



EMGESA S.A. ESP.

FINES OR PENALTIES IMPOSED BY GOVERNMENT ENTITIES

OCTOBER 23RD, 2020

Emgesa S.A. ESP (hereinafter the "Company" or "Emgesa"), informs that by second instance sentence issued by the Contentious-Administrative Chamber of Section Four of the Council of State on October 8, 2020 and notified to the Company on October 23rd of this year, the claims of the claim for nullity and restoration of Emgesa's right with respect to the Official Liquidation of Review issued on April 26, 2007 and the Resolution by means of which an Appeal for Reconsideration dated April 29th 2008, both issued by the DIAN and relating to the settlement of income tax and complementary of the year 2003 of the company Central Hidroeléctrica Betania S.A. ESP (today Emgesa), in relation to the application of the exemptions provided for in the Law Paez (Law 218 of 1995).

Despite the arguments in defense of the claims initiated by Emgesa, the Council of State determined that the Paez Law establishes exemptions only in operating income and ordered to pay the Company for concepts of higher determined tax, penalty, penalty indexation and the interest of the amount of \$88,327,729,461 is in arrears.