientation, disability and nationality.

### Diversity School



### Strategic Diversity Committee

The committee consists of the Country Manager and a peer committee of 5 leaders from different staff and business areas, which met quarterly. For 2021, impact actions were identified for the different businesses that seek to contribute to the strengthening of the diversity strategy within the company, following up on the indicators and their results.

### Gender equality

The initiatives to manage gender equality address different fronts:

#### Equipares Gold Seal Recertification



Emgesa has been an Equipares company since 2015. This initiative of the Ministry of Labor with the support of the Presidential Council for Women's Equity and the technical support of UNDP, seeks to implement a Gender Equality Management System (SGIG-Equipares) in Colombian companies.

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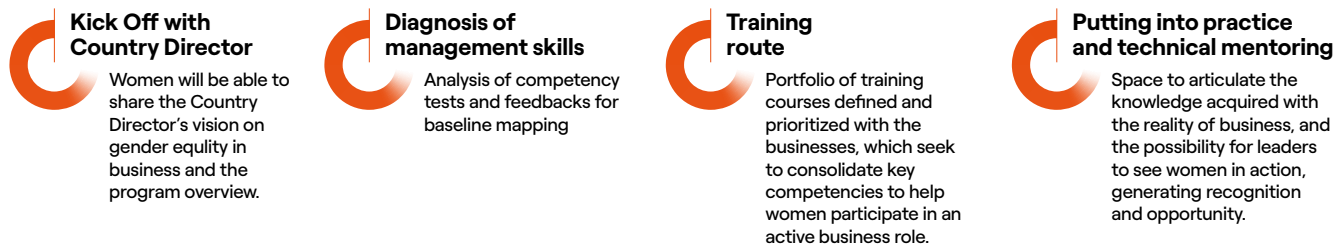
In 2020, the recognition was ratified by being re-certified with the Equipares Gold Seal, with a result of 98.7%. In 2021, through quarterly monitoring of more than 15 indicators with a gender focus, opportunities for improvement were identified, and various actions were developed.

### Women in EMGESA occupied:



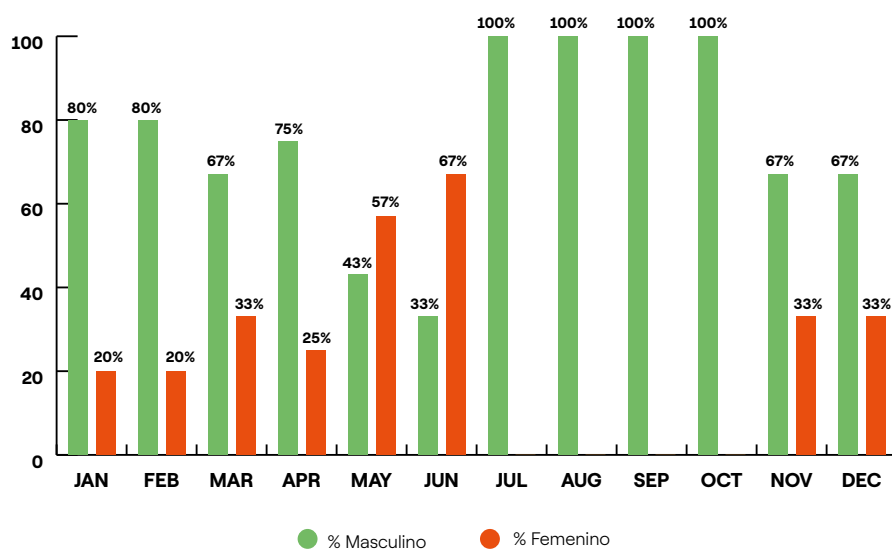
- Panel of women leaders in STEM areas (science, technology, engineering and mathematics) of the Company, to share their experience, trajectory, achievements and opportunities with girls between 14 and 20 years of age.
- Space for raising awareness among the 13 most representative contractor companies about the importance of gender equality. The Country Director shared the details of this commitment and Equilátera developed a workshop on unconscious bias.
- Internal commemoration of International Women's Rights Day, through the play Hembrujas, which highlights and demystifies gender stereotypes.
- Participation in the Gender Parity Initiative in Colombia, a nationwide public-private partnership that brings together companies with significant progress in this area.
- Female Leadership Workshop in the Diversity School, to strengthen leadership skills of women who are expected to assume roles of greater responsibility in the Company.
- Three days of Enel Women's Day, focused on strengthening the personal brand and performance in an Assessment Center. Approximately 336 women were reached, 184 of them were engineers interested in working in technical areas.
- Live "Diversity and Development: keys to generate labor inclusion in masculinized sectors", in charge of the Assistant Manager of Change & Transformation together with the Manager of empleo.com.
- Creation of the Training Program for Women in Core Areas, which provides development opportunities for women in the Company interested in being part of the core areas of the Power Generation business, through training and a talent pool. Nine women participated in 31 training courses and 58 tutors.

## Structure of the training program for women in core areas



- 51% participation of women on the Long List and 48% on the Short List. Messages were launched in internal and external social networks promoting the role of women in the selection processes and internal notes publicizing the entry of women in technical positions.
- Women accounted for 29% of external entries, contributing to the increase of women in the workforce to reach the goal of 25%.
- Follow-up strategies and progress on gender indicators by management were implemented, especially in Power Generation.

## Selection of women month by month/2021



## Sexual diversity

In order to generate spaces free of discrimination against sexually diverse people, in 2021 we continued with the Friendly Biz Corporate seal in partnership with the LGBT Chamber of Commerce.

The International Day against Homophobia, Biphobia and Transphobia was commemorated internally through the format Diversitalks Breaking Prejudices and Stereotypes for the inclusion of the LGBT+ Community in Enel, a session that through case studies managed to highlight unconscious biases around sexual diversity.

## Age

In 2021, the diversity school held the following courses:

- Personal branding workshop: aimed at trainees and interns, on a semester basis.
- Building my future workshop: addresses personal, family, health, financial and social strategies for the retirement stage. Twenty-three people participated in 207 hours of training.
- Multigenerational leadership and talent management workshop: sought to strengthen leadership competencies to connect and guide the different generations of the company to maximize their performance.



- Knowledge management workshop: training of trainers for those over 50 or under 30 years of age.
- Starting my career at Enel: training for trainees on topics such as assertive communication, use of time, productivity, monitoring and control of activities, prioritization and pressure management.

## Nationality

A one-hour workshop was created on the e-Education platform with the objective of recognizing multicultural differences in the Company, using tools to interact assertively with people of different nationalities, cultures and customs. There were three participants.

## Disability: Value Disability

Emgesa at a global level has committed to the Valuable 500 initiative, which aims to bring together 500 private companies to unlock the social and economic value of people living with disabilities around the world. This commitment has been adopted locally in two perspectives: customers with disabilities and staff with disabilities.

For this reason, during 2021, the model of inclusion of people with disabilities was developed with the support of Productivity Pact, experts in disability issues, based on knowledge transfer and implementation of good practices. During 2021, four areas were monitored and advised. In addition, nine workshops were held with the participation of 202 people, and 305 hours of training.

## A culture with people at the center

Emgesa delivers value to people and businesses, empowering and developing the best talent, understanding digitalization as an enabler of opportunities and contributing to well-being by making personal and family life more compatible and balanced with work and professional life, within a framework of sustainability and competitiveness.

## Happiness Pulse Index

In 2020 the measurement of the Happiness Culture Index was carried out, with the results of that survey, in 2021 a pulse was applied to monitor the performance of categories that had yielded low results such as: consistency at work, own tools, relationship at work, well-being environment. The participation rate was 74%.

In general terms, most managers improved in aspects such as team cooperation and perception of job stability. Some aspects such as workload, work stress and learning from mistakes had negative variations, results that possibly show the current reality in different companies, where working at home has had an impact on work-life balance and the difficulty of disconnection.

The results will be disclosed in 2022, due to the fact that in 2021 we worked on transversal action plans for psychological and emotional self-care, disconnection tools and a hybrid work culture aimed at a happiness at work strategy.

## Global Wellbeing Program

Under the people care pillar, we encourage cultural transformation to become a benchmark place to work, based on respect for conciliation and differences.

### Benefits on Demand reinvented to face the 2021 pandemic

In Emgesa since 2019, the benefits available to people are notified and delivered through Benefits on Demand, a technological platform that allows redeeming benefits in real time according to the needs, interests or time of life. During 2021, Benefits on Demand continued to have four main categories:

**Smart Working:** benefits for working differently within the workday, such as: flextime, compressed workday on Fridays, compressed workday at Christmas, work at home for extraordinary situations and flexible remote work.

The policies and structure of this group of benefits were essential to face the pandemic and the different preventive isolations that continued during 2021. At the end of this year, 387 Emgesa employees worked from home.

**My Time:** paid time to balance family, personal and work life. In 2021, 652 redemptions were made in this category.

**My Experiences:** Recreational, cultural, sports and corporate activities, in addition to digital vouchers to use for entertainment, food options and streaming options. During 2021 corporate activities and events were all developed virtually, with 13 events to strengthen physical, mental and emotional health.

**Complementary:** Benefits associated with complementing people's quality of life. According to people's needs in 2021.

31 people received psychological counseling, a benefit that was carried out 100% virtually and was extended from 4 to 8 sessions, as well as family members.

### Use of psychological support by gender



- 739 people and their beneficiaries took advantage of the corporate health plans.
- 168 people took out the collective vehicle policy.
- 100% of the people took out life insurance.

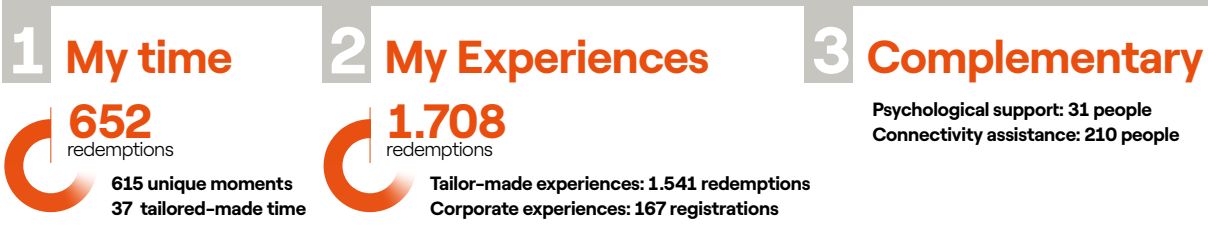
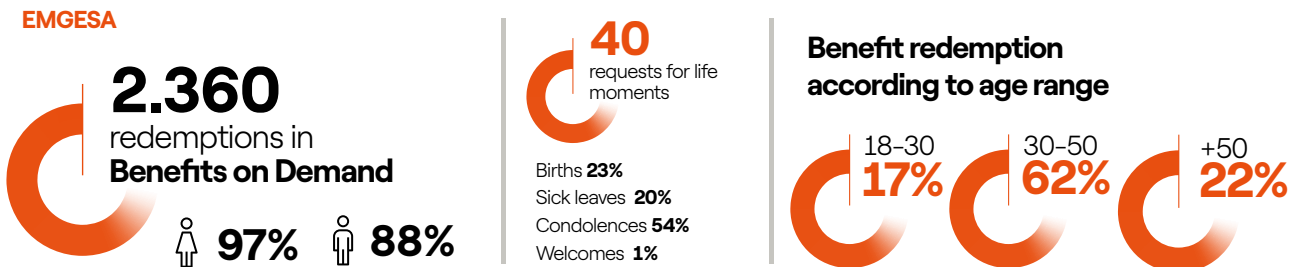
- Five conferences were held on emotional intelligence and life purpose. 527 employees participated, with a total of 682 hours of training. In addition, five group bereavement talks were held with the participation of 109 employees, for a total of 211 hours.

In 2021 we continued offering the following benefits:

- For Your Connectivity, a benefit that grants an aid of \$30,000 to people who work from home for the payment of their internet service provider. In 2021, 210 people benefited from this aid.
- Insurance policy in case of COVID-19 infection, for all countries where the business operates. This is a financial benefit of 1,500 euros given to people hospitalized for more than two days in a normal bed or 3,000 euros if they are in ICU for more than two days. Eight people received the benefit in 2021.

### Significant figures in the use of benefits in 2021

In 2021 there was a total use of 89% of the Benefits on Demand platform:



## Work climate and safety survey

In December 2020, a survey was conducted to measure the work climate, which was called Open listening future way of working. It became necessary to work on the psychological and physical well-being of employees, as well as to develop skills in leaders such as: empathy, care of relationships, management of emotions and change management. Cross-cutting action plans were defined, aimed mainly at leaders:

**Psychological First Aid Workshop:** Tools to manage situations of anxiety and stress, to take care of one's own and the team's wellbeing. Twenty-two leaders participated and the workshop lasted 6 hours.

**The World Changes, Leaders Transform Program:** Tools to manage changes as opportunities for growth, boosting the productivity of teams and turning them into agents of transformation. It was attended by 39 leaders and lasted 15 hours.

**Growing with coaching:** training methodology to promote coaching as a powerful tool for managing teams.

## School Academy

### Development routes

The development routes continued this year with activities and content to meet the training needs of different groups of employees, promote personal and professional growth, and improve employees' perception of access to activities.

**Growing leaders:** Mentoring in gentle leadership (10 leaders) and training in team management (5 new leaders).

**New Enel talents:** Support for 23 workers who joined the organization through eDucation, corporate university, eProfile and OFE.

**Growing promoters:** Follow-up on workers who were not selected in an internal contest or direct selection or re-categorization.

**Pipeline Successors:** Definition of action plans for 28 employees who were selected in the manager succession plan as pipeline successors. Activities included: mentoring, job shadowing coaching, management communication workshop and management skills workshop in digital environments.

**Women leaders:** Designed a training program for women in core areas.

**Students in progress:** Workshop "Starting my career at Enel", with the participation of 26 trainees and an average workshop score of 4.68.

**Potential futures:** Route for Young Talents, with a CRM test and definition of an Individual Development Plan (PDI) that included a management competencies workshop in which two young workers participated with an average workshop rating of 4.69.

## Professionalization

The professionalization program promotes higher education for employees through academic benefits that help to cover university expenses and facilitate access to undergraduate studies. This year, four employees participated in the industrial engineering program.

## Loans and sponsorships

For 2021, the benefit of loans and sponsorships was granted to 12 professional workers in different universities. Sponsorships of between 20% and 60% were approved for eight employees at national universities and four at international universities.

## Individual Development Plan

For 2021, each employee registered his or her Individual Development Plan (PDI), based on five types of actions. A total of 2,416 actions were registered by 589 workers, as follows:

### Number of PDI actions

ACTIVITIES	AMOUNT
Self-management	46
Experience in other areas	7
Training at the Corporate University	2.329
Technical mentoring	7
Participation in projects as team leader	5
Participation in projects as team member	19
<b>TOTAL</b>	<b>2.416</b>

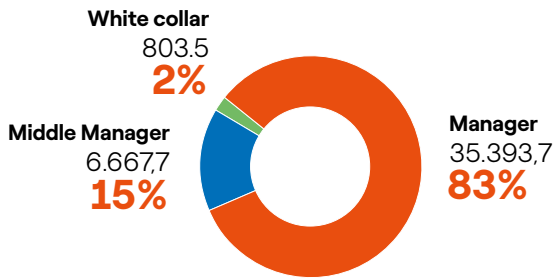
## Corporate University

For 2021, the Corporate University was relaunched through an updated website, with better visualization options, and 238 courses distributed among the six different faculties: Open Power, digital transformation, technical training, leadership, diversity and innovation. Programs such as engineering plan, green finance, sales school, business intelligence, project monitoring and control, among others, stand out.

## Training by category, age and gender

A total of 42,864.9 hours of training were executed, with an average rating of 4.5 out of a total of 5, and the following percentage distribution by category, age and gender:

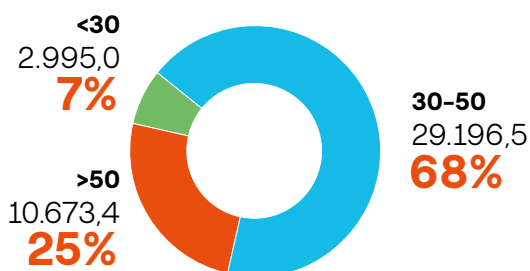
### Training hours by Category



### Training hours by gender



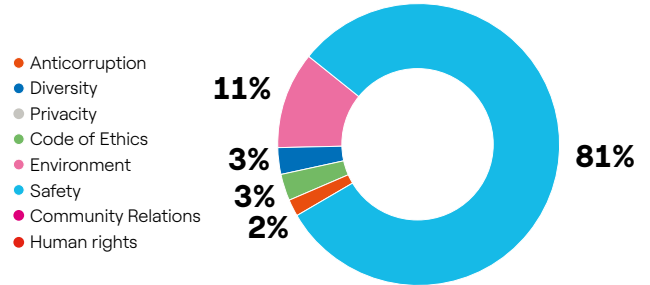
### Training hours by age



## Sustainability focus training

Training was conducted on safety, environmental and anti-corruption issues for a total of 18,234 hours.

### Training hours in sustainability focus



## Engineers plan

A plan designed for generation plant engineers with synchronous training and internal tutors who are experts in technical topics. In 2021, 10 training courses were executed, with the participation of 110 workers, on topics such as: induction motor, control systems, turbine efficiency, among others.

## SENA certification of competencies

The labor competency certification process was carried out with SENA for the hydraulic and thermal generation plants, focusing on eight standards: three for operation, three for maintenance and two for HSEQ,

The knowledge, performance and product sessions were conducted through video calls, video recordings and synchronous sessions with the SENA evaluator. In addition, instruments were created for two competency standards. The standards and the number of workers certified for each standard are detailed below.





## Number of certificates per competency standard

### SENA standards

Quantity certified by competition standard							
<b>15</b>	<b>19</b>	<b>17</b>	<b>27</b>	<b>19</b>	<b>19</b>	<b>24</b>	<b>16</b>
Operating generation plants	Operating hydropower plants according to manuals and regulations	Operating boilers according to technical procedure or safety standard	Keeping generation equipment according to technical procedures	Intervening equipment according to preventive maintenance techniques	Repairing equipment according to technical procedures or manuals	Controlling dangers according to high-risk activity and industrial safety standard	Guiding industrial safety practices according to technical regulations and procedures

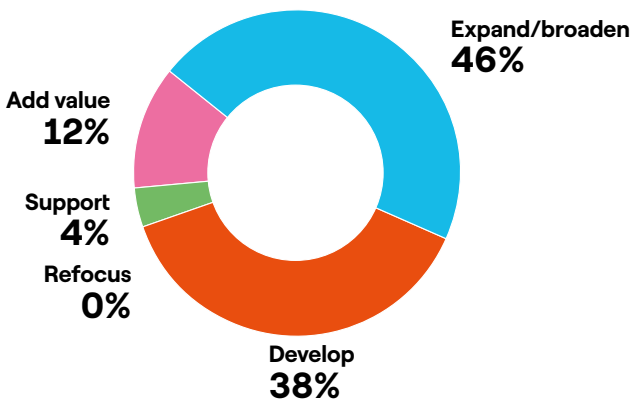
## Open Feedback

During 2021, the performance of employees for the 2020 period was evaluated, continuing with the evaluation methodology of the four Open Power values. As a result of the evaluations, feedback interviews were conducted, and the PDIs were built for their execution in 2021.

At the same time, development conversations were held among the leaders, who reflected on the future of the workers, how to build development plans adjusted to their needs and how to promote the potential of each worker in particular.

A total of 582 employees were evaluated in the process, with an average score of 3.9 in the evaluation of their values.

### Distribution by Quadrant



## New Open Feedback Evaluation model

For the third quarter of 2021, a new evaluation method was implemented, which went from a bidirectional model to a multidimensional one, with the participation of more people. This model also contemplates the four Open Power values together with the 15 Enel competencies and is divided into three dimensions, which are:

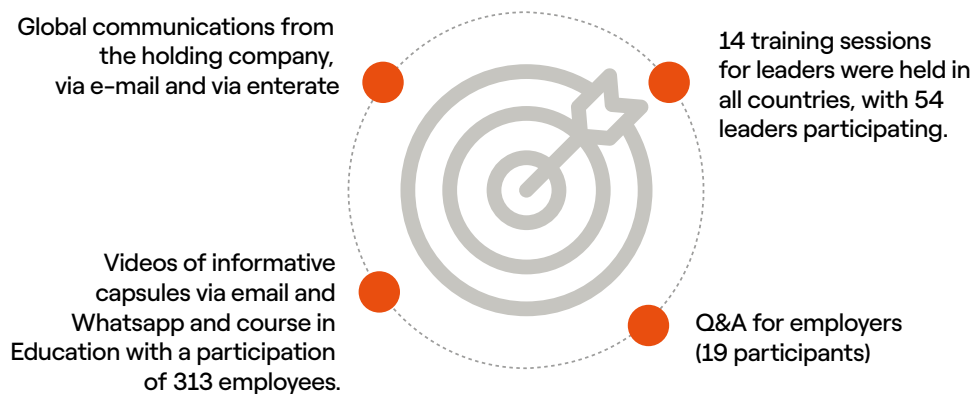
**Talent:** employees can choose the three Enel competencies with which they feel most identified. For this dimension, participation was 92%.

**Generosity:** people can interact with their network by requesting and sending feedback on the competencies they consider their colleagues have. A total of 9,557 feedbacks were shared.

**Action:** the direct manager defines between one and three actions related to the employee's duties. Each of them must have a specific deadline, and must subsequently be rated by the manager. 96% of the managers participated, assigning and rating 490 activities.



The following initiatives were carried out to disseminate the new Open Feedback Evaluation model:

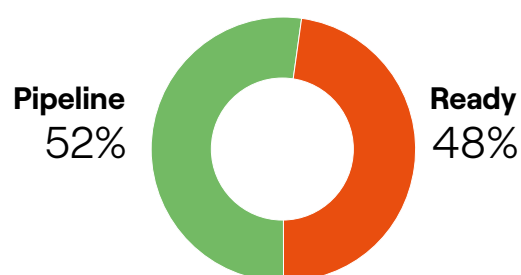


## Succession plan

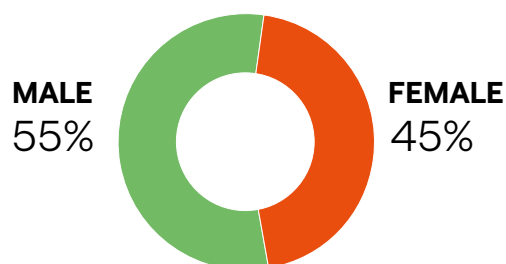
A new succession plan was designed for positions in the manager category. We defined ready successors, who are ready to take on the role, and pipeline successors, who should be prepared for the medium or long term. For 55 positions, 83 successors were identified.

The following actions were carried out with the defined successors:

### Distribution by type of successor



### Distribution by gender



### Acciones sucesores

Action	Description	Training Hours	No. of participants
<b>Management skills workshop in digital environments</b>	Competences such as: communication, leadership, emotion management, team management, all framed in a digital reality, were promoted.	30	10
<b>Management communication workshop</b>	Skills and aspects to be improved were identified to impact and influence with their ideas in different scenarios in which a manager is exposed.	6	3
<b>Mentoring</b>	Mentor and mentee experiences were shared, facilitating a circular relationship of mutual exchange.	20	6
<b>Job shadowing</b>	<i>A host welcomes a guest and together they build activities, objectives and goals of the process. The host involves the guest in their work activities, relationships with the team and with the main stakeholders.</i>	30	7
<b>Other initiatives</b>	Other training, participation in projects, postgraduate studies, expatriations or external exposure, among others.	N/A	2

## New leadership

For 2021, the Gentle Leader Manifesto was published, which seeks that leaders manage their teams based on the following premises:

-  Gentle leadership is not formal courtesy or weakness, it is active listening, inclusion and guidance to obtain results in a team.
-  A gentle leader seeks to empower and give autonomy, knowing, trusting and valuing the diversity of each team member.
-  The leader understands that empathy, assertive communication and feedback promote the well-being of his/her collaborators inside and outside the company.
-  A gentle leader learns to release and accept his/her own and his/her team's emotions in order to create courageous and constructive conversations.

Meetings were held with leaders to disseminate and share the manifesto. Additionally, the initiative called Growing with coaching provided them with information to manage relationships with their team and develop in the role of leader. A total of 108 people participated in this initiative, which lasted two hours.

### Leadership School

The trainings that took place for the leadership school in 2021 were:

**e-Leadership:** Management from Complexity and Ambiguity: Webinar designed to strengthen skills to face and adapt to a VUCA (Volatile, Uncertain, Ambiguous and Complex) environment. It lasted 2 hours and was attended by 58 leaders.

**Management from innovation and continuous learning:** Workshop to learn how to transform an innovative idea into a concrete project, assuming risk and enduring uncertainty. It lasted four hours with the participation of 10 leaders.

**Digital intelligence for decision making:** Sought to develop the ability to choose several alternatives, through the analysis and synthesis of data and information, even under conditions of uncertainty and complexity. It lasted four hours with the participation of eight leaders.

**Collective intelligence and management of conflict situations:** This training shared criteria and knowledge to identify and resolve conflicts, as well as to turn them into opportunities. It lasted 10 hours with the participation of 11 leaders.

**Adaptive leadership based on empowerment:** It addressed leadership as the ability to adapt, and to show change as a continuous process that allows learning from experiences and mistakes. It lasted four hours with the participation of 11 leaders.

### Development methodologies

#### Coaching

Seeks to strengthen Open Power behaviors in workers, to establish more accurate goals, objectively assess resources and take actions using strengths as leverage to improve their aspects to be developed. In 2021, nine individual coaching processes were carried out.

#### Mentoring

This methodology is mainly aimed at leaders and seeks that through a mentor or guide new leaders strengthen leadership and team management skills. A total of 12 leadership mentoring processes were carried out for Emgesa.

## Other actions

### Indoor Home

The way in which the outdoor and team support processes were carried out was modified. For 2021 it was provided to teams with specific needs such as: HSEQ and Termozipa, with the participation of 51 employees.

### MEWE Program

Provides a learning and empowerment experience for people & business partners. The program was developed in the company of other Enel Latam countries, with modules in which topics such as the mindset based on curiosity and courage, strategic mindset, people care mindset and strategic mindset were worked on. Four people & business partners from Colombia participated from the different business lines.

### Management of Health Plans and Life Insurance Bidding Process

In 2021 the following beneficiaries in the health plans, on which the Company covers from 50% to 100% of the cost.

**542 prepaid medicine users**  
**197 complementary plan users**

Additionally, a bidding process was carried out for life insurance, a benefit that covers 100% of the life insurance. This process included a massive update of beneficiaries.

## The best talent to face great challenges

Under the principles of attraction and recruitment, the selection process promoted diversity and inclusion.

In 2021, a more digital process was strengthened, in which 823 candidates participated, of which 277 reached the final phase of interviews and 45 external candidates were selected, the effectiveness was 87%.

A total of 207 vacancies were filled, corresponding to 64 direct vacancies (including internal competitions), 98 vacancies for interns, university students and SENA apprentices; and finally, 45 temporary personnel processes were managed.

### Internal competitions and external selection

Nineteen vacancies were filled through internal competitions. This was possible thanks to the strategies to enhance the eProfile. At the end of each contest, feedback was given to 100% of the employees regarding the results of their process.

### Employer Branding

During 2021 Emgesa implemented strategies associated with attracting internal and external talent, in a closer and clearer way about the processes. These mechanisms include:

**Job for You:** 19 closed internal contests with participation of employees from the different managements, interested in internal vacancies through graphic pieces and accurate information.

**Employer for youth:** The EFY organization conducted a survey to recognize the best companies for young professionals in Colombia, the Enel Group ranked 31st.

**Live with P&O manager:** P&O Manager, Davide Procopio, shared with two young talents the experiences they had in their internship process and the projects they proposed to be directly linked to the Company. 78 viewers actively participated, 36 reactions to the content and a reach of 7,036 viewers.

**Talent Coach:** Social media campaign to prepare students for their first job interview. Reaches were: Emgesa Facebook 11,172, Emgesa LinkedIn 33,888, Instagram 12,019. 870 interns applied thanks to the campaign.

### Fairs with digital focus

The selection team held different university fairs nationwide in order to make students aware of the business objective, learning possibilities and growth within the Companies.





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## Young Talent

This project has been recognized by different countries as an excellent practice at a global level, in 2021 we achieved the following:



By leaders.



started a training plan (soft skills, mentoring, business approach and feedback).



## Back to School

Challenge E sought to strengthen the diversity and inclusion strategy. In 2021, youngsters were informed of the advantages and importance of studying careers associated with STEM areas and how challenging and interesting Enel Companies are. A space was held in which stories of workers who inspire for their professionalism, human quality, leadership and resilience were highlighted. The students participated in different activities in which they demonstrated what they had learned during the day.

## Upskilling / Reskilling / External skilling program

**Reskilling:** The files defined and classified in 2020 were updated and prioritized, according to the different changes presented by impacts in the energy transition and digital transformation. A training plan in upskilling (updating skills) or reskilling (learning new skills) was defined for execution in 2022 and 2023, starting with theoretical foundations and continuing with technical training of greater specificity.

**Enel Lecture:** This university elective is focused on attracting and bringing the best talent from selected universities to Enel's value proposition, training them in key contents for business within the framework of the energy transition. In 2021 about 50 students took the elective at two universities in Bogota and proposed four projects.

## New Routine Training for the Hybrid Work

Different actions were developed seeking to increase digital skills in people:

**Digital transformation school:** The corporate university has a digital transformation school, which offers training by levels from basic to advanced, such as: agile, data driven, customer centricity, lean and kanban, scrum, service model in digital transformation 5G networks, circular cities, among others, with a total of 921 hours and a participation of 132 workers.

**Digital Experience Week:** Aimed to mobilize the culture of digital transformation applied in the energy transition matrix. In five pavilions, 29 projects were exhibited, with the participation of 208 workers virtually, in addition to eleven webinars and a STEM workshop for the children of workers, in which they learned about renewable energy and home automation, with the participation of 27 children.

**Digital Olympics:** With the objective of strengthening the learning of technological tools such as Teams, Planer, One Drive, Power BI, among others. 33 people participated in 45 teams.

**Digital transformation project:** The culture methodology was implemented, with the measurement of indicators in eight attributes: strategy, leadership, human talent practices, cultural practices, organizational architecture, workspaces, processes and technology.

**Coursera4colombia Program:** The 100 Coursera licenses were maintained, with a focus on training in digital transformation and some technical topics. A total of 456 hours of training were provided.

**Power BI course:** A basic and intermediate Power BI course was held with the participation of 12 employees in 7 groups and a total of 260 hours of training.

**CEAN:** The Business Analytics Center was consolidated, with the participation of experts in data analytics from the different business lines, with the aim of sharing best practices and their knowledge and experience.

## Agile Colombia

The first group of nine employees was certified in Scrum Master. In addition, as a strategy to mobilize the Agile culture, a toolkit with the Agile manifesto and playbook was sent to all new employees and the importance of agility was highlighted in the corporate induction sessions. An Agile Agent was selected for Energy and commodity management.

## Transformation, culture and change

In 2021, we continued to support organizational projects with the transformation, culture and change methodology, which consists of six steps and four dimensions, applicable to each of the projects. Additionally, there is participation in a network of Change and Universities.

The following projects were supported, some coming from 2020 and others new for 2021: Digital Transformation, Saman, Agile Room P&O, New way of working physical spaces, and RB Connection 2021.

## Changes in work organization

In order to address the Company's transformation and goals, some organizational structures were updated to enable the assignment of specific strategic responsibilities among employees. Significant changes during 2021 were made in Energy & Commodity Management, Power Generation and HSEQ.

## Process simplification

The project to simplify processes and reduce the body of documents was initiated. Meetings were held to socialize the project guidelines. A 2021-2022 work plan was defined for the transformation of processes and documents. In addition, working groups were held to analyze processes, with the use of flow charts and brainstorming sessions.

## Organizational Redesign

In some functions, the management of the organizational structure initiated a new adaptive and flexible model that facilitates the exchange of skills and knowledge, promoting people's autonomy, individual responsibility and the simplification of the organization. In this sense, the significant changes that occurred during the second half of 2021 were

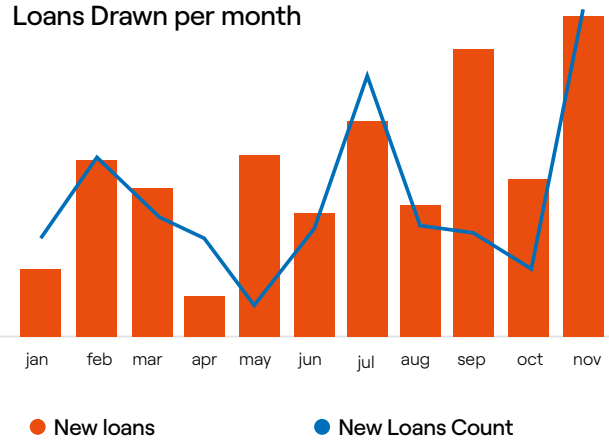
the transformation of People & Organization and the Communications Media function towards a liquid structure.

## People administration

### Loans and benefits to employees

During 2021, the Company provided economic resources for loans for a total amount of \$7,927,193,334, which were granted to 119 Emgesa employees in the following credit lines, the most requested were: housing and higher education:

Loans Drawn per month



**119**  
workers

Loan class	Loan amount
Agreed housing	36
Higher education loans	30
Training loan	22
Free investment loan	16
Vehicle loan	13
Comprehensive housing	12
Dental loan	7
Guaranteed university loan	5
Sustainable mobility EnelX	3
Calamity Loan	3
<b>Total</b>	<b>147</b>

## Projects that simplify processes

The following projects were implemented to automate processes and enhance tools:

**Employee absence management:** A new vacation report was structured to enable work plans with the corresponding areas, together with the follow-up of business partners.

**Your data connects us:** A campaign was carried out to massively update employee data.

**Enhancement of SAP PAGO tools:** Processes were enhanced and automated with the Hanna project, electronic payroll and improvements in the SAP tool.

**RHO culture:** Improvements were made to the online RHO tool to enhance the user experience.

**My documents:** The tool was implemented as a digital repository of employee resumes.

## Labor relations and social dialogue

### Campaigns and outreach

The conflict of interest platform was launched and 100% of the personnel were asked to report it. This platform enhances the simplification of processes, reducing validation times and improving the customer experience compared to past platforms. Its development was shared with leaders in other countries.

The Te lo mereces (You deserve it) campaign was carried out in order to guarantee effective rest for people and meet the goal of vacation days taken.

A campaign was carried out to highlight the importance of internal regulations, collective bargaining agreements and other internal rules.

Four talks were given to keep the work teams up to date on new legal and jurisprudential developments, two of which were addressed to the People and Organization Management and two of which were addressed to all leaders.

### Workplace and/or sexual harassment

The modification of the harassment prevention policy was furthered, and a third version was published. A new campaign was generated, with the hashtag "SinExcusas" and new methodologies were used to communicate the information.

On the other hand, the Coexistence Committees were invited to have an increasingly active participation, generating brainstorming sessions with them.

Finally, we developed two best practice benchmarks, one with the members of a group made up of several companies with a presence in Colombia, and the other at Company level with the labor relations areas of other countries.



## Union Management

While developing the social dialogue process, as part of the strategic vertex and building solid and lasting relationships with union organizations, during 2021 the following actions were undertaken:

### Colombian Energy Workers Union (SINTRAELECOL).

A collective agreement was reached that defined the labor conditions that will govern Emgesa's unionized workers for 2022.

### Trade Union Association of Engineers at the Service of Energy Companies (ASIEB).

After exhausting the direct settlement stage and making the request to organize the arbitration tribunal to the Ministry of Labor, in 2021 the notification of the resolution ordering the installation of the arbitration tribunal within the collective conflict between ASIEB and Emgesa was still pending. Once the installation of the arbitration tribunal is achieved and after the corresponding sessions, the promulgation of the corresponding arbitration award will continue.

## CESLA

Thanks to Enel's participation as a member of the Primary Committee of the Center for Social and Labor Studies since 2018, there was direct participation in the issuance of the report on absenteeism, work at home, collective bargaining and strike published in 2021. This way, scientific evidence is offered that has an impact on the transformation of public labor policies related to the promotion of employment and social development in the country, which boosts the strategic pillar.

## Innovation and Digital Transformation

Innovation is a strategic pillar and a corporate value that drives the Company to redesign and rewrite the energy future in the world. Thus, the Company mobilizes the culture of innovation from different fronts ranging from training in key tools and methodologies through the Innovation Academy, to the pragmatic development of solutions to address day-to-day challenges with co-creation sessions.

## Financial Return

### Tax Benefits

In 2021, Emgesa obtained approval for one of the two innovation projects submitted to the MinCiencias Call for Proposals this year (Project: Telecontrol), with which, added to the multi-year projects (Tropical Dry Forest - El Quimbo and RHIINO) approved in 2020, an income tax exemption approval was obtained for the investment of \$9,956 million, which would represent an income tax discount in 2021 in the amount of \$2,489 million.

### Efficiencies and savings

Thanks to the training of innovation ambassadors in different creative methodologies, 21 brainstorming sessions were facilitated, totaling 60.5 hours of co-creation, which would have cost \$249 million with an external provider. Nine Innovation Academy courses were also held, for a total of 72 hours at a cost of \$24 million with an external facilitator.

## Projects

With the dedication of more than 45 Enel employees, under the open innovation model and with the support of universities, startups and research/innovation centers, eleven innovation projects that generate operational efficiencies were executed in 2021, among which the following stand out:

- **Virtual Training of Maneuvers in Electrical Equipment:** the way of training was transformed through the development of a virtual reality application that allows recreating the process in the execution of high-risk maneuvers as close to reality as possible.  
  
This made it possible to simulate the scenario and real interactions to train personnel in high-risk maneuvers without the need to incur in the generation of the associated risk and ensuring a higher retention of the content.
- **Data Monetization:** business opportunities were identified from the analysis of data recorded by customer meters.

## Patents

Thanks to the patents granted in the national territory, Emgesa contributes to and encourages the development of innovation processes in the business lines and throughout the country. In 2021, a historical record of two patents were obtained.

By 2022, Emgesa expect to have confirmation in Chile and Peru of the patent applications filed for the invention of the "Oxygenation System" (invention patent granted in Colombia in 2018), thus contributing to the technological development of the country.

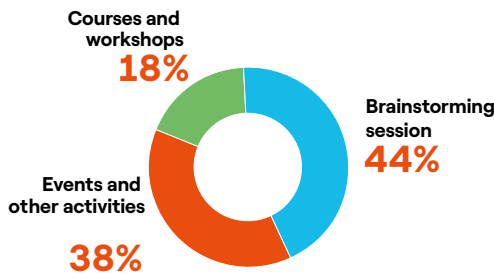




# Culture Of Innovation

## Results

Thanks to activities such as training programs, challenge resolution sessions and inspirational and innovation promotion spaces, 284 people were impacted, representing 38% of Emgesa's workforce, distributed as shown in the following graph:



Note: Number of people impacted per activity (not duplicated)

## Innovation Academy

The Innovation Academy focuses on training employees in creative methodologies to enhance the value of innovation, based on the formula  $\text{Innovation} = \text{Creativity} \times \text{Execution} \times \text{Attraction} = \text{Value}$ .

Seventeen training courses were held, with the participation of 101 people who acquired knowledge in tools such as design thinking, lean startup, storytelling, CPS, and emotional intelligence, among others.

Seventeen courses were offered to meet the needs of the worker of the future. In addition, 34 spaces such as webinars, talks, workshops and events were developed, impacting 180 people.

## Creative Sessions

The co-creation spaces offer sessions developed under innovation methodologies to face challenges. They have been held virtually, which has increased participation and has involved colleagues from other countries.



Some of the challenges addressed in these sessions were:

- How to define a model that integrates the needs of Power Generation employees with respect to the new way of working?
- How to contribute to increase the utilization factor of assets, equipment, plant premises?
- How do E&CM's large customers feel about the unexpected increase in the PPI of internal supply this year and what are the possible opportunities?
- How to prepare the SSTM team to meet the challenges of short-term market transformation related to: changes in energy generation and storage technology, need for big data management and real-time market operation?

## Distribution of sessions by Management



## Idea Management

We followed up on the development and implementation of the proposals derived from the brainstorming sessions, which complied with the filtering and feasibility process for each challenge.



## Events and Other Activities

With the aim of providing Enel's people with inspiring talks about trending topics, this year three webinars were held with some external collaborators.

- How to apply BlockChain: Diego Saenz from EY, spoke about BlockChain and its applications in various industries, especially energy.
- Benefits of registering in CvLac: in view of the recognition as a Highly Innovative Company by Minciencias, Eduin García from Cidet explained the process to register in the platform and its benefits for people who participate in innovation projects.

- Quantum Computing: Jean Bernier, expert in AI solutions and quantum computing at AnniQ, explained how this disruptive technology works and how to apply it to solve needs or find opportunities with new business models.

## Quantum Computing Webinar



## Innovation Ambassadors

The ambassadors form a network of people who make it possible to disseminate the culture of innovation. In 2021 they developed their virtual work skills and designed motivation and creativity strategies through exclusive global and local events on digital platforms. This year Emgesa had 20 ambassadors from different areas.

It is important to highlight their results and impact on culture:



## International Coaches

Idea Hub Colombia, together with the Innovation Ambassadors, facilitated courses in Facilitation Techniques and Design Thinking for Central America and storytelling for Spain. 91 collaborators from other countries were trained in 3 courses.

Some of the countries of the holding with which we interacted were: Italy, Spain, Guatemala, Panama, Costa Rica, Chile, Peru and Argentina; virtuality has allowed us to strengthen work teams and discover global opportunities, in addition to being able to share good practices and meet collaborators from different cultures.

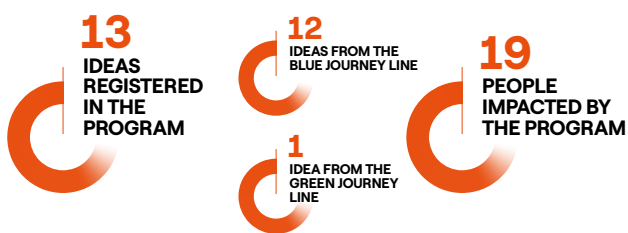
## Intrapreneurship

### Make it Happen

This is the global corporate intrapreneurship program, which provides the opportunity to propose, share and develop innovative ideas. It has two paths for entrepreneurship, Green Journey (New business models) and Blue Journey (Ideas for improvement in activities/processes).

Colombia stood out in the Group with a total of 59 applications, ranking third after Brazil (152) and Italy (60). It was also the host country for the tenth pitch day held in December.

The following indicators were obtained in 2021:



The ENEL SIEMBRA FUTURO idea participated in the pitch day, a sustainable strategy to contribute to the goals of reducing carbon emissions by planting trees in the Renace Forest, through joint action with customers.

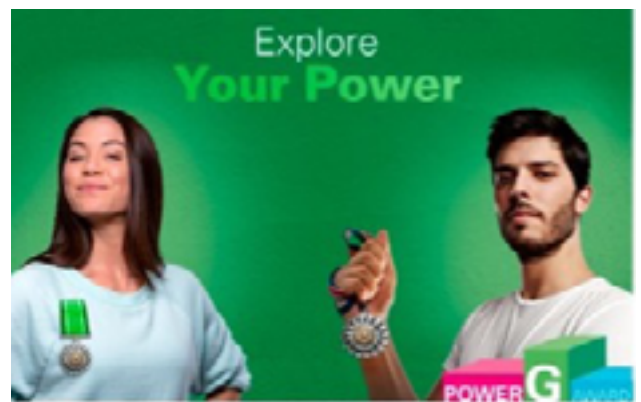
In addition, two cross-cutting ideas of impact for the Enel Group in Colombia were presented and won by Colombia:

**Raw material transformation based on grid mining:** A proposal that seeks to build a circularity model with residual materials from the operation.

**Supplier Service Center (CAP):** A digital service model that seeks to centralize the tools available to suppliers in order to generate a friendly and intuitive experience that addresses the information needs in a single contact.

## POWERG

This global program of the Renewable Energy business line seeks to generate innovative ideas and best practices for the business. Colombia ranked third place globally after Italy and Chile, with 170 innovative ideas and 44 practices.



### Innovability Week

The third edition of Innovability Week was held, organized by Chile, Colombia and Peru, with Central America as a special guest. Conferences, workshops, contests and awards provided learning and inspiration.

Approximately 1,350 people participated and had the opportunity to test their skills and abilities to solve different challenges through creativity and teamwork. In addition, recognition was given to the Company's projects and people who, through innovation and creativity, seek to generate change in the country.

### Communications

A digital news program on innovation entitled: INNOVA, was broadcast to make visible and recognize the work groups in the area of innovation. In addition, more than 100 publications were disseminated in internal and external media, on activities and news on innovation in the Company.

## Innovation Committees

During 2021, Idea Hub led the organization and execution of two innovation and circular economy committees and 10 innovation focal point committees. These committees presented topics related to: Enel's positioning strategy as an innovative brand, launching of the Emprende con Enel program, as well as the results and achievements of the innovation projects of the business lines.

## Open Innovation

As part of the positioning of innovation in the Open Innovation model, several events were held with the participation of customers, entrepreneurs and/or colleagues from other countries.

## Webinars

- **Innovation Energy Management:** How to innovate in times of uncertainty? aimed at Energy Management's industrial customers, with the participation of Claro's Innovation Manager and Ocesa's Innovation Manager, and moderated by Enrique Samper.
- **Megatrends Gen - Power generation:** The strategy and culture of innovation for the line of business was presented in the Emgesa Megatrends webinar, aimed at all employees in Colombia and Peru.

## Co-creation sessions

Ten sessions were held in which there was interaction with various customers or external stakeholders:

### Co-Creation B2B Customers

Three creative lab sessions were held with a B2B customer of Emgesa focusing on Web/App, BlockChain and circular economy. We listened to the customer's perception of their experience and possible opportunities for improvement; and identified relevant insights to improve the value proposition.

### IPP co-creation session with customers

Four co-creation sessions were held with customers (two virtual and two face-to-face), through experience workshops, to find new ways of negotiating long-term energy contracts; understanding the reality and conditions of the market.

## Start with Enel Colombia

This program was launched to provide support and resources to entrepreneurs to overcome the crisis generated by the pandemic in the country, in Enel's areas of interest: circular economy, electric mobility, new technologies and digital solutions for inclusion.

40 entrepreneurs from 14 municipalities in Enel's areas of influence registered and more than 5,500 interactions were achieved with the challenge on the Open Innovability platform.



## Invitation

**40 registered:**  
**18 Circular economy**  
**12 New technologies**  
**5 Electric mobility**  
**5 Digital solutions for inclusion**

## Filter 1

**16 registered:**  
**5 Circular Economy**  
**6 New Technologies**  
**3 Electric Mobility**  
**2 Sustainable Tourism**

## Filter 2

**10 registered:**  
**3 Circular Economy**  
**3 New Technologies**  
**3 Electric Mobility**  
**1 Sustainable Tourism.**

The ventures received coaching sessions in preparation for phase three, in which those selected will receive mentoring, seed capital and advertising support for their businesses. They also participated in the event Sigamos adelante: Emprende con Enel to share initiatives that strengthen entrepreneurship in Colombia.

### Startups

During 2021, 31 startups were contacted through meetings at the Open Innovation Summit event. Some of them are: Dokmee, Viewy, Valopes, Deepsea, Finled, I-Optia.

In addition, we participated in the Startups 4.0 Network for the energy transition, with the participation of the Electrical Energy cluster of the Bogota Chamber of Commerce, of which Enel Colombia is a member. In this event, six companies whose corporate purpose is focused on energy were contacted.

As part of the relationship with startups from the business lines, Energy and commodity management, through international scouting, identified a startup to integrate artificial intelligence, artificial vision and cloud forecasting to improve the generation forecasts of the El Paso power plant. In this process and with the support of Innovation Hub Chile, four startups were contacted to evaluate their viability, and the selected company was Reuniwatt, and the first meetings were held to approach and define the project.

The startup Nuxtu was hired to carry out a project for remote inspections in confined spaces.

### Academic Partners

As part of the tools available to carry out and mobilize the development of research projects through academia, during 2021 the Framework Agreements with Universidad Nacional de Colombia and Universidad de los Andes were renewed, which made it possible to keep the 12 agreements with academic partners active.

### Agreements in force



Thanks to these agreements, during 2021 it was possible to develop more than three research and innovation projects, with the participation of the Julio Garavito School of Engineering and the Universidad de los Andes in the presentation of projects for tax benefits in the call opened by MinCiencias #904 of 2021; as well as developing two initiatives with CIDET.

### Recognition as key players in the country's innovation

In 2021, Emgesa proposed to be recognized in Colombia as a Highly Innovative Company, driven by its open innovation model - Innovability. Emgesa was recognized as a Leader in Open Innovation in the Energy Sector in the ranking conducted by 100 Open Startups - Connect Bogota Region, and ranked 11th in the Business Innovation 2021 list conducted by ANDI - Dinero Magazine and third in the of Business Innovation Bogota 2021 list, after being recognized in the Innovation Committee of ANDI Section Bogota, Cundinamarca.





### Open Innovation Ranking 2021 – 100 Open Startups and Connect Bogota Region.

Additionally, the Company was a finalist in the CIER Innovation Awards with the Open Innovation platform – Open Innovability, representing Colombia in the International phase, competing with 12 companies in Latin America. It was also a finalist in the FISE Innovation Awards 2021 with the Demineralized Water Project.

## Digital transformation

The Company has applied digital capabilities to its processes, products and assets to improve efficiency and customer value, manage risk and generate economic and operational benefits. The main initiatives developed during the year are presented below:

### Assets Perspective

The development of infrastructure for power generation is making use of digitalization to create accessible, flexible and inclusive networks that play a crucial role for society and stakeholders, with smart management that increases efficiency and with an additional benefit for the environment. Within this group, the following projects were developed during 2021:

#### CiberSecurity Perimeter Architecture

Completed the implementation of the perimeter cybersecurity architecture in the power plants, consisting of communications equipment and logical security policies in all generation plants, against external threats and cyber-attacks, in compliance with the agreement of the National Operation Council (CNO).

#### CiberSecurity guide implementation

Based on the “cybersecurity guide” of the National Operation Council (CON), the manual for cybersecurity management in the generation process was developed. Thus, different policies, plans and processes were built and implemented.

#### Virtualization of the SCADA system at the El Quimbo power plant.

The implementation of the Scada System (Supervisory Control And Data Acquisition, a system that allows monitoring, collecting and processing data in real time) began for El Quimbo, in a virtual and high availability environment, which allows managing resources in a more efficient way and increasing availability and reliability in the operation.

#### Smart Parameters

Started the first phase of development of a software that centralizes the information of the different generation parameters, submitted to regulatory bodies, which must be fed and updated automatically and through the use of machine learning and data analysis.

#### Integration in the management of access to operation tools.

The different applications and tools used for generation control were integrated into the corporate access management systems. This integration facilitates access requests to users and ensures the control of active users in the systems.

#### Electronic Network Renewal

In 2021, an IP telephone exchange was implemented to ensure the availability and reliability of the communications required for the operation of Emgesa’s power plants, required in the critical mission process of electricity generation, according to the energy demand.

## Customer And Market Perspective

Emgesa’s digital transformation has allowed us to keep pace with the emerging requirements of our customers, always remaining at the forefront of technology and competitiveness in order to continue generating a quality experience for their needs. Within this group, the following projects were developed during 2021:

### Technological change in the stock exchange offer.

A technological change was implemented in the system based on micro-services, providing:

- State-of-the-art technology that allows the inclusion of new functionalities much faster and more cost-efficient.
- Improved user experience
- Artificial intelligence (AI) functionalities and machine learning algorithms to articulate the benefit it provides to its market versus the competition.
- Real-time alert management and automation
- Increased system availability and information reliability
- Visualization of information through mobile applications

### Energy planning analysis models

This new application supports the analysis of the long-term results of the MHT hydrothermal model (Generation, Variable Costs, Marginal Costs, Works Plan and Interconnection) in order to provide greater accessibility of the output information, generate specialized reports and versatility in the query tables.

