

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P

Consolidated Financial Statements

As of December 31, 2020 and 2019

With Statutory Auditor's Report



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(FREE TRANSLATION OF THE REPORT PREVIOUSLY ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders
Grupo Energía Bogotá S.A. E.S.P.:

Opinion

I have audited the consolidated financial statements of Grupo Energía Bogotá S.A. E.S.P. and Subordinates (the Group), which comprise the consolidated statement of financial position as of December 31, 2020 and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended and their respective notes, that include significant accounting policies and other explanatory information.

In my opinion, the aforementioned consolidated financial statements, attached to this report, present fairly, in all material aspects, the consolidated financial position of the Group as of December 31, 2020, the consolidated results of its operations, and its consolidated cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied on a consistent basis with the previous year.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the "Statutory Auditor's responsibilities for the audit of the consolidated financial statements" section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), included in the Information Assurance Standards accepted in Colombia together with the ethical requirements established in Colombia that are relevant to my audit of the consolidated financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code mentioned.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Evaluation of the impairment of the Group's long-lived assets under IAS 36 (See notes 16 and 20 to the consolidated financial statements)	
Key audit matter	How it was addressed in the Audit
<p>The Group maintains long-lived assets as of December 31, 2020 represented in property, plant, and equipment and intangibles for \$342.252 thousand U.S. Dollar and \$278.130 thousand U.S. Dollar, respectively.</p> <p>The Group carries out the evaluation of impairment of the value of long-lived assets as long as there is objective evidence that the carrying amount of the assets is higher than its recoverable value. Said determination is one of the most significant and complex estimates in the preparation of the consolidated financial statements, due to the high degree of judgment involved in the development of the financial model for the determination of whether impairment of the Group's long-lived assets based on the approach required in IAS 36 applies.</p> <p>I considered the evaluation of impairment of long-lived assets a key audit matter because there was significant judgment and an audit effort to evaluate the evidence obtained related to: (1) the methodology; (2) the main input data: (i) the volumes agreed in the contracts, (ii) the projected prices, (iii) the investments in working capital, (iv) the projection periods; (3) the discount rate; (4) the macroeconomic assumptions; (5) the mathematical accuracy of the model; and (6) the recovery periods of the projected flows in favor that depend on the resolution of certain arbitration processes.</p>	<p>My audit procedures to evaluate the impairment of the Group's long-lived assets included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluation of the design, implementation, and operating efficiency of certain internal controls established by the Group to carry out the review of the impairment test of long-lived assets. This included controls related to: (1) the review of the execution of Contugas S.A.C.'s and Transportadora de Energía de Centroamérica S.A.'s business plans, (2) the determination of the macroeconomic hypotheses and variables used in the measurement of the recoverable value of the cash-generating unit, and (3) the review by management of the impairment calculation. • Involvement of professionals with experience and knowledge in valuation, who assisted me in: (1) evaluating whether the methodology used is consistent with the valuation practices generally used for that purpose; (2) analyzing and evaluating the main input data such as: (i) volumes agreed in the contracts, (ii) the logic of the projected prices in conformity with external sources, (iii) investments in working capital, (iv) projection periods; (3) recalculating the discount rate used in the model; (4) comparing the macroeconomic assumptions included in the valuation with historical and market data, and available information; and (5) carrying out independent recalculations to ensure the mathematical accuracy of the models. • Involvement of professionals with experience and knowledge in the applicable legislation, who assisted me in: (1) Evaluation of the competence and capacity of internal and external professionals with specialized knowledge in legal matters, who reviewed the



	probability of success in certain arbitration processes, (2) reading of the letters received directly from the internal and external professionals who evaluated and quantified the probabilities of success in relation to the arbitration processes, and (3) evaluation of the conclusions the Group came to to determine the probability of occurrence of the flows contemplated in the projections as a result of the arbitration processes.
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Other matters

The consolidated financial statements as of and for the year ended December 31, 2019 are submitted only for comparison purposes and were audited by another public accountant who, in their report dated February 28, 2020, expressed an unqualified opinion thereon and included an emphasis paragraph related to the future cash flows used to measure the recovery value of the long-lived assets, which are maintained in 2020 within the foreseen scenarios.

Other information

The management is responsible for the other information. The other information comprises the information included in the governance report but does not include the consolidated financial statements nor my corresponding audit report. The other information is expected to be available for me after the date of this audit report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In relation to my audit of the consolidated financial statements, my responsibility is to read the other information identified previously when it is available and, upon doing so, to consider whether there is a material inconsistency between that information and the consolidated financial statements or my knowledge obtained in the audit, or whether in any way, there seems to be a material misstatement.

When I read the other information, if I conclude that there is a material misstatement in that other information, I am required to report this fact to those charged with governance and the actions applicable under ISAs.



Responsibilities of management and those charged with the Group's governance for the consolidated financial statements

Management is responsible for the fair preparation and presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining the internal control that management considers necessary for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

Statutory Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements, considered 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 is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the users' economic decisions taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with ISAs, I exercise my professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and evaluate the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern hypothesis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the disclosure that describes this situation in the consolidated financial statements or, if such disclosure is inadequate, to 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision, and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate to those charged with the Group's governance, among other matters, the planned scope and timing for the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Based on the matters communicated to those charged with governance, I determine the matters that were of most importance in the audit of the consolidated financial statements of the current period and, therefore, are the key audit matters. I describe these matters in my statutory auditor's report or when, in extremely exceptional circumstances, I determine that a matter must not be communicated in my report because the adverse consequences of doing so would be reasonably greater than the benefits to the public interest of such communication.

Lidia Nery Roa Mendoza
Statutory Auditor of Grupo Energía Bogotá S.A. E.S.P.
Registration 167431 – T
Member of KPMG S.A.S.


February 26, 2021

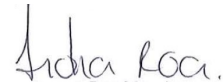
GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND SUBSIDIARIES
Consolidated Statements of Financial Position
As of December 31, 2020 and 2019
(Expressed in thousand of U.S. Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>		<u>Note</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>				<u>Liability and equity</u>			
Current assets:				Current liabilities:			
Cash and Cash equivalents	8	\$ 247.992	234.765	Financial Obligations	21	\$ 87.320	485.192
Investments	9	167.298	6.478	Trade and other payables	22	154.008	129.400
Trade and other receivables	10	341.046	319.317	Lease obligations		6.011	6.568
Accounts receivable from related parties	34	89.370	84.016	Accounts payable to related parties	34	111	-
Inventories		63.703	62.108	Hedging derivative financial instruments	28	11.431	5.367
Tax assets	11	21.795	23.516	Employee benefits	23	33.333	34.992
Hedging transactions	28	1.473	-	Provisions	24	16.994	12.979
Other Non-financial assets	13	10.984	5.064	Deferred revenue		6.025	50.815
		943.661	735.264	Tax liabilities	25	52.585	51.626
				Other Non-financial liabilities	27	22.850	22.700
				Total current liabilities		390.668	799.639
Assets held for sale	12	52.912	56.143				
Total current assets		996.573	791.407	Non-current liabilities:			
Non-current assets:				Financial Obligations	21	3.685.921	2.856.216
Investments in associates and joint ventures	15	2.838.986	2.493.965	Trade and other payables	22	9.150	4.060
Property, Plant and Equipment	16	3.523.479	3.472.467	Lease obligations		6.979	14.781
Assets for rights of use	18	13.288	21.314	Tax liabilities	25	235	333
Investment properties	17	8.691	9.104	Employee benefits	23	46.338	48.999
Investments	9	3.528	4.989	Provisions	24	124.042	80.098
Trade and other receivables	10	51.259	51.475	Deferred revenue		15.977	331
Goodwill	19	81.093	86.817	Deferred tax liabilities	26	499.395	512.365
Intangible assets	20	1.524.663	1.488.833	Other Non-financial liabilities	27	5.612	5.483
Tax assets	11	27.572	31.314	Total no current liabilities		4.393.649	3.522.666
Deferred tax assets	26	383	136	Total liabilities		4.784.317	4.322.305
Other Non-financial assets	13	6.271	7.169	Equity:	29		
Total non-current assets		\$ 8.079.213	7.667.583	Share capital		143.368	150.165
Total Assets		\$ 9.075.786	8.458.990	Share premium		244.078	255.649
				Reserves		1.185.819	1.071.004
				Retained earnings		1.819.762	1.705.811
				Other comprehensive income		756.631	812.476
				Equity attributable to owners of the company		4.149.658	3.995.105
				Non-controlling interest	14	141.811	141.580
				Total equity		\$ 4.291.469	4.136.685
				Total liabilities and equity		\$ 9.075.786	8.458.990

Notes are an integral part of the consolidated financial statements.


Jorge Andrés Tabares Ángel
Legal Representative


Julio Hernando Alarcón Velasco
Accounting and Tax Manager
Registration 53918 - T



Lidia Nery Roa Mendoza
Statutory Auditor
Registration 167431 - T
Member of KPMG S.A.S
(See my report dated on February 26, 2021)

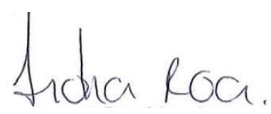
GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND SUBSIDIARIES
Consolidated Statements of Income and Other Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in thousands of U.S. Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Natural gas distribution		\$ 639.364	790.053
Natural gas transportation		455.769	468.821
Electricity transmission		184.629	184.553
Electricity distribution		<u>108.120</u>	<u>46.077</u>
Total revenues		<u>1.387.882</u>	<u>1.489.504</u>
Natural gas distribution		(444.097)	(614.736)
Natural gas transportation		(166.406)	(169.005)
Electricity transmission	30	(61.991)	(65.880)
Electricity distribution		<u>(66.546)</u>	<u>(27.243)</u>
Total costs		<u>(739.040)</u>	<u>(876.864)</u>
Gross profit		648.842	612.640
Administrative and operating expenses	31	(205.607)	(218.924)
Other income, net		<u>46.953</u>	<u>31.451</u>
Operating profit		<u>490.188</u>	<u>425.167</u>
Finance income	32	23.146	41.356
Financial expenses	33	(179.844)	(182.711)
Foreign exchange difference income (expense), net		48.260	9.938
Equity method in associates and joint ventures	15	<u>433.850</u>	<u>445.608</u>
Profit before taxes		815.600	739.358
Current tax	26	(110.762)	(98.862)
Deferred tax	26	<u>3.698</u>	<u>(44.980)</u>
Profit for the year		\$ <u>708.536</u>	<u>595.516</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(265)	(5.801)
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(13.311)	(9.280)
Hedging instruments		4.038	(4.008)
Gains or losses from other comprehensive income in associates		<u>2.446</u>	<u>(3.750)</u>
Other comprehensive income for the year, net of tax		<u>(7.092)</u>	<u>(22.839)</u>
Total comprehensive income for the year		\$ <u>701.444</u>	<u>572.677</u>
Profit attributable to:			
Controlling interest		680.803	562.576
Non-controlling interest		<u>27.733</u>	<u>32.940</u>
		<u>708.536</u>	<u>595.516</u>
Total comprehensive income attributable to:			
Controlling interest		663.079	541.404
Non-controlling interest		<u>38.365</u>	<u>31.273</u>
		\$ <u>701.444</u>	<u>572.677</u>

Notes are an integral part of the consolidated financial statements.


Jorge Andrés Tabares Ángel
Legal Representative


Julio Hernando Alarcón Velasco
Accounting manager
Registration 53918 - T



Lidia Nery Roa Mendoza
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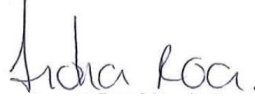
GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND SUBSIDIARIES
Consolidated statement of changes in equity
For the years ended December 31, 2020 and 2019
(Expressed in thousands of U.S. Dollars)

	<u>Share capital</u>	<u>Share premium</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Other comprehensive income</u>	<u>Non-controlling interest</u>	<u>Total Equity</u>
Balance as at December 31, 2018 (restated)	\$ 151.430	257.804	923.053	1.678.615	840.700	134.350	3.985.952
Profit for the year	-	-	-	562.576	-	32.940	595.516
Appropriations	-	-	155.479	(155.479)	-	-	-
Equity-accounted investees	-	-	-	(2.153)	-	-	(2.153)
Dividend distribution	-	-	-	(363.767)	-	(22.930)	(386.697)
<u>Other comprehensive income:</u>							
Conversion effect	(1.265)	(2.155)	(7.528)	(13.981)	(7.052)	(1.113)	(33.094)
Remeasurement of defined benefit obligations	-	-	-	-	(5.801)	-	(5.801)
Exchange differences on translation of foreign operations	-	-	-	-	(7.613)	(1.667)	(9.280)
Hedging instruments	-	-	-	-	(4.008)	-	(4.008)
Loss from other comprehensive income in associates and joint ventures	-	-	-	-	(3.750)	-	(3.750)
Balance as at December 31, 2019	<u>\$ 150.165</u>	<u>255.649</u>	<u>1.071.004</u>	<u>1.705.811</u>	<u>812.476</u>	<u>141.580</u>	<u>4.136.685</u>
Profit for the year	-	-	-	680.803	-	27.733	708.536
Appropriations	-	-	151.756	(151.756)	-	-	-
Equity-accounted investees	-	-	-	(3.369)	-	-	(3.369)
Dividend distribution	-	-	-	(348.020)	-	(32.194)	(380.214)
<u>Other comprehensive income:</u>							
Conversion effect	(6.797)	(11.571)	(36.941)	(63.707)	(38.121)	(5.940)	(163.077)
Remeasurement of defined benefit obligations	-	-	-	-	(265)	-	(265)
Exchange differences on translation of foreign operations	-	-	-	-	(21.891)	8.580	(13.311)
Hedging instruments	-	-	-	-	4.038	-	4.038
Gain from other comprehensive income in associates and joint ventures	-	-	-	-	394	2.052	2.446
Balance at December 31, 2020	<u>\$ 143.368</u>	<u>244.078</u>	<u>1.185.819</u>	<u>1.819.762</u>	<u>756.631</u>	<u>141.811</u>	<u>4.291.469</u>

Notes are an integral part of the consolidated financial statements.


Jorge Andrés Tabares Ángel
Legal Representative


Julio Hernando Alarcón Velasco
Accounting manager
Registration 53918 - T


Lidia Nery Roa Mendoza
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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

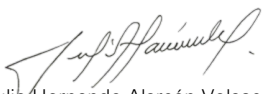
For the years ended December 31, 2020 and 2019

(Expressed in thousands of U.S. Dollars)

Cash flows from operating activities		
Profit for the year	\$	708.536
Adjustments to reconcile net income to net cash provided by operating activities:		
Income taxes		107.064
Income from equity method in associates and joint ventures		(433.850)
Financial expenses		179.844
Finance income		(23.146)
Depreciation and amortization		180.640
Loss on sale or disposal of fixed assets		1.903
Exchange difference		(48.261)
(Recoveries) Impairment of long term assets		(20.350)
Provisions net		23.361
		675.741
		665.538
Net changes in operating assets and liabilities:		
Trade and other receivables		(41.308)
Inventories		24
Other Non-financial assets		(2.267)
Trade and other payables		3.367
Employee benefits		(2.637)
Provisions		2.252
Other liabilities		8.051
Liabilities for rights of use		36
Interest on rights of use		(408)
Taxes paid		(99.226)
Net cash flow provided by operating activities		543.625
		510.738
Cash flows used in investing activities:		
Cash used in the acquisition of joint ventures		(370.104)
Dividends received		291.175
Income from sale of property, plant and equipment		733
Interest received		16.132
Investments		(148.704)
Acquisition of property, plant and equipment		(165.279)
Acquisition of investment properties.		-
Acquisition of intangible assets		(87.574)
Net cash flows used in investment activities		(463.622)
		(325.850)
Cash flows used in financing activities		
Dividends paid		(377.770)
Interest paid		(182.235)
Loans received		1.369.472
Loans paid		(875.942)
Net cash flows used in financing activities:		(66.476)
		(289.223)
Net increase (decrease) in cash		13.527
		(104.335)
Effect of exchange rate changes on cash held in foreign currencies held in foreign currency		(300)
		(8.038)
Cash and cash equivalents at the beginning of the year		234.765
		347.138
Cash and cash equivalents at the end of the year	\$	247.992
		234.765

Notes are an integral part of the consolidated financial statements.


 Jorge Andrés Tabares Ángel
 Legal Representative


 Julio Hernando Alarcón Velasco
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(See my report dated on February 26, 2021)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

For the years ended December 31, 2020 and 2019.

(Expressed in thousands of U.S. Dollars)

1. Reporting entity

Parent company - in accordance with Law 142 of 1994 and Agreement 1 of 1996 of the District Council, on May 31, 1996 the Grupo Energía Bogotá S.A. E.S.P. was transformed from an industrial and commercial state-owned company of the district order to a joint stock company. Grupo Energía Bogotá S.A. E.S.P. (hereinafter "GEB" or the "Company"), transformed into a public utility company under Law 142 of 1994, continued to be engaged in the generation, transmission, distribution and commercialization of energy. The term of the Company's legal duration is indefinite. At the October 6, 2017 session of the General Shareholders' Meeting, as recorded in Minute No. 078, raised to Public Deed No. 3679 of 2017, recorded on October 25, 2017 at the Bogota Chamber of Commerce, the Company changed its corporate name from Empresa de Energía de Bogotá S.A. E.S.P. to Grupo Energía Bogotá S.A. E.S.P.

The Company's main corporate purpose is the generation, transmission, distribution and commercialization of energy, including gas and liquid fuels in all their varieties, and it may also participate as a partner or shareholder in other utility companies, either directly or in association with other parties. Currently, the Company carries out operating activities related to energy transmission.

It has investments in subsidiaries, associates and joint ventures and directly provides electricity transmission services in Colombia.

In the value chain, the business controls the largest natural gas operator in Colombia, TGI S.A., which has a 50.9% market share, including an area of 3,957 kilometers of gas pipeline extension, has an available capacity of 733.8 MCFD (million cubic feet per day) with which it supplies the most populated areas of the country such as Bogotá, Cali, Eje Cafetero, Medellín and Piedemonte Llanero. The company operates and maintains the most extensive gas pipeline network in Colombia, from Guajira to Valle del Cauca and from the Eastern Plains to Cundinamarca, Boyacá, Tolima and Huila.

In Peru, through its participation in Calidda, it has the concession to design, build and operate the natural gas distribution system in the department of Lima and the Constitutional Province of Callao in Peru. It is the pioneer company in providing this public service in Peru, thus contributing to the improvement of the quality of life of the population and the preservation of the environment. With its company Contugas, it holds a 30-year concession and participates in the transportation and distribution of natural gas in the Department of Ica.

On August 9, 2019, the Grupo Energía Bogotá acquired the shares of Dunas Energía S.A.A., Cantaloc Perú Holding S.R.L. and PPC Perú Holdings S.R.L. (hereinafter Dunas Group), through the acquisition of shares and voting interest in these companies.

The Company wanted to obtain a higher level of regional coverage to consolidate its position in the energy sector chain. Previously, the Company did not have a controlling interest in an electric power distribution company.

In the same country, together with ISA, it owns shares in REP S.A. and TRANSMANTARO S.A., which operate 63% of the electricity transmission network in Peru, operating from four Transmission Departments, through the Northern Transmission Department to the branches in Chiclayo and

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Chimbote; through the Central Transmission Department to the branches in Lima and Pisco; through the Eastern Transmission Department to the branches in Huánuco and Huancayo and through the Southern Transmission Department to the branches in Arequipa and Cusco.

In Guatemala, through its investment in Transportadora de Centroamérica S.A., TRECSA provides energy transmission services and associated activities by means of the construction of the most important infrastructure project in Guatemala, which started to provide electricity transmission services in 2014. This company's projects aimed at the Construction, Operation and Maintenance of a set or group of transmission works.

In addition, the Company has a portfolio of investments in important companies in the electric energy sector, including Emgesa S.A. E.S.P., Codensa S.A. E.S.P., Vanti S.A., E.S.P., Electrificado del Meta S.A. E.S.P. and Promigas S.A., E.S.P.

2. Financial effects due to COVID - 19

The reduction in activity generated by the COVID-19 pandemic had a significant effect on the execution of investments and expenses in the group:

- There was a 27% deferral in the implementation of the Branch's investments and a 43% deferral in the controlled subsidiaries' investments.
- The execution of controllable costs and expenses showed a 40% decrease compared to the budgeted figure.
- It was necessary to contract temporary financing at a net cost of COP 11,861 million.

Regarding regulatory risk, projects and modifications to regulations were permanently monitored and reviewed with the different authorities and associations. It was managed, as far as possible, the impacts on liquidity and commercial conditions in the group's companies.

On the other hand, the modifications or extensions of the regulations in force, issued within the framework of the State of Economic, Social and Ecological Emergency, were monitored. The GEB permanently monitored the systemic portfolio risk in each country and sector to define timely actions in this regard.

To date, no significant negative financial effects have materialized for the Company.

3. Legal and regulatory framework

Colombian companies - Under the guidelines of the framework ordered by the Constitution, the Law of Residential Public Utilities Law 142 of 1994 and Law 143 of 1994 or Electricity Law were issued, which define the provisions or general criteria that must regulate the companies that provide residential public utilities in the national territory.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The Electricity Law of July 1, 1994 (Law 143 of 1994) regulates the activities related to the generation, transmission, distribution and commercialization of electricity, creating a competitive structure and strengthening the electricity sector in the country.

The main entity of the electricity sector is the Ministry of Mines and Energy, which develops the national energy plan and the reference generation-transmission expansion plan through the Mining and Energy Planning Unit (Unidad de Planeación Minero Energética UPME). The Superintendency of Domiciliary Public Utilities (SSPD by its acronym in Spanish) and the Energy and Gas Regulatory Commission (CREG by its acronym in Spanish) are the entities in charge of overseeing and regularizing the companies in the sector.

Peruvian companies - They are governed by the Organic Hydrocarbons Law No. 26221, enacted on August 19, 1993 and the Law for the Promotion of the Development of the Natural Gas Industry No. 27133, enacted on November 18, 1999, and its regulations approved by means of the Supreme Decree 040-99-EM, which sets forth the conditions for the promotion of the development of the natural gas industry. On the other hand, they are supervised by the Energy and Mining Investment Supervisory Agency - OSINERGMIN, which oversees the quality and efficiency of the service provided and monitors compliance with the obligations assumed by the concessionaires in the concession contracts, as well as with the legal provisions and technical standards in force.

Guatemalan Companies - Are ruled by the Legal Framework defined in the General Electricity Law (Decree 93-96 of the Congress of Guatemala) enacted on November 15, 1996, the Regulations of the General Electricity Law (Agreement 256-97 of April 2, 1997, amended by Agreement 68-2007) and the Regulations of the Wholesale Market Administrator - AMM - (Agreement 299-98 of June 1, 1998, amended by Agreement 69-2007).

The Ministry of Energy and Mines -MEM- is the State entity responsible for formulating and coordinating policies, State plans, indicative programs related to the Electricity Subsector and applying the Law and its Regulations.

Brazilian companies - In 2015, the Company formalized the acquisition of a 51% interest in four electric power transmission concessions in Brazil: Transenergia Renovável S.A., Transenergia Sao Paulo S.A., Goiás Transmissão S.A. y MGE Transmissão, S.A.

