

NET INCOME OF ENEL-EMGESA UP 14% IN THE FIRST HALF OF 2021

Bogota, July 27, 2021

Financial Results H1 2021

	H1 2021	H1 2020	YoY %
<i>Millions of Pesos (COP)</i>			
REVENUE	2,164,804	2,137,231	+1.3%
EBITDA	1,358,049	1,271,698	+6.8%
EBIT	1,235,744	1,152,601	+7.2%
NET INCOME	818,690	719,221	+13.8%
NET FINANCIAL DEBT ⁽¹⁾	2,120,835	1,838,147 ⁽²⁾	+15.4%
INVESTMENTS	73,751	65,728	+12.2%

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

(2) Figures as of December 31, 2020

Lucio Rubio, Country Manager of Enel in Colombia, stated: *“During the first half of 2021, we continued our commitment to provide greater reliability and security to the National Interconnected System, not only keeping up with our investment plan in modernization, but also focusing on the sustainability plan. Our commitment continues, and now we will gain even more strength with the new agreement with our partner Grupo Energía Bogotá, through which we will establish new rules that allow us to contribute more to the energy transition and to the new reality of the sector.”*

At the end of the first half of 2021, the **contribution margin** increased YoY by 6.5%. This was a result of the use predictive models that anticipated signs of high hydrology in the medium term, which allowed the Companies to execute an assertive commercial strategy together with portfolio optimization, in a scenario of low prices on the stock market.

The YoY increase in the contribution margin is mainly due to:

- Occasional increase in the volume in fixed price contracts for more than 780 GWH/year to compensate for the drop in demand from free customers due to the pandemic effect and to mitigate the drop in spot prices due to high hydrology.
- More purchases and fewer sales in the spot market to leverage the lower stock prices taking advantage of the reduction in prices, allowing to ensure a better level of its reservoirs.
- Lower fuel costs by optimizing the generation of thermal power plants due to high hydrology.
- Income from sales of carbon credits from the Quimbo, Guavio Menor, Darío Valencia, Salto II and Tequendama power plants, which allowed generating additional income amounting to \$23.5 billion pesos.

In addition, **fixed costs** registered an increase due to a higher cost in insurance policies and higher operating and maintenance costs of the plants.

EBITDA increased by 6.8%, in line with the income performance.

EBIT increased thanks to the favorable EBITDA behavior, also reflecting the growth in depreciation expenses due to the entry into operation of assets such as the project of the first Battery Energy Storage System (BESS) in Colombia, installed at the Termozipa Power Plant.

Thus, **Net Income** had a YoY increase of 13.8% during the first half of 2021, mainly due to:

- Decrease in financial expenses due to a lower debt balance and a reduction in its average cost as a consequence of the Company's cash generation, which allowed the amortization of 60% of the international bond without refinancing and to meet new resource needs with short-term withdrawals.
- A lower effective income tax rate in accordance with the income rate reduction approved by the National Government's Economic Growth Law.

Net Financial Debt increased compared to 2020 year-end, as a result of temporary effects on working capital, higher tax payments, and a higher level of investments and dividends.

During the first half of 2021, investments totaled \$73,751 MCOP, mainly focused on greater resources for the lining of the Chivor Batatas tunnel in the Guavio Power Plant and in modernization and recovery of equipment and infrastructure in the Bogota River Power Plants.

Operating Results H1 2021

	H1 2021	H1 2020	YoY %
GWh(*)			
TOTAL GENERATION COLOMBIA	35,486	33,550	+5.8%
ENEL- EMGESA GENERATION	6,358	7,155	-11.1%
CONTRACT SALES	6,897	6,772	+1.8%
SPOT MARKET SALES	1,446	1,826	-20.8%
PLANT AVAILABILITY	90.1%	92.2%	-2.1%

(*) *Estimated figures*

Enel-Emgesa still ranks first in the country in terms of net installed capacity, with a total of 3,503 MW, which represents a 19.9% share of the National Interconnected System (SIN).

It ranked third in generation in the system, with a 17.9% share. Enel-Emgesa's energy generation showed a decrease so far this year compared to the same period in 2020 as a result of the optimization of its hydro production due to the high hydrology registered in the country.

- Enel-Emgesa's **total energy production** had the following distribution by generation source:
 - 98.0% hydroelectric: 5.9% more YoY, mainly explained by the country's hydrological conditions mentioned above.
 - 2.0% thermal: 5.9% less YoY, because the system did not require thermal generation due to the hydrological conditions already mentioned.

Enel-Emgesa marketed 1,838 GWH of energy in free customers in the National Non-Regulated Market, reaching a 17% share of this market.

Dividends:

During the first half of 2021, Enel-Emgesa paid 801,373 million pesos in dividends to its shareholders.

	H1 2021	H1 2020
<i>Figures in Millions of pesos</i>		
Current assets	\$864,716	\$588,471
Non-current assets	\$8,232,912	\$8,242,400
Current liabilities	\$1,887,145	\$1,842,722
Non-current liabilities	\$2,389,994	\$2,393,905
Equity	\$4,820,489	\$4,594,244
Revenue	\$2,164,804	\$2,137,230
Costs	\$692,340	\$754,742
Contribution margin	\$1,472,464	\$1,382,488
Earnings before interests and taxes (EBIT)	\$1,358,049	\$1,271,698
Earnings before taxes (EBT)	\$1,161,313	\$1,041,025
Net income	\$818,690	\$719,221

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