### Support for the commercial process

The new Customer Engagement platform makes it possible to record the commercial process from the registration of Customers/Portfolios, Leads, Contacts, Contracts and Sales in the MNR, MM and Gas, strengthening the management of customers (potential and current) and allowing more efficient development of commercial.

By having centralized information, the analysis of the universe of customer data is carried out in order to propose, for example, new types of contracts, make competition viable, manage operational marketing, among others.

### People Perspective

The automation and digitalization of internal processes being developed in Emgesa is part of the digital transformation strategy that has been established to increase productivity and gain efficiency, in addition to leveraging the new way of working that has been established in recent years. Within this pillar, the following projects have been developed:



#### **E4user Project – People Pillar:**

Provides a standard infrastructure of roles and profiles to ensure that there are no conflicts segregation of duties (SoD) to users using the Company's financial systems.

#### **Electronic Payroll**

The electronic payroll was implemented in order to comply with resolutions 0013 of February 2021 and 0037 of May 2021 of the National Tax and Customs Directorate (DIAN), and to improve the traceability and efficiency of the process.

#### **Migration of payroll system to new platform**

The technological platform of the payroll system was migrated to the SAP HANA platform, which allows for better encryption of information, improvements in data storage, and greater speed in information processing that facilitates predictive and Big Data analysis.

#### **Gestor.com – Registration of contracts with the DIAN (Tax Authority)**

The contract registration solution was implemented before the DIAN on the Gestor.com application, which allows to keep track of contracts that are made with suppliers abroad and that are related to technology services, identifying the contracts to be registered with the DIAN and generating alerts if the registration process has not been performed according to the legal deadlines.

#### **Migration to Cloud**

During 2021, the migration to the Amazon cloud of all historical information stored in local repositories began. As this migration is completed, the areas will be able to consult it at any time, place and different types of devices, securely in read-only mode.

#### **VDI-VDA Transformation**

We migrated virtualized systems on obsolete platforms (virtual PCs) to a centralized application infrastructure in Amazon, in order to update the platform to more modern and secure versions. The project allowed for a debugging and optimization of resources, reducing the previous infrastructure requirements by more than 60%.

#### **TUP (Technological Upgrade Project) Upgrade of obsolete server software.**

The obsolete software of Emgesa's servers was upgraded, with benefits in security, technical support, standardization of products and services, infrastructure consumption, monitoring and scalability.

#### **Expansion of state-of-the-art services at Cloud level – Containers.**

The use of containers allows applications to take advantage of the depth and breadth of the Amazon Web Services (AWS) cloud in terms of networking, security and monitoring, obtaining fast, reliable and consistent deployments.

#### **Monitoring**

Dynatrace ONE monitoring tool was deployed to monitor applications, in aspects such as user experience based on response time and number of errors, performance and service hours availability.

#### **Magnetic Media Project**

The project was initiated to digitalize the 22 magnetic media formats that must be submitted annually to the DIAN, in order to respond to regulatory requirements in an agile, accurate and timely manner.

#### **DRAPE Project**

Initiated the integration of the management functionality for the registration of invoices to the WE-BUY supplier portal, which has improved the experience of suppliers. In 2021 the platform was used by 88% of collaborating companies and creditors.

#### **Support Document Project for Non-Responsible Parties**

This project seeks to address the DIAN's request for information on invoice payments to companies not responsible for submitting electronic invoices. The first phase of data identification was developed and the report will be consolidated in the second phase.

#### **TAX CLICK Project**

A strategy was developed to collect information on all business processes that have a direct impact on tax management, especially on municipal tax returns (ICA, RETEICA), and functionalities were developed to process the large volume of information on tax assessments for each municipality and their payment process.

#### **Implementation of Changes by Resolution 0012 of the of National Taxes and Customs Authority (DIAN)**

Resolution 00012 of February 2021 incorporated technological and process changes for the issuance of electronic invoices, which were carried out within the defined times, complying with the new technical conditions required in the Technical Annex document.

### Emgesa Actual Cash Flow Project

The rules for automatic extraction of information from the financial system were implemented to contrast with the information reported by the different areas in the projected cash flow and determine deviations or adjustments to the Company's cash management.

### Project Payments to Suppliers in SWIFT MT101 Format - Assets Pillar:

Seeks to homologate all payment file formats with financial entities in a single standard format denominated by SWIFT (standard format for business identification codes) as MT101, with great operational and security benefits.

### Cybersecurity

- Completed the deployment of the two-factor authentication tool for both internal and external users.
- Improved monitoring and alerting processes.
- Completed deployment of the Next Generation Antivirus (NGAV) solution and expanded its scope with seven additional components.

### Activation of additional anti-spam features

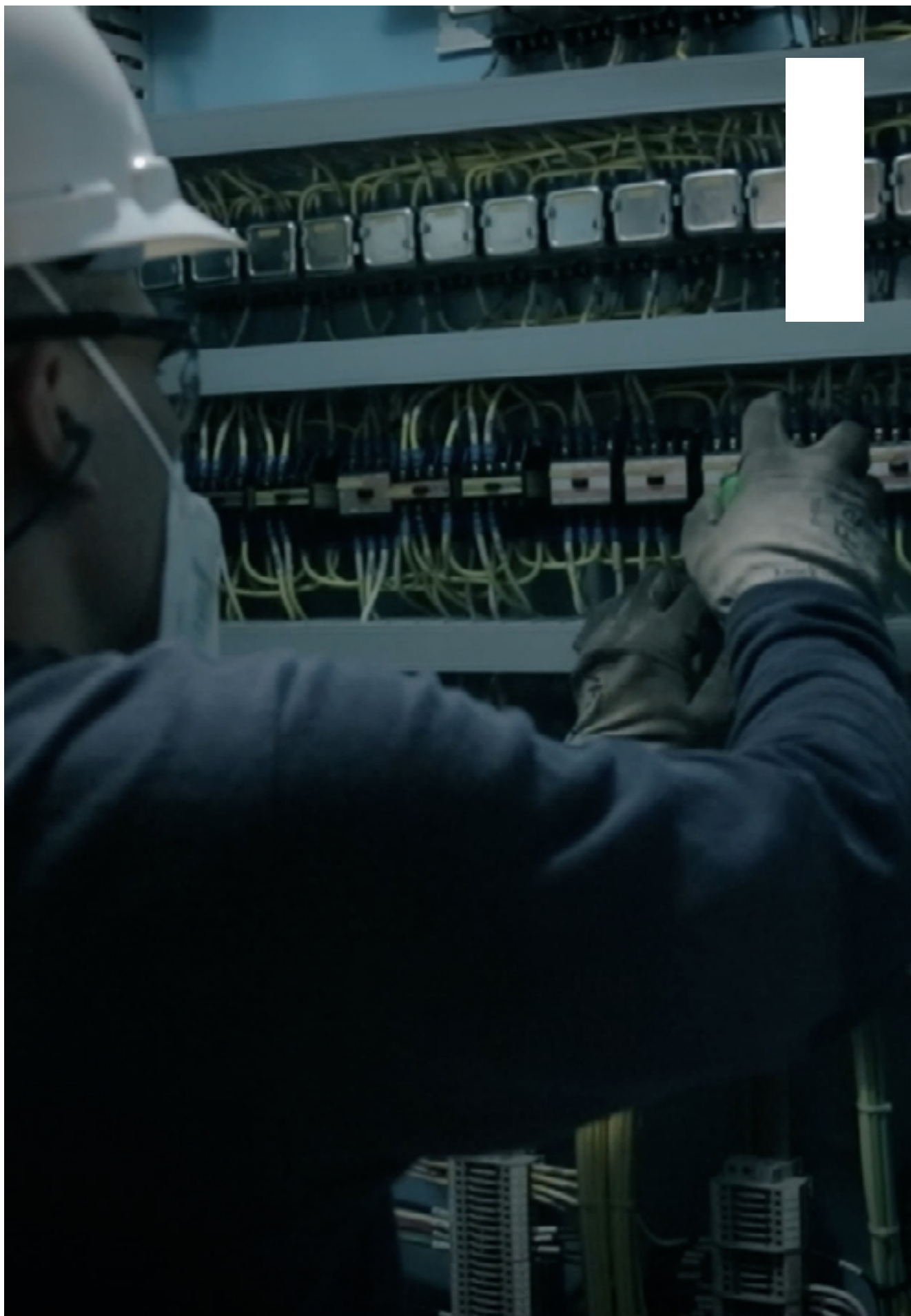
Implemented DMARC protocol to improve protection against incoming mail and bulk mail delivery rates to customers.

### Implementation of BITLOCKER platform

We began to deploy the solution for encrypting the hard disks of users' computers, a measure that helps to reduce the risk of theft and loss of information in the event that the computers are lost or misplaced.









# OHS, Security and Administrative Services

## Occupational health and safety

### Power generation

2021 closed with more than 4.5 million man-hours worked, zero accidents among our own personnel and one accident in the contractor segment, which occurred in the operation and maintenance process of the Termozipa power plant, related to mechanical risk (frequency index of 0.22).

From the local, global and holding initiatives, tools were generated to promote the achievement of the objectives and goals in terms of reduction of injuries and illnesses at work, among the most relevant initiatives that were applied are:

**Intrinsic Safety:** The process safety standard was improved based on inspections, prioritization, adjustment and technological renewal of equipment and machines, to ensure that the plants in operation are intrinsically safe, under high safety standards, ensuring that the technical characteristics of the equipment physically prevent human error.

By the end of 2021, more than 1,700 conditions were improved to make the generation process safer in medium and low voltage electrical installations, fire protection, equipment and elements for lifting loads, moving parts and mechanisms, and equipment in workshops.

**Electrical risk management:** interventions were carried out on electrical contact risk in electrical panels at the Cartagena, Termozipa, Río Bogota and Betania power plants, in line with current regulations. In addition, personnel exposed to electrical risk were trained and certified in protection control measures and specialized personal protection elements for protection against electric arcs.

**Mechanical risk management:** we mapped the conditions of equipment and tools with potential mechanical risk, such as lifting equipment, equipment with moving parts, and workshop equipment as part of the intrinsic safety program, ensuring the identification, control, and management of conditions that could prevent the occurrence of situations that could generate the probability of occupational injuries and illnesses.

**Safety of processes, facilities, equipment and fire protection:** Work continued on the verification and review of the intrinsic safety conditions of the fire protection systems based on current regulations, and the application of emergency action procedures was reinforced with the operating personnel for all the generation plants.

**Asbestos treatment and control:** Systematic sampling of friable asbestos continued at the generation plants; risk warning signs were installed in structures with friable asbestos, and in some potential situations it was removed. The inspection program of structures and equipment was carried out periodically under the Enel Index Asbestos methodology.

**Confined Spaces and explosive atmospheres 'ATEX':** Work in confined spaces, and explosive atmospheres 'ATEX' represent one of the most relevant safety programs, as they are configured as high-risk tasks. The confined space program focused on updating safety requirements in compliance with technical and regulatory legal standards. In addition, confined spaces and work areas with explosive atmospheres were characterized and identified for greater control in the use of equipment, personal protection elements and specific requirements for each activity.

**Extra Checking on Site - ECoS and ECoS 2.0:** continued the implementation of preventive and corrective improvements to recognize opportunities in the prevention and prediction of incidents, and referencing between Enel Group companies.

**Partnership with contractors/subcontractors:** the contractors' program was developed to strengthen their performance in occupational health and safety in contractors and subcontractors.

**Training and competencies for safety and healthy at work:** There is an e-Ducation training program for each worker. In 2021, the training program was established in order to control the probability of injuries, occupational diseases and the COVID-19 health emergency.

### COVID-19, solidarity in the health emergency

The Company has implemented a series of measures to protect the technical human resources located in the generation plants, as well as the administrative and support personnel located in the corporate buildings, thus minimizing the number of people required to be present in plants and offices, in order to reduce the risk of infection.

After the activation of the Business Continuity Plan on March 9, 2020, the first measures adopted by the Company were the cancellation of national and international trips, corporate events and internal group trainings, as well as a strong call for individual self-care through campaigns activated through internal media. These measures have been maintained during 2021, in addition to Covid prevention, the company has promoted information on vaccination as a measure to mitigate the impact of Covid infection.

To date, although the government has made the measures more flexible (Circular 0392 of March 25, 2021), EMGESA has maintained biosafety measures such as 1.5-meter distancing in the facilities, the prevalence of working at home for people whose duties allow them to do so, and self-care campaigns. In total, 51% of EMGESA's workers are performing their tasks through this modality. Forty-nine percent attend the plants on a permanent or occasional basis according to the needs of the service. Maintaining the criterion that all people who go out to the operation must have a negative PCR test and subsequently undergo medical follow-up.

The Company provided the group of people working in the field with the necessary protective equipment to carry out their activities with all the necessary safety measures; operating shifts were strategically optimized, operational flexibility is periodically evaluated, and there is permanent health monitoring and prevention campaigns led by the HSEQ submanagement for workers and their families. In addition, we are strictly complying with all cleaning and disinfection protocols for common areas.

As of December 31, 98% of EMGESA workers have at least one dose. Inel EMGESA through ANDI has ensured the vaccination of 2,084 people, this process started in July and covers employees, 1 family member per employee and some essential contractors who have not yet been vaccinated with the national government. The value of the complete scheme per person is \$ 213,718 which covers 2 doses sinovac: includes the purchase of the biological, transportation and logistics of application. In November the government enables the vaccination of children between 3 and 17 years of age. As of December 31, 1032 people have been vaccinated through this scheme, distributed among 298 direct workers, 397 contractors, 308 family members, 56 minors between 3 and 17 years of age and 41 former workers who started the vaccination process while they were linked to the company.

**Bio-safe processes as a business continuity strategy in times of COVID-19:** the Colombian Technical Standards Institute (ICONTEC) conducted a follow-up audit that confirmed that the company has maintained its bio-safe operations certification for the second year.

**Psychosocial risk management:** in 2021, psychosocial risk was measured and, based on this, targeted group interventions based on emotional intelligence were carried out.

## Safety culture

The Leadership for Safety management pillar has mobilized inspirational and influential leadership that contributes to the optimization and safety of processes.

In turn, the safety culture programs made health and safety performance visible and contrasted it with the joint vision of the culture of self-care and mutual care, in order to identify the potential for improvement.

## Energy and Commodity Management

For the Occupational Health and Safety System, strategies and actions were focused on maintaining adequate health conditions for people who are working at home due to extraordinary situations, and on the prevention of psychosocial and ergonomic risks.

Procedures, inspections and supervision of maneuvers in the field continued to be developed in virtually and in a hybrid format, ensuring compliance with technical and regulatory obligations at commercial borders. In 2021, compliance with the Zero Accidents and Safety Events Policy was maintained for all employees of the line, including contractors and suppliers, and was reflected in compliance with the local goal of the Frequency Index (FI), Severity Index (SI) and Occupational Accidents (OT), which remained at zero (0) throughout the year.

Regarding the operational control of field maneuvers, the following actions were managed based on Resolution 0312 of 2019, Resolution 5018 of 2019 and Enel Group standards:

- Improvement in the systematization of Pre-operational inspection information (Risk analysis by trade).



- Design and implementation of the HSEQ qualification and evaluation system for suppliers of liquid fuels in thermal generation plants, which allowed standardizing the requirements and ensuring compliance with current regulations and Enel guidelines.
- Project to strengthen the hydro-meteorological monitoring network, in which improvements were made to industrial safety conditions for access to Emgesa's network stations in water tributaries.
- 14 actions to improve telemetering processes, commercial technical operations and hydro-meteorological follow-up.
- 331 IPALES inspections that allowed identifying better work methods, digitalization of information, elimination of unsafe conditions, among others.
- Webinars with suppliers and contractors of the different field operation processes.
- Implementation of quality and occupational health and safety plans to measure and control compliance with defined objectives, goals and programs, in accordance with the technical specifications of the processes.

With respect to the participation and improvement of the skills of all employees in emergency response, training was provided on how to act in the event of an emergency at home, which resulted in the proposal of an emergency plan for their homes, in response to the new reality of working during COVID-19.

## Occupational health and safety

For the sixth consecutive year, the company achieved zero occupational accidents among its own employees and contractors, reaffirming its commitment to people's health and lives.

## Quality and Management Systems

### Power generation

The Integrated Management System (IMS) consists of occupational health and safety, environmental, quality, energy efficiency, and anti-bribery management systems. All of them under ISO standards. During 2021, we continued with the integration of the Management System between Peru and Colombia, including thermal and renewable generation technologies, ensuring the exchange of best management practices.

The corresponding management was carried out to maintain the following certifications:

- **ISO 9001:2015.** All the plants in operation have the Quality certificate that allows standardized work and continuous improvement.
- **ISO 14001: 2015.** The Environmental Management System guarantees compliance with international standards.
- **ISO 50001:2018.** The Energy Efficiency Management System has allowed us to promote a culture of efficiency, generating savings in the use and significant consumption of energy.
- **ISO 45001:2018.** The Occupational Health and Safety Management System allows to ensure the safety and health of people.
- **ISO 37001:2017.** Facilitates anti-bribery controls and prevention programs.

During 2021, the implementation of digital tools continued to facilitate QA/QC Quality Assurance and Quality Control management, focused on relevant maintenance of thermal and renewable technologies.

## Energy and commodity management

The following were managed for the Quality System, among others:

- Recertification of the ISO 9001:2015 Standard, resulting in zero (0) Non-Conformities and seven (7) recommendations.
- Short visits, planned and unplanned inspections to all management processes, identifying opportunities for improvement and effective action plans.
- Update of the Risk and Opportunity Map, identifying the impacts of COVID-19 on operations.

In the Anti-Bribery Management System, one (1) follow-up audit was conducted for the maintenance of certification, resulting in zero (0) Non-Conformities and one (1) recommendation, to record dates of media analysis performed to the Organization's partners.

## Administrative Services

### Internal customer service

During 2021, 9,208 service requests were handled through the Administrative Services Attention Channel (CASA), with a 97.59% timeliness level, 96.14% perceived quality in the attention process and a 99.38% customer satisfaction index in the field.

### Technological map

The following solutions provided in the technological road-map for 2021 were implemented:

- App for the sale of decommissioned furniture to employees.
- Business Intelligence for the work and safety travel process.
- **ME-Travel:** Web-based application for business travel.
- **Gestor.com:** evolutionary for the control of the registration of contracts before the DIAN and change of the server to shield the system against external attacks.

- **Archibus:** mobile applications to perform inspections (App Inspection) and manage corrective requests in the field (App Facility).
- Portal Security - Counterparty Analysis
- Me Office for booking rooms and workstations
- **SUMATE:** complete cycle of verification of identity and authenticity of activities carried out in the field by contractors
- **Integrated Real Estate Information System (SIIGI):** evolutionary for the process of buying and selling real estate, property tax liquidation and updating for the automatic description of boundaries.
- **Filing and Correspondence System (SRC):** updating of platforms and new optimization functionalities.

### New corporate headquarters

Negotiations for the purchase of the Q93 building in Bogotá were closed. Thanks to the LEED GOLD certification, we saved \$5,173 million in the project's financial expenses due to a reduction in the rate.

The architectural and technical designs of the project were based on enhancing collaboration, innovation, wellbeing and comfort, with solutions for new spaces, connectivity and harmony with nature; criteria that aim at WELL GOLD certification.

The civil works began, reaching an execution progress of 30% and an investment of \$5,570 million.

### Works and space management

With a total investment of \$2,187 million, the following works were carried out at the plants:

- Works were carried out in the Termostiza and Muña casinos, complying with the requirements demanded of the physical facilities in accordance with Resolution 2674 and RETIE regulations.
- The environmental license and permit were obtained for the construction of the enclosure at the Cartagena Power Plant, as well as phase one for the normalization of its drinking water.
- The eviction and demolition of an invasion house in the Darío Valencia-115 property was carried out, in accordance with the judicial process.
- Improvements were made to internal and external spaces in Termostiza, Cartagena, Guavio, El Quimbo, Betania, Darío Valencia, Paraíso and Muña.





### Implementation of sustainability policies

Social responsibility and circular economy initiatives were promoted, such as the hiring of female heads of household in transportation, casinos, maintenance and cleaning contracts; unskilled labor was hired from the areas of influence, and training programs were carried out to develop technical or administrative skills for operating personnel in order to expand their professional development. In addition, compost was generated from organic waste to support the planting of crops by local growers.

### Security risk management

In 2021, we supported the materialization of contracts with third parties for the implementation of the Security Conditions, by attending to 57 requests for contracts that are part of the Company's core activities, thus ensuring the application of standardized guidelines for the management of crime, fraud and corruption management processes, people security, information security and physical and facility security, in operating and service contracts.

### Counterparty risk management

850 counterparty analyses, activities and analyses necessary for the detection and timely treatment of reputational or legal risks, which may arise from relations with suppliers, business partners and in general with any stakeholder with which the Company establishes economic relations or contracts, were carried out. The level of coverage was increased by 62.5%, from 523 analyses in 2020 to 850 analyses in 2021.

### Protection of infrastructure and local operations

The protection of the Company's strategic assets is one of the fundamental pillars of security, therefore, in addition to the control and management of operational, physical and environmental risks of the facilities, in 2021 investments were made to insure assets for \$777 million.

### Information Security

Information is a strategic asset for the Company; therefore, during 2021 the implementation of the Information Security Management System continued in different Emgesa processes.

### Personal data security

In 2021, the personal data assurance initiative was started, with the purpose of guaranteeing compliance with Act 1581 of 2012, as well as internal policies on information security and data protection of employees and customers.

### Contractor control

- For the most relevant contracts, 52 inspections were carried out in order to validate compliance with legal and labor obligations. In response to the findings, action plans were established by the contractors and at the end of the year 94% of them had been implemented.
- 51 new contracts and 30 final contract settlements were executed to validate compliance with legal-labor obligations.

During 2021 Emgesa indirectly hired an average of 2,075 people, through the execution of 346 supply and service contracts with suppliers and contractors for the development of activities mainly related to the following processes:

- Construction, works and maintenance of power plants
- Maintenance and minor maintenance of power plants and substations.
- Supply and logistics of coal in thermal plants.
- Construction and buildings
- Environmental management and waste disposal
- Computing and information technology

## Internal Audit Management

In 2021, the internal audit and compliance management focused on strengthening and monitoring the operability of the compliance program and the internal control system, to continuously ensure quality, transparency, service and competence in the performance of the Company's operations.

The activities carried out during the year included the following:

### Corporate ethical culture

During 2021, relevant documents were updated, such as the Code of Ethics, the Criminal Risk Prevention Model (MPRP) and the Protocol of Trust and Courage with Institutions, and the Conflict of Interest Management Policy was revised.

The Criminal Risk Prevention Model Matrix was also updated (through control testing) and the DIGICOM project began to be executed, with the purpose of digitalizing and automating the Criminal Risk Prevention Model (MPRP) matrix, guaranteeing the control of information and online access to risk assessment by process owners.

We also continued with the execution of activities aimed at maintaining the certification of the Anti-Bribery Management System (SGAS) under the international standard ISO37001, which allows us to prevent, detect and respond to the risk of bribery, strengthening the Company's anti-bribery organizational culture.

In January 2021, an external evaluation was conducted in order to verify the conformity of the implemented system. The result of the evaluation was the general conformity of the Anti-Bribery System-SGAS, ratifying that it is a mature and consolidated system, which has been in operation for several years and has evolved with the dynamics of the

organization, integrating processes that demonstrate alignment with the requirements of the ISO37001 standard.

Additionally, the Compliance Function was successfully implemented, formalized in 2020, and through which the support of the Anti-Bribery Management System is guaranteed by the Legal and Corporate Affairs, HSEQ and Internal Audit units.

In 2021, the Company's Internal Compliance Committee was actively in session, in charge of monitoring the implementation and adequacy of compliance programs framed in tools, protocols and control systems, to ensure transparent, honest, fair and ethical actions in the performance of the Company's activities.

The Training Plan focused on strengthening the culture of ethics and integrity was fulfilled, providing training to employees, top management and members of the Company's Board of Directors, on different topics associated with the policies and protocols of the Compliance Program, virtual courses on the Code of Ethics, the Criminal Risk Prevention Model and conflicts of interest.

Induction sessions were held for more than 50 employees who joined the company in 2021 and training for more than 260 employees in the virtual course of the Code of Ethics updated during 2021. The virtual course Confía Enel was also deployed, with an innovative format that allowed online and interactive training to more than 220 workers to strengthen their knowledge on Compliance and the Anti-Bribery Management System. With the above initiatives we closed 2021 with more than 450 workers trained in matters of business integrity and compliance.

Regarding communication on compliance issues, a total of 24 campaigns were launched (totaling 42 pieces of communication) through internal media and social networks.

In the month of September 2021, the Company celebrated the Ethics Week through a 100% digital format, with a closer communication model of ethics and integrity issues that allowed to significantly increase the level of interactivity and response from employees.

During the second half of 2021, the first survey (Barometer) was implemented with the support of the Fundación General Empresarial (FGE) to measure the perception of the ethical culture and its compliance in the Organization. This survey made it possible to identify the elements of the corporate culture that are part of the organization's ethical behavior. The results show a good level of awareness among employees of the tools to promote ethical conduct and corporate values, as well as a high level of identification of the company's commitment and actions to prevent

corruption and to behave ethically on a daily basis.

The Company continued to actively participate in the Collective Action for Ethics and Transparency in the Electricity Sector. The Company also officially joined the Transparency and Anticorruption Institutional Network (RITA) of the Secretary of Transparency, which seeks to coordinate efforts to increase ethical standards in the country's most important economic sectors.

The Compliance Officer disseminated good practices in compliance and anti-bribery management in different spaces, including participation in the Global Compact Leaders Summit and in the Regional Integrity Week in Latin America led by the Alliance for Integrity.

In addition, the Company participated in the 9th Ethics Forum of the Electricity Sector of the Ethics and Transparency Collective Action in which it reaffirmed its interest in developing and maintaining a collaborative process to strengthen ethical leadership, declaring commitments to prevent the risks of corruption and improper or uncompetitive business practices.

Furthermore, we monitored and managed the complaints registered in the communication channels provided (ethical channel, e-mails, calls, among others), performing an adequate analysis and closure of the reported facts, protecting the complainants against retaliation or discriminatory behavior and ensuring the confidentiality of their identity. The deployment of different communication and training campaigns to promote the use of the Ethics Channel is also highlighted.

The challenges for the future include continuing with the updating and implementation of best practices and consolidating the company as a reference in the country in terms of Corporate Governance, Compliance, ethics, transparency and the fight against corruption.

## **Audit and risk assurance function**

Throughout 2021, work continued on an audit function aligned with best practices, according to the external evaluation that has certified the function with a result of general conformity with respect to the international standards for the professional practice of Internal Auditing issued by the Institute of Internal Auditors, and had as a tool the information system (Team Mate) that supports the management of the audit and compliance function. In addition, the Agile methodology was implemented for the development

of all the audit work contemplated in the 2021 Plan, in order to improve the effectiveness of the results.

The annual audit plan was satisfactorily completed, which included the performance of 9 tasks, in which the following processes were reviewed: Maintenance Management, Credit Risk Management, Corporate Device Security, Critical Infrastructure Cybersecurity, Analysis of Light and Full/Mega Tender Purchases, LCA Litigation Management, Tax Litigation Management, Corporate Asset Protection and Contract Management in Services.

In addition, eight follow-up auditing activities were carried out on sensitive processes (Continuous Auditing), associated with donations, sustainability initiatives, institutional and regulatory matters, personnel selection, sponsorships, health and safety, red flags procurement and consulting and professional services.

As in previous periods, the result of the audit work did not reveal any weaknesses that could compromise the fulfillment of the Company's objectives, according to the defined assessment methodology.

The risk assessment of the Company's processes and fraud scenarios was updated, considering the new work and operational contexts. We also monitored the progress and compliance with the action plans resulting from previous audits, with the aim of solving weaknesses and improving the Company's internal processes. As of December 31, 2021, the action plans that were more than six months old were closed.

A dashboard was implemented with data analytics tools with the main indicators of the function, in order to facilitate online and continuous monitoring of the progress of the Audit Plan and other relevant activities.

Finally, the use of Smart Glasses technology was initiated in order to carry out virtual inspections of different industrial facilities for some auditing activities.

## **Legal management**

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

## Corporate management

The following special projects in corporate matters are highlighted:

### Merger Project:

At the beginning of 2021, negotiations were concluded with Grupo Energía Bogotá S.A. ESP. (GEB), which resulted in the subscription of a new AMI Investment Framework Agreement, as well as in the conciliation of GEB's claim against Enel Américas S.A., Codensa S.A. ESP and Emgesa S.A. ESP. The aforementioned negotiations also provided for the merger by absorption in which Emgesa S.A. ESP will absorb Codensa S.A. ESP, Enel Green Power SAS ESP and the Chilean company Essa 2 SpA, to create the company Enel Colombia S.A. ESP, which will carry out the activities of generation, sale, distribution and storage of energy, as well as all other commercial activities provided for in the corporate objects of the companies involved in the merger.

Several steps were taken to conclude the merger:

- Preparation of the financial, accounting and legal information as of April 30, 2021.
- Approval of the merger commitment by the corporate bodies of the companies involved in the merger, i.e. by the Boards of Directors and the Shareholders' Meetings. The latter corporate bodies approved the transaction on July 27, 2021.
- Approval of the merger by the Bondholders' Meetings of Emgesa S.A. ESP. and Codensa S.A. ESP.
- Notification to the creditors so that they could exercise their right of opposition in accordance with the grounds set forth in the law, without any opposition being filed within the legal term.

Thanks to the above the request for authorization of the merger was submitted to the Superintendence of Companies on October 1, 2021, and is currently being processed. Additionally, during the last quarter of the year, we have approached the Ministry of Labor for the substitution of the pension liabilities currently held by Codensa S.A. ESP.

Authorizations from both the Superintendence of Corporations and the Ministry of Labor are expected to be obtained in 2022.

### DPO PROJECT:

Work was carried out on the implementation of the Enel Group's Data Protection Compliance Program, which is built under ten strategic pillars aimed at strengthening security in the handling of information and the protection of personal data managed by the Company.

## Regulatory management

During 2021, we provided advice on relevant energy and gas purchase and sale operations both in the wholesale market and with customers in the deregulated market, including:

- Advice for the participation in the long-term auction organized by the Ministry of Mines and Energy.
- Advice on the supply of fuels for thermal plants.
- Preparation of the necessary contracts for the sale of new products such as IRECs, and demineralized water.
- Analysis and implementation of new sector regulations within the framework of the energy transition.
- Attention to administrative actions carried out by sectorial authorities, particularly the Superintendence of Public Utilities and the Energy and Gas Regulatory Commission.

## Business management

### Business management highlights:

- Legal advice for the different generation plants of the renewable energy park, Quimbo-Betania, Rio Bogotá and Guavio power plants and the thermal power plants Termozipa and Cartagena.
- Negotiation with the territorial entities of Betania and El Quimbo, in order to achieve the completion of works and projects, and thus comply with the different environmental obligations.
- Legal advice in the preparation and execution of the contracts required for the construction of a fixed dock for Sociedad Portuaria Central Cartagena.
- Follow-up of the execution and start-up of the contracts for the projects of (i) environmental improvement and extension of the useful life of the Termozipa Power Plant.
- Support for the negotiation and closing of several agreements with municipalities in the area of influence of the El Quimbo - Betania power plants.



## Litigation

Regarding the management of litigation, 85.71 % of the final sentences were exonerated in the final judgments issued during 2021, within the different processes that were brought against Emgesa.

Favorable rulings are highlighted in lawsuits filed by people close to the direct area of influence of the El Quimbo power plant, who claimed for not having been compensated. It was demonstrated that these people did not suffer damages and that they were not entitled to compensation.

In collective actions seeking environmental protection or compensation to groups allegedly affected by Emgesa due to the construction of the El Quimbo project, favorable and some partially favorable rulings were obtained. These rulings were favorable and some were partially favorable. These first instance rulings are currently being appealed.

We were able to close the work tables in which the shareholders were seeking spaces for rapprochement to resolve their differences, which allowed the termination of the arbitration litigation initiated by the local partner Grupo Energía Bogotá S.A. ESP. In the month of July 2021 these litigations were terminated and now the Company has excellent relations among its shareholders and important growth possibilities.

## Environmental management

As part of the water concession of the Bogota River, associated to the Pagua, Casalaco and Termozipa Power Plant chains, we continue with the management and permanent accompaniment before the Cundinamarca Regional Autonomous Corporation to present the Compensation Plan.

Regarding the El Quimbo Hydropower Plant, as a result of the legal management related to the environmental administrative investigations against Emgesa, two sanction processes were filed, the environmental authority CAM (Alto Magdalena Regional Autonomous Corporation) exempted the Company from environmental responsibility.

The document to be signed by subsistence miners for the extraction of dragging material in the polygons defined by the company in accordance with the Action Plan formulated in order to contribute with a solution to the problem of material sources, until the final approval by the mining authority of the mining titles requested in the municipalities of Gigante, Garzón and Altamira.

A proposal was prepared and registered with Colombia's National Park to manage an area of 423.87 hectares as a private protected area, under the category of Civil Society Nature Reserve (RNSC) to be called RENACE Forest.





# **5.** **Financial management**

FINANCIAL MANAGEMENT 110

EMGESA FINANCIAL RESULTS 110



# Financial Management

## Emgesa Financial Results

The most relevant figures and indicators are presented below:

COP Millions	2020	2021	YoY
<b>Revenue</b>	4.281.284	4.726.600	10,4%
<b>Operating costs and expenses</b>	1.523.687	1.531.514	0,5%
<b>Contribution margin</b>	2.757.597	3.195.086	15,9%
<b>Administrative Expenses</b>	268.639	240.130	-10,6%
<b>EBITDA</b>	2.488.958	2.954.956	18,7%
<b>Earnings before taxes</b>	1.980.797	2.526.637	27,6%
<b>Provision Income tax</b>	697.645	814.316	16,7%
<b>Net income</b>	1.283.152	1.712.321	33,4%

Emgesa's contribution margin in 2021 reached \$3,195,086 million, showing a YoY increase of 15.9% mainly explained by:

- i. Higher prices in contracts due to the effect of the significant YoY increase in the Producer Price Index (PPI), added to a higher sales volume in contracts both in the Wholesale Market and in the deregulated market, thanks to the recovery of the national demand and the implementation of an assertive sales strategy increasing the sales participation in contracts in anticipation of the high hydrology due to the presence of the La Niña phenomenon.
- ii. Lower fuel costs, due to a decrease in thermal generation, due to the high hydrological contributions presented since the beginning of 2021.
- iii. The extraordinary income of more than COP\$35,6 billion from the sale of carbon credits obtained thanks to the certification of emissions reduction of several Emgesa hydropower plants.

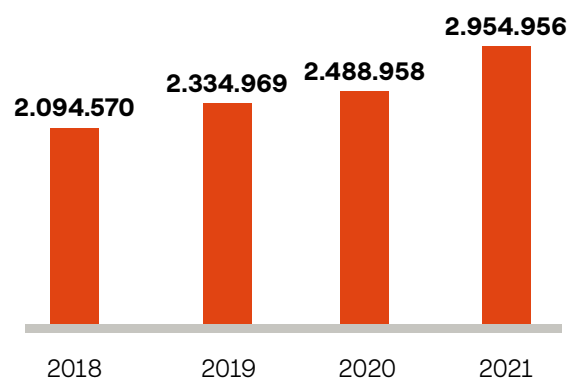
These positive aspects allowed offsetting the following:

- iv. Lower revenues due to a decrease in auxiliary services for the regulation of the frequency of the system (AGC) as a consequence of market conditions.

- v. Lower margin in the spot market, due to the fact that in 2020 there were extraordinary revenues associated with very high exchange prices due to the effect of the drought, while in 2021 the purchase of energy was increased to compensate for the reduction in generation, taking advantage of the low stock price levels.

### EBITDA

Figures in millions of pesos



Fixed costs, represented by personnel costs, as well as operation and maintenance costs, decreased by 10.6% YoY, reaching a total of \$240,130 million, due to the effect of recording in 2020 the penalty for the 2003 negative ruling in the income tax liquidation of Betania, given the application of the exemptions provided for in the Paez Act.

Therefore, EBITDA was consolidated at \$2,954,956 million, which shows a YoY increase of 18.7% and an EBITDA margin of 62.52% over revenue.

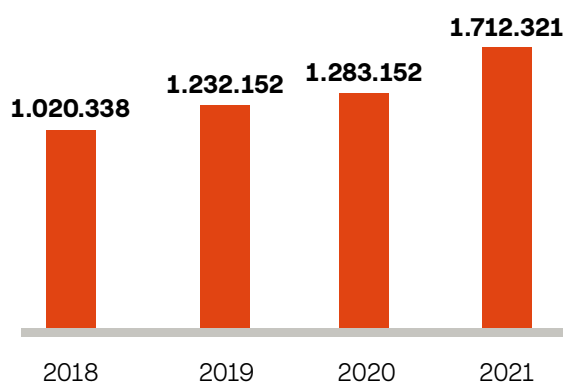
On the other hand, net financial expenses amounted to \$176,313 million, a decrease of 32.3% compared to the \$260,416 million reported in 2020. On the one hand, there was a lower financial expense on debt as a result of a lower average balance YoY, explained by the maturity of the International Bond in January for a total of \$736,760 million, which was partially covered with own cash; and the maturity of the third tranche of the Issuance and Placement Program in July for an amount of \$89,580 million, reducing in turn the average cost. Additionally, the new borrowings materialized during the course of the year in the order of \$450 billion net, were made at rates lower than the average rate of the debt portfolio. Additionally, the item of other financial expenses showed a decrease as a result of the interest derived from the negative ruling in the liquidation of the income tax and complementary taxes of Betania Power Plant recorded in 2020.

The above was offset by an increase in the deferred tax expense derived from the impact of the Social Investment Act due to the modification in the income tax rate from 30% to 35%.

Thus, net income during 2021 was \$1,712,321 million, which represented an increase of 33.4% over the previous year.

## Net Income

Figures in millions of pesos



As of December 31, 2021, the Company's assets totaled \$9,036,383 million, presenting a YoY decrease of \$457,799 million (-4.8%), mainly explained by the reduction in the cash level (-74.2%) which reached a value of \$211,368 million, as a result of the payments made for dividends, income tax and the payment of the previously mentioned financial obligations.

Net property, plant and equipment represented 90.06% of total assets, reaching a value of \$8,137,845 million, remaining practically unchanged compared to 2020 year-end. Accounts receivable represented 3.45% of total assets, reaching a value of \$311,457 million. On the other hand, cash and cash equivalents represented 2.3% of total assets during 2021.

COP Millions	2020	2021	YoY
Current assets	1.211.204	665.360	-45,07%
Non-current assets	8.282.979	8.371.024	1,1%
<b>Total assets</b>	<b>9.494.183</b>	<b>9.036.383</b>	<b>-4,8%</b>

Cifras en millones de pesos

Emgesa's total liabilities at the end of 2021 amounted to \$3,934,516 million, showing a YoY decrease of 9.3%, mainly explained by the amortization of the International Bond in January and the amortization of the Third Tranche of Ordinary Bonds in July, which were partially offset by the acquisition of three bank loans, totaling \$450 billion with local entities; and by the acquisition of three bank loans, totaling \$450 billion with local entities; and by the reduction of accounts payable to related entities by 83%, derived from the payment in December of retained earnings to Enel Américas and Grupo Energía Bogotá, decreed in July of the same year.



<b>COP Millions</b>	<b>2020</b>	<b>2021</b>	<b>YoY</b>
Current liabilities	1.959.818	1.519.446	-22,5%
Non-current liabilities	2.378.928	2.415.070	1,5%
<b>Total liabilities</b>	<b>4.338.746</b>	<b>3.934.516</b>	<b>-9,3%</b>
Total equity	5.155.437	5.101.867	-1,0%
<b>Total liabilities and equity</b>	<b>9.494.183</b>	<b>9.036.383</b>	<b>-4,8%</b>

Figures in millions of pesos

As of December 2021, Emgesa's net financial debt amounted to \$ 2,149,816 million, presenting an increase of 16.96% with respect to the balance at December 31, 2020, mainly due to the effect of a decrease in the available, which was used to meet the needs of Capex and General Corporate purposes.

In addition, during 2021, Emgesa contracted loans for \$450 billion to refinance obligations, which are detailed below:

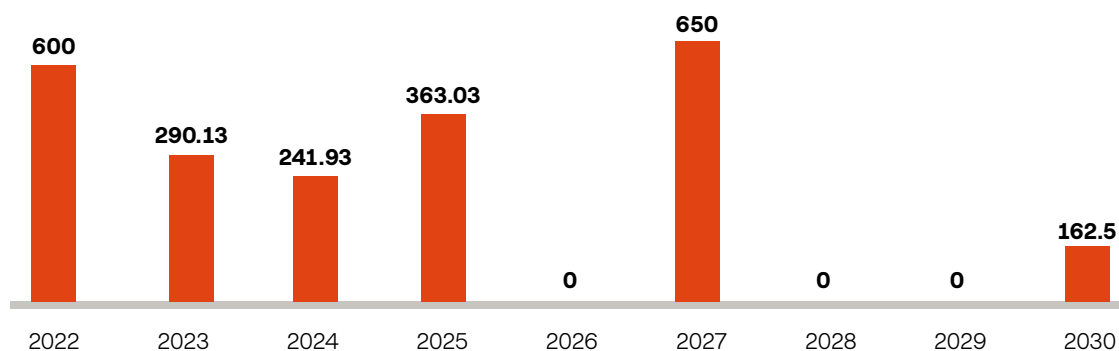
1. \$100 billion with BBVA on October 19, 2021, maturing on October 19, 2027.
2. \$150 billion with Bancolombia on November 30, 2021, maturing on November 30, 2027.
3. \$200 billion with Bancolombia on December 23, 2021, maturing on December 23, 2027.

As of 2021, Emgesa maintained 100% of its debt in pesos, where 74% corresponds to long-term financial debt (remaining maturity of more than one year). The composition by interest rate is distributed as follows: 67% is indexed to the CPI, 20% indexed to the IBR, and the remaining 13% is at a fixed rate.

Below is Emgesa's maturity profile as of December 31, 2021:

### **Maturity profile**

Figures in millions of pesos



The Company's equity reached \$5,101,867 million at the end of 2021, which represented a YoY decrease of 1.0%, mainly explained by the distribution of retained earnings in the month of December, an effect that was offset by a higher profit for the period (\$429,169 million) compared to the previous year.

### **Dividends**

In 2021, Enel-Emgesa paid \$ 1,994,440 million in dividends to its shareholders. The amount corresponds to the last installment of dividends pending for the fiscal year 2019 for \$215,401 million, to the distribution of dividends associated with the 2020 profit for \$1,163,555 million, where it is worth highlighting the change in policy on the dividend payout ratio from 70% to 90% and the payment of 50% of retained earnings corresponding to the years between 2016 and 2020 for \$615,482 million, within the framework of the agreement reached with Grupo Energía Bogotá.

## Current ratings

On July 19, 2021, Fitch Ratings affirmed Emgesa's long-term national rating at 'AAA(col)' with stable outlook and the short-term national ratings at 'F1+(col)'. The rating agency also affirmed at 'AAA(col)' and 'F1+(col)' the ratings of the Bonds and Commercial Papers Program, with a Stable outlook.

It also affirmed Emgesa's international credit rating at BBB with negative outlook.

According to the rating agency, Emgesa has a solid business profile, supported by its strong competitive position and diversification of generation assets in the Colombian electricity generation market. They argued that the Company maintains robust operating cash flow (OCF) generation which, coupled with limited capital expenditure needs, supports Fitch Ratings' expectation that the Company will have low leverage in the medium term. The ratings also incorporate the Company's adequate liquidity position, as well as Emgesa's strategic importance to its shareholders.

Additionally, Fitch Ratings considers that the merger agreement announced by Emgesa's main shareholders is positive.

On the other hand, on May 19, 2021, the rating agency Standard & Poors downgraded Emgesa's international rating from BBB to BBB- as a consequence of the sovereign credit rating reduction. However, Emgesa's rating remains one notch above the rating of the Republic of Colombia.

## Investor Relations Recognition

For the ninth consecutive year, Enel in Colombia received the IR (Investor Relations) recognition for its commitment, transparency and high standards in terms of information disclosure and its relationship with investors.

The requirements are that companies must have a representative available to answer investors' queries in Spanish and English, that they disclose additional information to that which is ordinarily requested through the website, which is constantly updated, and that they also publish financial and corporate information on a regular basis.

In addition, the Colombian Stock Exchange, in order to continue promoting best practices in disclosure of information and investor relations, incorporated in the 2021 evaluation new standards of minimum disclosure content in ESG aspects, which encourages issuers to continue implementing best practices globally and regionally.

Thus, receiving this merit for compliance with all the established standards reflects the Company's high standards and good practices, and thanks to this it has been able to strengthen more effective relations with investors, maintaining a responsible, ethical and transparent management of information.

## Tax management

Management focused on: (i) maintaining the tax benefits applicable to Emgesa, including those granted to the El Quimbo Hydro Project; (ii) addressing litigations and controversies with territorial entities (i.e. municipalities and departments) and other public entities (e.g. Alto Magdalena Regional Autonomous Corporation, Superintendence of Residential Public Utilities -SSPD), and finally (iii) constant support to the implementation of the Saman project, foreseeing and mitigating the tax risks that could be associated.

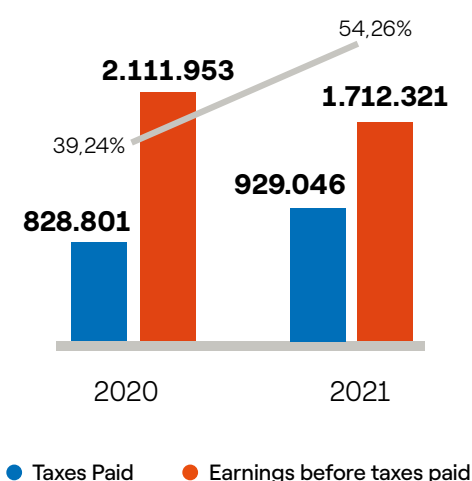
Regarding the tax benefits applicable to Emgesa's operation, the continuity of the special deduction benefit in real income-producing fixed assets for the El Quimbo Hydro Project was assured.

During the year, real productive fixed assets were acquired that allow taking an income tax discount for the VAT paid. This discount will be imputed in the income tax returns of the taxable year in which the corresponding tax conditions are met.

Regarding tax litigation, it is important to highlight the filing of an extraordinary appeal against the unfavorable ruling that confirmed the official income tax liquidation for 2003. Additionally, Emgesa is disputing the amounts liquidated for contributions (special and additional) in favor of the SSPD and the CREG for 2020 and 2021. Emgesa has insisted before these authorities on the illegality of the actions carried out based on sections of Act 1955 that were declared unconstitutional. In the event of being favorable, these lawsuits could represent an income of 5,554 million.

Finally, since 2018, the Total Tax Contribution (TTC) has been disclosed, which allows identifying, measuring and communicating the corporate asset that represents Enel Colombia's tax contribution.

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



## Internal Control

As part of the Internal Control System, Emgesa has an internal control model based on the international reference framework COSO (Committee of Sponsoring Organizations of the Treadway Commission), to provide financial reporting assurance in compliance with the United States Sarbanes-Oxley Act (SOX) of 2002 and Italian Act 262 of 2005.

In accordance with the internal monitoring responsibility over the Internal Control Model, the firm Deloitte&Touche, executed this process without identifying significant issues, thus concluding that the Financial Reporting Internal Control Model operates effectively.

Additionally, the firm KPMG as Independent Auditor and External Auditor during 2021 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 internal control model of the Financial Report.

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

## Access Policies

In 2021 and in compliance with the Enel Group's internal control policies, the certification of access to relevant information systems was carried out as a monitoring and assurance activity regarding adequate and authorized access to the systems under the scope.





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FOR A BRIGHTER FUTURE.**  
WE EMPOWER SUSTAINABLE PROGRESS.





**SEPARATE FINANCIAL STATEMENTS**

**Emgesa S.A. E.S.P.**

**To and for the year ended December 31, 2021**

**(With comparative figures to and for the year ended December 31, 2020)**

**With the report of the Fiscal Reviewer**

## REPORT OF THE TAX AUDITOR

Shareholders  
Emgesa S.A. E.S.P.:

### Report on the audit of the financial statements Opinion

I have audited the separate financial statements of Emgesa S.A. E.S.P. (the Company), which comprise the separate statement of financial position as of December 31, 2021 and the separate statements of income, other comprehensive income, changes in equity and cash flows for the year ended in that date, and their respective notes, which include significant accounting policies and other explanatory information.

In my opinion, the aforementioned separate financial statements, prepared on the basis of information taken fairly from the books and attached to this report, fairly present, in all material respects, the separate financial position of the Company, as of December 31, 2021, the separate results of its operations and its separate cash flows for the year ending on that date, in accordance with Accounting and Financial Information Standards accepted in Colombia, applied uniformly with the year previous.

### Basis for opinion

I carried out my audit in accordance with the International Auditing Standards accepted in Colombia (NIAs). My responsibilities under those standards are described in the "Responsibilities of the Statutory Auditor for the Audit of Separate Financial Statements" section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia together with the ethical requirements that are relevant to my audit of the separate financial statements established in Colombia, and I have complied with my other ethical responsibilities in accordance with these requirements and the aforementioned IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those that, in my professional judgment, were of most significance in my audit of the current period separate financial statements. These matters were addressed in the context of my audit of the separate financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

**Estimate of income from the sale of energy delivered and not billed**  
**(See Note 2.4 to the separate financial statements)**

<b>Key Audit Matter</b>	<b>How it was addressed in the audit</b>
<p>The Company has established a procedure for the recognition of estimated income at the end of each month, associated with the sale of energy delivered and not billed in the wholesale and unregulated markets at the end of each month, whose billing is made in the following month. At the end of December 2021, the estimated revenue not invoiced recognized amounts to \$268,092 million.</p> <p>I considered the estimation of the income from the sale of energy delivered and not billed as a key audit matter due to the significance of the variables incorporated in the determination of this income, especially with respect to: a) the amount of energy consumed calculated based on the history of average consumption in recent months or the typical consumption curve, depending on the type of client and b) the prices agreed with clients, which for the wholesale market and for the non-regulated market correspond to the Producer Price Index ( PPI).</p>	<p>My audit procedures to evaluate the estimate of the income from the sale of energy delivered and not billed included, among others, the following:</p> <ol style="list-style-type: none"> <li>1. Evaluation of the design, implementation and operational effectiveness of certain internal controls established by the Company, for the estimation of income, such as: 1) the review of monthly base consumption for the calculation of the estimate by client and contract; 2) the review and approval of the price variables that are incorporated into the contractual agreements of each client (IPP); 3) the preparation, review and approval of the estimated income at the end of each month; and 4) comparison of the revenue estimate with the final billing, including the validation of the variables incorporated for the revenue estimation process for energy delivered and not billed.</li> <li>2. For a selection of contracts, a comparison was made of the Producer Price Index (IPP) used to estimate income at the end of the year against the real data for the month published by the National Administrative Department of Statistics - DANE, to identify if icate possible deviations and the justif ication by the Company about them.</li> <li>3. Comparison of the consumption used in the estimate versus the information reported by the operator and administrator of the Colombian electricity market (XM).</li> <li>4. Recalculation of the estimated income at the end of the year.</li> <li>5. Comparison of the accuracy of the estimated income recognized at the end of the year versus the actual billing issued in the month of January of the following year and follow-up to the explanation by the Company of possible deviations.</li> <li>6. Analysis of the age of the cart was originated in the recognition of the energy delivered and not billed.</li> </ol>

## Other issues

The separate financial statements as of and for the year ended December 31, 2020 are presented exclusively for comparison purposes, they were audited by another public accountant, a member of KPMG S.A.S., who in his report dated February 24, 2021 expressed an opinion without qualifications about them.

### **Responsibility of the Company's management and those charged with governance in relation to the separate financial statements.**

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Accounting and Financial Information Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining such internal control as management deems necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error; select and apply the appropriate accounting policies, as well as establish reasonable accounting estimates in the circumstances.