The four concessions acquired by the Company were awarded through a public bidding process in 2008 and 2009 for 25 years. The length of the lines is 1,094 kilometers and are composed of assets with voltage levels of 500, 345, 230 and 138 kV located in the following states: Espírito Santo, Goiás, Mato Grosso, Mato Grosso do Sul, Minas Gerais and Sao Paulo.

Likewise, this acquisition will allow The Company, through GEBBRAS, the holding company of these four concessions, as well as future expansions, to have a strategic partner in Brazil, Furnas, which holds the remaining 49% stake in these four concessions.

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4. Basis of accounting

4.1 Accounting standards applied.

The Consolidated financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (AFRS), established in the law 1314 of 2009, regulated by the Unique Regulatory Decree 2420 of 2015 modified by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019 and 1432 of 2020. AFRS applicable in 2020 are based on the International Financial Reporting Standards (IFRS), along with their interpretations, issued by the International Accounting Standards Board – IASB; the base standards are those officially translated to Spanish and issued by the IASB for the second half of 2018, and the incorporation of the amendment into IFRS 16 Leases: Rent reductions related to Covid-19 issued in 2020.

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on February 25, 2021.

A detail of the accounting policies is included in note 5 to these consolidated financial statements.

For legal purposes in Colombia, the separate financial statements are the primary financial statements.

These financial statements have been prepared on the historical cost basis, except for hedging financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies. The historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4.2. Functional and presentation currency

Grupo Energía Bogotá S.A. E.S.P. and its subsidiaries present this financial statement in thousand U.S. Dollars, except when otherwise indicated.

The preparation of financial statements in accordance with Financial Reporting Standards - FRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies described in Note 5.

4.3. Consolidated financial statements

The consolidated financial statements include the financial statements of Grupo Energía Bogotá S.A. E.S.P. and its controlled subsidiaries. These consolidated financial statements should be read in conjunction with the separate financial statements of Grupo Energía Bogotá S.A. E.S.P. and the individual financial statements of its subsidiaries.

Control is achieved when the Company:

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

- Has power over an investee.
- Is exposed to, or has rights to, variable returns from its relationship with the investee; and
- Has the ability to use its power over the investee and exercise influence over the amount of investor returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

When the Company has less than most of the voting rights of an investee, it has power over the investee when the voting rights are enough to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are adequate to give it the power, including:

- The amount of the Company's percentage of voting rights relative to the size and dispersion of the percentages of other voting holders.
- Potential voting rights held by the Company, other shareholders or other parties.
- Rights arising from contractual arrangements; and
- Any additional facts or circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company obtains control until the date the Company ceases to control the subsidiary.

The profit or loss of each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. The total comprehensive income of the subordinated companies is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests have a negative balance.

When necessary, adjustments are made to the financial statements of subsidiaries to adapt their accounting policies to those used by other members of the Company.

All intercompany transactions, balances, income and expenses are removed on consolidation.

Changes in the Company's interests in its existing subsidiaries - Changes in interests in subsidiaries that do not result in the loss of control of the Company to the subsidiaries are accounted for as equity transactions. The amounts of the Company's interests and noncontrolling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the company.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the sum of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to such subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable standards). The fair value of the investment retained in the former subsidiary at the date when control is lost is considered as the fair value at initial recognition for subsequent accounting under IFRS 9, if applicable, the cost at initial recognition of an investment in an associate or joint venture.

The consolidated financial statements present information of the Company as Parent Company of the following subordinates:

<u>Name of the subordinate</u>	<u>Activity principal</u>	<u>% Shares</u>	<u>Place of incorporation and compliance</u>
Transportadora de Gas Internacional S.A. E.S.P.	Gas transportation	99.9%	Colombia
EEB Internacional LTD.	Investment vehicle	100%	Cayman Islands
Contugas S.A.C.	Gas transportation	100%	Perú
Gas Natural de Lima y Callao S.A.	Gas transportation	60%	Perú
Transportadora de Energía de Centroamérica S.A.	Energy transport	96.85%	Guatemala
EEB Perú Holdings LTD.	Investment vehicle	100%	Cayman Islands
EEB Ingeniería y Servicios S.A.	Engineering services	100%	Guatemala
EEB Ingeniería y Servicios Perú S.A.C (in liquidation)	Engineering services	100%	Perú
EEB Gas S.A.S.	Investment vehicle	100%	Colombia
EEB Energy RE.	Investment vehicle	100%	Bermuda
GEBBRAS Participacoes LTDA.	Investment vehicle	100%	Brazil
Tomine S.A.S.	Proyecto Bioparque	100%	Colombia
Dunas Energía S.A.A.,	Distribution and marketing of Energy	100%	Perú
PPC Peru Holdings S.R. L	Distribution and marketing of Energy	100%	Perú
Cantalloc Peru Holdings S.R. L	Distribution and marketing of Energy	100%	Perú

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Similarly, the operations of the following associates and joint ventures are also considered in these consolidated financial statements:

<u>Name of the associated</u>	<u>Activity principal</u>	<u>% Shares</u>	<u>Place of incorporation and compliance</u>
Codensa S.A E.S.P	Energy trading	51.51%	Colombia
Emgesa S.A E.S.P	Energy generator	51.32%	Colombia
Promigas S.A.	Gas	15.24%	Colombia
Gas Natural S.A. E.S.P.	Gas	24.99%	Colombia
Electrificadora del Meta S.A E.S. P – EMSA	Energy	16.23%	Colombia
Consortio Transmantaro S. A	Energy	40.00%	Perú
Red de Energía del Perú S.A.	Energy	40.00%	Perú
Goias Transmissao S.A.	Electricity generation	51.00%	Brazil
Mge Transmissao S.A.	Electricity generation	51.00%	Brazil
Transenergia Renovavel S.A.	Electricity distribution	51.00%	Brazil
Transenergia Sao Paulo S.A.	Electricity distribution	51.00%	Brazil
Argo Energia Empreendimentos e Participações S.A. (“Argo”)	Energy	50.00%	Brazil

4.4. Basis measurement

The Company's consolidated financial statements have been prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss and/or changes in other comprehensive income which are measured at their fair values at the end of each period, as explained in the accounting policies included below.

Generally, historical cost is based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or liability, the Company considers the features of the asset or liability if market participants take those features into account when valuing the asset or liability at the measurement date.

4.5. Functional and presentation currency

4.5.1 Functional and presentation currency - The consolidated financial statements are presented in thousand U.S. Dollars. Functional currency is Colombian pesos.

4.5.2 Foreign currency transactions - In preparing each entity's financial statements, transactions in currencies other than the Entity's functional currency (foreign currency) are recognized using the exchange rates prevailing at the dates of the transactions. At the end of each reporting

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at that date. Non-monetary items recorded at fair value, expressed in foreign currency, are retranslated at the exchange rates in effect at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost, in foreign currency, are not retranslated.

During the year, differences arising between the exchange rate recorded and the exchange rate in effect at the date of collection or payment are recorded as exchange differences in the statement of profit or loss.

Also, at the end of each year, balances receivable or payable in a currency other than the functional currency of each company are translated at the closing exchange rate. The resulting valuation differences are recorded as exchange differences in the statement of comprehensive income.

Foreign operations - Assets and liabilities of foreign operations are translated at period-end exchange rates. Income and expense items are translated at the average exchange rates in effect during the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in stockholders' equity.

4.6. Classification of current and non-current assets and liabilities

In its Statement of Financial Position, the Group presents assets and liabilities classified according to their due dates as current and non-current. Current assets and liabilities are those due in twelve months or less, and non-current liabilities are those due in more than twelve months.

The Group, within the current and non-current classification, should consider that assets and liabilities available for sale as well as cash and cash equivalents are classified directly as current, because they are intended to be realized, disposed of or consumed during the normal cycle of operations or within twelve months after the reporting period.

In all cases, deferred tax balances recognized as assets or liabilities will be classified as non-current assets and liabilities in the presentation of the consolidated statement of financial position.

4.7. Accounting period

The Group prepares and discloses general purpose financial statements once a year, as of December 31.

By decision of the General Ordinary Shareholders' Meeting of Grupo Energía Bogota S.A. E.S.P., in Act No. 32 of August 22, 2002 and by means of a duly authorized and notarized Bylaw Amendment, the Board of Directors was authorized, after studying and analyzing the financial statements and in accordance with the provisions of the Code of Commerce, to determine at any time the account cuts it deems necessary, for the purpose of distributing profits.

(continued)

5. Significant accounting policies

The significant accounting policies applied in the preparation of the accompanying general purpose consolidated financial statements are as follows:

5.1. Financial instruments

Financial assets and liabilities are initially recognized at fair value plus (minus) directly attributable transaction costs, except for those that are subsequently measured at fair value through profit or loss. GEB and its subsidiaries subsequently measure financial assets and liabilities at amortized cost or at fair value, depending on the Group's business model for managing financial assets and the characteristics of the contractual cash flows of the instrument.

Financial assets - Financial assets other than those at amortized cost are subsequently measured at fair value with changes recognized in profit or loss. However, for investments in equity instruments that are not held for trading purposes, GEB and its subsidiaries may elect, on initial recognition and irrevocably, to present gains or losses from fair value measurement in other comprehensive income. On disposal of investments at fair value through other comprehensive income, the cumulative gain or loss is transferred directly to retained earnings, not reclassified to profit or loss for the period. Dividends received in cash from these investments are recognized in the statement of comprehensive income. GEB and its subsidiaries have elected to measure certain of their investments in equity instruments at fair value through other comprehensive income. A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold them to obtain contractual cash flows and the contractual terms of the asset provide, on specified dates, cash flows that are only paid of principal and interest on the principal amount outstanding.

A financial asset or part of it is derecognized from the statement of financial position when it is sold, transferred, expires or lost control over the contractual rights or cash flows of the instrument. A financial liability or part of a financial liability is derecognized from the statement of financial position when the contractual obligation has been settled or has expired.

When an existing financial liability is replaced by another from the same counterparty under substantially different terms, or if the terms of an existing liability are substantially modified, such exchange or modification is accounted for as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Impairment of financial assets - The Group recognizes a provision for expected credit losses on financial assets of investments measured at amortized cost or at fair value recognized in other comprehensive income, lease receivables, balances due from customers on construction contracts, as well as on credit commitments and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to recognize changes in credit risk since the initial recognition of the respective financial instrument.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

GEB records expected credit losses on its investments and trade receivables at the end of the reporting period, amounts due from customers on construction contracts and lease receivables. Expected credit losses on these financial assets are estimated using an allowance matrix based on historical experience of expected credit losses, as opposed to incurred credit losses under IFRS 9. In the scope of impairment under IFRS 9, it is no longer necessary for a credit event to occur before credit losses are recognized.

GEB and its subsidiaries record expected credit losses on their debt securities, trade and lease receivables at the end of the reporting period. In determining expected credit losses under IFRS 9, GEB and its subsidiaries apply a simplified approach, which allows it not to monitor changes in credit risk, but to recognize a loss allowance based on expected credit losses over the life of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected life of the financial instrument. Where there is objective evidence that a financial asset is impaired, the Group recognizes a provision for individual impairment loss, and excludes the item from the collective assessment under the expected loss model.

To determine expected credit losses, GEB and its subsidiaries have used an allowance matrix based on the number of days that a trade account receivable is past due, that is, grouping the portfolio by ranges of days of default and applying to the outstanding balance of accounts receivable at the measurement date for each range of days of default a percentage of expected default of each subsidiary is segmented into two homogeneous groups, industrial business and mass business.

The impairment loss is recognized in administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the trade receivable is considered uncollectible, the gross carrying amount of the receivable is written off against the associated allowance.

Financial liabilities - Financial liabilities correspond to the sources of financing obtained by the Company through bank loans and bond issues, accounts payable to suppliers and creditors.

Financial liabilities are generally recorded at the cash received; net of transaction costs incurred. In subsequent periods these liabilities are measured at amortized cost, using the effective interest rate method.

Accounts payable to suppliers and creditors are short-term financial liabilities recorded at their nominal value since they do not differ significantly from their fair value.

The Group will derecognize a financial liability if, and only if the Group's obligations are canceled, met or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(continued)

5.2. Inventories

The inventories of the Group correspond to stocks that include the materials on which the risks and rewards of ownership have been acquired. Inventories are presented in the consolidated statement of financial position under current assets.

Inventories are valued at the lower of acquisition cost and net realizable value. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs incurred in marketing, selling and distribution.

The acquisition cost of inventories is comprised of the purchase cost, and all costs directly or indirectly attributable to the inventory, for example: transportation, customs costs, insurance, non-recoverable indirect taxes, etc., and should be subtracted from any commercial discounts, bonuses and premiums.

The cost of inventories may not be recoverable if the inventories are damaged, partially or totally obsolete, or due to low turnover.

Obsolete materials are those that are not expected to be sold or used in the Company's ordinary operating cycle, such as scrap. The Group determines the inventory provision according to their obsolescence and impairment.

5.3. Disposal group held for sale.

Non-current assets (and disposal groups) classified as held for sale are recognized at the lower of the carrying amount and fair value of the assets less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its current condition. Management must commit to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group commits to a sale plan involving the disposal of an investment in an associate or, a portion of an investment in an associate, the investment or the portion of the investment in the associate, which will be disposed of, is classified as held for sale when the criteria described above are met. The Company ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

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5.4. Property, Plant and Equipment

The Group values its property, plant and equipment at acquisition cost, net of the related accumulated depreciation and any impairment losses that may have arisen. In addition to the amount paid for the acquisition of each item, the cost also includes, if applicable, the following items:

- General and specific interest costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are those assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially prepared for their intended use or sale. The Group considers a substantial period to be a period exceeding 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 investee company.
- Personnel expenses directly related to construction in progress.
- Future disbursements that the Company will face for any effect of the closing of its facilities are incorporated to the value of the asset at the restated value, recognizing for accounting purposes a provision for dismantling or restoration.

The costs of expansion, modernization or improvement that represent an increase in productivity, capacity, efficiency or a lengthening of the useful lives of the assets are capitalized as an increase in the cost of the corresponding assets.

Replacements or renewals of complete items that increase the useful life of the asset, or its economic capacity, are recorded as an increase in the value of the respective assets, with the consequent accounting retirement of the replaced or renewed items.

Periodic maintenance, upkeep and repair expenses are recorded directly in the statement of income as a cost for the period in which they are incurred.

Land is not depreciated. Property under construction for rendering services is recorded at cost less any recognized impairment loss. Cost includes professional fees and, in the case of qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Construction in progress is transferred to operating assets at the end of the trial period, i.e., when it is available for use and in the condition intended by management.

Depreciation is recognized to take to income the cost of assets (other than land and property under construction) less their residual value, over their useful lives using the straight-line method. The estimated useful life, residual value and depreciation method are reviewed at the end of each year, and the effect of any change in the recorded estimate is recognized on a prospective basis.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

An item of property, plant and equipment is derecognized when it is sold or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising from the sale or retirement of an item of property, plant and equipment is determined as the difference between the proceeds received from the sale and the carrying amount of the asset and is recognized in profit or loss.

The following are the main types of property, plant and equipment together with their respective estimated useful lives:

	Electricity transmission	Electricity distribution	Gas distribution	Natural gas transportation
Buildings	50	40 to 100	-	20 to 50
Plants, pipelines and stations	10 to 40	15 to 40	-	10 to 50
Nets, lines and cables	40 to 63	15 to 40	-	-
Machinery and equipment	10	15 to 40	10	10
Scientific equipment	10	-	-	-
Furniture and accessories	10	5 to 10	10	10
Communication equipment	10	3 to 10	-	3 to 5
Computer equipment	5	3 to 10	4	3 to 5
Transport Equipment	5	5	4 to 5	20
Other equipment	10	3 to 10	4 to 10	5

Asset retirement obligation - The Company recognizes an asset retirement obligation at the present value of the future costs expected to be incurred when the assets are retired from service, if there is a legal retirement obligation and if a fair value estimate can be made, this value is recognized as an increase in the value of the assets.

5.5 Investment properties

Investment properties are those held for rental income and/or goodwill (including investment properties under construction for such purposes) and are initially stated at acquisition cost, including transaction costs incurred. After initial recognition, investment property is recorded at cost less accumulated depreciation.

An investment property is disposed of upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the period in which the property is derecognized.

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5.6. Intangible assets

Intangible assets acquired separately - Intangible assets with finite useful lives acquired separately are recognized at acquisition cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at each year-end, and the effect of any change in the recorded estimate is recognized on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are recorded at cost less accumulated impairment losses.

Intangible assets correspond mainly to computer software and rights of way and rights of use. They are initially recognized at acquisition or production cost and subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

For rights of way and rights of use, the useful lives are related to the duration of the main asset for which they were acquired. The amortization process of the related easements and rights of way is initiated at the time the main asset is put into operation.

Derecognition of intangible assets - An intangible asset is derecognized upon sale, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between net income and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Concessions - The Company records its BOOT concession contract in accordance with the guidelines established by IFRIC 12 - Concession Contracts. The Group considers that IFRIC 12 is applicable because:

- The Ministry of Energy and Mines ("grantor") regulates the services to be provided by the Company, setting the tariff calculation method, as well as the control of compliance with the same.
- The Ministry of Energy and Mines has control over a significant residual portion of the concession assets, as the assets will be returned to the grantor at the end of the contract at their book value.
- The construction of the infrastructure was carried out exclusively for the concession purpose. Such construction is not carried out directly by the Company but is entrusted to a third party under its supervision and responsibility.

Management has assessed that the IFRIC 12 model applicable to the Company is the intangible asset model, since the Group has the right to charge for natural gas distribution services, which are associated with the actual consumption of users, and are within the regulatory regime established by the regulator OSINERGMIN. Expansions to the infrastructure are recorded as

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

additions to intangible assets, simultaneously recognizing the related construction income, since they are expected to generate future economic benefits for the Group since, according to the Law, they are remunerated through tariffs.

The amount of anticipated GRP received during the pre-operational stage is presented net of the value of the intangible asset, as it represents a lower value of the intangible asset, since the related financial assets have already been recovered in the first years of the concession.

The contract does not foresee any specific obligation to perform major maintenance and to date the Group's projections do not consider any significant future maintenance. However, due to the nature of the concession assets, maintenance is of a constant and periodic nature and is part of the operation and maintenance costs, and therefore is recognized as an expense when incurred.

Construction revenues for concession assets are measured at the fair value of the consideration received or receivable.

Estimates of useful life, residual interest, if any, and amortization method are reviewed periodically to ensure that the amortization method and period are consistent with the expected pattern of economic benefits of the concession asset items. The useful life of the concession assets is the remaining term of the concession contract.

5.7. Impairment of tangible and intangible assets

At the end of each reporting period, the Group evaluates the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets have suffered any impairment. If so, the recoverable amount of the asset is estimated to determine the extent of the impairment (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation is identified, common assets are also allocated to individual cash-generating units or distributed to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life or not yet available for use must be tested for impairment annually, or more frequently if there is any indication that they may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In estimating value in use, the estimated future cash flows are discounted from present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

If the estimated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss.

When the impairment is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for that asset (or cash-generating unit) in prior years. The reversal of impairment is automatically recognized in profit or loss.

5.8. Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence over financial and operating policy decisions, but not control or joint control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement are entitled to the net assets of the arrangement.

At the acquisition date, the excess of the cost of acquisition over the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed of the associate or joint venture is recognized as goodwill. Goodwill is included in the carrying value of the investment, is not amortized and is individually assessed for impairment.

Investments in joint ventures and associates are included in the financial statements using the equity method.

Under the equity method, investments in associates and joint ventures are initially recognized in the statement of financial position at cost and are subsequently adjusted to account for the Company's share of profit or loss and other comprehensive income of the associate.

5.9. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value as well as the identifiable net assets acquired. Any resulting capital gains are subjected to annual impairment tests. Any profit per purchase under very advantageous conditions is immediately recognized in profit or loss. Transaction costs are recorded as an expense when incurred, except if they relate to the issuance of debt or equity instruments.

The transferred compensation does not include amounts related to the settlement of pre-existing relationships. These amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay the contingent contribution that meets the definition of financial instruments is classified as equity, it should not be measured again, and its subsequent liquidation should be accounted

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

for within the equity. Otherwise, the other contingent consideration is measured again at fair value at each balance sheet date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

5.10. Leases

A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period.

The Company assesses whether a contract contains a lease at its origin. The Company recognizes a right-of-use asset and a corresponding lease liability in respect of all leases in which it is a lessee, except for short-term leases (term of 12 months or less) and leases of low-value assets (such as electronic tablets, personal computers and small items of office furniture and telephones). For these leases, the Company recognizes rental payments as an operating expense under the straight-line method over the lease term, unless another method is more representative of the time pattern in which the economic benefits from the consumption of the leased assets.

Identification of an asset - The asset that is the subject of a lease must be specifically identified. This will be the case if any of the following apply:

- The asset is explicitly specified in the contract (e.g., a specific serial number); or
- The asset is implicitly specified at the time it is made available for use by the customer (e.g., when there is only one asset that can be used to satisfy the terms of the contract).

Initial measurement of a right-of-use asset - At the starting date, a lessee shall measure a right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- The amount of the initial measurement of the lease liability.
- Lease payments made before or as of the starting date, less lease incentives received.
- The initial direct costs incurred by the lessee; and
- An estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee could incur obligations because of those costs either on the starting date or because of having used the underlying asset during a particular period.

Initial measurement of lease liability - At the starting date, a lessee shall measure the lease liability at the present value of the lease payments that have not been paid at that date.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the starting date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the starting date:

- Fixed payments, less any lease incentive receivable.
- Variable lease payments, which are dependent on an index or rate, initially measured using the index or rate at the starting date.
- Amounts expected to be paid by the lessee as residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to pursue that option.
- Penalty payments for terminating the lease, if the lease term reflects that the lessee will exercise an option to end the lease.

Subsequent measurement of the right-of-use asset - After the starting date, the Company will measure its right-of-use asset using the cost model.

5.11. Costs of loans

Loan costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period until they are ready for use or sale, are added to the cost of those assets during that time until they are ready for use or sale.

Income earned on the temporary investment of specific unused loan proceeds in qualifying assets is deducted from loan costs eligible for capitalization.

All other loan costs are recognized in income in the period in which they are incurred.

5.12. Employee benefits

Employee benefits comprise:

(a) short-term employee benefits, such as the following, if they are expected to be settled in full within twelve months after the end of the annual reporting period in which the employees render the related services:

- (i) wages, salaries and social security contributions.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

(ii) paid leave and paid sick leave entitlements.

(iii) profit sharing and incentives; and

(b) Post-employment and other long-term benefits.

In the case of defined benefit plans, which include seniority premiums and pensions, their cost is determined using the projected unit credit method, with actuarial valuations performed at the end of each reporting period.

Remeasurements recognized in other comprehensive income are immediately reflected in retained earnings and are not reclassified to income.

Net interest is calculated by applying the discount rate at the beginning of the period of the defined benefit asset or liability. Defined benefit costs are classified as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses from curtailments or settlements).
- Net interest expense or income.
- Remeasurements

The Company presents the first two components of defined benefit costs as an expense or income depending on the item. Curtailment gains and losses are recognized as past service costs.

