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# INTRODUCTION

The corporate reorganization process that will be submitted to the consideration of the shareholders in the extraordinary session on June 28, 2021, which involves the participation of GEB in Emgesa S.A. ESP and Codensa S.A. ESP, is structured through a cross-border merger process in which Emgesa will be the absorbing company and Codensa S.A. ESP and ENEL Green Power Colombia S.A.S. (EGP) will be the absorbed companies, as well as Essa 2 SpA of Chile, a company that aggregates ENEL assets in Costa Rica, Guatemala and Panama.

This process will allow: having a stronger and more consolidated company, which will allow it to capture greater growth opportunities, greater diversification, taking advantage of a series of synergies and benefits for developing its operations, integrating non-conventional renewable energy generation projects into its assets and contributing to the sustainable energy transition process that is being developed in the country.

# INTRODUCTION

This reorganization is part of a comprehensive negotiation GEB has carried out with ENEL Americas to regulate their businesses, their relationships as partners and shareholders of the Resulting Company, and solve certain differences that have existed for years. In this context, a new Investment Framework Agreement (IFA) has also been negotiated, which will replace the Investment Framework Agreements negotiated in 1997. It will come into effect once the operation is materialized.

## **Structural elements of the negotiation:**

1. Transformation of EMGESA and Codensa through a merger agreement.
2. Renegotiation of IFAs
3. Conciliation Agreement

With respect to the differences currently being heard before arbitral justice at the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá, GEB and ENEL Americas have submitted a jointly signed Conciliation Agreement for the consideration of the corresponding Court. The Court must make a ruling no later than July 15, 2021

# INTRODUCTION

- ✓ The corporate reorganization process of Emgesa S.A. ESP and Codensa S.A. ESP (companies of which Grupo Energía Bogotá is a shareholder) will be processed in accordance with Colombian law
- ✓ The operation will mean integrating the absorbed companies (Codensa, EGP Colombia and Essa Chile), into the absorbing company (Emgesa), through the general transfer of assets of the absorbed companies for the benefit of the latter, as well as the dissolution without liquidation of the absorbed companies
- ✓ The operation does not impose a greater liability on the shareholders of any of the absorbed companies than they currently have
- ✓ The shareholders of the companies participating in the operation will retain economic and political rights in the absorbing company that are equal in substance to those they currently have. The consideration the shareholders will receive in exchange for their shares in the absorbed companies will be subject to the approval of the merger project by their corresponding corporate bodies

**The main components of this corporate reorganization process are described below.**

# Background



## 1.c Background - Corporate Relationship

**In 1996**, Empresa de Energía de Bogotá began a transformation and capitalization process with an international public call to develop the business for the generation, distribution and commercialization of electricity, which concluded with being awarded to Endesa (replaced by ENEL Américas - ENEL since 2009).

**In 1997**, Emgesa and Codensa were incorporated, and the Investment Framework Agreements that have been in effect for 24 years were signed.

**Since 1997**, these companies have had a capital structure made up of ordinary shares and preferred shares without voting rights.

**This public-private partnership** has been one of the most successful in the history of Latin America due to the revenues it brought to the District and other shareholders.

## 1.c Background - Corporate Relationship



Since 1997, GEB has not had operational or corporate control of Emgesa and Codensa.

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This position of lack of control, added to the differences in interpreting the IFAs on exclusivity in business development, affected:

- **the growth and development of the companies' businesses**
  - **the development of non-conventional renewable energies**
  - **dividend distribution**
  - **the way conflicts of interest and transactions with related parties are handled**
- 



This led to the deterioration and attrition of the corporate relationship and to putting mainly Emgesa at a disadvantage in the non-conventional renewable energy market, as well as filing arbitration claims to defend the interests of the GEB.

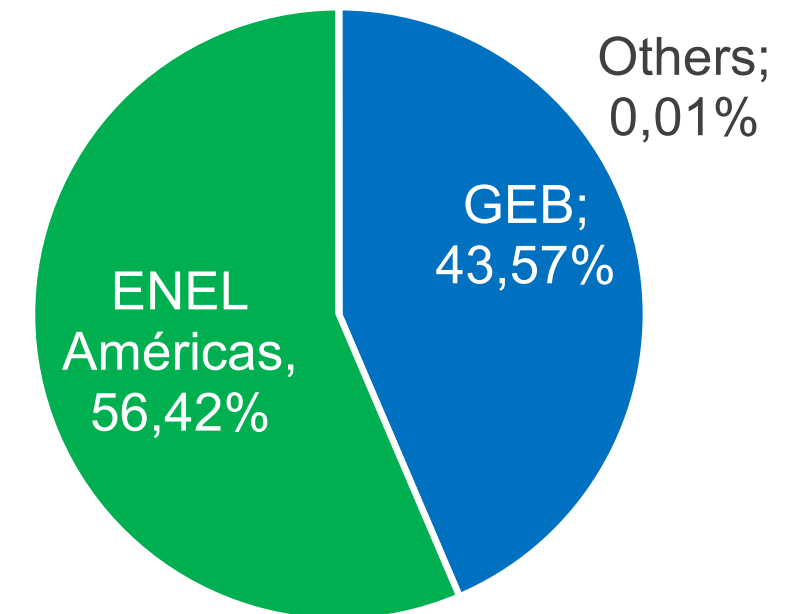
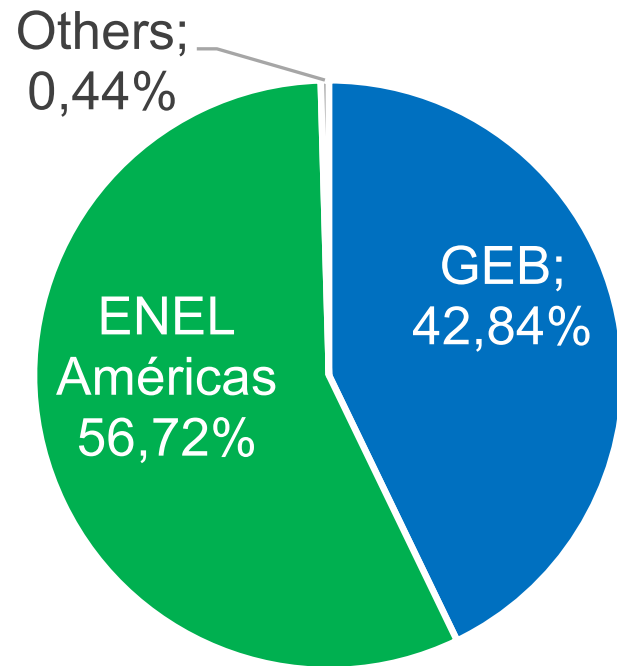
1.c

# Background - Percentage of Participation

## Codensa

## Emgesa

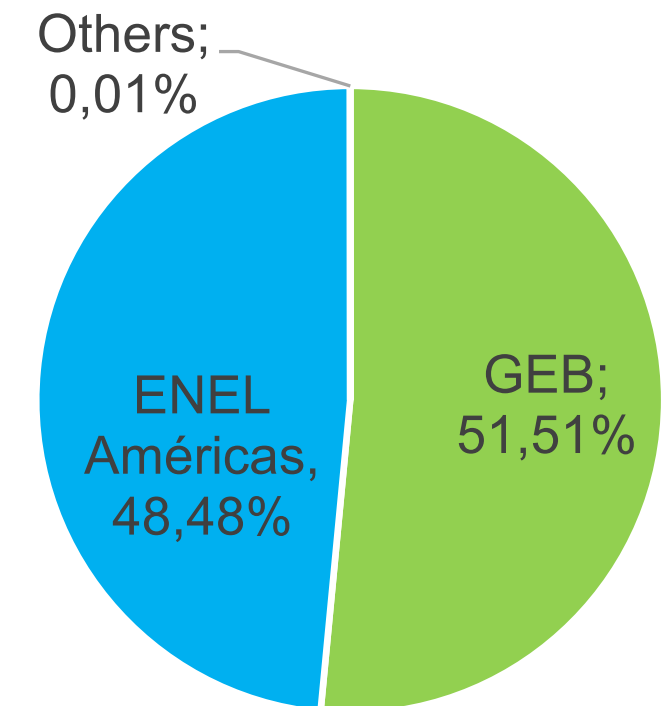
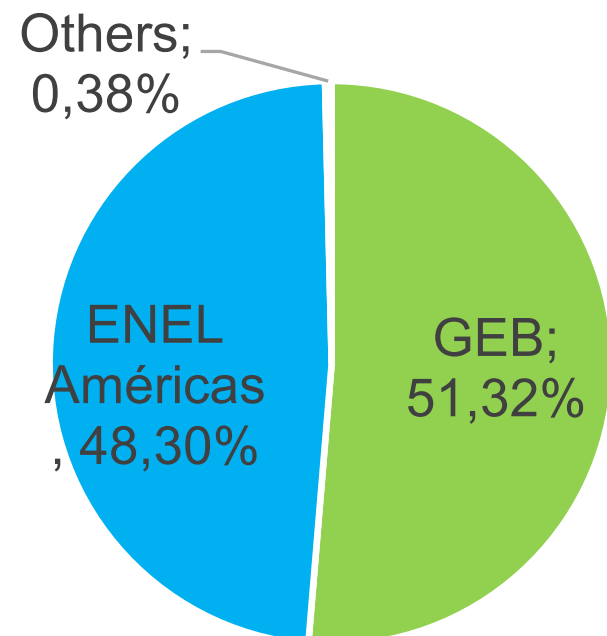
### Distribution of Shares with Voting Rights



### Preferred Shares



### Distribution of Total Shares \*



\*Including preferred shares without voting rights



## 1.c

# Background - Corporate Strategic Plan (Boston Consulting Group)

Approved in December 2020

The Corporate Strategic Plan prioritized criteria for obtaining the greatest positive impact for shareholders, businesses and the social and environmental sphere of GEB, in the short, medium and long-term and established the success of this negotiation as an assumption to achieve the Sustainable Generation and Bogotá Smart pillars.

# 1.c

## Background - Corporate Strategic Plan (Boston Consulting Group)

Approved in December 2020



# Background - Corporate Strategic Plan (Boston Consulting Group)

Approved in December 2020

03 BOGOTA SMART

## Organizer and catalyzer of energetic modernization

### Strategic lines of action

#### Profitable organic growth

- Establishing a joint program with **Enel** to modernize Bogota, building upon GEB's ability to interact with the capital city and leveraging the Data Analytic Agency ("Agencia Analítica de Datos") and **EnelX**.
- Promote **Codensa's** potential growth in other electricity companies in Colombia through inter-administrative agreement systems furthered by GEB
- Leveraging lessons learned in Bogota to boost end customer businesses in Peru.

### Goal

To empower through our unique standing with Bogota for the development of new energy transformation businesses, leveraging the capabilities of referral partners: Enel and Brookfield

#### Focus geography



Portfolio  
company

codensa

vanti  
Gas Natural

agata

# 1.c

## Background - Corporate Strategic Plan (Boston Consulting Group)

Approved in December 2020

04 SUSTAINABLE GENERATION

### Leading role in the revolution of non conventional renewable energies

#### Strategic guidance

##### Participate together with a reference partner in new development of NCRE in Colombia

- Priority: successfully finalizing negotiation with Enel
  - Incorporate Enel's NCRE portfolio in Emgesa
  - Unblocking retained dividends

#### Goal

To have a leading role in future NCRE developments in Colombia, maintaining a clean and competitive portfolio

Focus geography



Portfolio company

emgesa

## 1.c

# Background - New Investment Framework Agreement - IFA

A new Investment Framework Agreement was negotiated, which will apply to and regulate the relationships between shareholders in the company resulting from the merger.

## Before

A plural number of instruments that are outdated, incomplete and with different interpretations regarding the scope of GEB's corporate relationship with ENEL in two companies (Emgesa and Codensa).

### Purpose of the Original IFAs

To regulate the relationship **of the parties as business partners** in two complementary but independent companies, for the development of energy generation and distribution activities.

## After

A **unique, comprehensive instrument**, that clarifies, updates and allows the development of new businesses within the framework of the best operating practices and processing of disputes in a strengthened resulting company.

### Purpose of the New IFA

- i. To lay the foundation for **completing the transformation process** of the Resulting Company.
- ii. To regulate the relationship **of the parties as business partners** in the Resulting Company.
- iii. To definitively solve **disputes** that gave rise to the litigation.

# 1.c

## Background - New Investment Framework Agreement (IFA)

### EXCLUSIVITY AND NON-COMPETITION

- Agreement to perform commercial activities under the **principles of exclusivity and non-competition.**

### DIVIDENDS

- ✓ The distribution of retained dividends and implementation of a new regulated system of **dividend distribution (dividend distribution policy).**

### OPERATIONS WITH RELATED PARTIES

- ✓ The commitment of social managers to act in the best **interest of the company** in light of the duty of loyalty.

### RIGHT OF FIRST OPTION

- The implementation of **right of first option in favor of GEB** in the event ENEL decides to transfer its shares.

### AFFILIATES AND SUBSIDIARIES

- ✓ **GEB's participation as a guest** on the boards of directors of affiliates and subsidiaries.
- ✓ The Manager will inform the Good Governance Committee about any sale of shares or transformation, including, but not limited to, mergers and demergers **adopted with respect to affiliates.**

# 1.c

## Background - New Investment Framework Agreement (IFA)

### EXCHANGES AND INTERNSHIPS

- ✓ Cooperation mechanisms for **strengthen relationships between Employees.**
- ✓ The possibility for GEB employees to have **internships in Grupo ENEL companies.**

### TECHNOLOGY

- ✓ ENEL will provide the resulting company access to **new technology and innovation strategies** of Grupo ENEL.

### SUSTAINABILITY

- ✓ The inclusion of specific obligations in terms of **sustainability, environmental diversity and inclusion.**

### DATA INTEROPERABILITY

- ✓ **Data interoperability** with Agencia de Analítica de Datos S.A. - **Ágata**

### STRENGTHENING CORPORATE GOVERNANCE

- ✓ Strengthening corporate governance instruments in company bodies, information duties, shareholders' right to conduct audits and the management of conflicts of interest. Strengthening the independent members of the Board of Directors.

## 1.c

# General Benefits of the Transaction

**Shares in Emgesa and Codensa are the most important assets within GEB's portfolio (45% of GEB's ordinary income in 1Q2021), and its possibilities of growth and sustainability directly affect GEB's capacity for growth and sustainability.**

- The 1997 IFAs, which are outdated and whose execution runs the risk of continuing to generate new litigation for the same reasons, are replaced by a single comprehensive IFA that adequately protects the interests of GEB and strengthens the corporate governance of the company resulting from the merger.
- Clear rules for higher future dividend payments (associated with the level of leverage) are provided, with initial expected levels of 90%, and the 2016-2020 dividends and accrued earnings are distributed in Emgesa and Codensa.
- The relationship with the strategic partner is strengthened, which has a high scale and technical capacity in the non-conventional renewable energy market.
- The joint development of strategic projects for the city is facilitated (smart city lighting solutions, sustainable mobility, and others).

**A long-term relationship with clear behavioral guidelines and a common strategy with the controlling partner are strategically important for GEB, its shareholders and the territories in which we operate.**



## **Benefits of the New Stage**



# Before Redefinition

- **Litigation** that did not allow joint work generated mistrust between partners, and its result could lead to further deterioration of the relationship.
- **1997 IFA's**, a plural number of instruments that are outdated, incomplete and differing interpretations regarding the scope of the corporate relationship.
- Two companies with **a local scope**. Emgesa **had no competitive capacity in the non-conventional renewable energy market and limited scope for innovation**.

# After Redefinition

- ✓ **An agreement** in which the claims of the litigation were solved comprehensively. A new IFA, as a unique and comprehensive instrument that clarifies, updates and allows the development of new businesses.
- ✓ A consolidated company with international scope and the **highest operational and competitive capacities on the market**.
- ✓ Extending GEB's presence in Panama, Costa Rica and Guatemala by integrating generation assets (EGP Colombia and ESSA) that allow **projecting renewable energies and NCRE**.
- ✓ Technical capabilities to support **sustainable mobility and electrification of transport systems**, and to develop **smart city** projects.
- ✓ Cooperation mechanisms between technical teams, internships in Grupo ENEL companies and access to **new technology and innovation strategies** of Grupo ENEL.
- ✓ **Using Bogota distinctive signs** in billing and mobility, **data interoperability** with Agata and **environmental and social sustainability, inclusion and diversity commitments**.
- ✓ A harmonious, productive relationship between shareholders with **clear rules and parameters**.