In preparing the separate financial statements, management is responsible for evaluating the Company's ability to continue as a going concern; to disclose, as applicable, matters related to its continuity; and to use the going concern basis of accounting unless management intends to liquidate the Company or cease its operations, or there is no more realistic alternative than to proceed in one of these ways.

Those charged with governance are responsible for supervising the Company's financial information reporting process.

### **Responsibilities of the Statutory Auditor in Relation to the Audit of Separate Financial Statements**

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

As part of an audit conducted in accordance with ISAs, I exercise my professional judgment and maintain professional skepticism during the audit. Also:

- I identify and assess the risks of material misstatement in the separate financial statements, whether due to fraud or error, design and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to support my opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that resulting from error, because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override or override of internal control.
- I obtain an understanding of internal control relevant to the audit with the objective of designing audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the adequacy of management's use of the going concern assumption and, based on the audit evidence obtained, on whether or not a material uncertainty exists related to events or conditions that may indicate significant doubt about the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I must draw attention in my report to the disclosure that describes this situation in the separate financial statements or, if this disclosure is inadequate, I must modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Company to cease to operate as a going concern.

- I evaluate the general presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements present the underlying transactions and events to achieve a fair presentation.
- I obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. I am responsible for the direction, supervision and performance of the audit of the Group. I remain solely responsible for my audit opinion.

I communicate with those charged with governance of the Company, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with confirmation that I have complied with the relevant ethical requirements for independence and that I have disclosed to them all relationships and other matters that may reasonably be considered to influence my independence and, where applicable, related safeguards.


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

### Report on other legal and regulatory requirements

Based on the result of my tests, in my concept, during 2021:

- a) The Company's accounting has been kept in accordance with legal regulations and accounting technique.
- b) The operations recorded in the books conform to the bylaws and the decisions of the Shareholders' Meeting.
- c) The correspondence, the vouchers of the accounts and the books of minutes and registry of shares are duly kept and preserved.
- d) There is agreement between the accompanying financial statements and the management report prepared by the administrators, which includes the record by the administration of the free circulation of invoices issued by vendors or suppliers.
- e) The information contained in the declarations of self-assessment of contributions to the comprehensive social security system, particularly that related to affiliates and their contribution base income, has been taken from the records and accounting supports. The Company is not in arrears for contributions to the comprehensive social security system.

To comply with what is required in articles 1.2.1.2. and 1.2.1.5. of the Sole Regulatory Decree 2420 of 2015, in development of the responsibilities of the Statutory Auditor contained in numerals 1º) and 3º) of article 209 of the Commercial Code, related to the evaluation of whether the acts of the administrators of the Company comply to the bylaws and to the orders or instructions of the Shareholders' Meeting and if there are and are appropriate internal control measures, conservation and custody of the assets of the Company or of third parties that are in its possession, I issued a separate report dated February 23, 2022.

  
**Sandra Marcela Barragán Cellamén**  
Statutory Auditor of Codensa S.A. E.S.P.  
T.P. 177728-T  
Member of KPMG S.A.S.

February 23, 2022



**Emgesa S.A. E.S.P.**  
**Separate Statement of Financial Position**  
**(Comparative figures as at 31 December 2020)**

(In thousands of pesos)

	Note	As of December 31, 2021	As of December 31, 2020
<b>ACTIVE</b>			
<i>Current asset:</i>			
Cash and cash equivalents, net	4	\$ 211.368.752	\$ 819.735.786
Other financial assets, net	5	12.765.018	14.934.264
Other non-financial assets, net	6	47.804.809	43.338.273
Business accounts and other accounts receivable, net	7	278.492.004	227.826.186
Accounts receivable to related entities, net	8	18.351.128	3.169.422
Inventories, net	9	94.157.639	102.199.837
Income tax assets	10	2.420.336	-
<b>Total current assets</b>		<b>665.359.686</b>	<b>1.211.203.768</b>
<i>Non-Current Asset:</i>			
Other financial assets, net	5	481.721	517.050
Other non-financial assets, net	6	29.243.896	28.668.245
Commercial accounts receivable and other accounts receivable, net	7	14.614.865	13.767.293
Investments in subsidiaries, joint ventures and associates	11	9.439.165	8.555.631
Intangible assets other than capital gain, net	12	179.399.291	103.047.880
Properties, plant and equipment, net	13	8.137.844.703	8.128.422.830
<b>Total non-current assets</b>		<b>8.371.023.641</b>	<b>8.282.978.929</b>
<b>Total Assets</b>		<b>\$ 9.036.383.327</b>	<b>\$ 9.494.182.697</b>
<b>Liabilities and equity</b>			
<i>Current liabilities:</i>			
Other current financial liabilities	14	632.995.321	906.950.399
Business accounts payable and other accounts payable	15	299.977.613	314.751.725
Accounts payable to related entities	8	45.442.837	265.747.118
Provisions	16	79.148.948	99.567.986
Current tax liabilities	10	276.650.021	241.244.328
Other non-financial liabilities	17	145.403.686	93.341.192
Provisions for employee benefits	18	39.827.607	38.215.623
<b>Total current liabilities</b>		<b>1.519.446.033</b>	<b>1.959.818.371</b>
<i>Non-current liabilities:</i>			
Financial liabilities	14	1.771.817.266	1.858.512.467
Provisions	16	249.309.459	212.052.096
Provisions for employee benefits	18	76.236.137	90.438.803
Deferred taxes, net	19	317.707.109	217.924.275
<b>Total non-current liabilities</b>		<b>2.415.069.971</b>	<b>2.378.927.641</b>
<b>Total liabilities</b>		<b>\$ 3.934.516.004</b>	<b>\$ 4.338.746.012</b>

**Emgesa S.A. E.S.P.**  
**Separate Statement of Financial Position**  
**(Comparative figures as at 31 December 2020)**

(In thousands of pesos)


	Note	As of December 31 , 2021	As of December 31, 2020
<b>Heritage</b>			
Issued capital	20	\$ 655.222.313	\$ 655.222.313
Issue premiums		113.255.816	113.255.816
Reserves	20	542.975.682	551.693.678
Other Comprehensive Result (ORI)		(18.019.694)	(31.165.913)
<i>Utility of the period</i>		1.712.321.388	1.283.152.110
<i>Retained profits</i>		615.482.071	1.113.058.151
<i>Profit for conversion effect to NCIF</i>		1.480.629.747	1.470.220.530
Accumulated profits		3.808.433.206	3.866.430.791
<b>Total Equity</b>		<b>5.101.867.323</b>	<b>5.155.436.685</b>
<b>Total liabilities and equity</b>		<b>\$ 9.036.383.327</b>	<b>\$ 9.494.182.697</b>

*The notes are an integral part of the separate Financial Statements.*

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



**Lucio Rubio Díaz**  
 Legal Representative



**Alba Lucia Salcedo Rueda**  
 Public Accountant  
 Professional Card 40562-T



**Sandra Marcela Barragán Cellamén**  
 Tax Reviewer  
 Professional Card 177728-T  
 Member of KPMG S.A.S.  
 (See my report of 23 February 2022)

**Emgesa S.A. E.S.P.**  
**Income Statement, by Nature, Separate**  
**(Comparative figures for the year ended 31 December 2020)**

(In miles of pesos, except for earnings per share)

	Note	For the year ended December 31, 2021		For the year ended December 31, 2020	
Income from ordinary activities	21	\$	4.722.685.057	\$	4.247.728.253
Other operating income	21		3.914.790		33.555.945
<b>Total income from ordinary and other activities operating income</b>			<b>4.726.599.847</b>		<b>4.281.284.198</b>
Provisions and services	22		(1.531.514.275)		(1.523.686.747)
<b>Contribution margin</b>		<b>\$</b>	<b>3.195.085.572</b>	<b>\$</b>	<b>2.757.597.451</b>
Other work carried out by the entity and capitalized			9.712.839		10.112.190
Staff costs	23		(107.771.244)		(115.459.351)
Other fixed operating expenses	24		(142.071.486)		(163.292.208)
<b>Gross operating result</b>			<b>2.954.955.681</b>		<b>2.488.958.082</b>
Depreciation and amortization	25		(246.442.689)		(244.744.036)
Financial and non-financial impairment	25		(4.807.677)		(1.215.007)
<b>Operating result</b>			<b>2.703.705.315</b>		<b>2.242.999.039</b>
Financial income	26		11.063.566		20.183.899
Financial expenses	26		(182.295.033)		(281.472.774)
Difference on the other hand, net	26		(5.082.019)		872.438
<b>Financial result, net</b>			<b>(176.313.486)</b>		<b>(260.416.437)</b>
Result from other uncontrolled investments			883.534		(594.616)
Asset sales results	27		(1.637.912)		(1.191.079)
<b>Results before taxes</b>			<b>2.526.637.451</b>		<b>1.980.796.907</b>
Income tax expense	28		(814.316.063)		(697.644.797)
<b>Usefulness of the exercise</b>		<b>\$</b>	<b>1.712.321.388</b>	<b>\$</b>	<b>1.283.152.110</b>
<b>Basic utility per share</b>					
Basic utility per share	29		11.436,70		8.563,26
Number of outstanding common shares			<b>148.914.162</b>		<b>148.914.162</b>

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

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**Emgesa S.A. E.S.P.**  
**Separate Comprehensive Income Statement**  
**(Comparative figures for the year ended 31 December 2020)**

(In thousands of pesos)

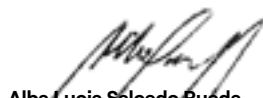
	Note	Por the year ended December 31, 2021	Por the year ended December 31, 2020
<b>Usefulness of the exercise</b>		<b>\$ 1.712.321.388</b>	<b>\$ 1.283.152.110</b>
<b>Components of another comprehensive result that will not be reclassified to the result of the year, before taxes:</b>			
Losses on new measurements of financial instruments measured at fair value with changes in the ORI	5-30	(35.329)	(37.369)
Gains (Losses) from new measurements of defined benefit plans	30	14.150.443	(1.712.482)
Another result of the period, before taxes		<b>\$ 14.115.114</b>	<b>\$ (1.749.851)</b>
<b>Components of another comprehensive result that will be reclassified to the result of the year, before taxes:</b>			
Gains (Losses) from cash flow hedges	30	4.311.953	(1.474.375)
Another result to be reclassified to the profit or loss for the year, before tax		<b>4.311.953</b>	<b>(1.474.375)</b>
<b>Income tax on components of another comprehensive income that will not be reclassified to the profit or loss for the year, before tax</b>			
(Losses) Earnings from new defined benefit plan measurements	30	(3.841.325)	457.577
<b>Total income taxes relating to components of another comprehensive income that will not be reclassified to the tax for the year</b>		<b>(3.841.325)</b>	<b>457.577</b>
Income tax related to cash flow hedges of another comprehensive income	30	(1.439.523)	2.999.382
<b>Taxes on profits relating to components of other full-income for the year</b>		<b>(1.439.523)</b>	<b>2.999.382</b>
<b>Total another comprehensive result</b>		<b>13.146.219</b>	<b>232.733</b>
<b>Total comprehensive result</b>	<b>30</b>	<b>\$ 1.725.467.607</b>	<b>\$ 1.283.384.843</b>

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**Emgesa S.A. E.S.P.**  
**Status of Changes in Separate Equity**  
**(Comparative figures for the year ended 31 December 2020)**

(In thousands of pesos)


Note	Other reservations					Another comprehensive result					
	Issued capital	Issue premium	Legal Reserve	Statutory Reserve	Occasional Booking	Total Reservations	Gains and losses on new measurements of financial instruments measured at fair value and cash flow coverage	Gains and losses on defined benefit plans	Total Other comprehensive result	Accumulated profits	Total Equity
<b>Initial equity as of January 01, 2020</b>	\$ 655,222.313	\$ 113,255.816	\$ 327,611.157	\$ 178.127	\$ 232,564.241	\$ 560,353.525	\$ (1,907.152)	\$ (29,491.494)	\$ (31,398.646)	\$ 3,445,785.234	\$ 4,743,218.242
<b>Changes in equity</b>											
Comprehensive result											
Utility of the period	-	-	-	-	-	-	-	-	-	1,283,152.110	1,283,152.110
Another comprehensive result	-	-	-	-	-	-	1,487,638	(1,254,905)	232,733	-	232,733
Comprehensive result	-	-	-	-	-	-	1,487,638	(1,254,905)	232,733	1,283,152.110	1,283,384.843
Dividends recognized as distributions to owners	-	-	-	-	-	-	-	-	-	(871,166.400)	(871,166.400)
Increases (decreases) due to other changes, equity	-	-	-	-	(8,659.847)	(8,659.847)	-	-	-	8,659.847	-
<b>Total increase (decrease) in equity</b>	-	-	-	-	(8,659.847)	(8,659.847)	1,487,638	(1,254,905)	232,733	420,645.557	412,218.443
<b>Final Patrimony as of December 3, 2020</b>	\$ 655,222.313	\$ 113,255.816	\$ 327,611.157	\$ 178.127	\$ 223,904.394	\$ 551,693.678	\$ (419,514)	\$ (30,746.399)	\$ (31,165.913)	\$ 3,866,430.791	\$ 5,155,436.685
<b>Initial equity as of January 01, 2021</b>	\$ 655,222.313	\$ 113,255.816	\$ 327,611.157	\$ 178.127	\$ 223,904.394	\$ 551,693.678	\$ (419,514)	\$ (30,746.399)	\$ (31,165.913)	\$ 3,866,430.791	\$ 5,155,436.685
<b>Changes in equity</b>											
Comprehensive result											
Utility of the period	-	-	-	-	-	-	-	-	-	1,712,321.388	1,712,321.388
Another comprehensive result	-	-	-	-	-	-	2,837,101	10,309,118	13,146,219	-	13,146,219
Comprehensive result	-	-	-	-	-	-	2,837,101	10,309,118	13,146,219	1,712,321.388	1,725,467,607
Dividends recognized as distributions to owners (note 20)	-	-	-	-	-	-	-	-	-	(1,779,036.969)	(1,779,036.969)
Increases (decreases) due to other changes, equity	-	-	-	-	(8,717,996)	(8,717,996)	-	-	-	8,717,996	-
<b>Total increase (decrease) in equity</b>	-	-	-	-	(8,717,996)	(8,717,996)	2,837,101	10,309,118	13,146,219	(57,997,585)	(53,569,362)
<b>Final Equity as of December 31, 2021</b>	\$ 655,222.313	\$ 113,255.816	\$ 327,611.157	\$ 178.127	\$ 215,186.398	\$ 542,975.682	\$ 2,417,587	\$ (20,437,281)	\$ (18,019,694)	\$ 3,808,433.206	\$ 5,101,867.323

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

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**Lucio Rubio Díaz**  
 Legal Representative

  
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**Emgesa S.A. E.S.P.**  
**Separate Cash Flow Statement, Direct Method**  
**(Comparative figures for the year ended 31 December 2020)**

(In thousands of pesos)

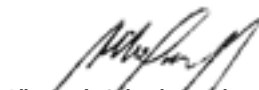
	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash flows from operating activities		
Types of charges for operating activities		
Charges from sales of goods and provision of services	\$ 4,680,492,011	\$ 4,495,018,456
Collections from royalties, fees, commissions and others income from ordinary activities	102,805,691	20,211,730
Types of cash payments from operational activities:		
Payments to suppliers for the supply of goods and services	(1,634,065,037)	(1,658,328,638)
Payments and/or on behalf of employees	(107,037,584)	(101,155,328)
Payments for premiums and benefits, annuities and other obligations derived from the subscribed policies	(25,468,313)	(23,983,502)
Other payments for operating activities	(9,519,371)	(7,430,179)
<b>Net cash flows from the transaction</b>	<b>3,007,207,397</b>	<b>2,724,332,539</b>
Taxes on earnings paid	(673,206,045)	(635,951,777)
Other cash outflows	(44,076,770)	(49,191,098)
<b>Net cash flows from the transaction</b>	<b>2,289,924,582</b>	<b>2,039,189,664</b>
Cash flows used in investment activities:		
Other payments to purchase certificates of deposit on term	(105,000,000)	-
Other charges for the sale of certificates of deposit at term	105,000,000	-
Loans to related entities	-	(80,000,000)
Purchases of property, plant and equipment and intangibles	(304,683,511)	(310,358,896)
Collections to related entities	-	172,658,471
Interest received	6,292,567	14,516,613
<b>Net cash flows used in investment activities</b>	<b>(298,390,944)</b>	<b>(203,183,812)</b>
Cash flows used in financing activities:		
Loan amounts	1,144,525,658	-
Loans to related entities	45,000,000	-
Loan repayments	(1,520,865,658)	(241,070,000)
Dividends paid shareholders	(1,994,439,875)	(834,102,573)
Interest paid financing	(224,670,935)	(215,586,812)
Interest paid on operating leases (IFRS16)	(359,381)	(863,287)
Payments of liabilities for financial leases	(48,398)	(700,896)
Lease liability payments (IFRS 16)	(5,922,715)	(5,531,461)
Loan payments to related entities	(45,000,000)	-
Other cash inflows and outflows	1,880,632	(2,089,781)
<b>Net cash flows used in financing activities</b>	<b>(2,599,900,672)</b>	<b>(1,299,944,810)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(608,367,034)</b>	<b>536,061,042</b>
Cash and cash equivalents at the beginning of the financial year	819,735,786	283,674,744
Cash and cash equivalents at the end of the financial year	<b>\$ 211,368,752</b>	<b>\$ 819,735,786</b>

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

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## 1. Overview

### 1.1. Economic entity

Emgesa S.A. E.S.P. (hereinafter “the Company”) is a commercial corporation incorporated in accordance with Colombian laws as a public service company, regulated by Law 142 and 143 of 1994.

The Company was incorporated by public deed No.003480 of the Notary 18 of Bogotá D.C. of October 15, 1980 and registered with the Chamber of Commerce on August 17, 2007 under number 01151755 of book IX, commercial registration No. 01730333, with contribution of the generation assets of Grupo Energía Bogotá S. A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.) with 51.51% of the shares ( ordinary and preferential non-voting) and the cash contributions of other investors with 48.49% of the shares (ordinary) (See note 20).

The Company is of Colombian origin, has its domicile and main offices in Carrera 11 No. 82-76, Bogotá D.C. Its term of duration is indefinite.

Emgesa S.A. E.S.P. is a subsidiary of Enel Américas S.A., an entity controlled by Enel S.P.A. (hereinafter referred to as Enel).

The situation of Grupo Empresarial registered in the commercial registry of the Chamber of Commerce of Bogotá, was updated by the registration of a private document of April 20, 2021 under No. 02702480 of Book IX of May 6, 2021, in the sense of indicating that the foreign company ENEL SPA (Parent) communicates that it exercises direct control over the company ENEL AMÉRICAS S.A. (Subordinate) and through it exercises indirect control. on the companies EMGESA S.A. E.S.P., CODENSA S.A. E.S.P., ENEL GREEN POWER COLOMBIA S.A.S. E.S.P., and on the foreign companies ENERGIA Y SERVICIOS SOUTH AMERICA SPA, and ESSA 2 SPA (Subordinates); in turn, ENEL SPA exercises indirect control over SOCIEDAD PORTUARIA CENTRAL CARTAGENA S.A. through EMGESA S.A. E.S.P.; in turn, ENEL SPA exercises indirect control over the ENEL COLOMBIA FOUNDATION through EMGESA S.A. E.S.P., and CODENSA S.A. E.S.P., for its part ENEL SPA exercises indirect control over the company EGP FOTOVOLTAICA LA LOMA S.A.S through ENEL GREEN POWER COLOMBIA S.A.S. E.S.P.; for its part, ENEL SPA exercises indirect control over the Companies GUAYEPO SOLAR S.A.S.; ATLANTICO PHOTOVOLTAIC S.A.S E.S.P. and LATAMSOLAR FOTOVOLTAICA FUNDACION S.A.S. through the COMPANY ENEL GREEN POWER COLOMBIA S.A.S. E.S.P.; in turn, ENEL SPA exercises indirect control over INVERSORA CODENSA S.A.S. through CODENSA S.A. E.S.P.; for its part , ENEL SPA exercises indirect control over the companies USME ZE S.A.S.) and FONTIBÓN ZE S.A.S. through the company BOGOTÁ ZE S.A.S., where this in turn is controlled by CODENSA S.A. E.S.P. The update of the registration of the Business Group is in progress at the Chamber of Commerce of Bogotá.

**Corporate Purpose** – The Company's main purpose is the generation and commercialization of electrical energy under the terms of Law 143 of 1994 and the regulations that regulate, add and modify or repeal it, and all kinds of activities related directly, indirectly, complementary or auxiliary to the business of commercialization of fuel gas, advancing the necessary actions to preserve the environment and good relations with the community in the area of influence of its projects; and carry out works, designs and consulting in electrical engineering and market products for the benefit of its customers. Likewise, the company may, in the development of its corporate purpose, execute all activities related to the exploration, development, research, exploitation, commercialization, storage, marketing, transport and distribution of minerals and stone material, as well as the 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, items, machinery and equipment for the mining sector; the import of liquid fuels derived from petroleum for power generation, as well as the import of natural gas for power generation and/or marketing. Likewise, the Company may promote and found establishments or agencies in Colombia and abroad; acquire in any capacity all kinds of movable or immovable property, lease it, dispose of it, encumber it and give it as collateral; exploit trademarks, trade names, patents, inventions or any other intangible property; participate in public and private tenders; enter into and execute all kinds of contracts and acts, whether civil, labor, commercial or financial or of any nature that are necessary, convenient or appropriate for the achievement of their purposes, including participation in markets for financial derivatives of energy commodities; sell any product or by-product derived from the operation of different electricity generation plants as well as any other product that has as a component any of the above; sell any product or by-product derived from the operation of different electricity generation plants as well as any other product that has as a component any of the above; give to, or receive from, its shareholders, parents, subsidiaries, and third parties money in mutual; drawing, accepting, endorsing, collecting and paying all kinds of securities, negotiable instruments, shares, enforceable securities and others; enter into company contracts or acquire shares in companies and participate as a partner in other public service companies; to split and merge with other

companies having a related corporate purpose; assume any form of association or business collaboration with natural and legal persons, national or foreign, to carry out related, related or complete activities with its corporate purpose.

The Company has 12 hydraulic and 2 thermal generation plants, located in the departments of Cundinamarca, Huila and Bolívar:

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

## Gas Marketing

The sales made until December 2021 were 73.56 Mm<sup>3</sup>, which meant a contribution of 0.20% to the Company's variable margin.

For 2021 the Company remains active in all processes of buying and selling the secondary market through intraday supply and transport negotiations.

## 1.2. Legal and regulatory framework

### Strategy and Regulatory Management

The strategy and regulatory management led by the Management of Regulation and Institutional Relations, has as its main objective to define, represent and promote the position of the company in regulatory issues of the sector and environmental before Colombian guilds and Institutions, both nationally and locally.

From the gerencia are managed institutionally and regulatorily, different initiatives that contribute to the fulfillment of the objectives of the company and to the own development and evolution of the markets, these are supported and presented to the respective entities either directly or through guilds where we are registered, so that they can be considered in the development of regulatory and regulatory adjustments.

In particular and in a complementary way, the monitoring and control of the regulatory and normative novelties that are issued by the different Authorities in charge of defining the policy, regulation, surveillance and control at the national, regional and local level is carried out, socializing, identifying and managing the potential impacts with the lines of business.

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

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



## Electrical energy

For the establishment of the new framework mandated by the Constitution, the Law on Public Household Services (Law 142 of 1994) and the Electricity Law (Law 143 of 1994) were issued, which define the general criteria and policies that should govern the provision of public services at home in the country and the procedures and mechanisms for their regulation, control and surveillance.

The main institution of the energy sector is the Ministry of Mines and Energy (MME) which, through the Mining-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 indicative, while in the case of transmission it is binding. The Energy and Gas Regulation Commission (CREG) and the Superintendency of Public Services (SSPD) are responsible, respectively, for regulating and supervising companies in the sector, additionally the Superintendence of Industry and Commerce is the national authority for competition protection issues.

The Electricity Law makes the constitutional approach viable, regulates the activities of generation, transmission, distribution, and commercialization of electricity, creates an environment of market and competition, strengthens the sector and delimits the intervention of the State. Taking into account the characteristics of each of the activities or businesses, it was established as a general guideline for the development of the regulatory framework, the creation and implementation of rules that would allow free competition in the businesses of generation and commercialization of electricity, while the guideline for transmission and distribution businesses was oriented to the treatment of such activities as monopolies, seeking in any case conditions of competition where this was possible.

The electricity market is based on the fact that trading companies and large consumers can trade energy through bilateral contracts or through a short-term market called the "Energy Exchange", which operates freely according to the conditions of supply and demand. In addition, to promote the expansion of the system, there are currently two schemes: i) the firm energy expansion auctions, within the "Reliability Charge" scheme and ii) the auctions of long-term contracts defined by the Ministry of Mines and Energy (initially oriented to Non-Conventional Sources of Renewable Energy (FNCER). The operation and administration of the market is carried out by XM, which is in charge of the functions of National Dispatch Center (CND) and Administrator of the Commercial Exchange System (ASIC).

Law 1715 of 2014 regulates the integration of Non-Conventional Renewable Energy Sources (FNCER) into the national energy system. This regulation gives tax and tax incentives to the promoters of projects associated with these technologies. Likewise, it proposes the creation of a fund for the research and realization of FNCER and energy efficiency projects, and defines the general regulatory framework for the participation of self-generation in the market. Subsequently, Law 1715 was regulated through Decree 2143 of 2015.

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

With the adoption of the Indicative Action Plan 2017-2022 for the development of the Rational and Efficient Use of Energy Program (PROURE) by the Ministry of Mines and Energy through Resolution 41286 of 2016, the objectives and indicative 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 Non-Conventional Energy and Efficient Energy Management Fund – FENOGE, whose objective is to finance FNCE programs and efficient energy management, through its promotion, promotion, encouragement and incentive, through the autonomous heritage. Programs and projects aimed at the residential sector of strata 1, 2 and 3 may be partially or fully financed, among others, 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 facilities and architectural remodeling.

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 competition and efficiency in price formation through new and existing projects, to mitigate the effects of climate variability and change, through the use of available renewable resources, strengthen national energy security and reduce greenhouse gas emissions, in accordance with COP21 commitments.

Through Resolutions 41307 and 41314 of December 2018, the Ministry of Mines and Energy officially convened the first long-term contracting electricity auction, seeking 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 guaranteeing the country's energy security. On October 22, 2019, the National Government and through the Mining-Energy Planning Unit, UPME, an entity attached to the Ministry of Mines and Energy, held the auction of non-conventional sources of renewable energy.

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

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

In July 2019, the CREG published Resolution 080 of 2019, which establishes general rules of market behavior for agents that develop the activities of domestic public services of electric 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 behavior that promote and allow deepening in: free access to networks and facilities that by their nature are monopolies, the free choice of service providers and the possibility of migration of users, transparency, neutrality, economic efficiency, free competition and the non-abuse of the dominant position.

In accordance with the above, the Superintendence of Household Public Services publishes in March 2020, the document Behavior Guides – Access to electricity transmission networks. This primer provides tools for agents to assess whether their behaviors are compliant with regulation. It is not constituted as an administrative act. It does not postpone the entry into force of the obligations of Resolution CREG 080 of 2019, nor does it limit or affect in any way the exercise of the functions of inspection, surveillance and control by the Superintendence of Public Household Services.

Likewise, in September 2019, the CREG published Resolution 098 by which it defined the mechanisms to incorporate storage systems with the purpose of mitigating inconveniences presented by the lack or insufficiency of energy transmission networks in the National Interconnected System. This Resolution is issued given the urgency required for the Electric Energy Storage System with Batteries (SAEB) to enter into operation, with the sole purpose of mitigating the existing problems due to the lack or insufficiency of electricity transmission networks and will be valid until December 31, 2022.

Similarly, the CREG published Resolution 132 of October 2019, which defines the mechanism of reliability Charge takers for assignments of Firm Energy Obligations to new plants. New plants that have not been assigned with OEF in any allocation mechanism and that their estimated variable fuel costs (CVCE) do not exceed the current fuel shortage price participate, the plants will be assigned for a period of 10 years and will be remunerated at USD \$9/MWh.

In September 2019, the Superintendency of Domestic Public Services SSPD published the regulation of the national surcharge of \$ 4 / kWh, as part of the measures required to guarantee the provision of the electric energy service by the companies intervened by this Superintendence, this rate will be applied to strata 4.5 and 6; commercial and industrial, will be caused from November 2019 and will be retroactive to July 2019 and its collection is considered as an income received for third parties.

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

In the month of May, Resolution CREG 099 of 2020 is published, by which it calls for an OEF Purchase Reconfiguration Auction for the periods 2020-2021 and 2021-2022, and other provisions are modified. This rule is motivated by a possible deficit

of OEF for the years in question, taking into account the demand projection of the UPME of October 2019 and that one of the plants that received assignment of obligations in the auction of reconfiguration of purchase that was carried out last year (Resolution 117 of 2019) did not present guarantees or fuel contract.

On June 19, 2020, the Energy and Gas Regulation Commission definitively published Resolution 125, which repeals the rules of Chapter II, Start and End of the Shortage Risk Period, of Resolution CREG 026 of 2014 and adopts a transitional rule. The Commission considers it pertinent and relevant to review and adjust the indicators and rules contained in Articles 2 to 6 of Resolution CREG 026 of 2014, in order to avoid the activation of the embalming mechanism based on the definition of a system condition based on alert levels of indices about which there are doubts about their assertiveness.

At the end of the first half of 2020, Resolution CREG 127 is issued, which defines a procedure for annual verification of the Firm Energy of the Reliability Charge (ENFICC) of generation plants with Firm Energy Obligations - OEF. This resolution originates from the need to have updated information on the Firm Energy, given that in the annual balance sheets it could be accounting for energy that the system does not have.

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

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

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

The Commission publishes in October Resolution 193 of 2020, which modifies Resolution CREG 022 of 2001, related to the expansion of the STN. The standard refers to the modifications on extensions of the facilities of the STN and aspects related to the guarantees that users must put. It allows expansion of transmission works under construction, Requires guarantees to the OR (Network Operator) for the commissioning of the connection and allows the change of configuration of SE (Sub Station) under construction without call, among other aspects.

In the month of November, Resolution CREG 209 of 2020 is published, by which new rules are adopted for the beginning and end of the period of risk of shortages of Chapter II of the Statute for Situations of Risk of Shortages, Resolution CREG 026 of 2014, and other provisions are adopted. This standard revises and adjusts the indicators and rules contained in articles 2 to 6 of Resolution CREG 026 of 2014, as well as adjustments are made to the rules applicable to the procedure for the definition of the energy to be dammed and the payment of this.

In that same month the Commission publishes Resolution 194, through which it defines an option of the Reliability Charge for plants under construction with OEF (Firm Energy Obligations), which temporarily and the IPVO (Beginning of the Period of Validity of the Obligation) will have an installed capacity lower than the CEN (Net Effective Capacity) declared, but that the level of progress of its works allows to operate and comply with the assigned OEF. Aspects to consider: installed capacity available for commercial operation on the start date of the OEF, ENFICC (Firm Energy Reliability Charge) must be sufficient to cover OEF and the progress in construction must allow it to reach the CEN in maximum two years from the IPVO.

Likewise, RESOLUTION CREG 207 is published in November 2020, which defines an audit scheme on the costs of supply and transport of fuel declared by the generating agents. Highlights: semi-annual audit, plants representing up to 96% of the security generation are audited, of the rest randomly 15%, the 2020 Audits were carried out in March 2021, the Auditor will be selected by XM according to the list that will make up the CAC (Marketing Advisory Committee), the audit costs assumed by the demand will be included in the restrictions and the functions and deadlines of the auditor are specified.

In January 2021, the CREG published Resolution 240 of 2020, which modifies and adds Resolution CREG 156 of 2012 and repeals other provisions, in relation to the methodology of calculation of transactional assets considering the financial information that is prepared under the current regulatory technical frameworks.

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

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

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

Additionally, the issuance also by the MME of Final Resolution 40179 "By which the auction of long-term contracting for electricity generation projects is called and the parameters of its application are defined". It defines, among others, the following aspects:

- Implement award process: no later than October 31, 2021.
- Target demand: A target demand will be defined and revealed in the auction process along with the caps, after receiving the bids.
- Period of Supply of contracts: 15 years.
- Start date of obligations: January 1, 2023.
- Complementary mechanism: The ministry will define by administrative act the application of the complementary mechanism in case of not completing the objective demand.

In the month of July 2021, Law 2099 is issued, which aims to modernize current legislation and dictate other provisions for the energy transition, the revitalization of the energy market through the use, development and promotion of non-conventional sources of energy, the economic reactivation of the country and, in general, dictate regulations for the strengthening of the companies that provide the electricity and fuel gas service.

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

In September, the Ministry of Mines and Energy published the booklet on the Energy Transformation Mission – MTE where recommendations and actions are proposed, with defined deadlines, which mark the roadmap to advance changes in the sector that aim, according to the Ministry, to modernize the sector and increase its dynamics and competitiveness. It presents a summary of the proposals made by the experts in Phase 1, and the Roadmap resulting from their prioritization developed in Phase 2, as well as the defined legal and policy guidelines.

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

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

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

In December 2021, the Mining-Energy Planning Unit – UPME published resolution 528 of 2021 by means of which it established the procedure for the processing of requests for connection to the National Interconnected System – SIN and the provisions on the allocation of transport capacity to class 1 projects and how to define the general parameters of the Single Window.

### **Environmental Aspects**

In environmental matters, decree 1076 of May 26, 2015 compiles the environmental standards issued by the National Government, that is, all the regulatory decrees in force that develop the laws on environmental matters and whose purpose is to avoid regulatory dispersion. The content is divided into three sections (books):

1. Structure of the environmental sector,
2. Regulatory regime of the environment sector and
3. Final Provisions.

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

Through Law 1819 of 2016 on tax reform, the reduction in income tax is introduced for the promotion of Non-Conventional Sources of Energy 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-causation of the tax to users who certify to be carbon neutral, which is subsequently regulated by Decree 926 of 2017.

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

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

Additionally, this Ministry by Decree 2462 of December 28, 2018 establishes that only projects for exploration and use of alternative energy sources that come from biomass for energy generation with an installed capacity of more than 10 MW will require Environmental Diagnosis of Alternatives – DAA, excluding solar, wind, geothermal and tidal energy sources.

Through Law 2099 of July 10, 2021, it was established that the MADS will determine the environmental parameters that must be met by projects developed with geothermal energy, in addition It prioritizes environmental licensing and its modifications to projects with an entry date of entry into operation less than 2 years and establishes that THE CONNECTION ASSETS TO THE SIN will not require DAA, of those electricity generation projects that decide to share these connection assets in the terms defined by the regulation issued by the CREG. Finally, it establishes that the Clean Production Seal is created: assigned to all those who use only non-conventional sources of renewable energies as energy sources in production processes and who invest in improving their energy efficiency, to be regulated by the MME. In this sense, the Ministry of Environment through Resolution 1060 of 2021 establishes the Terms of Reference for the preparation of the Environmental Impact Study – EIA for the environmental license process of projects for the use of biomass for energy generation.



For its part, the UPME through Resolution 703 of 2018 establishes the procedure and requirements to obtain the certification that endorses the projects of Non-Conventional Sources of Renewable Energy (FNCER), with a view to obtaining the benefit of the exclusion of VAT and the exemption from tariff taxation that articles 12 and 13 of Law 1715 of 2014 deal with.

The Ministry of Mines and Energy, issued Decree 421 of April 22, 2021 "By which Decree 1073 of 2015 is added Sole Regulatory of the Administrative Sector of Mines and Energy, in relation to transfers from the electricity sector to the municipalities and districts benefiting from FNCER projects. For its part, the Ministry of Environment and Sustainable Development - MADS, issued Decree 644 of June 16, 2021 related to the financing and allocation of resources for the integral management of the páramos in Colombia through transfers from the electricity sector where for hydropower plants, whose destination was 6% (3% for municipalities and 3% for corporations), has established that 3% of corporations must be divided between corporations and National Natural Parks in the jurisdiction of the project.

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

### **Natural gas**

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

Since the issuance of Decree 2100 of 2011, a regulation has been issued aimed especially at ensuring and guaranteeing the 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 the increase in gas production, standardization of contractual modalities in order to ensure the attention of the essential demand in firm, definition of negotiation mechanisms that promote competition and efficient pricing, and the creation and consolidation of a market manager in order to have operational information in a timely manner. and commercial of the sector.

This is materialized by the Energy and Gas Regulation Commission –CREG with the issuance of Resolution 089 of 2013, through which commercial aspects of the wholesale natural gas market are regulated, which are part of the natural gas operation regulation. Likewise, and according to studies carried out by the CREG, and given the concentration of the natural gas market, this resolution is necessary to promote competition among those who participate in that market, designing mechanisms that tend to greater transparency and liquidity of the market, and the identification of the need to promote a more efficient use of the gas supply and transport infrastructure.

On the other hand, and in accordance with the analysis, monitoring of transactions and result of the negotiations of the natural gas market, in August 2017 the CREG through Resolution 114 adjusted some aspects related to the commercialization of the wholesale natural gas market and compiled Resolution CREG 089 of 2013 with all its adjustments and modifications.

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

On the other hand, the Commission has issued Resolution 068 of 2020, through which additional transactional information is established to be declared by the participants in the wholesale natural gas market provided for in Annex 2 of Resolution CREG 114 of 2017, including a) Payment currency agreed in the Contracts and b) Exchange rate agreed in the contract for the purposes of the conversion of dollars to pesos Colombians for settlement and invoicing.

Through Resolution CREG 135 of July 3, 2020, the Commission formalizes the selection of the Mercantile Exchange of Colombia as the Natural Gas Market Manager, for a period of five (5) years that will begin its validity on January 6, 2021.

The Ministry of Mines and Energy during the month of October 2020, publishes Resolution 40304, by which the Natural Gas Supply Plan is adopted and other provisions are adopted. The works that are considered relevant there and that are inclu-

ded are: Pacific Regasification Plant, gas pipeline between Yumbo and Buenaventura, 3 transport infrastructure works with bidirectionalities, interconnection of the markets of the Atlantic Coast and the center of the country and 2 reinforcements for valle de Cauca and Tolima Grande.

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

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

In December 2020, the Superintendence of Domestic Public Services publishes Resolution 20201000057975 which defines the assimilation of new activities to the fuel gas service supply chain, establishes the information reporting criteria for these agents and dictates other provisions. Its effects will be those established in article 17 of Law 1955 of 2019, for the development of the functions of inspection, surveillance and control, and for compliance with the regulation. It assimilates the activity of Regasification, to the activity of Transporte, complementary activity to the domestic public service of fuel gas, and assimilates the activity of Commercialization of Imported Gas, to the activity of COMMERCIALIZATION, complementary activity to the domestic public service of fuel gas.

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

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

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

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

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

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

Finally, in October 2021, the CREG published Resolution CREG 175 of 2021, which establishes the general criteria for the remuneration of the natural gas transport service and the general scheme of charges of the National Transport System, and other provisions on the transport of natural gas are dictated.

## 2. Presentation bases

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

The separate financial statements include comparative information for the prior period.

The accounting principles applied in its preparation are those detailed below:

### 2.1. Accounting principles

The company's separate general purpose financial statements as of December 31, 2021, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by single Regulatory Decree 2420 of 2015 modified by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020 and 938 of 2021. The NCIF applicable in 2021 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the basic standards correspond to those officially translated into Spanish and issued by the IASB in the second half of 2020.

The Company applies to these separate financial statements the following exception contemplated in Title 4 Special Regimes of Chapter 1 of Decree 2420 of 2015:

The determination of post-employment benefits for future retirement or disability pensions will be made 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 and following and, in the case of partial pension commutations in accordance with the provisions of paragraph 5 of article 2.2.8.8.31 of the Decree 1833 of 2016, informing the variables used and the differences with the calculation made in the terms of the technical framework under NCIF.

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

These separate general-purpose financial statements have been prepared on an ongoing business principle by applying the cost method, with the exception, in accordance with the NCIF, of assets and liabilities that are recorded at fair value.

The preparation of separate financial statements in accordance with the NCIF requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of enforcing accounting policies.

The Company does not present transactions of a cyclical, stationary or occasional nature that must be disclosed independently in the general purpose financial statements.

For legal purposes in Colombia, the separate financial statements are the main financial statements.

### 2.2. Causation accounting basis

The Company prepares its separate financial statements, using the basis of causation accounting, exceptor for the information of cash flows.

### 2.3. New rules incorporated into the accounting framework accepted in Colombia whose effective application is from January 1, 2023

Decree 938 of 2021 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia, mainly incorporating amendments to the standards that had already been compiled by Decrees 2270 of 2019 and 1432 of 2020, which considered the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2018.

### Amendment to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

The amendments issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The ranking is not affected by the entity's expectations or events after the date of the report. The changes also clarify what the "settlement" of a liability refers to in terms of the rule. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the

financial statements .

#### **Amendment to IAS 16 Properties, Plant and Equipment – Amounts obtained prior to intended use**

The amendment published in May 2020 prohibits the deduction of the cost of an element of property, plant and equipment from any amount from the sale of items produced while that asset is taken to the place and conditions necessary for it to operate in the manner envisaged by management. Instead, an entity would recognize the amounts of those sales in the result of the period. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework**

The amendment published in May 2020 addressed 3 modifications to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of contingent liabilities and liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Levies; and confirm that contingent assets should not be recognized on the date of acquisition. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Cost of performing a contract**

The purpose of this amendment, which was also published in May 2020, is to specify the costs that an entity includes when determining the "performance cost" of a contract for the purpose of assessing whether a contract is onerous; clarifies that the direct costs of performing a contract include both the incremental costs of performing a contract and an allocation of other costs that relate directly to the performance of the contract. Before recognizing a separate provision for a onerous contract, for a onerous contract, the entity must recognize impairment losses on the assets used to perform the contract. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Reform of the reference interest rate**

After the financial crisis, reforming and replacing benchmark interest rates such as GBP LIBOR and other interbank rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the timing and precise nature of these changes. In order to transition existing contracts and agreements that refer to LIBOR, adjustments to term differences and credit differences may be necessary to allow the two reference rates to be economically equivalent in the transition.

The amendments made to IFRS 9 Financial instruments, IAS 39 Financial instruments: recognition and measurement and IFRS 7 Financial instruments: disclosures provide certain alternatives to the reform of the reference interest rate. Alternatives relate to hedge accounting and have the effect that reforms generally should not cause hedge accounting to end. However, any coverage ineffectiveness must continue to be recorded in the income statement. Given the pervasive nature of hedges involving interbank rate (IBOR)-based contracts, alternatives will affect businesses across industries.

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

The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Annual improvements to IFRS Standards cycle 2019–2021**

The following improvements were completed in May 2021:

- IFRS 9 Financial instruments: clarifies which fees should be included in the 10% test for write-off financial liabilities accounts.
- IFRS 16 Leases: modifies illustrative example 13 of the standard to remove the illustration of landlord payments related to improvements to goods taken on lease, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 Adoption for the first time of International Financial Reporting Standards: allows entities that have measured their assets and liabilities by the carrying value recorded in the accounts of their parent company, also measure the accumulated conversion differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures with some conditions.

- IAS 41 Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

### **Conceptual Framework**

The IASB has issued a revised Conceptual Framework that will be used in decisions to establish standards with immediate effect. Key changes include:

- Increase the importance of management in the objective of financial reporting;
- Restore prudence as a component of neutrality;
- Define a reporting entity, which can be a legal entity or a part of an entity;
- Review the definitions of an asset and a liability;
- Remove the probability threshold for recognition and add guidelines on decomplication;
- Add guides on different measurement bases, and
- Indicate that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled when this improves the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework to determine their accounting policies for transactions, events or conditions not otherwise covered by the accounting standards will be required to apply the revised Framework as of January 1, 2021. These entities should consider whether their accounting policies remain appropriate under the revised Framework.

### **2.4. Estimates and relevant accounting criteria**

In the preparation of the financial statements, certain estimates made by the Company's management have been used to quantify some of the assets, liabilities, income, expenses and commitments recorded therein.

The estimates basically refer to:

- The assumptions used in the actuarial calculation of liabilities and obligations to employees, such as discount rates, mortality tables, salary increases, among others (See Note 3.1.13.).
- The useful life of intangible assets and properties, plant and equipment (See Notes 3.1.7. and 3.1.8.).
- The expected credit loss of commercial receivables and other financial assets (See Note 3.1.9. (b)).
- The assumptions used for the calculation of the fair value of financial instruments (See Note 3.1.14.).
- The estimated revenues and expenses derived from the generation activity that come mainly from energy sales through bilateral contracts to the wholesale and unregulated market, from the energy exchange, from the secondary frequency regulation service (AGC) and from the reliability charge, as well as the energy purchases necessary to meet such contracts, are estimated by applying elements of judgment for their determination, (See Note 3.1.18.).
- The probability of occurrence and the amount of uncertain or contingent liabilities (See Note 3.1.11.).
- Future disbursements for environmental commitments arising from the environmental license mainly for new projects, as well as the discount rates to be used (See Note 3.1.8.).
- The tax results, which will be reported to the respective tax authorities in the future, which have served as the basis for the recording of the different balances related to income taxes in these financial statements (See Note 3.1.12).

Judgments and estimates have been made with the information available on the date of issuance of these financial statements, it is possible that future events may force them to modify upwards or downwards in future periods, doing so prospectively, recognizing the effects of the change of judgment or estimate in the next financial statements.



### **3. Accounting Policies**

#### **3.1. Accounting policies applicable to general-purpose financial statements**

The main accounting policies applied in the preparation of the attached separate general purpose financial statements have been as follows:

##### **3.1.1. Financial instruments**

###### **3.1.1.1. Cash and other equivalent means of liquidity**

Under this heading of the statement of financial position, cash in cash, bank balances, term deposits and other short-term investments, equal to or less than 90 days from the date of investment, of high liquidity that are quickly achievable in cash and that have a low risk of changes in their value.

###### **3.1.1.2. Financial assets**

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

###### **3.1.1.2.1 Debt instrument**

With the application of IFRS 9 as of January 1, 2018, financial assets are classified at amortized cost and fair value.

###### **(a) Financial assets at amortized cost**

A financial asset is classified as measured at "amortized cost" only if the following criteria are met: the objective of the Company's business model is to hold the asset to obtain the contractual cash flows, and the contractual terms give rise on specified dates to receiving cash flows that are solely payments of principal and interest on outstanding principal.

The nature of the derivatives implicit in a debt investment is considered to determine whether the cash flows of the investment are solely principal and interest payments, and in that case are not accounted for separately.

###### **(b) Financial assets at fair value with changes in another comprehensive result**

Financial assets that are held for the collection of contractual cash flows and to sell the assets, where the cash flows of the assets represent only principal and interest payments, and which are not designated at fair value with changes in results, are measured at fair value with changes in other comprehensive income. Movements in the carrying amount are taken through another comprehensive result, except for the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses on the amortized cost of the instrument that are recognized in the income statement. When the financial asset is written off, the accumulated gain or loss previously recognized in another comprehensive result is reclassified from equity to the income statement. Interest income from these financial assets is included in "interest income" using the effective interest rate method.

###### **(c) Financial assets at fair value with changes in results**

Assets that do not meet the requirements for amortized cost or fair value with changes in other comprehensive income are measured at fair value with changes in results. A loss or gain on a debt instrument that is subsequently measured at fair value with changes in results and is not part of a hedge ratio is recognized in the income statement for the period in which it arises, unless it arises from debt instruments that were designated at fair value or are not held for trading. Interest income from these financial assets is included in "interest income" using the effective interest rate method.

###### **3.1.1.2.2 Heritage instrument**

All equity instruments are measured by their fair value. Equity instruments held for trading are valued at fair value with changes in results. For all other equity instruments, the Company may make an irrevocable choice at the initial recognition to

recognize changes in fair value against the other comprehensive results in equity.

### **3.1.1.2.3 Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date the contract is concluded and are permanently measured at their fair value.

If derivative financial instruments do not qualify to be recognized through hedge accounting treatment, they are recorded at fair value through the income statement. Any change in the fair value of these derivatives is immediately recognized in the income statement as "other gains/losses, net". Whether they are designated for hedging the method of recognizing the gain or loss resulting from changes in the fair values of derivatives depends on the nature of the risk and item being hedged.

The Company designates certain derivatives as:

- a) Fair value hedges of recognized assets or liabilities (fair value coverage).
- b) Hedging of a particular risk associated with a recognised asset or liability or of a highly likely anticipated transaction (cash flow hedging) or
- c) Net investment hedges in a foreign transaction (net investment coverage).

The Company documents, at the outset of hedging, the relationship between hedging instruments and hedged items, as well as its objectives and risk management strategy that support its hedging transactions. The Company further documents its assessment, both at the beginning of hedging and periodically, of whether derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The total fair value of derivatives used as hedge is classified as non-current assets or liabilities when the maturity of the remainder of the hedged item is greater than 12 months, and is classified as current assets or liabilities when the maturity of the remainder of the hedged item is less than 12 months. Derivatives that are not used for hedging or that are held for trading are classified as current assets or liabilities.

#### **(a) Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, and the gain or loss of the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the results for the period.

The gain or loss related to the actual portion of the derivatives is recognized in the income statement as "financial expenses", as is the ineffective portion that is also recognized in the income statement, but as "other gains/(losses), net".

If the hedge no longer meets the criteria to be recognized through hedge accounting treatment, the adjustment in the carrying value of the covered item is amortized in the results using the effective interest method, in the period remaining until maturity.

#### **(b) Cash flow hedges**

The actual portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive results. The gain or loss relative to the ineffective portion is immediately recognized in the income statement as "other gains/losses, net".

Amounts accumulated in equity are recorded in the income statement in the periods in which the covered item affects them (for example, when the projected covered sale occurs). However, when the intended covered transaction results in the recognition of a non-financial asset, previously recognized gains or losses in equity are transferred from the estate and included as part of the initial cost of the asset. Capitalized amounts are ultimately recognized in the cost of sales when products are sold, if it is inventory, or in depreciation, if it is property, plant and equipment.

When a hedging instrument expires or is sold, or when it ceases to meet the criteria to be recognized through hedge accounting treatment, any gains or losses accrued in equity at that date remain in equity and are recognized when the projected transaction affects the income statement. When it is expected that a projected transaction will no longer occur, the gain

or loss accumulated in equity is immediately transferred to the income statement as "other gains/(losses), net".

### **(c) Net investment hedges abroad**

Net investment hedges from overseas operations are accounted for in a similar manner to cash flow hedges. Any gains or losses of the hedging instrument related to the effective portion of the hedge are recognized in other comprehensive results. Gain or loss related to the ineffective portion of hedging is immediately recognized in results as "other gains/losses, net."

The gains and losses accumulated in the equity are transferred to the income statement when the foreign transaction is sold or partially decommissioned.

As of the date of these financial statements, the Company has no instruments for hedging net investments from overseas operations.

#### **3.1.1.3. Financial liabilities**

Financial liabilities are classified as measured after amortized cost, except for financial liabilities at fair value with changes in results; this classification applies to derivatives constituted to cover obligations that reflect the Company's strategy to hedge market risks associated with the interest rate or exchange rate.

##### **3.1.1.3.1 Debts (Financial Obligations)**

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

The costs incurred in obtaining the debts are recognized as transaction costs to the extent that it is likely that some or all of the debt will be received. In this case the fees are deferred until the loan is received. To the extent that there is no evidence that some or all of the debt is likely to be received, the fees are capitalized as expenses paid in advance for services to obtain liquidity and are amortized in the period of the loan to which they relate. If the costs incurred are immaterial, they may be carried forward at the time of issuance of the securities.

Loans are classified as current liabilities unless the Company has the unconditional right to defer payment of the obligation for at least 12 months from the balance sheet date.

General and specific debt costs directly attributable to the acquisition, construction or production of eligible assets, which are those that require a substantial period of time to be prepared for their intended use or sale, are added to the cost of such assets, until such time as the assets are substantially prepared for use or sale. Investment income from the temporary investment of resources obtained from specific debts that have not yet been invested in qualifying assets is deducted from capitalization interest costs. All other debt costs are recognized in the income statement in the period in which they are incurred.