The postretirement benefit obligations recognized in the statement of financial position represent the current gains and losses on the Entity's defined benefit plans. Any gain arising from this calculation is limited to the present value of any economic benefit available from refunds and reductions of future contributions to the plan.

5.13. Taxes

Taxes comprise the value of the mandatory levies for private liquidations determined on the tax bases of the fiscal period, in accordance with national and territorial tax regulations.

Income tax expense represents the sum of current income tax payable and deferred tax.

Current tax - The current tax payable is based on taxable income recorded during the year. Taxable income differs from the income reported in the statement of comprehensive income due to items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax liability is calculated using tax rates enacted or substantively enacted at the end of the reporting period. The Company determines the provision for income tax and supplementary taxes based on taxable income, estimated at rates specified in the tax law.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Deferred tax - Differences between the book value of assets and liabilities and their tax base generate deferred tax assets or liabilities, which are calculated using the tax rates that are expected to be in effect when the assets and liabilities are realized, considering for such purpose the rates that at the end of the reporting period have been approved or for which the approval process has been practically completed.

Deferred tax assets are recognized for all deductible temporary differences, losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available to recover the deductions for temporary differences and to realize the tax credits, unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- It is not a business combination; and
- At the time it was made, it did not affect either the accounting profit or the tax gain (loss).

With respect to deductible temporary differences related to investments in subsidiaries, associates and joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profits will be available against which the temporary differences can be used.

Deferred tax liabilities are recognized for all temporary differences, except those arising from the initial recognition of goodwill and those arising from the valuation of investments in subsidiaries, associates and joint ventures, where the Company can control the reversal thereof and it is probable that they will not reverse in a foreseeable future.

The effect of temporary differences that result in the payment of a lower or higher income tax in the current year is recorded as a deferred tax credit or debit respectively at the tax rates in effect when the differences reverse if there is a reasonable expectation that such differences will reverse in the future and furthermore for the asset, that enough taxable income will be generated at that time.

Income tax expense is accounted for in accordance with IAS 12 "Income Taxes".

Current tax and changes in deferred tax assets or liabilities are recorded in profit or loss or in Total Equity in the statement of financial position, depending on where the gains or losses giving rise to them have been recorded.

Any reductions that may be applied to the amount determined as current tax liabilities are charged to profit or loss as a credit to "Income tax expense", unless there are doubts as to their tax realization, in which case they are not recognized until their effective materialization, or they correspond to specific tax incentives, in which case they are recorded as grants.

At each accounting close, the deferred tax assets and liabilities are reviewed to verify that they are still in force, and the appropriate adjustments are made in accordance with the results of the analysis.

Income tax is presented net, after deducting advances paid and withholdings at source.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Deferred tax assets and liabilities are presented net in the statement of financial position, if there is a legally enforceable right to offset current tax assets versus current tax liabilities, and only if these deferred taxes relate to income taxes corresponding to the same tax authority.

5.14. Provisions

Obligations existing at the date of these financial statements, arising because of past events that could result in a probable loss for the Company, the amount and timing of which are uncertain, are recorded in the statement of financial position as provisions for the present value of the most probable amount that the Company estimates it will have to disburse to settle the obligation.

Provisions are quantified based on the best information available at the date of issuance of the financial statements on the consequences of the event giving rise to them and are re-estimated at each subsequent balance sheet date.

As part of the provisions, the Company includes the best estimate of the risks for civil, labor and administrative litigation, so it is not expected that these will result in additional liabilities to those recorded; 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. In assessing the probability of loss, available evidence, case law and legal evaluation should be considered.

Risks from civil and labor litigation that are considered contingent are disclosed in the notes to the financial statements.

A contingent asset arises from the existence or nonexistence of one or more uncertain events in the future that are not wholly within the control of the entity. It is disclosed when the inflow of benefits is probable; if the realization of the revenue is virtually certain, it is recognized in the financial statements. The Group shall refrain from recognizing any asset of a contingent nature.

Contingent liabilities are not recognized but are subject to disclosure in the explanatory notes when it is probable that an outflow of resources will be required, including those whose values cannot be estimated.

Disbursements related to environmental conservation, linked to income from current or future operations, are recorded as expenses or assets, as appropriate. The creation of these provisions coincides with the identification of an obligation related to environmental remediation and the Company has adequate information to determine a reasonable estimate of the respective cost.

Expenditures related to past operations that do not contribute to current or future revenues are recognized as expenses.

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5.15. Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and subsequently remeasured at fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of recognition in profit or loss depends on the nature of the hedging relationship.

The Group uses a variety of financial instruments to manage its exposure to interest rate and foreign exchange rate volatility risks, including foreign currency forwards, interest rate swaps and interest rate and currency swaps.

5.16. Recognition of income

The Group recognizes revenue from ordinary activities in a manner that represents the transfer of goods or services committed to customers in exchange for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group recognizes revenue from ordinary activities in accordance with this basic principle by applying the following steps:

- i. Identifying the contract (or contracts) with the customer.
- ii. Identifying the performance obligations in the contract
- iii. Determining the transaction price
- iv. Allocating the transaction price between the performance obligations of the contract.
- v. Recognizing revenue when (or as) the entity satisfies a performance obligation.

When (or as) a performance obligation is satisfied, the Group shall recognize as revenue from ordinary activities the amount of the transaction price that is allocated to that performance obligation.

A contract is an agreement between two or more parties that creates enforceable rights and obligations.

The enforceability of the rights and obligations of a contract is a matter of the legal system. The enforceability of rights and obligations of a contract is a matter of the legal system. Contracts may be written, verbal or implicit in the Group's traditional business practices.

The Group recognizes revenue from contracts with customers for the activity of power transmission, transportation and distribution of natural gas, recognized at a point in time.

Determination of the transaction price - The Group will consider the terms of the contract and its traditional business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring goods or

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

services committed to a customer, excluding amounts collected on behalf of third parties (e.g., some sales taxes). The consideration committed to in a contract with a customer may include fixed amounts, variable amounts, or both.

5.17. Recognition of costs and expenses

Costs and expenses are recognized by the Company to the extent that occur economic facts in such a way that they are systematically registered in the corresponding accounting period, independent of the monetary resources or financial flows. Expenses are comprised of expenditures that are not classified to be recorded as a cost or as an investment.

Costs include personnel or third-party costs directly related to the rendering of services, depreciation, amortization, among others.

Expenses include maintenance of assets, taxes, utilities, among others. All of them incurred by the processes responsible for the provision of services.

Costs directly related to the formation or acquisition of an asset that requires a substantial period of time to bring it to a condition for use and sale are included as investments. Among others, personnel costs directly related to the construction of projects, interest costs on debt used to finance projects and major maintenance costs that increase the useful life of existing assets, among others, are capitalized as construction in progress.

5.18. Statement of cash flows

The statement of cash flows shows the cash movements during the year, determined by the indirect method using the following expressions as shown below:

- Cash flows: inflows and outflows of cash or cash equivalents, understood as investments with a term of less than three months with high liquidity and low risk of changes in value.
- Operating activities: activities that constitute the principal source of the Company's ordinary income, as well as other activities that cannot be classified as investing or financing activities.
- Investing activities: the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of total equity and financial liabilities.

5.19. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the company by the weighted average number of common shares outstanding during the period.

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5.20. Reclassifications

The figures in the 2019 consolidated financial statements were reclassified to the income statement for comparative purposes with the 2020 financial statements due to an allocation of costs to administrative expenses.

6. Critical accounting judgments and estimates

In the application of accounting policies, which are described in note 5, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that do not appear to arise from other sources. The associated estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

The underlying estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period of the revision if the revision affects only that period, or in future periods if the revision affects both current and subsequent periods. Real results could differ from those estimates.

6.1. Critical judgments

The following are critical judgments, other than those involving estimations, that the Company's management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements.

The judgments refer basically to:

Significant influence over EMGESA - The Company holds 76,710,851 shares of Emgesa S.A. E.S.P., representing a 51.51% interest, of which 55,758,250 shares are common shares with voting rights and 20,952,601 are preferred shares without voting rights, but provide a right to a preferred dividend of USD \$0.1107 per share. The Company's management has determined that based on its contractual rights it has significant influence over Emgesa.

Significant influence over CODENSA - The Company holds 69,220,130 shares of Codensa S.A. E.S.P., representing a 51.32% interest, of which 49,209,331 shares are common shares with voting rights and 20,010,799 are preferred shares without voting rights, but provide a right to a preferred dividend of USD \$0.10 per share. The Company's management has determined that based on its contractual rights it has significant influence over CODENSA.

Contingencies - The Company has provided for estimated loss impacts related to various claims, situations or circumstances related to uncertain outcomes. The Company records a loss if an event occurred on or before the date of the statement of financial position and (i) information is available at the date the financial statements are issued that indicates that it is probable that the loss will occur, given the probability of uncertain future events; and (ii) the amount of the loss can be reasonably estimated. The Company continually evaluates contingencies for lawsuits, environmental remediation and other events.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Deferred taxes - Judgment is required to determine whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unused tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods to use the deferred tax assets recorded. Assumptions about the generation of future taxable profits depend on expectations of future cash flows. Estimates of future tax earnings are based on expected cash flows from operations and judgment about the application of the tax laws in effect in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the Company's ability to realize the net deferred tax assets recorded at the reporting date could be affected.

At the closing of these financial statements, the Company opted not to use tax loss carryforwards as a basis for the calculation of deferred taxes, the justification for this decision is based on the fact that there is no certainty as to the deductibility of such concept in the short term.

Functional currency - Management uses its judgment in determining its functional currency. The determination of the functional currency of Grupo Energía Bogotá S.A. E.S.P. and each of its investments in subsidiaries, associates and joint ventures is determined by evaluating the principle and indicators established in IAS 21: "Effect of changes in foreign currency exchange rates.

Cash-generating units - In performing impairment tests on non-current assets, assets that do not individually generate cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets should be grouped to the cash-generating unit to which the asset belongs, which is the smallest identifiable group of assets that generates cash inflows in favor of the company that are largely independent of the cash flows derived from other assets or groups of assets. Management uses its judgment in determining the cash-generating units for impairment testing purposes.

Determination of average exchange rates for translation of financial statements - Consolidated revenues, costs and expenses of subsidiaries whose functional currency differs from the parent company's functional currency are translated to the presentation currency using the average exchange rate for the reporting period. Management considers that the average exchange rates approximate the rates in effect at the date of the transaction.

6.2. Key sources of uncertainty in estimates

Key assumptions regarding the future and other key sources of uncertainty in estimates at the end of the period, which have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities during the next year, are discussed below.

Employee benefits - The cost of the defined benefit pension plan, other post-employment benefits and the present value of pension obligations are determined by actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual events in the future. These include the determination of the discount rate, future salary increases, mortality rates and pension increases. Due to the complexity of the valuation process and their long-term nature, the obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Impairment of Investments in associates - At the end of each reporting period, the Group assesses the carrying amounts of its investment assets in associates to determine whether there is an indication that these assets have suffered an impairment loss. If so, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Goodwill impairment - Determining whether goodwill is impaired involves calculating the value in use of the cash-generating units to which the goodwill has been allocated. The calculation of value in use requires the Company to determine the future cash flows that should arise from the cash-generating units and an appropriate discount rate to calculate the present value.

Impairment of assets - property, plant and equipment and investment property - Investments in joint ventures, other investments, advances and loans, property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recovered. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognized in the income statement. Future cash flows that are used to calculate fair value are discounted using specific rates based on expectations of the future of the Company's operations, mainly estimates of sales, costs, commodity prices, capital expenditures, among others, changes in these estimates could impact the recoverable amount of the assets. The estimates are periodically reviewed by management.

Impairment of financial assets - The Group recognizes a provision for expected credit losses in investments in debt instruments that are measured at amortized cost or at fair value recognized in other comprehensive income, lease receivables, balances due from customers on construction contracts, as well as on credit commitments and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to recognize changes in credit risk since the initial recognition of the respective financial instrument.

The Group records expected credit losses on its debt securities and trade receivables at the end of the reporting period. In determining expected credit losses under IFRS 9, GEB applies a simplified approach, which allows it not to monitor changes in credit risk, but to recognize a loss allowance based on expected credit losses over the life of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected life of the financial instrument. Where there is objective evidence that a financial asset is impaired, the Group recognizes a provision for individual impairment loss, and excludes the item from the collective assessment under the expected loss model.

To determine expected credit losses, GEB and its subsidiaries have used an allowance matrix based on the number of days that a trade account receivable is past due, that is, grouping the portfolio by ranges of days of default and applying to the outstanding balance of accounts receivable at the measurement date for each range of days of default a percentage of expected default of each subsidiary is segmented into two homogeneous groups, industrial business and mass business.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The impairment loss is recognized in administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the trade receivable is considered uncollectible, the gross carrying amount of the receivable is written off against the associated allowance.

Decommissioning, retirement or rehabilitation liabilities - Provision for future decommissioning, retirement and rehabilitation costs require estimates and assumptions about a relevant regulatory framework, the magnitude of possible disruptions, the duration, extent and costs of required closure and rehabilitation activities, and the risk-adjusted discount rates used to determine the present and future value of cash outflows. To the extent that real future costs differ from those estimated, adjustments are recognized, and the income statement will be impacted. The provisions, including the estimates and assumptions contained therein, will be reviewed regularly by management.

The calculations of these estimates are complex and involve significant judgments by management, such as internal cost projections, future inflation and discount rates.

Significant variations in external factors used in the calculation of the estimate may have a significant impact on financial statements.

7. Standards issued by the iasb not yet in force in Colombia.

Issued by the IASB not Incorporated in Colombia.

The following standards have been issued by the IASB, but have not yet been incorporated by Decree in Colombia:

Financial Reporting Standard	Subject of amendment	Detail
IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement and IFRS 7 - Financial Instruments: Disclosures.	Amendment to the Reference Interest Rate (amendments to IFRS 9, IAS 39 and IFRS 7.	Paragraphs 6.8.1 to 6.8.12 of IFRS 9 are added with respect to temporary exceptions to the application of specific hedging accounting requirements. Paragraphs 102A to 102N and 108G are incorporated into IAS 39 with respect to temporary exceptions to the application of specific hedging accounting requirements. Paragraphs 24H on uncertainty arising from the reform of the benchmark interest rate, 44DE and 44DF (effective date and

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

		transition) are incorporated. The amendment applies from January 1, 2020 and allows its early application (although no significant impact is expected for Colombian entities) and its requirements will apply retroactively only to hedging relationships that existed at the beginning of the reporting period in which the entity first applies such requirements.
IAS 1 – Presentation of financial statements.	Modifications are made related to the classification of liabilities as current or non-current.	This amendment was issued in January 2020 and subsequently amended in July 2020. It modifies the requirement to classify a liability as current, by establishing that a liability is classified as current when it "does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months following the date of the reporting period". It clarifies in paragraph 72A that "the right of an entity to defer the settlement of a liability for at least twelve months after the reporting period must be substantial and, as showed in paragraphs 73 to 75, must exist at the end of the reporting period". The amendment applies from January 1, 2023 and can be implemented in advance. The effect of the application on comparative information will be carried out retroactively.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

IFRS 3 - Business combinations.	Amendments by reference to the conceptual framework.	Amendments applied to the references to align them with the conceptual framework issued by IASB in 2018 and incorporated into our legislation, in this sense the identifiable assets acquired, and the liabilities assumed in a combination of businesses, on the date of transaction, will correspond to those that meet the definition of assets and liabilities described in the conceptual framework 5. Paragraphs 21A, 21B and 21C are added with respect to exceptions to the principle of recognition for contingent liabilities and liabilities within the scope of IAS 37 and IFRIC 21. Paragraph 23A is incorporated to define a contingent asset and clarify that the acquirer in a business combination will not recognize a contingent asset on the date of acquisition. The amendment applies from January 1, 2022 and can be implemented in advance. Any effect on its implementation will be prospectively realized.
IAS 16 - Property, plant and equipment.	It is modified in relation to products obtained before the intended use.	The amendment deals with the costs directly attributable to the acquisition of the asset (which are part of the PP&E element) and refers to "the costs of verifying that the asset is properly working (i.e., whether the technical and physical performance of the asset is such that it can be used in the

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

		<p>production or supply of goods or services, for leasing to third parties or for administrative purposes)". Paragraph 20A states that inventory production, while the PP&E element is under the conditions provided by management, at the time of sale, will affect the profit or loss, together with its corresponding cost. The amendment applies from January 1, 2022 and can be implemented in advance. Any effect on its application will be done retroactively, but only to PP&E elements that are taken to the place and conditions necessary for them to operate in the manner intended by management from the beginning of the first period presented in the financial statements in which the entity applies the modifications for the first time. The cumulative effect of the initial application of the amendments shall be recognized as an adjustment to the opening balance of accumulated earnings (or other equity component as appropriate) at the beginning of the first period submitted.</p>
Annual Improvements to IFRS Standards IFRS 2018 - 2020	Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture.	Amendments to IFRS 1. Subsidiary that first adopts IFRS. Paragraph D13A 1 is added of IFRS 1, incorporating an exemption on subsidiaries that first time adopted IFRS and taking as balances in open financial position the amounts in

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

		<p>books included in the controller's financial statements (literal to paragraph D16 of IFRS 1) so that can be measured the differences in change by cumulative transactions by the amount in books of that item in the Controller's consolidated financial statements (also applies to associates and joint ventures). Amendments to IFRS 9. Commissions in the "10% test" regarding the derecognition of financial liabilities. A text is added to paragraph B3.3.6 and added the B3.3.6A, it is special to clarify the recognition of the commissions paid (to profit or loss if it is a cancellation of the liability, or as a lower value of the liability if not a cancellation). Amendments to IFRS 41. Taxes on fair value measurements. The phrase "nor cash flows for tax" is removed from paragraph 22 of IAS 41, the reason for the above is because "prior to Annual Improvements to IFRS Standards 2018-2020, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value but did not require the use of a pre-tax discount rate to discount those cash flows". This aligns the requirements of IAS 41 with those of IFRS 13. The amendment applies from January 1, 2022 and can be implemented in advance.</p>
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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Extension of the Temporary Exemption from the Application of IFRS 9 - Financial Instruments	Amendments to IFRS 4 - Insurance Contracts	Paragraphs 20A, 20J and 20O of IFRS 4 are amended to allow the temporary exemption that permits, but does not require, an insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for annual periods beginning before January 1, 2023 (due to a new international requirement contained in IFRS 17 as of that date).
IAS 37 – Provisions, contingent liabilities and contingent assets.	Onerous Contracts — Cost of Fulfilling a Contract.	It is clarified that the cost of fulfilling a contract includes costs directly related to the contract (costs of direct labor and materials, and the allocation of costs directly related to the contract). The amendment applies from January 1, 2022 and can be implemented in advance. The effect of the implementation of the amendment will not re-express comparative information. Instead, the cumulative effect of the initial application of the amendments shall be recognized as an adjustment to the opening balance of retained earnings or another component of the equity, as appropriate, on the date of initial application.

The Company will quantify the impact on the financial statements once the Decree that incorporates them into the Colombian Technical Regulatory Framework is issued.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

8. Cash and Cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash and banks and investments in money market instruments, net of bank overdrafts. Cash and cash equivalents at the end of the period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	<u>2020</u>	<u>2019</u>
Cash and Banking	\$ 193.107	151.084
Cash equivalents (1)	<u>54.885</u>	<u>83.681</u>
	<u>\$ 247.992</u>	<u>234.765</u>

(1) Cash equivalents are shown below:

	<u>2020</u>	<u>2019</u>
Short-term liquidity deposits	\$ 37.792	69.737
Rights in securities funds and trusts	13.712	13.577
Others	<u>3.381</u>	<u>367</u>
	<u>\$ 54.885</u>	<u>83.681</u>

9. Investments

	<u>2020</u>	<u>2019</u>
Investments recorded at amortized cost:		
Certificates of deposit (1)	\$ 166.043	5.257
Other resources in trust funds	3.513	4.881
Investments in equity instruments	1.228	1.286
Investments at fair value through profit and loss	<u>42</u>	<u>43</u>
	170.826	11.467
Current	167.298	6.478
Non current	<u>3.528</u>	<u>4.989</u>
	<u>\$ 170.826</u>	<u>11.467</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

(1) As of December 31, 2020, certificates of deposit consist of:

<u>Investment</u>	<u>Entity</u>	<u>Date of Rate December</u>			<u>facial %</u>	<u>Value as of 31</u>	
		<u>issuance</u>	<u>due date</u>			<u>2020</u>	
CDT	Banco Bogota NY	07/12/2020	12/05/2021	0,52%	\$	52.018	
CDT	Bancolombia Panama	07/12/2020	12/05/2021	0,40%		52.014	
CDT	BNP Paribas	07/12/2020	10/05/2021	0,25%		24.004	
CDT	Sumitomo	07/12/2020	12/05/2021	0,27%		20.003	
CDT	Bank of Tokyo	07/12/2020	12/05/2021	0,25%		<u>18.004</u>	
					\$	<u>166.043</u>	

10. Trade and other receivables

	<u>2020</u>	<u>2019</u>
Clients	\$ 314.623	288.448
Allowance for doubtful accounts	<u>(77.608)</u>	<u>(55.851)</u>
Net clients	237.015	232.597
Advances	7.059	1.804
Employees	16.918	5.013
Others (1)	17.691	60.145
Difficult to collect debts	17.255	13.428
Provision for impairment	<u>(15.308)</u>	<u>(12.491)</u>
Total Accounts receivable	\$ 280.630	300.496
Revenue to be billed	<u>111.675</u>	<u>70.296</u>
	\$ <u>392.305</u>	<u>370.792</u>
Current	\$ 341.046	319.317
No current	<u>51.259</u>	<u>51.475</u>
	\$ <u>392.305</u>	<u>370.792</u>

(1) Corresponds mainly to balances receivable from OSINERMING for subsidies.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

As of December 31, 2020, and 2019, the amount of the provision for impairment of accounts receivable amounts to \$92.916 and \$68.342, respectively. Changes in the provision for impairment of accounts receivable are described in the following table:

	<u>2020</u>	<u>2019</u>
Opening balance	(65.249)	(48.129)
Increases	(26.268)	(22.795)
Reversals	442	64
Exchange Difference	(1.424)	1.129
Conversion effect	(417)	1.389
	\$ <u>(92.916)</u>	<u>(68.342)</u>

11. Tax assets

	<u>2020</u>	<u>2019</u>
Income tax (1)	\$ 10.713	10.810
Prepaid taxes	11.082	12.707
VAT - Balances in favor (2)	<u>27.572</u>	<u>31.314</u>
	\$ <u>49.367</u>	<u>54.831</u>
Current	\$ 21.795	23.516
No current	<u>27.572</u>	<u>31.314</u>
	\$ <u>49.367</u>	<u>54.830</u>

- (1) The income tax credit balance corresponds to the difference between withholdings and self-withholdings made to companies and the current tax expense.
- (2) The balance corresponds mainly to tax credits for VAT paid on purchases, hiring of services and importation of construction materials by Transportadora de energía de Centroamérica S.A. for USD \$24,789 thousand. Sufficient tax debits for taxable services have not been generated to offset the remaining tax credit.