# Concrete steps for the Bogotá Smart agenda

1

## Smart City Lighting Solutions

≈ \$ 143.524 Billion / year

Definition of finite validity

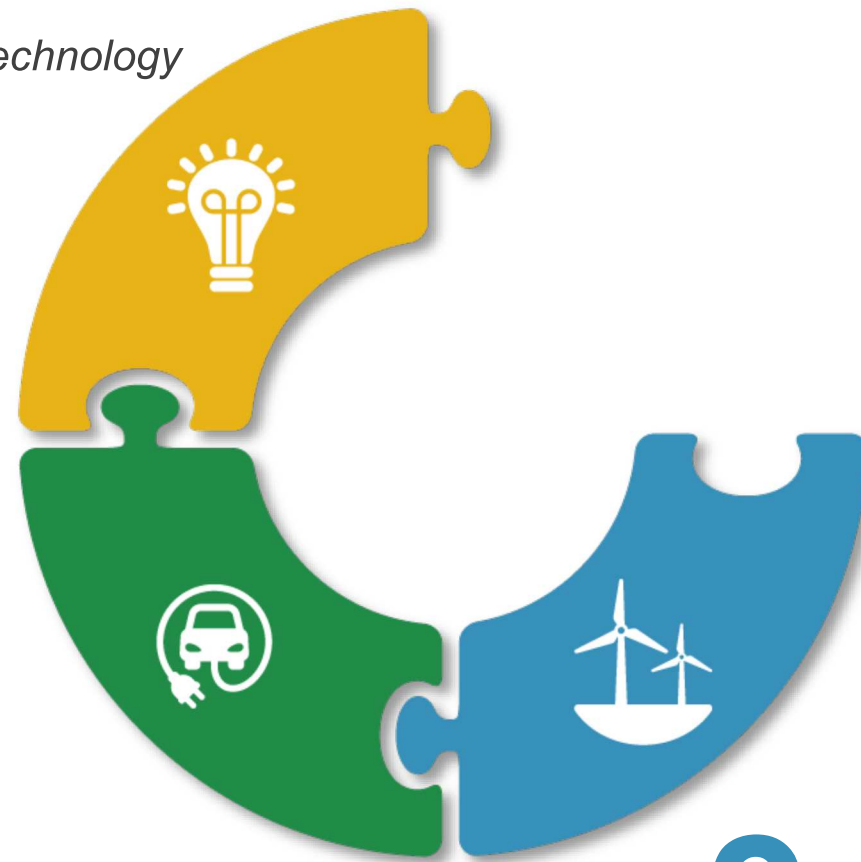
Tariff adjustments with market reality

Strict lighting modernization plan

Expansion plan for new areas

Remote management and new technology

Platform for Smart City



2

## Mobility and Intelligent Transportation System

\$ 1 Trillion of initial investment

City Control Room, Video

Analysis, Environmental

Monitoring,

Electric Charging Stations and

eBike Sharing

Intelligent traffic management

Based on the infrastructure the

city already has and in alliance

with other district companies.

4

Other new businesses with the D.C., other cities and functional articulation with AGATA.

3

## Self-Generation and Distributed Generation

Investment of \$13.825 Billion, 3.4 MW in the very short-term

Savings in the service payments and income generation of GEB

Potential in the education sector: 700 installations

D.C. potential: 3,000 - 4,000 installations

Total capacity potential > 100 MW

**In landmark decision, U.K. coroner rules air pollution contributed to nine-year-old girl's death**



Ella Kissi-Debrah believed to be first in world to have pollution listed on her death certificate

Farrah Merali · CBC News · Posted: Dec 17, 2020 12:47 PM ET | Last Updated: December 17



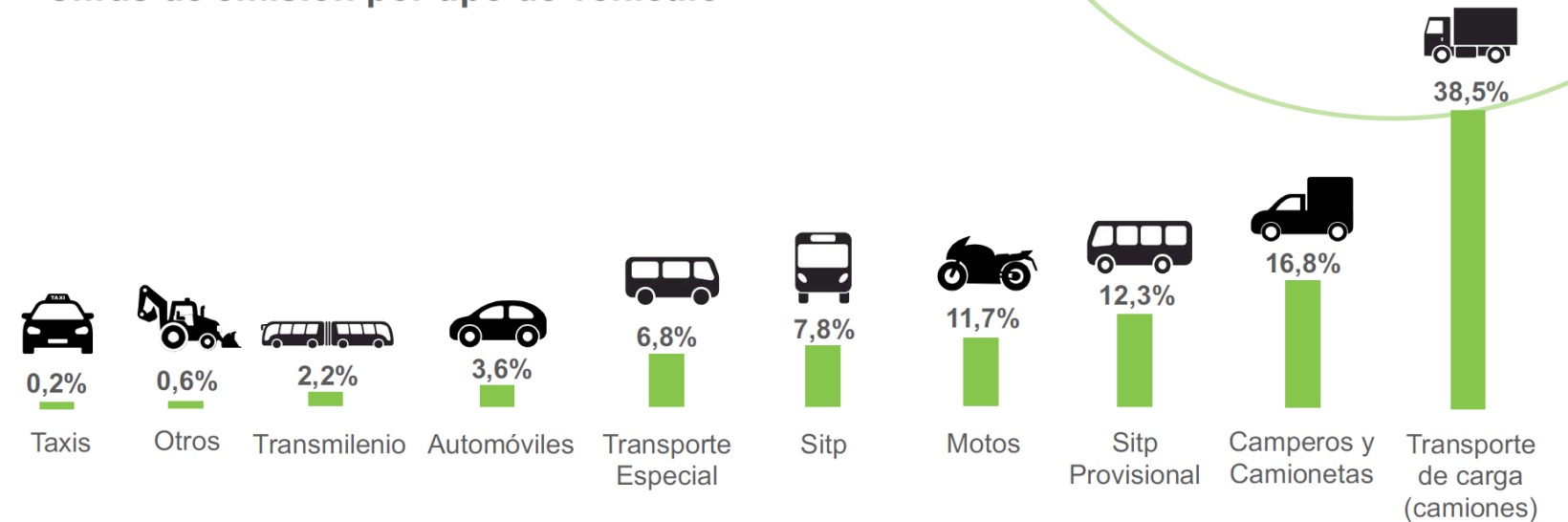
Ella Kissi-Debrah died in hospital in 2013 at the age of nine, after an asthma attack. She lived just metres away from one of London's busiest roadways. (Ella Roberta Family Foundation)

**THERE IS URGENCY TO ACT IN SUSTAINABLE MOBILITY FOR THE HEALTH OF THE MOST VULNERABLE PEOPLE**

**Movilidad urbana y calidad del aire**



**Cifras de emisión por tipo de vehículo**

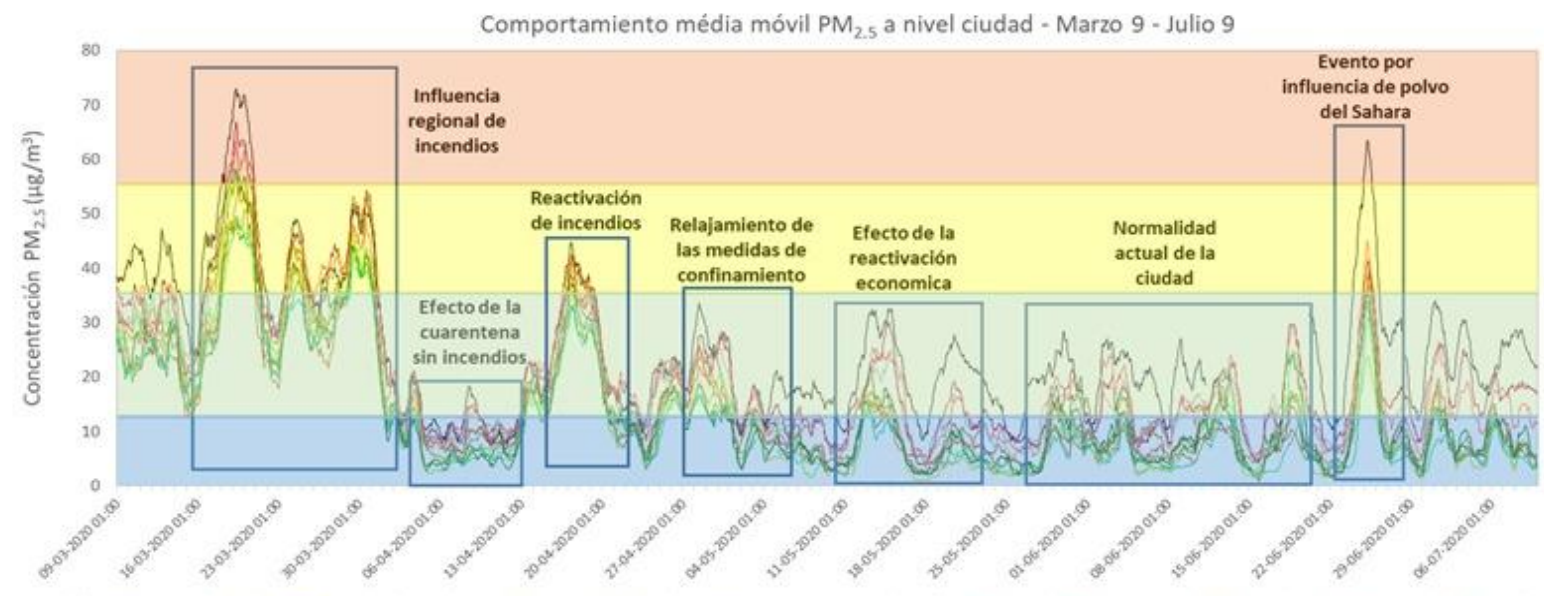


Fuente: Secretaría Distrital de Ambiente, Bogotá 12/02/2020

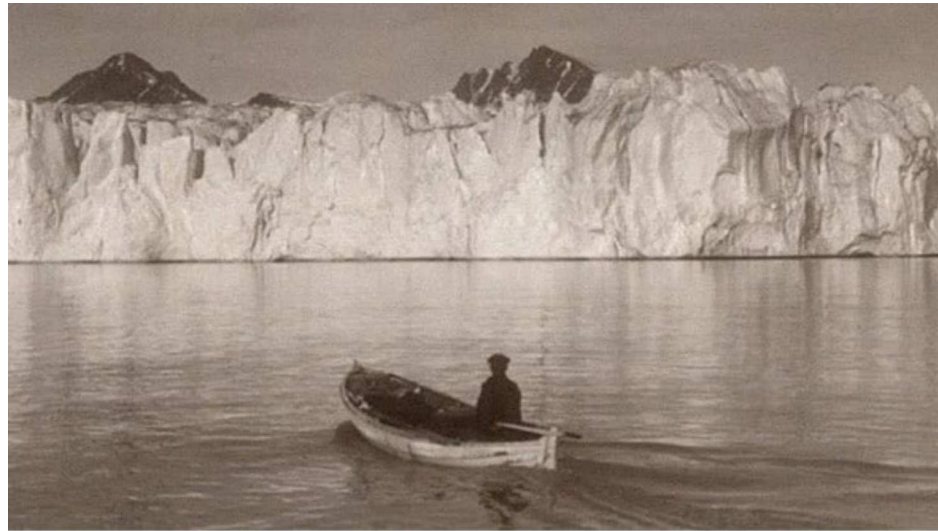
9



**Comportamiento del PM<sub>2.5</sub> durante el confinamiento (Marzo 9 – Julio 10)**



# Towards the Future



Copyright: Christian Aslund Photography – Svalbard Noruega

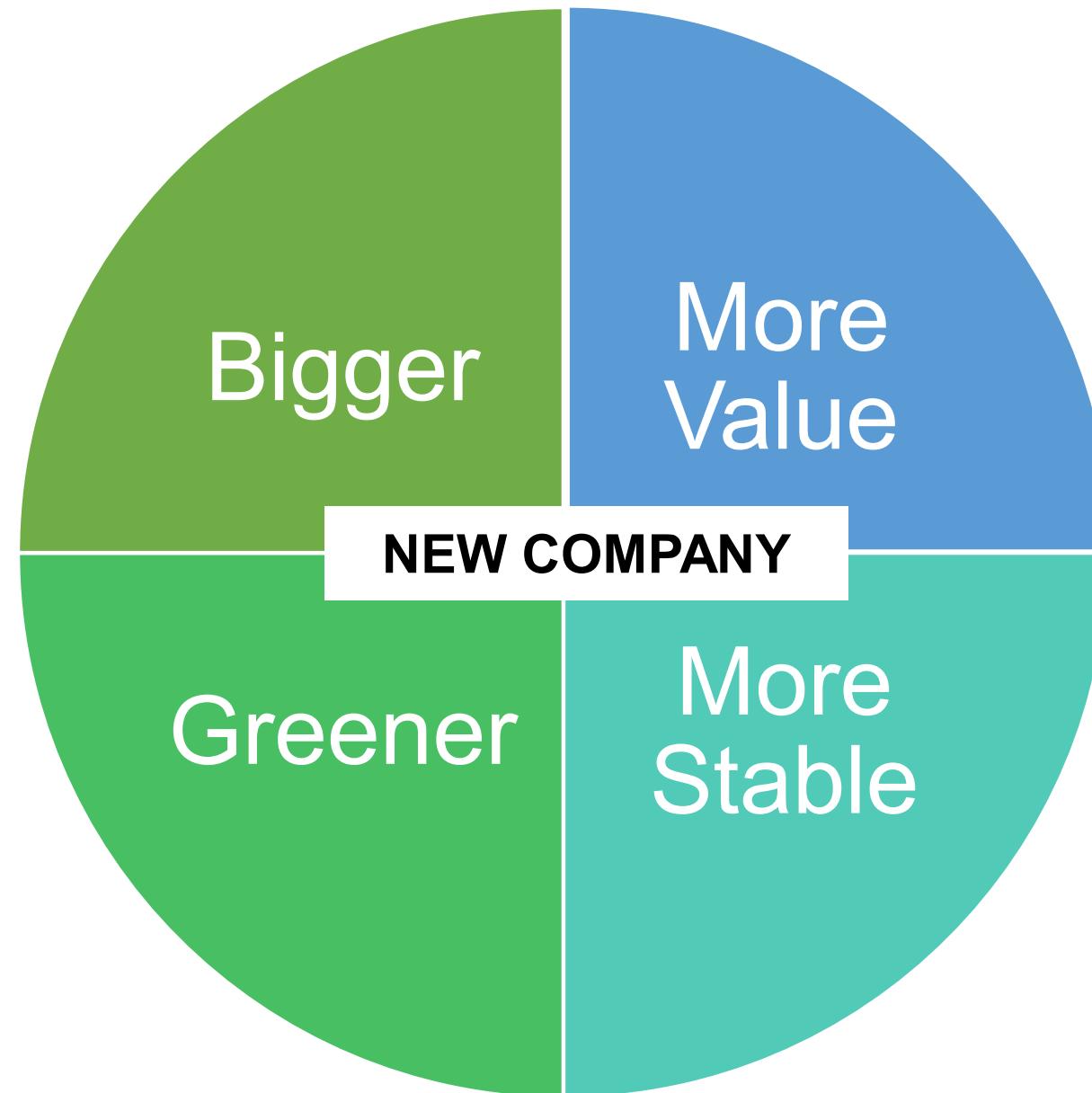
**In the framework of the climate crisis and local, national and international decarbonization objectives.**

**Transforming energy consumption**

**Transforming power generation**

**Clean energy and air quality**

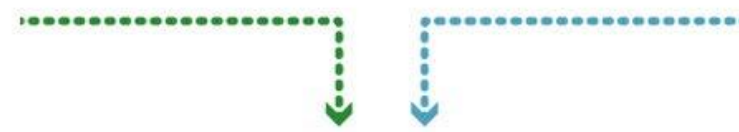
**Digital electrical grids for smart cities**



# What is the new agreement?



GEB 51.51 % - 51.32 %



EMGESA - CODENSA



ENEL 48.8 % - 48.30 %



Enel Green Power  
(Capitalization worth  
\$2,175 trillion)

ESSA  
(Panamá, Costa Rica,  
Guatemala)



SHARES WITHOUT A  
RIGHT TO VOTE

7.95% - 8.5%



SHARES WITH A  
RIGHT TO VOTE

43.5% - 42.8%



## NEW COMPANY

GEB 42.515% ENEL 57.345%

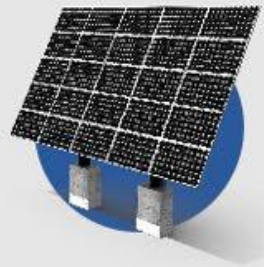
A LARGER company with an approximate additional equity value of

**\$5.5 trillion** in renewable assets

# New company



A company of international stature



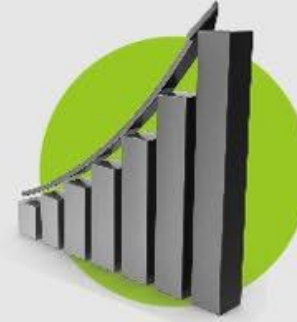
Operation in 4 countries through wind, solar and hydroelectric projects.



An additional 1850 MW in renewable energy



Greater installed capacity



Higher equity value



A more profitable company with higher profits



+larger

+more value

+greener

+more stable

Release of retained dividends

Higher value of annual dividends

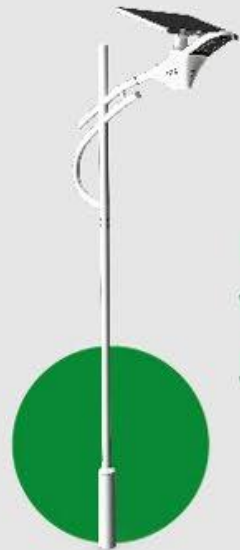


Evolution of corporate governance rules



Cooperation mechanisms

Timely and sufficient information transmission transfer.



Capacity to develop smart city projects

Investment to increase wind and solar power generation capacity



Greater hydroelectric energy generation.