##### **3.1.1.4. Financial Assets and Financial Liabilities with Related Parties**

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

##### **3.1.1.5. Commercial accounts payable**

Commercial accounts payable are payment obligations for goods or services that have been acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities, if the payment must be made over a period of one year or less (or in the normal operating cycle of the company if it is longer). If the payment must be made in a period longer than one year, they are presented as non-current liabilities.

Commercial accounts payable are initially recognized at fair value and subsequent measurement is at their amortized cost using the effective interest method.

### **3.1.1.6. Recognition and measurement**

Conventional purchases and sales of financial assets are recognized on the trading date, which is the date on which the Company undertakes to acquire or sell the asset. Financial assets are written off when the rights to receive cash flows have matured or have been transferred and the Company has substantially transferred all risks and benefits inherent in the property.

At the initial recognition, the Company values the financial assets at their fair value; however, in the case of a financial asset that is not measured at fair value with changes in results, transaction costs that are directly attributable to the acquisition of the financial asset will affect the value of the asset. Transaction costs of financial assets that are measured at fair value with changes in results are accounted for directly in the income statement.

Gains or losses on a debt instrument that is subsequently valued at fair value and is not part of a hedging ratio are recognized in the results and are presented in the income statement within "other (loss) / net gains" in the period in which they occur.

Gains or losses on a debt instrument that is subsequently valued at its amortized cost and is not part of a hedging relationship are recognized in the results of the period when the financial asset is written off or deteriorated and through the amortization process using the effective interest method.

The Company subsequently measures all equity instruments at fair value. Where management has chosen to present unrealised and realized fair value gains or losses and losses on equity instruments in other comprehensive results, fair value gains and losses may not be recorded in the results for the period. Dividends from equity instruments are recognized in the results, as long as they represent a return on investment.

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

### **3.1.1.7. Clearing of financial instruments**

Financial assets and liabilities are offset and their net amount is presented in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the agency intends to liquidate the net amount or to realize the asset and cancel the liability simultaneously.

### **3.1.1.8. Fair investment values**

The fair values of listed investments are based on their current listing price. If the market for a financial instrument is not active (or the instrument is not listed on the stock exchange) the Company establishes its fair value using valuation techniques appropriate to the circumstances.

These techniques include the use of the values observed in recent transactions carried out under the terms of free competition, the reference to other instruments that are substantially similar, analysis of discounted cash flows and option models making maximum use of market information and placing the highest possible degree of confidence in internal information specific to the entity.

### **3.1.2. Inventories**

Inventory stocks include goods for sale or domestic consumption, on which the typical risks and benefits of the property have been acquired, in this classification are materials, fuels and carbon reduction certificates (CERs).

Inventories are shown in current assets in the financial statements, even if they are made after 12 months, to the extent that they are considered to belong to the ordinary operating cycle.

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

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

The cost of goods other than CERs, is measured according to the "weighted average" method, which considers the units of an item purchased on different dates and at different costs, belonging to a set in which individual purchases are no longer identifiable, but equally available.

The weighted average cost should include additional charges, for example: sea freight costs, customs charges, insurance, etc. attributable and relating to procurement during the period.

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

Obsolete materials are understood as those that are not expected to be sold or used in the Company's ordinary operating cycle, such as, for example, scrap and technologically out-of-date materials. Surplus materials are considered as slow-moving at a stock level that can be considered reasonable, according to the normal use expected in the ordinary operating cycle. Obsolete and slow-moving inventories have the possibility of use or realization, which in some cases represent their value as a sale of scrap.

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

### **3.1.3. Non-current assets held for sale and discontinued activities**

The Company classifies as non-current assets held for sale property, plant and equipment, intangibles, investments in associates, joint ventures and groups subject to dispossession (group of assets to be disposed of together with their associated liabilities), for which at the closing date of the statement of financial position active steps have been initiated for their sale and it is estimated that it is highly probable.

These assets or groups subject to being inappropriate are carried at a disadvantage between the carrying amount and fair value minus costs until sale, and cease to be amortized or depreciated from the moment they are classified as non-current assets held for sale.

Non-current assets held for sale and components of groups subject to dispossession classified as held for sale are presented in the statement of financial position as follows: Assets in a single line called "Non-current assets or groups of assets for disposal classified as held for sale" and liabilities also in a single line called "Liabilities included in groups of assets for their disposal" and liabilities also in a single line called "Liabilities included in groups of assets for their disposition classified as kept for sale."

In turn, the Company considers discontinued activities to significant and separable business lines that have been sold or otherwise disposed of or that meet the conditions to be classified as held for sale, including, where appropriate, those other assets that together with the business line are part of the same sale plan. Likewise, discontinued activities are considered those entities acquired exclusively for the purpose of reselling them.

Results after tax from discontinued activities are presented in a single line of the comprehensive income statement called "Profit (loss) from discontinued operations".

As of the date of these financial statements, the Company has no non-current assets held for sale or discontinued activities.

### **3.1.4. Investments in subsidiaries**

A subsidiary is an entity controlled by the Company, control exists when it has the power to direct the relevant activities of the subsidiary, which are generally the activities of operation and financing for the purpose of obtaining benefits from its activities and is exposed, or entitled, to the variable returns of the latter.

Investments in subsidiaries are initially recorded at cost and subsequently the method of participation in the Company's separate financial statements is applied as established in Decree 2420 of 2015 added by Decree 2496 of 2015 and modified by Decrees 2131 of 2016 and 2170 of 2017.

The 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 its participation, are recorded under the heading "Result for other investments". The measurement of the participation method is evaluated according to the materiality of the figures and ta-



king into account the participation in each subsidiary.

### **3.1.5. Investments in partners and joint ventures**

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

Joint agreements are those entities in which the Company exercises control thanks to the agreement with third parties and jointly with them, that is, when decisions on their relevant activities require the unanimous consent of the parties that share control. Joint agreements are classified into:

**Joint Venture:** It 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 are entitled to the net assets of the entity. At the date of acquisition, the excess of the acquisition cost over the net fair value share of the identifiable assets, liabilities and contingent liabilities assumed by the associate or joint venture is recognized as a goodwill. The commercial credit is included in the carrying value of the investment, is not amortized and is individually subjected to impairment tests.

**Joint Transaction:** Agreement whereby the parties exercising joint control are entitled to the assets and obligations with respect to the liabilities related to the agreement.

**Joint control:** It is the distribution of contractually decided control of an agreement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company currently has joint venture agreements of the jointly controlled operation type represented in trusts. A joint operator shall recognize in connection with its participation in a joint transaction: (a) its assets, including its participation in the assets held jointly; (b) your liabilities, including your share of liabilities incurred jointly; (c) its income from ordinary activities from the sale of its interest in the proceeds arising from the joint venture; (d) its share of the income from ordinary activities from the sale of the product that carries out the joint operation; and (e) your expenses, including your sharing of expenses incurred jointly.

Investments in associates or joint ventures are measured in the individual financial statements at cost, in the case of joint agreement the type of jointly controlled operation represented in trusts is measured at fair value.

As of the date of these financial statements, the Company has no investments in associates or joint ventures.

### **3.1.6. Business Combination**

The Company in a business combination records at fair value the acquired assets and assumed liabilities of the subsidiary company, on the date of takeover, except for certain assets and liabilities that are recorded following the valuation principles set out in other NCIFs. If the fair value of the transferred consideration plus the fair value of any non-controlling interest exceeds the fair value of the net assets acquired from the subsidiary, this difference is recorded as a capital gain. In the case of a low-priced purchase, the resulting profit is recorded on credit to results, after reassessing whether all acquired assets and assumed liabilities have been correctly identified and reviewing the procedures used to measure the fair value of these amounts.

For each business combination, the Company chooses whether to value the non-controlling interests of the acquired at fair value or by the proportionate share of the identifiable net assets of the acquired. If it is not possible to determine the fair value of all assets acquired and liabilities assumed on the date of acquisition, the company shall report the provisional values recorded. During the measurement period, which shall not exceed one year from the date of acquisition, the recognized provisional values shall be retrospectively adjusted and additional assets or liabilities shall also be recognized, to reflect new information obtained on facts and circumstances that existed on the date of acquisition, but were not known to management at that time. In the case of business combinations carried out in stages, on the date of acquisition, the previously held stake in the assets of the acquired company is measured at fair value and the resulting gain or loss, if any, is recognized in the result of the year.

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

statement.

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

### 3.1.7. Intangible Assets

Intangible assets are initially recognized by their cost of acquisition or production and are subsequently valued at the net cost of their corresponding accumulated depreciation and impairment losses, if any, incurred.

Intangible assets are amortized linearly over their useful life, from the moment they are in conditions of use. The Company evaluates in the initial recognition whether the useful life of the intangible assets is defined or indefinite and the amortization period, which is reviewed at the end of each year.

The criteria for the recognition of impairment losses on these assets and, where appropriate, recoveries of impairment losses recorded in previous years are explained in the impairment policy.

#### (a) Research and development expenditure

The Company follows the policy of recording as intangible assets in the statement of financial position the costs of projects in the development phase, provided that their technical viability and economic profitability are reasonably assured. Research expenditure is recognised directly in the results of the financial year.

#### (b) Other intangible assets

These assets correspond primarily to software and rights. Their accounting recognition is initially made by the cost of acquisition or production and, subsequently, they are valued at the net cost of the corresponding accumulated amortization and impairment losses that, where appropriate, have been incurred.

The remaining average useful lives used for amortization are:

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

(\*) They refer to the rights that the Company has registered to obtain the usufruct of the largest flow of useful water from the Chingaza and Río Blanco projects. Its amortization is recognized by the straight-line method. Similarly, in this area, the legal stability premium for Quimbo is classified, which allows tax benefits to be obtained 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 from sales or withdrawals of property, plant and equipment are recognized as other gains (losses) in the income statement and are calculated by deducting from the amount received by the sale, the net book value of the asset and the corresponding selling expenses.

### 3.1.8. Properties, plant and equipment

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

In addition to the price paid for the acquisition of each element, the cost also includes, where appropriate, the following concepts:

- General and specific interest costs that are directly attributable to the acquisition, construction or production of eligible assets, which are those that necessarily require a substantial period of time before being prepared for the intended use or sale, are added to the cost of those assets, until the time comes when the assets are substantially prepared for the intended use or sale. The Company defines a substantial period as one that exceeds twelve months. The interest rate used is that corresponding to the specific financing or, if it does not exist, the average financing rate of the company that makes the investment.
- Personnel costs directly related to ongoing constructions.
- Future disbursements that the Company will have to face in connection with the closure of its facilities are incorporated into the value of the asset for the updated value, recognizing the corresponding provision for dismantling or restoration. The Company annually revises its estimate of such future disbursements, increasing or decreasing the value of the asset based on the results of such estimate.
- Future disbursements for environmental commitments for new projects, as well as discount rates to be used.
- They are components of property, plant and equipment spare parts when they meet the characteristics of recognition of the assets, these parts are not part of the inventory of materials.

Constructions in progress are transferred to assets in operation after the end of the trial period, that is, when they are available for use and under the conditions provided by management.

The costs of expansion, modernization or improvement that represent an increase in productivity, capacity, efficiency or an extension of the useful life of the goods are capitalized as a higher cost of the corresponding assets.

Replacements or renewals of complete elements that increase the useful life of the good, or its economic capacity, are recorded as greater value of the respective goods, with the consequent accounting withdrawal of the replaced or renewed elements.

Periodic disbursements of maintenance, maintenance and repair are recorded directly in the income statement as the cost of the period in which they are incurred.

The Company, based on the result of the impairment tests, considers that the book value of the assets does not exceed the recoverable value of the assets. The property, plant and equipment, net in its case of the residual value, depreciates by distributing linearly the cost of the different elements that compose it between the years of estimated useful life, which constitute the period in which the Company expects to use them. The estimated service life and residual values are reviewed periodically and, if appropriate, adjusted prospectively. The Company does not consider the residual value of its fixed assets to be significant.

The remaining average useful lives used for depreciation are:

Property, plant and equipment classes	Average years of life useful of estimated years	
	2021	2020
Plants and equipment		
Civil works plants and equipment	54	55
Electromechanical equipment hydroelectric power plants	30	30
Central electromechanical equipment Thermoelectric	19	18
Buildings	54	56
Fixed installations, accessories and others	11	10
Assets for IFRS 16 use		
<i>Buildings</i>	62	1
<i>Vehicles</i>	2	2

The Company defined that the flooded properties located in the hydraulic generation plants are depreciable because they do not have a specific use after the end of the useful life of the plant, so their cost is depreciated within the line of plants, pipelines and tunnels to 74 years. Likewise, it was defined that based on the environmental requirements established in De-

Decree 1076 of 2015 applicable to Quimbo, there is an obligation to dismantle the powerhouse, in a time that the Company has estimated, in the most conservative scenario, of 50 years. (See Note 1(6)).

The excess of the tax depreciation over the accounting one generates a tax effect that is recorded as a passive deferred tax.

Gains or losses arising from sales or withdrawals of property, plant and equipment are recognized as other gains (losses) in the income statement and are calculated by deducting from the amount received for the sale, the net book value of the asset and the corresponding selling expenses

### **3.1.9. Impairment of assets**

#### **(a) Non-financial assets (except inventories and deferred tax assets).**

Throughout the year and mainly on the closing date of the same, it is evaluated if there are indicators that any asset could have suffered a loss due to impairment. In the event that there is an indicator, an estimate of the recoverable amount of said asset is made to determine, where appropriate, the amount of impairment. In the case of identifiable assets that do not generate cash flows independently, the recoverability of the Cash Generating Unit (UGE) to which the asset belongs is estimated, understanding as such the smallest identifiable group of assets that generates independent cash inflows.

In the Company all assets operate in an integral manner and cannot be considered the cash flows of a central independent of the rest of the generation assets; therefore, the Company as a whole is taken as the UGE Cash Generating Unit.

The recoverable amount is the largest between the fair value minus the cost necessary for its sale and the value in use, meaning the present value of the estimated future cash flows. For the calculation of the recovery value of the property, plant and equipment, the capital gain, and the intangible asset, the value in use is the criterion used by the Company in practically all cases.

To estimate value in use, the Company prepares projections of future pre-tax cash flows from the most recent budgets available. These budgets incorporate management's best estimates of Cash Generating Units' revenues and costs using sector projections, past experience, and future expectations.

These projections cover, in general, the estimation of flows for the following years applying reasonable growth rates. These flows are discounted to calculate their current value at a pre-tax rate that collects the cost of capital of the business. For its calculation, the current cost of money and the risk premiums used in a general way among analysts for the business are taken into account.

In the event that the recoverable amount of the UGE is less than the net carrying value of the asset, the corresponding provision for impairment loss for the difference is recorded, charged to the item "Impairment" of the income statement. This provision is assigned, first, to the value of the capital gain of the UGE, if it exists, and then to the other assets that compose it, prorated according to the book value of each of them, with the limit of its fair value less the costs of sale, or its use value, and without being able to turn out to be a negative value.

Impairment losses recognized in an asset in previous years are reversed when there is a change in the estimates of its recoverable amount, increasing the value of the asset with payment to results with the limit of the carrying value that the asset would have had if the accounting adjustment had not been made. In the case of capital gains, the accounting adjustments that would have been made are not reversible.

#### **(b) Financial assets**

The Company determines the expected credit loss in all of its debt securities, loans and commercial receivables, either for 12 months or for the life of the assets, recognizing the impairment in advance from day one and not waiting for any event that indicates the impairment of the financial asset.

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

##### **Individual simplified model**

This model performs a homogeneous and consistent calculation to each of the counterparties that make up the commercial portfolio. Since the Company manages its trading portfolio individually, the group defined that the most appropriate way to

manage the expectation of credit risk for the Company is to conduct an individual assessment of each of the counterparties with which the Company has transactions resulting from its trading operations.

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

Probability of Default (PD): May be provided by a third-party vendor if available, or by evaluating the counterparty's financial statements; in case of not having a specific PD by the aforementioned mechanisms, according to the group guidelines, the country qualification minus three categories (notches) will be used. If there are signs of deterioration, they will be reflected in this variable, reaching one hundred percent in cases that merit it.

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

### **General collective model**

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

- Public administrations.
- Institutional counterparts.
- Loans to employees and
- Other assets.

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

Probability of Non-compliance (PD): It is determined according to the group guidelines for each category that consider the rating of the Company, the financial institution and the country, in some cases deducting from the last three categories (notches). If there are signs of deterioration, they will be reflected in this variable, reaching one hundred percent in cases that merit it.

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

### **3.1.10. Leases**

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

#### **Tenant**

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

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

- There must be an asset identified in the lease.
- The lessee must have the right to obtain substantially the economic benefits from the use of the asset throughout the period of use.
- The lessee has the right to direct how and for what purpose the asset should be used throughout the period of use. This is determined if:
  - The lessee operates the asset throughout the period of use, without the supplier having the right to change the operating instructions or,
  - The lessee designed the asset in such a way as to predetermine the purpose of use of the asset throughout the period of use.



If the parameters mentioned above are not met, the contracts shall not constitute a lease under the parameters set out in IFRS 16.

If a financial lease is set up, the lessee must recognize at the beginning of the contract the assets for rights of use and liabilities for financial lease.

The rule includes two exemptions from recognition for tenants:

- Leases of "low value" assets
- Short-term leases (i.e., leases with a term of 12 months or less)

In this case they are recognized in the income statement, and there is no place for assets for use, nor liabilities for lease.

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

Right-of-use assets are measured at the initial time at cost, which comprises: (i) lease liability, (ii) lease payments made before or from the commencement date, less lease incentives received, (iii) 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.

Right-of-use assets depreciate linearly over the shortest period between the term of the lease and the estimated useful life of the assets.

Interest expense, lease liability and depreciation expense, should be recognized separately from the right-of-use asset. Tenants are also required to remeasure lease liabilities when certain events occur (e.g., a change in lease term, a change in future lease payments resulting from a change in an index or rate used to determine payments). The amount of the new measurement of the lease liability will be recognized as an adjustment to the right-of-use asset, except for considerations that can be recognized directly to results.

### **Lessor**

A landlord classifies leases as operational or financial. A lease is classified as financial, when the risks and benefits inherent in ownership of the underlying asset are substantially transferred. In the event that the risks and benefits associated with the underlying asset are not transferred, the lease will be considered as operational.

#### *Financial Leases*

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

When a lessor is a manufacturer or distributor, it recognizes income from ordinary activities at the fair value of the underlying assets delivered on lease discounted at a market interest rate. It also recognizes the cost of sales by cost or carrying value if it is different from the underlying asset.

#### *Operating Leases*

The lessor recognizes the income on a linear basis for the payments received corresponding to the lease of the underlying assets.

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

### **3.1.11. Provisions, liabilities and contingent assets**

Obligations existing at the date of the financial statements, arising as a result of past events from which material damages of probable materialization may arise for the Company, the amount and timing of cancellation of which are uncertain, are recorded in the statement of financial position as provisions for the present value of the most likely amount that it is estimated that the Company will have to disburse to cancel the obligation.

Provisions are quantified taking into account the information available on the date of issuance of the financial statements, on the consequences of the event in which they are caused and are reestimated at each subsequent accounting close.

As part of the provisions, the Company includes the best estimate of the risks for civil, labor and tax litigation, so it is not expected that additional liabilities to those registered will arise from them; given the characteristics of the risks covered by these provisions, it is not possible to determine a certain date of cancellation of the estimated obligation. When assessing the likelihood of loss, the available evidence, jurisprudence and legal assessment should be considered.

The risks from civil and labor litigation that are considered eventual are disclosed in the notes to the financial statements (See Note 16).

Contingent liabilities are obligations arising from past events, the existence of which is subject to the occurrence or otherwise of future events that are not entirely under the control of the Company, or present obligations arising from past events of which the amount of the obligation cannot be reliably estimated, or an outflow of resources for cancellation is not likely to take place. Contingent liabilities are not disclosed in the financial statements, but are disclosed in notes to the financial statements, except for those individually included in the purchase price report, made in a business combination, the fair value of which can be reliably determined.

A contingent asset is given by the occurrence, or non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the entity. It is revealed when the entry of benefits is likely; if the realization of the income is practically certain, it is recognized in the financial statements.

The Company shall refrain from recognizing any contingent assets.

### **3.1.12. Taxation**

It includes the value of the mandatory general taxes in favor of the State and in charge of the Company, for the concept of the private settlements that are determined on the tax bases of the fiscal period, in accordance with the tax rules of the national and territorial order that govern in the places where the Company operates.

#### **3.1.12.1. Income and supplementary tax and deferred tax**

The income tax expense for the period comprises income tax and deferred tax; which results from the application of the tax rate on the taxable base of the period, once the deductions that are taxable for taxation have been applied, plus the variation of the assets and liabilities for deferred taxes and tax credits. The differences between the book value of the assets and liabilities and their tax base generate the balances of deferred taxes of assets or liabilities, which are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized, considering for this purpose the rates that at the end of the reporting period have been approved or for which the process of approval.

The provision for income tax is calculated at the rate in force at the end of the year, by the causation method and is determined based on the commercial profit purified in accordance with current tax regulations in order to properly relate the income of the period with its corresponding costs and expenses, and is recorded by the amount of the estimated liability.

Deferred tax assets are recognized because of all deductible temporary differences, losses and unused tax credits, to the extent that there are likely to be sufficient future tax gains to recover deductions for temporary differences and make the tax credits effective, except that the deferred tax asset relating to the deductible temporary difference, arises from the initial recognition of an asset or liability in a transaction that:

- (a) It is not a business combination and;
- (b) at the time it was realized it did not affect either the accounting gain or the tax gain (loss).

With respect to deductible temporary differences, relating to investments in subsidiaries, associates and joint agreements, deferred tax assets are recognized only to the extent that the temporary differences are likely to reverse for the foreseeable future and that tax gains are available against which the temporary differences can be used.

Deferred tax liabilities are recognized for all temporary differences, except those derived from the initial recognition of capital gains and those whose origin is given by the valuation of investments in subsidiaries, associates and joint ventures, in which the Company can control the reversal of the same and it is likely that they will not be reversed in the foreseeable future.

Current tax and changes in deferred taxes on assets or liabilities are recorded in results or in items of total equity in the statement of financial position, depending on where the gains or losses that have originated it have been recorded.

The rebates that can be applied to the amount determined as a liability for current tax, are imputed in results as a payment to the item "Expense for taxes on profits", unless there are doubts about their tax realization, in which case they are not recognized until their effective materialization, or correspond to specific tax incentives, registering in this case as subsidies.

At each accounting close, the deferred taxes recorded, both assets and liabilities, are reviewed in order to verify that they remain in force, making the appropriate corrections to them in accordance with the result of the aforementioned analysis.

Income tax is presented net, after deducting the advances paid and withholdings at source in favor.

Deferred tax assets and deferred tax liabilities are presented in net form in the statement of financial position, if you have the legally enforceable right to offset current tax assets against current tax liabilities, and only if these deferred taxes relate to income taxes of the same tax authority.

### **3.1.12.2. Industry and commerce tax**

In application of article 86 of Law 2010 of 2019, the Company recognized as an expense of the year the entire industry and commerce tax caused in the year, the value that can be imputed as a tax discount is treated as a non-deductible expense in the determination of income tax in the year, the tax discount applied decreases the value of the current income tax expense of the period; on the balances that could be applied as a tax discount for the following year, an asset was recognized for deferred tax.

### **3.1.13. Employee Benefits**

#### **(a) Pension**

The Company has pension commitments, both defined benefit and defined contribution, which are basically instrumented through pension plans. For defined benefit plans, the Company records the expense corresponding to these commitments following the accrual criterion during the working life of the employees, at the date of the financial statements, there are actuarial studies calculated applying the method of the projected credit unit; the costs for past services that correspond to variations in benefits, are recognized immediately, the commitments for defined benefit plans represent the present value of the accrued obligations. The Company does not possess assets related to these plans.

#### **(b) Other post-employment obligations**

The Company grants its retired employees pension benefits, educational assistance benefits, energy relief and health aid. Entitlement to the above benefits generally depends on whether the employee has worked until retirement age. The expected costs of these benefits accrue during the period of employment using a methodology similar to that of defined benefit plans. Actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or credited to other comprehensive results in the period in which they arise. These obligations are valued annually or when the parent company requires it, by independent and qualified actuaries.

The retroactivity of the severances, considered as post-employment benefits, is liquidated to those workers belonging to the labor regime prior to Law 50 of 1990 and who did not take advantage of the change of regime, this social benefit is liquidated for all the time worked based on the last salary earned. In the latter case only a small number of workers and actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or paid to the other comprehensive result.

The Company implements voluntary retirement plans that within its benefits contemplate temporary income for employees who take advantage of them and who lack the time stipulated in the plan to be entitled to the old-age pension. The benefit consists of the payment of a temporary rent for the time established in the minutes according to plan guidelines; the value of the rent will be paid on the average salary of each worker at the date of retirement. These payments will be made through the resources placed by the Company in a private fund account and allocated to each employee who joined the plan; you are given the treatment of a post-employment benefit since it is the responsibility of the Company to provide the additional resources that are required to the fund to cover this obligation or to receive the reimbursement in case of surpluses.

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

### (c) Long-term benefits

The Company recognizes its active employees as benefits associated with their time of service, such as the five-year period. The expected costs of these benefits accrue during the period of employment, using a methodology similar to that used for defined benefit plans.

Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are charged or credited to the outcome of the period in which they arise. These obligations are valued annually or when the parent company requires it, by qualified independent actuaries.

### (d) Employee Credit Benefits

The Company grants its employees credits at rates lower than those of the market, which is why the present value of the same is calculated by discounting future flows at the market rate, recognizing as profit paid in advance the differential between the market rate and the rate awarded, charged to the accounts receivable. The benefit is amortized over the life of the loan as the greater value of personnel expenses and the accounts receivable are updated at amortized cost reflecting their financial effect on the income statement.

#### 3.1.14. Fair value estimation

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 orderly transaction between market participants on the measurement date.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the main market, i.e. the market with the highest volume and level of activity for the asset or liability. In the absence of a main market, it is assumed that the transaction takes place in the most advantageous market to which the entity has access, that is, the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.

For the determination of fair value, the Company uses valuation techniques among which those used for financial obligations that are recorded at fair value at the time of disbursement, as contractually defined, according to an active market for liabilities with similar characteristics; in both cases (assets and liabilities) with sufficient data to perform the measurement, maximizing the use of relevant observable input data and minimizing the use of non-observable input data.

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

**Tier 1:** Quoted (unadjusted) price on an active market for identical assets and liabilities;

**Level 2:** Input data other than the quoted prices that are included in level 1 and that are observable for assets or liabilities, either directly (i.e. as a price) or indirectly (i.e. derived from a price). The methods and assumptions used to determine Tier 2 fair values, by financial asset class or financial liabilities, take into account the estimation of future cash flows, discounted by the zero interest rate coupon curves of each currency. All ratings described are made through external tools, such as "Bloomberg"; and

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

When measuring fair value, the Company takes into account the characteristics of the asset or liability, in particular:

- For non-financial assets, a fair value measure takes into account the market participant's ability to generate economic benefits by using the asset to its maximum and best use, or by selling it to another market participant that would use the asset in its maximum and best use;
- For liabilities and equity instruments, fair value assumes that the liability will not be liquidated and the equity instrument will not be cancelled, nor will it otherwise be extinguished on the measurement date. The fair value of the liability reflects the effect of default risk, i.e. the risk that an entity will fail to meet an obligation, which includes, but is not limited to, the Company's own credit risk.

- In the case of financial assets and liabilities with offset positions at market risk or credit risk of the counterparty, fair value is allowed to be measured on a net basis, consistent with how market participants would price the net risk exposure on the measurement date.

### **3.1.15. Functional and presentation currency**

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

The financial statements are presented in "Colombian Pesos" which at the same time is the functional and presentation currency of the Company. Its figures are expressed in thousands of Colombian pesos, except net income per share, the representative market rate that are expressed in Colombian pesos, and currencies (for example, dollars, euros, pounds sterling etc.) that are expressed in units.

### **3.1.16. Foreign currency conversion**

Transactions carried out by the Company in a currency other than its functional currency are recorded at the exchange rates in force at the time of the transaction. During the year, the differences that occur between the exchange rate accounted for and the one in force at the date of collection or payment are recorded as differences of change in the income statement.

### **3.1.17. Classification of balances into current and non-current**

The Company presents in its Statement of Financial Position the assets and liabilities classified into current and non-current, excluding the assets available for sale as well as the liabilities available for sale. Assets are classified as current when intended to be made, sold or consumed during the normal cycle of the Company's operations or within 12 months after the reporting period, all other assets are classified as non-current. Current liabilities are those that the Company expects to settle within the normal operating cycle or within 12 months after the reporting period, all other liabilities are classified as non-current.

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

### **3.1.18. Revenue Recognition**

The Company applies a model of recognition of income from ordinary activities from contracts with clients based on 5 stages that are:

Step 1: Identify the contract or contracts with customers.

Stage 2: Identify performance obligations in the contract.

Stage 3: Determine the transaction price.

Stage 4: Assign the transaction price between the contract performance obligations.

Stage 5: Recognize the income from ordinary activities when (or as) the entity satisfies a performance obligation.

The model for the recognition of income from ordinary activities from contracts with customers includes 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 Cluster" when they have similar characteristics in the contractual terms and conditions.

These categories are determined using the following typifications: (a) Type of goods or services offered (electricity, value-added services); (b) Market typology (regulated, non-regulated); or c) Type of customer (size, type, sector).

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

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



**(c) Satisfaction of performance obligations:**

The satisfaction of performance obligations in accordance with the pattern of transfer of control of the goods and / or services committed to customers, is carried out:

- Over time.
- At one point in time.

Performance obligations over time are met when:

- The client simultaneously consumes the benefits provided by the performance of the entity as the Company realizes them.
- The Company's performance creates or enhances an asset that the client controls as it is created or improved.
- The Performance of the Company creates or enhances an asset with an alternative use for it. The Company has the enforceable right to payment of the performance it has completed to date.

Income is recognized according to the measure of satisfaction of performance obligations. Measuring the satisfaction of performance obligations over time is done by two types of methods:

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

**(e) Contracts with modifications:**

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

**(f) Consideration as principal or agent:**

Where a third party is involved in providing goods and/or services to a client, the Company shall determine whether the commitment to comply with performance obligations is at its expense or at the expense of a third party. In the event that the Company controls the goods and/or services committed to the clients and satisfies the performance obligations by itself, it acts as principal. Otherwise it acts as an agent.

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

**Contract costs:**

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

**Contractual assets and liabilities:**

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

- Contractual 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 liabilities: Corresponds to the Company's obligation to transfer goods and/or services to clients, for which the Company has received consideration from clients.

### **3.1.19. Income and financial costs**

Interest income (expense) is accounted for considering the effective interest rate applicable to the principal outstanding during the corresponding accrual period.

### **3.1.20. Recognition of costs and expenses**

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

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

Expenses include taxes, utilities, among others. All of them incurred by the processes responsible for the sale or provision of services.

Included as an investment are those 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 on debt intended to finance projects, and higher maintenance costs that increase the useful life of existing assets, among others, are capitalized as ongoing constructions.

### **3.1.21. Share capital**

Common shares with or without a preferential dividend are classified in equity.

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

### **3.1.22. Reserves**

Appropriations authorized by the General Shareholders' Meeting are recorded as reserves, charged to the results of the year for compliance with legal provisions or to cover expansion plans or financing needs.

The legal provision that contemplates the constitution of reserves applicable to the Company is the following:

- The Commercial Code requires the Company to appropriate 10% of its annual net profits determined under local accounting rules as a legal reserve until the balance of this reserve is equivalent to 50% of the subscribed capital. The mandatory legal reserve is not distributable prior to the liquidation of the Company, but may be used to absorb or reduce annual net losses. Reserve balances in excess of 50% of the subscribed capital are freely available to shareholders.
- Until 2016, Article 130 of the tax statute contemplated the appropriation of net profits equivalent to 70% of the highest value of the tax depreciation on the accounting depreciation, calculated under local accounting standards. This article was repealed by law 1819 of 2016 in article 376; therefore, as of 2017, this reserve is not appropriated, but the reserves of previous years are maintained.

### **3.1.23. Utility per share**

Basic income per share is calculated as the ratio of net profit for the period attributable to the Company's shareholders to the weighted average number of ordinary shares outstanding during that period, after the appropriation of the preferred dividends corresponding to the number of shares at the end of the year.

### **3.1.24. Dividend distribution**

The commercial laws of Colombia establish that, once the appropriations for the legal reserve, statutory reserve or other

reserves and the payment of taxes have been made, the remainder will be distributed among the shareholders, in accordance with the project of distribution of shares presented by the management of the Company and approved by the General Assembly. The payment of the dividend will be made in cash, in the periods agreed by the General Assembly when decreeing it and to whoever has the quality of shareholder at the time each payment becomes due.

When it is appropriate to absorb losses, these will be covered with the reserves that have been specially destined for that purpose and, failing that, with the legal reserve. Reserves intended to absorb certain losses may not be used to cover other losses, unless the General Assembly so decides.

At the end of the year, the amount of the obligation to shareholders is determined, net of the provisional dividends that have been approved in the course of the year, and is recorded in the accounts under the heading "commercial accounts payable and other accounts payable" and under the heading "accounts payable to related entities", as appropriate, charged to the total patrimony. Provisional and definitive dividends are recorded as the lowest value of the "total equity" at the time of their approval by the competent body, which in the first instance is by the Board of Directors of the Company and in the second instance the Ordinary General Meeting of Shareholders.

### 3.1.25. Operating segments

An operation segment is a component of an entity:

- that carries out business activities from which it may derive income from ordinary activities and incur expenses (including income from ordinary activities and expenses for transactions with other components of the same entity).
- whose operating results are regularly reviewed by the highest operating decision-making authority of the entity, to decide on the resources to be allocated to the segment and to evaluate its performance; and
- on which differentiated financial information is available.

The Company for all purposes, in accordance with the guidelines of IFRS 8, has a single operating segment associated with the energy business; since, although the Company records operations in the gas business, to date the amount of transactions of this line of business is not representative, therefore, it is not considered as an independent segment.

## 4. Cash and cash equivalent, net

A summary of cash and cash equivalents, net as of December 31, 2021 and 2020, is as follows:

	As of December 31, 2021		As of December 31, 2020	
Bank balances	\$	189.499.353	\$	657.377.534
Other cash and cash equivalents (1)		21.868.464		52.357.384
Cash in cash		935		868
Short-term deposits (2)		-		110.000.000
	<b>\$</b>	<b>211.368.752</b>	<b>\$</b>	<b>819.735.786</b>

The equivalent detail in pesos by type of currency of the previous balance is as follows:

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

Detail by Currency (*)	As of December 31, 2021		As of December 31, 2020	
Colombian Pesos	\$	203.204.499	\$	818.375.253
U.S. Dollars		8.164.253		1.360.533
	<b>\$</b>	<b>211.368.752</b>	<b>\$</b>	<b>819.735.786</b>

(\*) Balances denominated in foreign currency are expressed in Colombian pesos at the representative exchange rates as of December 31, 2021 and December 31, 2020 of \$3,981.16 and \$3,432.50 for US\$1 respectively.

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

The variation in cash and equivalents corresponds to: i) Collection for goods, services and other \$4,783,297,702 ii) payments (energy, variable costs, O&M, capex, fuels, insurance, remuneration and others) for (\$1,766,570,934), Purchases of property, plant and equipment and Intangibles (304,683,511) iii) Payment of dividends balance year 2019 and total of the year 2020 for (\$1,994,439,875), iv) interest payment for bonds, bank debt and lease liabilities (\$231,001,429) v) income tax (\$673,206,045), vi) Takes financial debt \$1,144,525,658 vii) payment of principal debt (1,520,865,658) viii) other disbursements (yields, derivative compensation and others) (\$45,422,942).

(1) The other cash and cash equivalent is mainly composed of the collective portfolios that correspond to usual operations carried out daily by the treasury to these entities, in order to channel the resources from the collection.

As of December 31, 2021 and 2020, the amount of the impairment provision for cash and cash equivalents is \$4,688 and \$12,613, respectively.

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

As of December 31, 2021, the Company presents guarantees to support futures trading with Trading (See Note 35).

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

	Cash flows					Non-cash changes		Balance as of December 31, 2021
	Balance as of January 1, 2021	Loan amounts	Payment of loans and interest	Other amounts associated with cash		Lease agreements	MTM Valuation	
				Interest caused				
Bonuses	\$ 2,755,823,708	\$ -	\$ (1,036,511,149)	\$ (2,376,605)	\$ 153,553,825	\$ -	\$ -	\$ 1,870,489,779
Lease liabilities	7729,440	-	(6,330,494)	8,995,556	359,381	72,020,709	-	82,774,592
Bank Loans and Obligations	-	1,100,000,000	(664,387,780)	-	15,840,680	-	-	451,452,900
Derivative instruments	1,741,469	-	1,880,632	(1,880,632)	-	-	(1,699,605)	41,864
Line of Credit	168,249	-	-	(168,249)	53,452	-	-	53,452
Linked loans	-	45,000,000	(45,112,006)	-	112,006	-	-	-
Securitization	-	44,525,658	(44,525,658)	-	-	-	-	-
<b>Total liabilities for financing activities</b>	<b>\$ 2,765,462,866</b>	<b>\$ 1,189,525,658</b>	<b>\$ (1,794,986,455)</b>	<b>\$ 4,570,070</b>	<b>\$ 169,919,344</b>	<b>\$ 72,020,709</b>	<b>\$ (1,699,605)</b>	<b>\$ 2,404,812,587</b>

	Cash flows					Non-cash changes		Balance at 31 of December 2020
	Balance at 1 of January 2020	Payment of loans and interest	Other amounts associated with cash	Interest caused		Lease agreements	MTM Valuation	
Bonuses	\$ 3,001,765,481	\$ (451,604,539)	\$ -	\$ 205,662,766	\$ -	\$ -	\$ -	\$ 2,755,823,708
Lease liabilities	11,550,325	(7,095,644)	(10,445)	863,287	2,421,917	-	-	7,729,440
Derivative instruments	-	(2,089,781)	2,089,781	-	-	1,741,469	-	1,741,469
Line of Credit	-	-	168,249	-	-	-	-	168,249
<b>Total liabilities for financing activities</b>	<b>\$ 3,013,315,806</b>	<b>\$ (460,789,964)</b>	<b>\$ 2,247,585</b>	<b>\$ 206,526,053</b>	<b>\$ 2,421,917</b>	<b>\$ 1,741,469</b>	<b>\$ -</b>	<b>\$ 2,765,462,866</b>

## 5. Other financial assets, net

	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
Trusts	\$ 5,134,456	\$ -	\$ 12,913,907	\$ -
Trusts (1)	5,135,164	-	12,920,287	-
Impairment of trusts (*)	(708)	-	(6,380)	-
Other assets	4,162,635	-	965,635	-
Other assets (2)	4,192,500	-	968,288	-
Impairment of other assets (*)	(29,865)	-	(2,653)	-
Hedging derivative instruments (3)	2,612,348	-	-	-
Guarantees energy derivative markets	855,579	-	1,054,722	-
Financial investments - unlisted or illiquid companies (4)	-	481,721	-	517,050
	<b>\$ 12,765,018</b>	<b>\$ 481,721</b>	<b>\$ 14,934,264</b>	<b>\$ 517,050</b>

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

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

	<b>As of December 31, 2021</b>		<b>As of December 31, 2020</b>
Tominé Reservoir Trusts (a)	\$ 3.177.232	\$	6.061.327
El Quimbo Trusts (b)	919.024		922.260
Muña Reservoir Trusts (a)	691.146		550.137
Zomac Trusts (c)	347.762		5.386.563
<b>Total</b>	<b>\$ 5.135.164</b>	<b>\$</b>	<b>12.920.287</b>

(a) The balance as of December 31, 2021 corresponds to the trusts with BBVA S.A. Like this:

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

(b) The El Quimbo Trust was established with Corficolombiana S.A. , to meet commitments arising from the construction of the hydroelectric power plant.

(c) The ZOMAC Trust was constituted from the approval of the Territory Renewal Agency (ART) of linkage for the payment of income tax and complementary for the taxable periods 2018 and 2019, through the execution of viable projects of social significance in the different municipalities located in areas most affected by the armed conflict (ZOMAC).

The company's existing trusts have a specific destination and support contracted obligations in key projects for the business, which clarify their destination.

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

<b>Embargo</b>	<b>Process</b>	<b>Bench</b>	<b>Judicial deposit value</b>
Axia Energia SAS	Oficio 950 Proceso Ejecutivo 11001	BBVA S.A.	\$ 1.800.000
Axia Energia SAS	Oficio 950 Proceso Ejecutivo 11001	Corpbanca S.A.	904.085
Axia Energia SAS	Oficio 950 Proceso Ejecutivo 11001	Helm Bank S.A.	895.915
Agencia Nacional de Minería ANM	Auto No. 594 del 01-08-2019	Davivienda S.A.	492.682
Gabriel Chaux Campos	Oficio No. 0761	BBVA S.A.	36.000
Juzgado Primero Civil Municipal Garzón - Huila	No. 412984003001 207-0341-00	Davivienda S.A.	25.000
Juzgado Primero Civil Municipal Garzón - Huila	No. 412984003001 207-0341-00	Bancolombia S.A.	15.089
Juzgado Segundo Civil del Circuito Garzón - Huila	Oficio No. 0728	Bancolombia S.A.	8.000
Juzgado Veintinueve Civil del Circuito de Bogotá	No. 110013103029201700441-00	Banco Caja Social S.A.	4.335
Corporación Aut. Reg. Magdalena	Neiva 2018-082	BBVA S.A.	3.246
Corporación Aut. Reg. Magdalena	Neiva 2018-082	Colpatria S.A.	3.246
Corporación Aut. Reg. Magdalena	Neiva 2018-082	Colpatria S.A.	3.246
Corporación Aut. Reg. Magdalena	Proceso admin coactivo Expt No. 2021-031	Colpatria S.A.	1.205
Gabriel Chaux Campos	Proceso ejecutivo oficio No. 0761	Banco de Occidente S.A.	451
<b>Total</b>			<b>\$ 4.192.500</b>

(3) The Company as of December 31, 2021 has thirteen (13) actively valued cash flow hedging derivatives as follows:

<b>Derivative</b>	<b>Underlying</b>	<b>Bench</b>	<b>Risk Factor</b>	<b>Active Notional</b>	<b>Coin</b>	<b>Fixed Rate</b>	<b>MTM</b>
Forward	Cobertura FX Pago CERE Agosto 2022	B_DEBOGOTA_CO	Tipo de cambio	2.000.000	USD	3.847,46	494.342
Forward	Cobertura FX Pago CERE Septiembre 2022	B_DEBOGOTA_CO	Tipo de cambio	1.500.000	USD	3.863,38	372.777
Forward	Cobertura FX Pago CERE Agosto 2022	B_DEBOGOTA_CO	Tipo de cambio	1.500.000	USD	3.831,67	370.720
Forward	Cobertura FX Pago CERE Junio 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.852,25	189.947
Forward	Cobertura FX Pago CERE Mayo 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.837,10	189.137



Derivative	Underlying	Bench	Risk Factor	Active Notional	Coin	Fixed Rate	MTM
Forward	Cobertura FX Pago CERE Marzo 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.812,72	184.502
Forward	Cobertura FX Pago CERE Febrero 2022	B_DEBOGOTA_CO	Tipo de cambio	900.000	USD	3.800,48	183.356
Forward	Cobertura FX Pago CERE Enero 2022	B_DEBOGOTA_CO	Tipo de cambio	750.000	USD	3.791,09	151.106
Forward	Cobertura FX Pago CERE Mayo 2022	B_DEBOGOTA_CO	Tipo de cambio	650.000	USD	3.824,85	135.334
Forward	Cobertura FX Pago CERE Agosto 2022	COLPATRIA_CO	Tipo de cambio	2.900.000	USD	4.075,14	34.913
Forward	Cobertura FX Pago CERE Junio 2022	COLPATRIA_CO	Tipo de cambio	2.900.000	USD	4.062,82	19.414
Forward	Cobertura FX Pago CERE Agosto 2022	B_DEBOGOTA_CO	Tipo de cambio	3.000.000	USD	4.098,62	17.315
Forward	Cobertura FX Pago CERE Mayo 2022	COLPATRIA_CO	Tipo de cambio	2.800.000	USD	4.049,85	7.758
<b>Total valoración</b>							<b>\$ 2.350.621</b>

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

Derivative	Underlying	Bench	Risk Factor	Active Notional	Coin	Fixed Rate	MTM
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2021	COLPATRIA_CO	TIPO CAMBIO	400.000	USD	3.651,38	131.942
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2021	B_DEBOGOTA_CO	TIPO CAMBIO	500.000	USD	3.853,70	63.744
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2020	BANCO_ITAU_CO	TIPO CAMBIO	100.000	USD	3.564,44	41.681
Forward MTM+1	Cobertura FX Pago CERE Diciembre 2020	BANCO_ITAU_CO	TIPO CAMBIO	100.000	USD	3.737,62	24.360
<b>Total valoración</b>							<b>\$ 261.727</b>

(4) Financial investments in unlisted companies are:

Equity securities	Economic activity	Common shares	% Participation	As of December 31, 2021	As of December 31, 2020
Derivex S.A. (1)	Comercial	35.764	4,99%	\$ 481.721	\$ 517.050
Electrificadora del Caribe S.A. E.S.P. (2)	Energía	109.353.394	0,22%	-	-
				<b>\$ 481.721</b>	<b>\$ 517.050</b>

(1) (The Company in May 2019 acquired 35,764 shares of Derivex S.A. for \$579,377, is a private entity whose corporate purpose is the administration of a trading system for operations on derivative financial instruments, whose underlying assets are electricity, gas, fuel and other energy commodities and registration of operations on such instruments. As of December 31, 2021, the adjustment to the valuation of the investment was made and a decrease of \$35,329 was recorded.

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

## 6. Other non-financial assets, net

	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
Advances for the acquisition of goods (1)	\$ 33.379.216	\$ -	\$ 11.765.629	\$ -
Other debtors	13.872.478	879.431	31.048.061	800.000
<i>Other debtors (2)</i>	18.268.475	3.623.044	35.128.529	3.671.532
<i>Impairment of other debtors (*)</i>	(4.395.997)	(2.743.613)	(4.080.468)	(2.871.532)
Employee Benefits for Loans (3)	553.115	7.011.612	524.583	6.443.788
Accounts receivable other taxes (4)	-	21.352.853	-	21.424.457
	<b>\$ 47.804.809</b>	<b>\$ 29.243.896</b>	<b>\$ 43.338.273</b>	<b>\$ 28.668.245</b>

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

(1) Within the balance of the advances are the guarantees delivered to XM for negotiations in energy operations for \$10,191,237, advance for energy purchases from Gecelca for \$20,781,818 and advance to other suppliers \$2,406,161.

This is the detail of the advances to December 31, 2021:

	<b>As of December 31, 2021</b>	<b>As of December 31, 2020</b>
Gecelca S.A. ESP	\$ 20.781.818	\$ -
XM Escrow	10.191.237	10.027.584
JFRG S.A.S.	527.627	-
Oscar Arturo Solarte	527.627	-
Yepes Julio Hernando	477.812	-
Ortiz Atuesta Andrea	272.813	-
Chamber of Commerce of Bogotá	268.197	-
Mosquera Casas Cristian	251.953	251.953
Vanti S.A. ESP	50.000	50.000
Volunteer Fire Department	8.295	-
Ramirez Carlos Alberto	7.800	-
Gallagher Consulting	3.577	-
Global Consulting an	-	657.705
Cass Constructores S.A.S	-	248.396
Solarte Nacional de Construcciones	-	248.396
Agencia De Aduanas Suppla S.A.S.	-	99.405
National Environmental Fund – Fonam	-	95.370
Municipal Companies of Cartago E.S.P	-	45.167
Pereira Energy Company	-	22.478
Other	10.460	19.175
	<b>\$ 33.379.216</b>	<b>\$ 11.765.629</b>

(2) As of December 31, 2021, the other debtors are mainly made up of: corporate building advance for \$9,026,977, account receivable from the Ministry of Finance for payments made by the Company, product of the rulings against Betania corresponding to the processes in force on the date of the contract for the sale of shares in 1997 for \$2,876,666, fines and penalties of contracts for \$1,916,868, sale of scrap \$1,348,030, leases \$1,100,580 and other concepts for \$1,535,654.

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

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

(3) Benefits for loans granted to employees are awarded at rates between 0% and 7%, which is why the Company discounts future flows at the market rate, recognizing as profit paid in advance the differential between the market rate and the awarded rate and amortizing them during the life of the loan.

(4) As of December 31, 2021, the tax discount corresponds to \$21,352,853 in accordance with article 83 of Law 1943 of 2018, the opportunity for a tax discount on the VAT paid on the acquisition, construction or formation and import of real productive fixed assets including the associated services was created to put them in conditions of use. To take this discount on income you must meet three requirements: (i) That it is a productive real fixed asset, (ii) that vat is paid, (iii) that the asset is depreciating.

## 7. Business accounts and other accounts receivable, net

	Al 31 de diciembre de 2021		Al 31 de diciembre de 2020	
	Corriente	No Corriente	Corriente	No Corriente
Business accounts, gross (1)	\$ 283.714.775	\$ 43.242.362	\$ 228.098.924	\$ 43.242.362
Other accounts receivable, gross (2)	3.567.748	14.677.819	3.634.180	13.858.379
Portfolio funded retired employees, gross	301.230	-	271.174	-
Commercially financed portfolio, gross (3)	-	55.747.757	300.639	55.747.757
<b>Total business and other accounts receivable, gross</b>	<b>\$ 287.583.753</b>	<b>\$ 113.667.938</b>	<b>\$ 232.304.917</b>	<b>\$ 112.848.498</b>
Impairment provision for trading accounts (4)	(9.008.346)	(43.242.362)	(4.388.274)	(43.242.362)
Impairment provision for other accounts receivable (*)	(81.220)	(62.954)	(87.867)	(91.086)
Impairment provision funded portfolio employee retired (*)	(2.183)	-	(1.241)	-
Impairment provision for commercially financed portfolio (4)	-	(55.747.757)	(1.349)	(55.747.757)
<b>Total impairment provision</b>	<b>\$ (9.091.749)</b>	<b>\$ (99.053.073)</b>	<b>\$ (4.478.731)</b>	<b>\$ (99.081.205)</b>
Business accounts, net	274.706.429	-	223.710.650	-
Other accounts receivable, net	3.486.528	14.614.865	3.546.313	13.767.293
Portfolio funded retired employees, net	299.047	-	269.933	-
Commercially financed portfolio, net	-	-	299.290	-
<b>Total business and other accounts receivable, net</b>	<b>\$ 278.492.004</b>	<b>\$ 14.614.865</b>	<b>\$ 227.826.186</b>	<b>\$ 13.767.293</b>

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

As of December 31, 2021, the composition of the accounts and trading portfolio is as follows:

	Wallet In effect	Overdue portfolio			Total current portfolio	Non-current wallet
		1-180 days	181-210 days	>360 days		
<b>Trading accounts, gross</b>	<b>\$ 279.852.172</b>	<b>\$ 786.638</b>	<b>\$ -</b>	<b>\$ 3.075.965</b>	<b>\$ 283.714.775</b>	<b>\$ 98.990.119</b>
- Large clients	93.249.101	77.565	-	-	93.326.666	98.990.119
- Institutional clients	31.889.136	659.190	-	-	32.548.326	-
- Other	154.713.935	49.883	-	3.075.965	157.839.783	-
- Provision deterioration	(5.877.249)	(55.132)	-	(3.075.965)	(9.008.346)	(98.990.119)
<b>Business Accounts, net</b>	<b>\$ 273.974.923</b>	<b>\$ 731.506</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 274.706.429</b>	<b>\$ -</b>

As of December 31, 2020, the composition of trading accounts is as follows:

	Wallet In effect	Overdue portfolio			Total current portfolio	Non-current wallet
		1-180 days	181-210 days	>360 days		
<b>Trading accounts, gross</b>	<b>\$ 224.992.414</b>	<b>\$ 33.447</b>	<b>\$ 446.083</b>	<b>\$ 2.927.619</b>	<b>\$ 228.399.563</b>	<b>\$ 98.990.119</b>
- Large clients	84.913.690	-	-	-	84.913.690	98.990.119
- Institutional clients	14.115.208	-	-	-	14.115.208	-
- Other	125.963.516	33.447	446.083	2.927.619	129.370.665	-
- Provision deterioration	(1.281.764)	(33.447)	(146.793)	(2.927.619)	(4.389.623)	(98.990.119)
<b>Business Accounts, net</b>	<b>\$ 223.710.650</b>	<b>\$ -</b>	<b>\$ 299.290</b>	<b>\$ -</b>	<b>\$ 224.009.940</b>	<b>\$ -</b>

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

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

- (2) Within the balance of the other non-current receivables as of December 31, 2021, is mainly housing loans to employees for \$13,438,371.
- (3) Regarding the balance of the long-term financed portfolio as of December 31, 2021, there are the supply contracts of Energy No. EDCC-111-2012 and EDCC-154-201 and the other yes number EDCC-136-2013/EM-13-213, held with the customer of the wholesale market Electrificadora del Caribe S.A. E.S.P., which due to internal cash flow difficulties of the client agrees to extend the payment of the invoice by \$ 55,747,757, provisioned at 100%.
- (4) For the provision of impairment the models defined by the Company are:
- Individual simplified model
  - General collective model

The evolution of the impairment of portfolio under IFRS 9 and other assets is as follows::

Concept	As of December 31, 2021	As of December 31, 2020
Individual Simplified Model (a)	\$ 107,998,465	\$ 103,379,742
Collective General Model (b)	7,321,228	7,153,840
<b>Total</b>	<b>\$ 115,319,693</b>	<b>\$ 110,533,582</b>

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

- (a) The individual simplified model provides for impairment under IFRS 9 of commercial accounts receivable.
- (b) The general collective model contemplates impairment under IFRS 9 of: Cash and cash equivalent, other financial and non-financial assets, other accounts receivable and related accounts receivable.