12. Assets held for sale

As established by the Board of Directors, the sale of the property located on 26th Street Avenue and the Antonio Ricaurte vacation center is authorized.

	<u>2020</u>	<u>2019</u>
Land and buildings, net (1)	\$ <u>52.912</u>	<u>56.143</u>

- (1) As of December 31, 2020, and 2019, the Company maintains the sale plans associated with these assets.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

13. Other Non-financial assets

	<u>2020</u>	<u>2019</u>
Insurance paid and deferred	10.201	4.652
Judicial deposits	\$ 6.248	7.100
Others	<u>806</u>	<u>481</u>
	<u>\$ 17.255</u>	<u>12.233</u>
Current	10.984	5.064
No current	<u>6.271</u>	<u>7.169</u>
	<u>\$ 17.255</u>	<u>12.233</u>

14. Significant non-controlling interest

Details of significant non-controlling interest at the end of the reporting period are as follows:

Name of subordinate	Place of incorporation and <u>operation</u>	Proportion of shareholding and voting rights of the non-controlling interest		Accumulated non-controlling interest	
		December <u>2020</u>	December <u>2019</u>	December <u>2020</u>	December 2019
Gas Natural de Lima y Callao S.A.	Perú	40.00%	40.00%	<u>\$ 134.121</u>	<u>\$ 134.009</u>
Name of subordinate	Place of incorporation and <u>operation</u>	Proportion of shareholding and voting rights of the non-controlling interest		Income (loss) allocated to non-controlling interest	
		December <u>2020</u>	December <u>2019</u>	December <u>2020</u>	December 2019
Gas Natural de Lima y Callao S.A.	Perú	40.00%	40.00%	<u>\$ 29.826</u>	<u>\$ 33.104</u>
As of December 31, 2020		Current assets	Non-current assets	Current liabilities	No current liabilities
Gas Natural de Lima y Callao S.A.		<u>\$ 169.893</u>	<u>\$ 913.145</u>	<u>\$ 157.902</u>	<u>\$ 589.833</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

As of December 31, 2019	Current assets	Non-current assets	Current liabilities	No current liabilities
Gas Natural de Lima y Callao S.A.	\$ 156.594	\$ 876.715	\$ 143.395	\$ 554.893

As of December 31, 2020	Revenues	Profit for the year	Dividends declared
Gas Natural de Lima y Callao S.A.	\$ 614.479	\$ 74.827	\$ 86.602

15. Investments in associates and joint ventures

<u>Name of the associated</u>	<u>Principal Activity</u>	<u>Place of incorporation and operation</u>	<u>Type</u>	<u>Proportion of ownership and voting shareholding and voting power</u>	
				<u>2020</u>	<u>2019</u>
Emgesa S.A. E.S.P.	Energy	Colombia	Regular	37.44%	37.44%
Emgesa S.A. E.S.P.	Energy	Colombia	Preferential	14.07%	14.07%
Codensa S.A. E.S.P.	Energy	Colombia	Regular	36.49%	36.49%
Codensa S.A. E.S.P.	Energy	Colombia	Preferential	14.83%	14.83%
Consortio Transmantaro S.A.	Energy	Perú	Regular	40.00%	40.00%
Red de Energía del Perú S.A.	Energy	Perú	Regular	40.00%	40.00%
Gas Natural S.A. E.S.P.	Gas	Colombia	Regular	24.99%	24.99%
EMSA S.A. E.S.P.	Energy	Colombia	Regular	16.23%	16.23%
Promigas S.A. E.S.P.	Gas	Colombia	Regular	15.24%	15.24%

<u>Name of joint venture</u>	<u>Principal Activity</u>	<u>Place of incorporation and operation</u>	<u>Type</u>	<u>2020</u>	<u>2019</u>
Goiás Transmissao S.A.	Electricity generation	Brazil	Regular	51.00%	51.00%
Mge Transmissao S.A.	Electricity generation	Brazil	Regular	51.00%	51.00%
Transenergia Renovavel S.A.	Electricity distribution	Brazil	Regular	51.00%	51.00%
Transenergia Sao Paulo S.A.	Electricity distribution	Brazil	Regular	51.00%	51.00%
ARGO S.A.	Electricity distribution	Brazil	Regular	50.00%	-

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The corporate purpose and other relevant information of the main associated companies is as follows:

Emgesa S.A. E.S.P.- The Company was incorporated on October 23, 1997 whose main corporate purpose is the generation and commercialization of electric energy. As of September 30, 2019 and December 31, 2018, GEB S.A. E.S.P., has 76,710,851 shares of which 20,952,601 correspond to non-voting shares with a preferential dividend of USD\$0.1107 per share.

Codensa S.A. E.S.P. - The Company was incorporated on October 23, 1997 through the contribution of the distribution and commercialization assets of GEB S.A. E.S.P., equivalent to 51.32% of its capital stock. The main corporate purpose of the Company is the distribution and commercialization of electric energy, as well as the execution of all related, connected, complementary and related activities to the distribution and commercialization of energy, the execution of design and consulting works in electrical engineering and the commercialization of products for the benefit of its customers. As of December 31, 2020, and December 31, 2019, Grupo Energía Bogotá S.A. E.S.P., has 69,220,130 shares of which 20,010,799 correspond to non-voting shares with a preferential dividend of USD\$0.10 per share.

Consorcio Transmantaro S.A. - CTM- Transmantaro is a Peruvian company domiciled in the city of Lima. It was incorporated in January 1998, but it was on December 13, 2006 that GEB became part of this company. Its main activity is the transmission of electric power and it provides operation and maintenance services. GEB directly owns 40% of the capital stock.

Red De Energía Del Perú S.A. – REP– is a Peruvian company domiciled in the city of Lima. It was incorporated on July 3, 2002. REP offers electric power transmission services, associated services, among which are operation and maintenance services of power transmission and transportation facilities and specialized technical services. GEB directly owns 40% of the capital stock of this company.

Gas Natural S.A E.S.P. - It was incorporated as a commercial company on April 13, 1987. In June 1997, the sale process of Ecopetrol's participation in the company culminated, entering as new majority shareholder a Spanish Investor Group, through the company Gas Natural Latinoamericana. In 1999, the shareholding of the Spanish Investor Group was defined, through Gas Natural Internacional SDG. The purpose of this company is the distribution and commercialization of natural gas, as well as the execution of exploration, production, generation, transportation and/or transmission, distribution and commercialization of any type of energy.

According to minute No 270 of October 25, 2018, the board of directors approved the socialization of the new brand called "VANTI S.A. E.S.P." widespread as of November 23, 2018.

Electrificadora del Meta S.A E.S.P. - EMSA - Electrificadora del Meta S.A. E.S.P., is a joint stock company that is part of the companies of the Nation and its main purpose is to provide the public electric energy service.

EMSA E.S.P. develops activities of commercialization and distribution of electric energy in 24 of the 29 municipalities of the Department of Meta.

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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Promigas S.A E.S.P. - Colombian company whose purpose is the purchase, sale, transportation, distribution, exploitation and exploration of natural gas, oil and hydrocarbons in general and of the gas and oil activity in all its manifestations.

Transenergia Renovável S.A.- TER - Incorporated on December 18, 2008, in the form of a closed joint stock company, by Furnas Centrais Elétricas SA and Gebbras Participações Ltda, winner of Lot C of Auction No. 008/2008 of the National Electric Energy Agency (ANEEL), to execute the object of Concession Contract No. 009/2009.

In the electric power transmission sector, TER is responsible for the construction, operation and maintenance of transmission lines and substations located in the states of Goiás, Mato Grosso and Mato Grosso do Sul, with the objective of draining the surplus energy from the cogeneration processes of seven sugar and alcohol plants in the region.

Transenergia São Paulo S.A.- TSP - Incorporated on July 8, 2009, in the form of a closely held corporation, currently Furnas Centrais Elétricas S.A. and Gebbras Participações Ltda., winner of Lot G of the National Electric Energy Agency (ANEEL) Auction No. 001/2009, to execute the object of Concession Contract No. 024/2009.

Operating in the electric power transmission sector, TSP is responsible for the construction, operation and maintenance of transmission facilities located in the State of São Paulo.

Goiás Transmissão S.A. – GOT - Incorporated on February 3, 2010, in the form of a closely-held corporation, currently Furnas Centrais Elétricas SA. and Gebbras Participações Ltda., winner of Lot A of the National Electric Energy Agency (ANEEL) Auction No. 005/2009, to execute the object of Concession Contract No. 002/2010.

Operating in the electric power transmission sector, GOT is responsible for the construction, operation and maintenance of transmission lines located in the State of Goiás.

MGE Transmissão S.A. – MGE - Incorporated on February 3, 2010, in the form of a closely-held corporation, currently Furnas Centrais Elétricas SA. and Gebbras Participações Ltda., winner of Lot G of the National Electric Energy Agency (ANEEL) Auction No. 005/2009, to execute the object of Concession Contract No. 008/2010.

Operating in the electric power transmission sector, MGE is responsible for the construction, operation and maintenance of transmission lines located in the states of Minas Gerais and Espírito Santo.

Argo Energia Empreendimentos e Participações S.A.: Grupo Energía Bogotá S.A. E.S.P. (GEB), pursuant to the authorization of its Board of Directors, granted in ordinary session 1620 of October 30, 2019 and, the Spanish company Red Eléctrica Internacional S.A.U. (REI), a subsidiary of Grupo Red Eléctrica, reached an agreement with funds managed by Patria Investments and Sommerville Investments B.V., an indirect integral subsidiary of Temasek Holdings (Private) Limited, to acquire jointly and in equal parts, 100% of the common shares of the Brazilian company Argo Energia Empreendimentos e Participações S.A. ("Argo").

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

In view of the foregoing and in compliance with the share purchase agreement signed on November 22, 2019, on March 25, 2020, Grupo Energía Bogotá S.A. ESP and Red Eléctrica Brazil Holding Ltda., a subsidiary of Red Eléctrica Internacional, S.A.U. have concluded the process of acquisition of all the ordinary shares issued by Argo Energia Empreendimentos e Participações S.A. under the terms agreed in the Share Purchase Agreement.

Argo is a platform that is part of Brazil's electricity transmission system and has three concessions in the states of Ceará, Maranhao, Minas Gerais, Piauí, and Rondônia, and will have 1,460km of 500 and 230 kV transmission lines and 11 substations, once the construction process of its concessions Argo II and Argo III is completed. The main Argo concession is Argo I, which has been operational since October 2019. This investment contributes significantly to the development of the Company's Corporate Strategic Plan by consolidating GEB as a relevant player in the country that offers the greatest growth opportunities in the transmission sector in Latin America.

As of December 31, 2020

	Total net assets of associates/joint ventures	Company's share of net assets of associates/joint ventures	<u>Goodwill</u>	<u>Others</u>	Carrying amount
<u>Associates</u>					
Emgesa S.A. E.S.P. (1)	\$ 1.501.948	51.51%	\$ 356.632	\$ 2.110	\$ 1.131.201
Codensa S.A. E.S.P. (1)	989.777	51.32%	135.884	1.801	644.626
Gas Natural S.A. E.S.P	159.527	24.99%	56.476	-	96.357
Red de Energía del Perú S.A.	171.113	40.00%	-	-	68.445
Consortio Transmantaro S.A.	471.766	40.00%	13.136	-	201.842
Promigas S.A. E.S.P.	1.254.842	15.24%	40.730	-	231.942
EMSA S.A. E.S.P.	80.208	16.23%	-	-	<u>13.042</u>
Total interest in associates					<u>\$ 2.387.455</u>
<u>Joint ventures</u>					
Goiás Transmissao S.A.	\$ 78.648	51.00%	\$ -	\$ -	\$ 40.110
Mge Transmissao S.A.	51.225	51.00%	-	-	26.125
Transenergia Renovavel S.A.	43.273	51.00%	-	-	22.069
Transenergia Sao Paulo S.A.	23.280	51.00%	-	-	11.873
Argo S.A.	702.709	50.00%	-	-	<u>351.354</u>
Total interest in joint ventures					<u>451.531</u>
Total interest in associates and joint ventures					<u>\$ 2.838.986</u>

- (1) For purposes of calculating the book value of the investment, the equity of Emgesa S.A. E.S.P. and Codensa S.A. E.S.P. is reduced by the effect of the preferred dividends.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

As of December 31, 2019

	Total net assets of associates/joint ventures	Company's share of net assets of associates/joi nt ventures	<u>Goodwill</u>	<u>Others</u>	Carrying amount
<u>Associates</u>					
Emgesa S.A. E.S.P. (1)	\$ 1.445.046	51.51%	\$ 373.539	\$ 2.391	\$ 1.120.275
Codensa S.A. E.S.P. (1)	956.845	51.32%	142.326	2.052	635.431
Gas Natural S.A. E.S.P	168.571	24.99%	59.154	-	101.295
Red de Energía del Perú S.A.	185.826	40.00%	-	-	74.331
Consorcio Transmantaro S.A.	476.812	40.00%	13.758	-	204.483
Promigas S.A. E.S.P.	1.096.412	15.24%	42.660	-	209.720
EMSA S.A. E.S.P.	92.758	16.23%	-	2	<u>15.052</u>
Total interest in associates					<u>\$ 2.360.587</u>
<u>Joint ventures</u>					
Goiás Transmissao S.A.	\$ 97.112	51.00%	\$ -	\$ -	\$ 49.527
Mge Transmissao S.A.	66.109	51.00%	-	-	33.715
Transenergia Renovavel S.A.	70.714	51.00%	-	-	36.064
Transenergia Sao Paulo S.A.	27.590	51.00%	-	-	<u>14.072</u>
Total interest in joint ventures					<u>133.378</u>
Total interest in associates and joint ventures					<u>\$ 2.493.965</u>

- (1) For purposes of calculating the book value of the investment, the equity of Emgesa S.A. E.S.P. and Codensa S.A. E.S.P. is reduced by the effect of the preferred dividends. As of December 31, 2020

	Income (loss) from associates/joint ventures	Company's share in net assets of associates/joint ventures	<u>Others</u>	Value <u>book</u>
<u>Associates</u>				
Emgesa S.A. E.S.P.	373.824	51.51%	2.320	193.682
Codensa S.A. E.S.P.	245.457	51.32%	2.001	126.946
Gas Natural S.A. E.S.P.	70.727	24.99%		17.681
Red de Energía del Perú S.A.	50.482	40.00%		20.193
Consorcio Transmantaro S.A.	63.858	40.00%		25.543
Promigas S.A. E.S.P.	331.388	15.24%		50.494
EMSA S.A. E.S.P.	8.646	16.23%		1.403
Equity method by Associates				\$ 435.942

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

	Income (loss) from associates/joint ventures	Company's share in net assets of associates/joint ventures	<u>Others</u>	<u>Value book</u>
<u>Join ventures</u>				
Goias Transmissao S.A.	\$ 4.256	51.00%	\$ -	2.117
Mge Transmissao S.A.	(308)	51.00%	-	(157)
Transenergia Renovavel S.A.	4.252	51.00%	-	2.168
Transenergia Sao Paulo S.A.	2.543	51.00%	-	1.297
ARGO. S.A.	50.801	50.00%		<u>25.401</u>
Equity method in joint ventures				<u>30.880</u>
Total interest in associates and joint ventures				<u>\$ 466.822</u>

As of December 31, 2019

	Income (loss) from associates/joint ventures	Company's share in net assets of associates/joint ventures	<u>Others</u>	<u>Value Book</u>
<u>Associates</u>				
Emgesa S.A. E.S.P.	\$ 373.665	51.51%	\$ 2.319	\$ 194.559
Codensa S.A. E.S.P.	249.058	51.32%	2.005	129.665
Gas Natural S.A. E.S.P.	75.476	24.99%	7	18.846
Red de Energía del Perú S.A.	57.524	40.00%	-	22.982
Consorcio Transmantaró.	56.821	40.00%	-	22.701
Promigas S.A. E.S.P.	247.578	15.24%	-	37.678
EMSA S.A E.S. P	20.816	16.23%	-	<u>3.374</u>
Equity method by Associates				<u>\$ 429.805</u>
<u>Joint ventures</u>				
Goias Transmissao S.A.	\$ 11.063	51.00%	\$ -	5.636
Mge Transmissao S.A.	5.9401	51.00%	-	3.026
Transenergia Renovavel S.A.	9.798	51.00%	-	4.991
Transenergia Sao Paulo S.A.	4.222	51.00%	-	<u>2.151</u>
Equity method in joint ventures				<u>\$ 15.804</u>
Total interest in associates and joint ventures				<u>\$ 445.609</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Summarized financial information with respect to each of the Company's associates and businesses is presented below:

Associates

As of December 31, 2020

	Current assets	Non-current assets	Current liabilities	No current liabilities
Emgesa S.A. E.S.P.	352.864	2.413.104	570.959	693.060
Codensa S.A. E.S.P.	498.430	1.967.642	646.356	829.939
Gas Natural S.A. E.S.P.	177.655	280.947	232.635	66.441
Red de Energía del Perú S.A.	56.820	445.173	61.649	269.231
Consortio Transmantaro.	254.654	1.541.213	73.502	1.250.599
Electrificadora del Meta S.A. E.S.P.	51.910	159.250	77.298	53.654
Promigas S.A. E.S.P.	121.231	2.308.149	93.351	1.081.186

	<u>Revenues</u>	Profit (loss) for the year	Dividends declared
Emgesa S.A. E.S.P.	1.247.279	373.824	132.086
Codensa S.A. E.S.P.	1.664.600	245.457	87.978
Gas Natural S.A. E.S.P.	773.440	70.727	18.014
Red de Energía del Perú S.A.	203.113	50.482	31.714
Consortio Transmantaro.	375.859	63.858	29.393
Electrificadora del Meta S.A. E.S.P.	157.160	8.646	2.658
Promigas S.A. E.S.P.	279.620	331.388	19.546

As of December 31, 2019

	Current assets	Non-current assets	Current liabilities	No current liabilities
Emgesa S.A. E.S.P.	251.997	2.530.150	391.046	943.736
Codensa S.A. E.S.P.	394.837	1.824.685	563.184	697.491
Gas Natural S.A. E.S.P.	166.102	244.835	230.596	11.770
Red de Energía del Perú S.A.	72.342	430.519	44.092	272.943
Consortio Transmantaro.	128.012	1.417.163	51.186	1.017.176
Electrificadora del Meta S.A. E.S.P.	56.559	160.675	114.363	10.112
Promigas S.A. E.S.P.	109.661	2.075.710	130.661	42.866

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

	<u>Revenues</u>	Profit (loss) for the year	Dividends declared
Emgesa S.A. E.S.P.	1.248.606	375.984	114.349
Codensa S.A. E.S.P.	1.667.477	251.059	68.339
Gas Natural S.A. E.S.P.	781.520	75.476	17.399
Red de Energía del Perú S.A.	186.235	57.524	22.719
Consortio Transmantaro.	249.619	56.821	24.613
Electrificadora del Meta S.A. E.S.P.	173.839	20.816	1.986
Promigas S.A. E.S.P.	450.108	247.578	18.731

Join ventures.*As of December 31, 2020*

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Net income</u>
Goiás Transmissao S.A.	123.123	44.475	78.648	4.256
Mge Transmissao S.A.	80.993	29.768	51.225	-308
Transenergia Renovavel S.A.	66.204	22.932	43.273	4.252
Transenergia Sao Paulo S.A.	38.181	14.901	23.280	2.543
ARGO S.A.	1.670.574	967.865	702.709	50.801

As of December 31, 2019

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Net income</u>
Goiás Transmissao S.A.	158.943	61.831	97.112	11.063
Mge Transmissao S.A.	93.548	27.439	66.109	5.941
Transenergia Renovavel S.A.	104.714	33.999	70.714	9.798
Transenergia Sao Paulo S.A.	48.133	20.542	27.590	4.222

16. Property, Plant and Equipment

	<u>2020</u>	<u>2019</u>
Cost	\$ 4.141.831	3.982.414
Accumulated depreciation	(616.837)	(508.432)
Impairment	<u>(1.515)</u>	<u>(1.515)</u>
	\$ <u>3.523.479</u>	<u>3.472.467</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. Y SUS SUBORDINADAS

Notes to the Financial Statements

	<u>Lands</u>	<u>Construction in progress</u>	<u>Buildings</u>	<u>PPE component</u>	<u>Plants and pipelines</u>	<u>Nets, lines and cables</u>	<u>Machinery and equipment</u>	<u>Furniture and fixtures and office equipment</u>	<u>Computer and Communication equipment</u>	<u>Transport Equipment</u>	<u>Leases</u>	<u>Others</u>	<u>Total</u>	
Balance as of December 31, 2018	\$	18.469	583.866	97.287	9.181	2.591.766	173.075	15.972	12.381	11.896	10.146	10.728	2.520	3.537.286
Additions	\$	1.447	206.305	56	378	6.654	-	1.134	31	974	2	-	1.910	218.891
Capitalizations		-	56.845	1.013	-	31.407	23.487	-	668	270	-	-	-	113.690
Capitalized interest		-	20.075	-	-	-	-	-	-	-	-	-	-	20.075
Disposals		10	-	158	-	1.910	-	917	79	2	87	-	1	3.164
Dismantling		-	-	-	-	2.780	-	-	-	-	-	-	-	2.780
Consumption		-	-	-	1.306	-	-	-	-	-	-	-	-	1.306
Intangible transfers		9	-	-	-	-	-	-	-	-	-	-	-	9
Transfers		-	32.125	2	738	15.895	-	1.412	84	176	-	-	3	50.435
Capex provision		-	2.923	-	-	-	-	-	-	-	-	-	-	2.923
Advance payments		-	1.828	-	-	-	-	-	-	-	-	-	-	1.828
Business combinations		4.846	2.906	10.196	-	-	224.234	433	2.656	2.467	-	-	925	248.665
Effect conversion		(282)	(185.849)	(1.022)	(4.153)	(11.991)	(757)	(13.462)	(365)	(325)	(338)	-	(93)	(218.637)
Balance as of December 31, 2019	\$	24.499	721.024	107.690	7.450	2.638.421	195.805	230.207	13.311	15.649	12.364	10.728	5.266	3.982.414
Additions	\$	119	156.113	60	3.360	748	13	819	561	619	3	-	482	162.897
Capitalizations		-	(91.471)	2.939	-	68.236	17.313	100	852	641	-	-	1	(1.389)
Capitalized interest		-	9.865	-	-	-	-	-	-	-	-	-	-	9.865
Disposals		(8)	(11)	-	-	(121)	-	(1.759)	(726)	(156)	-	(56)	(2)	(2.839)
Dismantling		-	-	-	-	42.312	-	-	-	-	-	-	-	42.312
Consumption		-	-	-	(1.094)	-	-	-	-	-	-	-	-	(1.094)
Intangible transfers		(265)	(5)	-	-	-	-	-	-	-	-	-	-	(270)
Transfers		-	(44.829)	1.619	(1.883)	31.984	5.122	5.024	270	394	-	-	(712)	(3.011)
Capex provision		-	(1.584)	-	-	-	-	-	-	-	-	-	-	(1.584)
Advance payments		-	2.685	-	-	-	-	-	-	-	-	-	-	2.685
Effect conversion		(639)	(16.601)	(1.814)	(23)	(3.464)	(4.717)	(19.671)	(113)	(479)	(227)	(150)	(257)	(48.155)
Balance as of December 31, 2020	\$	23.706	735.186	110.494	7.810	2.778.116	213.536	214.720	14.155	16.668	12.140	10.522	4.778	4.141.831

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

	<u>Buildings</u>	Plants and pipelines	Nets, lines and cables	Machinery and equipment	Furniture and fixtures and office equipment	Computer and Communication equipment	Transport Equipment	<u>Leases</u>	Others	<u>Total</u>
Accumulated depreciation										
Balance as of December 31, 2018	\$ (17.633)	(351.393)	(14.497)	(7.165)	(4.274)	(8.265)	(4.446)	(1.005)	(1.274)	(409.952)
Depreciation	(3.659)	(82.925)	(4.837)	(5.858)	(1.823)	(1.482)	(1.744)	(176)	(126)	(102.630)
Disposals	(148)	(414)	(11)	(809)	(44)	(79)	-	-	(1)	(1.506)
Transfers	(80)	-	-	-	(80)	-	-	-	-	(160)
Others	(1)	-	-	-	-	-	-	-	-	(1)
Effect conversion	672	917	104	3.532	110	404	67	(1)	12	5.817
Balance as of December 31, 2019	\$ (20.849)	(433.815)	(19.241)	(10.300)	(6.111)	(9.422)	(6.123)	(1.182)	(1.389)	(508.432)
Depreciation	(3.861)	(86.091)	(4.919)	(12.293)	(1.744)	(1.816)	(1.885)	(354)	(83)	(113.046)
Disposals	-	(32)	-	(785)	(41)	(158)	(20)	(56)	(1)	(1.093)
Effect conversion	279	382	387	3.690	99	664	32	141	60	5.734
Balance as of December 31, 2020	\$ (24.431)	(519.556)	(23.773)	(19.688)	(7.797)	(10.732)	(7.996)	(1.451)	(1.413)	(616.837)
Impairment										
Balance as of December 31, 2018	\$ -	(1.515)	-	-	-	-	-	-	-	(1.515)
Effect conversion	-	(12)	-	-	-	-	-	-	-	(12)
Balance as of December 31, 2019	\$ -	(1.515)	-	-	-	-	-	-	-	(1.515)
Effect conversion	-	(64)	-	-	-	-	-	-	-	(64)
Balance as of December 31, 2020	\$ -	(1.515)	-	-	-	-	-	-	-	(1.515)

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Review of indications of impairment of property, plant and equipment - TRECSA:

The Company has assessed impairment of assets (property, plant and equipment) as of December 31, 2020 and 2019, amounting to \$342.252 thousand U.S. Dollar and \$323.222 thousand U.S. Dollar, respectively.