# +larger



The new company is a company of international stature and one of the main companies in the energy sector in Colombia and Central America:

- **Presence in 4 countries:** Guatemala, Costa Rica, Panama and Colombia.
- **The primary generator and energy trader in Colombia, with a capacity of > 5GW**
- **Leader in the energy distribution sector.**



## GUATEMALA



**4** Hydroelectric power plants



**164 MW** of installed capacity



Power plants that purify the water of the most polluted rivers in the country for the benefit of farmers

# +larger



## COSTA RICA



**3** Hydroelectric power plants



**81 MW** of installed capacity



Chucas - 50 MW, EGP's largest hydroelectric power plant in Costa Rica

## PANAMÁ



**10** hydroelectric and solar plants



**300MW** at the Fortuna hydroelectric power plant, the largest in the country.



Partners of the Panamanian state in Fortuna

## COLOMBIA



**+14**

generation plants between Emgesa and EGP Colombia



**+3.100 MW**

in the hydroelectric portfolio

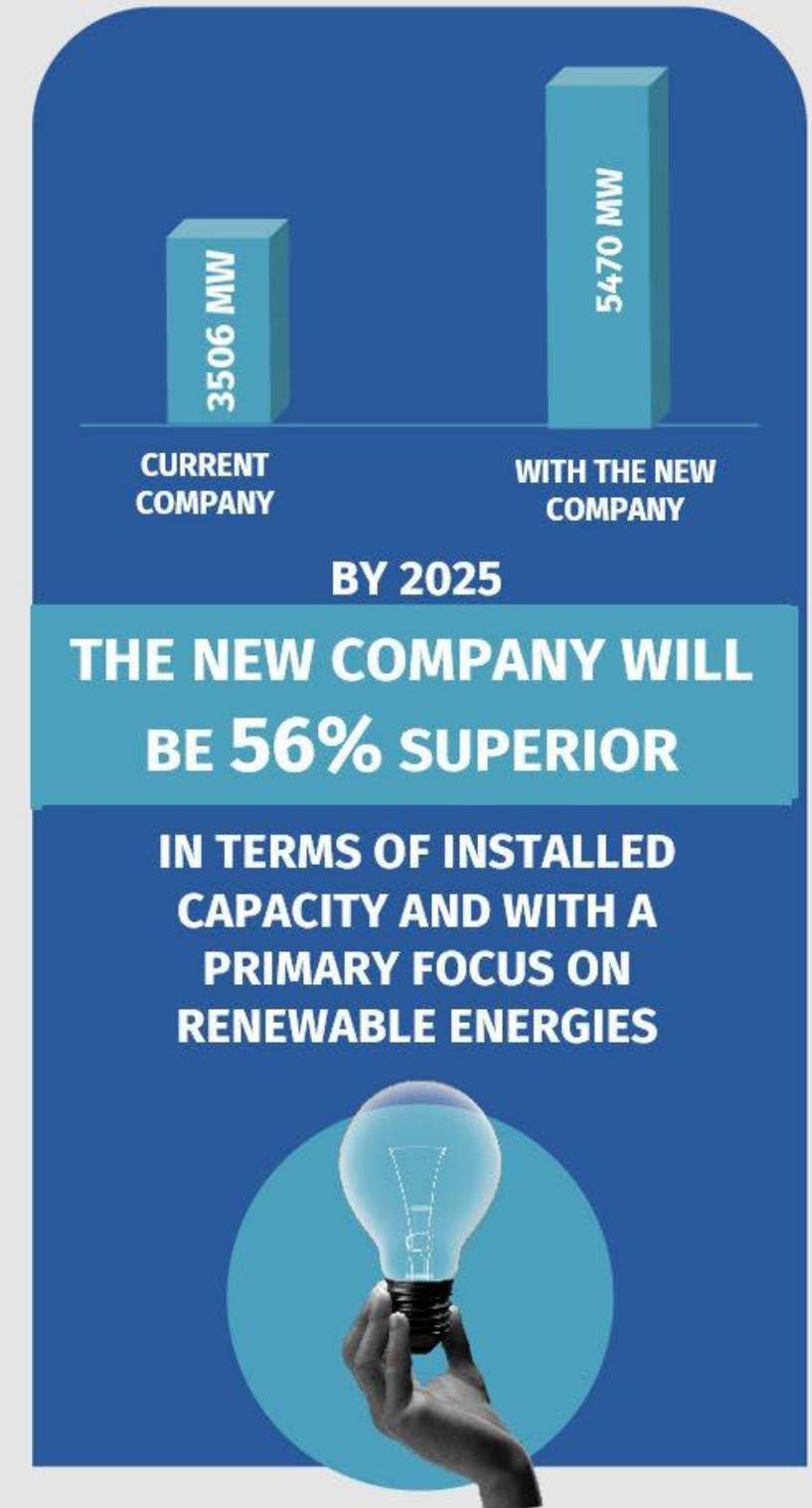


Largest power generator in the country



An initial potential of over 1,200 MW in solar and wind projects of EGP Colombia

The new company will operate with greater geographic and currency diversification by incorporating income in dollars from the companies absorbed in Central America



**+more  
value**



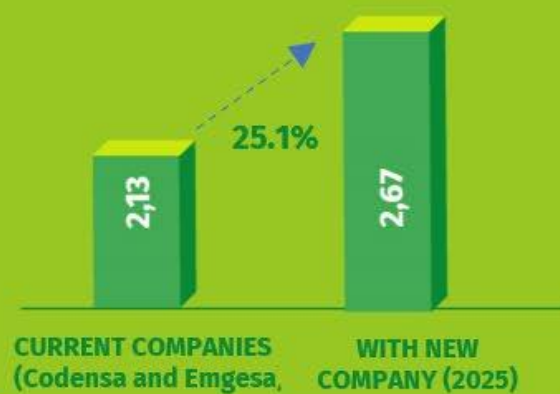
**\$5.5**  
**TRILLION**  
**OF APPROXIMATE**  
**ADDITIONAL**  
**EQUITY VALUE**

THE ABSORPTION OF EGP  
COLOMBIA BY THE NEW  
COMPANY WILL INCLUDE ITS  
CAPITALIZATION BY ENEL IN  
APPROXIMATELY

**\$2,175**  
**billones**



UTILIDAD NETA  
(COP BILLONES)



EBITDA  
(COP BILLONES)



BY 2025, IT IS ESTIMATED THAT THE NEW COMPANY WILL HAVE 25.1% MORE PROFITS AND WILL BE 22.9% MORE PROFITABLE THAN UNMERGED COMPANIES (CODENSA AND EMGESA).

**+ greener**



### **COUNTERING THE EFFECTS OF CLIMATE CHANGE**

The new company will have high technical capacities and a global reach, which make it a fundamental driver of energy transformation in the country.



### **DEVELOP SMART CITY PROJECTS**

The ability to advance the electrification of public transportation in the city, smart public lighting and smart metering in homes

### **INCREASING CAPACITY IN RENEWABLE ENERGIES**

Hydro, wind and solar project assets in Panama, Guatemala and Costa Rica, with a capacity of 677 MW of renewable generation, of which 132 MW correspond to non-conventional energy.



### **A LEADER IN NON-CONVENTIONAL RENEWABLE ENERGY**

Investments of more than \$3.5 trillion will be advanced in Colombia, in the consolidation of a portfolio with 1.3 GW of capacity in wind and solar projects.

### **RESOURCES TO MEET ENVIRONMENTAL COMMITMENTS**

The new company will have the resources to decisively face the climate crisis and position Bogotá within the framework of local, national and international environmental commitments by 2030.



# +more stable



## EVOLUTION OF CLEAR AND TRANSPARENT RULES

Updated, transparent corporate governance rules that ensure the interests of Grupo Energía Bogotá, with policies of inclusion and sustainability, are adopted.



## COOPERATION MECHANISMS TO STRENGTHEN RELATIONSHIPS BETWEEN EMPLOYEES

Cooperation mechanisms are established, opening the possibility for GEB employees to have internships in Grupo ENEL companies.



## SPECIALIZED AUDITS

Specialized audits are proposed, and a timely and sufficient information transmission transfer system is consolidated.



## PROTECTING THE INTERESTS OF BOGOTÁ

High corporate governance standards allow GEB's interests in the new company to be adequately protected. Guidelines for corporate bodies and their composition (Shareholders' Meeting and Board of Directors) are included, and qualified majorities are required to make certain decisions.



# The Transaction



# 3

## The Transaction

1. **Description of the Transaction**
2. Process Advisors for GEB
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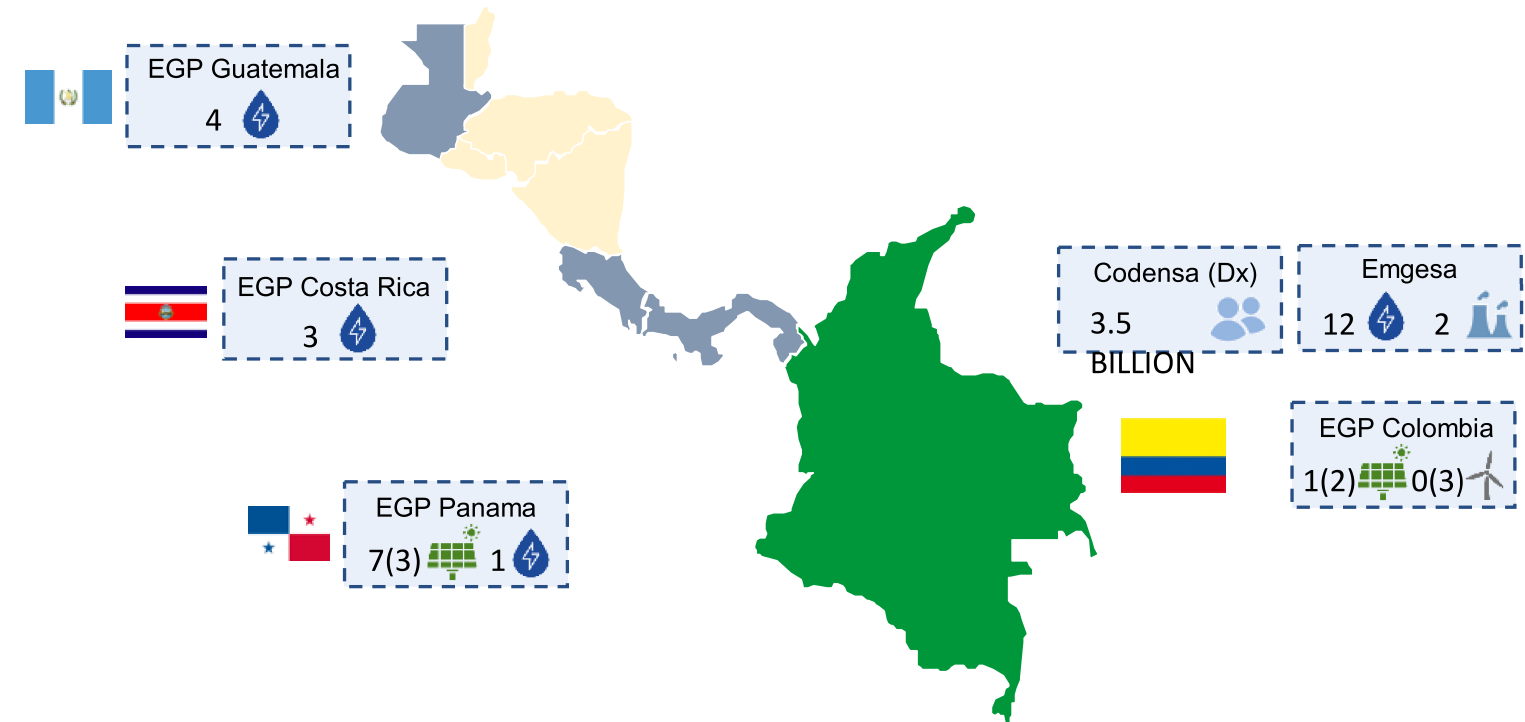
# 3.1

## Perimeter of the Transaction

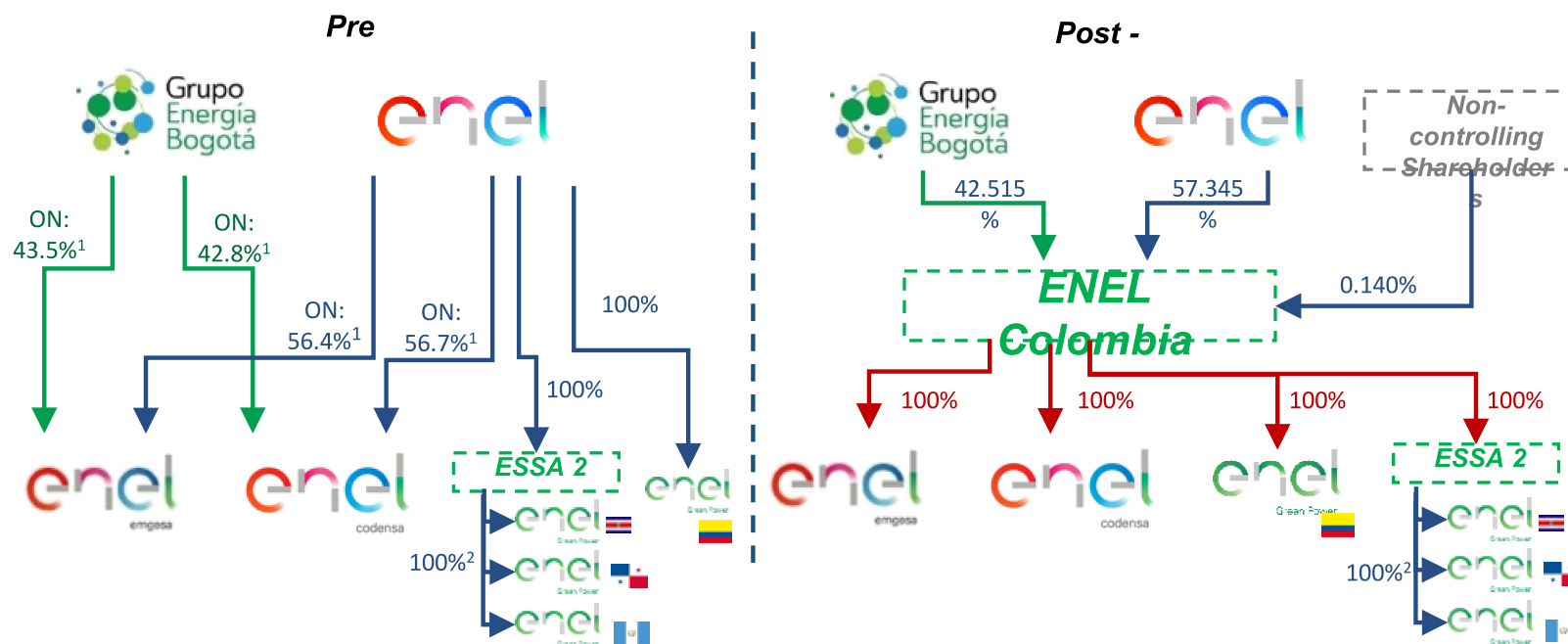
Grupo Energía Bogotá (GEB) and ENEL have reached a preliminary agreement to perform corporate reorganization between Emgesa, Codensa and the renewable assets of ENEL Green Power in Colombia and Central America.

The operation would allow strengthening the main companies in the energy sector in Colombia and Central America:

- The main generator and trader of energy in Colombia, with a capacity of > 5 GW
- Leader in the energy distribution sector through Codensa, participating in non-traditional businesses (ENEL X and Crédito Fácil)
- Diversification of the risk profile, participating in the growing market for solar and wind energy and the Central American markets with income in dollars.
- EGP Colombia strengthened its equity through a cash capitalization from ENEL worth \$ 2.175 trillion.
- An extraordinary distribution of dividends by Emgesa and Codensa corresponding to retained earnings between 2016-2020: 50% before the merger and 50% immediately after the merger.



### Pre and Post-Merger Structure



### Installed Capacity / Lines and Clients (\*)# of Current Plants (# of Future Plants)

MW	emgesa	EGP COL	EGP Panama	EGP Guatemala	EGP Costa Rica	Total
⚡	3.097	0	300	164	81	3.642
☀️	0	69 (782)	62 (132)	0	0	131(914)
🌪️	0	0 (505)	0	0	0	0 (505)
🏭	409	0	0	0	0	409
<b>Total</b>	<b>3.506</b>	<b>69 (1,287)</b>	<b>362 (432)</b>	<b>164</b>	<b>81</b>	<b>4,182 (5,470)</b>

**codensa** + 72,000 Km Network Lines +3.5 BILLION Clients

<sup>1</sup> Structure of ordinary shares. In addition, GEB has preferred shares of 7.9% and 8.5%. Non-controlling Shareholders of Emgesa: 0.005% | Non-controlling Shareholders of Codensa: 0.38%  
<sup>2</sup> 51% share in ENEL Fortuna



# 3

## The Transaction

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## 3.2

# GEB Advisory Team

GEB had a group of advisers with extensive experience to perform Due Diligence on the companies involved in the transaction on each of the following fronts: financial, legal, accounting/tax, regulatory, commercial and technical.

### Financial - Investment Banking



- Financial advice for diagnosing, structuring and executing the transaction.

### Legal

Coordination and DD  
Colombia

POSSE  
HERRERA  
RUIZ



CLARO & CIA. 1880

In Central America and Chile

- Due diligence of the companies and legal advising in the framework of the transaction, taking into account current regulations.