The punishment of delinquent debtors is carried out once all collection procedures, judicial procedures and the demonstration of the insolvency of the debtors have been exhausted.

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

#### **Guarantees granted by debtors:**

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

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

## 8. Balances and transactions with related parties

### Accounts receivable to related entities, net

Related Company Name	Linked Type	Country of Origin	Transaction Type	As of December 30, 2021	As of December 31, 2020
				Stream	Stream
Enel Green Power Colombia S.A.S. E.S.P. (1)	Other (*)	Colombia	Sale of Energy	\$ 13,680,336	\$ -
Enel Green Power Colombia S.A.S. E.S.P. (2)	Other (*)	Colombia	Commercial Representation	3,090,008	2,191,489
Enel Green Power Colombia S.A.S. E.S.P.	Other (*)	Colombia	Other Services	-	234,612
Enel Generación Perú (3)	Other (*)	Peru	Provision of Services	854,000	-
Enel Generación Perú (4)	Other (*)	Peru	Expatriates	25,245	-
Enel GI Th Generation (4)	Other (*)	Italy	Expatriates	597,120	347,583
Enel S.P.A. (4)	Controller	Italy	Expatriates	-	216,365
Enel S.P.A. (5)	Controller	Italy	Refunds covid19 policy	40,383	19,406
Enel Chile S.A. (4)	Other (*)	Chile	Expatriates	24,176	24,176
Sociedad Portuaria Central Cartagena S.A. (6)	Subsidiary	Colombia	Management Services	-	103,773
Codensa S.A. E.S.P. (7)	Other (*)	Colombia	Emergency Care Contract	21,803	28,831
New Energy, Clean Energy (4)	Other (*)	Mexico	Expatriates	18,057	-
Enel Global Trading SPA	Other (*)	Italy	Other services	-	3,187
<b>Total</b>				<b>\$ 18,351,128</b>	<b>\$ 3,169,422</b>

(\*) It corresponds to companies over which Enel SPA has significant influence or control.

Related accounts receivable are impaired in accordance with IFRS 9 amounting to \$1,244,368.

- (1) The variation corresponds to the sale of energy for the month of December for \$13,680,336, taking into account the start of the contract in July 2021.
- (2) The variation corresponds to the net billing and collection effect of the contract for the provision of assistance services in the management and operation of the administration processes between Enel Green Power Colombia S.A.S. E.S.P. and the Company for the period January to December 2021 for \$898,519.
- (3) In 2021, a contract for the provision of services for \$854,000 was signed.
- (4) The balance corresponds to the provision for expatriate staff costs in Italy, Chile, Peru and Mexico.
- (5) The variation corresponds to the reimbursements associated with the payment made to the employees that the covid-19 policy is effective.
- (6) The variation corresponds mainly to the crossing of accounts made, for administration services June to December 2020 for \$ 103,773, the services generated in 2021 were paid in the same year.
- (7) The variation corresponds to the net billing and collection effect of the contract for the provision of emergency services between Codensa S.A. E.S.P. and the Company for the period January to December 2021 for \$7,028.

### Accounts payable to related entities

Related Company Name	Country of Origin	Linked Type	Transaction Type	As of December 31, 2021	As of December 31, 2020
				Stream	Stream
Codensa S.A. E.S.P. (1)	Colombia	Other (*)	Power purchase	\$ 17,837,662	\$ 17,208,261
Codensa S.A. E.S.P. (2)	Colombia	Other (*)	Other services	-	1,592,240
Enel GI Th Generation SRL (3)	Italy	Other (*)	IT Services	9,352,988	4,417,151
Enel GI Th Generation SRL (4)	Italy	Other (*)	Engineering Services	4,414,185	4,094,834
Enel GI Th Generation SRL (5)	Italy	Other (*)	Expatriates	1,011,096	1,056,071
Enel Green Power Colombia S.A.S. (6)	Colombia	Other (*)	Power purchase	3,435,831	9,022,577
Enel Green Power Colombia S.A.S.	Colombia	Other (*)	Other services	-	53,160
Enel Global Trading SPA (3)	Italy	Other (*)	IT Services	2,919,022	1,725,599
Enel Global Trading SPA (5)	Italy	Other (*)	Expatriates	214,958	184,989
Enel Generación Chile S.A. (7)	Chile	Other (*)	Studies and projects	1,057,476	882,100
Enel Generación Chile S.A. (5)	Chile	Other (*)	Expatriates	653,988	757,582
Enel SPA (3)	Italy	Controller	IT Services	1,538,755	1,786,709
Enel SPA (5)	Italy	Controller	Expatriates	203,498	188,755



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Related Company Name	Country of		Transaction Type	As of December 31, 2021	As of December 31, 2020
	Origin	Linked Type		Stream	Stream
Enel SPA	Italy	Controller	Covid19 Policies	50.984	23.289
Enel Brazil (8)	Brazil	Other (*)	Expatriates	726.456	-
Enel Global Services (3)	Italy	Other (*)	IT Services	714.580	1.521.162
Enel Italia SRL (3)	Italy	Other (*)	IT Services	556.465	1.152.847
Enel Produzione Spa (5)	Italy	Other (*)	Expatriates	377.801	350.468
Enel Produzione Spa (9)	Italy	Other (*)	Studies and projects	-	2.877.291
Enel Iberia (5)	Spain	Other (*)	Expatriates	242.398	447.464
Grupo Energía Bogotá S.A. E.S.P.	Colombia	(**)	Other services	134.694	166.600
Grupo Energía Bogotá S.A. E.S.P.	Colombia	(**)	Dividends	-	110.965.845
Enel Americas S.A.	Chile	Controller	Dividends	-	104.434.894
Enel Green Power Brasil Participações (8)	Brazil	Other (*)	Expatriates	-	587.297
Sociedad Portuaria Central Cartagena S.A. (10)	Colombia	Subsidiary	Dispon. Infrastructure	-	242.872
Cesi SPA	Italy	Other (*)	Engineering Services	-	7.061
			<b>Total</b>	<b>\$ 45.442.837</b>	<b>\$ 265.747.118</b>

(\*) It corresponds to companies over which Enel SPA has significant influence or control.

(\*\*) Grupo Energía Bogotá S.A. E.S.P. is a shareholder of the Company (See Note 20).

- (1) The variation corresponds to the increase in the estimates of tolls, Regional Transmission System (STR), Local Distribution System (SDL) and energy billing for \$ 629,401.
- (2) The variation corresponds mainly to the payment made by AWS Cloud Services for (\$875,077) and Backup services through Voluntary Disconnection Demand (DDV) for (\$258,521).
- (3) The variation corresponds mainly to the provisions of the computer services from January to December 2021 related to the Projects Digital Worker Transformation, Governance-E4E SAP Renovables, Global CKS-SAP-TAM-SYSTEM, Online Monitoring and Infrastructure, Cyber Security-Digital Enebler Services, Intranet Applications and Global Travel.
- (4) The variation corresponds to the increase by difference instead to the engineering services provided for the BEPP (Best Environmental Practice Project) and Life Extension projects of the Termozipa Power Plant for \$319,351.
- (5) The variation corresponds to the movements of provision year 2021 and payments made for the costs of expatriate personnel from Spain, Italy, Brazil and Chile in Colombia.
- (6) The variation corresponds to the net billing and collection effect of the power purchase contract of the El Paso Solar power plant of EGP Colombia and the Company for the period from January to December 2021 for (\$5,586,746).
- (7) The variation corresponds to the engineering services for the Power Generating Plants Termozipa project environmental adaptation and extension of the useful life, during the first half of 2021 the payment was made for (\$882,100) and \$1,057,476 was provisioned.
- (8) The variation corresponds to the transfer of the account payable by expatriates to Enel Brasil, taking into account that during 2021 the companies EGP Brasil and Enel Brasil carried out the merger process, leaving the latter as the current company.
- (9) The variation corresponds to the payment of engineering services for the BEPP (Best Environmental Practice Project) and Life Extension projects of the Termozipa Power Plant for \$(2,877,291).
- (10) The variation of \$(242,872) corresponds mainly to the payment of the concept of availability of port infrastructure, for the year 2020.

Transactions with economic related effects corresponding to results:

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Income/ Company	Concept of the Transaction	As of December 31, 2021	As of December 31, 2020
Codensa S.A. E.S.P.	Sale of Energy	\$ 1,364,166,667	\$ 1,196,504,187
Codensa S.A. E.S.P.	Other services	130,910	138,889
Codensa S.A. E.S.P.	Financial Income	842	899,998
Enel Green Power Colombia S.A.S.	Sale of Energy	66,624,347	-
Enel Green Power Colombia S.A.S.	Management Services	767,486	862,960
Enel Generación Perú	Provision of Services	854,000	-
Enel Generación Perú	Expatriates	25,245	-
Enel GL TH Generation	Expatriates	249,537	192,092
Enel GL TH Generation	Difference instead	108,405	188,712
Sociedad Portuaria Central Cartagena S.A.	Operation and interests	132,912	130,806
Enel Global Trading SPA	Difference instead	95,624	17,775
Enel S.P.A.	Difference instead	55,118	46,965
Enel S.P.A.	Expatriates	17,351	42,989
Enel Generación Chile S.A.	Difference instead	24,369	44,267
Enel Global Services	Difference in Change	14,543	78,852
Energía Nueva, Energía Limpia	Expatriates	18,058	-
Enel Iberia	Difference in Change	70,488	21,732
Enel Italia SRL	Other services	3,097	-
Cesi SPA	Difference instead	725	26,199
Enel Italia SRL	Difference instead	588	-
EGP SPA	IT Services	-	352,950
C.G. Term. Fortaleza	Expatriates	-	186,451
Enel Produzione S.P.A.	Difference instead	-	120,517
Enel Green Power Brasil Participações	Expatriates	-	135,634
		<b>\$ 1,433,296,872</b>	<b>\$ 1,199,991,975</b>

Costs and Expenses/Company	Concept of the Transaction	As of December 31, 2021	As of December 31, 2020
Codensa S.A. E.S.P.	Energy transport	\$ 213,885,551	\$ 162,728,117
Codensa S.A. E.S.P.	Other Services	1,188,321	990,226
Codensa S.A. E.S.P.	Financial Expenses	120,437	-
Enel Green Power Colombia S.A.S.	Power Purchase	32,473,690	31,330,975
Enel GI Th Generation SRL	IT Services	4,913,855	2,244,676
Enel GI Th Generation SRL	Expatriates	639,998	1,230,326
Enel GI Th Generation SRL	Difference in Change	591,706	80,950
Enel Global Trading SPA	IT Services	2,520,639	1,715,443
Enel Global Trading SPA	Expatriates	433,778	349,688
Enel Global Trading SPA	Difference instead	271,110	11,464
Enel S.P.A.	IT Services	1,537,236	808,637
Enel S.P.A.	Expatriates	412,296	615,978
Enel S.P.A.	Difference instead	138,968	74,342
Sociedad Portuaria Central Cartagena S.A.	Dispon. Infrastructure	1,495,246	1,471,554
Fundación Enel	Donations	1,012,999	2,618,000
Enel Global Services	IT Services	334,373	1,940,152
Enel Global Services	Difference in Change	79,562	5,803
Enel Iberia	Expatriates	521,697	490,800
Enel Iberia	Difference in Change	6,714	-
GEB	Betania Fiber Optics	267,750	474,810
Enel Brasil	Expatriates	139,159	-
Enel Italia SRL	Difference instead	81,205	60,167
Enel Italia SRL	IT Services	-	324,096
Enel Italia SRL	Expatriates	-	67,650
Enel Produzione S.P.A.	Difference instead	51,966	201,151
Enel Produzione S.P.A.	Expatriates	27,333	43,497
Enel Generación Chile S.A.	Difference instead	41,576	134,191
Cesi SPA	Difference instead	-	45,922
Cesi SPA	Engineering Services	-	14,732
		<b>\$ 263,187,165</b>	<b>\$ 210,073,347</b>

## Board of Directors and key management personnel

### Board

The Company has a Board of Directors composed of seven (7) main members, each with a personal alternate, elected by the General Shareholders' Meeting through the electoral quotient system. As long as the company has the status of issuer of securities, 25% of the members of the Board of Directors will be independent under the terms of the law. The appointment of members of the Board of Directors will be made for periods of two (2) years, they can be re-elected indefinitely and without prejudice to the power of the Shareholders' Meeting to remove them freely at any time.

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The Board of Directors, effective December 31, 2021, was elected by the General Shareholders' Meeting in ordinary session held on March 24, 2021. In the Company a president is appointed, who is elected by the Board of Directors from among its members for a certain period, and may be re-elected indefinitely or freely removed before the expiration of the term. Likewise, the Board of Directors has a secretary, who may or may not be a member of the Board. The appointment of the president was approved by the Board of Directors in session on May 26, 2015. The appointment of the secretary was approved at the session of July 15, 2020.

In accordance with the provisions of Article 55 of the bylaws, it is the function of the General Shareholders' Meeting to set the remuneration of the members of the Board of Directors. The remuneration in force, as approved by the Shareholders' Meeting in ordinary session of March 24, 2021, is USD\$1,000(\*), after taxes, for attendance at each session of the Board of Directors.

(\*) Figures in full dollars.

In accordance with the minutes of the 105th General Shareholders' Meeting held on March 24, 2021, the Board of Directors was approved in the terms set forth below:

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

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

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

Fees paid to the Board of Directors:

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

### Key personnel of the erencia

The following is the key management personnel:

Name	Charge	Period
Lucio Rubio Díaz	Director General Colombia	January – December
Marco Fragale	Gerente General Emgesa	January – February
Eugenio Calderón	Gerente General Emgesa	March – December
Michele Di Murro	Gerente Administrativo y Financiero	January – December

The remuneration accrued by key management personnel from January 1 to December 31, 2021 amounts to \$4,027,783. These remunerations include short- and long-term salaries and benefits (annual bonus for meeting objectives and LTI bonus).

	As of December 31, 2021	As of December 31, 2020
Remunerations	\$ 2.208.149	\$ 2.347.934
Long-term benefits	1.179.036	1.223.991
Short-term benefits	640.598	599.882
	<b>\$ 4.027.783</b>	<b>\$ 4.171.807</b>

### Incentive plans for key management personnel

The Company has for its executives an annual bonus for meeting objectives. This bonus corresponds to a certain number of gross monthly remunerations.

As of December 31, 2021, the Company does not have the benefit of share-based payments to key management personnel, nor has it provided a guarantee in favor of them.

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

## 9. Inventories, net

	As of December 31, 2021	As of December 31, 2020
Energy elements and accessories, net (1)	\$ 29.631.367	\$ 26.963.349
Coal (2)	27.436.359	34.217.151
Fuel Oil (3)	22.399.327	22.321.322
CO2 Carbon Credits (4)	14.690.586	18.698.015
<b>Total Inventories</b>	<b>\$ 94.157.639</b>	<b>\$ 102.199.837</b>

(1) The elements and accessories are composed:

	As of December 31, 2021	As of December 31, 2020
Spare parts and materials (a)	\$ 29.631.367	\$ 26.981.628
Provision of Materials (b)	-	(18.279)
<b>Total energy elements and accessories, net</b>	<b>\$ 29.631.367</b>	<b>\$ 26.963.349</b>

(a) (a) The spare parts and materials correspond to elements that will be used in the repairs and / or maintenance of the plants, in accordance with the maintenance plan defined by the Company.

(b) (b)As of December 31, 2020, the total use of the provision was made and for the 2021 term, no obsolescence provision corresponding to materials from the plants is constituted, taking into account that within the inventories carried out no obsolete material was identified to cancel.

- (2) Coal (Termozipa Power Plant): As of December 31, 2021, the Plant continued with low dispatch/consumption in the National Interconnected System (SIN), due to the fact that the hydrological contributions to the reservoirs of the system continued above historical averages. This was reflected in the fact that the prices in the Energy Exchange market remained around the variable cost of generation of coal-fired power plants. At the Termozipa Power Plant, the coal inventory decreased due to the cut in coal revenues so as not to exceed the maximum storage capacity.
- (3) Fuel Oil (Central Cartagena): In 2021 the inventory of fuel oil remained unchanged, at the appropriate level for the available generation units, since the accumulated consumption was offset by the purchases made. In general, the dispatch of the Central was carried out to cover the security generation of the SIN and the inventory remained with little variation with respect to that of the end of 2020.
- (4) As of December 31, 2021, CO2 carbon credits are recognized, whose fair value is \$38,171,558, corresponding to 2,691,628 certificates issued in November 2020 for reduction of CO2 emissions of the years 2015 – 2018 for \$ 18,755,788 and 1,396,818 certificates issued in March 2021 for reduction of CO2 emissions of the years 2019 and 2020 for \$ 19,415,770 of the Quimbo plants, Guavio Menor, Dario Valencia Samper, Salto II and Tequendama, likewise to date the sale of 2,795,478 CO2 certificates has been made with an impact on the inventory for (\$23,480,972).

The value of the inventories recognized as an expense during the period corresponds to the consumption for the generation of energy (See Note 22).

As of December 31, 2021, the Company does not submit pledged inventories as a guarantee of debt compliance.

## 10. Income tax assets and liabilities

### Social Investment Law

On September 14, 2021, Law 2155 on Social Investment was approved, which modified the income tax rate from the taxable year 2022 defining the 35% rate, which falls on the taxable income obtained during each year.

	As of December 31, 2021	As of December 31, 2020
Year income advance	\$ 2.420.336	\$ -
<b>Current tax assets</b>	<b>\$ 2.420.336</b>	<b>\$ -</b>

The current tax asset to December 2021 arises from the payment of self-withholdings in favor, of the 2020 term that will be subject to a refund request before the tax entity in 2022, worth \$2,420,336.

### Income Tax (Liabilities)

	As of December 31, 2021	As of December 31, 2020
Current income tax (1)	\$ 738.050.937	\$ 604.111.657
Tax payable previous year (2)	733.589	5.386.562
Tax discounts and withholding tax	(15.549.543)	(13.371.968)
Self-retentions other concepts	(72.740.661)	(60.251.375)
Withholding self-retention at source	(114.641.610)	(94.891.685)
Year income advance	(259.202.691)	(199.738.863)
<b>Current tax liabilities</b>	<b>\$ 276.650.021</b>	<b>\$ 241.244.328</b>



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

	As of December 31, 2021	As of December 31, 2020
Taxes on profits relating to the result of the period	\$ 737,404,690	\$ 603,642,348
Taxes on profits relating to components of another comprehensive result	646,247	469,309
	<b>\$ 738,050,937</b>	<b>\$ 604,111,657</b>

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

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

The firmness of the tax returns for the taxable years 2016, 2017, 2018, and 2020 are open for review by the tax authorities. However, in the opinion of management in the event that an audit process occurs with the tax authorities, no significant differences are expected.

The provision for income tax is calculated at the prevailing rate. For the taxable year 2021 the rate is 31%, by the causation method and is determined based on the commercial profit purified in accordance with current tax regulations.

The effective rate as of December 31, 2020 was 30.50% and as of December 31, 2021 it was 32.23%. The change in the effective rate was mainly caused by the judgment of second instance and correction of income statements that occurred in the 2020 term, by the update in the quantification of non-deductible expenses for contracts abroad in the 2021 term and impact of the rate differential for tax reform to 35% from 2022 onwards.

The main conciliatory items between profit before tax and taxable net income that explain the difference between the corporate rate of 31% corresponding to income tax, are the following:

Concept	As of December 31, 2021 Value	Rate %	As of December 31, 2020 Value	Rate %
<b>Accounting profit before income tax</b>	<b>\$ 2,526,637,451</b>		<b>\$ 1,980,796,907</b>	
<b>Items that increase net income</b>				
Deductible provisions and expenses	49,258,766	0,62	8,300,524	0,14
Contribution to financial transactions	-	-	5,139,353	0,09
Non-deductible expenses	(2,326,475)	(0,03)	82,282,903	1,37
Alleged interests	3,785	0,00	2,013	0,00
<b>Total items that increase net income</b>	<b>46,936,076</b>	<b>0,59</b>	<b>95,724,793</b>	<b>1,59</b>
<b>Items that decrease net income</b>				
Deductions for real productive fixed assets	(9,299,191)	(0,12)	(5,288,563)	(0,09)
Depreciation and tax depreciation	(183,464,862)	(2,32)	(183,499,900)	(3,06)
<b>Total items that decrease liquid income</b>	<b>(192,764,053)</b>	<b>(2,44)</b>	<b>(188,788,463)</b>	<b>(3,15)</b>
<b>Taxable net income</b>	<b>2,380,809,474</b>		<b>1,887,733,238</b>	
Tax rate	31%		32%	
<b>Income tax</b>	<b>738,050,937</b>	<b>0,29</b>	<b>604,074,636</b>	<b>0,30</b>
<b>Occasional earnings</b>	<b>-</b>		<b>370,209</b>	
Occasional income tax rate	10%		10%	
<b>Occasional income tax</b>	<b>-</b>		<b>37,021</b>	
<b>Total income tax and complementary taxes</b>	<b>738,050,937</b>		<b>604,111,657</b>	

## Patrimonial Conciliation

	As of December 31, 2021	As of December 31, 2020
Accounting assets	\$ 5.101.867.323	\$ 5.155.436.685
Estimated liabilities	330.406.118	340.444.719
Deferred tax	312.246.296	217.924.275
Parafiscal contributions and pensions and other benefits used	41.484.859	41.875.458
Provision of debtors	13.268.330	1.842.754
Tax adjustment to investments	6.159.124	7.064.961
Tax adjustment to assets (*)	(1.273.369.707)	(1.092.393.397)
Tax adjustment to deferred	-	20.398.843
<b>Current tax liabilities</b>	<b>\$ 4.532.062.343</b>	<b>\$ 4.692.594.298</b>

(\*) It corresponds to the difference in the net cost of these between the book and tax value, given that the tax depreciation is greater than the accounting one.

## Transfer pricing

Income tax payers who enter into transactions with economic partners or related parties from abroad, are obliged to determine, for income tax purposes, their income

ordinary and extraordinary, their costs and deductions, their assets and liabilities, considering for these operations the prices and profit margins that would have been used in comparable operations with independent entities.

The formal duties of the year 2020 that are presented to the DIAN were duly transmitted on September 8, 2021.

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

## Legal stability contract

The following describes the main aspects of the legal stability contract concluded between the Nation (Ministry of Mines and Energy) and the Company, perfected on December 20, 2010:

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

Investment Amount and Terms: The Company's investments related to the El Quimbo project committed were \$1,922,578,000. 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 incur \$450,712,000 for the financing of the project, represents a greater value of the investment. In accordance with the provisions of paragraph 2 of clause 2 of the legal stability contract, the highest value of the investment involved paying, in December 2014, the sum of \$6,299,000, as an adjustment to the premium established in the legal stability contract. In March 2016, a second adjustment of \$4,657,000 was paid, on the occasion 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 works of El Quimbo.

Key rules subject to Legal Stability (with favourability):

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

b. It allows to ensure the stability of the special deduction for investment in productive real fixed assets (30%), which was dismantled as of January 1, 2011.

Obligations of the Parties

a. to. Obligations of the Company:

- Comply with the amount of the planned investment for the construction and commissioning of the El Quimbo hydroelectric project.

- Pay the legal stability premium for \$ 9,617,000 (consigned on December 23, 2010) and adjust it in the event that increases in the amount of the investment are made, as was done according to previous explanation. In December 2014, the Company paid \$6,299,000 in premium adjustment on the occasion of the largest approved investment. In March 2016, the Company paid \$4,657,000 for a second premium adjustment for the increased investment made.

In 2017, a greater investment was made than that established in the contract, which is why the exact amount of increase in said investment is currently being established in order to proceed with the request for approval of reliquidation and payment of the premium before the Legal Stability Committee.

- Pay taxes in a timely manner.
- Hire an independent audit in charge of reviewing and certifying compliance with the commitments acquired in the contract, for this purpose the Company will hire a third party specialist for the review of commitments acquired.

b. Obligations of the Nation:

- Guarantee for 20 years the stability of the rules included in the contract (with favorability) for the El Quimbo project. The audit of the 2020 legal stability contract was filed with the Ministry of Mines and Energy within of the deadline established for this, 31 March 2021. As of December 31, 2020, an additional amount for Capex was recalculated, therefore, in the month of January 2021 an additional amount of premium of \$1,204,102 was paid.

## 11. Investments in subsidiaries

Article 2.1.2. of part 1 of book 2 of Decree 2420 of 2015 added by Decree 2496 of 2015, establishes the application of Article 35 of Law 222, which indicates that shares in subsidiaries must be recognized in the financial statements separated by the method of participation, under this guideline the Company applied the method of participation from 2016; in January 2017, the amendment to IAS 28 came into force, allowing investments to be recognized by the method of participation in the separate financial statements, eliminating the exception to IFRS that existed in the local framework compared to the standards issued by the IASB.

The details of the recognized investments are the following:

Participatory Titles in Shares	Economic activity	Relation	Common Shares	% Participation	As of	As of
					December 31 Feb 2021	December 31 Feb 2020
Sociedad Portuaria Central Cartagena S.A.	Servicios Portuarios	Subsidiaria	851.757	94,94%	\$ 9.439.165	\$ 8.555.631
					<b>\$ 9.439.165</b>	<b>\$ 8.555.631</b>

The Company registered a decrease in investment, as a result of the update of the equity participation method in Sociedad Portuaria Central Cartagena for \$883,534 during 2021. The result of the operations of Sociedad Portuaria Central Cartagena as of December 2021 was \$127,122.

As of December 31, 2021, the financial information of the subsidiary is as follows:

Assets	\$ 9.734.776
<b>Total Assets</b>	<b>\$ 9.734.776</b>
Liabilities	\$ 264.364
Heritage	9.470.412
<b>Total Liabilities + Equity</b>	<b>\$ 9.734.776</b>

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Revenue	\$	1.710.308
Costs and Expenses		(1.527.312)
Financial Result		2.211
Corporate and deferred taxes		(58.085)
<b>Utility of the period</b>	<b>\$</b>	<b>127.122</b>

## 12. Intangible assets other than capital gain, net

	As of December 31, 2021	As of December 31, 2020
Rights (1)	\$ 39.986.109	\$ 42.875.958
Development costs	1.406.386	1.495.917
Licences	3.573.489	3.121.800
Software (2)	38.328.644	25.799.348
Other identifiable intangible assets (3)	96.104.663	29.754.857
<i>Constructions and progress of works</i>	96.104.663	29.672.371
<i>Other intangible resources</i>	-	82.486
<b>Intangible assets, net</b>	<b>\$ 179.399.291</b>	<b>\$ 103.047.880</b>
Cost		
Rights (1)	\$ 87.751.243	\$ 87.751.243
Development costs	5.335.542	5.335.542
Licences	22.895.740	20.965.096
Software (2)	92.905.910	65.281.842
Other identifiable intangible assets (3)	99.974.077	33.541.785
<i>Constructions and progress of works</i>	96.104.663	29.672.371
<i>Other intangible resources</i>	3.869.414	3.869.414
<b>Intangible assets, gross</b>	<b>\$ 308.862.512</b>	<b>\$ 212.875.508</b>
Amortization		
Rights (1)	\$ (47.765.135)	\$ (44.875.285)
	(3.929.156)	(3.839.625)
Development costs	(19.322.251)	(17.843.296)
Licences	(54.577.266)	(39.482.494)
Software (2)	(3.869.414)	(3.786.928)
<b>Other identifiable intangible assets (3)</b>	<b>\$ (129.463.222)</b>	<b>\$ (109.827.628)</b>
<b>Cumulative depreciation of intangible assets</b>		

(1) Within the rights are presented as intangible the expenditures to obtain the usufruct of the largest flow of useful water, from the Chingaza and Río Blanco projects for the production of the Pagua Power Plant, the amortization is recognized by the straight line method in a period of 50 years.

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

Likewise, in this category the legal stability premium of El Quimbo is classified, this premium has a useful life of 20 years according to the validity of the tax benefits.

(2) The variation in 2021 corresponds mainly to:

- (a) Software additions associated with projects: Integrated service systems to ensure the efficiency and effectiveness of all activities and projects related to SAP ERP platforms \$4,243,778; global ctivos energéticos \$3,411,406; Cyber security (security in operation of the plants) \$3,116,534; Local System Colombia (development of new solutions) \$2,999,706; nuevos desarrollos that support process of margen variable, CRM and margin of contribution \$2,580,934; nuevo customer portal and portal WEB \$2,136,628; Mape (development for conversion and analysis of variables) \$1,791,792;

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DWT (central stop management portal) \$1,461,573; people global travel \$1,416,456; proyecto rolling- predictive \$1,012,886; plan information, measurement, robotics and drones and digital report (improvement in data quality) \$901,994; newcross-technology developments \$737,444; global operational (Global homogenization of processes) \$577,108; VELIQ (system for market billing validations) \$516,645; evolutivos energy management \$370.516; desarrollos legal management \$328.646.

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

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

	Development				Other Identifiable Intangible Assets		
	Costs	Rights	Licences	Software	Constructions and progress of works	Other intangible resources	Intangible Assets
<b>Opening Balance 31/Dec/20</b>	<b>\$ 1.596.805</b>	<b>\$ 44.561.706</b>	<b>\$ 4.330.182</b>	<b>\$ 36.454.551</b>	<b>\$ 19.427.334</b>	<b>\$ 164.969</b>	<b>\$ 106.535.547</b>
Movements in intangible assets 2020							
Additions (*)	-	-	-	-	17.275.673	-	17.275.673
Transfers	-	1.204.103	135.984	5.690.550	(7030.637)	-	-
Amortization	(100.888)	(2.889.851)	(1.344.366)	(16.345.752)	-	(82.483)	(20.763.340)
<b>Total movements in identifiable intangible assets</b>	<b>(100.888)</b>	<b>(1.685.748)</b>	<b>(1.208.382)</b>	<b>(10.655.202)</b>	<b>10.245.037</b>	<b>(82.483)</b>	<b>(3.487.667)</b>
<b>Final Balance 31/Dec/20</b>	<b>\$ 1.495.917</b>	<b>\$ 42.875.958</b>	<b>\$ 3.121.800</b>	<b>\$ 25.799.349</b>	<b>\$ 29.672.370</b>	<b>\$ 82.486</b>	<b>\$ 103.047.880</b>
Movements in intangible assets 2021							
Additions (*)	-	-	-	370.515	95.616.489	-	95.987.004
Transfers	-	-	1.930.644	27.253.552	(29.184.196)	-	-
Amortization	(89.531)	(2.889.849)	(1.478.955)	(15.094.772)	-	(82.486)	(19.635.593)
<b>Total movements in identifiable intangible assets</b>	<b>(89.531)</b>	<b>(2.889.849)</b>	<b>451.689</b>	<b>12.529.295</b>	<b>66.432.293</b>	<b>(82.486)</b>	<b>76.351.411</b>
<b>Final Balance 31/Dec/2021</b>	<b>\$ 1.406.386</b>	<b>\$ 39.986.109</b>	<b>\$ 3.573.489</b>	<b>\$ 38.328.644</b>	<b>\$ 96.104.663</b>	<b>\$ -</b>	<b>\$ 179.399.291</b>

At the end of December 2021, additions were registered corresponding to:

Main projects	From 1 January to 31 December 2021
Car Water Use Rights Compensation Plan	\$ 76.060.047
Other corporate and commercial software for ICT, renewable and trading projects	3.422.055
Local System Colombia (development of new solutions)	2.971.346
New developments that support Variable Margin process, CRM	2.794.993
Saman Project (Fusion Colombia)	2.438.177
Centralized service systems to ensure the efficiency and effectiveness of all projects related to SAP ERP platforms	2.246.911
Cyber security (security in operation of the power plants)	1.685.777
Global Energy Assets	1.582.257
Map and Plant Data (development for conversion and analysis of variables)	1.217.053
New Web Portal	830.944
New cross-technology developments	737.444
	<b>\$ 95.987.004</b>

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

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



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As of December 31, 2021, the Company does not present intangible assets whose ownership has any restrictions or debt guarantee endorsement.

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

As of December 31, 2021 and in accordance with the provisions of the accounting policy, the useful lives of intangible assets were evaluated, which do not present changes, as well as no signs of impairment were identified.

Concept	Average years of estimated service life	
	2021	2020
Rights *	22	23
Development Costs	-	1
Licences	5	4
Software	3	3
Other identifiable assets	-	1

### 13. Properties, plant and equipment, net

	As of December 31, 2021	As of December 31, 2020
Plants and equipment	\$ 7,592,311,889	\$ 7,587,205,160
Hydroelectric generation plants	6,831,623,604	6,872,796,819
Thermoelectric generation plants	760,688,285	714,408,341
Construction in progress (1)	121,409,999	199,527,543
Land	285,511,224	268,935,086
Buildings	51,848,693	50,792,808
Fixed and other installations	13,399,049	14,652,236
Fixed installations and accessories	5,869,945	6,994,672
Other facilities	7,529,104	7,657,564
Financial leases	73,363,849	7,309,997
Fixed and other installations	-	208,668
Assets by use IFRS 16	73,363,849	7,101,329
Buildings	71,115,493	935,088
Fixed and other installations (Means of transport)	2,248,356	6,166,241
<b>Properties, plants and equipment, net</b>	<b>\$ 8,137,844,703</b>	<b>\$ 8,128,422,830</b>
Cost		
Plants and equipment	\$ 11,424,816,793	\$ 11,217,694,725
Hydroelectric generation plants	10,165,029,665	10,061,067,886
Thermoelectric generation plants	1,259,787,128	1,156,626,839
Construction in progress	121,409,999	199,527,543
Land	285,511,224	268,935,086
Buildings	99,210,369	96,646,751
Fixed and other installations	78,570,229	79,246,631
Fixed installations and accessories	30,310,212	32,967,329
Other facilities	48,260,017	46,279,302
Financial leases	90,771,320	20,292,827
Fixed and other installations	839,602	2,381,818
Assets by use IFRS 16	89,931,718	17,911,009
Buildings	75,961,081	4,215,077
Fixed and other installations (Means of transport)	13,970,637	13,695,932
<b>Properties, plants and equipment, gross</b>	<b>\$ 12,100,289,934</b>	<b>\$ 11,882,343,563</b>
Depreciation		
Plants and equipment (*)	\$ (3,832,504,904)	\$ (3,630,489,565)
Hydroelectric generation plants	(3,333,406,061)	(3,188,271,067)
Thermoelectric generation plants	(499,098,843)	(442,218,498)
Fixed and other installations	(65,171,180)	(64,594,395)
Fixed installations and accessories	(24,440,267)	(25,972,657)
Other facilities	(40,730,913)	(38,621,738)
Buildings	(47,361,676)	(45,853,943)

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	As of December 31, 2021	As of December 31, 2020
Financial leases	(17,407,471)	(12,982,830)
Fixed and other installations	(839,602)	(2,173,150)
Assets by use IFRS 16	(16,567,869)	(10,809,680)
Buildings	(4,845,588)	(3,279,989)
Fixed and other installations (Means of transport)	(11,722,281)	(7,529,691)
<b>Accumulated depreciation</b>	<b>\$ (3,962,445,231)</b>	<b>\$ (3,753,920,733)</b>

(\*) The depreciation of flooded land is contemplated within the depreciation of plants and equipment.

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

Central	As of December 31, 2021	As of December 31, 2020
CC-Termozipa	\$ 32,030,506	\$ 83,474,871
CF-Cartagena	29,397,691	12,034,454
CH-Muña	22,731,408	23,497,719
CH-Pagua (Guaca -Paraiso)	10,973,366	9,655,964
Otras Inversiones	9,294,576	3,719,905
CH-Quimbo	5,999,272	49,751,450
CH-Guavio	4,045,151	17,334,983
CH-Tequendama	3,721,168	-
CH-Centrales menores Rio Bogotá	3,063,883	58,197
CH-Betania	152,978	-
<b>Total Constructions in Progress</b>	<b>\$ 121,409,999</b>	<b>\$ 199,527,543</b>

CH- CC Hydroelectric Power Plant- CF Coal Power Plant-Fuel Oil Power Plant

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

Movement in property, plant and equipment as of December 31, 2021	Construction in Progress	Land	Buildings	Plants and Equipment		Fixed Installations and Accessories		Financial Leases	Properties, Plant and Equipment
				Hydroelectric Generation Plants	Thermoelectric Generation Plants	Fixed Installations and Accessories	Other Facilities		
<b>Opening balance 31/Dec/2019</b>	<b>\$ 285,060,839</b>	<b>\$ 268,948,319</b>	<b>\$ 50,586,126</b>	<b>\$ 6,906,067,769</b>	<b>\$ 593,579,462</b>	<b>\$ 6,820,626</b>	<b>\$ 7,947,662</b>	<b>\$ 11,910,825</b>	<b>\$ 8,130,921,628</b>
<b>Movement in property, plant and equipment 2020</b>									
Additions	218,998,948	-	-	-	-	-	-	-	218,998,948
Transfers	(305,172,169)	-	1,964,803	128,683,631	171,102,515	1,198,299	2,222,921	-	-
Retreats	-	(13,233)	-	(355,004)	(792,708)	(48,277)	-	(375,073)	(1,584,295)
Depreciation expense	-	-	(1,758,121)	(162,629,499)	(49,480,928)	(975,976)	(2,513,019)	(6,623,152)	(223,980,695)
Other increments (decreases)	639,925	-	-	1,029,922	-	-	-	2,397,397	4,067,244
<b>Total movements</b>	<b>(85,533,296)</b>	<b>(13,233)</b>	<b>206,682</b>	<b>(33,270,950)</b>	<b>120,828,879</b>	<b>174,046</b>	<b>(290,098)</b>	<b>(4,600,828)</b>	<b>(2,498,798)</b>
<b>Final balance 31/Dec/20</b>	<b>\$ 199,527,543</b>	<b>\$ 268,935,086</b>	<b>\$ 50,792,808</b>	<b>\$ 6,872,796,819</b>	<b>\$ 714,408,341</b>	<b>\$ 6,994,672</b>	<b>\$ 7,657,564</b>	<b>\$ 7,309,997</b>	<b>\$ 8,128,422,830</b>
<b>Movement in property, plant and equipment 2021</b>									
Additions (a)	174,059,936	-	-	-	-	-	-	-	174,059,936
Transfers (b)	(250,525,675)	16,590,538	3,385,465	123,874,075	104,180,421	-	2,495,176	-	-
Withdrawals (c)	-	(14,400)	(226,899)	(824,719)	(568,607)	(153,898)	(58,004)	(73,684)	(1,920,211)
Depreciation expense	-	-	(2,102,681)	(157,942,913)	(57,331,870)	(970,829)	(2,565,632)	(5,893,173)	(226,807,098)
Other increments (decreases) (d)	(1,651,805)	-	-	(6,279,658)	-	-	-	72,020,709	64,089,246
<b>Total movements</b>	<b>(78,117,544)</b>	<b>16,576,138</b>	<b>1,055,885</b>	<b>(41,173,215)</b>	<b>46,279,944</b>	<b>(1,124,727)</b>	<b>(128,460)</b>	<b>66,053,852</b>	<b>9,421,873</b>
<b>Final balance 31/Dec/2021</b>	<b>\$ 121,409,999</b>	<b>\$ 285,511,224</b>	<b>\$ 51,848,693</b>	<b>\$ 6,831,623,604</b>	<b>\$ 760,688,285</b>	<b>\$ 5,869,945</b>	<b>\$ 7,529,104</b>	<b>\$ 73,363,849</b>	<b>\$ 8,137,844,703</b>

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

Central	Main projects	From 1 January to 31 December 2021
CC-Termostiza	Acquisition of electromechanical equipment, Life Extension Projects, CMO and environmental improvement BEEP	\$ 46.453.466
CH-Guavio	Works Chivor Tunnel –Batatas, voltage regulator; esator system; recovery of impellers, ducts, transformers and turbine from the plant	25.830.361
CF-Cartagena	U3 Chimney System and recovery central boilers units 2 and 3, major maintenance turbine and rotor	24.784.442
CH-Quimbo	Recovery of civil structures and facilities. Necessary works were carried out to improve the performance of the civil works of the reservoir, works associated with perimeter roads, as well as to attend to additional works and commitments derived from environmental obligations generated during the construction of the plant.	19.167.540
CH-Tequendama	Recovery of intakes, impellers and turbines; Modernization of the excitation system	13.177.000
CH-Centrales menores	Modernization of Patio equipment, Bocatoma discharge structure and central turbine system, auxiliary systems, battery chargers and Dario valencia cooling system	12.473.627
CH- Paraiso	Central automation and remote control; modernization of central battery chargers Paradise; Guaca and Paraiso turbine systems; stabilization slope Paradise.	10.764.621
Edificio corporativo Q93	Advance and civil works of the Q93 building, according to turnkey contract	8.435.630
Otras inversiones	Civil works and furniture hydroelectric and thermal power plants	4.880.794
CH-Guaca	Automation and remote control; turbine system	4.664.513
CH-Muña	Rotor coil change; recovery bocatomas; recovery of civil structures; Update VPN environmental provisions by tax effect according to IFRIC 1.	2.086.886
CH-Laguneta	Central auxiliary services; turbine system recovery	1.341.056
<b>Total Variation</b>		<b>\$ 174.059.936</b>

CH- CF Hydroelectric Power Plant- Fuel Oil CC Power Plant – Coal Power Plant

- (b) As of December 31, 2021, the transfers of assets from course to operation were made in the following plants and correspond to improvements in equipment, major maintenance and modernizations to improve performance, reliability and efficiency in the plants:

From January 1 to December 31, 2021		
Central	Total activation	
CC-Termostiza	\$	97.970.272
CH-Quimbo		59.895.976
CH-Guavio		38.850.488
CH- Guaca y Paraiso		16.373.789
CH-Tequendama		10.227.611
CF-Cartagena		8.212.693
CH-Centrales menores (Rio Bogotá)		8.108.691
CH-Betania		5.389.054
CH-Muña		3.306.128
Otras inversiones		2.190.973
<b>Total</b>		<b>\$ 250.525.675</b>

- (c) As of December 31, 2021, there are cancellations of \$1,920,211 corresponding to: Hydroelectric plants \$824,719; thermoelectric plants \$568,607; buildings \$226,899; machinery and equipment \$153,897; vehicles renting \$73,685; furniture and civil works \$58,004 and hydraulic power plants \$14,400.
- (d) As of December 31, 2021, the other increases/decreases correspond to: Financial leases in accordance with IFRS 16 as follows: Buildings \$71,746,004 (includes Corporate Building and Barranquilla office renovation) and vehicles for \$274,705; UPDATE VPN dismantling and environmental provisions Quimbo central and Muña central by rate effect, according to IFRIC 1 \$6,279,658 and \$1,651,805 respectively.

- (e) As of December 31, 2021, the Company presents property, plant and equipment whose ownership is restricted as follows: i) Guavio and Rio Bogotá for \$713,610 and ii) Quimbo for \$25,581,482.
- (f) As of December 31, 2021, the Company presents in operation the units available for generation, in hydraulic and thermal power plants.
- (g) As of December 31, 2021 and in accordance with the provisions of the accounting policy, the useful lives of the property, plant and equipment were evaluated and do not present changes, as well as no signs of deterioration were identified.

The remaining average useful lives used for amortization are:

Property, plant and equipment classes	Average years of life useful of estimated years	
	2021	2020
Plants and equipment		
Civil works plants and equipment	54	55
Electromechanical equipment hydroelectric power plants	30	30
Central electromechanical equipment Thermoelectric	19	18
Buildings	54	56
Fixed installations, accessories and others	11	10
Assets for IFRS 16 use		
<i>Buildings</i>	62	1
<i>Vehicles</i>	2	2

## Leasing

They correspond mainly to the financial leasing agreements of vehicles established mainly with Transportes Especializados FSG and ADL Automotive intended to support the operation of the Company and managerial vehicles; and the Q93 corporate building for the Company's offices in leasing with Bancolombia and the office in Barranquilla with Real Estate Management.

The terms of the contracts on average range between 16 and 120 months, a period in which the recognized assets are amortized.

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

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

Use rights assets were measured at the initial recognition for an amount equal to the lease liability, which corresponds to the present value of lease payments that were not paid on the date of adoption discounted using the interest rate implied in the lease, or the incremental interest rate on the lease start date.

The present value of future payments arising from such contracts are as follows:

Minimum lease payments, financial lease obligations	As of December 31, 2021			As of December 31, 2020		
	Brute	Interest	Present value	Brute	Interest	Present value
Less than one year	\$ 12,508,056	\$ 3,358,867	\$ 9,149,189	\$ 6,120,195	\$ 364,387	\$ 5,755,808
After one year but under five years	33,117,857	10,995,328	22,122,529	1,953,638	115,677	1,837,961
After five years under ten years old	53,197,045	8,369,107	44,827,938	-	-	-
<b>Total</b>	<b>\$ 98,822,958</b>	<b>\$ 22,723,302</b>	<b>\$ 76,099,656</b>	<b>\$ 8,073,833</b>	<b>\$ 480,064</b>	<b>\$ 7,593,769</b>

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Next, the movement of assets by use corresponding to 2021:

	Buildings	Fixed and other installations (Means of transport)	Fixed and other installations	TOTAL
Opening balance as of January 2021	\$ 935.088	\$ 6.166.241	\$ 208.668	\$ 7.309.997
Additions	71.657.310	281.227	-	71.938.537
Other	88.694	(6.522)	-	82.172
Depreciation and withdrawals	(1.565.599)	(4.192.590)	(208.668)	(5.966.857)
<b>Total movements year 2021</b>	<b>70.180.405</b>	<b>(3.917.885)</b>	<b>(208.668)</b>	<b>66.053.852</b>
<b>Balance as of December 31, 2021</b>	<b>\$ 71.115.493</b>	<b>\$ 2.248.356</b>	<b>\$ -</b>	<b>\$ 73.363.849</b>

Next, the movement of assets by rights of use corresponding to 2020:

	Buildings	Fixed and other installations (Means of transport)	Fixed and other installations	TOTAL
Opening balance as of January 2020	\$ 4.841.529	\$ 5.949.433	\$ 1.119.863	\$ 11.910.825
Additions	-	4.489.670	-	4.489.670
Other	(2.092.273)	-	-	(2.092.273)
Depreciation and withdrawals	(1.814.168)	(4.272.862)	(911.195)	(6.998.225)
<b>Total movements year 2020</b>	<b>(3.906.441)</b>	<b>216.808</b>	<b>(911.195)</b>	<b>(4.600.828)</b>
<b>Balance as of December 31, 2020</b>	<b>\$ 935.088</b>	<b>\$ 6.166.241</b>	<b>\$ 208.668</b>	<b>\$ 7.309.997</b>

The income statement as of December 31, 2021 and 2020, includes \$109,333 and \$211,811, respectively, corresponding to the payment of the following contracts:

Administrative headquarters	Start date	End date	Purchase option
Cali Office	Apr-19	Mar-22	No

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

As of December 31, 2021, future payments derived from such contracts are as follows:

Minimum future lease payments non-cancellable, tenants	As of December 31, 2021	As of December 31, 2020
Not later than one year (*)	\$ 10.943	\$ 103.740
After one year but under five years (*)	-	11.086
	<b>\$ 10.943</b>	<b>\$ 114.826</b>

(\*) Values do not include VAT

## Leasing

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

The lease with Bancolombia lease is 10 years.

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The assets by right of use recognized as of December 31, 2021 correspond to floors 2, 3, 4, 5, 6 and parking lots received in August, September and November respectively, as follows:

a) Detail of the asset by leasing:

CONCEPT	VALUE
Recognition floor 6	\$ 13.142.201
Recognition floor 5	14.377.332
Recognition floors 2,3,4 and parking	44.137.777
<b>Total, active</b>	<b>71.657.310</b>
Accumulated depreciation	(265.280)
<b>Total Assets</b>	<b>\$ 71.392.030</b>

### Insurance policies

The following are the policies for the protection of the Company's assets:

Well insured	Risks covered	Insured value (Figures expressed in thousands)	Expiration	Insurance company
Company Assets	Non-contractual liability (USD 233 million in excess of EUR 200 million)	USD 232.940	01/11/2022	Mapfre Seguros Colombia
	Non-contractual liability (usd \$250 million layer in excess of USD\$20 million)	USD 250.000	01/11/2022	Mapfre Seguros Colombia
	Non-contractual civil liability	USD 20.000	01/11/2022	Axa Colpatria
	Environmental liability	\$88.039.678	01/11/2022	SBS
Civil works, equipment, contents, warehouses and loss of profits	All risk material damage, earthquake, tsunami, HMACC – AMIT, Lost Profits and machinery breakage.	USD 1,164,700 (Indemnity Limit)	1/11/2022	Mapfre Seguros Colombia
Vehicles	Tort Liability	\$3,000,000 per vehicle	03/02/2022	Mapfre Seguros Colombia
Goods and goods	Freight transport	\$5,000,000 per dispatch	31/07/2022	HDI Seguros S.A.

(\* ) The Company's policy contracts are signed in dollars and pesos.

## 14. Financial liabilities

	As of December 31, 2021			As of December 31, 2020		
	Stream			Stream		
	Capital	Interests	No Current	Capital	Interests	No Current
Bonds issued (1)	\$ 599.926.308	\$ 13.468.287	\$ 1.257.095.184	\$ 826.340.000	\$ 72.763.407	\$ 1.856.720.301
Leasing obligations (2)	18.035.751	16.759	64.722.082	5.918.438	48.180	1.762.822
Derivative instruments (3)	41.864	-	-	1.712.125	-	29.344
Line of Credit	53.452	-	-	168.249	-	-
Bank Loans (4)	-	1.452.900	450.000.000	-	-	-
	<b>\$ 618.057.375</b>	<b>\$ 14.937.946</b>	<b>\$ 1.771.817.266</b>	<b>\$ 834.138.812</b>	<b>\$ 72.811.587</b>	<b>\$ 1.858.512.467</b>

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



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

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

### Program for the issuance and placement of the Company's ordinary bonds in the local market

The Company has a program of issuance and placement of bonds and commercial papers that allows it to carry out successive issuances of said securities under the global quota that is authorized and available, and during the period of validity of the same. 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 program prospectus) under the program, which were in effect as of the aforementioned date, with the exception of the first tranche for \$170,000,000 that expired on February 20, 2017. All bond issues made under the Company's Program are rated AAA (Triple A) by Fitch Ratings Colombia S.C.V., and are dematerialized under the management of Deceval S.A., in 2021 no bond issuance was presented.