The TRECSA team worked on a detailed review of the execution plans of the PET-01-2009 project, adjusting the works plan and the prioritization of sections with the deadlines granted in the extension of the Works Execution Program. In the review of years 2020 and 2019, it was determined that there is no impairment loss on assets.

The recoverable amount of the assets was calculated based on their value in use. The calculation of value in use requires the Company to determine the future cash flows that should arise from the cash-generating units (CGU) and an appropriate discount rate to calculate the present value.

The annual discount rate used to calculate the value in use in 2019 was 5.9%, for 2020 was 6.4%.

For 2020 and 2019 The discount rate corresponds to an after-tax measurement that is estimated on the industry weighted average cost of capital with a possible range of debt leverage of 41% and 42% at a market interest rate of 3.8% in USD and 5.3% in USD, respectively.

The value in use was determined by discounting future cash flows generated by the continuous use of the unit. Unless otherwise noted, the value in use for 2020 and 2019 was determined in the same way as in 2018. The calculation of the value in use was based on the following key assumptions:

- The Company will receive from the starting date of commercial operation, as the only remuneration, the annual fee offered and authorized by the CNEE and awarded by the MEM for a period of fifteen years, called amortization period. After the amortization period the Company will receive exclusively the toll corresponding to the main system set by the CNEE for the period of the award contract which is 50 years.
- Recovery of additional costs and expenses under the contract signed with MEM.

The Company has considered as part of the income to be received, the increased fee, derived from the right to request to the Ministry of Energy and Mines the higher values in the execution of rights of way and land acquisition compared to the reference value established in the Bidding Terms and Conditions and the additional costs derived from the occurrence of events of Fortuitous Event or Force Majeure, in the terms established in the "Authorization Contract for the Execution of the transmission works of lots A, B, C, D, E and F that were awarded to it as a result of the open bidding process for the provision of the electric energy transmission service for the value of the annual fee" (hereinafter the "Contract").

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

In exercise of this right, in 2013 the Company submitted a request for recognition of additional costs and expenses arising from the occurrence of Fortuitous Events or Force Majeure, which resulted in the partial recognition of the request and therefore the adjustment of the Fee of the Contract by the Ministry of Energy and Mines.

The Contract clearly establishes that the Company is entitled to the recognition of the additional costs and expenses derived from the occurrence of Fortuitous Events or Force Majeure, in accordance with eleventh Clause of the Contract, as well as the recognition of the higher values for rights of way and land acquisition, in accordance with the provisions of the PET-01-2009 Bidding Terms and Conditions and Roman numeral I of the fifth Clause of the Contract.

The inclusion of revenue streams for the year 2020 and 2019 has been proposed based on the requests for recognition of additional costs and expenses that TRECOSA has submitted or will submit under the Contract it has signed with the Government of Guatemala and is based on the following assumptions, among others:

- TRECOSA is entitled to the recognition of additional costs and expenses for force majeure and easement in accordance with the Contract, these do not constitute claims that have the character of contingent assets, but rather are the exercise of a certain right that TRECOSA has to request the adjustment to the remuneration fee.
- The recognition of such costs will give rise to the adjustment of the remuneration fee that has been agreed under the Contract. In this sense, these revenues constitute additional flows that TRECOSA will receive as remuneration under the Contract.
- NRV (New Replacement Value) is assumed to be the estimated considering the legislation in force and methodology of the National Electric Energy Commission (CNEE by its Spanish acronym) on the total investment, on the basis that the criteria will not be modified, from a legal point of view. The best NRV increases the estimated revenue via tolls after the completion of the fee revenue for each of the sections.
- - Tax regime of 25% on profits, for an estimated 8 years.

17. Investment properties

		<u>2020</u>	<u>2019</u>
Lands	\$	8.586	8.993
Buildings		108	113
Accumulated depreciation		<u>(3)</u>	<u>(2)</u>
	\$	<u>8.691</u>	<u>9.104</u>

The amounts recorded in the financial statements do not differ significantly from their fair value.

All the Company's investment properties are held under freehold.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

18. Assets for rights of use

Right-of-use assets as of December 31, 2020 comprise the following:

	Opening balance	<u>Additions</u>	<u>Asset retirement</u>	<u>Depreciation</u>	Effect of <u>conversion</u>	<u>Closing Balance</u>
Property	\$ 14.182	1.864	(546)	(5.745)	591	10.346
Vehicle	1.991	163	-	(1.904)	(101)	149
Miscellaneous equipment - machinery and equipment	339	577	-	(302)	(4)	610
Computers	3.837	185	-	(2.056)	217	2.183
	<u>\$ 20.349</u>	<u>2.789</u>	<u>(546)</u>	<u>(10.007)</u>	<u>703</u>	<u>13.288</u>

Right-of-use assets as of December 31, 2019 comprise the following:

	Opening balance	<u>Business combinations</u>	<u>Additions</u>	<u>Depreciation</u>	Effect of <u>conversion</u>	<u>Closing Balance</u>
Property	\$ 15.411	1.889	3.116	(5.681)	120	14.854
Vehicle	1.021	83	2.587	(1.603)	(2)	2.085
Miscellaneous equipment - machinery and equipment	330	194	-	(164)	(5)	355
Computers	6.004	-	33	(2.035)	16	4.020
	<u>\$ 22.766</u>	<u>2.166</u>	<u>5.736</u>	<u>(9.483)</u>	<u>129</u>	<u>21.314</u>

19. Goodwill

	<u>2020</u>	<u>2019</u>
Grupo Dunas	\$ 55.055	60.747
Transportadora de Gas Internacional S.A. E.S.P.	14.577	14.594
EEB Perú – Holding	<u>11.461</u>	<u>11.476</u>
	<u>\$ 81.093</u>	<u>86.817</u>

To comply with the provisions of IAS 36 Impairment of Assets, we show below some of the key assumptions used in the impairment review for these indefinite-lived assets.

As of December 31, 2020 and 2019, the results of our assessments conclude that there is no impairment for these indefinite-lived assets.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Grupo Dunas:

- An average WACC of 6.2% is used to discount cash flows. The unleveraged beta of the Utility (General) sector (0.19) published by Damodaran is used.
- A decrease in revenues due to lower volume sold in 2020 is considered, partly offset by the higher sales price.
- Increase in energy purchase price and increase in generation cost due to higher average gas prices and higher volume consumed to meet the gas minimum at CGT Pedregal.
- Impact on the exchange rate due to devaluation in 2020. Gradual recovery in 2021 and 2022.
- Includes investments of USD 115 Billion. Mainly in renovation and expansion of equipment, expansion due to demand growth and new projects with third parties.
- Regulatory base of 12% during the whole projection.

Transportadora de Gas Internacional S.A. E.S.P.:

- An average WACC of 10.2% is used to discount cash flows. The unleveraged beta of the Oil/Gas Distribution sector published by Damodaran is used.
- The new tariff scheme that may be applied as of 2S 2022 (WACC 9.22%) is considered.
- Included in the CAPEX execution of more probable projects.
- Operational Efficiencies 2021 USD 6 Billion and 2022 onwards USD 11 Billion

EEB Perú - Holding - Investment vehicle that owns 60% of Calidda:

- An average WACC of 5.3% is used to discount cash flows. The unleveraged beta of the Utility (General) sector (0.19) published by Damodaran is used.
- Regulatory base of 12% during the whole projection.
- Increased revenues thanks to the development of regulated (investments incorporated in the new tariff period and a 17% tariff increase as of May 2022) and non-regulated businesses (connections, non-bank financing and development of the NGV market).
- Includes investments of approximately USD 490 billion for the new tariff period.

20. Intangible assets

	<u>2020</u>	<u>2019</u>
Concession assets (1)	\$ 1.522.073	1.457.639
Business rights (2)	249.101	258.898
Easement	166.112	156.338
Software and licenses	48.233	37.983
Accumulated depreciation and impairment	<u>(460.856)</u>	<u>(422.025)</u>
	<u>\$ 1.524.663</u>	<u>1.488.833</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

<u>Cost</u>	<u>Concession assets (1)</u>	<u>Business rights (2)</u>	<u>Easement</u>	Software and licenses	<u>Total</u>
Balance as of December 31, 2018	\$ 1.335.187	142.839	137.738	27.627	1.643.391
Additions	122.424	-	17.939	5.280	145.643
Transfers	28	-	694	2.874	3.596
Disposals	-	-	(1)	(596)	(597)
Effect of <u>conversion</u>	-	(3.384)	(32)	80	(3.336)
Effect of business combinations	-	119.443	-	2.719	122.162
Balance as of December 31, 2019	\$ 1.457.639	258.898	156.338	37.984	1.910.859
Additions	68.515	-	13.460	5.599	87.574
Transfers	(3.904)	(149)	(3.084)	4.962	(2.175)
Disposals	-	-	(17)	-	(17)
Effect of <u>conversion</u>	(177)	(9.648)	(585)	(313)	(10.723)
Balance as of December 31, 2020	\$ 1.522.073	249.101	166.112	48.232	1.985.518
Accumulated depreciation and impairment					
Balance as of December 31, 2018	\$ (269.094)	(26.038)	(7.688)	(14.845)	(317.665)
Depreciation	(44.753)	(2.256)	(2.217)	(4.211)	(53.437)
Impairment	(51.659)	-	-	-	(51.659)
Disposals	-	-	-	581	581
Effect conversion	-	13	2	139	154
Balance as of December 31, 2019	\$ (365.506)	(28.281)	(9.903)	(18.336)	(422.026)
Depreciation	(48.135)	(2.337)	(1.797)	(6.769)	(59.038)
Impairment recovery	20.350	-	-	-	20.350
Effect conversion	(153)	20	6	(14)	(141)
Balance as of December 31, 2020	\$ (393.444)	(30.598)	(11.694)	(25.119)	(460.855)

The useful lives used for the calculation of depreciation are as follows:

Easement	30 years old
Software and licenses	10 years

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

(1) Concession assets

Contugas S.A.C. - Incorporated on June 4, 2008 under the name of Transportadora de Gas Internacional del Perú S.A.C. Subsequently, through resolutions of the General Shareholders' Meeting held on September 24, 2008, September 18, 2009 and November 29, 2010, the Company changed its name to Transcogas Perú S.A.C., Congas Perú S.A.C., and finally to Contugas S.A.C., respectively.

The purpose of Contugas is to distribute and commercialize natural gas and fuel in all its forms. Likewise, it may provide design, planning, expansion, financing, construction, operation, commercial exploitation and maintenance services for natural gas transportation and distribution systems through pipelines, as well as for hydrocarbon transportation systems in all their forms.

On April 25, 2008, the Private Investment Promotion Agency - PROINVERSION awarded the consortium formed by Grupo Energía Bogotá S.A. ESP. and Transportadora de Gas del Interior S.A. E.S.P., both entities domiciled in Colombia, shareholders of Contugas, the international public bidding process, under the integral project modality, for the design, financing, construction, operation and maintenance of the natural gas distribution system in the department of Ica in Peru. As a result of this adjudication, on March 7, 2009, was signed the BOOT Concession Contract for the Natural Gas Distribution System by Pipelines Network in the department of Ica, contract that is being executed by Contugas in its role as concessionaire company.

On April 30, 2014, the Company started commercial operations after having completed the construction of the Natural Gas Distribution System by Pipeline Network in Ica.

Accumulated profits

As of December 31, 2020 and 2019, Contugas shows accumulated results and accumulated losses for thousands of US\$ 10,151 and thousands of US\$ 73,100, respectively, mainly associated with its operations and the estimate of impairment of the concession assets that for the year 2020 yielded a recovery for thousands of US\$ 20,350 and a loss for thousands of US\$ 51,659 in 2019, such impairment estimate has been made based on the recovery of the investment by the Company's future flows. During 2020, no capital contributions have been received from shareholders (in 2019, shareholders made capital contributions, for thousands of US\$ 69,000, to compensate the Company's loss situation).

Contugas management estimates that it will continue to comply with the business plans that will allow it to recover the value of long-lived assets. These business plans include flows derived from gas distribution revenues to be generated because of the start-up of electricity generation projects in the concession area operated by Contugas and have been considered to measure the recovery value of long-lived assets. It is also expected to continue receiving the necessary financial support from its shareholders, which will allow it to generate profitable operations to meet its obligations and its planned development activities in accordance with Contugas' structure, cover its financial costs, and continue recovering accumulated losses.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Business activities

Contugas signed contracts with its three main customers, Corporación Aceros Arequipa S.A. (CAASA) in December 2011, Empresa de Generación Eléctrica de Arequipa S.A.C. (EGASA) and Empresa de Generación Eléctrica del Sur S.A.C. (EGESUR) in May 2015. By means of which the natural gas distribution service was agreed through capacity reserve, i.e., the payment corresponds to this contracted capacity reserve regardless of the volume consumed (take or pay contract), thus these companies have access at all times to this contracted capacity.

However, in September 2015, EGASA and EGESUR went to OSINERGMIN to indicate that there was an illegality in the signed contracts, since they considered that the billing for the service should correspond to the volumes consumed and not to the contracted capacity reserve, as mentioned in the Billing Procedure published by OSINERGMIN. Similarly, in February 2017, CAASA submitted the same claim to OSINERGMIN based on the same arguments.

In February 2016, OSINERGMIN issued resolutions N° 006 and 007-2016, in favor of EGASA and EGESUR, ordering CONTUGAS to invoice only for the volumes consumed and to refund undue charges and to stop demanding the reserved capacity reserve agreements.

Since the OSINERGMIN Dispute Resolution Tribunal was not constituted to hear the administrative appeal in the second instance, in August 2016, Contugas decided to go to court by filing a request for defense since it considered that OSINERGMIN had taken jurisdiction over contracts signed with private customers, thus violating its constitutional rights. Contugas received an injunction in the first instance, which was ratified in the second instance, ordering OSINERGMIN not to rule on the contracts signed with these three independent customers.

In turn, in December 2016, the Fifth Court Specialized in Constitutional Matters issued an injunction in favor of Contugas, declaring resolutions 006-2006 and 007-2016 null and void, an injunction that was appealed by the defendants, but confirmed by the 5th Superior Civil Court, so Contugas considers that this is a final and definitive decision. In the second instance, the Superior Chamber revoked the precautionary measure, since it considered that the Protection was not the appropriate way, but the administrative contentious process.

On December 12, 2019, under Case 4801-2017, the Constitutional Court issued the Decision by which the Constitutional Court declared the nullity of resolutions No. 006 and 007-2016 issued by OSINERGMIN. Said resolution declares the validity of the capacity reservation clauses subscribed between Contugas and its independent customers.

In May 2018, OSINERGMIN declared CAASA's claims founded, which Resolution was appealed by Contugas. As of December 31, 2020, a ruling is pending from the OSINERGMIN Appeals Court. The effects of the Constitutional Court's ruling do not extend directly to CAASA.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

To date, these three customers pay for the service for the volumes consumed in spite of the Constitutional Court's ruling. For this reason, the sum of accounts receivable of Aceros Arequipa, EGASA and EGESUR at December 31, 2020 is for thousands of

US\$ 151,553 (thousands of US\$ 103,906 as of December 31, 2019).

On April 1, 2019, EGASA informed Contugas its decision to unilaterally resolve the Natural Gas Distribution Service contract, arguing that since its natural gas transportation contract had been terminated and it had no other contracts or agreements that could guarantee transportation, the contract with Contugas could be resolved. Contugas has informed that according to the Contract, EGASA's argument is incorrect, since Contugas has offered to provide the Supply and Transportation services, so there is no shortage referred to by EGASA. As of December 31, 2020, Contugas has initiated an arbitration process against EGASA both for the collection of what is owed and for the termination of the Contract.

As of December 31, 2020, Contugas has assessed the impairment of these accounts receivable using the expected loss method, considering the risk or probability of occurrence of a credit loss, reflecting the probability of occurrence and not occurrence of such loss, even if such possibility is very low. The allowance for impairment of accounts receivable related to the three main contracts signed (EGASA, EGESUR and CAASA), in compliance with IFRS 9, are presented in the result for the year 2020 for thousands of US\$14,577 (thousands of US\$13,915 for the year 2019).

As stated above, Contugas initiated arbitration proceedings against EGASA and EGESUR. In the case of EGASA, on August 7, 2020, the Request for Arbitration was filed before the Lima Chamber of Commerce, and EGASA filed its response to such request on September 3, 2020. The Arbitral Tribunal is already formed by the president and the arbitrators appointed by the parties. The claim will be filed in March 2021.

In the case of EGESUR, the Request for Arbitration was filed with the Lima Chamber of Commerce on August 5, 2020, and on August 27, 2020, EGESUR answered the request. The Arbitral Tribunal is already formed by the president and the arbitrators appointed by the parties. The arbitration claim was filed on January 27, 2021.

Regarding the case with CAASA, on June 16, 2020, Contugas closed the Direct Agreement, leaving it open to initiate an out-of-court conciliation procedure. On February 11, 2021, Resolution No. 025-2021-OS/TSC-103 of the OSINERGMIN Dispute Resolution Tribunal was notified in relation to CAASA's claim. In said resolution, CAASA's claims from May 2016 onwards were declared unfounded, and the Company was ordered to re-invoice from 2014 to April 2016. All invoicing will be on a contracted basis, and in accordance with the regulation and the Distribution Agreement.

The Group's management and its legal advisors believe that there is a high probability of a favorable resolution of the processes.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

New electricity generation customer

On November 23, 2016, the Company entered a contract for natural gas supply, transportation and distribution services to a new electricity generation customer, whose power plant will operate in the province of Pisco. The contract stipulates the firm reservation of a natural gas supply capacity of 29.5 MCFD and the possibility of increasing another 29.5 MCFD under the interruptible modality. As of December 31, 2020, the Company is in the process of renegotiating the conditions established in this contract and among the main changes is that the Company will only supply natural gas distribution service with a reserved capacity of 72 MCFD, and additionally, operations are expected to begin on July 1, 2025. The flows derived from this contract will allow the Company to increase EBITDA and obtain positive results.

Modification to the natural gas transportation contract

Modification to the natural gas transportation contract

Contugas plans to opt for the modification of the gas transportation contract signed on March 26, 2010, through which it can reduce the reserved capacity from 44.8 MCFD to 27 MCFD from January 2022, this amount responds to the estimated consumption of customers already connected and adjusts the firm amount necessary to meet the Company's customers' needs. As of December 31, 2020, Contugas signed a contract in the secondary gas transportation market for 15 MCFD firm and interruptible until December 31, 2021, to recover part of the current costs associated with the excess capacity of this contract.

Recovery of portfolio of main customers

Recovery of portfolio of main customers

Contugas has been managing the recovery of portfolio of its three main customers whose debt as of December 31, 2020 is for thousands of US\$151,553 (thousands of US\$103,906 as of December 31, 2019); the Company's legal advisors believe that there is a high probability of success in recovering the portfolio between 2022 and 2025. With such actions, management estimates that the Company will reverse the expected credit loss on such receivables recognized in prior periods, such reversal would generate a profit for the period.

Concession assets

The concession assets represent the receivables for natural gas distribution services, which are associated with the actual consumption of users, and are within the regulatory regime established by the regulator OSINERGMIN. The capitalized cost represents the value invested in the distribution network (concession assets). Concession assets at December 31, 2020 and 2019, amounted to \$278.130 thousand U.S. Dollar and \$272.987 thousand U.S. Dollar, respectively.

On April 30, 2014, the Troncal network and Ramales that supply gas to the cities of Marcona and Nazca started operating; therefore, since that date, amortization is recorded for the total concession assets.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Distribution assets in process correspond to contract assets represented by network constructions that at the date of the statement of financial position have not been gasified. Once they are gasified, they are transferred to "distribution assets".

Contugas has recognized during the year ended December 31, 2020 an amortization expense for the concession assets of thousands of US\$16,052 (for thousands of US\$15,830 in 2019). Based on the estimates made by Contugas, at the end of this fiscal year, the investment will be fully recovered through the tariff collection and no recovery is generated through residual participation of the concession assets through the net book value of the assets.

As of December 31, 2020 and 2019, Contugas has made projections of expected cash flows for the coming years, which consider a discount rate that is estimated to reflect market conditions. The discount rate used in 2020 and 2019 was 5.89% and 6.16%, respectively. In the revenue and cost projections Contugas considered the main contracts signed with large customers. These projections have been reviewed and approved by Management and presented to the Board of Directors. Based on these projections, management has estimated that the recoverable amount of Contugas' assets is greater than their recognized carrying amount, therefore, the accompanying financial statements contain an impairment recovery of thousands of US\$20,350 (in 2019 an impairment of concession assets of thousands of US\$51,659 was recognized).