### Accounting - Tax

**Deloitte.**

- Accounting and tax advice, considering the application of IFRS, as well as the tax legislation of each of the countries under analysis, for diagnosing, structuring and executing the transaction.

### Regulatory, Commercial, Technical

MERCADOS  
ENERGÉTICOS  
CONSULTORES

- Commercial, regulatory and technical due diligence of Emgesa, Codensa, EGP Colombia and EGP Centroamérica, and advising for the construction of economic and financial projections of businesses.

### Financial - Fairness Opinion

BBVA

- Opinion on the financial reasonability of the valuation exercise performed by Inverlink and UBS.

# 3.

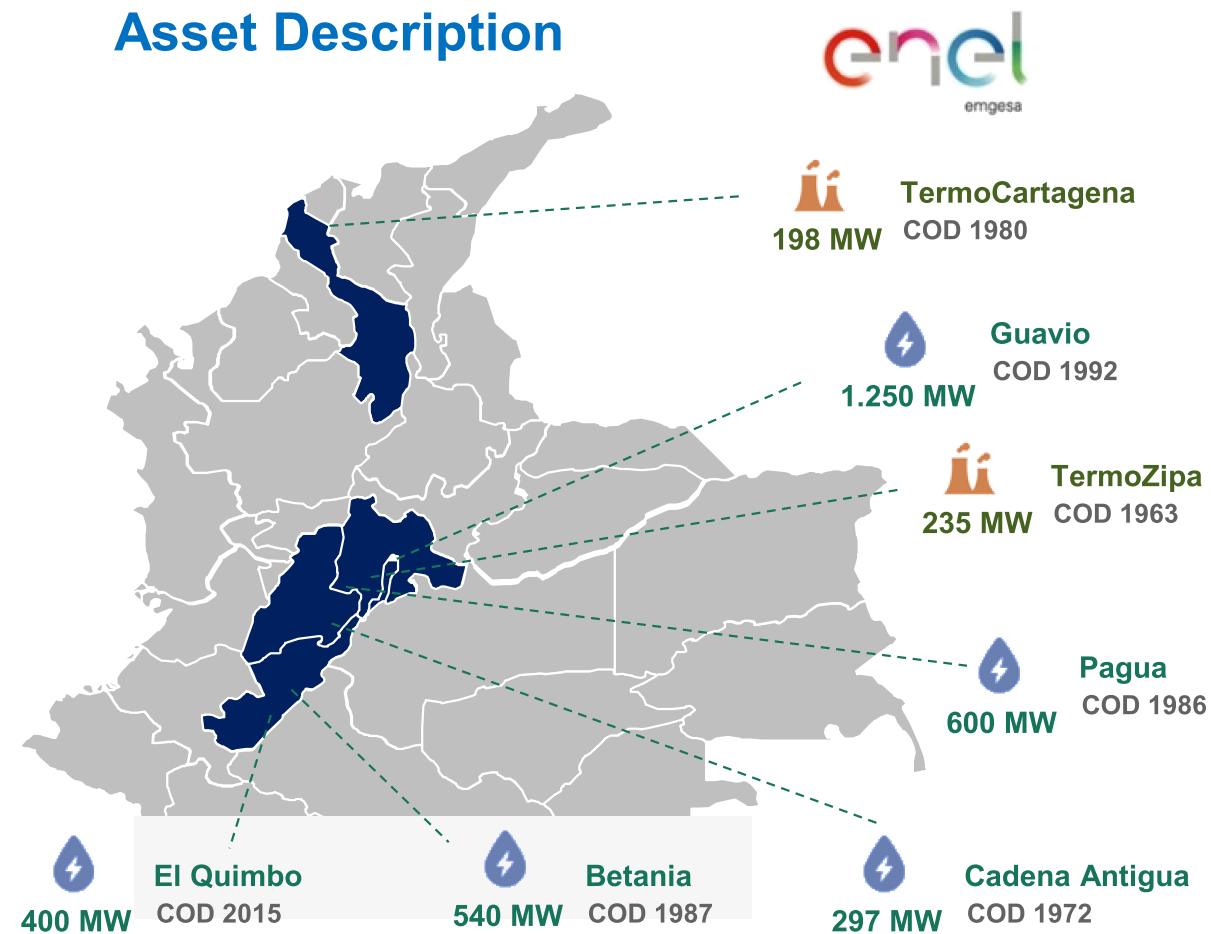
## The Transaction

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# 3.3

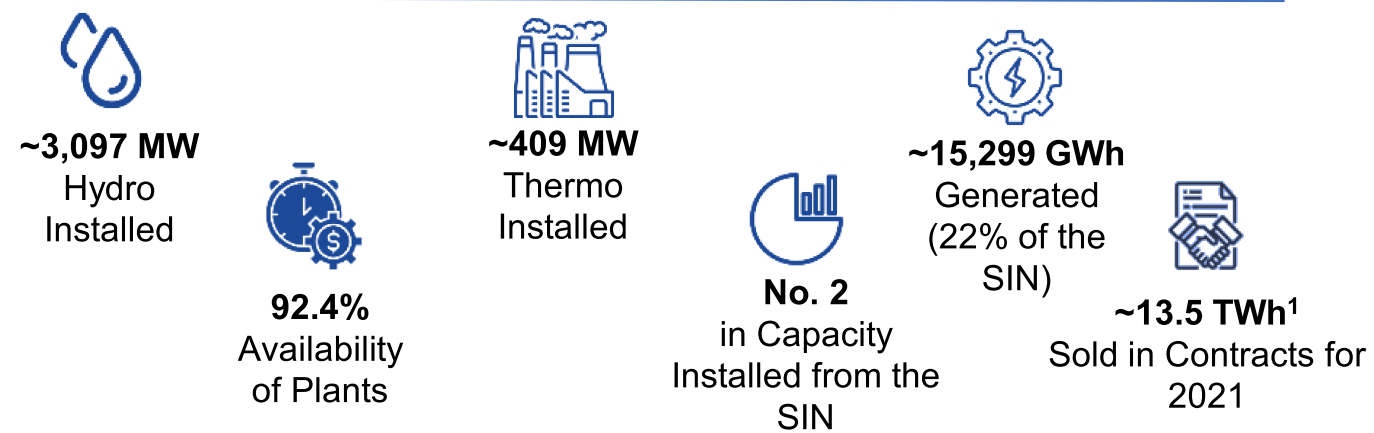
## Emgesa - Absorbing company

### Asset Description

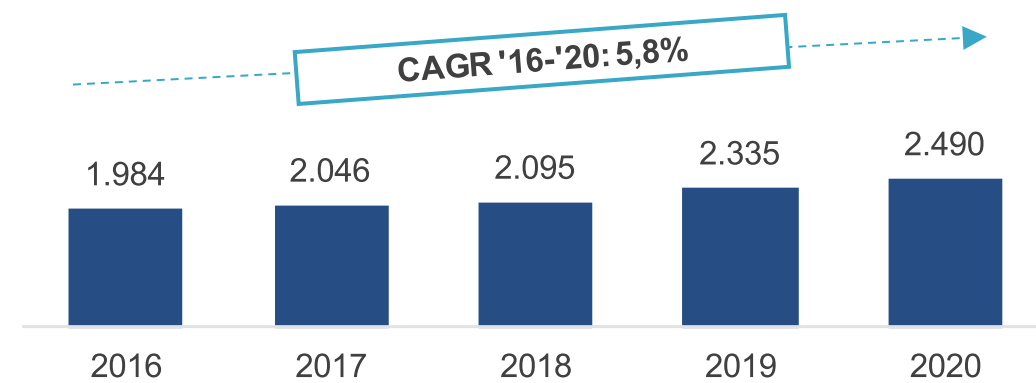


- A company dedicated to generating and selling electrical energy in Colombia.
- Emgesa has an installed capacity of 3.5 GW, of which 3.1 GW are hydroelectric plants (88%) and 0.4 GW are thermal plants (12%).
- It has a history of more than 40 years operating in Colombia and is the second largest Company in both power generation and installed capacity.
  - It has a ~20% share of the country's generation market.
  - It sells 15,300 GWh per year, >85% through PPAs.
- Last new plant in operation in 2015. No new projects in development.

### Operational Data (2019)



### EBITDA (COP 000 BILLION)

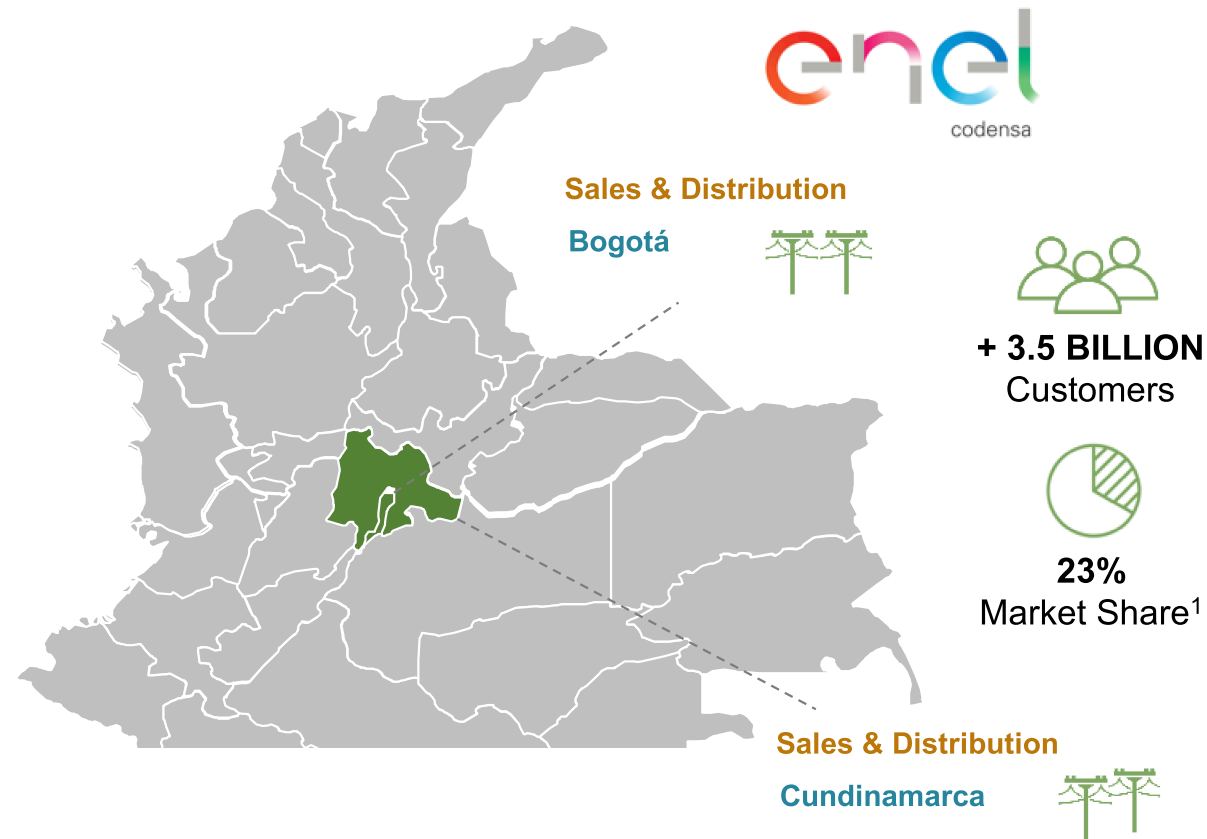


Source: Financial Statements, Corporate Presentation, Industrial Plan, Information provided by ENEL. <sup>1</sup>Demand Share as of 2019

# 3.3

## Codensa - Absorbed company

### Asset Description

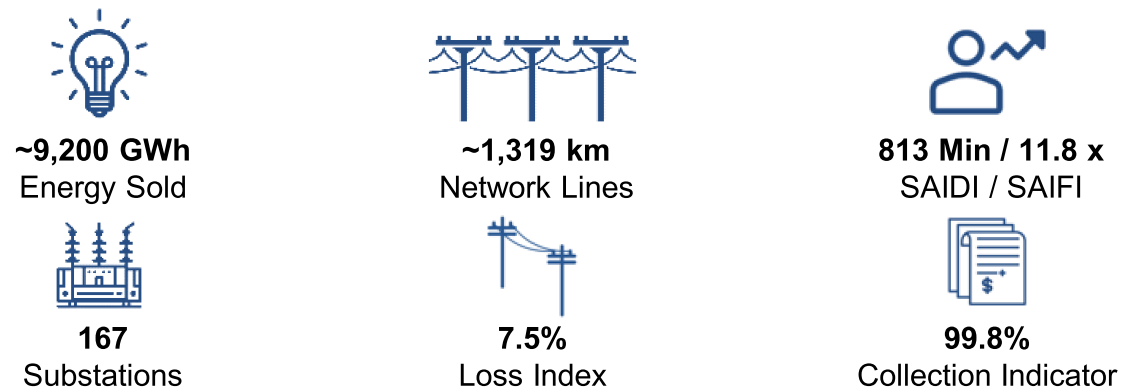


- A company dedicated to distributing and selling energy in Bogotá and Cundinamarca.
- It serves more than 3.5 million users, making it the 2nd largest distribution and sales company in Colombia with a 23% share of national demand.
- In 2021, a JV was created between Codensa (49%) and Scotiabank Colpatría (51%) for the Crédito Fácil Codensa (CFC) business.

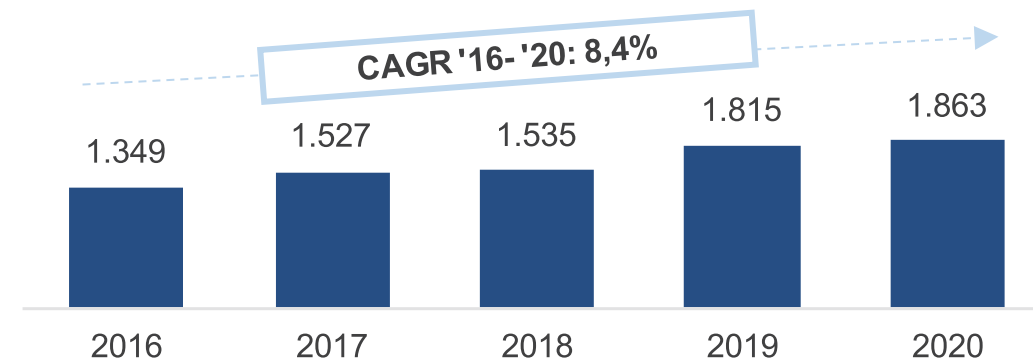
#### Lines of Business



#### Operational Data (2019)



#### EBITDA (COP 000 BILLION)

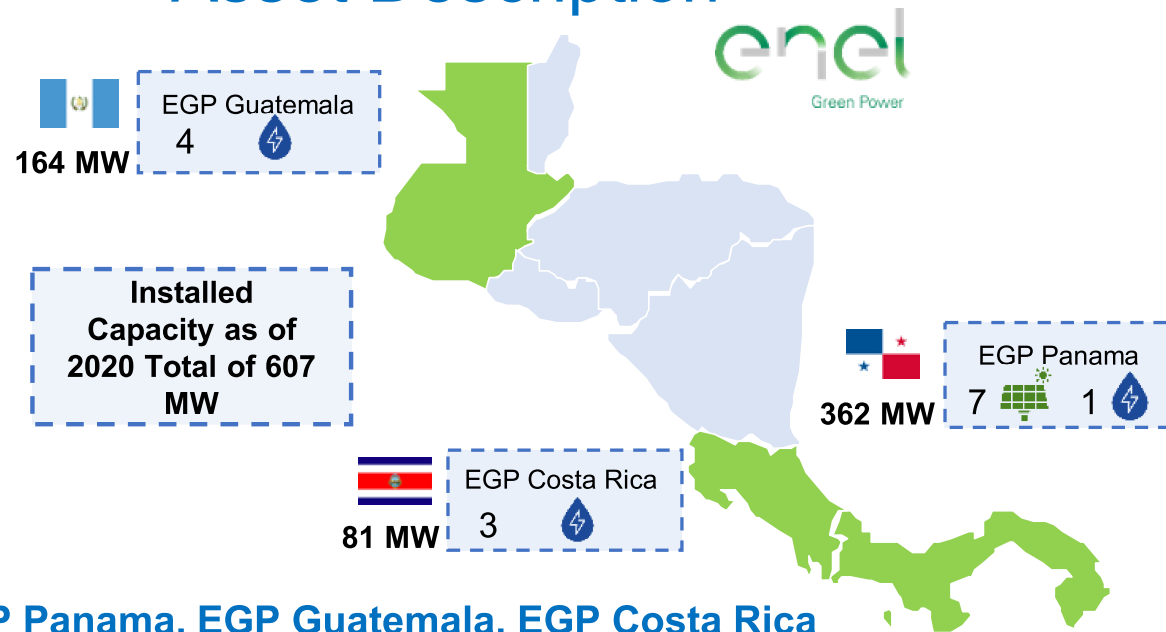


Source: Financial Statements, Corporate Presentation, Industrial Plan, Information provided by ENEL. (1) Demand Share as of 2019