The general financial conditions of the Company's bond issuance and placement program in the local market are described below:

Title Class	Ordinary Bonds
Initial approval of the Financial Superintendence Global Quota Initially Approved	Resolution No. 1235 of 18 July 2006 \$700,000,000
Approval of the extension of the quota and extension of the placement period: First Increase to the Authorized Global Quota:	Resolution No. 0833 of June 16, 2009 An additional \$1,200,000,000
First extension of the placement period	Until June 26, 2012
Approval extension of the placement period: Second extension of the placement period	Resolution No. 1004 of June 29, 2012 Until July 18, 2015
Second increase to the Authorized Global Quota:	An additional \$850,000,000
Approval increase of the placement quota: Third increase to the Authorized Global Quota:	Resolution No. 1980 of November 6, 2014 In an additional \$315,000,000
Approval of the extension of the quota and extension of the placement period: Fourth increase to the Authorized Global Quota:	Resolution No. 1235 of September 8, 2015. An additional \$650,000,000
Third extension to the placement period:	Until September 14, 2018
Inclusion of commercial papers in the program:	Resolution No. 0173 of February 13, 2018
Approval of the extension of the quota and extension of the placement period: Fifth increase to the Authorized Global Quota:	Resolution No. 1193 of September 13, 2018 An additional \$685,000,000
Fourth extension to the placement period:	Until October 1, 2021
Total Authorized Global Quota as of Dec 31, 2019:	\$4,400,000,000
Amount issued under the Program as of Dec 31, 2019	\$3,315,000,000
Global quota available as of December 31, 2019:	\$1,085,000,000
Administration	Deceval S.A.

The Company has issued 8 tranches of bonds under the aforementioned program, as follows:

#### First Section:

Total value placed	\$170,000,000
Balance in effect as of December 31, 2020	Sub-series B10: \$0
Face value per bond	\$10,000
Issuance deadline	10 years
Date of issue:	20 February 2007
Expiration date:	February 20, 2017
Coupon Rate	CPI + 5.15% E.A.

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

**Second Section:**

Total value placed	\$265,000,000 like this: Sub-series A5: \$49,440,000 Sub-series B10: \$160,060,000 Sub-series B15: \$55,500,000
Balance in effect as of December 31, 2021	\$55,500,000
Face value per bond	\$10,000
Issuance deadline	Sub-series A5: 5 years Sub-series B10: 10 years Sub-series B15: 15 years
Date of issue:	February 11, 2009, for all sub-series
Expiration date:	Sub-series A5: 11 February 2014 Sub-series B10: February 11, 2019 Sub-series B15: February 11, 2024
Coupon Rate	Sub-series A5: DTF T.A. + 1.47% Sub-series B10: CPI + 5.78% E.A. Sub-series B15: CPI + 6.09% E.A.

On February 11, 2014, the maturity payment of the Sub-series A5 bonds was made for \$49,440,000.

On February 11, 2019, the maturity payment of the B10 Sub-series bonds was made for \$160,060,000.

**Third Section:**

Total value placed	\$400,000,000 like this: Sub-series E5: \$92,220,000 Sub-series B9: \$218,200,000 Sub-series B12: \$89,580,000
Balance in effect as of December 31, 2021	\$0
Face value per bond	\$10,000
Issuance deadline	Sub-series E5: 5 years Sub-series B9: 9 years Sub-series B12: 12 years
Issue Date	July 2, 2009 for all sub-series
Expiration date	E5 Sub-series: July 2, 2014 Sub-series B9: July 2, 2018 Sub-series B12: 2 July 2021
Coupon rate	Sub-series E5: Fixed Rate 9.27% E.A. Sub-series B9: CPI + 5.90% E.A. Sub-series B12: CPI + 6.10% E.A.

On July 2, 2014, the maturity payment of the E5 Sub-series bonds was made for \$92,220,000.

On July 2, 2018, the maturity payment of the Sub-series B9 bonds was made for \$218,200,000.

On July 2, 2021, the maturity payment of the B12 Sub-series bonds was made for \$89,580,000.

**Fourth Section:**

Total value placed	\$500,000,000 like this: Sub-series B10: \$300,000,000 Sub-series B15: \$200,000,000
Transaction costs as of Dec. 31, 2021	\$157,996
Balance in effect as of December 31, 2021	\$449,842,004
Face value per bond	\$10,000
Issuance deadline	Sub-series B10: 10 years

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Date of issue	Sub-series B15: 15 years December 13, 2012
Expiration date	Sub-series B10: December 13, 2022 Sub-series B15: December 13, 2027
Coupon Rate	Sub-series B10: CPI + 3.52% E.A. Sub-series B15: CPI + 3.64% E.A.

**Fifth Tranche:**

Total value placed	\$565,000,000, like this: Sub-series B6: \$201,970,000 Sub-series B12: \$363,030,000
Transaction costs as of Dec. 31, 2021	\$140,286
Balance in effect as of December 31, 2021	\$362,889,714
Face value per bond	\$10,000
Issuance deadline	Sub-series B6: 6 years Sub-series B12: 12 years
Date of issue	September 11, 2013
Expiration date	Sub-series B6: September 11, 2019 Sub-series B12: September 11, 2025
Coupon rate	Sub-series B6: CPI + 4.25% E.A. Sub-series B12: CPI + 5.00% E.A.

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

**Sixth Section:**

Total value placed	\$590,000,000 like this: Sub-series B6: \$241,070,000 Sub-series B10: \$186,430,000 Sub-series B16: \$162,500,000
Transaction costs as of Dec. 31, 2021	\$185,780
Balance in effect as of December 31, 2021	\$348,774,220
Face value per bond	\$10,000
Issuance deadline	Sub-series B6: 6 years Sub-series B10: 10 years Sub-series B16: 16 years
Date of issue	May 16, 2014
Expiration date	Sub-series B6: May 16, 2020 Sub-series B10: May 16, 2024 Sub-series B16: 16 May 2030
Coupon rate	Sub-series B6: CPI + 3.42% E.A. Sub-series B10: CPI + 3.83% E.A. Sub-series B16: CPI + 4.15% E.A.

On September 11, 2019, the maturity payment of the Sub-series B6 bonds was made for \$201,970,000.

**Seventh Section:**

Total value placed	\$525,000,000, like this: Sub-series B3: \$234.870.000 Sub-series B7: \$290.130.000
Transaction costs as of Dec. 31, 2021	\$57,395
Balance in effect as of December 31, 2021	\$290,072,605
Face value per bond	\$10,000
Issuance deadline	Sub-series B3: 3 years

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Date of issue	Sub-series B7: 7 years February 11, 2016
Expiration date	Sub-series B3: February 11, 2019 Sub-series B7: February 11, 2023
Coupon rate	Sub-series B3: CPI + 3.49% E.A. Sub-series B7: CPI + 4.69% E.A.

On February 11, 2019, the maturity payment of the Sub-series B3 bonds was made for \$234,870,000.

**Eighth Leg (\*):**

Total value placed	\$300,000,000 like this:
	Sub-series E6: \$300,000,000
Transaction costs as of Dec. 31, 2021	\$27,051
Balance in effect as of December 31, 2021	\$299,972,949
Face value per bond	\$10,000
Issuance deadline	Sub-series E6: 6 years
Date of issue	September 27, 2016
Expiration date	E6 Sub-Series: September 27, 2022
Coupon rate	Sub-series E6: 7.59% E.A.

**International global bonds in pesos**

On January 20, 2011, the Company placed its first bond issue on the international capital market for \$736,760,000, for a term of 10 years. Bonds issued by the Company, denominated in pesos and payable in dollars.

According to the Offering Memorandum, the Company paid the interest in 2019, at a final rate of 8.71%.

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

Record format	144 A / Reg S
Total value of the issue in pesos	\$736,760,000
Transaction costs as of Dec. 31, 2021	\$0
Balance in effect as of December 31, 2021	\$0
Use of funds	Financing of new projects such as El Quimbo and refinancing of other financial obligations, in addition to other general uses of the Company.
Face value	\$5,000 each bonus
Term	10 years, with amortization at maturity.
Periodicity of interests	Annual
Counting of days	365/365
Issuance Administrator, Payment Agent, Calculation and Transfer Agent	The Bank of New York Mellon
Yield	8.75% E.A.
International Qualification	BBB (stable) by Fitch Ratings and Standard & Poor's

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

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The breakdown of debt bond obligations as of December 31, 2021 is as follows:

Description	EA Rate	Stream		Total Current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 10 years	Total non-current
		Less than 90 days	Longer than 90 days						
Seventh Tranche B-7 Program	8%	\$ 3,964,626	\$ -	\$ 3,964,626	\$ 290,072,605	\$ -	\$ -	\$ -	\$ 290,072,605
Sixth Tranche B10 Programme	7%	2,099,202	-	2,099,202	-	186,351,264	-	-	186,351,264
Fifth Tranche B12 Programme	8%	2,095,772	-	2,095,772	-	-	362,889,715	-	362,889,715
Sixth Tranche B16 Programme	8%	1,893,450	-	1,893,450	-	-	-	162,392,956	162,392,956
Program Fourth Tranche B10	7%	1,343,700	299,953,359	301,297,059	-	-	-	-	-
Program Fourth Tranche B15	7%	908,000	-	908,000	-	-	-	199,888,644	199,888,644
Program Second Tranche B104-15	10%	862,637	-	862,637	-	55,500,000	-	-	55,500,000
Eighth Tranche E6 Programme	8%	300,900	299,972,949	300,273,849	-	-	-	-	-
<b>Total bonuses</b>		<b>\$ 13,468,287</b>	<b>\$ 599,926,308</b>	<b>\$ 613,394,595</b>	<b>\$ 290,072,605</b>	<b>\$ 241,851,264</b>	<b>\$ 362,889,715</b>	<b>\$ 362,281,600</b>	<b>\$ 1,257,095,184</b>

The breakdown of debt bond obligations as of December 31, 2020 is as follows:

Description	EA Rate	Stream		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
		Less than 90 days	Longer than 90 days							
Z58 External Bond	9%	\$ 701,841,030	\$ -	\$ 701,841,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Z47 External Bond	9%	976,648,810	-	976,648,810	-	-	-	-	-	-
Seventh Tranche B-7 Program	8%	2,468,808	-	2,468,808	-	290,000,175	-	-	-	290,000,175
Program Third Tranche B105-12	10%	1,668,078	89,580,000	91,248,078	-	-	-	-	-	-
Fifth Tranche B12 Programme	8%	1,330,417	-	1,330,417	-	-	-	362,857,839	-	362,857,839
Sixth Tranche B10 Programme	7%	1,234,630	-	1,234,630	-	-	186,326,309	-	-	186,326,309
Sixth Tranche B16 Programme	8%	1,139,600	-	1,139,600	-	-	-	-	162,382,555	162,382,555
Program Fourth Tranche B10	7%	772,202	-	772,202	299,913,284	-	-	-	-	299,913,284
Program Second Tranche B104-15	10%	576,111	-	576,111	-	-	55,500,000	-	-	55,500,000
Program Fourth Tranche B15	7%	526,899	-	526,899	-	-	-	-	199,872,951	199,872,951
Eighth Tranche E6 Programme	8%	300,822	-	300,822	299,867,188	-	-	-	-	299,867,188
<b>Total bonuses</b>		<b>\$ 809,523,407</b>	<b>\$ 89,580,000</b>	<b>\$ 899,103,407</b>	<b>\$ 599,780,472</b>	<b>\$ 290,000,175</b>	<b>\$ 241,826,309</b>	<b>\$ 362,857,839</b>	<b>\$ 362,255,506</b>	<b>\$ 1,856,720,301</b>

(2) Below is the movement of leasing at the end of December 2021:

	Fixed and other installations			
	Buildings	(Means of transport)	Before IFRS16	TOTAL
<b>Final balance as of December 2020</b>	<b>\$ 1,488,987</b>	<b>\$ 6,192,055</b>	<b>\$ 48,398</b>	<b>\$ 7,729,440</b>
New contracts (a)	71,657,309	281,227	-	71,938,536
Advances Contract Q93 (b)	9,026,977	-	-	9,026,977
Depreciation and Reclassifications	(1,430,580)	(4,441,383)	(48,398)	(5,920,361)
Total movements year 2021	79,253,706	(4,160,156)	(48,398)	75,045,152
<b>Total liabilities for IFRS leases 16</b>	<b>\$ 80,742,693</b>	<b>\$ 2,031,899</b>	<b>\$ -</b>	<b>\$ 82,774,592</b>

Below is the leasing movement at the end of December 2020.

	Fixed and other installations			
	Buildings	(Means of transport)	Before IFRS16	TOTAL
<b>Final balance as of December 2019</b>	<b>\$ 4,978,349</b>	<b>\$ 6,258,803</b>	<b>\$ 313,173</b>	<b>\$ 11,550,325</b>
New contracts (a)	-	2,421,917	-	2,421,917
Early termination of contracts (b)	(2,354,577)	-	-	(2,354,577)
Depreciation and Reclassifications	(1,134,785)	(2,488,665)	(264,775)	(3,888,225)
Total movements year 2020	(3,489,362)	(66,748)	(264,775)	(3,820,885)
<b>Total liabilities for IFRS leases 16</b>	<b>\$ 1,488,987</b>	<b>\$ 6,192,055</b>	<b>\$ 48,398</b>	<b>\$ 7,729,440</b>

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The annual effective rates of contracts for 2021 range from 7.06% to 14.10% and for 2020 they range from 5.72% to 14.08%

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

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

- Detail of the leasing liability:

CONCEPT	VALUE
Recognition floor 6	\$ 13.142.201
Recognition floor 5	14.377.332
Recognition floors 2, 3, 4 and parking	44.137.777
Advance	9.026.977
<b>Total Liabilities</b>	<b>\$ 80.684.287</b>

- b) Detail of the advance issued by Bancolombia S.A. on behalf of the Company:

CONCEPT	VALUE
Initial advance	\$ 18.746.978
Amortization Floor 6	(3.942.660)
Amortization Floor 5	(1.437.733)
Amortization Floors 2,3,4 and parking	(4.339.608)
<b>Advance Balance</b>	<b>\$ 9.026.977</b>

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

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

	As of December 31, 2021	As of December 31, 2020
Lease payments	\$ (5.971.113)	\$ (6.232.357)
Interest on lease liabilities	(359.381)	(863.287)
Amounts recognized in cash flow	(6.330.494)	(7.095.644)
<b>Total cash flows from leases</b>	<b>\$ (6.330.494)</b>	<b>\$ (7.095.644)</b>

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

The following is the detail:

Derivative	Underlying	Bench	Risk Factor	Active Notional	Coin	Fixed Rate	MTM
Forward	FX Coverage CERE Payment January 2022	B_DEBOGOTA_CO	Exchange rate	1.900.000	USD	3.988,27	\$ (35.593)
Forward	FX Coverage CERE Payment February 2022	COLPATRIA_CO	Exchange rate	300.000	USD	3.979,80	(2.818)
Forward	FX Coverage CERE Payment March 2022	COLPATRIA_CO	Exchange rate	300.000	USD	3.979,80	(1.992)
Forward	FX Coverage CERE Payment May 2022	COLPATRIA_CO	Exchange rate	900.000	USD	3.979,80	(1.461)
<b>Total valuation</b>							<b>\$ (41.864)</b>



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As of December 31, 2021 and 2020, the Company does not have net investment coverage abroad.

(4) On January 19, 2021, 2 bank loans were requested with Banco de Bogotá S.A. for \$200,000,000 at a rate of 2.75% and with Banco BBVA S.A. for \$100,000,000 with a rate of 2.9% with a term of 6 years for the payment of the International Bond and on May 19 a bank loan was requested with Bancolombia S.A. for \$350,000,000 at a rate of 1.92% for general corporate purposes, which expired on December 23, 2021 and \$100,000,000 of own resources were canceled and a rollover for \$200,000,000 was requested with the same entity at a rate of 4.34% with a term of 6 years; in November, a loan was requested with Bancolombia S.A. for \$150,000,000 at a rate of 4.02% with a term of 6 years for working capital.

As of December 31, 2021, the Company has \$4,092,851,523 in unused authorized credit lines, jointly with Codensa S.A. E.S.P. and reassignable between the two Companies, with respect to which, if required, the financial institutions will update the conditions for their approval and disbursement, the Company does not have Covenants associated with these lines of credit.

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

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

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

## 15. Business accounts and other accounts payable

	As of December 31, 2021	As of December 31, 2020
Accounts payable goods and services (1)	\$ 154.844.538	\$ 183.285.905
Estimates by power and gas purchase (2)	103.631.495	86.017.010
Other accounts payable (3)	41.501.580	45.448.810
<b>Total business accounts payable and other accounts payable</b>	<b>\$ 299.977.613</b>	<b>\$ 314.751.725</b>

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

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

Likewise, there was a decrease in payment with the following suppliers in the provision of goods and services: GE Energías Renovables for (\$14,818,035), Fonval Collective Investment Fund for (\$8,310,170), Maseq Proyectos e Ingeniería S.A.S for (\$7,417,909), Generadores Mexicanos S.A. for (\$2,884,291), Schneider Electric for (\$2,788,868), Inemec S.A.S for (\$2,478,074), ABB Power Grids for (\$2,429,835), Fincimec Colombia for (\$1,931,646), Soil Protection S.A.S for (\$1,822,307), Consorcio SK-HL Term for (\$1,706,655).

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

(3) The variation as of December 31, 2021 corresponds to the payment of other accounts payable with various creditors for \$3,947,230.

## 16. Provisions

	As of December 31, 2021		As of December 31, 2020	
	Stream	Non-current	Stream	Non-current
<b>Other provisions</b>	<b>\$ 78.388.036</b>	<b>\$ 207.368.138</b>	<b>\$ 98.514.451</b>	<b>\$ 201.247.740</b>
<i>Quimbo Restoration Plan (1)</i>	35.235.548	40.069.485	47.455.220	93.610.265
<i>Environmental and works Quimbo (1)</i>	27.290.670	41.522.743	21.744.622	60.646.317
<i>Provision for Fiscal Uncertainty (2)</i>	7.520.768	-	24.637.308	-
<i>Bogotá River Environmental Provision (3)</i>	4.643.898	19.968.264	238.275	25.905.456
<i>Provision for the Transitional Fund (4)</i>	2.596.441	4.053.501	2.107.734	5.467.892
<i>CAR Compensation Plan (5)</i>	1.100.711	91.125.718	2.331.292	15.617.810
<i>Tominé Recovery Provision (6)</i>	-	10.628.427	-	-
<b>Provision of legal claims (7)</b>	<b>101.340</b>	<b>10.893.813</b>	<b>353.789</b>	<b>9.065.950</b>
<i>Civilians and others</i>	101.340	9.515.972	213.789	8.273.403
<i>Labour</i>	-	1.377.841	140.000	792.547
<b>Decommissioning (8)</b>	<b>-</b>	<b>958.961</b>	<b>663.618</b>	<b>1.738.406</b>
<b>Other</b>	<b>659.572</b>	<b>30.088.547</b>	<b>36.128</b>	<b>-</b>
<b>Total Provisions</b>	<b>\$ 79.148.948</b>	<b>\$ 249.309.459</b>	<b>\$ 99.567.986</b>	<b>\$ 212.052.096</b>

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

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

### Claim Consorcio Impregilo

During 2015, the Impregilo OHL Consortium filed with the Company a series of claims and notes of change orders (Noc's) product of economic affectations for the works executed in the CEQ-21 contract main civil works El Quimbo Hydroelectric Project.

At the ordinary meeting of the Board of Directors No. 436 held on October 19, 2016, the technical and legal analyses of the contract agreed between the Company and the 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 initial claim of the contractor amounted to \$ 224,560,000, between claims and notes of order of exchange as a result of the negotiation the agreement was closed for \$ 57,459,000 plus \$ 2,800,000, for the minutes of the closing of the contract, and a readjustment to the claims for \$ 14,541,000, for a total of \$ 74,800,000, these values were authorized by the Company to be included in the CEQ 021 contract 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 guarantee compliance with the obligations arising from the construction of the Plant, made recoveries for activities that were considered not necessary and including the readjustments to the contract prices agreed in the Board of Directors and formalized in addendum 17 which was signed and paid during the first quarter of 2017.

Currently this contract enters the liquidation stage, once the term of the amparo, quality and stability of the works is fulfilled. The Company submitted a claim to the contractor and to the AXA Company Colpatría Seguros S.A., because it considers that some events that affect the quality of the dam works are the responsibility of the Company. AXA Colpatría rejected the claim for quality assurance and stability of the works.

The Company submitted a reply for the Insurer, the communication was filed on Friday, May 4, 2018. On June 8, 2018, a response was received from AXA Colpatría indicating that the claim was objected to, but that, nevertheless, once the insured's

liability is proven and the damage is proven, it would review the claim, as of March 31, 2019, it did not submit additional changes.

The lawsuit was filed on May 29, 2020, before the Arbitration Center of the Chamber of Commerce of Bogotá (Arbitration Center of the Chamber of Commerce of Bogotá), against the Impregilo-OHL Consortium (CIO) and Axa Colpatría Seguros S.A. The claims of the lawsuit total \$99,201,254. Once the lawsuit was filed, the Arbitration Center notified the parties on June 2, 2020.

Currently the process is in the stage that is called the integration of the litigation. In turn, the Impregilo-OHL Consortium filed a Counterclaim (Counterclaim), amounting to \$3,712,037.

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

On February 5, 2021, the Company filed reform of the arbitration claim being admitted by orders of February 15 to March 4, 2021.

Currently the process is in terms for the defendants to pronounce on the reform of the lawsuit filed by the Company.

On February 5, 2021, the Company filed a reform of the arbitration claim which was admitted by order of February 15, 2021 and March 4, 2021 that confirmed the previous one.

Currently the process is in terms for the defendants to pronounce on the reform of the lawsuit filed by the Company.

The summoned Consorcio Impregilo OHL and Axa Colpatría Seguros, pronounced themselves within the term of law on the reforms of the emgesa lawsuit, opposing the claims and objecting to the oath estimatory of damages, It is pending that they run us transferred from said defenses and that the Court convenes the hearing to indicate fees.

Previously the date of July 19 had been indicated for the hearing in which fees must be indicated, procedural pro-procedures, The Court modified that date, finally indicating on October 29, 2021 the hearing to indicate fees.

On December 7, 2021, the hearing for the fixing of expenses and fees is installed. Arbitrators were appointed in the process, so it is brought to the attention of the parties for a period of 5 days so that, if they have it, they can make a request for relief.

Order No. 37 is notified, in which it is resolved, among other things, to establish the expenses and fees of the arbitration that the parties must pay, and to set January 26, 2022 to carry out the first procedural hearing.

In the hearing on January 26, the Court, prior to decreeing the evidence requested by the parties, imposed a series of charges that the Company must comply with in 10 business days. The Company must specify the priority and importance of the witnesses summoned. The hearing was suspended until February 22.

### **Provision Environmental Investment Program 1%**

In accordance with Resolution 0899 of May 15, 2009, by which the National Environmental Licensing Authority (ANLA) granted an environmental license for the El Quimbo Hydroelectric Project, the Company as of December 31, 2018 has registered as part of the total provisioned for \$21,709,078 corresponding to the investment program of the 1% submitted within the framework of 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 Law 99 of 1993 regulated by Decree 1900 of September 12, 2006.

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

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

In response to the request, it was proposed to ANLA that the outstanding resources to be implemented be distributed in two specific programmes:

1. Acquisition of land and / or improvements in areas of moorland, cloud forests and areas of influence of birth, recharge of aquifers, river stars and water rounds.
2. Interceptors and wastewater treatment systems.

On the other hand, on December 18, 2020 in an oral hearing, the ANLA promptly requested:

*"Present the base investments of liquidation of the forced investment of not less than 1% executed in the year 2019, including the activities of Resolution 938 of June 16, 2018, by which Resolution 899 of May 19, 2009 was modified, in accordance with the provisions of article 321 of Law 1955 of May 25, 2019."*

The foregoing requires the Company to know the value of the settlement of the CEQ-21 contract, because from this figure additional values will be obtained that must be reported as a basis for the settlement of the 1% Investment Plan.

For its part, the Office of the Comptroller General of the Republic, in an audit carried out, determined 2 administrative findings on the 1% Investment Plan, indicating that there is "uncertainty in the amounts to be executed to comply with the obligation of forced investment of not less than 1%". It also determined that "not incorporating real values into the investment plan and the investment schedule of this obligation, with substantive pronouncements by the environmental authority, causes executions to be extended over time, postponing the well-being perceived by them."

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

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

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

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

**BALANCE OF FORCED INVESTMENT OF NOT LESS THAN 1%**

Settlement of the forced investment of not less than 1% updated (Article 321)	\$	15.989.664
Executed value of the forced investment of not less than 1%		(2.859.000)
Value of the forced investment of not less than 1% to be executed Updated.	<b>\$</b>	<b>13.130.664</b>

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

By Means of Order 01481 of March 17, 2021, the ANLA orders the initiation of the sanctioning procedure, for alleged breaches with respect to the program of acquisition of land of the investment of 1%. The Company, for its part, will present the cessation of the procedure.

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

In turn, in this process with the CAM, the liquidated value of 1% must be included for the additional works carried out for the construction of the filtration measurement system whose base value is \$ 23,866,318.

On the other hand, taking into account that the current liquidated value of the 1% Plan is still partial, the Company is advancing in the management to certify the values pending reporting to the Environmental Authority.

On December 16, 2021, the Regional Autonomous Corporation of Alto Magdalena-CAM through communication with 20211020279531, approved that the increase in the budget of the Plan 1% for the value of \$ 5,998,410,444.51 as well as the value initially assigned to the municipality of La Argentina (\$ 296,320,678) is destined to the investment line "Acquisition of land and / or improvements in paramo areas, cloud forests and areas of influence of birth and recharge of aquifers, river stars and water rounds."

Additionally, the CAM requested compliance with the following requirements of the properties acquired through the investment line mentioned above:

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

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

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

*For this program, the Society at ICA No. 24, mentions that:*

*"In the technical-legal table held on May 7, 2021 between the Regional Autonomous Corporation of Alto Magdalena - CAM the ANLA and Emgesa, the ANLA undertook to define which inputs of the costs required for the execution of the program can be imputed to the Investment Plan 1%. To date, Emgesa has not received a response. The minutes of the meeting are attached.*

*(See: ICA 24\Source\3\_Anexos\Annex 4\_Otros\7\_3\_6\_Inversión\_1%\Annex 1. Minutes of meeting."*

*Regarding the eligible and ineligible costs in the Environmental Promoters Training Line, the direct costs duly supported technically and financially through: (Contract, agreement, invoice, proof of discharge, or equivalent document) are eligible; as long as they contribute to the Preservation, conservation and monitoring of the affected basin in accordance with the provisions of the paragraph of article 43 of Law 99 of 1993.*

*Regarding indirect costs such as (Transportation of participants, refreshments, identification kits, cards and supports of completion of the diploma process) these will be eligible under the obligation of the Forced Investment of not less than 1%, with the respective justification that proves the need for them in development of the contract concluded, they must also be supported technically and financially.*

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

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

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

- (2) As of January 1, 2020, the Company applies IFRIC 23, "Uncertainties about the treatment of income taxes", which is taken into account for the determination of both current income tax and deferred income tax. This interpretation defines "uncertain tax treatment" as the position taken by an entity on the determination of income tax, in respect of which it is likely that the Tax Administration will not accept such position, whether or not it has been validated in the past by the aforementioned Administration.

In application of this interpretation, the Company has been carrying out the review of contracts concluded with foreign entities and compliance with requirements that must be taken into consideration. Therefore, the administration as of March 2021 carried out a review of the foreign contracts on which this provision was made and decided to adjust it for \$19,837,986; in June 2021 the portion of interest associated with this concept was adjusted for \$410,878, in September 2021 for \$709,937 for this same concept, and in December 2021 it was adjusted for \$1,600,631 which includes penalties, interest and tax of identified contracts leaving a balance of \$7,520,768.

- (3) As of December 31, 2021, provision was made derived from the environmental obligations associated with the construction of waste treatment plants, offensive odor reduction plan and environmental management plan for the operation of the muña reservoir, in order to mitigate the environmental impacts generated for the municipality of Sibaté and its coast. The Company plans to execute the works established in the obligation to 2038, so the long-term flows were discounted at a rate of 8.38% EA.
- (4) Recognition of the provision of the Transition Fund which aims to make staffing staff efficient in line with the Enel Group's investment plan in digitalization and automation worldwide in the different areas and lines of business of the Company. This implies identifying efficiencies to make replacement of profiles and having the necessary economic resources as part of the aforementioned strategy, which leverages the achievement of the objectives defined by the Company. The value of the variation of the provision was (\$925,684) which will be distributed between the years 2021 to 2025, with a discount rate of 5.93% for 2023, 5.98% for 2024 and 6.03% for 2025 in long-term flows.
- (5) CAR Compensation Plan: As of December 31, 2021, the value recognized as a provision for compensation plan imposed by the Regional Autonomous Corporation of Cundinamarca (CAR), corresponds to the environmental obligation established by the Company in Resolution 2984 of October 9, 2017, enforced on April 10, 2018. The obligation consists of the elaboration and execution of a Compensation Plan associated with the concession of waters of the Bogotá River, which must be prepared in accordance with the alternatives defined by the Corporation.

On July 13, 2020, the Company was notified via email, of DGEN Resolution No. 20207100872 of July 10, 2020, issued by the Regional Autonomous Corporation of Cundinamarca "By which an Environmental Compensation Plan is established and other determinations are made." This resolution imposes a Compensation Plan worth \$96,680,772.

On July 28, 2020, the Company filed an appeal for reinstatement of DGEN Resolution No. 20207100872 of July 10, 2020 issued by the Regional Autonomous Corporation of Cundinamarca. Subsequently, through DGEN Resolution No. 20217000244 of June 16, 2021, which resolves the appeal and DGEN Resolution No. 20207100872 of July 10, 2020, the decision is made under the legal and legal strategy to file a claim for nullity and restoration of the right which was filed before the Administrative Court of Cundinamarca on November 25.

In accordance with the foregoing and taking into account that the Company demanded the resolution CAR No. 20207100872 of 2020, seeking that it be annulled, until there is a definitive pronouncement within the judicial process, the Company must comply with the provisions of the aforementioned administrative act, that is, develop the actions contemplated in the programs defined by the CAR for an approximate value of \$ 96,000,000 whose execution must be carried out. be distributed in the time of the concession, until the year 2038."

- (6) It corresponds to the values committed by the Company within the framework of the Administration, Operation and Maintenance Agreement of the Tominé Reservoir signed with the Bogotá Energy Group in 2013, with a duration of 10 years.



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(7) As of December 31, 2021, the value of the claims in the claims to the Company for administrative, civil, labor litigation and constitutional actions amount to \$3,043,888,752 based on the evaluation of the probability of success in the defense of these cases, \$3,660,931 has been provisioned including the financial update to cover the probable losses due to these contingencies. Management estimates that the results of the lawsuits relating to the non-provisioned portion will be favorable to the interests of the Company and would not cause significant liabilities that must be accounted for or that, if they result, would not significantly affect the Financial Position of the Company. In addition, penalties are provided for the Quimbo Hydroelectric Power Plant for \$3,020,712, which are detailed in Note 32 Sanctions.

On the other hand, the success premiums for \$ 4,313,510, which will be effective when the lawyer has a ruling in favor of the Company of the agreed processes.

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

Processes	Qualification	No. processes	No of Processes (indeterminate amount)	Contingency Value	Value of the provision
-Inundaciones A97 (*)	Possible	1	-	\$ 120.000	\$ -
	Likely	4	-	3.008.687	879.431
<b>Total Floods A97</b>		<b>5</b>	<b>-</b>	<b>3.128.687</b>	<b>879.431</b>
Inundaciones D97	Possible	9	-	6.197.067	(726)
	Likely	1	1	88.000	-
<b>Total Floods D97</b>		<b>10</b>	<b>1</b>	<b>6.285.067</b>	<b>(726)</b>
Laboral	Possible	29	6	2.086.964	-
	Likely	5	1	2.589.593	1.413.881
	Remote	3	-	7.041.000	-
<b>Total -Labor</b>		<b>37</b>	<b>7</b>	<b>11.717.557</b>	<b>1.413.881</b>
Otros	Possible	32	19	51.113.496	-
	Likely	2	8	149.400	4.134
	Remote	15	-	2.347.560.572	-
<b>Total Others</b>		<b>49</b>	<b>27</b>	<b>2.398.823.468</b>	<b>4.134</b>
Quimbo	Possible	175	11	617.256.232	-
	Likely	1	-	5.377.741	1.364.211
	Remote	3	1	1.300.000	-
<b>Total Quimbo</b>		<b>179</b>	<b>12</b>	<b>623.933.973</b>	<b>1.364.211</b>
<b>Overall total</b>		<b>280</b>	<b>47</b>	<b>\$ 3.043.888.752</b>	<b>\$ 3.660.931</b>

Concept	Value of the provision to 2021
Success premiums	\$ 4.313.510
Litigation provision	3.660.931
Sanctions	3.020.712
	<b>\$ 10.995.153</b>

(a) The value of the contingency corresponds to the amount for which according to the experience of the lawyers is the best estimate to be paid if the judgment is against the Company. The provision is determined by the attorneys as the amount of loss in the event that failure may be likely; processes rated as probable are provisioned one hundred percent of the actual value of the contingency.

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

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

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

	Provision of legal claims	Decommissioning, restoration and rehabilitation costs	Provision for Tax Uncertainty	Total
<b>Opening balance as of January 01, 2020</b>	<b>\$ 9.532.489</b>	<b>\$ 240.260.707</b>	<b>\$ -</b>	<b>\$ 249.793.196</b>
Increase in existing provisions	1.518.319	37.118.051	48.498.997	87.135.367
Provision used	(566.189)	(17.312.781)	(23.861.689)	(41.740.659)
Financial effect update	(25.690)	15.827.211	-	15.801.521
Recoveries	(1.039.190)	-	-	(1.039.190)
Another increase	-	1.669.847	-	1.669.847
<b>Total movements in provisions</b>	<b>(112.750)</b>	<b>37.302.328</b>	<b>24.637.308</b>	<b>61.826.886</b>
<b>Final balance as of December 31, 2020</b>	<b>\$ 9.419.739</b>	<b>\$ 277.563.035</b>	<b>\$ 24.637.308</b>	<b>\$ 311.620.082</b>
Increase in existing provisions	1.997.545	87.671.382	1.120.815	90.789.742
Provision used	(162.912)	(43.541.091)	-	(43.704.003)
Reversal of provisions	-	-	(18.237.355)	(18.237.355)
Financial effect update	(123.434)	(1.971.872)	-	(2.095.306)
Recoveries	(135.785)	-	-	(135.785)
Another decrease	-	(9.778.968)	-	(9.778.968)
<b>Total movements in provisions</b>	<b>1.575.414</b>	<b>32.379.451</b>	<b>(17.116.540)</b>	<b>16.838.325</b>
<b>Final balance as of December 31, 2021</b>	<b>\$ 10.995.153</b>	<b>\$ 309.942.486</b>	<b>\$ 7.520.768</b>	<b>\$ 328.458.407</b>

Detail of the main legal processes that the Company has as of December 31, 2021 qualified as probable:

PLAINTIFF	YEAR OF FILING	CLAIM VALUE (On Demand)	SUBJECT MATTER OF THE APPLICATION	CURRENT STATUS OF THE PROCESS
Yohana Farley Rodríguez Berrio	2014	\$ 300.000.	Compensation for damages for death of employee.	Pending the admission of the appeal on a point of law.
Pastor Aroca Ibarra	2013	\$ 88.000.	Ordinary tort Liability for events of 2011.	It is pending to cancel it when the Court gives us the copy of the sentence.
Orlando Rojas Cleves	2017	\$ 445.222.	Ineffectiveness of dismissal, for a worker in a situation of manifest weakness, compensation law 361 of 1997; Employer fault.	An appeal was lodged against the judgment of first instance, pending the passage of proceedings before the Court.
Luz Nelly Olarte y Otros (94) Acumulado con: 2004-00057 Luis Ernesto Trujillo Portela (94) 2004-00056 Luis Alberto Ibarra (94) 2005-00065 Edgar Zambrano (94) 2005-00081 Juan Aroca (94) 2005-00014 Álvaro Vega Cedeño y otros (94) 2005-00088 Alfonso Rodríguez (94) 2006-00091 Ángel Antonio Díaz Leyton y Otros (94) 2005-00027 Ana Myriam Rodríguez y otros (94) 2005-00059 Alirio Trilleras (94)		\$ 2.953.180.	Ordinary tort Civil Liability for acts of 1,994.	The appeal was denied, it is currently in the process of digitization to be sent to the office and proceed with the payment.
Luis Ferney Yara (94)	2009	\$ 18.720.	Ordinary tort Civil Liability for acts of 1,994.	It is pending to cancel it when the Court gives us the copy of the sentence.
Libardo Chico	2008	\$ 30.650.	Ordinary tort Civil Liability for acts of 1,994.	It is pending to cancel it when the Court gives us the copy of the sentence.
Ever Andres Useche	2020	\$ 149.000	Ordinary non-contractual civil liability for events of 2011.	Pending the process of appeal against the order that liquidated the sentence.
Uber Roldan Cortes y otros	2016	\$ 5.377.741	The plaintiffs request that the condemnation of the entities related to the lawsuit and the protection of collective rights and interests for the reduction of water flows in the face of the production of biomass that generated the decomposition and environmental damage that occurs during the stages of filling and operation of the quimbo hydroelectric plant and for the qualities of water below the Magdalena River be declared.	It is on appeal in the Council of State.

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PLAINTIFF	YEAR OF FILING	CLAIM VALUE (On Demand)	SUBJECT MATTER OF THE APPLICATION	CURRENT STATUS OF THE PROCESS
German Claros Valenzuela	2016	\$ 44.370.	Declaration of ineffectiveness of dismissal and employer fault in work accident - solidarity.	It is in the Neiva Court pending judgment.
Carlos Alberto Amador y Otros	2017	\$ 1.800.000.	Solidarity	An extraordinary appeal in cassation was lodged against the court's judgment. Pending that it is admitted and passes to Court.
Orlando Rojas Cleves	2017	\$ 445.222	Ineffectiveness of dismissal, by worker in a situation of manifest weakness, compensation Law 361 of 1997, employer fault.	An appeal was lodged against the judgment of first instance, pending its reaches the Court.

The Company faces litigation classified as possible or eventual, for which the management with the support of its external and internal legal advisors, estimates that the result of the lawsuits corresponding to the non-provisioned part will be favorable for the Company and will not cause liabilities of importance that must be accounted for or that, if they result, these will not significantly affect your financial position.

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

Process Type	Plaintiff	Subject matter of the Application	Value	Action	Month
Other	Consorcio Impregilo-OHL Y AXA Colpatría Seguros	Counterclaim of arbitration proceedings	3.712.037	Income	Apr-21
Other	AES CHIVOR & CIA SCA ESP	Action for annulment and reinstatement	3.600.000	Income	Dec-21
Emgesa-Floods A97	Alfonso Rodríguez Yara	Ordinary tort Civil Liability for Acts of 1.989	1.078.000	Sentence update	Dec-21
Other	AXIA ENERGIA SAS ESP	Issuing a payment order in favor of society	968.142	Income	Dec-21
Labour	Edwin Fernando Vivas	drawback	352.016	Favorable Termination	Dec-21
Labour	Gustavo Javier Gómez	Declare ineffective act number 8	200.000	Income	Dec-21
Quimbo	"Derly Andrea Lasso Torres y otros	Compensation for damages to the recipient population	25.000	Income	Dec-21
Other	"Medardo Martínez Chiquito y otros	Floods in the Municipality of La Dorada Caldas	5.000	Income	Dec-21
Other	Personería de Gachala	Popular Action	2.083	Income	Apr-21
Labour	Rodrigo Rivera Narvaez	Solidarity for dismissal associated with an accident at work.	(20.000)	Favorable Termination	Feb-21
Labour	Leandro Antonio Herrera	withdrawal / existence of contract	(20.000)	Favorable Termination	Feb-21
Quimbo	Nancy Falla	Damages	(25.000)	Favorable Termination	Feb-21
Quimbo	Jhon Edinson Chauz Betancourt	Damages	(40.468)	Favorable Termination	Oct-21
Labour	Cesar Alvarado Sanchez	reliquidation pension allowance	(70.000)	Favorable Termination	Feb-21
Quimbo	Jose Octavio Cabrera Almario	Compensation as a non-resident population	(73.262)	Favorable Termination	Jul-21
Quimbo	Martin Emilio Aguilar Delgado y Avelino Aguilar	Compensation as a non-resident population	(148.206)	Favorable Termination	Jul-21
Other	Ever Andrés Useche Ayerbe	Ordinary and non-contractual civil liability for events of 2011	(149.000)	Modification sentence	Aug-21
Other	Alquileres y Constructores Aderco LTDA	Lawsuit for theft of machinery from Emgesa subcontractor	(195.490)	Favorable Termination	Aug-21
Quimbo	Donelia Vargas Diaz	Moral and material damages	(209.321)	Favorable Termination	Dec-21
Quimbo	Jesús Alberto Lopez Bedoya	Compensate for damages on the route of the Magdalena Embalse River	(223.398)	Favorable Termination	Feb-21
Emgesa-Floods A97	Alfonso Rodríguez (89)	Ordinary tort Civil Liability for Acts of 1.989	(1.600.893)	Modification sentence	Dec-21
Quimbo	Fanol Bermeo Bermeo y Otros	Damages caused to paleros	(10.400.000)	Favorable Termination	Jul-21
Emgesa-civil	Grupo Energía De Bogotá S.A. E.S.P.	Nullity of the Minutes of the General Assembly	(417.232.038)	Favorable Termination	Sep-21

The Company does not have tax litigation as of December 31, 2021 qualified as likely to be provisioned.

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

**(a) Endowments:**

Process Type	Plaintiff	Subject matter of the application	Value	Date
Const_Accion_Grupo	Uber Roldan Cortes & Otros	Protection of collective rights and interests	1.400.000	ene-21
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and non-contractual civil liability for events of 2011	70.000	feb-21
Civil_Ordinario	Luz Mary Cardenas Velandia y otros	Protection of collective rights of inhabitants of the residential complex Club Puerto Peñalisa.	28.560	nov-21
Const_Accion_Popular	Medardo Martínez Chiquito	Floods in the Municipality of La Dorada Caldas	4.000	sep-21
Const_Accion_Popular	Personería de Gachala	Popular action promoted by the Personero de Gachalá.	2.083	ene-21
Civil_Ordinario	Luis ferney Yara (94)	Ordinary tort Liability for Acts of 1,994	2.000	feb-21
Laboral_Ordinario	Dagnober Loaiza Echeverry	Terminate the employment contract of the defendant, protected by the legal guarantee of trade union immunity.	2.000	sep-21
Const_Accion_Popular	Medardo Martínez Chiquito y otros	Floods in the Municipality of La Dorada Caldas	1.000	nov-21
Const_Accion_Popular	Helga Adriana Aanabria knepper	Popular action promoted against EMGESA S.A. ESP permanent of the Gachalá Range road	400	sep-21

**(b) Payments:**

Process Type	Plaintiff	Subject matter of the application	Value	Date
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and non-contractual civil liability for events of 2011	(67.712)	Mar-21
Proceso ordinario de Mayor, menor y mínima cuantía	Luz Mary Cardenas Velandia y otros	Protection of collective rights of inhabitants of the residential complex Club Puerto Peñalisa.	(28.560)	Dec-21
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and non-contractual civil liability for events of 2011	(6.266)	Oct-21
Acciones populares	Medardo Martínez Chiquito y otros	Floods in the Municipality of La Dorada Caldas	(4.760)	Dec-21
Const_Accion_Popular		Popular action promoted by the Personero de Gachalá.		
Civil_Ordinario	Personería de Gachala	Ordinary tort Liability for Acts of 1,994	(2.083)	Mar-21
Laboral_Ordinario	Luis ferney Yara (94)	Terminate the employment contract, protected by the legal guarantee of trade union immunity.	(1.861)	Mar-21
Civil_Verbal	Dagnober Loaiza Echeverry	Ordinary and non-contractual civil liability for events of 2011	(1.000)	Sep-21

**(c) Recoveries:**

Process Type	Plaintiff	Subject matter of the application	Value	Date
Laboral_Ordinario	Dionel Narvaez Castillo	Solidarity	110.000	Jan-21
Nulidad y restablecimiento del derecho en primera instancia (Ley 1437 de 2011)	CAR	Lawsuit against resolutions of the CAR for environmental management of the Muña reservoir and Bogotá River.	12.500	Dec-21
Civil Verbal	Hector Vanegas Vanegas	Ordinary Tort Liability for Events of 2007	7.758	May-21
Adm_Nulidad_y_Restablecimiento	Superintendencia de servicios públicos	Claim for Nullity and Restoration of the right by sanction to Emgesa S.A. E.S.P.	3.000	May-21
Civil_Verbal	Ever Andrés Useche Ayerbe	Ordinary and non-contractual civil liability for events of 2011	2.288	Apr-21
Acciones populares	Medardo Martínez Chiquito y otros	Floods in the Municipality of La Dorada Caldas	240	Dec-21

## 17. Other non-financial liabilities

	As of December 31, 2021		As of December 31, 2020	
Advances for sale of energy (1)	\$	108.922.202	\$	64.063.042
Taxes other than Income (2)		32.663.437		25.460.103
Deferred revenue		3.818.047		3.818.047
<b>Total</b>	<b>\$</b>	<b>145.403.686</b>	<b>\$</b>	<b>93.341.192</b>

(1) The variation of the period corresponds to the increase in the advance of energy purchases by \$ 45,234,890, mainly with Caribe Mar De La Costa S.A.S E.S.P. and Air-E S.A.S E.S.P. (See note 21)

(2) As of December 31, 2021, non-income taxes correspond to:

	As of December 31, 2021		As of December 31, 2020	
Provision for payment of taxes (*)	\$	10.021.073	\$	16.832.044
Territorial taxes, municipal and related contributions (*)		22.642.364		8.628.059
	<b>\$</b>	<b>32.663.437</b>	<b>\$</b>	<b>25.460.103</b>

(\*) The variation of the period corresponds to a decrease in withholdings and self-withholdings practiced by (\$6,810,971) and by territorial taxes, municipal and related contributions an increase of \$14,014,305.

## 18. Provisions for employee benefits

	As of December 31, 2021		As of December 31, 2020	
	Stream	Non-current	Stream	Non-current
Social benefits and contributions of law	\$ 31.313.314	\$ 2.618.132	\$ 29.719.128	\$ 2.614.659
Post-employment and long-term defined benefit obligations (1)	6.749.434	73.618.005	6.818.598	87.824.144
Retirement Plan Benefits	1.135.453	-	951.999	-
Other obligations (2)	629.406	-	725.898	-
	<b>\$ 39.827.607</b>	<b>\$ 76.236.137</b>	<b>\$ 38.215.623</b>	<b>\$ 90.438.803</b>

(1) The Company grants different defined benefit plans, post-employment obligations and long-term benefits to its active or retired workers, in accordance with the fulfillment of previously defined requirements.

### Retirement Pensions.

The Company has a defined benefit pension plan on which it does not present specific assets, except for the own resources originated in the development of its operational activity. Benefit pension plans set the amount of pension benefit an employee will receive upon retirement, which usually depends on one or more factors, such as the employee's age, years of service, and compensation.

The liability recognized in the separate statement of financial position, in respect of defined benefit pension plans, is the present value of the defined benefit obligation at the date of the separate statement of financial position, together with adjustments for unrecognized actuarial gains or losses. The defined benefit obligation is calculated by independent actuaries using the projected unit of credit method. The present value of the defined profit obligation is determined by discounting the estimated cash outflows using interest rates calculated from the yield curve of the Government of Colombia Public Debt Securities (TES) denominated in units of real value (UVR) that have terms that approximate the terms of the pension obligation until maturity.

Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are charged or credited to equity in the other comprehensive result, in the period in which they arise.

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

To date, the base of employees on whom the recognition of this benefit is made corresponds to 309 pensioners with an average age of 66.5 years.

*Other post-employment obligations*

Benefits for pensioners

The Company grants the following benefits to its retired employees by pension: (i) Educational assistance (23 beneficiaries, Average age of beneficiaries 21.3); (ii) Energy aid 275 beneficiaries, Average age of beneficiaries 69.2 (iii) Health 73 beneficiaries, Average age of beneficiaries 59.1 in accordance with the provisions of the collective labor agreement.

The right to the aforementioned benefits is usually given to the independent employee who has worked until retirement age. The expected costs of these benefits accrue during the period of employment using a methodology similar to that of defined benefit plans. Actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or credited to other comprehensive results in the period in which they arise. These obligations are valued annually by qualified independent actuaries.

*Retroactive Severance*

Retroactive severances, considered as post-employment benefits, are paid to those workers belonging to the labor regime prior to Law 50 of 1990 and who did not take advantage of the change of regime.

This social benefit is paid for all the time worked based on the last salary earned and is paid regardless of whether the employee is fired or retires. Actuarial gains and losses arising from adjustments from experience and changes in actuarial assumptions are charged or credited to the other comprehensive result.

To date, the base of employees on whom the recognition of this obligation is made corresponds to 80 employees with an average age and seniority of 56 and 28.1 years, respectively.

*Long-Term Benefits*

The Company recognizes its active employees, benefits associated with their time of service, such as the five-year periods, which consists of making a payment for every 5 years of uninterrupted service to workers whose date of hiring was made before September 21, 2005 and accrues from the second year, as defined in the collective bargaining agreement.

The expected costs of these benefits accrue during the period of employment, using a methodology similar to that used for defined benefit plans. Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are charged or credited to the outcome of the period in which they arise. These obligations are valued by qualified independent actuaries.

To date, the base of employees on whom the recognition of this benefit is made corresponds to 91 employees with an average age and seniority of 55 and 26.2 years, respectively.

As of December 31, 2021, the actuarial calculation of post-employment benefits was performed by the firm AON Hewitt Mexico, using the following set of hypotheses:

*Financial assumptions:*

Type of rate	As of December 31, 2021	As of December 31, 2020
Discount rate	6.94%	5.74%
Rate of salary increase (active staff)	4.95%	4.85%
Rate of increase to pensions	3.90%	3.80%
Estimated inflation	3.90%	3.80%
Inflation medical service	8.00%	8.00%



Demographic hypotheses:

Biometric base	
Mortality rate	Colombian mortality table 2008 (Valid rentiers) (Men and women)
Invalid mortality rate	Enel internal table
Total and permanent disability	EISS
Rotation	Enel internal table
Retreat	Men: 62 Women: 57

Contributions of Law

The Company makes periodic contributions for severance and comprehensive social security: health, occupational risks and pensions, to the respective private funds and to Colpensiones that assume these obligations in their entirety.

The movement of defined benefit obligations as of December 31, 2021 is as follows:

	Retired staff		Active personnel		Other	
	Pensions (a)	Proceeds	Retroactive severance	Five-year periods	Retirement Plan	Defined Benefit Plan
<b>Final balance as of December 31, 2019</b>	<b>\$ 75.970.223</b>	<b>\$ 8.565.050</b>	<b>\$ 6.331.661</b>	<b>\$ 3.258.827</b>	<b>\$ -</b>	<b>\$ 94.125.761</b>
Cost of current service	-	-	247.739	123.721	-	371.460
Financial cost	4.267.594	479.443	360.698	175.274	-	5.283.009
Paid Contributions	(6.146.828)	(548.043)	(588.927)	(780.386)	-	(8.064.184)
Procurement	-	-	-	-	-	-
Actuarial losses changes financial assumptions	617.794	809.690	34.254	2.444	-	1.464.182
Actuarial losses changes adjustments by experience	-	-	250.745	1.211.769	-	1.462.514
<b>Final balance as of December 31, 2020</b>	<b>\$ 74.708.783</b>	<b>\$ 9.306.140</b>	<b>\$ 6.636.170</b>	<b>\$ 3.991.649</b>	<b>\$ -</b>	<b>\$ 94.642.742</b>
Cost of current service	-	-	248.876	154.183	-	403.059
Financial cost	4.157.113	515.418	371.623	215.442	-	5.259.596
Paid Contributions	(5.767.676)	(541.982)	(829.240)	(826.012)	-	(7.964.910)
Procurement	-	-	-	-	1.851.024	1.851.024
Actuarial gains changes financial assumptions	(12.232.116)	(1.357.331)	(405.328)	(94.803)	-	(14.089.578)
Actuarial losses changes adjustments by experience	-	-	(155.669)	421.175	-	265.506
<b>Final balance as of December 31, 2021</b>	<b>\$ 60.866.104</b>	<b>\$ 7.922.245</b>	<b>\$ 5.866.432</b>	<b>\$ 3.861.634</b>	<b>\$ 1.851.024</b>	<b>\$ 80.367.439</b>

- (a) Complying with the provisions of article 4 of Decree 2131 of 2016 that allows the application of IAS 19 for the determination of the liability of post-employment benefits for future retirement pensions, additionally requiring the disclosure of the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016 that takes up what was proposed in Decree 2783 of 2001. As of December 31, 2021 and 2020, the post-employment benefit liability for future retirement pensions amounts to \$50,754,886 and \$54,057,158, respectively. The sensitivity of the actuarial hypotheses was performed by the firm AON Hewitt México, using the following variables.