Financial Obligations:

On September 24, 2019, Contugas signed a Syndicated Loan for thousands of US\$355,000, which had as lead banks Mizuho Bank, Ltd., and BBVA, as administrative agent Mizuho. The credit and guarantee agreements are under the laws of New York, Colombia and Peru.

The contractual term is 60 months, with principal payable in full at the end of the term, plus compensatory interest accrued at that date. At the signing of the contract, Contugas paid structuring expenses of Thousands of US\$3,400 and administrative agent's fees of Thousands of US\$25.

This loan accrues interest at 180-day LIBOR rate plus 1.75%. Interest payments will be made every six months in March and September.

The funds obtained from this loan were mainly used to repay the Syndicated Loan (for thousands of US\$342,000 in favor of Banco Davivienda S.A., Banco de Bogotá S.A. Nassau, Banco de Bogotá S.A. Panama and Corporación Andina de Fomento).

This loan does not comply with covenants, since it is backed by a corporate guarantee granted by its shareholders Grupo Energía Bogotá S.A. ESP (GEB) and Transportadora de Gas Internacional, with which guarantee the payment obligations of the loan.

Gas Natural de Lima y Callao S.A. - Calidda

With the approval of each tariff schedule by the regulator, Calidda, performs an analysis of the recovery of the investments made and to be made, required in the five-year investment plan, considering the conditions stipulated in the BOOT contract; estimating those portions that are repaid

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

with the approved tariffs and those that are repaid with the net book value of the assets of the concession, according to the residual participation of the same. On April 11, 2018, OSINERGMIN set the Single Tariff for Natural Gas Distribution by Pipeline Network applicable to the period 2018-2022.

Contract Assets:

Distribution assets in process correspond to contract assets represented by network constructions that as of the date of the separate statement of financial position have not been gasified. Once they are gasified, they are transferred to "distribution assets" and amount to USD 38 Million and USD 49 Million for the years ended December 31, 2020 and 2019 respectively.

(2) Business rights:**Transportadora de Gas Internacional S.A. E.S.P - TGI**

On March 2, 2007, the financial closing of the disposal process of Ecogas' assets, rights and contracts was recorded. Each asset was recorded independently, and the value of the intangible corresponds to the rights from customer contracts acquired in the disposal with Ecogas.

Grupo Dunas:

During the PPA process carried out on the acquisition of the Dunas Group, a business right intangible was recognized for COP 391,902 million.

21. Financial Obligations

	December 31, 2020	December 31, 2019
Bonds issued (1)	2.341.276	1.620.627
Loans and promissory notes (2)	1.392.707	1.667.597
Finance leases	8.502	12.012
Financial interests	30.756	41.172
	3.773.241	3.341.408
	3.773.241	3.341.408
Current	87.320	485.192
Non-current	3.685.921	2.856.216
	3.773.241	3.341.408
	3.773.241	3.341.408

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

(1) Bonds issued:

	Rate interest	Due date	December 31, 2020	December 31, 2019
GEB:				
Bonds first lot A/7 GEB	CPI + 3,19%	2/28/2024	54.326	56.846
Bonds first lot A/15 GEB	CPI + 3,85%	2/28/2032	82.057	85.909
Bonds first lot A/25 GEB	CPI + 4,04%	2/28/2042	52.160	54.619
Bonds second lot A/7 GEB	CPI + 3,21%	2/28/2024	37.565	39.231
Bonds second lot A/15 GEB	CPI + 3,85%	2/28/2032	54.940	57.481
Bonds second lot A/25 GEB	CPI + 4,10%	2/28/2047	93.787	98.194
GEB - Bond RVU 2045 1st Lot	Fixed 3,99%	6/25/2045	119.988	-
GEB - Bond COP 2027 1st Lot	CPI + 3,24%	6/25/2027	93.213	-
GEB - Bond COP 2035 1st Lot	CPI + 3,87%	6/25/2035	62.426	-
			650.462	392.280
			650.462	392.280

In Foreign Currency	Rate interest	Due date	December 31, 2020	December 31, 2019
GEB - Bond Issue Int.	Fixed 4,875%	5/15/2030	394.184	-
TGI Bonds	5.55% SV	11/1/2028	746.353	745.993
Calidda International Bonds	4.375% SV	3/15/2023	319.399	319.148
Local Bond Calidda PEN 200B	6.47%	7/23/2028	55.121	60.179
Local Bond Calidda PEN 342B	5.03%	9/6/2029	94.349	103.027
Bonds – Electroquinas	4.59%	12/11/2030	63.394	-
Bonds – Electroquinas	2.75%	12/11/2025	18.014	-
			1.690.814	1.228.347
In foreign currency			1.690.814	1.228.347

(2) Loans and promissory notes:

	December 31, 2020	December 31, 2019
In Colombian pesos	-	274.630
In Foreign Currency	1.392.707	1.392.967
	1.392.707	1.667.597
	1.392.707	1.667.597

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Grupo Energía Bogotá S.A. E.S.P.

Local Bonds Issuance: on February 28, 2017 the Company placed the first lot of local bonds for \$189.366 thousand, indexed to CPI, sub-series A7, A15 and A25 and on November 15, 2017 the placement of the second lot of bonds for \$189.366 thousand, indexed to CPI, sub-series A7, A15, A30 was carried out. GEB will use the resources obtained with the placement of the Bonds, to finance the investment plan, the refinancing of the debt and the costs and expenses associated with structuring and obtaining the financing, as well as to meet working capital requirements. The main characteristics of the issue are as follows:

First lot

Series – Subseries	Amount approved (COP)	Margin/Cut-off rate
Subseries A/7 - 7 years – CPI+Margin A.E.	\$ 54.479	3.19% AE.
Subseries A/15 - 15 years – CPI+Margin A.E.	82.447	3.85% AE.
Subseries A/25 - 25 years – CPI+Margin A.E.	52.440	4.04% AE.
Total	<u>\$ 189.366</u>	

Second lot

Series – Subseries	Amount approved (COP)	Margin/Cut-off rate
Subseries A/7 - 7 years – CPI+Margin A.E.	\$ 37.932	3.21% AE.
Subseries A/15 - 15 years – CPI+Margin A.E.	55.849	3.85% AE.
Subseries A/30 - 30 years – CPI+Margin A.E.	95.585	4.10% AE.
Total	<u>\$ 189.366</u>	

Issuance of International Bonds: in development of the authorization granted by the Ministry of Finance and Public Credit through Resolution No. 1087 of May 7, 2020, the issuance and placement of External Public Debt Bonds in the international capital market was carried out under the conditions detailed below. The proceeds of the issue will be used to finance the 2020 - 2022 Investment Plan:

Amount	USD 400.000.000
Term	10 years
Date of transaction	May 12, 2020
Date of Issue (t + 3)	May 15, 2020
Due date	May 15, 2030 (Bullet)
Price	99.026
Yield	5.00%
Coupon Rate	4.875%
Interest Payment Periodicity	Every six months (May and November)

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Issuance of Internal Public Debt Bonds: in development of the authorization granted by the Ministry of Finance and Public Credit through Resolution No. 0749 of March 04, 2020 and by the SFC through Resolution No. 264 of 2020, on June 25, 2020 Grupo Energía Bogotá S. A. E.S.P. issued the first lot of internal public debt bonds for an amount of up to eight hundred thousand million pesos (\$800,000,000,000) with the possibility of awarding up to nine hundred and fifty thousand million pesos (\$950,000,000,000,000), as follows:

Subseries	C7	C15	E25
Date of the issue	6/25/2020	6/25/2020	6/25/2020
Term	7 years	15 years	25 years
Due date	6/25/2027	6/25/2035	6/25/2045
Indexation	CPI	CPI	Fixed Rate (RVU)
Cut-off rate	3.24% AE.	3.87% AE.	3.99% AE.
Interest payment period	Quarterly due	Quarterly due	Annual due
Depreciation	At due date	At due date	At due date
Interest payment date	September 25, December 25, March 25, June 25 from date of issue to due date	September 25, December 25, March 25, June 25 from date of issue to due date	June 25 from the date of issuance to due date
Base	365	365	365
Amount claimed	\$508,291,000,000	\$317,750,000,000	\$890,132,064,975*
Amount awarded	\$320,852,000,000	\$214,900,000,000	\$414,203,723,837*

*For the calculation of these results, the RVU of the day of compliance, June 26, 2005, was used.
2020: 276.1975

The resources of the issuance were destined to the refinancing of financial obligations of GEB (debt replacement).

Transportadora de Gas Internacional S.A. ESP - during 2018, TGI, carried out a bond issue in the international capital markets, under Rule 144 A / Reg. S, amounting to USD 750 million, to refinance the bonds issued in 2012 and term 2022 that had a rate of 5.70%. The issuance took place on November 1, 2018, date on which the early redemption of the bonds and the issuance of the new bonds took place. The bonds due 2028 have the following terms:

Amount:	USD\$ 750 million
Rate interest	5.55% annual semester overdue
Date of the issue:	November 1, 2018
Due date	November 1, 2028

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Covenants - The issuance of the 2028 Bonds represented a significant improvement for TGI in terms of Covenants, since the new issue reflects the Investment Grade quality of the company, eliminating several restrictive Covenants. The main Covenants included in the 2028 Notes and found in the Indenture of the transaction are:

- Limitation on taxes.
- Limitation on Sale and Lease-Back transactions.
- Limitation on doing business other than in the ordinary course of business.

The issuance is rated investment grade by the following rating agencies:

- Fitch Ratings: BBB, Stable outlook.
- Moody's: Baa3, Stable outlook.

Gas Natural de Lima y Callao - Cálidda - in March 2013, the Company placed bonds in the international market for USD\$320 million, under Rule 144A Regulation S, with a term of 10 years. The proceeds were used to prepay the loans with International Finance Corporation (IFC), Corporación Andina de Fomento (CAF), Infrastructure Crisis Facility Debt Pool (ICF) and Citibank del Perú S.A., as well as the subordinated shareholder loan. With the remaining resources from the bond issue, the Company financed its investment plans for 2013 and 2014, allowing it to continue expanding the gas network in the Department of Lima and the Constitutional Province of Callao. The main characteristics of the issue are as follows:

Type of title	Public Debt Bonds
Date of the issue	March 2013
Nominal <u>value</u>	USD \$320 million.
Term	10 years
Yield	4,375%
Rating	AAA (col) awarded by Fitch Ratings, BBB- by Standard & Poor's and Baa3 Moodys.

Gas Natural de Lima y Callao - Cálidda - Local Bond PEN200TM - in July 2018, the Company issued bonds for thousands of S/ 200,000 placed in the local market. The bond issue was for a ten-year term, unsecured, with a coupon rate of 6.468% annually and six-monthly interest payments.

Gas Natural de Lima y Callao - Cálidda - Local Bond PEN342TM - in September 2019, the Company issued bonds for thousands of S/ 342,000 placed in the local market. The bond issue was for a ten-year term, unsecured, with a coupon rate of 5.031% annually and six-monthly interest payments.

Electro Dunas S.A.A.- At the General Shareholders' Meeting held on June 16, 2020, it was agreed to approve the execution of the First Debt Instruments Program for up to thousands of US\$300,000 or its equivalent in Soles.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The proceeds raised through the issuance of bonds by public offering were used to finance the Company's investment plan, refinance and replace liabilities and finance working capital.

The bonds were issued with due dates of December 2030 and December 2025.

Loans and promissory notes:**Grupo Energía Bogota S.A. E.S.P**

Syndicated Loan: in accordance with the authorization given by the General Directorate of Public Credit and National Treasury of the Ministry of Finance and Public Credit through Resolution No. 2262 of July 15, 2019, GEB proceeded to subscribe, on July 22, 2019, the First Amendment to the Borrowing Agreement entered in December 2017, such that the new terms of the borrowing are:

Currency	USD
Amount	USD \$ 749,000,000.00
Date Signature of First Amendment	July 22, 2019
Due date	July 22, 2024
Term	5 years from the date of execution of the First Amendment
Capital	Bullet
Payment method Interest	Six-monthly
Rate interest	Libor 6 months + 1.625%
Base	Act/360

Built-in benches: Bank of América, Citibank, Sumitomo Mitsui Banking, Export Development Canada, Mizuho Bank, Natixis, New York Branch, Scotia, BBVA, BNP Paribas, MUFG Bank, Sabadell, Credit Agricole, JPMorgan, Intesa Sanpaolo, Bancolombia (Panamá), ICBC Perú, Bancaribe.

In development of the authorization given by the MHCP through Resolution No. 3933 of October 23, 2019, in May 2020 a hedging operation (Interest Rate Swap) 2.056% including the fixed margin was carried out.

Short-term loans COP 900,000 million: in development of the authorization given by the Board of Directors in minute No. 1604 according to extraordinary session held on January 17, 2019 and with the purpose of financing the acquisition of ElectroDunas, GEB subscribed between July and August 2019 short-term loans with local commercial banks, up to the total amount of \$900.000 million bullet, with Banco Popular \$45,000, Av Villas \$45,000, Banco Santander \$40,000, Banco Agrario \$159,000, Banco de Occidente \$120,000, Banco de Bogotá \$200,000, Bancolombia \$151,000, Citibank \$140,000. - *These loans were paid during June and September 2020.*

Banco Davivienda External Loan: in accordance with the authorization given by the Ministry of Finance and Public Credit through Resolution No. 4791 of December 19, 2019, GEB entered into an external borrowing agreement with Banco Davivienda S.A. for up to USD 300 million, intended to finance the company's 2019 - 2022 investment plan. The funds were fully disbursed on March 9, 2020, with a 12-year bullet and semi-annual interest payments at Libor (6M) + 2.35%.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Contugas Syndicated Loan - On September 24, 2019, the company signed a US\$355 million Syndicated Loan, which had Mizuho Bank, Ltd. as lead banks and BBVA, and Mizuho as administrative agent. The credit and guarantee agreements are under the laws of New York, Colombia and Peru. The following is the participation of the banks (hereinafter "the Lenders").

Lender	Commitment	Applicable Percentage
Banco Bilbao Vizcaya Argentaria S.A., New York Branch	U.S.\$ 85,000,000	23.94366%
Mizuho Bank, Ltd.	U.S.\$ 85,000,000	23.94366%
Sumitomo Mitsui Banking Corporation	U.S.\$ 45,000,000	12.67606%
Banco de Sabadell, S.A., Miami Branch	U.S.\$ 26,000,000	7.32394%
Banco Santander, S.A.	U.S.\$ 26,000,000	7.32394%
Export Development Canada	U.S.\$ 26,000,000	7.32394%
Banco de Bogota (Panama) S.A.	U.S.\$ 26,000,000	7.32394%
Banco Latinoamericano de Comercio Exterior S.A.	U.S.\$ 18,000,000	5.07043%
Citibank, N.A. International Banking Facility	<u>U.S.\$ 18,000,000</u>	<u>5.07043%</u>
Total	<u>U.S.\$ 355,000,000</u>	<u>100%</u>

The contractual term is 60 months, with principal payable in full at the end of the term, plus compensatory interest accrued at that date. At the signing of the contract, the Company paid structuring expenses of US\$ 3.4 million and administrative agent's fees of US\$ 25 thousand.

This loan accrues interest at 180-day LIBOR rate plus 1.75%. Interest payments will be made every six months in March and September.

The funds obtained from this loan were mainly used to repay the Syndicated Loan (for US\$342 million in favor of Banco Davivienda S.A., Banco de Bogotá S.A. Nassau, Banco de Bogotá S.A. Panama and Corporación Andina de Fomento).

This loan it is backed by a corporate guarantee granted by its shareholders Grupo Energía Bogotá S.A. ESP (GEB) and Transportadora de Gas Internacional, with which guarantee the payment obligations of the loan.

Gas Natural de Lima and Callao - Calidda - As of December 31, 2020, comprises short-term loans from local banks with a term of less than 180 days, which were received from Banco BBVA Perú, for thousands of S/25,000 from Banco Interbank for thousands of S/36. 000 and with Banco Scotiabank for S/29,000 and a loan for thousands of USD90,000, net of structuring expenses, which was granted between August and November 2020, by IDB Invest at an annual rate between 2.10% and 2.35% + Libor 6M, with semi-annual amortization for a term of 8 years.

As of December 31, 2019, comprises a loan of thousands of USD\$80,000, net of structuring expenses of thousands of USD\$340, which was granted in May 2017, by Scotiabank del Perú S.A.A., at an annual rate of 2.85% with semi-annual amortization over a term of 5 years, such loan was paid in full on December 21, 2020.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Citibank N.A. Trecca

As of December 31, 2020 and 2019, includes a trust loan for an original amount of USD87,000,000 with starting date June 30, 2016 and due date June 30, 2028, interest rate of 2.97% (+) Libor 6 months. Principal amortization starting December 2018, semi-annual interest from the beginning of the debt.

This loan has a corporate guarantee from Grupo Energía Bogotá with respect to the payment obligations.

As of December 31, 2020 is included a short-term loan for an original amount of USD15,000,000 guaranteed with a Stand By Letter from Grupo Energía Bogotá. Made through three disbursements issuing promissory note per disbursement, start date July 29, 2020 due date July 8, 2021, interest rate 1.75% (+) Libor 3 months, amortization at due date, quarterly interest.

Citibank N. A. EEBIS Guatemala

As of December 31, 2020 is included a trust loan amounting to USD45,000,000 start date March 26, 2020, due date March 26, 2025, fixed interest rate 5.40%, amortization at due date, semi-annual interest payment.

As of December 31, 2019 is included a trust loan amounting to USD48,000,000 start date June 26, 2016, due date August 26, 2021 interest rate 2.40% (+) Libor 6 months, semi-annual amortization starting February 2019, semi-annual interest since the beginning of the debt.

As of December 31, 2020 and 2019 the loans were issued with corporate guarantee by GEB with respect to the payment obligations.

Electro Dunas S.A.A.- On December 20, 2019, a bridge loan was obtained from Banco de Crédito del Perú for thousands of S/ 205,000 whose funds were destined to the payment of the balance of the medium-term loan maintained with Banco de Crédito del Perú obtained in 2017. The bridge loan obtained is free of security rights and has a maximum repayment term of 12 months. On December 11, 2020, the bridge loan was cancelled with the funds obtained from the issuance of local bonds.

22. Trade and other payables

	<u>2020</u>	<u>2019</u>
Dividends	\$ 176	171
Suppliers	114.759	103.259
Creditors	46.857	27.900
Advances received	<u>1.366</u>	<u>2.130</u>
	<u>\$ 163.158</u>	<u>133.460</u>
Current	\$ 154.008	129.400
No current	<u>9.150</u>	<u>4.060</u>
	<u>\$ 163.158</u>	<u>133.460</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

23. Employee benefits

	<u>2020</u>	<u>2019</u>
Short-term benefits (a)	\$ 24.479	25.736
Defined benefits:		
Net Pension Plan (b)	46.188	48.515
Complementary benefits	<u>9.004</u>	<u>9.740</u>
	\$ <u>79.671</u>	<u>83.991</u>
Current	\$ 33.333	34.992
No current	<u>46.338</u>	<u>48.999</u>
	\$ <u>79.671</u>	<u>83.991</u>

- (a) *Short-term employee benefits* - Pursuant to the agreed-upon conventional agreements and current labor legislation, the Company recognizes short-term employee benefits, which include accrued social benefits, performance bonuses, pension allowances and salaries pending payment, and the estimate of pension installments payable for the current period in favor of its employees and pensioners.

	<u>2020</u>	<u>2019</u>
Bonus	\$ 13.670	15.499
Social benefits, salaries and other	<u>10.809</u>	<u>10.237</u>
Short-term employee benefits	\$ <u>24.479</u>	<u>25.736</u>

- (b) *Defined benefits*

Retirement pension plan - Based on the conventional agreements agreed with the workers' union, the Company has recognized in its financial statements the obligations for the retirement benefit plan for retirement pensions for employees who met the requirements of age and time of work in the Company. Currently this benefit is only recognized for employees who met the requirements, i.e., current employees do not have the recognition of this benefit directly by the Company and in accordance with the Colombian pension law they can only access this benefit through a pension fund administrator.

The significant actuarial assumptions for the determination of the defined obligation are the discount rate, the expected salary increase and mortality. The present value of the defined benefit obligation is calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in the calculation of the defined benefit liability recognized in the statement of financial position.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

These obligations are valued annually by qualified independent actuaries.

The main assumptions used for purposes of the actuarial valuations of retirement pensions are as follows:

	<u>2020</u>	<u>2019</u>
Discount rate(s)	6,00%	6,50%
Expected rate(s) of salary increases	3,0%	3,5%
Expected return on plan assets	2.608	2.564
Pension plan interest expense	(4.850)	(5.558)
Pension plan beneficiaries	446	493

Sensitive analysis

Present value of obligations for
Defined benefits

Discount rate - 50 basis points	\$ 88.315	93.393
Discount rate + 50 basis points	81.245	85.819
Inflation rate - 50 basis points	80.914	85.484
Inflation rate + 50 basis points	88.646	93.726

Weighted average duration of obligations
defined benefit plan (in years)

Discount rate - 50 basis points	8,40	8,60
Discount rate + 50 basis points	<u>8,20</u>	<u>8,31</u>

The liability presented in the statement of financial position corresponds to the net value between the net value of the pension benefit obligation calculated annually by an independent actuary using the projected unit credit method, less the fair value of the assets intended to cover such obligations, which include adjustments for unrecognized actuarial gains or losses and costs for services rendered.

	<u>2020</u>	<u>2019</u>
Benefit liability remeasurement defined net:		
Pension plan opening balance (net)	\$ 46.319	44.748
Net Expense / (income) defined in the plan	2.858	3.110
Pension plan contributions	(3.882)	(3.712)
Prepaid taxes	32	130
Other comprehensive income	<u>861</u>	<u>4.239</u>
Net pension plan	\$ <u>46.188</u>	<u>48.515</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The amounts recognized in the statement of financial position for defined benefit plans are as follows:

	<u>2020</u>	<u>2019</u>
Retirement pensions		
Actuarial calculation of prior year pensions	\$ 83.987	85.320
Finance expenses	5.307	6.153
Payments made during the period	(7.555)	(7.897)
Other comprehensive income	<u>1.816</u>	<u>4.392</u>
Benefit obligation at end of period	\$ <u><u>83.555</u></u>	<u><u>87.968</u></u>

The assets of the pension plans are kept separate from the assets of the Entity in autonomous assets, under the control of the trustees Fiducolombia and Fiduprevisora which manage these resources and make the payments to the pensioned personnel, as required annually by the Company, it makes new contributions to these autonomous assets. The term of the contracts is five (5) years, and they were renewed during 2017 under the same conditions.

The fair value of equity and debt instruments that comprise the active plan of the pension plan are updated based on market prices quoted in active markets.

The actual yield on plan assets amounts to \$3.403 million and \$3.052 million in 2020 and 2019, respectively.