# 3.3

## ESSA 2 - Absorbed company

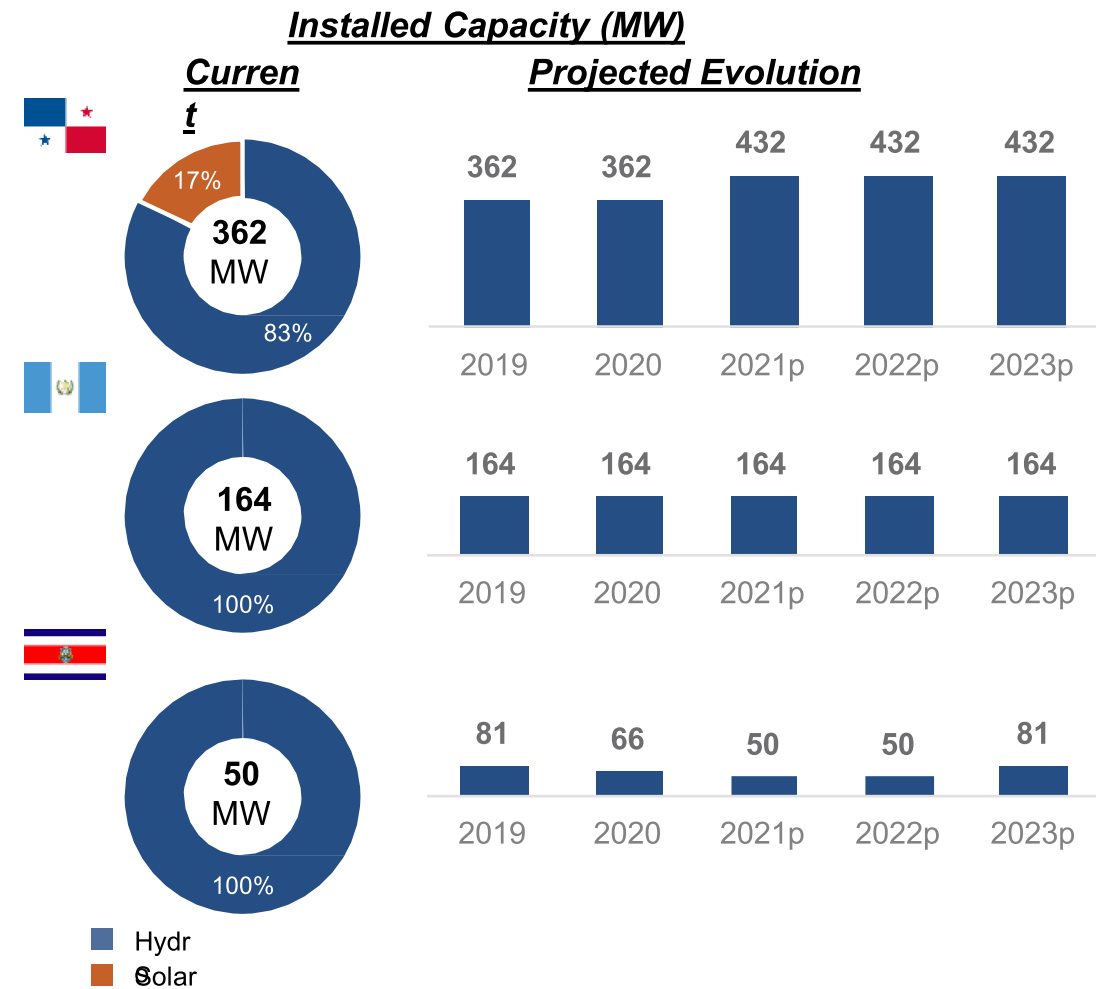
### Asset Description



- ESSA 2, the institution that holds ENEL Green Power's interests in Panama, Costa Rica and Guatemala.
- Assets in Panama (360 MW), Guatemala (164 MW) and Costa Rica (81 MW) through hydroelectric plants and solar plants.
- The State of Panama has a 49.9% share in the Panamanian affiliate ENEL Fortuna (300 MW).
- In Panama, it has a solar project portfolio of 70 MW, with expected COD between 2021 and 2022.
- In Guatemala, ENEL has a 75% share in Tecnoquat (16 MW).

### EGP Panama, EGP Guatemala, EGP Costa Rica

Planta	País	Tecnología	Cap. Instalada (MW)	COD
Fortuna	🇵🇦	🌊	300	1984
Solar Panamá	🇵🇦	☀️	62	2015-2018
Tecnoquat	🇬🇹	🌊	16	2002
Gen. de Occidente	🇬🇹	🌊	47	2003
Montecristo	🇬🇹	🌊	13	2006
Palo Viejo	🇬🇹	🌊	87	2012
PH Don Pedro	🇨🇷	🌊	14	1996
PH Río Volcán	🇨🇷	🌊	17	1997
PH Chucas	🇨🇷	🌊	50	2016
<b>Nueva Capacidad Instalada</b>				
Jaguito, Progreso & Madre Vieja	🇵🇦	☀️	70	2021-2022

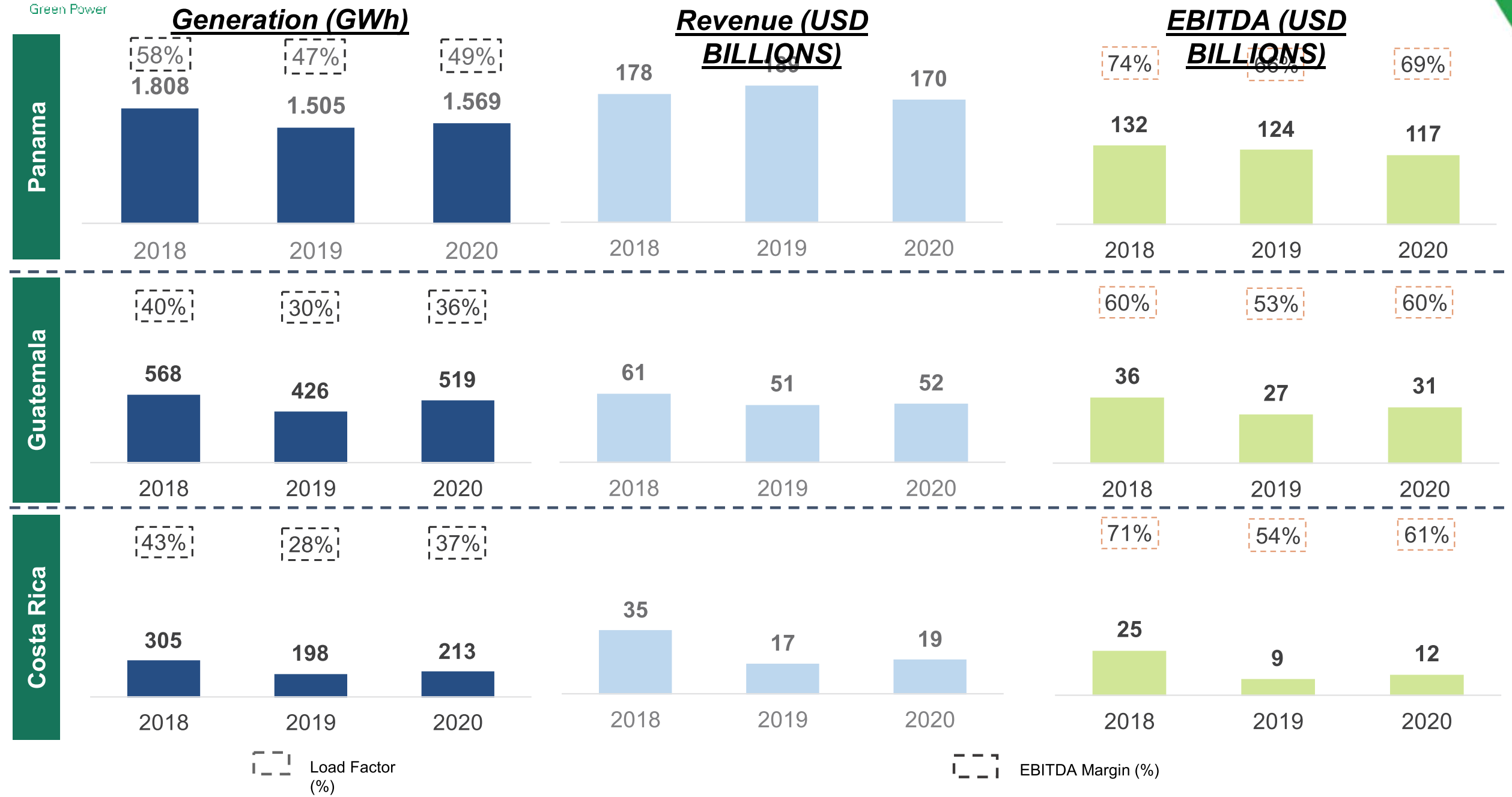


Source: GEB and DD Advisors based on Financial Statements, Corporate Presentation. <sup>1</sup>CAPEX executed as of 2020 of USD 1.4 BILLION, USD 2.4 BILLION and USD 0 BILLION, respectively. Pending to execute USD 7.7 BILLION, USD 15.1 BILLION and USD 24 BILLION, respectively.

# 3.3

## EGP Centroamérica - Absorbed company

Relevant energy production and revenue figures, and EBITDA (USD BILLIONS)

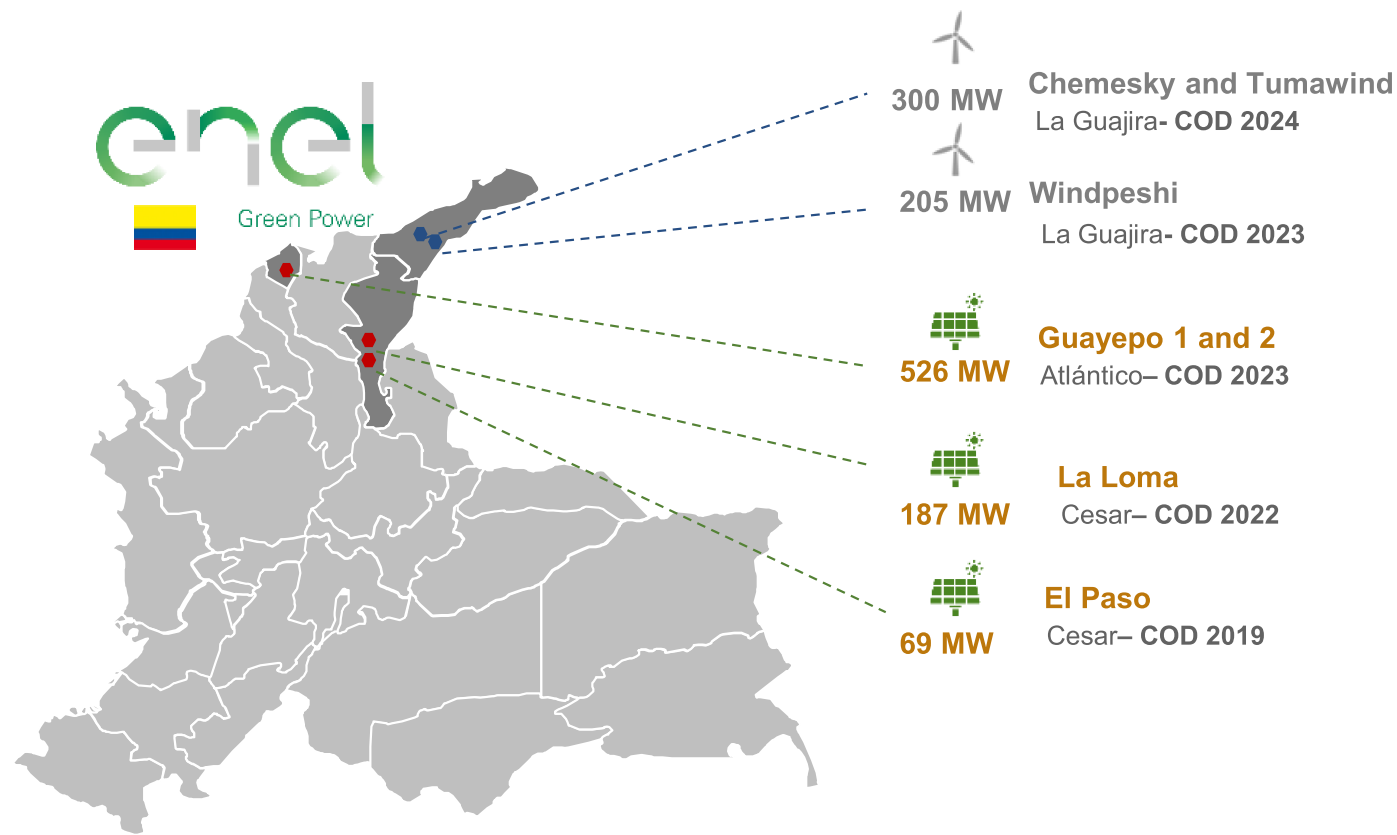


Source: Financial Statements, Corporate Presentation, Industrial Plan, Information provided by ENEL

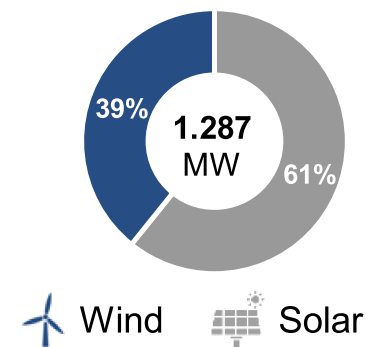
# 3.3

## ENEL Green Power Colombia - EGP Colombia - Absorbed company

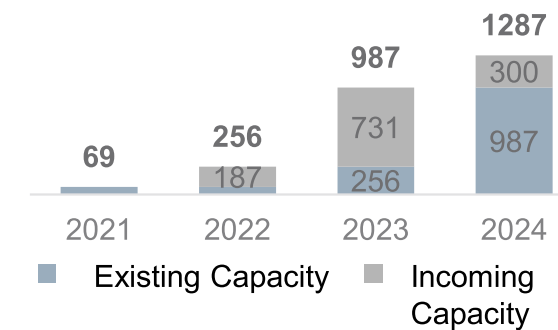
### Asset Description



- ENEL Green Power Colombia is the platform created by ENEL to develop solar and wind projects in the country.
- It currently has 69 MW of solar energy in operation and 1,218 MW in structuring and development:
  - 392 MW under construction with PPAs and OEF
  - 526 MW with PPAs and approved connection
  - 300 MW with OEF
- In addition, it has 2,426 MW in the early stage of development.



**Projected Installed Capacity (MW)**





# 3

## The Transaction

1. Description of the Transaction
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5. Financial Forecasts
6. Valuation Methodology
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8. Fairness Opinion BBVA



# 3.4. Panama - Regulatory Framework and Market Operation






Market strongly contracted with state participation as a passive shareholder.

## Market Operation

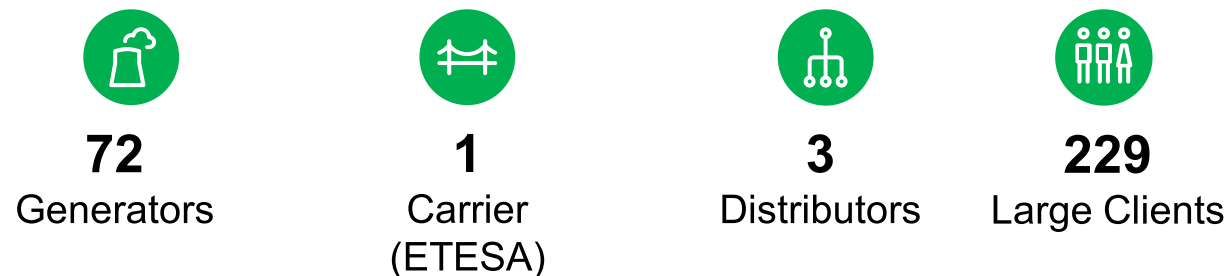
### Generalities:

- **Type of dispatch:** Cost-efficient (financial contract market and physical market).
- **Market Products:** Energy, Power, Auxiliary Services, LP Reserve
- **MEM operations are carried out in:** the Spot Market for energy transactions, LP Contract Market and daily Power Deviation Market (CP Market).