Type of rate	As of December 31, 2021	As of December 31, 2020
Discount rate	7,53%	8,62%
Technical interest	4,80%	4,80%
Estimated inflation	2,60%	3,64%

The following table shows the behavior in the present value of the obligation for each of the defined benefits, in relation to the percentage change in 100 basis points above or below the discount rate used for the current calculation.

As of December 31, 2021:

Change in discount rate	Retired staff		Active personnel		Other	
	Pension	Proceeds	Retroactive severance	Five-year periods	Retirement Plan	Defined Benefit Plan
- 100 puntos básicos	68.774.777	8.708.063	6.258.062	3.947.660	1.876.710	89.565.272
+ 100 puntos básicos	55.426.920	7.311.834	5.507.970	3.779.432	1.826.264	73.852.420

As of December 31, 2020:

Change in discount rate	Retired staff		Active personnel		Defined Benefit Plan
	Pension	Proceeds	Retroactive severance	Five-year periods	
- 100 basis points	84.565.951	10.277.915	7.138.255	4.113.098	106.095.219
+ 100 basis points	66.574.455	8.473.751	6.182.271	3.876.664	85.107.141

(2) Variation corresponding to the benefit granted by the Company covering the income tax for labor income of impatriate and expatriate personnel.

## Collective Labour Agreement

### Collective Agreement – SINTRAELECOL 2015–2018 – Extended to 2022

The Collective Agreement signed with SINTRAELECOL ended its validity on June 30, 2018, however, the union did not denounce and present the respective list of demands, so the conventional text was extended automatically and by provision of the Law, for successive periods of six (6) months. However, the foregoing between the Company and the Union, decided to agree by common agreement on December 31, 2021, the adjustment to certain benefits of the Collective Labor Agreement, such as:

1. Monthly basic salary increase for 2022 (CPI+1.5%) since January 2022.
2. Adjustment of the CPI to the economic benefits of the normative body from February 2022.
3. The aid for recognition of the legal old-age pension (marching aid) is modified, which will be permanently increased for agreed workers, linked before January 1, 2004, to TWENTY-FIVE (25) legal monthly minimum wages in force.
4. The company will recognize for (1) only once all workers with ordinary salary, affiliated on December 15, 2021 to the trade union organization SINTRAELECOL, a non-salary bonus worth three million pesos.

These contractual obligations were closed by means of an extra-conventional act made on the (day of the month of the year), thus favoring all workers benefiting from the Collective Labor Agreement from January 1, 2022 to December 31, 2022.

### Collective Agreement – ASIEB 2016–2019

On 1 June 2016, the Collective Labour Agreement was signed with the Trade Union Organisation ASIEB. This Collective Agreement applies to all engineers working in the Company affiliated to the Trade Union Association of Engineers at the Service of Energy Companies – ASIEB who do not benefit from another collective agreement. The convention was in force from June 1, 2016 to December 31, 2019. The union filed the complaint within the terms of the law and the list of demands on December 30, 2019, which is why the direct settlement stage began on February 19, 2020.

However, once the negotiation meetings were advanced according to the agreed schedule, on September 16, 2020, the parties ended the stage of direct settlement while the interests and needs of each one are different and as such their positions are far away, so the convening of the respective Arbitration Tribunal was requested before the Ministry of Labor, body that must define the collective dispute with this trade union organization.

To date we are waiting for the notification of the Resolution issued by the Ministry of Labor by which the installation of the arbitration tribunal is ordered.

## 19. Deferred taxes, net

### Social Investment Law

On September 14, 2021, Law 2155 on social investment was approved, which modified the income tax rate from the taxable year 2022 defining the 35% rate, which falls on the taxable income obtained during each year. The effect of temporary differences involving the payment of a lower or higher income tax in the current year, is accounted for as deferred tax credit or debit respectively at the tax rates in force when the differences are reversed (35% from 2022), provided that there is a reasonable expectation that such differences will be reversed in the future and also for the asset, that at that time sufficient taxable income will be generated.

The Company, as a result of this increase in the rate, recognized the variations as of December 31, 2021.

of its deferred tax assets and liabilities. The net payment to results was \$44,531,895.

Below is the detail of the net deferred tax liability as of December 31, 2021:

	Opening Balance as of January 01, 2021	Increase (Decrease) for deferred taxes in Results	Increase (Decrease) for Deferred Taxes in Other Comprehensive Results	Final balance as of December 31, 2021
Other provisions (1)	\$ 10,629,332	\$ 9,447,149	\$ -	\$ 20,076,481
Defined contribution obligations	10,024,932	405,262	(3,195,079)	7,235,115
Active deferred tax	<b>\$ 20,654,264</b>	<b>\$ 9,852,411</b>	<b>\$ (3,195,079)</b>	<b>\$ 27,311,596</b>
Excess tax depreciation over book value	(239,118,394)	(105,000,641)	-	(344,119,035)
Forward and swap	539,855	-	(1,439,523)	(899,670)
Deferred tax liability	<b>\$ (238,578,539)</b>	<b>\$ (105,000,641)</b>	<b>\$ (1,439,523)</b>	<b>\$ (345,018,705)</b>
Deferred tax liability, net	<b>\$ (217,924,275)</b>	<b>\$ (95,148,230)</b>	<b>\$ (4,634,602)</b>	<b>\$ (317,707,109)</b>

(1) As of December 31, 2021, the detail of the deferred tax active for other provisions corresponds to:

	Opening balance as of January 01, 2021	Increase (Decrease) for deferred taxes in Results	Final balance as of December 31, 2021
Provisions for jobs and services	\$ 7,047,528	\$ 6,520,455	\$ 13,567,983
Provision of Bad Accounts	552,826	1,555,612	2,108,438
Provision of Labor Obligations	1,555,120	196,782	1,751,902
Provision of Industry and Commerce	633,574	704,030	1,337,604
Provision Compensation Quality	840,284	470,270	1,310,554
	<b>\$ 10,629,332</b>	<b>\$ 9,447,149</b>	<b>\$ 20,076,481</b>

(2) Excess tax depreciation over book value arises because:

- Assets classified or belonging to the Quimbo project have special treatment: Assets in 2016 were depreciated according to the useful life classified according to the type of asset in accordance with the regulations in force until that year, for 2017 despite the fact that the reform (Law 1819 of 2016) established new rates for depreciation, the assets that belong to Quimbo will continue with those of the regulation since this project has legal stability.

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2. Assets to which accelerated depreciation was applied with the balance reduction method.
3. The other assets are depreciated by a straight line.
4. From 2017, assets that are acquired as new or that are activated will take into account the accounting useful life unless this is not greater than that established in Ley 1819 of 2016.

The deferred tax as of December 31, 2021 per fee is presented below:

	<b>2022 onwards Income</b>
Estimated provisions and liabilities	(493.306.669)
Fixed assets	(447.416.222)
Defined contribution obligations	20.671.752
Wallet	6.024.110
	<b>\$ (914.027.029)</b>
Rent Rate	35%
Income Tax	<b>\$ (319.909.460)</b>
Occasional earnings	8.647.463
Fare	10%
Tax	864.746
Industry and Commerce	2.675.210
Fare	50%
Tax	1.337.605
<b>Total deferred tax credit</b>	<b>\$ (317.707.109)</b>

Below is the breakdown of the net deferred tax liability as of December 31, 2020.

	Opening Balance as of January 1, 2020	Increase (Decrease) for deferred taxes in Results	Increase (Decrease) for Deferred Taxes in Other Comprehensive Results	Final balance as of December 31, 2020
Other provisions (1)	\$ 13.469.424	\$ (2.840.092)	\$ -	\$ 10.629.332
Defined contribution obligations	9.836.972	199.692	(11.732)	10.024.932
<b>Active deferred tax</b>	<b>\$ 23.306.396</b>	<b>\$ (2.640.400)</b>	<b>\$ (11.732)</b>	<b>\$ 20.654.264</b>
Excess tax depreciation over book value (2)	(189.102.507)	(50.015.887)	-	(239.118.394)
Forward and swap	(2.459.527)	-	2.999.382	539.855
<b>Deferred tax liability</b>	<b>(191.562.034)</b>	<b>(50.015.887)</b>	<b>2.999.382</b>	<b>(238.578.539)</b>
<b>Deferred tax net liabilities</b>	<b>\$ (168.255.638)</b>	<b>\$ (52.656.287)</b>	<b>\$ 2.987.650</b>	<b>\$ (217.924.275)</b>

(1) As of December 31, 2020, the detail of the deferred tax active for other provisions corresponds to:

	Opening balance as of January 1, 2020	Increase (Decrease) for deferred taxes in Results	Final balance as of December 31, 2020
Provisions for jobs and services	\$ 9.089.573	\$ (2.042.045)	\$ 7.047.528
Provision of labor obligations	2.173.952	(618.833)	1.555.119
Quality compensation provision	762.914	77.370	840.284
Other	472.986	(472.986)	-
Provision of uncollectible accounts	969.999	(417.172)	552.827
Provision of industry and commerce	-	633.574	633.574
	<b>\$ 13.469.424</b>	<b>\$ (2.840.092)</b>	<b>\$ 10.629.332</b>

(2) Excess tax depreciation over book value arises because:

- Assets classified or belonging to the Quimbo project have a special treatment: The assets in 2016 were depreciated according to the useful life classified according to the type of asset according to the regulations in force until that year, for the year 2017 despite the reform (Ley 1819 of 2016) established new rates for depreciation, the assets that belong to Quimbo will continue with those of the regulation since this project has legal stability.
- Assets to which accelerated depreciation was applied with the balance reduction method.

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- The other assets are depreciated by a straight line.
- As of 2017, the assets that are acquired as new or that are activated will take into account the accounting useful life unless this is not greater than that established in Law 1819 of 2016.

The deferred tax as of December 31, 2020 per fee is presented below:

	2021 Rent	2022 onwards Rent
Fixed assets		(1.069.931.211)
Estimated provisions and liabilities	19.358.235	283.259.861
Defined contribution obligations		33.416.436
Wallet		1.842.754
	19.358.232	(751.412.159)
Rent Rate	31%	30%
Income Tax	6.001.053	(225.423.648)
Occasional earnings	\$ 8.647.463	
Fare	10%	
Tax	\$ 864.746	
Industry and Commerce	1.267.148	
Fare	50%	
Tax	633.574	
<b>Total deferred tax credit</b>	<b>\$ (217.924.275)</b>	

The recovery of deferred tax asset balances depends on obtaining sufficient tax profits in the future. Management considers that the projections of future profits cover what is necessary to recover these assets.

## 20. Heritage

### Capital

The authorized capital consists of 286,762,927 shares, with a nominal value of \$4,400 for each share.

The subscribed and paid-up capital is represented by 127,961,561 ordinary shares and 20,952,601 shares with preferential dividend for a total of 148,914,162 shares with a nominal value of \$4,400, distributed as follows:

Shareholder composition as of December 31, 2021:

Shareholders	Voting Common Shares		Non-Voting Preferred Shares		Shareholder Composition	
	(%) Participation	Number of Actions	(%) Participation	Number of Actions	(%) Participation	Number of Actions
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
Otros minoritarios	0,01%	7.315	-%	-	0,01%	7.315
	<b>100%</b>	<b>127.961.561</b>	<b>100%</b>	<b>20.952.601</b>	<b>100%</b>	<b>148.914.162</b>

(1) Of the total shares of Grupo Energía Bogotá S.A. E.S.P., 20,952,601 shares correspond to non-voting shares with a preferential dividend of US\$0.1107(\*) per share.

Preferred shares do not grant a right to receive a guaranteed total fixed dividend, just as those shares do not contain a set date for redemption.

(\*) Full figure expressed in USD.

### Distribution of dividends approved in 2021

The General Shareholders' Meeting of March 24, 2021, approved the distribution of profits and payment of dividends charged to the net income of 2020 for \$ 1,163,554,895, paid as follows: 100% of the preferential dividend and 50% of the ordinary dividend, in May 2021 and the remaining 50% in August 2021.

At the General Shareholders' Meeting, at its extraordinary session held on July 27, 2021, the partial distribution of retained profits and the extraordinary payment of dividends for \$615,482,074 were approved, which were paid in December 2021.

### Distribution of dividends approved in 2020

The General Meeting of Shareholders of March 25, 2020 according to minutes No.103, approved the distribution of profits and payment of dividends charged to the net income of 2019 for \$ 871,166,400, which will be paid as follows: 100% of the preferential dividend and 38% of the ordinary dividend, on May 20, 2020; 37% on 15 October 2020 and 25% on 20 January 2021.

### Reserves

	As of December 31, 2021		As of December 31, 2020
Legal Reserve (1)	\$ 327,611.157	\$	327,611.157
Reservation (Art. 130 ET) (2)	215,186.398		223,904.394
Other Reservations	178.127		178.127
	<b>\$ 542,975.682</b>	<b>\$</b>	<b>551,693.678</b>

(1) According to Colombian law, the Company must transfer at least 10% of the year's profit to a legal reserve, until this is equal to 50% of the subscribed capital. This reserve is not available to be distributed, however, it can be used to absorb losses.

(2) The General Shareholders' Meeting of March 24, 2021, according to Minutes No.105, ordered the reversal of the fiscal reserve for \$8,717,996, for the depreciation of assets that was accountably higher than the fiscal one as of December 31, 2020. In the years 2014 to 2016, the reservation that was established in article 130 of the Tax Statute was generated, which was repealed with Ley 1819 of 2016.

### Utility per share

Basic income per share is calculated as the ratio between the net profit for the period attributable to the Company's shareholders and the weighted average number of ordinary shares outstanding during that period, after the appropriation of the preferred dividends corresponding to 20,952,601 shares as of December 31, 2021 of Grupo Energía Bogotá S.A. E.S.P. Preferred dividends are worth US\$0.1107 per share (\*).

(\*) Full figure expressed in USD.

## 21. Income from ordinary activities and other income

Income from ordinary activities from contracts with customers:

	For the year ended December 31, 2021		For the year ended December 31, 2020
Sale of Energy (1)	\$ 4,618,091.336	\$	4,166,550.763
Sale of Gas (2)	65,205.325		81,045.223
Certified Sales (3)	39,168.228		132.267
Sale of demineralized water (4)	220.168		-
<b>Total income from ordinary activities</b>	<b>\$ 4,722,685.057</b>	<b>\$</b>	<b>4,247,728.253</b>
Other Income (5)	3,914.790		33,555.945
<b>Total income from ordinary activities and other income</b>	<b>\$ 4,726,599.847</b>	<b>\$</b>	<b>4,281,284.198</b>

(1) The variation in energy sales as of December 31, 2021 for \$451,540,573 is presented by the increase in contract prices (249 COP/kWh in 2021 Vs 221 COP/kWh in 2020), price effect by \$439,073,302 higher PPI, and by a higher sales effect of (50 GWh) of \$12,467,271 mainly due to higher sales in contracts.

(2) Gas sales show a decrease compared to 2020 by (\$15,839,898), mainly due to lower supply sales by 502,292 Mbtus; due to termination of contracts.

(3) As of December 31, 2021, it corresponds to the sale of 2,787,187 carbon certificates for \$39,116,538 and green certificates



for \$51,690.

- (4) It corresponds to the sale of demineralized water of 4,234 m3 from the Cartagena Central for \$ 220,168.
- (5) Other revenues decreased by (\$29,641,155), represented mainly by higher income in 2020 due to penalty associated with compensation for damages corresponding to equipment of the El Quimbo hydroelectric plant for (\$12,506,434) and estimation of the expected margin for the sale of carbon credits certificates taking as a reference the validity of issuance and the marketing options for (\$15,127,302).

### Negative Reconciliations Resolution CREG 176 of 2015

On February 26, 2016, the Company filed a request for pre-judicial conciliation with the Attorney General's Office – Administrative Judicial Prosecutor's Office, in order to review by the CreG Energy and Gas Regulation Commission, the settlement of the negative reconciliations caused in October 2015, taking into account that the Company considers that these reconciliations should be subject to the regulations in force in resolutions CREG 034 of 2001, 159 and 168 of 2015, therefore they cannot be liquidated with retroactive effect since the methodology under the new resolution CREG 176 of 2015 can only have effects towards the future, that is, from October 28, 2015 date of its publication. The amount of the claims relating to the restoration of the violated right and reparation of the damage is \$100,410,738.

The administrator of the XM market, in a communication filed on February 22, 2016, stated that the disagreement presented by the Company on Article 1 of resolution CREG 176 of 2015 was appropriate; however, it did not define forms, dates or amounts in which the adjustments would be applied in the billing of the 2016 term. Before any adjustment was made, the CREG issues Resolution 043 of 2016 by which it is clarified that the settlements that Resolution 176 of 2015 corrects are those made from September 20 to October 28, 2015, closing any possibility to XM to make adjustments and reaffirming the retroactive effect of the aforementioned resolution.

The Company files a claim for nullity with reinstatement of the right against creg and XM S.A. E.S.P. on May 24, 2016, correctly admitted on September 2, requesting the nullity of Resolution CREG 176 of 2015 and 043 of 2016 and by way of restoration the payment of \$ 100,410,738 that corresponds to the value that the Company had to assume for negative reconciliations. The lawsuit was admitted, notified and answered by the Energy and Gas Regulatory Commission on April 17, 2017.

On June 9, 2017, the reform of the lawsuit filed by the Company was admitted, in which XM S.A. E.S.P. is excluded as a defendant on the grounds that the error comes from the CREG, directed only against this entity. This will allow to obtain a ruling in less time, approximately 5 years for first and second instance. On July 5, 2017, the reform of the lawsuit by the CREG was answered. The Administrative Court of Cundinamarca set a date for a hearing of December 6, 2017, in which the evidence requested by the parties was decreed.

On April 18, 2018, an evidentiary hearing was held within which the testimonies requested by the parties were heard. On May 4, 2018, the final allegations were presented and the process enters the Magistrate's Office to pronounce the sentence.

As of December 31, 2021, it does not present an additional update.

### Disaggregation of revenue from contracts with customers

The Company obtains its income from contracts with customers, for the transfer of goods and / or services which are satisfied over time or at a point in time and are disaggregated by market in which these goods and / or services are supplied.

This income is generated in Colombia.

Categories	Satisfaction of performance obligations	For the year ended	
		December 31, 2021	December 31, 2020
Sale of Energy Wholesale Market	- Over time	\$ 2.816.662.599	\$ 2.352.226.486
Sale of Energy Unregulated Customers	- Over time	1.553.230.522	1.301.972.653
Sale on Energy Exchange	- Over time	248.198.215	512.351.624
<b>Total Energy Sales</b>		<b>4.618.091.336</b>	<b>4.166.550.763</b>
Sale of Gas	- Over time	65.205.325	81.045.223
<b>Total Gas Sales</b>		<b>65.205.325</b>	<b>81.045.223</b>
Certified sales	- At a point in time	39.168.228	132.267
Sale of demineralized water	- Over time/at a point in time	220.168	-

	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Total Sale of certificates and demineralized water</b>	<b>39.388.396</b>	<b>132.267</b>
Other Income	3.914.790	33.555.945
<b>Total Other Income</b>	<b>\$ 3.914.790</b>	<b>\$ 33.555.945</b>
<b>Total Income from ordinary activities and other operating income</b>	<b>\$ 4.726.599.847</b>	<b>\$ 4.281.284.198</b>

- Over time/at a point in time

### Contractual assets and liabilities

Contractual assets: The Company does not present contractual assets, since the goods and / or services supplied to customers that have not yet been invoiced, generate an unconditional right to consideration by customers, since only the passage of time is required in the enforceability of payments by customers, and the Company has satisfied all performance obligations.

Contractual liabilities: The Company presents the liabilities of the contract in the statement of financial position, in the category of other current non-financial liabilities (See Note 17). The liabilities of the contract reflect the obligations of the Company, in the transfer of goods and / or services to clients for whom the entity has received an advance consideration.

Below are the contract liabilities by Category:

	As of December 31, 2021	As of December 31, 2020
- Wholesale Customers	\$ 88.025.621	\$ 48.621.352
- Non-Regulated Clients	20.896.581	15.441.690
	<b>\$ 108.922.202</b>	<b>\$ 64.063.042</b>

### Satisfaction of performance obligations

Performance obligations are satisfied to the extent that goods and/or services committed to customers are transferred, i.e. to the extent that the customer gains control of the goods and services transferred.

#### • Sale of Energy Unregulated Customers, Wholesalers and Stock Exchange

The satisfaction of performance obligations is realized over time, since customers simultaneously receive and consume the benefits provided in the provision of the energy supplied by the Company.

#### • Sale of Gas

As in the sale of energy, the satisfaction of performance obligations is made over time, since the Company is entitled to payment in case the contract is terminated for the supply of gas.

#### • Other Income

The other revenues present performance obligations, satisfied over time since customers simultaneously receive and consume the goods and / or services committed to customers, example of revenue recognized over time are: deviations from the marketer, energy backup in the secondary market mainly.

Performance obligations, satisfied at a point in time are those that do not meet so that the requirements to be satisfied over time are satisfied. Some performance obligations satisfied at one 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 different series of 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 as follows:

Category	Performance obligations	Description
Sale of Energy Wholesale Market	- Sale of electrical energy	- Corresponds to energy supply to customers in the wholesale market.
Sale of Energy Unregulated Customers	- Sale of electrical energy	- Corresponds to energy supply to customers of the unregulated market.
Sale on Energy Exchange	- Sale of energy - Other complementary services	- Corresponde al suministro de energía a través del administrador del sistema XM.
Sale of Gas	- Dispatch for security - Gas supply and/or transport.	- Corresponds to the power supply through the XM system manager. - Corresponds to sales operations, administration and maintenance of other concepts outside the Core of business.
Other Income	- Commissions, and sale of other goods. - - CO <sub>2</sub> Carbon Certificates - Reliability charges.	- Corresponds to the reduction of CO <sub>2</sub> emissions made by the Company that are susceptible to certification. - Corresponds to the income received from surplus energy in firm, to support the unavailability of plants of other agents.

## Significant judgments in the application of the standard

### • Sale of Energy and Gas

The Company supplies energy and gas to customers in the wholesale, unregulated, stock exchange and gas markets.

Revenue is recognized when control of the compromised goods and/or services is transferred to customers. There is no obligation of unfulfilled performance of the goods and / or services transferred to customers, since the Company is certain that it has met all the criteria of acceptance by customers, to the extent that they have the ability to redirect the use of the goods and / or services obtained and obtain substantially the benefits associated with them.

### • Sale of other goods and/or services

The Company provides operation and maintenance management services, sells material waste and ash and recognized as income the reduction of CO<sub>2</sub> emissions that can be certified as of December 31, 2021. In the same way, it receives income from deviations from those marketed and from energy backup in the secondary market. These revenues are recognized to the extent that their control is transferred to customers and they have the ability to direct the goods and / or services supplied, 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 clients is fixed, with no variation of this due to future events. Similarly, the entity does not present installment sales of the goods and / or services supplied to customers.

### • Schedule for the satisfaction of performance obligations

For performance obligations satisfied over time, the method of measuring the progress of the satisfaction of performance obligations is performed by the product method, because the Company is entitled to receive as consideration from customers, the value of goods and / or services supplied to customers, until the date of its provision.

### • Income recognized as contract liabilities

The Company recognizes as income the liabilities of the contract, to the extent that it satisfies the performance obligations..

### • Assets recognized for obtaining or fulfilling contracts with clients

The Company has no costs for obtaining or fulfilling contracts, so it has no assets associated with this concept.

## 22. Provisions and services

	For the year ended December 31, 2021	For the year ended December 31, 2020
Energy purchases (1)	\$ 576.499.669	\$ 664.455.006
Energy transport costs (2)	574.031.933	467.953.997
Other variable provisions and services (3)	172.063.553	111.409.256
Business-related taxes (4)	131.798.571	132.922.170
Purchase and consumption of gas (5)	39.035.377	65.411.751
Fuel consumption (6)	38.085.172	81.534.567
	<b>\$ 1.531.514.275</b>	<b>\$ 1.523.686.747</b>

(1) The variation as of December 31, 2021 for (\$87,955,337) corresponds to lower stock market price (151 COP/kWh in 2021 Vs 252 COP/kWh in 2020) for (\$221,618,901) offset by higher purchases (+887 GWh) for \$133,663,564.

(2) The variation as of December 31, 2021 for \$106,077,936 corresponds to greater sale of energy to the unregulated market and increase in regulated charges derived from an increase in the rates of STR (regional transmission system), SDL (local network system), ADD (distribution areas) and CPROG (efficient cost of the efficient loss reduction program).

(3) Other variable provisions and services:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Restrictions (a)	\$ 94.462.243	\$ 46.630.227
Other generation support services (b)	28.792.711	12.693.575
Cost CND, CRD, SIC	21.111.602	18.528.165
Secondary Market Reliability Charge	17.272.730	10.114.602
Contributions Regulatory Bodies (c)	10.306.169	23.321.831
Reading services	118.098	120.856
	<b>\$ 172.063.553</b>	<b>\$ 111.409.256</b>

(a) As of December 31, 2021, the highest cost of restrictions is presented by \$47,832,016; due to the decrease in the stock market price (151 COP/kWh in 2021 Vs 252 COP/kWh in 2020). therefore, thermal generation is reduced in merit, but the generation of programmed safety is essential to cover the electrical restrictions in the national interconnected system.

(b) As of December 31, 2021, the costs associated with the administration, operation and maintenance agreement of the Tominé Reservoir signed with the Bogotá Energy Group and the Company in 2013, with a duration of 10 years for a value of \$ 10,628,427, are recognized.

(c) The contribution to regulatory entities presents a decrease as of December 31, 2021, given that article 85 of Law 142 of 1994, modified by article 18 of Law 1955 of 2019 and article 23 numeral 9 of Decree 990 of 2002, empower the Superintendence of Public Household Services to liquidate and collect annually a special contribution to the entities subject to its inspection, surveillance and control to recover the costs incurred. In article 314 of Law 1955 of 2019 established an additional contribution to that defined in Article 85 of Law 142 of 1994, aimed at strengthening the Business Fund of the Superservices, for the year 2021 the basis of the settlement of the additional contribution was modified, which causes the variation in the cost of contributions to regulatory entities for (\$13. 015. 662).

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(4) Taxes associated with the business:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Contributions and Royalties Law 99 of 1993 (a)	\$ 95.383.001	\$ 93.199.756
Solidarity Fund Reform Law 633 (b)	26.576.313	29.357.535
Other local taxes associated with the business	6.872.539	7.168.788
Industry and Commerce Tax	2.966.718	3.196.091
	<b>\$ 131.798.571</b>	<b>\$ 132.922.170</b>

(a) In accordance with Law 99 of 1993, the Company is obliged to make transfers for basic sanitation and environmental improvement projects to municipalities and regional autonomous corporations, equivalent to 6% of gross energy sales by own generation in hydraulic plants, and 4% in thermal plants, in accordance with the rate indicated for block sales by the Energy and Gas Regulatory Commission (CREG).

(b) According to Law 633 of 2000, the Financial Support Fund for the Energization of Non-Interconnected Zones – FAZNI, is a fund whose resources are allocated in accordance with the Ley and with the energization policies that for non-interconnected areas, as determined by the Ministry of Mines and Energy, to finance plans, prioritized investment programs and/or projects for the construction and installation of the new electrical infrastructure and for the replacement or rehabilitation of the existing one, with the purpose of expanding coverage and ensuring the satisfaction of energy demand in non-interconnected areas.

The generating agents pay the FAZNI based on the monthly generation of their plants dispatched centrally and filo de Agua, at the applicable annual rate. The corresponding values are collected by the wholesale energy market and forwarded to the Ministry of Finance and Public Credit.

(5) The variation as of December 31, 2021 for (\$26,376,374) is presented by a decrease in the purchase of 687,910 Mbtus of gas supply due to lower demand in contracts for (\$17,120,882); and decrease in gas consumption for the generation of the Cartagena plant by (\$9,255,492).

(6) The variation as of December 31, 2021 (\$43,449,395), corresponds to the decrease in liquid fuel consumption for the generation of the Cartagena Power Plant by (\$2,796,168) and decrease in coal consumption for the Termozipa plant by (\$40,653,227).

### 23. Staff costs

	For the year ended December 31, 2021	For the year ended December 31, 2020
Wages and salaries (1)	\$ 85.163.774	\$ 84.535.145
Social security service and other social security contributions	19.313.347	21.765.351
Other staff costs (2)	2.060.232	7.575.625
Post-employment benefit obligation expense (3)	1.233.891	1.583.230
	<b>\$ 107.771.244</b>	<b>\$ 115.459.351</b>

(1) The salaries and salaries for 2021 and 2020 are constituted of the following concepts:

Description	For the year ended December 31, 2021	For the year ended December 31, 2020
Wage	\$ 53.574.639	\$ 53.545.540
Bonuses	12.218.075	12.128.684
Vacation	6.874.303	6.152.508
Service Premium	5.404.466	4.851.796
Severance	3.737.396	3.969.917
Amortization of Employee Benefits	3.354.895	3.886.700
<b>Total wages and salaries</b>	<b>\$ 85.163.774</b>	<b>\$ 84.535.145</b>

- (2) The variation corresponds mainly to the recognition of the Provision of the Transition Fund, which consists of optimizing the staff and processes through automation and digitalization in the different areas and lines of business of the Company. The variation of the provision constituted is (\$5,515,393) for three years with a discount rate of 5.93% for 2023, 5.98% for 2024 and 6.03% for 2025 in long-term flows.
- (3) The variation is presented by the update of the actuarial calculation, in the financial cost of severance and five-year periods for \$758,997 and medical costs for (\$409,658).

#### 24. Other fixed operating expenses

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Independent, outsourced and other professional services (1)	\$ 53.531.914	\$ 51.082.406
Other supplies and services	34.537.038	38.117.277
Insurance premiums	29.224.891	26.091.763
Repairs and maintenance	19.599.840	18.291.690
Taxes and fees (2)	2.759.788	27.808.521
Leases and royalties	2.003.579	1.343.676
Transport and travel expenses	414.436	556.875
	<b>\$ 142.071.486</b>	<b>\$ 163.292.208</b>

- (1) Below is the detail of independent, outsourced and other professional services:

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Other management and operation contracts	\$ 14.681.125	\$ 14.809.806
Honorarium	18.909.396	14.470.693
Software and software application development services	11.822.641	14.617.213
Telemetry service	5.944.491	4.660.395
Expatriate expenses	2.174.261	2.524.299
	<b>\$ 53.531.914</b>	<b>\$ 51.082.406</b>

- (2) It corresponds mainly to the recognition of the sanctions of the following concepts: correction income 2016 – 2019, ruling in second instance process income 2003 and contingency contracts from abroad.

#### 25. Depreciation, amortization and impairment loss expenses

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Depreciation (See Note 1(3) (1))	\$ 226.807.096	\$ 223.980.695
Depreciation (See Note 12)	19.635.593	20.763.341
Depreciation and amortization	\$ 246.442.689	\$ 244.744.036
Impairment of financial and non-financial assets (2)	4.807.677	1.215.007
	<b>\$ 251.250.366</b>	<b>\$ 245.959.043</b>

- (1) As of December 31, 2021, there is an increase in depreciation with respect to 2020, mainly due to the entry into operation of new assets in 2021 associated with different asset classes; in which depreciation expense is affected as follows: thermal power plants \$7,850,941; construction, machinery and other goods \$392,025. On the other hand, hydroelectric power plants showed a decrease in depreciation by (\$4,686,586) and assets in renting by (\$729,979).



- (2) As of December 31, 2021, it corresponds to the impairment of financial assets, mainly due to the calculation under IFRS 9 for the expected credit loss of the commercial portfolio determined by the individual simplified model, generating an impairment expense of \$4,620,072 and the collective model applied on the other non-financial assets, generating an impairment expense of \$187,605.

## 26. Financial results

	For the year ended December 31, 2021	For the year ended December 31, 2020
Income from cash and other equivalent means (1)	\$ 6.545.449	\$ 14.006.392
Interest on accounts receivable	3.638.967	4.404.026
Interest on financing to clients	879.150	874.073
Interest on financing to related parties	-	899.408
Financial income	<b>11.063.566</b>	<b>20.183.899</b>
Financial obligations (2)	(165.186.596)	(205.662.767)
Tax on financial movements	(12.969.360)	(10.278.707)
Other financial costs (3)	(5.298.742)	(25.860.591)
Obligation for post-employment benefits	(5.164.794)	(5.285.453)
Ifrs 16 financial expenses	(353.618)	(847.124)
Leasing	(5.763)	(16.163)
Default interest taxes (4)	4.356.361	(41.634.282)
Financial expenses	<b>\$ (184.622.512)</b>	<b>\$ (289.585.087)</b>
Capitalized financial expenditure (5)	2.327.479	8.112.313
Financial expenses, net	(182.295.033)	(281.472.774)
Income for difference in exchange realized (6)	37605.075	20.662.769
Expense for difference in change not realized (6)	(42.687.094)	(19.790.331)
Exchange differences, net	(5.082.019)	872.438
<b>Total net financial result</b>	<b>\$ (176.313.486)</b>	<b>\$ (260.416.437)</b>

- (1) It corresponds mainly to financial returns of national currency from deposits and investments in different financial institutions supervised and controlled by the Financial Superintendence of Colombia. The variation compared to 2020 corresponds mainly to:

The Bank of the Republic began the year with the intervention rate at 1.75%, and kept it in that range for much of the year until October 2021, this intervention rate was on average during the year 2021 at 1.98% while for 2020 it was 2.87%; as a result of this monetary policy, the company's remunerated accounts also remained at historically low levels.

- (2) The variation is presented mainly by the payment of the International Bond generating a decrease in financial obligations as of December 31, 2021 corresponding to interest, as follows:

Operation	2021	2020
Bonds issued	\$ 165.186.596	\$ 205.662.767
<b>Total Expenditure of Obligations F.</b>	<b>\$ 165.186.596</b>	<b>\$ 205.662.767</b>

- (3) The variation corresponds to the financial update of environmental liabilities (\$18,898,213), as a result of variations in discount rates and uses of provisions; impairment of accounts receivable (\$1,153,143), other financial costs (\$830,004), financial expenses \$199,073 and interest on business loans group \$120,437.
- (4) The variation corresponds to the update of the quantification of the sanction and interest for foreign contracts for \$6,323,530, recognition of default interest for (\$1,970,012) and self-withholdings for (\$157) recognized in 2021; on the other hand, for 2020, interest generated in the CREE corrections of the year 2016, income of the years 2003, 2016, 2017, 2018, 2019 and foreign contracts were recognized, as follows:

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	<b>Interests</b>
Income 2003	\$ 28.907.685
Foreign Contracts	7.357.048
Income 2017	3.748.355
Income 2016	2.728.801
CREE 2016	1.637.281
Income 2018	(187.834)
Income 2019	(2.557.054)
<b>Total</b>	<b>\$ 41.634.282</b>

(5) The variation in capitalizable financial expenditure in 2021 versus 2020 corresponds to:

- The fluctuation of the nominal annual rate for capitalization of interest costs for the year 2021 versus 2020 is 1.70%.
- Projects with capitalizable financial expenditure

As of December 31, 2021

<b>Central</b>	<b>Project</b>	<b>Value</b>
Thermal	Beep Others Project (environmental improvement), Life Extension and OCM	\$ 2.317.847
Hydraulics	Additional works of quimbo central dam	9.632
<b>Total</b>		<b>\$ 2.327.479</b>

As of December 31, 2020

<b>Central</b>	<b>Project</b>	<b>Value</b>
Thermal	Beep Others Project (environmental improvement and Life Extension)	\$ 6.370.503
Hydraulics	Additional works of quimbo central dam	1.741.810
<b>Total</b>		<b>\$ 8.112.313</b>

(6) The origins of the effects on results due to differences in change correspond to:

	<b>As of December 31, 2021</b>	
	<b>Income by difference instead</b>	<b>Expenses for difference instead</b>
Bank balances	\$ 38.385.797	\$ (29.216.810)
Other assets	135.043	379.914
Trading Accounts	88.770	(9.729.536)
<b>Total assets</b>	<b>\$ 38.609.610</b>	<b>\$ (38.566.432)</b>
Accounts payable for goods and services	(1.200.751)	(3.054.422)
Accounts payable to related current entities	196.216	(1.066.240)
<b>Total liabilities</b>	<b>\$ (1.004.535)</b>	<b>\$ (4.120.662)</b>
<b>Total difference in change</b>	<b>\$ 37.605.075</b>	<b>\$ (42.687.094)</b>

	<b>As of December 31, 2020</b>	
	<b>Income by difference instead</b>	<b>Expenses for difference instead</b>
Bank balances	\$ 13.637.233	\$ (15.742.948)
Other assets	37.764	-
Trading Accounts	434	(420.747)
<b>Total assets</b>	<b>\$ 13.675.431</b>	<b>\$ (16.163.695)</b>
Accounts payable for goods and services	6.633.899	(3.450.985)

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	As of December 31, 2020	
	Income by difference instead	Expenses for difference instead
Accounts payable to related current entities	353.439	(175.651)
<b>Total liabilities</b>	<b>\$ 6.987.338</b>	<b>\$ (3.626.636)</b>
<b>Total difference in change</b>	<b>\$ 20.662.769</b>	<b>\$ (19.790.331)</b>

## 27. Asset sales results

	For the year ended December 31, 2021	For the year ended December 31, 2020
Result on Sale of Assets	\$ (1.637.912)	\$ (1.191.079)
	<b>\$ (1.637.912)</b>	<b>\$ (1.191.079)</b>

As of December 31, 2021, the Company has a net effect on the result on the sale and disposition of assets of \$1,637,912, corresponding to:

i) Losses with effect at a loss for (\$1,885,212) distributed as follows:

- Hydraulic power plants for (\$824,719)
- Thermal Power Plants for (\$568,607)
- Buildings for (\$226,899)
- Vehicles leased by contract termination for (\$73,685)
- Machinery and equipment for (\$153,897)
- Furniture and civil works for (\$23,005)
- Hydraulic power plants (\$14,400)

ii) Losses with effect in profit for \$ 247,300 which are due to the sale of vehicles.

## 28. Income tax expense

The provision charged to the results of the period, for income taxes and income surcharge is composed as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current tax for the year	\$ 738.050.937	\$ 604.074.636
Occasional profit tax	-	37.021
Current income tax against wealth	(646.247)	469.308
Discounts (ICA, Research and Development Donations )	(4.384.374)	(2.258.869)
Current income tax in previous years (1)	(13.852.486)	42.666.414
<b>Total current tax</b>	<b>\$ 719.167.830</b>	<b>\$ 644.988.510</b>
Income tax previous years deferred (1)	2.306.683	(3.216.528)
Deferred tax movement	92.841.550	55.872.815
<b>Total deferred tax</b>	<b>\$ 95.148.233</b>	<b>\$ 52.656.287</b>
<b>Income tax expense</b>	<b>\$ 814.316.063</b>	<b>\$ 697.644.797</b>

Until 2016, a reserve was constituted for the accelerated depreciation charged to the net income of December 31, 2016, in compliance with the provisions of article 130 of the Tax Statute in force until that moment, affecting the profits of each year, up to a total amount of \$241,806,481. Taking into account that for tax purposes the depreciation method has been used for

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the reduction of balances from 2014 and accounting would continue through the straight line system. As of 2017, taking into consideration that Article 130 of the Tax Statute was repealed by the tax reform Law 1819 of 2016, the analysis was carried out for each asset, in which case for those assets in which the accounting depreciation begins to be equated to the fiscal one and / or is higher, the reserve is reversed, being for the Assembly of March 2021 released \$ 8,717,995, leaving a reserve balance of \$ 215,186,399.

(1) The income tax of previous years is composed of:

- (a) In 2021, the update for the contingency of foreign contracts without registration with the DIAN for \$10,151,796 and income adjustment year 2020 for \$3,700,690 and its corresponding deferred effect (\$2,306,683).

The following is the reconciliation between the income tax that would result from applying the general tax rate in force to the "result before tax" and the expense recorded by the aforementioned tax in the separate income statement corresponding to December 31, 2021:

<b>Effective tax rate reconciliation</b>	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Profit for the year	\$ 1.712.321.388	\$ 1.283.152.110
Income tax expense	814.316.063	697.644.797
<b>Profit before tax</b>	<b>\$ 2.526.637.451</b>	<b>\$ 1.980.796.907</b>
Current legal tax rate	31%	32%
<b>Tax according to current legal rate</b>	<b>\$ (783.257.610)</b>	<b>\$ (633.855.010)</b>
<b>Permanent differences:</b>		
Deductions for real productive fixed assets	2.882.749	1.692.340
Net effect movement of estimated liabilities and permanent provisions	(2.565.736)	(1.606.546)
Non-deductible taxes (3)	(2.278.095)	(1.644.593)
Accounting depreciation value tax depreciation	(2.270.893)	3.379.650
Other permanent differences (2)	1.448.837	(24.949.606)
ICA Discount/Donations	646.247	2.892.443
Non-causative and other non-deductible expenses	308.643	(967.863)
alleged interests	(1.173)	(644)
Profit from the sale of taxable fixed assets with occasional gain	-	81.446
<b>Effective tax rate reconciliation</b>	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
Previous year income adjustment (1)	\$ 11.545.798	\$ (42.666.414)
Adjustment difference in rates - deferred adjustment in previous years	(45.159.205)	-
Other tax benefits	4.384.375	-
<b>Total permanent differences</b>	<b>\$ (431.058.453)</b>	<b>\$ (63.789.788)</b>
<b>Income Tax Expense</b>	<b>\$ (814.316.063)</b>	<b>\$ (697.644.797)</b>

(1) In 2021 the update for the contingency of foreign contracts without registration with the DIAN for \$ 10,151,796 and income adjustment year 2020 for \$ 3,700,690 and its corresponding deferred effect (\$ 2,306,683)

(2) It corresponds in 2021 mainly to contingency 2016 – 2017 for \$ 1,448,838.

(3) It corresponds mainly to the 31% in 2021 (\$2,982,125) of tax on financial movements and the 31% rejection of Industry and Commerce spending by (\$704,030).

## 29. Utility per share

Basic earnings per share is calculated by dividing the Company's shareholder-adjusted profit attributable to preferred dividends after tax by the weighted average of outstanding common stock in the year. As of December 31, 2021, there are no common shares acquired by the Company.

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	For the year ended December 31, 2021	For the year ended December 31, 2020
Profit for the year attributable to the owners	\$ 1.712.321.388	\$ 1.283.152.110
Preferential Dividends (1)	9.234.113	7.961.522
Profit for the year attributable to owners adjusted for Preferential Dividends	1.703.087.275	1.275.190.588
Weighted average of outstanding shares	148.914.162	148.914.162
<b>Basic earnings per share (*)</b>	<b>\$ 11.436,70</b>	<b>\$ 8.563,26</b>

(\*) Figure expressed in Colombian pesos

(1) Of the total shares of Grupo Energía Bogotá S.A. E.S.P., 20,952,601 shares correspond to non-voting shares with an annual preferential dividend of US\$0.11 per share.

### 30. Comprehensive result

The detail of the other comprehensive result is presented below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Components of another comprehensive result that will not be reclassified to the result of the year, before taxes:</b>		
Losses on new measurements of financial instruments measured at fair value with changes in the ORI (1)	\$ (35.329)	\$ (37369)
Gains (Losses) on New Measurements of Defined Benefit Plans (2)	14.150.443	(1.712.482)
<b>Other result that will not be reclassified to the profit or loss for the year, before tax</b>	<b>\$ 14.115.114</b>	<b>\$ (1.749.851)</b>
<b>Components of another comprehensive result that will be reclassified to the result of the year, before taxes:</b>		
Gains (Losses) on cash flow hedges (4)	4.311.953	(1.474.375)
<b>Another result to be reclassified to the profit or loss for the year, before tax</b>	<b>\$ 4.311.953</b>	<b>\$ (1.474.375)</b>
<b>Income tax on components of another comprehensive income that will not be reclassified to the profit or loss for the year, before tax</b>		
(Losses) Earnings from New Defined Benefit Plan Measurements (3)	(3.841.325)	457.577
<b>Total income taxes relating to components of another comprehensive income that will not be reclassified to the tax for the year</b>	<b>\$ (3.841.325)</b>	<b>\$ 457.577</b>
<b>Income tax on components of another comprehensive income that will be reclassified to the result of the year, before taxes</b>		
Effect of tax on cash flow hedges (5)	(1.439.523)	2.999.382
<b>Total taxes on profits relating to components of another comprehensive result that was reclassified to the tax for the year</b>	<b>\$ (1.439.523)</b>	<b>\$ 2.999.382</b>
<b>Total another comprehensive result</b>	<b>\$ 13.146.219</b>	<b>\$ 232.733</b>

(1) As of December 31, 2021, it corresponds to the losses derived from the investment in Derivex S.A. E.S.P as a result of the valuation by the multiples method and the updating of the investment in subsidiaries resulting from the application of the equity method.

(2) It corresponds to the effect of actuarial losses valued by the firm AON Hewitt Mexico. As of December 31, 2021 and 2020, actuarial losses with effect on equity are presented below:

	As of December 31, 2021		As of December 31, 2020	
	Pensions and Benefits	Retroactive Severance	Pensions and Benefits	Retroactive Severance
Starting Balance	\$ (28.837.301)	\$ (1.909.098)	\$ (27.867.394)	\$ (1.624.100)
Actuarial gain	(13.589.447)	(560.996)	(1.427.484)	(284.998)
Current and Deferred Tax	(3.841.325)	-	457.577	-
<b>Final Balance</b>	<b>\$ (46.268.073)</b>	<b>\$ (2.470.094)</b>	<b>\$ (28.837.301)</b>	<b>\$ (1.909.098)</b>

The value of the losses is transferred directly to the accumulated gains and will not be reclassified to the result of the equivalent period.

(3) It corresponds to the effect on the equity of income tax and deferred tax generated by actuarial losses as of December 31, 2021 and 2020, respectively, as detailed below:

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Income tax	\$ 2.686.371	\$ 11.732
Deferred tax	1.154.954	(469.309)
<b>Final Balance</b>	<b>\$ 3.841.325</b>	<b>\$ (457.577)</b>

(4) As of December 31, 2021, it corresponds to the Mark to Market (MTM) result of the valuation of hedging derivatives for both forward and swap.

(5) As of December 31, 2021 and 2020, it corresponds to the deferred tax related to cash flow coverages, detailed below:

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Deferred tax related to cash flow coverage	\$ (1.439.523)	\$ (2.999.382)
<b>Final Balance</b>	<b>\$ (1.439.523)</b>	<b>\$ (2.999.382)</b>

### 31. Foreign currency assets and liabilities

Existing rules in Colombia allow the free trading of foreign currencies through banks and other financial institutions at exchange-free rates. However, most foreign currency transactions require compliance with certain legal requirements.

Summary of assets and liabilities denominated in currencies:

	<u>As of December 31, 2021</u>		
	<u>(in EUR)</u>	<u>(in US Dollars)</u>	<u>(In thousands of pesos)</u>
Cash and cash equivalent (Note 4)	-	2.050.722	\$ 8.164.253
Debtors	-	461.585	1.837.644
Accounts payable	(1.684.785)	(8.928.559)	(43.173.681)
<b>Passive position, net</b>	<b>(1.684.785)</b>	<b>(6.416.252)</b>	<b>\$ (33.171.784)</b>

	<u>As of December 31, 2020</u>		
	<u>(in EUR)</u>	<u>(in US Dollars)</u>	<u>(In thousands of pesos)</u>
Cash and cash equivalent (Note 4)	-	396.368	\$ 1.360.533
Debtors	448.998	4.806.103	18.382.666
Accounts payable	(442.419)	(7.062.976)	(26.101.752)
<b>Passive position, net</b>	<b>6.579</b>	<b>(1.860.505)</b>	<b>\$ (6.358.553)</b>

### 32. Sanctions

As of December 31, 2021, the status of sanctions is presented below:

There are no penalties for regulatory breaches, specifically Law 142, Law 143 and the regulation issued by the Energy and Gas Regulation Commission.



#### Environmental sanctions

- a) The National Environmental Licensing Authority (ANLA) confirmed the sanction against the Company for \$2,503,259, for the alleged breach of the Environmental License, in relation to the removal of wood and biomass product of the forest use of the reservoir vessel of the El Quimbo Hydroelectric Project. An application for annulment and reinstatement of the right was filed, the claim has already been admitted.

The allegations were presented and the process has been in the office since March 10, 2020 for a first instance ruling.

- b) The Regional Autonomous Corporation of Alto Magdalena (CAM) ruled on the appeal filed against Resolution No. 2239 of July 29, 2016, in which the Company was sanctioned for \$ 758,864, for violation of environmental regulations, since activities were carried out without having the prior environmental permit as established by the standard (Opening of road above level 720 of the El Quimbo-PHEQ Hydroelectric Project), the penalty was reduced to \$492,700.

The application for nullity and restoration of the right (Judicial actions) was filed, the CAM answered the demand. After the suspension of the process decreed by the Administrative Court of Huila on the occasion of the emergency measures for COVID19, in December 2020 the initial hearing was held and the technical testimony requested by Emgesa was practiced, on May 4, 2021 the hearing of evidence was continued, the process is at the evidentiary stage.

- c) On January 12, 2018, the Company was notified of the resolutions of December 4, No. 3567, 3568 and 3569 confirming the sanctions imposed by the CAM in November 2016 in relation to resolutions 3590, 3653 and 3816 of November 2016 derived from the lack of dumping permits of the resettlements of the PHEQ project, in accordance with environmental regulations.

As a result of the above, the Regional Autonomous Corporation of Alto Magdalena (CAM) imposed three (3) sanctions consisting of a fine of \$50,670 each:

The following are the resolutions and the facts for which we are sanctioned:

- Resolution No. 3590 of November 10, 2016, the CAM sanctions the Company for not having the permit of dumping of the resettlement of Montea.

A lawsuit for Nullity and Restoration of the Law was filed, since May 30, 2019, a judgment of first instance was issued on October 4, 2021 in favor of the company, the appeal presented by the CAM is currently being processed.

- Resolution No. 3816 of November 10, 2016, the CAM sanctions the Company for not having the dumping permit of the resettlement of La Galda.

An application for Nullity and Reinstatement of the Right was filed against the CAM. On April 14, 2021, a judgment of first instance was issued by the Seventh Administrative Court of Neiva, in which the company's claims were denied, currently the process is pending the processing of the appeal filed by Emgesa before the Administrative Court of Huila.

### **33. Other insurance**

The Company, in addition to the property, plant and equipment insurance (See Note 13), has the following:

Good/insured person	Covered Risks	Insured value		Insurance Company
		Figures in Thousands	Expiration	
Employees with a direct contract with the Company	Death, total and permanent disability	Maximum individual insured sum \$2,000,000	31/12/2021	Seguros Bolívar
Directors or directors	Directors' Liability and administrators	\$19,385.116	10/11/2022	SBS Seguros

### 34. Commitments and contingencies

#### a. Purchase commitments:

The Company as of December 31, 2021, has commitments for the purchase of energy (pay what is contracted at current prices), natural gas, fuel oil and coal as follows:

Period	Natural gas	Fuel Oil	Charcoal	Energy	Total
2020-2023	\$ 166.105.771	\$ 74.083.692	\$ 34.385.981	\$ 323.160.455	\$ 597.735.899
2024-2029	-	-	-	120.133.806	120.133.806
<b>Total</b>	<b>\$ 166.105.771</b>	<b>\$ 74.083.692</b>	<b>\$ 34.385.981</b>	<b>\$ 443.294.260</b>	<b>\$ 717.869.705</b>

As of December 31, 2021, the Company has energy sales commitments in long-term contracts for the period 2021-2029 for \$443,294,260.