	<u>2020</u>	<u>2019</u>
Active pension plan		
Fair value of plan assets	\$ 37.668	40.572
Interest income	2.448	3.043
Payments made during the period	(7.555)	(7.897)
Prepaid taxes	(32)	(129)
Contributions	3.882	3.712
Other comprehensive income	<u>954</u>	<u>153</u>
Active plan at end of period	\$ <u><u>37.365</u></u>	<u><u>39.454</u></u>

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Changes in actuarial gains or losses arise from adjustments based on the actuary's experience and affect other comprehensive income, as well as changes in actuarial assumptions for post-employment benefits and the active pension plan, are charged or credited as financial expense and income during the period. Payments made during the year for this benefit amortize the balance of the obligation and plan assets.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

	<u>2020</u>	<u>2019</u>
Retirement pensions		
Finance expenses	\$ 5.307	6.153
Interest income	(2.448)	(3.043)
Other comprehensive income liability	1.816	4.392
Other comprehensive income asset	<u>954</u>	<u>152</u>
Effect on income statement	\$ <u><u>5.629</u></u>	<u><u>7.654</u></u>

(c) Supplementary benefits

Supplementary benefit plans - in accordance with extra-legal agreements, the Company provides its pensioners with health care benefits, household expenses (energy subsidy) and education allowances. The expected costs of these benefits are accrued during the period of employment using the retirement benefit plan methodology.

Actuarial gains and losses from adjustments for actuarial experience and changes in actuarial assumptions are charged or credited to other comprehensive income and as financial expense and income from updating of obligations during the period in which they are incurred. These obligations are valued annually by qualified independent actuaries.

In accordance with Legislative Act 001 of 2005, which established the elimination of the special pension regimes agreed in collective bargaining agreements and labor agreements as of July 31, 2010, the Company classified as supplementary benefits the Health and Education benefits and the recreation and household expenses benefits were classified as litigation contingencies.

The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that used for defined benefit pension plans.

Long-term benefits - Retroactive severance pay is paid to those employees belonging to the labor regime prior to Law 50 of 1990 and consists of recognizing this social benefit for all the time worked based on the last salary earned; in GEB only 8 employees have employment contracts under these conditions.

In accordance with the extra-legal agreements, the Company grants some of its employees a benefit related to the time of service called quinquenio (five-year period). The five-year periods are recognized in proportion to the length of service as follows:

- 40 days' salary for the first 5 years of service
- 77 days' salary for 10 years of service
- 110 days' salary for 15 years of service
- 145 days' salary for 20 years of service
- 200 days' salary for 25 years of service

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Sensitivity analysis of supplementary and long-term benefits as of December 31, 2020:

Year 2020	Complementary and long-term benefits			
	Health	Education	Retroactive severance payments	Quinquenios
Present value of defined benefit obligations				
Discount rate - 50 basis points	6.45	4.77	2.72	2.67
	\$ 8.871	\$ 16	\$ 323	\$ 81
Discount rate + 50 basis points	6.28	4.68	2.66	2.65
	\$ 8.324	\$ 15	\$ 315	\$ 1

The amount included in the statements of financial position arising from the Company's obligation with respect to actuarial calculations for supplemental and long-term benefits is as follows:

December 31, 2020

	Complementary and long-term benefits				
	<u>Health</u>	<u>Education</u>	Retroactive severance payments	<u>Quinquenios</u>	<u>Total</u>
Balance at December 31, 2019	8.801	58	304	138	9.301
Finance cost	519	3	17	5	543
Current cost for the period	-	-	12	3	15
Benefits paid, net	(1.096)	(2)	(26)	(99)	(1.223)
Actuarial loss/(gain)	366	(43)	12	32	367
	-	-	-	-	-
Balance at December 31, 2020	8.590	16	319	79	9.003

December 31, 2019

	Complementary and long-term benefits				
	<u>Health</u>	<u>Education</u>	Retroactive severance payments	<u>Quinquenios</u>	<u>Total</u>
Balance at December 31, 2018	9.324	83	35	158	9.522
Finance cost	631	5	2	9	647
Current cost for the period	-	-	1	7	8
Benefits paid, net	(1.146)	(1)	-	(21)	(1.168)
Actuarial loss (gain)	486	-27	280	-8	733
	-	-	-	-	-
Balance at December 31, 2019	9.295	60	318	145	9.742

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

24. Provisions

		<u>2020</u>	<u>2019</u>
Dismantling	\$	74.080	29.834
Litigation		28.907	30.476
Other provisions		36.956	31.274
Pension contributions parties		<u>1.093</u>	<u>1.493</u>
	\$	<u><u>141.036</u></u>	<u><u>93.077</u></u>
Current	\$	16.994	12.979
No current		<u>124.042</u>	<u>80.098</u>
	\$	<u><u>141.036</u></u>	<u><u>93.077</u></u>

Changes in provisions are detailed below:

		<u>Litigation</u>	Other provisions	Dismantling	Pension contributions parties	<u>Total</u>
Balance as of December 31, 2019	\$	30.476	31.274	29.834	1.493	93.077
		-	-	-	-	-
Increases	\$	787	6.741	47.957	-	55.485
Decreases		(651)	(1.592)	-	(91)	(2.333)
Others		(570)	471	-	(219)	(318)
Financial cost		-	-	4.466	-	4.466
Effect of <u>conversion</u>		(1.134)	62	(8.177)	(91)	(9.340)
Balance as of December 31, 2020	\$	<u><u>28.907</u></u>	<u><u>36.956</u></u>	<u><u>74.080</u></u>	<u><u>1.093</u></u>	<u><u>141.036</u></u>

		<u>Litigation</u>	Other provisions	Dismantling	Pension contributions parties	<u>Total</u>
Balance as of December 31, 2018	\$	26.358	24.328	31.345	718	82.749
		-	-	-	-	-
Increases		2.575	11.307	931	-	14.813
Decreases		(1.405)	(4.454)	(4.706)	-	(10.564)
Others		55	-	-	780	835
Financial cost		133	-	2.470	-	2.602
Effect of business combinations		3.148	130	59	-	3.337
Effect of <u>conversion</u>		(388)	(37)	(265)	(5)	(696)
Balance as of December 31, 2019	\$	<u><u>30.476</u></u>	<u><u>31.274</u></u>	<u><u>29.834</u></u>	<u><u>1.493</u></u>	<u><u>93.077</u></u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

25. Tax liabilities

	<u>2020</u>	<u>2019</u>
Income tax	\$ 43.060	41.684
Withholdings payable	8.726	7.331
VAT / ICT	<u>1.034</u>	<u>2.944</u>
	<u>\$ 52.820</u>	<u>51.959</u>
Current \$	52.585	51.626
No current	<u>235</u>	<u>333</u>
	<u>\$ 52.820</u>	<u>51.959</u>

26. Income taxes related to continuing operations.

Income tax recognized in income - The income tax rates applicable to each Company, according to the jurisdiction where each Company is taxed, are as follows:

Country	2020	2019
Colombia	32% nominal	33% nominal
Perú	29,5% 30% for legal stability	29,5% 30% for legal stability
Guatemala	25% on profits from profitable activities	25% on profits from profitable activities
Brazil	34%	34%

The income tax returns pending review by the tax authorities are as follows:

Company	Years
Grupo Energía Bogotá	2014 a 2019
Transportadora de Gas Internacional	2014 a 2019
Contugas	2016 a 2019
Transportadora de Energía de Centro América	2017 a 2019
Gas Natural de Lima y Callao	2014 a 2019
EEB Perú Holdings	2017 a 2019
EEB Ingeniería y Servicios	2016 a 2019
EEB Gas SAS	2014, 2018 and 2019
Dunas Energía	2015 a 2019
PPC	2015 a 2019
Cantalloc	2016 a 2019

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The detail of income tax expense (income) recorded in income for the period is as follows:

	2020	2019
Total current tax	110.762	98.862
Total Deferred tax	(3.698)	44.980
	<hr/>	<hr/>
Total tax expense	107.064	143.842

The reconciliation between income before income taxes and net taxable income for the periods ended December 2020 and 2019 is as follows:

	2020	2019
Earnings before taxes	1.123.158	942.549
Statutory tax rate	32%	33%
Theoretical tax expense according to current tax rate	359.411	311.041
Difference in rate with country of origin	7.100	24.191
Non-tax accounting expenses	70.091	54.245
Tax income not recognized in income	184.059	152.840
Tax deductions not recognized in income	(66.441)	(54.554)
Non-tax income recognized in income	(273.445)	(251.033)
Effect of income exempt from taxes	(38.165)	(16.609)
Effects of income nontaxable or occasional gain	(129.240)	(120.562)
Currency translation effects	(643)	(641)
Fiscal loss compensation	(1.224)	(251)
Previous year tax	(741)	195
Temporary differences	(3.698)	44.980
Earnings before taxes	107.064	143.842
	<hr/> <hr/>	<hr/> <hr/>

The effective rate for December 2020 and 2019 was 9.53% and 15.26%, respectively.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Deferred tax balances - The following is an analysis of the deferred tax assets/liabilities presented in the consolidated statements of financial position:

	2020	2019
Deferred tax assets		
Total deferred tax assets	\$ <u>383</u>	\$ <u>136</u>
Deferred tax liabilities		
Total deferred tax liabilities	\$ <u>(499.395)</u>	\$ <u>(512.365)</u>

	2019	Recognized in Results	Recognized in ORI	Effect of conversion	2020
Trade and other accounts receivable	(10.550)	(1.301)	-	(384)	(11.757)
Provision for commercial portfolio	1.078	83	-	26	1.137
Intangible assets other than goodwill	(84.926)	(7.099)	-	(3.301)	(91.482)
Financial Assets	(4.126)	(1.778)	(442)	(8)	(6.167)
Investments in subsidiaries	(28.064)	-	-	-	(26.794)
Account receivable employees	1.465	(9)	-	67	1.456
Inventories	507	(142)	-	25	367
Property, Plant and Equipment	(458.463)	(8.516)	-	(11.626)	(457.855)
Investment properties	9.475	307	-	454	9.807
Other Non-financial assets	(15.493)	1.256	-	463	(13.074)
Accounts Payable	(1.565)	9.148	-	(588)	7.066
Social benefits	1.527	404	-	33	1.895
Provisions	(84)	(5)	-	(16)	(101)
Other liabilities	34.892	12.170	-	(665)	44.819
Other financial liabilities	8.162	(15.479)	(3.890)	5.479	(6.350)
Employee benefits	331	69	-	(22)	364
Pension actuarial calculation	3.004	1.551	-	-	4.419
Dismantling of assets	9.760	11.380	-	(411)	20.288
Tax losses	20.705	1.940	-	859	22.567
	<u>(512.365)</u>	<u>3.979</u>	<u>(4.332)</u>	<u>(9.615)</u>	<u>(499.395)</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

	2018 (Restated)	Effect business combinations	Recognized in profit or loss	Recognized in OCI	Effect conversion	2019
Trade and other accounts receivable	300	650	(11.468)	-	(30)	(10.550)
Provision for commercial portfolio	283	116	684	-	(4)	1.078
Intangible assets other than goodwill	(58.362)	(613)	(26.005)	-	(434)	(84.926)
Financial Assets	(4.174)	-	13	-	-	(4.126)
Investments in subsidiaries	(22.652)	-	(5.601)	-	-	(28.064)
Account receivable employees	1.451	-	14	-	12	1.465
Inventories	695	55	(240)	-	3	507
Property, Plant and Equipment	(386.261)	(71.787)	(3.590)	-	(53)	(458.463)
Investment properties	10.108	-	(633)	-	84	9.475
Other Non-financial assets	(46)	(16.965)	855	-	663	(15.493)
Accounts Payable	-	(1.682)	50	-	67	(1.565)
Social benefits	1.788	-	(254)	-	8	1.527
Provisions	(248)	140	30	-	(8)	(84)
Other liabilities	11.447	16.785	6.140	-	615	34.892
Other financial liabilities	29.976	(136)	(21.640)	347	2	8.162
Employee benefits	(11)	332	24	-	(14)	331
Pension actuarial calculation	6.009	-	(2.955)	-	-	3.004
Dismantling of assets	8.695	(1.466)	2.468	-	136	9.760
Tax losses	2.590	1.106	17.075	-	(43)	20.705
	-	-	-	-	-	-
	(398.412)	(73.465)	(45.033)	347	1.004	(512.365)

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Deductible unrecognized temporary differences, unused tax losses and unused tax credits - The balance of tax loss carryforwards as of December 31, 2020 is as follows:

	Year of Generation	Value original	Balance for Use no recognized	Year of expiration
Contugas	2017	21.349	-	2021
	2018	29.431	28.430	2022
	2019	21.867	21.867	2023
Transportadora de Energía de Centro América	2018 VAT	27.690	26.183	
	2019 VAT	25.964	25.797	
	2020 VAT	24.630	24.547	
	2018 ISO	161	161	2021
	2019 ISO	159	454	2022
	2020 ISO	434	527	2023
EEB Ingeniería y Servicios	2018 VAT	6.606	6.606	
	2019 VAT	6.551	6.462	
	2020 VAT	6.169	4.520	
	2018 WITHHOLDING VAT	345	345	
	2019 WITHHOLDING VAT	342	467	2021
	2020 WITHHOLDING VAT	446	864	2022
	2019 ISO	27	91	

Unrecognized taxable temporary differences associated with investments and participations -

Temporary differences related to investments in subsidiaries, branches and associates and interests in joint ventures for which deferred tax liabilities have not been recognized are attributable to the following:

	2020	2019
Local subsidiaries	(550.385)	(509.234)
Foreign subsidiaries	(21.705)	(19.633)
Associates and joint ventures	(14.850)	(42.065)
Total	(586.940)	(570.932)

Transfer pricing

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Colombia

To the extent that companies carry out operations with related companies abroad, they are subject to the regulations regarding transfer pricing introduced in Colombia with Laws 788 of 2002 and 863 of 2003. For this reason, the company conducted a technical study on the operations carried out during 2020 concluding that there are no conditions to affect the income tax for that year. The informative returns for the year 2019 were submitted in July 2020.

Perú

Transactions between related entities and those carried out through tax havens corresponding to fiscal year 2016 onwards must no longer be supported with a Transfer Pricing Technical Study, but with the informative affidavit local report, which will expire in April 2018 (transactions of fiscal year 2016) and June of each year (transactions of fiscal year 2017 onwards).

In turn, for the operations of the fiscal years 2017 onwards, it will be necessary to file the informative affidavits master report and country by country, whose formats, terms and conditions have not yet been approved by the Tax Administration.

Based on the analysis of the Companies' operations, Management and its legal advisors are of the opinion that there will be no significant liabilities for the financial statements as of December 31, 2020 and 2019, in relation to transfer pricing.

Guatemala

The special valuation rules for transactions between related parties originally became effective as of January 1, 2013. These rules required all taxpayers that have transactions with non-resident related parties in Guatemala that impact the taxable base, to determine the prices of those transactions according to the free competition principle and to document it in a transfer pricing study. However, Article 27 of Decree 19-2013 published on December 20, 2013, suspended the application and validity of these rules and established that they take effect and apply again on January 1, 2015.

The companies carried out the Technical Study of Transfer Pricing, corresponding to 2019 (requested to all taxpayers by the Superintendence of Tax Administration -STA). According to the study, it was determined that transactions with related parties comply with the Principle of Free Competition.

Significant modifications to income tax regime

In Peru, Guatemala and Brazil, there were no significant modifications to the income tax regime that could affect the results of operations.

In Colombia, on December 27, 2019, Law 2010, known as the Economic Growth Law, was enacted, which introduced, among others, the following amendments to the tax regime:

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

- Income and Complementary Taxes - The rate on taxable income to entities in Colombia, obliged to file income tax returns, is modified to 32% for taxable year 2020, 31% for taxable year 2021, and 30% as of taxable year 2022.
- The presumptive income base is gradually dismantled by applying 0.5% for 2020 and 0% as of 2021.
- Companies that have as one of their main activities the holding of securities, investment of shares or participations abroad are part of the income and complementary tax regime and allow an exemption on dividends received by foreign entities.
- Withholding at source for dividends or participations received by national companies - As from 2020, dividends and participations paid or paid to national companies, coming from the distribution of profits susceptible to be distributed as not taxed to the shareholder will be subject to withholding at source at a special rate of seven and a half percent (7.5%), which will be transferable and imputed to the resident individual or to the investor residing abroad.
- The dividends susceptible to be distributed as taxed to the shareholder, according to the mentioned standard will be subject to the rate of 32% for the taxable year 2020, 31% for the taxable year 2021, and 30% as from the taxable year 2022; in which case the withholding of income tax on dividends of 7.5% will be applied once this tax has been reduced.

27. Other Non-financial liabilities

	<u>2020</u>	<u>2019</u>
Other accounts payable	\$ 15.204	14.904
Deposits received for third parties	10.062	9.319
Income received to third parties	3.196	3.960
	<u>\$ 28.462</u>	<u>28.183</u>
Current	\$ 22.850	22.700
No current	5.612	5.483
	<u>\$ 28.462</u>	<u>28.183</u>

28. Financial instruments

Capital risk management - The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to its shareholders through the optimization of debt and equity balances.

The capital structure consists of net debt (loans offset by cash and bank balances) and the Entity's equity (comprised of issued share capital, reserves and retained earnings).

The Company's Board of Directors reviews the Entity's capital structure on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Indebtedness ratio - The indebtedness ratio for the reporting period is as follows:

		<u>2020</u>	<u>2019</u>
Debt (i)	\$	3.773.241	3.341.408
Cash and Cash equivalents		<u>247.992</u>	<u>234.765</u>
Net debt	\$	<u>3.525.249</u>	<u>3.106.643</u>
Stockholders' equity (ii)	\$	<u>4.149.658</u>	<u>3.995.105</u>
Ratio of net debt to stockholders' equity		<u>84,95%</u>	<u>77,76%</u>

- (i) Debt is defined as long-term and short-term loans (excluding derivatives and financial guarantee contracts).
- (ii) Stockholders' equity includes all reserves and capital stock of the Entity that are managed as equity.

Financial risk management objectives: Exposure to financial risks is continuously monitored, where net exposures and their magnitude are analyzed in order to manage them in a timely manner.

As part of the risk management system, different mitigation strategies are evaluated, including both natural hedges and financial hedges. In the use of financial hedges, it seeks to minimize the effects of these risks using derivative financial instruments to cover the risk exposure, duly approved by the Board of Directors, the highest control body that approves the guidelines on which financial risk management is governed.

Market risk - The Company's activities expose it mainly to financial risks of exchange rates and interest rates, which impact its results. Therefore, as a risk management strategy, the Company uses natural and financial hedges using derivative financial instruments.

Foreign exchange risk management - GEB carries out transactions denominated in foreign currency and is therefore exposed to exchange rate risk, which is managed through the evaluation and execution of natural and/or financial hedges.

Assets and liabilities in foreign currency as of December 31, 2020 and December 31, 2019, respectively, are shown below:

	Liabilities		Assets	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>USD 000</u>		<u>USD 000</u>	
USD	1,250,811	808,901	605,138	593,411
COP	178,559	150,492	183,961	186,582
PEN	50,403	22,507	118,424	34,086

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Sensitivity analysis of foreign currency - The following is the sensitivity analysis assuming a variation of the Colombian peso due to the effect on the movement of the market representative rate (TRM by its acronym in Spanish), given the exposure as of December 31:

	Potential impact on the statement of comprehensive income	
	2020	2019
	<u>Cop/TM</u>	<u>Cop/TM</u>
1%	17,393	6,524
5%	85,851	32,620

Additionally, a sensitivity analysis is presented assuming a variation of the Peruvian sol, given the exposure as of December 31, 2020 and December 31, 2019, respectively:

	Potential impact on the statement of comprehensive income	
	<u>2020</u>	<u>2019</u>
	Cop/TM	Cop/TM
1%	2,335	376
5%	11,674	1,807

Foreign currency contracts - GEB seeks to minimize the effects of exchange rate risk through the use of derivative financial instruments to hedge exposure, for which it closes short-term and long-term hedges as deemed appropriate.

For hedging purposes, changes in operational and market variables and the evolution of the entity's accounting accounts are permanently monitored and updated to ensure that the hedging strategy is in line with GEB's reality and market conditions. Likewise, GEB hedges the exchange rate risk arising from future transactions.

Hedging of the exchange exposure to the Peruvian Sol was carried out, the following tables detail the forward foreign currency contracts in effect at the end of the reporting period, as well as information on the related hedged items:

<u>Outstanding contracts</u>	Exchange rate average		Foreign currency		Notional value		Fair value of assets (liabilities)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flow hedges								
Purchase of Dollars								
3 months or less	3,494	3,369	Soles	Soles	6.529	27.444	35.099	(428)
3 months or more	3,386	3,330	Soles	Soles	214.184	203.528	(11.389)	(4.939)

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Interest rate risk management - GEB is exposed to interest rate risk, originated in obtaining debt at variable rates; however, a proportion of debt is maintained at fixed rates and market variables are permanently monitored in order to implement risk mitigation strategies in a timely manner.

Sensitivity analysis for interest rates - As of December 31, 2020, GEB has 69% of its debt at fixed rate, 3% at RVU and the remaining at variable rate, that is, 28% of its total debt. Below is the potential one-year impact on GEB of a 100-point change in interest rates and all other variables remaining constant:

Interest rate change	Potential impact on the statement of comprehensive income (+/-) Thousands USD	Equivalent in millions of pesos
100 bps	10,541	35,872

Interest rate swap contracts - Under interest rate swap contracts, the Company agrees to exchange the difference between the fixed and floating interest rate amounts calculated on the agreed notional capital amounts. These contracts allow the Company to mitigate the risk of changes in interest rates on the fair value of cash flow and fixed rate debt exposures issued on floating rate debt issued.

At the end of December 2020, GEB has two fixed rate Libor 6M Interest Rate Swap transactions, the first for a notional amount of USD 500,000,000 million starting on July 22, 2020 and maturing on July 22, 2024: and the second, for a notional amount of USD 300,000,000 million starting on September 09, 2020 and maturing on March 09, 2032.

Liquidity risk management - The Board of Directors has the ultimate responsibility for liquidity management. The Board of Directors has established an appropriate liquidity management framework so that the Company's management can manage the Company's short, medium and long-term funding requirements, as well as the Company's liquidity management. The Company manages liquidity risk by maintaining adequate reserves, financing and borrowing facilities, continuously monitoring projected and real cash flows and reconciling the due date profiles of financial assets and liabilities. Note 46.10.2 specifies details of the credit facilities available to the Company to further reduce liquidity risk.