### Market Products:

Description	Bilateral Contract	Public Procurement
Energy 	✓	✓
Capacity 	✓	✓
Auxiliary Services 	✓	✓
Transport 	✗	✓
Commercialization 	✓	N/A

## Agents and Market Participants



## Institutional Framework

Energy Policy



Planning



Power Regulation



Power Operation



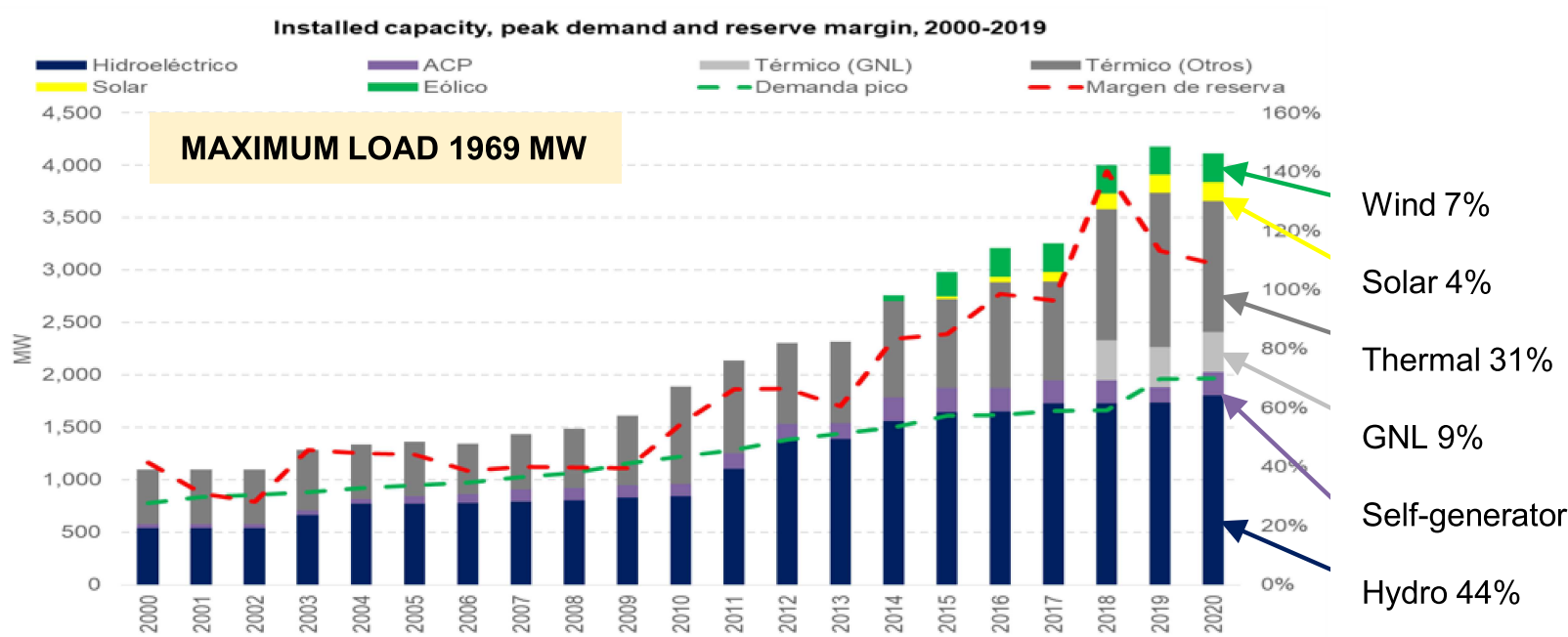
- **Generation:** Power generation is almost entirely in private hands.
- The **Transmission** Segment is considered a natural monopoly and is therefore regulated. Transmission is performed comprehensively by Empresa de Transmisión Eléctrica S.A. (ETESA), of the state capital. ETESA supervises the planning, operation and maintenance of the network, and receives a regulated tariff in return (revised every 4 years).
- **Distribution** is organized in a monopolistic form for each exclusive concession area. Three private companies participate in the sector and have the following share of the demand: ENSA (42%), EDEMET (50%) and EDECHI (8%).

# 3.4.

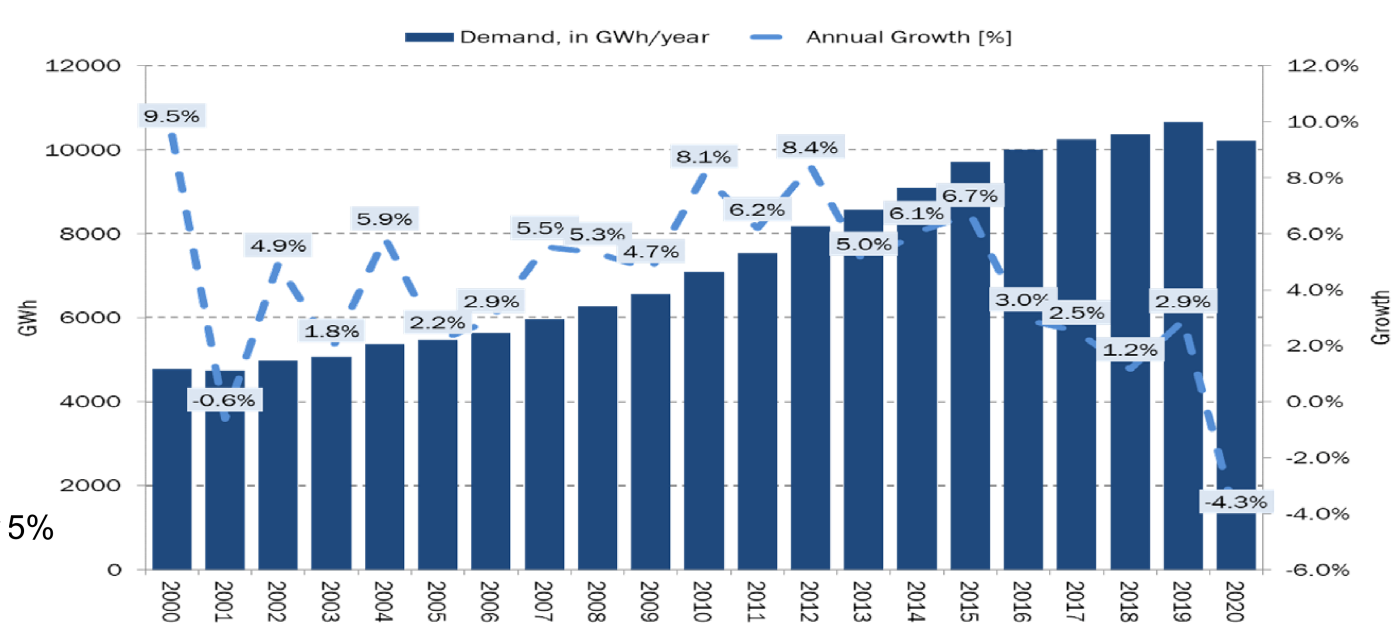
## Panama - Market Context

Market with high growth potential.

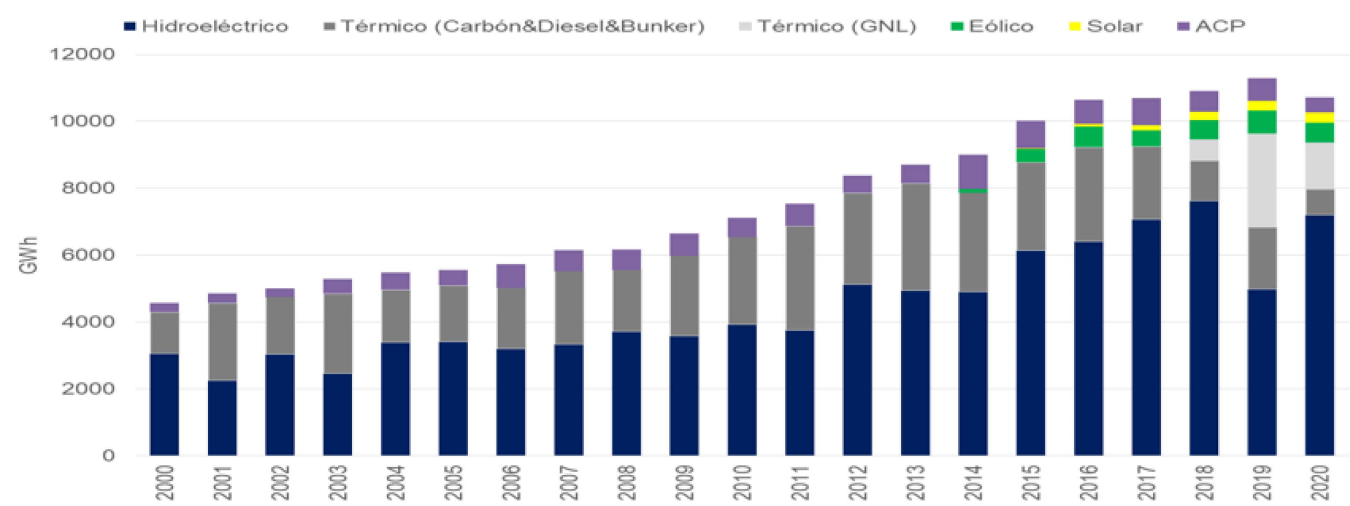
Installed Capacity By Technology (%) - 4110 MW (2020)



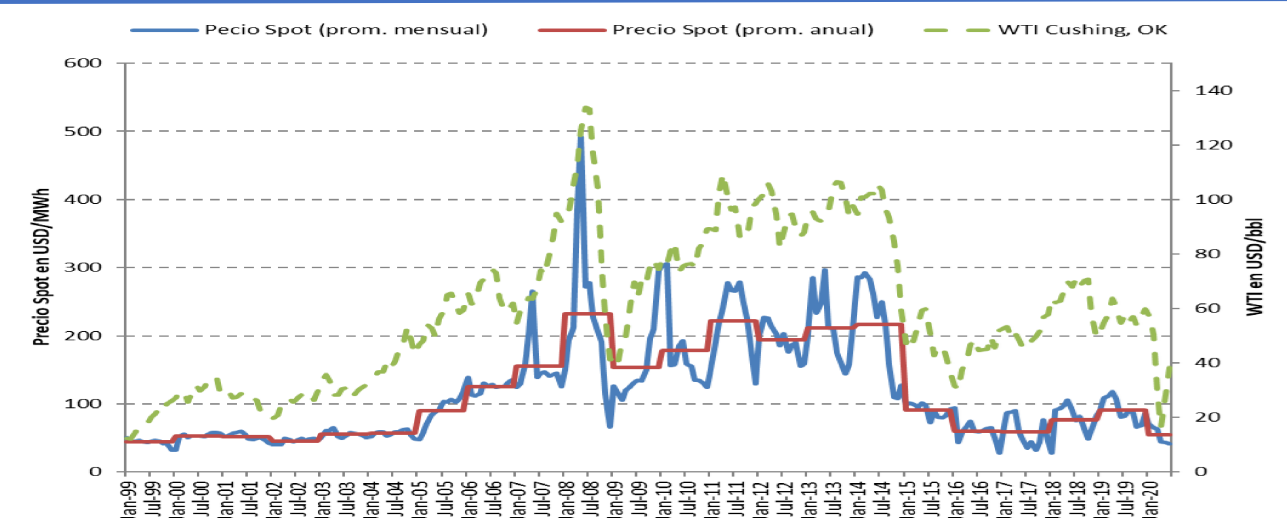
System Demand - 10215 GWh (2020)



Generation by Technology (%)



Evolution of Historical Spot Prices (USD/MWh)



Source: Prepared by Grupo Mercados Energéticos Consultores

# 3.4. Guatemala - Regulatory Framework and Market Operation





Highly competitive market with very low state participation.

## Market Operation

### Generalities:

- **Type of dispatch:** Cost-efficient (financial contract market and physical market).
- **Market Products:** Energy, Power, Electric transmission services, Auxiliary services. Exports to Mexico and the Regional Electricity Market.
- **MEM operations are carried out in the following markets:** the Spot Market for energy transactions, LP Contract Market and Power Deviation Market (CP Market).

### Market Products

Description	Bilateral Contract	Public Procurement
Energy 	✓	✓
Capacity 	✓	✓
Auxiliary Services 	✓	✓
Transport 	✓	✓
Commercialization 	✓	N/A

## Agents and Market Participants

				
<b>98</b>	<b>11</b>	<b>3</b>	<b>21</b>	<b>8</b>
Generators	Carrier	Distributors <b>12</b> Municipal Companies	Marketers	Large Users

## Institutional Framework

Energy Policy



Planning



Power Regulation



Power Operation



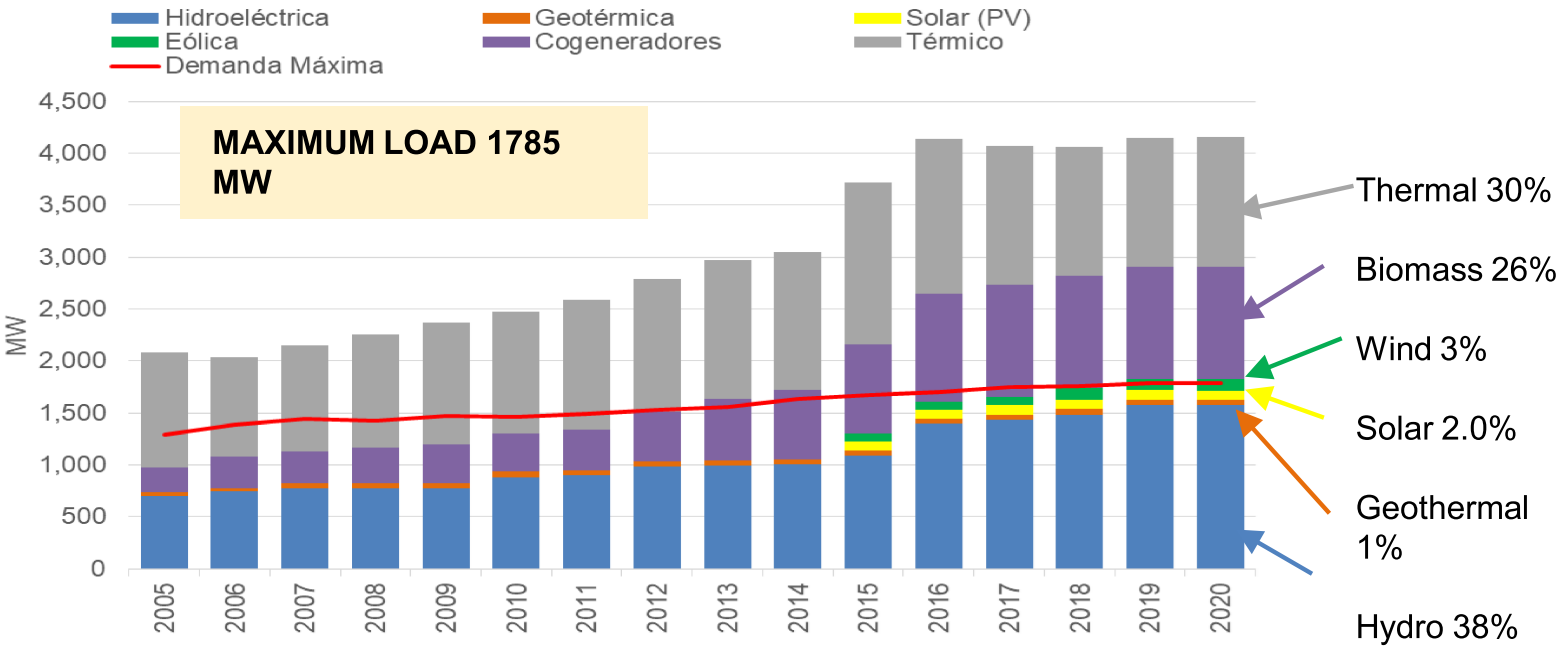
- **Generation:** Hydro, thermal and biomass generation in the MEM.
  - Small renewable generators: 40 companies with small hydro, solar and wind generators.
- **Distribution:** Empresa Eléctrica de Guatemala, Energuate (formerly Distribuidora de Electricidad de Occidente and Distribuidora de Electricidad de Oriente) and 12 Local Distributors.
- **Transportation:** (minimum transmission capacity of 10 MW)
- **Commercialization:** (minimum negotiated capacity, 5 MW)
- **Large Users** in the MEM (consumption capacity of 100 kW and higher)

# 3.4.

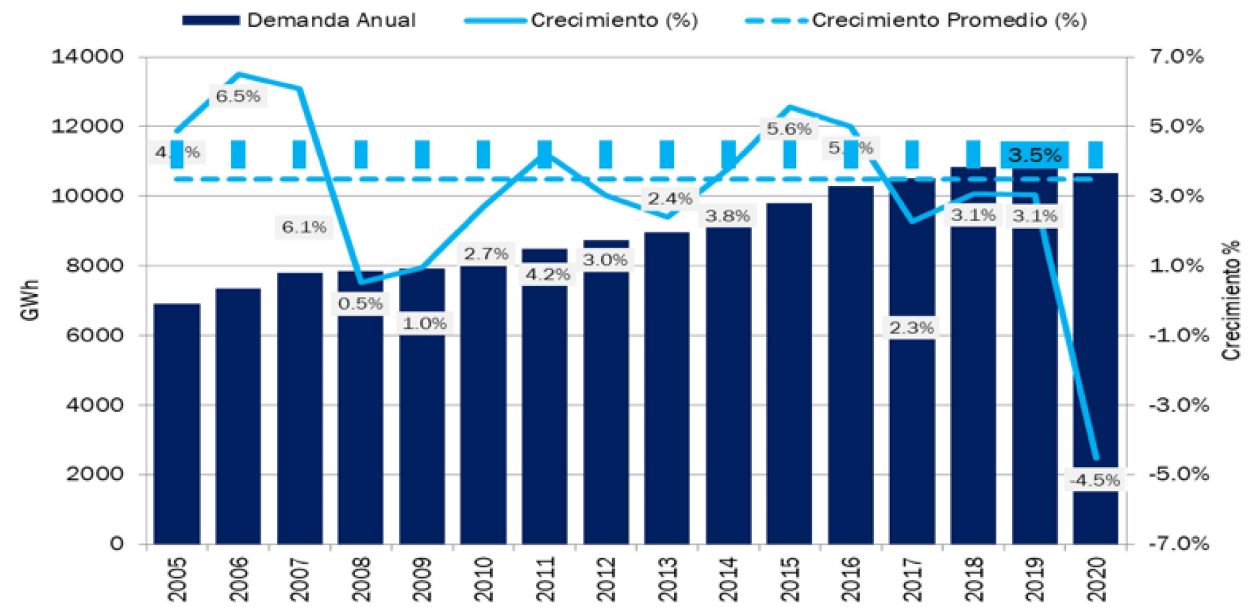
## Guatemala - Market Context

Market with thermal and biomass participation (bagasse), and much potential for demand growth.  
Energy price is mainly driven by oil.