The following is the summary of the commitments to purchase materials and services:

Period	Materials	Services	Total
2022	\$ 29.896.709	\$ 195.263.939	\$ 225.160.648
2023-2024	11.648.794	173.784.655	185.433.449
2024-2033	-	4.777.640	4.777.640
<b>Total</b>	<b>\$ 41.545.503</b>	<b>\$ 373.826.234</b>	<b>\$ 415.371.737</b>

#### b. Canoas lift station agreement

On December 5, 2011, the inter-institutional agreement was signed between the Aqueduct and Sewerage Company of Bogotá E.S.P. -EAAB and the Company, with the aim of joining forces to guarantee the construction of the Canoas Elevator Station, through economic and operational contribution offered by the Company. It should be noted the importance for the inhabitants of the Bogotá river basin of the aforementioned agreement, to the extent that it contributes significantly to the financing of mega works necessary for the sanitation of the Bogotá River and allows the use of water resources in the supply of electricity guaranteeing the reliability of the system for electricity generation; thus making the power generation process compatible and the optimization 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 lifting station is built and in operation by the EAAB.

The agreement is valid for 27 years from the signing of the agreement and until the Company retains the quality of user of the waters of the Bogotá River by virtue of the water concession granted by the CAR. This may be extended by agreement of the parties provided that the reasons for its conclusion remain.

In November 2018, the EAAB carried out the process of awarding the designs and construction of the lifting station that according to the planned schedule began in March 2019 with a duration of 44 months. The Company will participate in the technical tables from the beginning of the detailed engineering and construction contract. Once the construction of the lifting station, installation and commissioning is completed and the equipment is tested, the Company will receive the Lifting Station to operate and maintain it.

For the year 2021, the following activities were carried out:

- Completion of the detailed engineering of the different specialties (geotechnics, structural, hydraulic, electrical, mechanical and control) with an advance of 99%.
- Construction of the containment screens of the screening and pumping wells and began digging material inside. With progress of 67% and 51% of its progress.

- Progress in the construction of related structures such as substation and electrical and control building.
- Progress is being made in the testing of the main equipment such as transformers and motors for the substation and pumps of the Lifting Station. We are still reviewing the schedule of FAT tests of screening and odor control equipment.

### c. Contingencies and Arbitrations

The Company faces litigation classified as possible or eventual, for which the Management, with the support of its external and internal legal advisors, estimates that the result of the lawsuits corresponding to the non-provisioned part will be favorable for the Company and will not cause liabilities of importance that must be accounted for or that, if they result, these will not significantly affect your financial position.

The variation between December 31, 2021 and December 31, 2020, corresponds to the following processes:

TYPE OF PROCESS	PLAINTIFF	SUBJECT MATTER OF THE APPLICATION	VALUE	ACTION	MONTH
Adm_Reparación_Directa	Adoración Martínez Arcos, Francly Elena Polo, Patricia Lopez Narvaez	That the company EMGESA S.A.-E.S.P. be declared civilly responsible for the damages caused to the plaintiffs with the construction of the quimbo hydroelectric project.	\$ 347557800	Ingreso	Oct-21
Adm_Reparación_Directa	Alicia Vieda Cuellar, Lilian Joven Otorola, Luis Héctor Calderón Calderón.	That the company EMGESA S.A.-E.S.P. be declared civilly responsible for the damages caused to the plaintiffs with the construction of the quimbo hydroelectric project.	\$ 377780.000	Ingreso	Oct-21
Adm_Nulidad_y_Restablecimiento	Oscar Eduardo Valbuena Calderón, Diego Armando Valbuena Calderón, Juan Sebastián Valbuena Calderón, Luz Dalila Yate Delgado, Ingrid Yaquelin Angulo Aviles, Jhoan Sebastián López Ramírez, Nicolás López Ramírez, Laura Daniela Gasca Trujillo, Luz Mary Méndez Calderón, María Paula Quimbaya Vargas, Ximena Andrea Almario Ordoñez, Carolina Chavarro Álvarez, Maira Yicela Chavarro Álvarez, Rodrigo Sánchez Cabrera, Aldemar Sterling Perdomo, Oscar Iván Imbachí Galindez, Narly Jiménez Ortiz, Genry Gómez Murcia, Maicol Stiven Correa Granada	The nullity of the administrative acts is declared (23 offices issued by EMGESA S.A. E.S.P) Consequently, by way of restoring the right, the defendant entity is ordered to comply with the provisions of article 10, numeral 1.2.2 of the environmental license of the PHEQ, including in the census of the affected population the literal k of the receiving population to the plaintiffs; to the same title, it is provided that the plaintiffs included in the census of the affected population, as the recipient population of the resettlements LA NUEVA ESCALERETA, located in the llano de la virgen village of the municipality of Altamira (H), SANTIAGO PALACIOS located in the JAJALITO village of the municipality of Garzón, SAN JOSE DE BELEN TAPERAS in the logging villages of LA GALDA AND LA YAGUILGA, of the municipality of Agrado, and NUEVA VERACRUZ in the village of RIOLORO of the municipality of Gigante; the Compensation Manual must be applied, as provided in paragraph 1.2.2. AND 1.5.2. of article 10 of the environmental license, specifically, in the payment of the seed capital, according to the status indicators, all in accordance with Annex No. 1, which establishes the settlement of said compensation, in accordance with the Compensation Manual, taking into account the status indicator and the income certification given by the accountant.	\$ 325.000.000	Ingreso	Oct-21
Adm_Nulidad_y_Restablecimiento	Olmedo Ramírez Ramírez, Cleisy Dussan Tovar, Luis Eduardo Roa, Yesica Katherin Triviño Chanchin, Jadinson Cortes Pérez, Alexander Escobar Trujillo, Cristian Mauricio Escarpetta Bonilla, Diana Marcela Huertas Mora, Yeferson Arley Perdomo Miticanoy, Marilín Álvarez Dussan, Claudia Patricia Bermeo Rosa, Daniel Eduardo García Martínez, Gilberto Yucuma Pulido, Darío Fernando Avilés Sánchez, Francisco Javier Avilés Sánchez, Andrés Matías Medina Álvarez, Cristian Alberto Medina Álvarez, Josué García Martínez, José Yeison Silva, Jhon Edison Osorio Silva, Miguel Ángel Osorio Silva, Rómulo Osorio Silva, Yeny Paola Cuellar Renca, Luis Andrés Álvarez Dussan, Ruben Darío Andrade Palencia María Cristina Cano Serrato Jhon Edinson Ortiz Llanos, Laura Daniela Ortiz Llanos, Paola Andrea Salinas Piñeros, Williams Stevens Arias Vargas, Yesica Tatiana Calderón Benavides, Tito Triana Muñoz, Cristian Orlando Caquimbo Ramírez, Lina Marcela Canacue Castilla, Yulied Daniela Cardoso Ortiz, Diego Alexander Rincón Ortiz, María Alejandra Villanueva Rojas, Ana Virginia Sánchez Quiroga, Windthy Yulieth Aguilar Gutiérrez.	The nullity of the administrative acts (40 offices issued by EMGESA S.A. E.S.P) is declared null and void. Consequently, by way of restoring the right, the defendant entity is ordered to comply with the provisions of article 10, numeral 1.2.2 of the environmental license of the PHEQ, including in the census of the affected population the literal k of the receiving population to the plaintiffs; in the same way, it is provided that the plaintiffs included in the census of the affected population, as the population receiving the resettlements LA NUEVA ESCALERETA, located in the llano de la virgen village of the municipality of Altamira (H), must be applied the Compensation Manual, according to the provisions of numeral 1.2.2. AND 1.5.2. of article 10 of the environmental license, specifically, in the payment of the seed capital, according to the status indicators, all in accordance with Annex No. 1, which establishes the settlement of said compensation, in accordance with the Compensation Manual, taking into account the status indicator and the income certification given by the accountant.	\$975.000.000	Ingreso	Oct-21
Adm_Reparación_Directa	Jesús Antonio Ordoñez Vargas, Jaime Suarez Ramón, Liry Yurani Velasco Losada	The lawsuit seeks to declare EMGESA S.A. E.S.P. responsible for the material and moral damages caused to the plaintiffs on the occasion of the construction of the QJIMBO hydroelectric project. According to the facts of the application, the plaintiffs here held the status of day laborers in various trades, on farms that were part of the AID of the PHEQ.	\$383.434.000	Ingreso	Oct-21

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TYPE OF PROCESS	PLAINTIFF	SUBJECT MATTER OF THE APPLICATION	VALUE	ACTION	MONTH
Adm_Reparación_Directa	Jairo Enrique Aldana Tapia, Darly Tathiana Avilés Saavedra, Yina Marcela Medina Herrera, Tannia Galindo Fajardo, Edinson Esmith Calderón Bautista, Orlando Calderón, Fernando Méndez Méndez, Jorge Enrique Torres Jara, Luis Carlos Villanueva Lugo, Jhon Jairo González Serrano, John Fredy Artunduaga Ortiz Nubia Méndez, Constanza Tovar Vargas, María Del Carmen Olaya Arias, Flor Marina Cueliar Sánchez, Luis Emil Galvis Nieto, Francy Elena Chávez Polo, Martha Stella Ortiz Fernández, Rosalba Trujillo, Nelcy Ramírez Garzón, Isnelda Ortiz Vargas, Alexandra Sierra Marín, Carlos Alberto Arias Álvarez, Pablo Emilio Riaños, Gilberto Almarío Perdomo, Omar España Triviño.	The nullity of the administrative acts (11 offices issued by EMGESA S.A. E.S.P) Is declared null and void. Consequently, by way of restoring the right, the defendant entity is ordered to comply with the provisions of article 10, numeral 1.2.2 of the environmental license of the PHEQ, including in the census of the affected population the literal k of the receiving population to the plaintiffs; to the same title, it is provided that the plaintiffs included in the census of the affected population, as the recipient population of the resettlements LA NUEVA ESCALERETA, located in the llano de la virgen village of the municipality of Altamira (H), SANTIAGO PALACIOS, located in the JAGUALITO village of the municipality of Garzón and SAN JOSE DE BELEN TAPERAS in the LA GALDA villages of the municipality of El Agrado (H), the Compensation Manual must be applied, as provided in paragraph 1.2.2. AND 1.5.2. of article 10 of the environmental license, specifically, in the payment of the seed capital, according to the status indicators, all in accordance with Annex No. 1, which establishes the settlement of said compensation, in accordance with the Compensation Manual, taking into account the status indicator and the income certification given by the accountant.	\$650.000.000	Ingreso	Oct-21
Const_Accion_Popular	Diana Carolina Romero Ramírez , Federico Andrés Romero Ramírez, Luis Felipe Romero Ramírez, Elisenia Ramírez, Sandra Yohana Romero Ramírez	The plaintiffs request the protection of the collective rights to a healthy environment, the right to safety and prevention of technically foreseeable disasters and to avoid contingent damage to life, health, human dignity integrity and other irremediable damages caused and to be caused to the resident community of the new veracruz population center, derived from the construction of the resettlement in the vicinity of the emerald pipeline. Related to compliance with the environmental license of the Quimbo plant.	Indeterminado	Ingreso	Nov-21
Nulidad y restablecimiento del derecho en primera instancia (Ley 1437 de 2011)	Aes Chivor & Cia Sca Esp Corporación Autónoma Regional Del Chivor- Corpochivor Autoridad Nacional De Licencias Ambientales -ANLA	Action for annulment and restoration of the right in the first instance of the administrative acts issued by CORPOCHIVOR and ordering dredging works to be carried out in a section of the GUAVIO RIVER TO AES CHIVOR AND EMGESA	\$3600.000.000	Ingreso	Dic-21
Proceso ejecutivo de mayor y menor cuantía por obligación de dar sumas de dinero	AXIA ENERGIA SAS ESP	To issue a payment order in favor of the company AXIA ENERGIA S.A.S with NIT no. 900.507.207-1 and against the company EMGESA S.A. ESP, for the following sums: for the concept of capital: the sum nine hundred and sixty-eight million one hundred and forty-one thousand five hundred and sixty-five pesos with 89 cents. (\$968,141,565.89). For default interest from May 1, 2020 until the obligation is paid.	\$ 968.141.565	Ingreso	Dic-21
Ordinario laboral de primera instancia	Gustavo Javier Gómez Quin	The applicant seeks a declaration that the defendants EMGESA S.A. E.S.P. and the ENEL Colombia foundation are obliged to pay, by actuarial calculation - in favor of the applicant the contributions to the social security system in pensions for the periods from 1 April 1999 to 30 June 2002 and 01 October 2002 until 8 January 2010 when the employment contract ended.	\$150.000.000	Ingreso	Dic-21
Adm_Reparación_Directa	Donelia Vargas Díaz	Be condemned for moral and material damages for the non-payment of compensation under license in its capacity as affected by the P.H.E.Q.	\$ 209.321.136	Terminación caso	Oct-21
Pertenencias	Luis Eduardo Jiménez Polo	The legal action pursues the extinction of the real right of ownership of the Company over a real estate located in the Gavio area	Indeterminada	Terminación duplicado	Oct-21
Proceso ordinario de Declaración de pertenencia		Process of belonging promoted by occupant of real estate owned by the company.	Indeterminada	Terminación Caso	Dic-21
Proceso ordinario de Declaración de pertenencia		Process of belonging promoted by occupant of real estate owned by the company.	Indeterminada	Terminación Caso	Dic-21
Proceso ordinario de Declaración de pertenencia		Process of belonging promoted by occupant of real estate owned by the company.	Indeterminada	Terminación Caso	Dic-21
Proceso ordinario de Declaración de pertenencia		Process of belonging promoted by occupant of real estate owned by the company.	Indeterminada	Terminación Sentencia Favorable	Dic-21
Proceso ordinario de Declaración de pertenencia		Process of belonging promoted by occupant of real estate owned by the company.	Indeterminada	Terminación Caso	Dic-21
Acciones de Grupo		Indemnity Bosa and Kennedy December 2011	\$ 786.367.000.000	Terminación - Duplicado	Dic-21
Proceso ordinario de Mayor, menor y mínima cuantía		Huge Injury	Indeterminada	Terminación Sentencia Favorable	Dic-21
Acción de Reparación Directa		Damages caused by the PHEQ	\$177.000.000	Terminación Sentencia Favorable	Dic-21
Acciones populares		The plaintiffs request the protection of the collective rights to a healthy environment, the right to safety and prevention of technically foreseeable disasters and to avoid contingent damage to life, health, human dignity integrity and other irremediable damages caused and to be caused to the resident community of the new veracruz population center, derived from the construction of the resettlement in the vicinity of the emerald pipeline. Related to compliance with the environmental license of the quimbo plant	Indeterminada	Terminación Sentencia Favorable	Dic-21
Proceso ordinario de Declaración de pertenencia		Process of belonging promoted by occupant of real estate owned by the company.	Indeterminada	Terminación Caso	Dic-21

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TIPO DE PROCESO	DEMANDANTE	OBJETO DE LA DEMANDA	VALOR	ACCIÓN	MES
Laboral Ordinario	Ángel María Villalba Lara	payment for Sunday, public holidays and overtime hours	\$ 44,390	New Process	feb-20
Laboral Ordinario	Manuel Vicente Jiménez Castillo	payment for Sunday, public holidays and overtime hours	\$ 44,390	New Process	feb-20
Acción popular	Efraín Montañez Contreras	The popular action is shaping up to seek the protection of the collective rights to safety and prevention of technically foreseeable disasters, on the occasion of the poor state of the road section known as "La Variante" of the Municipality of Santa María (Boyacá), which the plaintiff identifies as owned by EMGESA S.A. ESP.	Undetermined	New Process	mar-20
Laboral Ordinario	Hernando González Rodríguez	Recognition and overtime pay	\$ 44,390	New Process	ago-20
Penal	Isidro Martínez Acuña	Previous legal conflicts with EMGESA	Undetermined	New process	Agos-20
Laboral Ordinario	Libardo Urrea Quigua	That the dismissal be declared ineffective, that the reinstatement be ordered and that EMGESA be sentenced to compensation for dismissal without just cause and wages left to be received	\$ 47843	New Process	Sep-20
Laboral Ordinario	Rodolfo Castañeda	Payment for Sunday, holiday and overtime hours	\$ 44,390	New process	Oct-20
Laboral Ordinario	Floriberto Peña Sierra	Payment for Sunday, holiday and overtime hours	\$ 44,390	New process	Oct-20
Laboral Ordinario	Miguel Ángel Olmos Farfán	Payment for Sunday, holiday and overtime hours	\$ 44,390	New process	Oct-20
Penal	Tala legal - Embalse Muña // Emgesa - Víctima	Damage to the property of others	Undetermined	New process	Dic-20
Penal	Fabio Augusto Martínez Lugo // Víctima	Interception of computer data, violation of personal data and conspiracy to commit a crime	Undetermined	New process	Dic-20
Acm_Contractuales_ Administrativas	Diego Hernán Sandoval Castro	Declare the nullity of the contract signed between the VIG consortium and Emgesa as a result of the CEQ519 tender	\$ 2.260.008	Process completion	ene-20
Civil Ordinario	Quiterio Trujillo	Ordinary tort Liability for Acts of 1.994	Undetermined	Process completion	mar-20
Pertenencias	Flor Ángela Rodríguez	Process of belonging promoted by occupant of real estate owned by the Company.	Undetermined	Process completion	mar-20
Penal	Incidente VITARA NCQ821 - Javier Ricardo Sánchez	VITARA NCQ821 INCIDENT - JAVIER RICARDO SANCHEZ	Undetermined	Process completion	abr-20
Pertenencias	Carlos Fernando Carranza Delgado	Process of belonging promoted by occupant of real estate owned by the Company.	Undetermined	Process completion	JUL-20
Penal	Indemnización irregular	Irregular compensation	Undetermined	Process completion	Ago-20
Penal	Defensa Judicial - Carlos Antonio Lara	Culpable Homicide	Undetermined	Process completion	Dic-20
Penal	Injuria y calumnia	GREYS SUAREZ MEJIA	Undetermined	Process completion	Dic-20
Penal	Injuria y calumnia	RODNEY VILLAMIZAR CASTRO	Undetermined	Process completion	Dic-20
Penal	Injuria y calumnia	GREYS SUAREZ MEJIA	Undetermined	Process completion	Dic-20
Penal	Injuria y calumnia	GREYS SUAREZ MEJIA - ARLEDIS GONZALEZ SILGADO - DANELIS RODRIGUEZ CARMONA	Undetermined	Process completion	Dic-20

Below, the processes reported in December 2020, updated to December 2021.

Plaintiff	Start Date	Pretension	Object of the Trial	Current status and procedural situation
Policarpo Agudelo Y Otros	2014	\$ 50.000.000	Compensation for damages bridge passage of the school	First instance ruling favorable to the company 18-12-2019. It is on appeal in the Council of State, pending to argue its conclusion. To the Office from 05/05/2021 pending to resolve the appeal for reinstatement filed against the order that ran transfer to allege conclusion. Arguments for conclusion were submitted at second instance.
Ruber Cufino Hernández Y Otros	2017	38.117538	Compensation as a non-resident population	08/11/2021/2021 Ministry of Environment and Sustainable Development answers warranty call.
Tito Toledo Y Otros	2018	33.716.615	Compensation is made for the damages caused by the PHEQ to its work as artisanal miners of A.I.D. properties	26-08-2021 Reception memorial replacement of power on the date by e-mail the Dr. Daily Esperanza Restrepo Villada replaces power of Dr. Martha Lucia Lopez 26-08-2021 Minutes hearing evidence receipt of testimonial evidence, hearing continues in February 2022, days 21 at 2:10 pm, day 22 from 08:30 am, day 23 from 8:30 am and day 24 is indicate in the course of the week of the hearing of that date is required.
Jesús María Fernández Y Otros	2017	24.673.190	Compensation for damages in the form of loss of profits due to the permanent de facto occupation of the quimbo dam in the area of the mining concession contract - mine property	To the office pending the fixing of the initial hearing.
Yina Paola Amaya Pimentel Y Otros	2018	20.706.898	Compensation is made for the damages caused by the PHEQ to its work as day laborers in tobacco cultivation and short-cycle crops of A.I.D. properties	2-08-2021 Since this date it is in practice of tests.
Aura Lucia Díaz García Y Otros	2017	20.349.603	Compensation as a non-resident population	Pending date setting for practice of Tests

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Plaintiff	Start Date	Pretension	Object of the Trial	Current status and procedural situation
Antonio Jesús Moreno I	2017	15.831.622	Compensation for non-resident population	Pending that the Constitutional Court defines Competence.
Carlos Arrigui Ramón	2015	10.000.000	Huge injury	Second instance ruling favorable to the Company. Executive order is issued for collection of procedural costs. Supreme Court Civil Chamber, declares void appeal of cassation. Pending return of the process for final file.
Piscícola New York S.A. Procesadora Y Comercializadora De Alimentos S.A. - Proceal S.A. Piscícola Ríos S.A.	2017	7.792.000	The defendants are ordered to pay collective compensation caused by the material damage (consequential damage) and moral damage received by the construction of the el quimbo hydroelectric plant	10/05/2021, conciliation hearing was held That it was declared a failure. Pending resolution nullity Proposed by the applicant. The part the applicant proposed that the proceedings were null and void, consider that it is being processed improperly Process. File to the office pending Resolve said nullity.
María Esther Rojas De Irrigüe	2015	6.000.000	Huge injury	Judgment of second instance favorable to the Company. Execution is ordered to proceed by collection of procedural costs. In collection of costs judicial to the counterparty.
Lucía Motta De Barrera	2017	5.596.309	Huge injury	Judgment of first instance favorable to the Company. Nullity of judgment is decreed and it is sent file to Circuit Courts in Bogotá (R) to the Resolve conflict of competence.
Yaneth Joven Suarez	2017	5.486.229	Huge injury	Judgment of first instance favorable to the Company. First instance failure is confirmed at Declare the appeal void.
Ricardo Rivera Chaux	2017	5.416.668	Huge injury	First instance ruling favorable to the Company. The nullity of the judgment is decreed and referred to CS of the J (R) when proposing conflict of Competence. Process assigned to the Contentious jurisdiction. In the stage of answering the claim. July 23 obey what was decided by the jurisdictional chamber, on July 30 the previous order is firm, on August 17 by distribution corresponded to the 4 CC of Bogotá No. 11001310300420210032400, on September 23 the court officiates to the Superior Court of Neiva to process to digitize the file.
Alba Myriam Chaux Montealegre Y Otros	2017	5.188.063	Fish traders	14-05-2021 Auto sets a date for the hearing of evidence on September 23, 2021 at 8:00 a.m. and 2:00 p.m. Evidence hearing is held and a new date is set for the continuation on January 27, 2022 at 8:00 a.m.
Rosario Flórez Angarita Y Otros	2017	4.416.785	RCE for compensation	09/12/2021 Auto inadmissible appeal in guarantee of ministry of mines, ministry of environment and ANLA, for not providing the related evidence. 15/12/2021 correct the call in guarantee. I provide the evidence
José Ramiro Benavides Y Otros	2018	4.229.160	Compensation is made for the damages caused by the PHEQ to its economic activity within the construction chain - non-residents who derived their income in the A.I.D	4-11-2021 Auto sets initial hearing date on office to indicate the eighth day (08) of February of two thousand and twenty-two (2022), at eight in the morning (08:00 a.m.), as the date and time to carry out the initial hearing referred to in article 180 of the CPACA, which will be held virtually, for which, by the secretariat will send the link of the meeting to emails reported by procedural subjects in their corresponding writings Introductory and if they have not been informed, they are required to proceed to provide the office with the emails arranged for their judicial notifications. 16-12-2021 pending initial hearing scheduled for 8-02-2022
Méndez Arboleda SAS	2016	3.749.528	Huge injury	It is pending for second instance judgment.
Luz Marina Ardila Silva	2018	2.561.088	Compensation is made for the damages caused by the PHEQ to its economic activity on A.I.D. properties	24-11-2021 To the office for judgment.
William Javier Cedeño Medina	2017	1.500.732	Compensation for damages for being tenants of a property acquired by the PHEQ	To the office to issue a judgment of first instance.
Roberto Aisama Nurinbia Y Otros 6	2019	1.226.291	Compensation is made for the damages caused by the PHEQ to their economic activity in their capacity as non-residents - corn silage machines and a service employee on AID properties	15/10/2021 Judgment of first instance in favour of EMGESA. 2/11/2021 plaintiff lodges appeal 29/11/2021 grants appeal. 13/12/2021 is sent to the administrative court on appeal.
Pedro Hernández Rojas	2017	1.088.705	Damages caused by the PHEQ requires compensation for being the owner of the lot plot 18b folio 20223122	To the office for first instance judgment.
Roberto Campos Y Otros	2017	1.042.693	Compensation is made for the damages caused by the PHEQ to its artisanal mining economic activity in properties located in the A. I. D - non-residents who derived their income in the A.I.D	05-05-2021 Sending Contentious Court Administrative with office N° j8an-0399 is sent in Appeal of order granted in suspensive effect. Magistrate. José Miller Lugo barrero 19-05-2021 T.ADM Process Filing, arrives at administrative court 19-05-2021 T. ADM Distribution of the Process at 07:53:50 Distributed to natural person 19-05-2021 T. ADM To the office by distribution.
Derly Andrea Lasso Torres Y Otros 19	2018	Indeterminada	compensation for damages to the recipient population	18/11/2020 resolves conflict and sends competent to the 9 administrative, pending to return to the CSI.
María Francy Bejarano Martínez Y Otros	2013	Indeterminada	The legal action pursues the extinction of the real right of ownership of the company over a real estate located in the Guavio area.	Favorable ruling of the only instance dated July 1, 2020, pending a copy of the ruling to cancel it.
Deyanira Fernández Cruz y Otros	2017	6.212.659	Compensation as a non-resident population	14-05-2021 Minutes Hearing Evidence continued for The 2nd of September 2021, it closes Evidentiary debate and transfer is run to allege. 1-09-2021 Reception memorial continuation of power of attorney plaintiff allega continuation of power to the lawyer daily esperanza Restrepo Villada 2-09-2021 Minutes hearing evidence sets date continuation aud evidence for next February 3, 2022.
José Yimmy Aroca Rojas y Otros	2017	7.281.318	Compensation is made for the damages caused by the PHEQ to its work as A.I.D. properties	Compensation is made for the damages caused by the PHEQ to its work as A.I.D. properties



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Plaintiff	Start Date	Pretension	Object of the Trial	Current status and procedural situation
María Isabel Delgadillo García y Otros	2012	786.367000	Indemnity Bosa and Kennedy December 2011	The 30th Administrative Court of Bogotá, approves the accumulation of claims on 02/17/2021. On June 17, 2021, it admits as an actor group the people listed in the format provided by the plaintiff. The process was accumulated with that of Juan Reisel Lima Ararat and Others.
Otoniel Adames Trujillo y Otros	2017	25.036.414	Compensation is made for damages caused to economic activity on A.I. properties . D	29-03-2021 Pending date set for Hold an initial hearing.
José Rodrigo Álvarez Alonso	2008	33.000.000	Quimbo group action Compensation for non-inclusion of people in the census	At the evidentiary stage, pending the complementation and contradiction of the expert opinion. To date no the supplementation of the opinion has been delivered expert.
José Edgar Bejarano	2004	32.000.000	Group action for floods in the Upiá River (Villanueva and Barranca de Upiá in Casanare) downstream of the Guavio reservoir.	The appeal was processed and the application of the plaintiff, currently the process is find the pending office to continue the step.
Jesús Hernán Ramírez Almarío y Otros	2018	23.979.939	Compensation for damages for PHEQ affectation	6/10/2021 auto admits appeal in guarantee AXXA, min ANLA environment. 14/10/2021 AXXA, request link access file electronic 20/10/2021 appeal for reversal against the order that call under warranty. 6/10/2021 auto admits appeal in guarantee AXA, min environment, ANLA. 26/10/2021 notified calls in guarantee 2/11/2021 appeal for reversal against the order that call under warranty by AXXA. 19/11/2021 AXXA replies
Gilberth Camacho y Otros	2017	16.857708	Compensation is made for the damages caused by the PHEQ to its economic activity on A.I.D. properties	11-11-2021 Closing arguments by EMGESA representative 16-11-2021 Transfer allegations art. 181 CPACA 16-11-2021 Reception memorial - by proxy ANLA allega link request. is sent to the indicated email 23-11-2021 Closing arguments - by proxy of MINISTRY OF MINES AND ENERGY 23-11-2021 Closing arguments - the 23/11/2021 by ANLA proxy 23-11-2021 Closing arguments - on 22/11/2021 by attorney PLAINTIFF 16-12-2021 Pending entry to the office for judgment
Alberto Díaz Polanía y Otros	2017	9.894.763	Non-resident compensation	10-11-2021 Memorial reception confers power- by proxy ANLA 16-11-2021 Receipt of memorial- by agent of plaintiff arrives proof sending offices 1046.1047.1048.1049 16-11-2021 Minutes hearing evidence. on the date a hearing of evidence was held, it will continue with it tomorrow, November 16, 2021 18-11-2021 Memorial reception CMD- by EMGESA ESP representative informs that tests need to be practiced. 18-11-2021 To the office constancia. Neiva, November 18, 2021. In accordance with the order of the hearing dated November 17, 2021, the office is entered to set a date for the resumption of the evidentiary hearing. Likewise, it is reported that the representative of Emgesa arrived memorial informing the office of the list of pending evidence to be practiced 9-12-2021 Sets date for continuation of evidentiary hearing on March 29, 2022 starting at 9:00 am
Elber Guillermo Cuellar Chavarro y Otros	2017	11.270.417	Compensation is made for damages caused by the PHEQ to its economic activity	04-02-2021 constitutional court submission 29-03-2021 Pending that the Constitutional Court define competence.
Adolfo Trujillo Escarlante y Otros	2018	9.111.190	Compensation for damages for being Construction Masters	03/11/2021 Auto sets initial hearing date for on 09/03/2022 at 08:00 am.
Juan Reisel Lima Ararat y Otros	2013	2.222.742.172	Indemnity Bosa and Kennedy December 2011	It is in the evidentiary stage.
Cristian Camilo Triana Cuellar y Otros	2016	5.188.105	Compensation as a non-resident population	The Office is located for second instance judgment.
Consortio Rockex	2014	5.000.000	Claim for damages caused in non-execution of contract with consortium for the supply of dump trucks	An appeal was lodged against an order which had resolved EMGESA's previous objection. The order was favorable to the company and ordered the termination of the process. However, there were defects in the notification of the Order and the processing of an application for nullity is being initiated.
Camilo Andrés Trujillo Escobar y Otros	2017	6.748.914	Compensation is made for damages caused by the PHEQ to their economic activity as non-residents	Pending that the process of the Superior Council of the Judiciary arrives at the Administrative Court 7 of Neiva.

### 35. Energy derivatives market

In May 2018, the Board of Directors approved the change of the Company's corporate purpose, in order to be able to carry out operations in the derivatives markets for purposes other than the coverage of the contracting portfolio. As of December 31, 2021, there are contracts for the sale of energy futures in force for 18.36 GWh, with a purpose other than the coverage of the contracting portfolio. In turn, as of December 31, 2021, 4.32 GWh were settled, which were not considered within the hedging strategy.

As of December 31, 2021, Trading's valuation closes as follows:

Operation	MTM	No. Operations
Business	\$ (301.520)	25

Futures operations with Trading are backed by guarantees which as of December 2021 amount in cash to \$1,585,482 and TES \$1,058,127, which are available to the company, but as part of its Trading operation, they must be kept as minimum amounts as cash and cash equivalent.

### 36. Risk management

The Company is exposed to certain risks that it manages through the application of identification, measurement, concentration limitation and monitoring systems.

Among the basic principles defined by the Company in the establishment of its risk management policy, the following stand out:

- a) Comply with the rules of good corporate governance.
- b) Strictly comply with the entire regulatory system of the Company.
- c) Each management and corporate area defines:
  - i. The markets in which you can operate based on sufficient knowledge and skills to ensure effective risk management.
  - ii. Criteria on counterparties.
  - iii. Authorized operators.
- d) The managements, corporate areas and lines of business establish for each market in which they operate their predisposition to risk in a manner consistent with the defined strategy.
- e) All operations of management, corporate areas and lines of business are carried out within the limits approved for each case.
- f) Management, corporate areas and lines of business establish the necessary risk management controls to ensure that transactions in the markets are conducted in accordance with the Company's policies, rules and procedures.

#### Interest rate risk

Changes in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the flows of assets and liabilities referenced at a variable interest rate.

The objective of interest rate risk management is to reduce the volatility of financial expenditure reflected in the separate income statement.

Depending on the Company's estimates and the objectives of the debt structure, hedging operations are carried out by contracting derivatives that mitigate these risks. The Instruments that can be used correspond to Rate Swaps, which are fixed from variable to fixed rate. At the end of December 2021, the Company has not contracted interest rate coverages.

Interest Rate	As of December 31, 2021		As of December 31, 2020	
	Variation (pbs)*	Sensitivity in thousands of POPs	Variation (pbs)*	Sensitivity in thousands of POPs
IPC	+/- 3.47%	(+/-) \$ 56.420.859	+/- 1.91%	(+/-) \$ 32.908.105
IBR	+/- 2.62%	(+/-) \$ 16.597.516	+/- 2.00%	\$ -

(\*) Variations or movements of interest rates were calculated based on their historical volatility over a three-year period 2019-2021 and 2018-2020 for the 2021 and 2020 calculations respectively, taking twice the standard variation of the series.

## Exchange rate risk

Exchange rate risks can be presented, fundamentally, with the following transactions:

- Debt contracted by the Company denominated in a currency other than that in which its flows are indexed.
- Payments to be made for the acquisition of materials associated with projects in a currency other than that in which their flows are indexed.
- Income that is directly linked to the evolution of currencies other than that of their flows.

Taking into account that the functional currency of the Company is the Colombian peso, it is necessary to mitigate exchange rate risk by minimizing the exposure of flows to the risk of changes in exchange rate.

The instruments that can be used correspond to derivatives (forwards and Swaps) of exchange rate. Currently, the Company contracts exchange rate hedges in order to cover the payment of dollar bills for the purchase of foreign currency assets (maintenance capex) and decrease of the CERE (Real equivalent cost of energy of the reliability charge). The Company currently has contracted exchange rate hedges for a notional USD 26,100,000 with maturity throughout 2022.

## Commodities risk

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 price changes. Liquid fuels are purchased at international market prices. The prices of solid fuels such as coal result from open contracting processes in the local market not directly associated with international commodities; the indexation of these is given by the variation of the IPPC (Index of Producer Prices of Coal) limited to a maximum of +/-5% in order to maintain stability in the purchase values.

The Company carries out the majority of 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 with indexation to the IPP has been previously agreed, thus mitigating the risk on the spot price of the generation portfolio.

## Liquidity Risk

The Company maintains a liquidity policy consisting of the contracting of long-term credit facilities, cash and temporary financial investments, for amounts sufficient to support the projected needs for a period that is based on the situation and expectations of the debt and capital markets. Available resources should cover projected net financial debt service needs (principal plus interest), i.e. after financial derivatives. Below are the contractual cash flows of financial liabilities with third parties until maturity without discounting:

Concept	Stream			No Current				Total Non-Current
	Less than 90 days	More than 90 days		1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	
		days	Total Current					
Cuentas comerciales por pagar y otras cuentas por pagar	\$ 299.977.613	\$ -	\$ 299.977.613	\$ -	\$ -	\$ -	\$ -	\$ -
Bonos Emitidos (capital + intereses)	88.169.325	710.079.168	798.248.493	663.616.966	433.815.131	415.726.013	-	1.513.158.110
Obligaciones por leasing financiero (capital + intereses)	10.553.812	10.851.478	21.405.290	19.632.166	18.318.691	49.212.703	-	87.163.560
Préstamos Bancarios (capital + intereses)	1.270.100	19.225.502	20.495.602	51.666.000	51.937.600	524.685.800	-	628.289.400
<b>Total</b>	<b>\$ 399.970.850</b>	<b>\$ 740.156.148</b>	<b>\$ 1.140.126.998</b>	<b>\$ 734.915.132</b>	<b>\$ 504.071.422</b>	<b>\$ 989.624.516</b>	<b>\$ -</b>	<b>\$ 2.228.611.070</b>

## Credit Risk

The Company closely tracks credit risk.

## Commercial Accounts Receivable

Credit risk in the Company is historically limited given the short term of collection from clients, which allows them not to individually accumulate significant amounts. Likewise, the regulation allows to proceed with the interruption of the energy supply and in almost all the contracts signed with the clients the non-payment is established as a cause of termination of the contract. To this end, credit risk is constantly monitored through the evaluation of general and individual portfolio indicators.

### Assets of a financial nature

Investments of the Company's available resources (treasury investments) originating in the operation, and in other non-operating income and financial derivatives operations will be made with leading domestic and foreign financial institutions that meet the minimum risk rating requested by the Company.

The minimum risk rating of financial counterparties must be long-term international investment grade, or its equivalent on a local scale taking into account the minimum international foreign currency rating of the Republic of Colombia. It may only be invested in counterparties with a lower rating, within the limits established by risks for non-investment grade counterparties, or after approval by means of a current Waiver granted for risks. Local risk ratings must be issued by a recognized and legally established risk rating agency in Colombia. For international risk ratings, those granted by Moody's, S&P and Fitch will be acceptable.

The following rules apply to determine the rating given to counterparties:

- If the counterparty has only one rating, the same one is chosen.
- If the counterparty has two ratings, the best rating of the two available is taken.
- If the counterparty has more than two ratings, the second best available rating is taken.

Surplus liquidity operations must meet the following general criteria:

- **Security:** In order to preserve the value of the investment portfolio, the resources available to be placed must meet the credit rating requirements contained in this document.
- **Liquidity:** The instruments that are part of the investments must have high liquidity in the market.
- **Profitability:** Within the permitted risk limits, the maximum possible return on investments should be sought.
- **Diversification:** The concentration of risk in a certain type of issuer or counterparty should be avoided.
- **Transparency:** All operations and commitments made in the management of available resources must be explicitly recorded and supported, and governed by the rules and procedures in force.

### Risk measurement

The Company adopted IFRS 9 on January 1, 2018, which introduced a new hedge accounting model, with the aim of aligning accounting more closely with companies' risk management activities and establishing a more principled approach.

Under the new approach, a coverage ratio 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 hedging ratio, understood as the relationship between the notional of the hedged item and the notional of the hedging instrument, is the same as that which the Company uses for risk management purposes and such a relationship is suitable for hedge accounting purposes.

### 37. Fair value

The fair value of financial assets and liabilities is presented for the amount at which the instrument could be redeemed in a current transaction between parties by mutual agreement and not in a forced or settlement transaction, according to the defined policy.

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The following are the financial assets and liabilities that vary between book value and fair value as of December 31, 2021:

	Carrying amounts		Fair values	
	As of December 31, 2021			
<b>Financial assets (1)</b>				
Convened Housing	\$	11.252.405	\$	10.149.974
Integral Housing		4.486.313		4.745.254
Other loans		1.857.972		2.263.304
PSJ Housing		233.598		244.634
Pensioned housing		32.052		39.740
<b>Total assets</b>	<b>\$</b>	<b>17.862.340</b>	<b>\$</b>	<b>17.442.906</b>
<b>Financial liabilities (2)</b>				
Bonds issued	\$	1.870.489.779	\$	1.953.684.715
Bank Loans		451.452.900		537.736.999
Leasing obligations		82.774.592		81.364.869
<b>Total liabilities</b>	<b>\$</b>	<b>2.404.717.271</b>	<b>\$</b>	<b>2.572.786.583</b>
<b>Non-financial assets (3)</b>				
Carbon Credits	\$	14.690.586	\$	38.171.558
<b>Total non-financial assets</b>	<b>\$</b>	<b>14.690.586</b>	<b>\$</b>	<b>38.171.558</b>

The following are the financial assets and liabilities that vary between book value and fair value as of December 31, 2020:

	Carrying amounts		Fair values	
	As of December 31, 2020			
<b>Financial assets (1)</b>				
Convened Housing	\$	9.560.561	\$	9.400.067
Integral Housing		3.559.660		4.448.660
Other loans		1.903.198		2.566.613
PSJ Housing		278.234		311.792
Pensioned housing		34.877		48.075
<b>Total assets</b>	<b>\$</b>	<b>15.336.530</b>	<b>\$</b>	<b>16.775.207</b>
<b>Financial liabilities (2)</b>				
Bonds issued	\$	2.755.823.708	\$	3.002.697.526
Leasing obligations		7.729.440		8.262.571
<b>Total liabilities</b>	<b>\$</b>	<b>2.763.553.148</b>	<b>\$</b>	<b>3.010.960.097</b>

(1) The Company evaluates accounts receivable and other accounts receivable over the long term, classifying them below level 2 of the hierarchy taking into account that they are observable in similar markets. It is used for this base measurement of parameters such as the lowest interest rates of the market of products with characteristics similar to the cut of December 2021, risk factors of each country in particular, the solvency of the client and the risk characteristics of the financed portfolio. On the basis of this assessment, provisions are recorded to account for expected losses on these accounts receivable.

(2) Financial obligations and financial leases are classified within level 2 of the hierarchy since they can be traded or traded in active markets at market prices on the date of measurement. Fair value is estimated by discounting future cash flows using the rates available for debts with similar conditions, credit risk, and maturities. The Company employs the discount rates of the zero coupon curve according to the maturities of each issue.

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(3) The measurement of fair value for non-financial assets and liabilities is made based on the consideration to be received or paid for the goods and/or services classified in these items. In the case of inventories, the fair value corresponds to the cost incurred by the Company in the acquisition of these goods.

As of December 31, 2021, CO2 carbon credits are recognized, whose fair value is \$38,171,558, corresponding to 2,691,628 certificates issued in December 2020 for reduction of CO2 emissions of the years 2015 – 2018 for \$ 18,755,788 and 1,396,818 certificates issued in March 2021 for reduction of CO2 emissions of the years 2019 and 2020 for \$ 19,415,770 for the Quimbo plants, Guavio Menor, Dario Valencia Samper, Salto II and Tequendama.

The fair values of cash and cash equivalents and commercial accounts payable approximate their carrying amounts, largely due to the short-term maturities of these instruments.

As of December 31, the Company maintains in its separate financial statement the following financial assets and liabilities measured by fair value and classified by tiers.

As of December 31, 2021

<b>Financial Assets</b>	<b>Level 3</b>
Financial investments – unlisted companies or who have little liquidity	\$ 481.721
	<b>Level 2</b>
Derivative instruments (See Note 5)	\$ 2.612.348
<b>Financial Liabilities</b>	
Derivative instruments (See Note 14)	\$ 41.864

As of December 31, 2020

<b>Financial Assets</b>	<b>Level 3</b>
Financial investments – unlisted or illiquid companies (See Note 5)	\$ 517.050
	<b>Level 2</b>
<b>Financial Liabilities</b>	
Derivative instruments (See Note 14)	\$ 1.741.469

For the fair value measurement of this equity instrument, the Company's participation in Derivex's equity was based, this being the most appropriate method to measure the investment by the conditions of the counterparty, given that there are no comparables in the market.

### 38. Categories of financial assets and financial liabilities

The categories under IFRS 9 of financial assets and financial liabilities are as follows:

Financial Assets	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
<b>Amortized Cost</b>				
Cash and cash equivalents	\$ 211.368.752	\$ -	\$ 819.735.786	\$ -
Commercial accounts receivable and other accounts receivable	278.492.004	14.614.865	227.826.186	13.767.293
Accounts receivable from related entities	18.351.128	-	3.169.422	-
Other financial assets	8.602.383	-	13.968.629	-
<b>Total Financial Assets at Amortized Cost</b>	<b>\$ 516.814.267</b>	<b>\$ 14.614.865</b>	<b>\$ 1.064.700.023</b>	<b>\$ 13.767.293</b>
<b>Fair Value with Changes in Results</b>				
Other financial assets	4.162.635	-	965.635	-
<b>Total Financial Assets at Fair Value with Changes in Results</b>	<b>\$ 4.162.635</b>	<b>\$ -</b>	<b>\$ 965.635</b>	<b>\$ -</b>
<b>Fair Value with changes in ORI</b>				
Other financial assets	-	481.721	-	517.050
<b>Total Financial Assets at Fair Value with changes in ORI</b>	<b>\$ -</b>	<b>\$ 481.721</b>	<b>\$ -</b>	<b>\$ 517.050</b>



Financial Liabilities	As of December 31, 2021		As of December 31, 2020	
	Stream	No Current	Stream	No Current
<b>Amortized Cost</b>				
Other financial liabilities	\$ 632.953.457	\$ 1.771.817.266	\$ 905.238.274	\$ 1.858.483.123
Business accounts and other accounts payable	299.977.613	-	314.751.725	-
Accounts payable to related entities	45.442.837	-	265.747.118	-
<b>Total Financial Liabilities at Amortized Cost</b>	<b>\$ 978.373.907</b>	<b>\$ 1.771.817.266</b>	<b>\$ 1.485.737.117</b>	<b>\$ 1.858.483.123</b>
<b>Fair Value with Changes in Results</b>				
Other financial liabilities	41.864	-	1.712.125	29.344
<b>Total Financial Liabilities at Fair Value with Changes in Results</b>	<b>\$ 41.864</b>	<b>\$ -</b>	<b>\$ 1.712.125</b>	<b>\$ 29.344</b>

### 39. Approval of Financial Statements

The General Purpose Financial Statements of the Company as of December 31, 2021, were approved by the Audit Committee according to Minutes No. 71 of February 23, 2022 and approved by the Board of Directors according to Minutes No. 505 of February 23, 2022 in order to be presented to the General Shareholders' Meeting in accordance with the provisions of the Commercial Code.

### 40. Relevant topics

#### Merger filing

On October 1, 2021, the request for authorization of the merger by absorption between Emgesa S.A. E.S.P., (as the acquiring company) and the companies Codensa S.A. E.S.P., Enel Green Power Colombia S.A.S. E.S.P. and Essa 2 SpA (as absorbed companies) was filed with the Superintendency of Companies of Colombia. Once the merger is approved and perfected by public deed, the acquired companies will be dissolved without liquidation and the acquiring company will acquire its assets, rights and obligations in accordance with Article 178 of the Commercial Code.

#### Covid-19

On March 11, 2020, the World Health Organization declared the COVID-19 Coronavirus outbreak a pandemic, due to its rapid spread around the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, including: isolation, confinement, quarantine and restriction on the free movement of people, closure of public and private premises, except for basic necessities and health facilities, closure of borders and drastic reduction of air, sea, rail and land transport. In Colombia, the Government has adopted various legislative measures to mitigate the adverse effects, both human and economic-financial, that may occur, where appropriate, caused by this health crisis due to COVID-19.

To mitigate the economic-financial impacts of this crisis, the Colombian Government has adopted various measures at the business, financial and fiscal-tax levels, aimed at ensuring the continuity of business activity; and, in particular, in certain sectors of activity in the country.

The Company informs that it has been adopting a set of measures in order to mitigate the impact of COVID-19 on the development of its activity, as well as compliance with the measures established by the National Government.

The following is the Contingency Plan implemented by the Company, which was structured into four main focal points:

1. **Personnel Protection:** The Company has implemented a series of measures to protect the technical human resources that are located in the generation plants, as well as the administrative and support personnel located in the corporate buildings, thus minimizing the number of people needed in person in plants and offices, in order to reduce the risk of infection.

After the activation of the Business Continuity Plan on March 9, 2020, the first measures adopted by the Company were the cancellation of national and international trips, corporate events and internal group formations; likewise, he made a

strong call for individual self-care through campaigns that he activated through internal means. These measures have been maintained during 2021, in addition to covid prevention, the company has promoted information on vaccination as a measure to mitigate the impact of Covid contagion.

As of December 2021, although the government has relaxed the measures (circular 0392 of March 25, 2021) in EMGESA biosecurity measures such as distancing of 1.5 meters in the facilities are maintained, work at home prevails for people whose functions allow them, self-care campaigns and certification has also been achieved in biosafe operations with the ICONTEC institute.

In total, 51% of EMGESA workers are performing their task through this modality. 49% attend the plants permanently or occasionally according to the needs of the service. Maintaining the criterion that all people who go out to the operation must have a negative PCR test and subsequent presents medical follow-up.

To the group of people working in the field, the Company delivered the necessary protection elements to carry out its activities with all the security measures; Likewise, operation shifts were strategically optimized, operational flexibility is periodically evaluated and permanent health monitoring and prevention campaigns led by HSEQ sub-management for workers and families are carried out. In addition to this, strict compliance is made to all the protocols of cleaning and disinfection of common areas.

As of December 31, 2021, 98% of Emgesa workers have at least one dose. Enel Emgesa through the ANDI has ensured the vaccination of 2,084 people, this process began in July including employees, one family member per employee and some essential contractors who have not yet been vaccinated with the national government, the value of the complete scheme per person is \$ 213,718 that covers two sinovac doses: includes purchase of the biological, transport and logistics of application. In November 2021, the government enables the vaccination of children between 3 and 17 years old. With a cut-off date of December 31, 2021, through this scheme, 1032 people have been vaccinated among 298 direct workers, 397 contractors, 308 family members, 56 minors between 3 and 17 years old and 41 former workers who began the vaccination process while they were linked to the company.

2. **Financial strength and access to financing:** Despite the possible impacts due to the circulation of the Ómicron variant, the Company maintains a stable financial position, which allows it to effectively face the challenges of the COVID19 contingency. Additionally, as a preventive measure, the Company closed in April, a line committed for USD\$42 Million of immediate use if necessary, valid for one year, Likewise the Company has broad access to financing to meet future cash needs in the local and international market if required and in the month of July in 2021 its risk rating was affirmed at "AAA" on a national scale, by Fitch Ratings. To date, there are no material impacts on revenues, net income, cash flow and equity. In case of any significant impact, it will be informed in a timely manner to the market.

We emphasize that to date there are no material impacts on revenues, net income, cash flow and equity. In case of any significant impact, it will be informed in a timely manner to the market.

3. **100% virtual customer service and Solid Commercial Operations:** 100% of customer service is carried out virtually; additionally, through webinars information has been launched to encourage payment through virtual channels, in addition to the payment button on the website and the non-face-to-face service schemes. 100% of the invoicing is electronic and the response to the PQR's is done through an application, responding to the client directly by email.
4. **Sustained Supply:** The fulfillment of energy and gas supply contracts in the wholesale market and in the unregulated market are being carried out without affectations. All the measures established by the Ministry of Mines and Energy and the Energy and Gas Regulatory Commission have been adopted at the current juncture.

The supply of fuel for our thermal power plants is being carried out in a stable manner according to the energy situation of the country.

In conclusion, with the contingency plan activated, the Company has reacted positively both operationally and financially, therefore, at this time no substantial risks have been identified.

The Company will continue to closely monitor the evolution of COVID 19, other measures that could be implemented by the National Government and the eventual impact on the business, which, if significant, will be informed in a timely manner to the market.

**Impairment test:** As of December 31, 2021, the Company performed the impairment test, which determined that there are no indications of impairment that could affect the recognition of its assets.

#### **41. Subsequent events**

##### **Resolution CREG 101 004**

On February 17, 2022, Resolution 101 004 of the CREG was published in the official journal number 51951, which establishes the opportunity in which the Firm Energy Obligations of the Reliability Charge (energy supply to supply the demand evaluated in conditions of critical hydrology) will be assigned to those who represent existing plants for the periods between December 1, 2023 to November 30, 2024, and December 1, 2024 to November 30, 2025.

The Company is evaluating whether to accept the allocation of the reliability charge for the Termocartagena plant for the period 2024 – 2025; notwithstanding the foregoing, the plant will continue to operate in compliance with the firm energy obligations assigned and maintaining the current operating and generation capacity.