

ENEL-EMGESA REMAINS THE FIRST POWER GENERATOR IN INSTALLED CAPACITY IN COLOMBIA AND SECOND IN GENERATION

- *The Company closed 2020 with a 20.2% share in the country's energy generation, positioning itself as the second power generator in the country.*

Bogota, February 24, 2021

Financial Results 2020

	FY 2020	FY 2019	YoY %
<i>Millions of Pesos (COP)</i>			
REVENUE	4,281,284	4,091,858	+4.6%
EBITDA	2,488,958	2,334,969	+6.6%
EBIT	2,242,999	2,092,474	+7.2%
NET INCOME	1,283,152	1,232,152	+4.1%
NET FINANCIAL DEBT ⁽¹⁾	1,838,146	2,527,953	-27.3%
INVESTMENTS	228,162	334,634	-31.8%

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

Lucio Rubio Díaz, country manager of Enel in Colombia, commented: *“The 2020 financial results evidence the strength of Enel-Emgesa. We closed 2020 with a positive EBITDA of 6.6% YoY, we made important investments in maintenance and modernizations, and were able to complete the automation and remote control of the Río Bogotá plants. Undoubtedly, it was a year with great challenges, but our focus on caring for people and on the operation’s sustainability ensures a continuous power generation, contributing to the System’s reliability”.*

Enel-Emgesa’s **Revenue** grew 4.6% YoY, mainly explained by:

- Better sales prices in contracts due to better market conditions given the delay in the entry into operation of Hidroituango; as well as the indexation to the Producer Price Index (PPI).
- Higher spot prices, particularly between January and April, due to the delayed onset of winter, which the Company leveraged on thanks to its risk management in reservoirs, which had its highest historical level at the end of 2019.
- Increase in the volume of the provision of AGC, frequency regulation service, due to market conditions.
- Earnings from the sale of carbon credits, a new market entered by the Company, obtaining the certification of several plants.

This effect was diminished by:

- Lower energy generation compared to 2019 (-1.2 TWh), as a result of low water inputs, especially during the first half of the year.
- Reduction in the national energy demand by 2.0% and in the portfolio of large customers managed by the company by 8.5%.
- Higher cost associated with the special contribution of the Superintendence of Residential Public Services for the strengthening of the Business Fund, approved as a temporary measure of the National Development Plan.

In addition, **fixed costs**, represented by personnel costs and other operating expenses, evidenced growth due to:

- The second instance negative ruling of the Council of State for the payment of the 2003 income tax of the Betania Hydroelectric Power Plant, due to the application of the exemptions provided for in the Páez Act.
- Higher cost of personnel due to salary adjustments indexed to the Consumer Price Index (CPI) and the minimum wage.
- Higher costs associated with the pandemic, due to the biosafety protocols and the donations made by the Company.

EBITDA registered a 6.6% YoY increase, as a result of the conditions mentioned above.

Additionally, **EBIT** reflects the increase in depreciation expense due to the entry into operation of some fixed assets related to the projects to extend the useful life of the Termozipa Thermal Generation Plant and its improvement in environmental performance.

Furthermore, **net income** registered a YoY increase, despite the recognition of financial expenses and taxes derived from the negative ruling of the Council of State in relation to the 2003 income tax return of the Betania Hydroelectric Power Plant.

This effect was offset by:

- A reduction of net financial expenses as a result of a lower average debt balance YoY.

Net financial debt decreased YoY, mainly due to better cash generation that allowed not only to meet operating costs and Capex, but also to amortize debt maturities throughout the year.

During 2020, **investments** evidenced a YoY decrease, mainly due to the rescheduling of projects as a result of the pandemic. Investments were mainly aimed at the maintenance of the hydroelectric and thermal power plants, the fulfillment of environmental obligations in the El Quimbo and Río Bogotá Hydroelectric Power Plants, as well as automation and control in the Río Bogotá Power Plants.

Operating Results 2020

	2020	2019	YoY %
<i>GWh(*)</i>			
TOTAL GENERATION COLOMBIA	69,324	70,115	-1.2%
ENEL- EMGESA GENERATION	14,009	15,229	-8.0%
CONTRACT SALES	14,330	15,152	-5.4%
SPOT MARKET SALES	3,209	3,246	-1.1%
PLANT AVAILABILITY	90.3%	90.3%	-0.1%

(*) Estimated figures

As of 2020 year end, Enel-Emgesa is the first power generating company in terms of net installed capacity with a total of 3,506 MW, which represents a 20.1% share of the National Interconnected System (SIN).

Also:

- Enel-Emgesa is the **second largest generator** in the system, with a 20.2% share. In 2020 the Company reported a decrease in power generation of approximately 1.2 TWh, due to the effects of the Covid-19 pandemic. Generation was also affected by low hydrology during the first half of the

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year and the level of the reservoirs, which meant a lower hydraulic generation and an increase in thermal generation, due to the higher requirement of the plants by the National Interconnected System.

- Enel-Emgesa's share in the national free market is 17.6%; it is the second largest energy retailer in Colombia, with 3.7 TWH/year, 0.4 TWH lower due to the decrease in customer demand as a result of the Pandemic.
- As a gas retailer, Enel-Emgesa's share in the national market of free customers is 2.1%.

Enel-Emgesa's **total energy production** was distributed as follows:

- 95% hydroelectric: -0.8 pp less than the previous year, mainly explained by a decrease in the level of reservoirs during the first months of the year, generally in the entire region.
- 5% thermal: 0.8 pp more than in 2019, given the need for thermal generation to give stability to the system due to the hydrological conditions.

Dividends:

In 2020, Enel-Emgesa paid a total of \$834,103 million pesos in dividends to shareholders.

	2020	2019
<i>Millions of Pesos (COP)</i>		
Current assets	1,211,204	825,830
Non-current assets	8,282,979	8,291,657
Current liabilities	1,959,818	1,281,513
Non-current liabilities	2,378,928	3,092,756
Equity	5,155,437	4,743,218
Revenue	4,281,284	4,091,858
Costs	(1,523,687)	(1,528,369)
Contribution margin	2,757,597	2,563,489
Earnings before interests and taxes (EBIT)	2,242,999	2,092,474
Earnings before taxes (EBT)	1,980,797	1,823,483
Net income	1,283,152	1,232,152

For further information, please contact:

ADRIANA CORTÉS R.

e-mail: adriana.cortes@enel.com