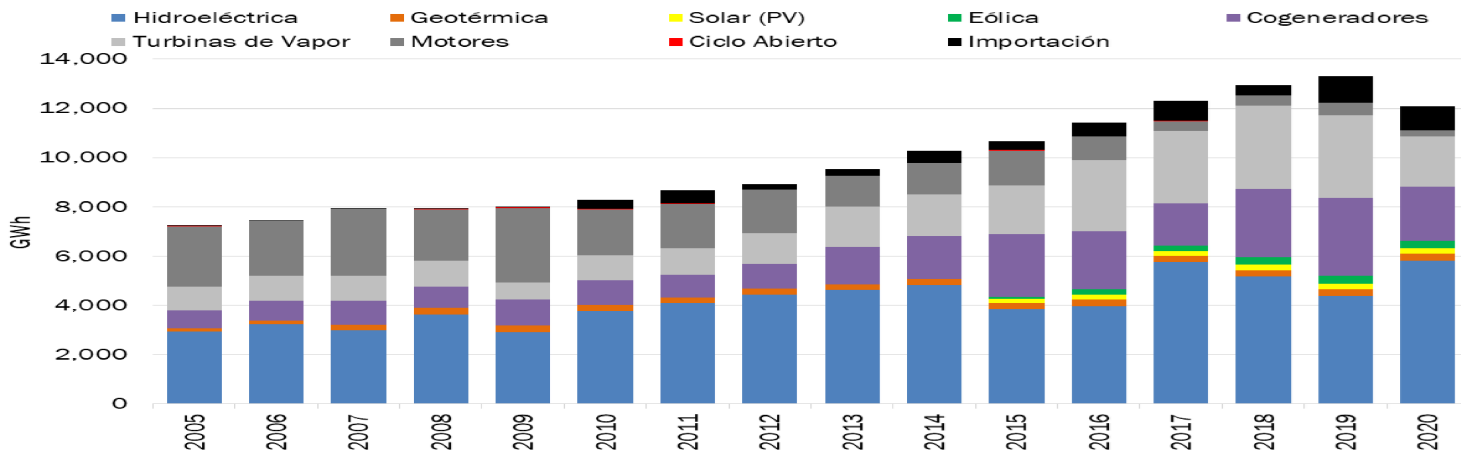
Installed Capacity By Technology (%) - 4153 MW (2020)



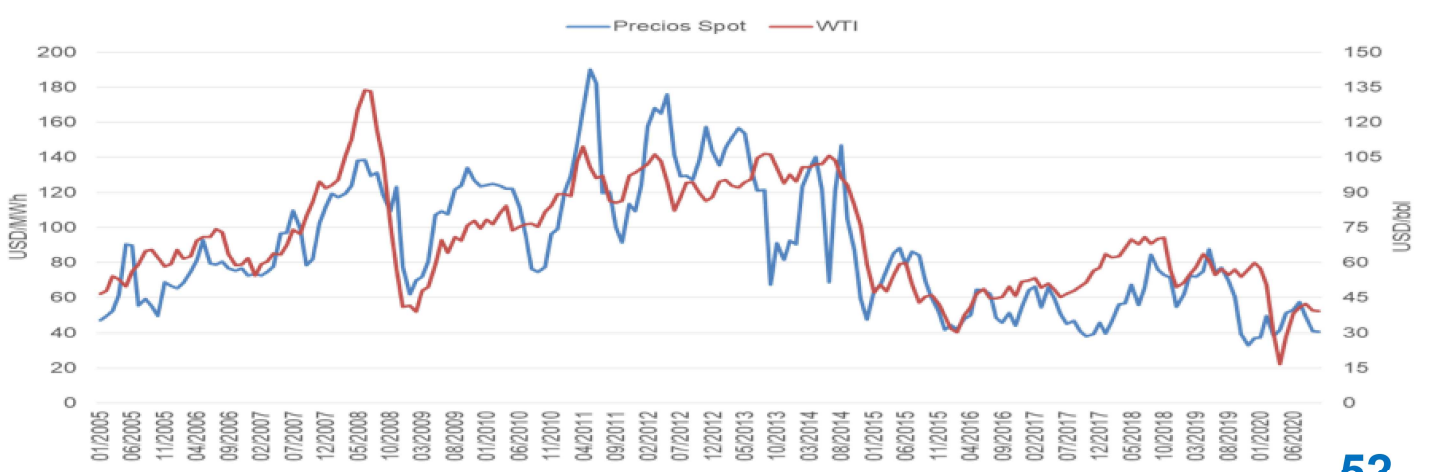
System Demand - 10,673 GWh (2020)



Generation by Technology (%)



Evolution of Historical Spot Prices (USD/MWh)



Source: Prepared by Grupo Mercados Energéticos Consultores

# 3.4. Costa Rica - Regulatory Framework and Market Operation

Highly regulated market with private participation only in generation.

## Market Operation

### Generalities:

- **Type of dispatch:** ICE manages the dispatch of energy, seeking to **optimize the profitability of the company and not market costs.**
- **Market Products:** Energy and Power.
- **Energy compensation:** ICE is the sole purchaser for private plants.

### Market Products

Description	Bilateral Contract	Public Procurement
Energy 	✗	✓
Capacity 	✗	✓
Auxiliary Services 	✗	✗
Transport 	✗	✗
Commercialization 	✗	N/A

## Institutional Framework

Energy Policy



Planning



Power Regulation



Power Operation



## Agents and Market Participants



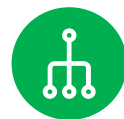
37

Generators  
(20% private)



1

Carrier



3

Distributors  
(ICE)

5

Cooperatives

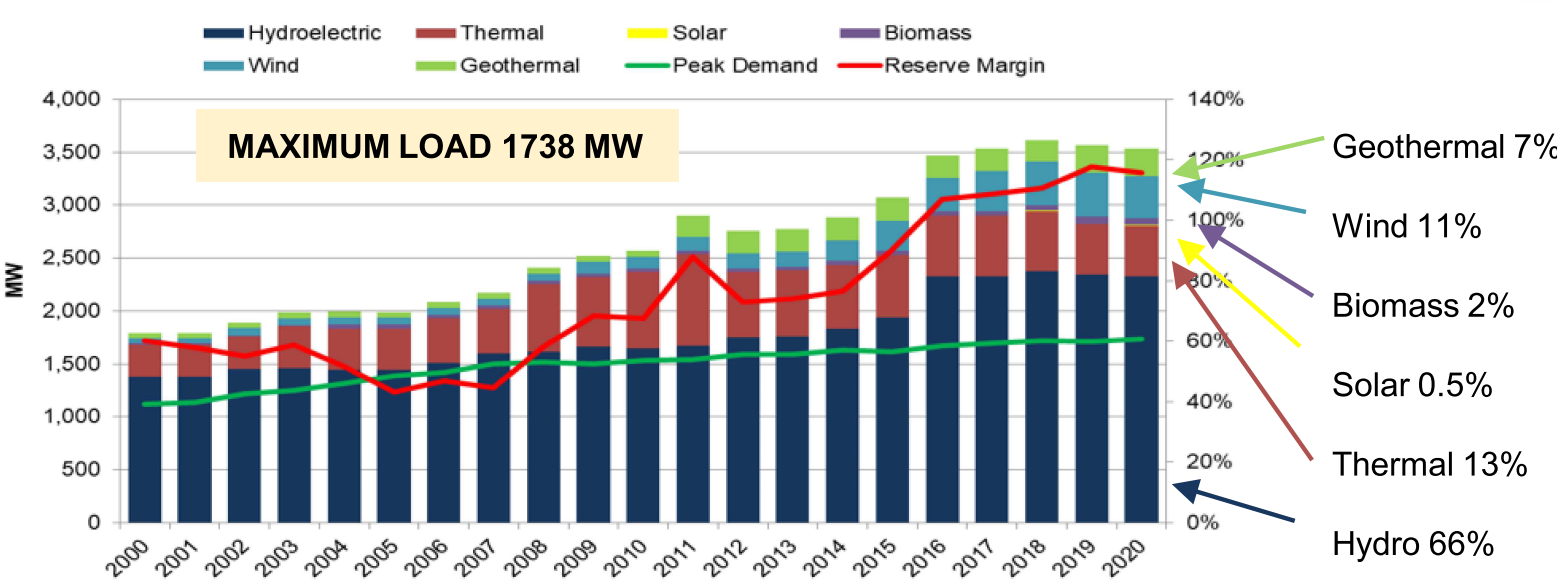
- **Generation:** The generation segment is shared by state company ICE (69% of installed capacity), other state self-generation companies in (11%) and private generators (20%). Private generators, through long-term contracts, provide energy to ICE.
- **Transmission:** Operated, expanded and planned by the state company ICE.
- **Distribution:** The participation of Grupo ICE (ICE and CNFL) in 2018 was 76.7% in terms of customers served and 77.8% of total sales in the country. The remaining demand is served by distributors JASEC (Cartago) and ESPH (Heredia), as well as another 5 cooperatives.

# 3.4.

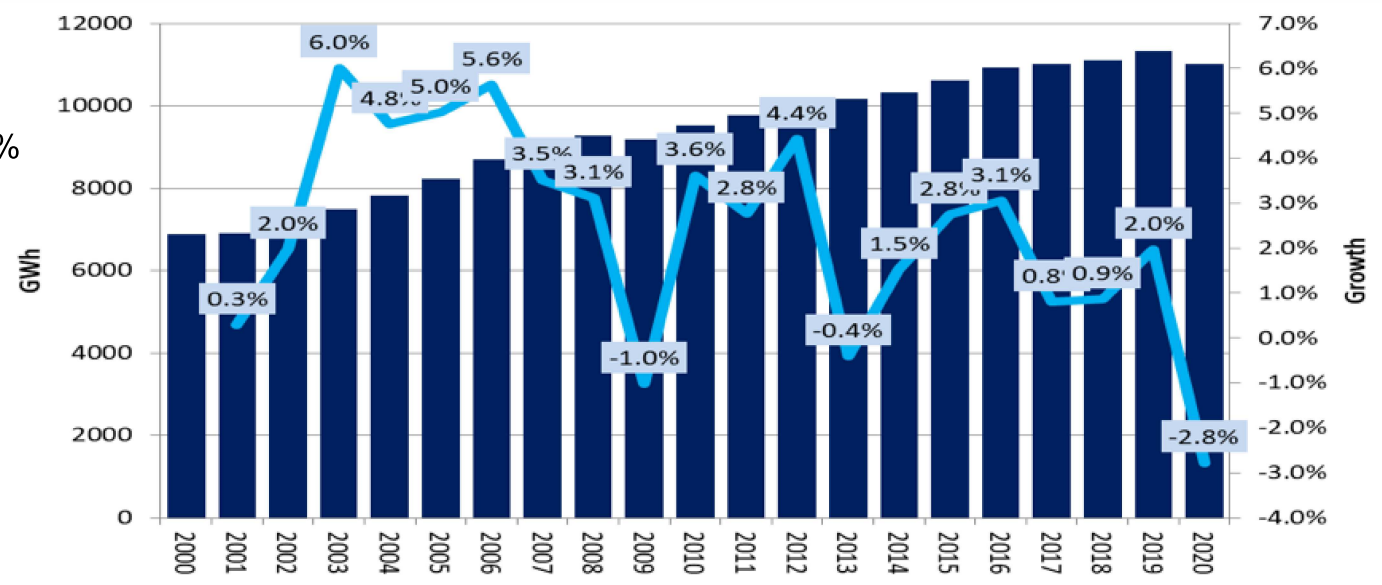
## Costa Rica - Market Context

A market based on renewable energies with low growth potential.

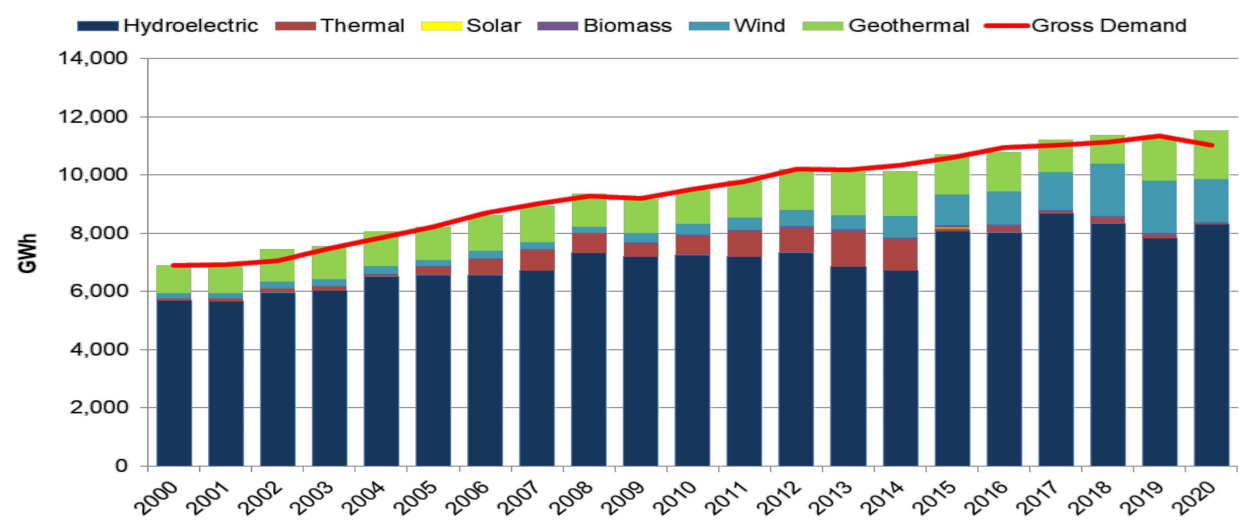
Installed Capacity By Technology (%) - 3537 MW (2020)



System Demand - 11020 GWh (2020)



Generation by Technology (%) - Hydropower 72%



Price Evolution (USD/MWh) - There is no spot market

- ICE manages the dispatch of energy and seeks to **optimize the costs of the company and not the market.**
- In Costa Rica, **there is no spot market** for generators to sell their energy production. Electricity prices are the result of supply contracts through bidding processes. Private generators sell their production to ICE at regulated prices calculated by the ARESEP regulatory authority. The contracts are generally for 20 years.
- **The wholesale market does not exist in Costa Rica** and the level of openness is low because the Costa Rican electricity sector is based on a non-competitive market model. From a historical point of view, electricity production has depended on state-owned companies, with ICE as the dominant player in the generation and distribution segments and the sole player in the transmission segment.

Source: Prepared by Grupo Mercados Energéticos Consultores

# 3

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## 3.5

# Business plan.

GEB has carried out detailed due diligence on the assets, including a review of the business plan of companies subject to the merger.

### Perimeter of the Transaction

- An assessment was performed for the companies subject to the merger:
  - Emgesa: 3.5 GW of capacity according to the existing portfolio of assets
  - Codensa: Distribution business incorporating investment plans and the regulatory remuneration system for distribution and marketing activities. Furthermore, business plans for related businesses (Crédito Fácil, ENEL X, and others) are incorporated.
  - EGP Colombia: Assets in operation (El Paso - 69 MW) and assets with energy sales contracts or Firm Energy Obligations (La Loma - 187 MW, Windpeshi 205 MW, Guayepo 1 and 2 - 526 MW and Chemesky and Tumawind - 300 MW).
  - EGP Panama: Fortuna (300 MW), portfolio of existing solar parks (7 parks - 62 MW) and projects that come into operation between 2021 and 2022 (3 parks - 70 MW).
  - EGP Guatemala: Existing asset portfolio 164 MW, divided into 4 hydroelectric power plants.
  - EGP Costa Rica: Existing asset portfolio 81 MW, divided into 3 hydroelectric power plants.
- Additionally, EGP Colombia and EGP Centroamérica have a portfolio of projects in early stages of development that are part of the perimeter of the transaction.

### Business Plan

- As a result of due diligence, detailed financial models were built by the Company, mainly with the following information:
  - Industrial Business Plan for each company developed by ENEL for 2021-2025 and 2020-2024 (Central America)
  - Information made available by ENEL through the virtual data room. Meetings and presentations with ENEL on the different business areas.
  - Projections of demand, prices, O&M and investments, developed by Grupo Mercados Energéticos (GME) based on the information made available by ENEL.
  - Financial statements available (preliminary for 2020) and consolidation exercises developed by Deloitte.
  - Due diligence reports prepared by Posse Herrera Ruíz, Deloitte and Grupo Mercados Energéticos (GME).