Interest and liquidity risk tables - The following tables detail the Company's remaining contractual due date for its non-derivative financial liabilities with agreed repayment periods.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

2020	1 – 3 months	3 months to 1 year	1 – 5 years	5 + years	Total
No interest:					
T1 Bond Issue	-	-	54.326	-	54.326
T1 Bond Issue	-	-	-	82.057	82.057
T1 Bond Issue	-	-	-	52.160	52.160
T2 Bond Issue	-	-	37.565	-	37.565
T2 Bond Issue	-	-	-	54.940	54.940
T2 Bond Issue	-	-	-	93.787	93.787
C7 Bond Issue	-	-	-	93.213	93.213
C15 Bond Issue	-	-	-	62.427	62.427
E25 Bond Issue	-	-	-	119.988	119.988
syndicated GEB USD	-	-	494.753	-	494.753
Banco Davivienda	-	-	-	299.914	299.914
M.E. Bond Issue	-	-	-	394.184	394.184
TGI Bonds	-	-	-	746.353	746.353
GNLC International Bonds	-	-	319.399	-	319.399
Citibank N.A. TRECSA	-	23.700	56.550	-	80.250
Citibank N.A. EBBIS GT	-	-	44.535	-	44.535
ELD - Bonds	-	-	-	63.394	63.394
ELD - Bonds	-	-	18.014	-	18.014
PEN Local Bond	-	-	-	55.121	55.121
PEN Local Bond	-	-	-	94.349	94.349
IDB Invest	-	-	-	88.763	88.763
IBK promissory note	9.769	-	-	-	9.769
BBVA promissory note	6.829	-	-	-	6.829
Syndicated CTGS	-	-	352.318	-	352.318
BCP promissory note	4.766	-	-	-	4.766
BCP promissory note	550	-	-	-	550
SBP promissory note	-	2.300	-	-	2.300
SBP promissory note	-	7.960	-	-	7.960
Finance leases	-	690	7.812	-	8.502

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

29. Equity

Shared capital - The authorized capital of the company is 44,216,417,910 shares with a par value of \$53.60 each, of which 9,181,177,017 shares were subscribed and paid as of December 31, 2020 and December 31, 2019, distributed as follows:

In Colombian pesos	December 31, 2020		December 31, 2019	
	<u>Shares</u>	<u>%</u>	<u>Shares</u>	<u>%</u>
Bogotá Distrito Capital	6,030,406,241	65.68%	6,030,406,241	65.68%
Fondo de Pensiones Obligatorias Porvenir Moderado	771,803,730	8.41%	805,116,563	8.77%
Fondo de Pensiones Obligatorias Protección Moderado	542,613,860	5.91%	568,476,004	6.19%
Corporación Financiera Colombiana S.A	475,298,648	5.18%	475,298,648	5.18%
Fondo de Pensiones Obligatorias Colfondos Moderado	206,426,014	2.25%	216,797,092	2.36%
Others	1,154,628,524	12.57%	1,085,082,469	11.82%
	<u>9,181,177,017</u>	<u>100.00%</u>	<u>9,181,177,017</u>	<u>100.00%</u>

Share premium - Generated mainly by the issuance and placement of shares, carried out by the Company in 2011.

Reserves:

Legal reserve – According to Colombian law, the company must transfer at least 10% of the year's profits to a legal reserve, until it equals 50% of the subscribed capital. This reserve is not available for distribution but may be used to absorb losses.

Reserve for rehabilitation, extension and replacement of systems – In order for the profits of the 1997 fiscal year to benefit from the income tax exemption of Article 211 of the Tax Statute, these were appropriated as a reserve for the rehabilitation, extension and exposure of systems for the provision of residential public utilities.

Equity method reserve – A reserve is created for earnings generated by the application of special methods of valuation of investments under the equity method.

Occasional reserve Art. 130 of ET – This reserve was created to fulfill Article 130 of the Tax Statute in excess of the tax depreciation deductible from income tax.

Other occasional reserves – The Company has not distributed as profits in favor of the stockholders the profits obtained from the exchange difference (net), which are generated by accounting movements and have not been realized as effective profits.

Distribution of dividends - In accordance with the provisions of Act 085 of March 30, 2020, the General Shareholders' Meeting resolved to declare dividends.

In accordance with the provisions of Act 083 of March 28, 2019, the General Shareholders' Meeting resolved to declare dividends.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

30. Cost of sales

	<u>2020</u>	<u>2019</u>
General (1)	\$ 519.249	620.375
Depreciations	112.890	103.708
Amortizations	50.816	47.359
Impairment of assets	-	51.659
Personal services	26.932	26.165
Contributions and rates	24.085	22.708
Taxes	2.969	2.730
Contributions and inputs	<u>2.099</u>	<u>2.160</u>
	<u>\$ 739.040</u>	<u>876.864</u>

(1) Corresponds mainly to fees, services, maintenance, installations, transportation, purchases and others.

31. Administrative and operating expenses

	<u>2020</u>	<u>2019</u>
Fees, supplies and maintenance	\$ 76.420	95.604
Personal services	53.736	56.478
Provisions	26.387	23.176
Taxes, contributions and fees	25.399	22.553
Depreciations	8.661	8.123
Contributions and inputs	6.728	6.911
Amortizations	<u>8.276</u>	<u>6.079</u>
	<u>\$ 205.607</u>	<u>218.924</u>

32. Finance income

	<u>2020</u>	<u>2019</u>
Interests	\$ 18.808	22.976
Hedging transactions	2.769	16.496
Others	447	207
Valuation of investments	1.078	1.638
Dividends - Equity investments	<u>44</u>	<u>39</u>
	<u>\$ 23.146</u>	<u>41.356</u>

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

33. Financial expenses

		<u>2020</u>	<u>2019</u>
Interests	\$	179.276	170.914
Commissions		568	2.055
Hedging transactions		-	<u>9.742</u>
	\$	<u>179.844</u>	<u>182.711</u>

34. Transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note. Transactions between the entity and other related parties are detailed below.

Commercial transactions - During the year the Group's entities carried out the following commercial transactions with related parties that are not members of the Company:

		<u>Revenues</u>		<u>Costs and expenses:</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Codensa S.A. E.S.P.	\$	-	-	189	224
Emgesa S.A. E.S.P.		852	98	5.663	3.903
Gas Natural S.A. E.S.P.		141.548	155.950	7.492	7.113
	\$	<u>142.400</u>	<u>156.048</u>	<u>13.344</u>	<u>11.240</u>

The following balances were outstanding at the end of the reporting period:

		<u>Amounts</u>		<u>Amounts</u>	
		<u>due from related parties</u>		<u>due to related parties</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Codensa S.A. E.S.P.	\$	21.396	16.607	-	-
Emgesa S.A. E.S.P.		32.346	28.035	-	-
Gas Natural S.A. E.S.P.		26.593	26.093	-	-
Gebras – Neg. Conj.		5.839	10.076	-	-
Promigas S.A. E.S.P.		3.023	3.008	-	-
Others		173	197	111	-
Current	\$	<u>89.370</u>	<u>84.016</u>	<u>111</u>	-

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

35. Contingent assets and liabilities

Grupo Energía Bogotá S.A. E.S.P (Separate) - As of December 31, 2020 and 2019, the value of claims against the Company for administrative, civil and labor litigation amount to \$55,042 and \$61,822, respectively. Based on the assessment of the probability of success in the defense of these claims, the Company has made provisions of \$2,910 and \$5,518 to cover probable losses for these contingencies.

The Company's management, with the assistance of external advisors, has concluded that the result of the proceedings corresponding to the unprovisioned portion will be favorable to the Company's interests and will not cause significant liabilities to be recorded or, if they result, they will not significantly affect the Company's financial position.

1. Legal proceedings that due to their probability of being resolved with an unfavorable verdict to GEB are classified as "provisioned", which are summarized as follows:

<u>Process type</u>	<u>Number of GEB processes</u>	<u>Total value</u>	<u>Number of VT processes</u>	<u>Total value VT</u>	<u>Total value</u>
Labor	24	\$ 612	-	\$ -	\$ 612
Civil	-	-	1	223	223
Administrative	<u>1</u>	<u>13</u>	-	-	<u>13</u>
Total	<u>25</u>	<u>\$ 625</u>	<u>1</u>	<u>\$ 223</u>	<u>\$ 848</u>

2. Legal proceedings that due to their probability of being resolved with an unfavorable verdict to GEB are classified as "contingent liability", which are summarized as follows:

<u>Process type</u>	<u>Number of GEB processes</u>	<u>Total value</u>	<u>Number of VT processes</u>	<u>Total value VT</u>	<u>Total value</u>
Labor	16	\$ 346	6	\$ 501	\$ 847
Civil	-	-	1	150	150
Administrative	<u>1</u>	<u>36</u>	<u>4</u>	<u>4.029</u>	<u>4.065</u>
Total	<u>17</u>	<u>\$ 382</u>	<u>11</u>	<u>\$ 4.680</u>	<u>\$ 5.062</u>

3. Processes classified as probable, which are not included in the provision since they correspond to ordinary labor processes brought by pensioners for the reestablishment of extra-legal benefits suppressed in direct application of Legislative Act 01 of 2005. Are classified as probable unfavorable judgment, which are included in the provision of the actuarial calculation:

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

<u>Process type</u>	<u>Number of processes</u>	<u>Total value</u>
Provisions	6	\$ <u>114</u>

4. Judicial proceedings that, due to their probability of being resolved with a favorable verdict, are classified as "Remote":

<u>Process type</u>	<u>Number of processes</u>	<u>Total value</u>
Civil	12	\$ 313
Administrative	11	<u>9.699</u>
Total	19	\$ <u>10.012</u>

Popular and group actions - The following popular and group actions are currently in progress:

- In the 5th Administrative Court of the Circuit of Bogota a Group Action is being processed in which Orlando Enrique Guaqueta, Miguel Angel Chavez and others are acting as plaintiffs, where several files were accumulated against several defendant entities. The plaintiffs' claim refers to alleged damages to the environment and health due to contamination of the Muña reservoir. The action is currently in first instance. It should be noted that the judicial process has been in first instance since 2011, taking into account, among others, the number of plaintiffs (File 2011-096).
- In the 1st Administrative Court of the Circuit of Zipaquirá there is a Popular Action (File 2014-551) in which Helga Adriana Knepper is the plaintiff, whose claim is to declare that EMGESA, GEB, the Department of Cundinamarca and the municipalities of Gachalá and Gama must repair the road that connects said municipalities. The proceeding is in the evidentiary stage (expert evidence).
- In the Administrative Court of Risaralda, the Popular Action (File 2015-038) filed by the Risaralda Regional Ombudsman's Office, whose claim (not economic) is to order the suspension of the UPME 05-2009 project (Armenia) since they consider that the collective rights to the environment, administrative morality, the existence of ecological balance, among others, have been violated, was filed in the first instance (currently in the Council of State on appeal against the judgment). On March 22, 2019, the first instance judgment was issued, notified on March 29, 2019, which decided to deny the pleas of the claim, i.e., it was resolved in favor of GEB. The plaintiff filed an appeal, which will be decided by the Council of State, it is being processed in the second instance and was transferred for the transfer of evidence submitted in the second instance, which were responded by GEB.
- In the 4th Administrative Oral Court of Decongestion of Pereira - Risaralda, there is a Group Action in which Mrs. Magnolia Salazar de Sanchez and others are the plaintiffs, whose claim is to declare that the GEB is responsible for the environmental and property damages (devaluation of the property - loss of value and commercial value of the easement area) incurred by each of the members of the group due to an alleged "arbitrary and unfair" valuation of the damages generated

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

with the imposition of the electric power conduction easement - project UPME 05-2009. The process is in the evidentiary stage and an expert was appointed replacing the one initially appointed. (File 2015-307)

- In the Administrative Court of Cundinamarca there is a Popular Action in which Lina Paola Robles, in her capacity as Personera of the Municipality of Gachancipá, is acting as plaintiff against ANLA, UPME, CAR and GEB to allege violation of the collective right to enjoyment of a healthy environment in connection with life with respect to the construction of the Substation of the Chivor II Norte 230 kV project; the process is currently in the evidentiary stage in the first instance. (File 2016-1030)
- In the 59th Administrative Oral Court, Third Section of Bogota, there is a Popular Action in which the plaintiff is the Veeduría Ciudadana Colombia Próspera y Participativa, against the GEB in order to prevent the construction of the substation in the Gachancipá lot with a request to suspend the use and enjoyment of the property where the construction of the substation is planned for the UPME 03-2010 Project called "Norte" and that the ANLA be ordered to suspend the environmental licensing procedures. The process is in the evidentiary stage and a date has yet to be set for an evidentiary hearing. (File 2017-061)
- Regarding the Popular Action 2001 - 0479-02 proceeding in the Administrative Court of Cundinamarca, filed against GEB, EMGESA and others, by citizen Gustavo Moya Angel and others, where protection was requested for dumping and storage of sewage in the Muña reservoir and the Bogotá River basins, there is a final judgment issued by the Fourth Section of the Council of State on March 28, 2014 in which obligations were imposed on the different parties involved. The collective rights requested are water, the enjoyment of a healthy environment, the existence of ecological balance and the management and rational use of natural resources. Enjoyment of public space, defense of public property, access to public services.

The proceeding is in verification of compliance with the judgment in the Administrative Court of Cundinamarca and on October 17, 2019 the Incident of Contempt No. 74 was resolved (as well as the initiation of some others to define different aspects related to the compliance of the different intervening parties), where it resolved not to declare the contempt and imposed obligations to the defendants, a decision that was the subject of appeals and requests for clarification by some of the parties.

The appeals and requests for clarification were resolved by order notified on June 4, 2020, the GEB had not filed petitions, but it was indicated in the considerations of the decision that the land acquired for the substation may not be used for its construction, regardless of what is decided in the Environmental Diagnosis of Alternatives that must be carried out to consider other location options.

- In the Administrative Court of Quindío, the verification of the ruling of the Popular Action with Case No. 2014 - 0222 against GEB, Ministry of Mines and Energy, Ministry of Environment, ANLA, ICANH and others is in process. Plaintiff Gildardo Cuellar requests environmental protection and the suspension of the Armenia Project. The process is in the process of following up on the ruling

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

before the respective Committee and is awaiting the completion of technical studies to verify compliance with the ruling before the Administrative Court of Quindío. The studies were conducted, and an extension was requested to the Court for the delivery of the results (to the ANLA and the Court), the extension was accepted until February 2021.

- In the Second Civil Court of the Circuit Specialized in Land Restitution of Cali, there is a request for Restitution of Collective Territorial Rights filed by the Special Administrative Unit for the Management of Restitution of Land Dispossessed - Valle del Cauca and Eje Cafetero Territorial, on behalf and in representation of the KWET WALA Indigenous Community located in the Municipality of Pradera (Valle del Cauca), claiming the extension of their collective territory and where, if the claims are successful, they could affect lands where easements are required for the layout of the "Tesalia-Alfárez" Project.

In this action the Court bound the GEB as executor of the "Tesalia-Alfárez" Project and it is currently being processed. The plaintiff requested to order the accumulation to the proceeding, a process of easement with Case No. 2018-212 where the GEB is the plaintiff, but the Court decided not to access because it does not correspond to the land area of the claims. The process is still in process (Restitution File No. 2018-0037).

- In the First Civil Court of the Circuit Specialized in Land Restitution of Medellín Antioquia, there is a process of Land Restitution and Land Formalization in which Ruby Lucia Montaña acts as plaintiff represented by the Land Restitution Unit.

The GEB was involved in the process because the property that is the object of the restitution request has an electric power conduction easement in its favor, which was constituted by means of a judicial process. The process completed the evidentiary process and the requirements to various authorities or public entities to obtain information related to the request and had the stage of concluding arguments. The process is currently in the Court of Antioquia Civil Court Specialized in Land Restitution, for decision. (File 2019-0042)

- In the Second (2) Civil Court of the Specialized Circuit in Land Restitution of Acacías Meta, with the File 2017-00007-00, the process of Land Restitution and Formalization of Abandoned Lands, requested by Mrs. María Herculía Castro Quevedo, the determined heirs of Octaviano Rodríguez Malaver (Leidy Marcela Rodríguez Castro, Yuli Fernanda Rodríguez Castro, Andrés Julián Rodríguez Castro and William Rodríguez Castro) and the Curator Ad Litem of the Indeterminate heirs of Octaviano Rodríguez Malaver.

The GEB was linked to the proceedings because there is an easement of electric energy conduction on the property subject to restitution, in its favor since 1989. The process is still in process of notifications.

- In the First Civil Court of the Specialized Circuit of Land Restitution of Popayán there is a Land Restitution Process with Case No. 2019-0306, which was promoted by the Land Restitution Unit, representing Mrs. Ana Cecilia Montenegro against Graciela Arroyo Montenegro and others.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

- In this process, the Court requested the GEB to be bound by an order dated February 5, 2020, given that there is an easement in favor of the company over the property that is the object of the restitution request, and that it was constituted in 2007. The information on this process was received on May 26, 2020 and the case was analyzed and a response was given with the opposition to the claims seeking to cancel the easement right of GEB. The process is in the process of linking other entities and clarification of the legal status of the property.
- In the Civil Court of the Specialized Circuit in Land Restitution - Itinerant, Antioquia, with the file number 05-000-31-21-101-2020-000061-00, the process of Land Restitution and Formalization of Abandoned Lands, requested by Mr. Martin Emilio Vanegas Marin, is in process.

The GEB was linked to the process since on the property subject to restitution, there is an electric power conduction easement in its favor since September 25, 2019, conferred by the Judgment issued by the Municipal Promiscuous Court of Angelópolis in favor of the GEB. The process is at the beginning of the evidentiary period.

- In the First (1) Civil Court of the Circuit Specialized in Land Restitution of Cundinamarca, with file number 25000-31-21-001-2020-00066-00, the process of Land Restitution and Formalization of Abandoned Lands, requested by Mr. Jesús Arturo Torres Guavita, is underway.
- The GEB was linked to the process due to the fact that on the property subject to restitution, there is an electric power conduction easement registered in its favor 51 years ago and that since 1997, it belongs to the company Codensa S.A. E.S.P. The process is in the process of notifications.

It is clarified that the Popular Actions of file number 2016 - 1486 and 2018 - 464 were concluded when the appeals filed by the plaintiffs were decided and therefore the respective exhaustion of jurisdiction decreed were confirmed.

On the other hand, it is reported that the Civil Chamber of the Supreme Court of Justice, by means of judgment SC3368-2020 of September 21, 2020, M.P. Octavio Augusto Tejeiro, resolved the accumulated extraordinary review appeals filed by the GEB against the judgment of August 31, 2011, issued by the Civil Chamber of Decongestion of the Superior Court of the Judicial District of Bogota within the abbreviated process of Carlos Paz Mendez, declaring them unfounded, therefore, with this decision the process is concluded since there are no other means of defense to be exhausted. Notwithstanding the foregoing, the provision is maintained since the court order to make the payment is not final and is awaiting the decision of the 18th Civil Court of the Circuit of Bogota in relation to the request proposed by the GEB on October 1, 2020, to decree the tacit withdrawal of the executive process.

Transportadora de Gas Internacional S.A. E.S.P. – As of December 31, 2020 and December 31, 2019, the value of claims against TGI for administrative, civil and labor litigation amount to \$253,302 and \$205,448, respectively. Based on the assessment of the probability of success in the defense of these cases, TGI has provisioned \$20,761 and \$16,045, respectively, to cover probable losses for these contingencies.

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

The TGI's management, with the assistance of external advisors, has concluded that the result of the proceedings corresponding to the unprovisioned portion will be favorable to the TGI's interests and will not cause significant liabilities to be recorded or, if they result, they will not significantly affect the TGI's financial position.

Processes classified as possible that are not included in the provision:

<u>Type of process</u>	Number of processes	Value total
<i>Possible:</i>		
Administrative (1)	34	\$ 52.516
Civil	1	394
Labor	12	1.421
Arbitration	1	2.007
	48	\$ 56.338

Includes the first instance process in the Administrative Court of Quindío, associated to the administrative litigation process of Montinpetrol against TGI. The claim of the plaintiffs amounts to USD \$6.228 for the year 2020, for breach of contract No. 750880 and that the corresponding damages generated by the same be compensated. On the other hand, there is the process in the Administrative Court of Boyacá, of Bellelli Engineering SPA Colombia against TGI. The claim of the plaintiffs amounts to USD \$44.273 for the year 2020, for the illegality of the termination of contract No. 750759 and that the corresponding damages generated by the same be compensated.

Electro Dunas S.A.A. - The Company has several legal actions against it, and they are related to claims from various municipalities, labor claims, civil claims for compensation, sanctions from OSINERGMIN and others resulting from audits carried out by the Tax Administration, of which as of December 31, 2020 has provided thousands of S/ 10,760 (thousands of S/ 9,730 as of December 31, 2019) corresponding to probable contingencies, (note 18). Also, as of December 31, 2020, possible contingencies amount to thousands of S/. 13,165 for tax proceedings (part of which could be offset against tax credits held by the Company at that date in order to reduce the possible economic impact), thousands of S/. 8 for labor proceedings and thousands of S/. 2,453 for regulatory proceedings (thousands of S/. 14,165 for tax proceedings, thousands of S/. 8 for labor proceedings and thousands of S/. 2,453 for regulatory proceedings as of December 31, 2019, respectively). In the opinion of the Company's management and its legal advisors, these legal actions will not result in material liabilities for the financial statements as of December 31, 2020 and 2019.

36. Information segments

Products and services from whose reportable segments revenues are derived - The main segments identified for Grupo Energía de Bogotá according to management's information requirements and in accordance with IFRS 8 are as follows:

(continued)

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES

Notes to the Financial Statements

Ordinary activities	- Electricity transmission - Natural gas transportation - Natural gas distribution - Electricity distribution - Other activities and services
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- Electricity transmission: Electric power transmission service through high voltage networks, plus connection services to the National Transmission System and coordination, control and supervision of the operation of transmission assets.
- Natural gas transportation: Gas transportation service through pipelines to cities for domestic, industrial or vehicular consumption.
- Natural gas distribution: Service supply of Natural Gas to be distributed from a distribution substation through networks, delivering the gas to each of the users, covering the residential, commercial, industrial and vehicular markets.
- Other activities and services: Include engineering services, leasing and activities related to electricity and natural gas related services.

Information on the Entity's reportable segments is presented below:

Revenues and results by segment - An analysis of revenues and results of continuing operations by reportable segment is presented:

	Income by segment		Profit by segment	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Natural gas distribution	639.364	790.053	195.267	175.316
Natural gas transportation	455.769	468.821	289.362	299.816
Electricity transmission	184.629	184.553	122.638	118.673
Electricity distribution	108.120	46.077	41.574	18.833
Total Incomes / Profit by segment	<u>1.387.882</u>	<u>1.489.504</u>	<u>648.841</u>	<u>612.638</u>
Equity in income of associates			433.850	445.608
Other activities and services			46.953	31.451
Finance income			23.146	41.356
Corporate administrative costs and management salaries			(205.607)	(218.925)
Finance cost			(131.583)	(172.773)
Income before income taxes	<u></u>	<u></u>	<u>815.600</u>	<u>739.355</u>

(continued)

37. SUBSEQUENT EVENTS**Contugas S.A.C**

On February 11, 2021, Resolution No. 025-2021-OS/TSC-103 of the OSINERGMIN Dispute Resolution Tribunal was notified in relation to CAASA's claim. In said resolution, CAASA's claims from May 2016 onwards were declared unfounded, and the Company was ordered to re-invoice from 2014 to April 2016. All invoicing will be based on the contracted amount, and in accordance with the regulation and the distribution contract.

Between January 01, 2021 and the date of issuance of this report, no significant events or facts have occurred that require additional adjustments or disclosures to the financial statements as of December 31, 2020.