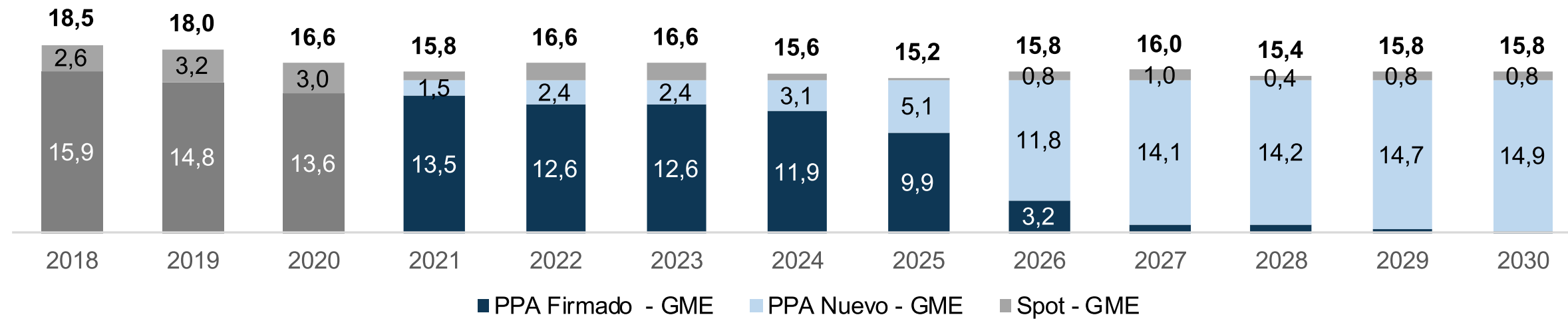
# 3.5

## Plans for the near future

### Emgesa

#### Sale of Energy

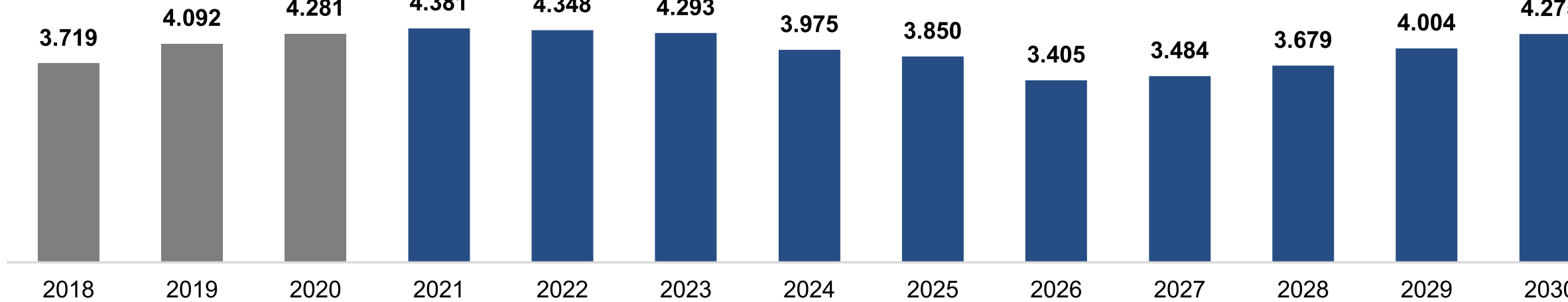
TWh



CAGR '20 -'30  
**-0.5%**

#### Revenues

COP 000 million



CAGR '20 -'30  
**0.3%**

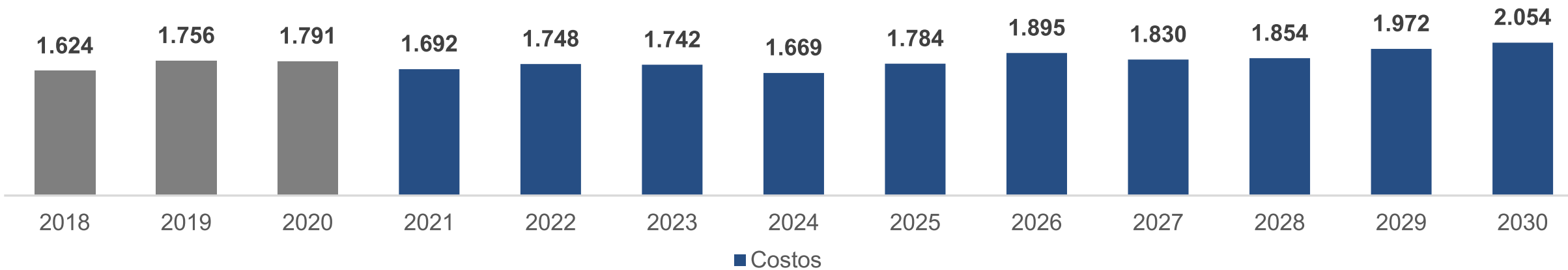
# 3.5

## Plans for the near future

### Emgesa

#### Costs and OPEX

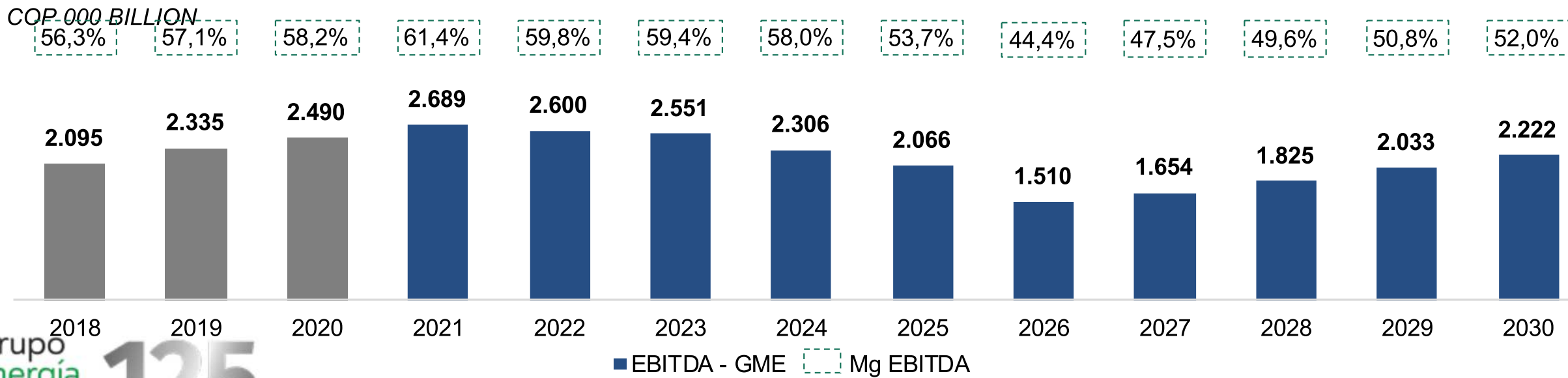
COP 000 BILLION



CAGR '20 -'30  
1.4%

#### EBITDA<sup>1</sup>

COP 000 BILLION



CAGR '20 -'30  
-0.7%



Source: GEB and DD Advisors (1) Includes GMF Expenses

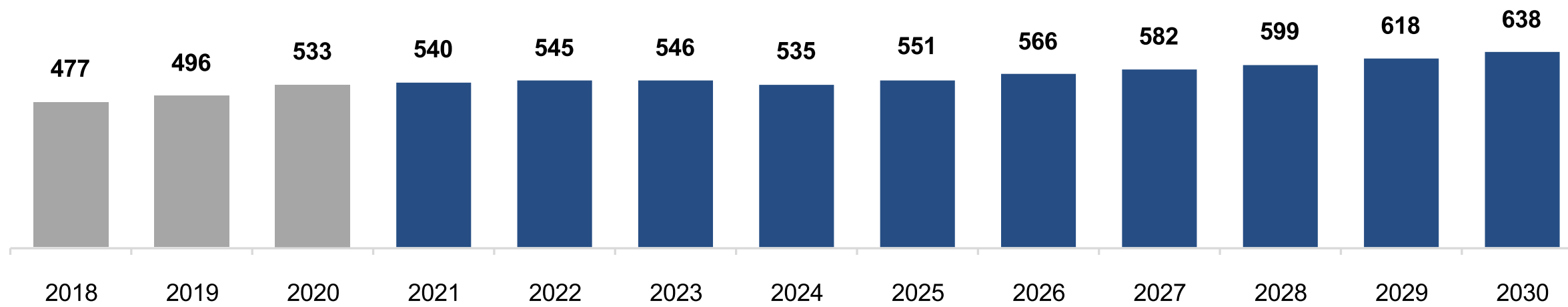
# 3.5

## Plans for the near future

### Codensa

#### Tariff - CU

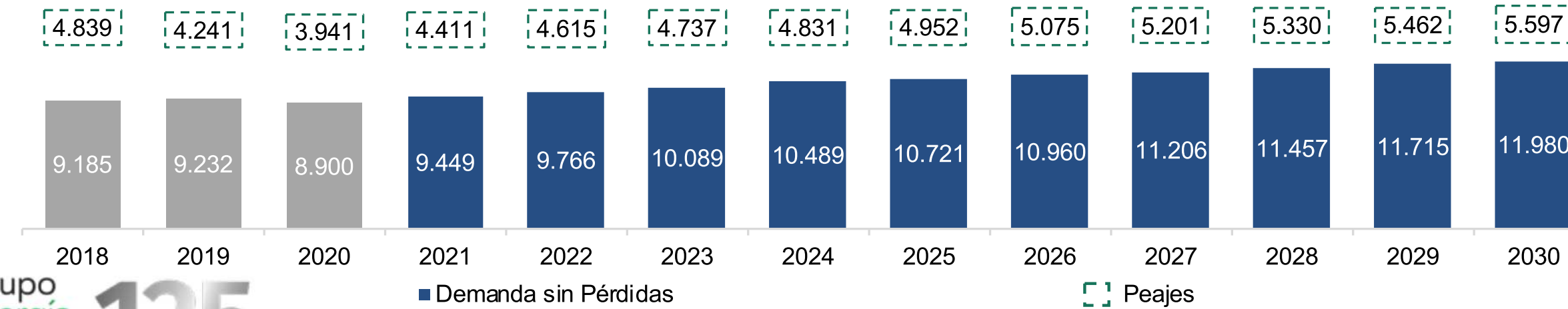
COP/KWh



CAGR '20 -'30  
1.8%

#### Energy Demand

GWh



CAGR '20 -'30  
3.0%



Source: GEB and DD Advisors

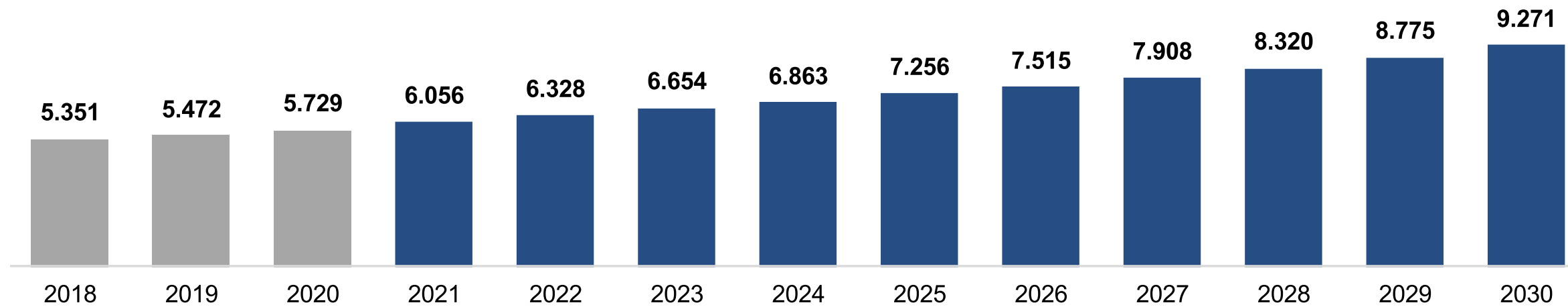
# 3.5

## Plans for the near future

### Codensa

#### Income<sup>1</sup>

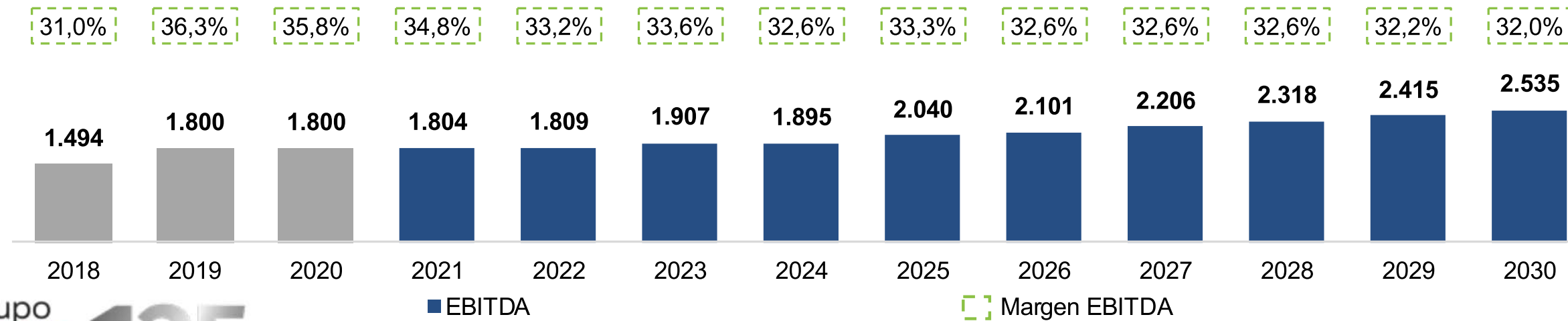
COP 000 million



CAGR '20 -'30  
4.9%

#### EBITDA<sup>2</sup>

COP 000 million



CAGR '20 -'30  
3.5%

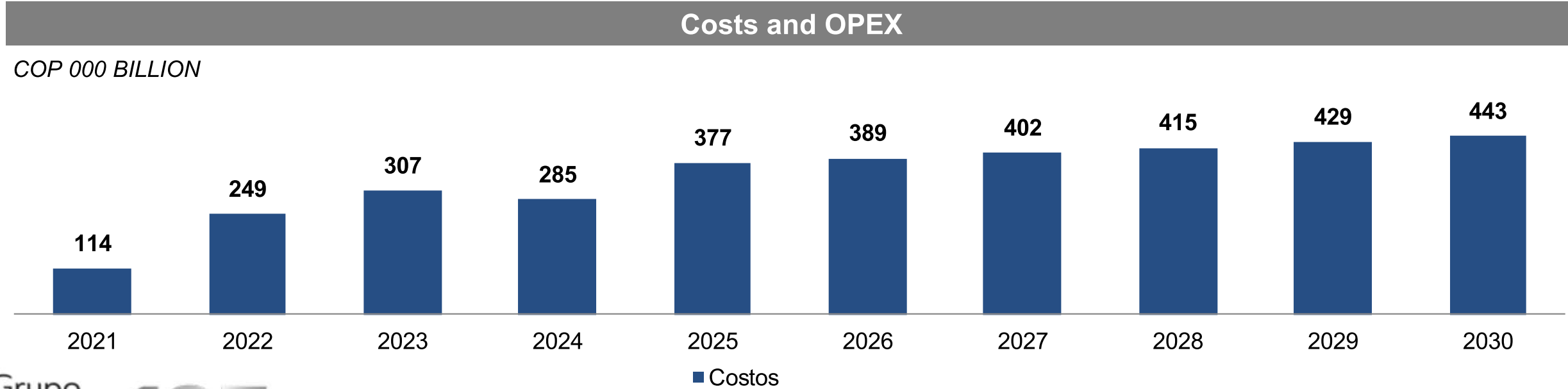
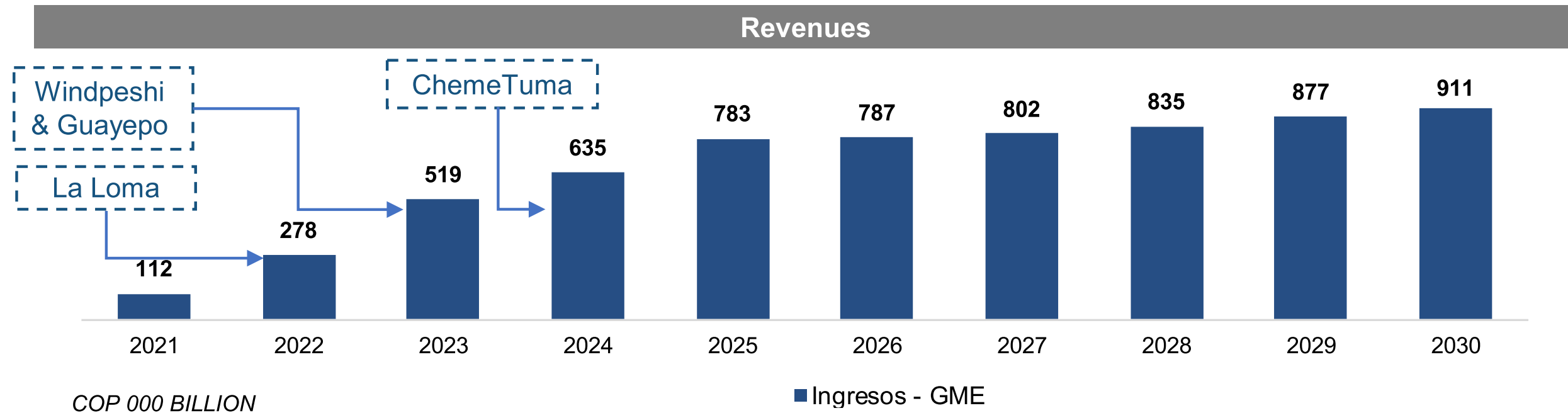


Source: GEB and DD Advisors (1) Including Other Businesses (2) Net of Provision

# 3.5

## Plans for the near future

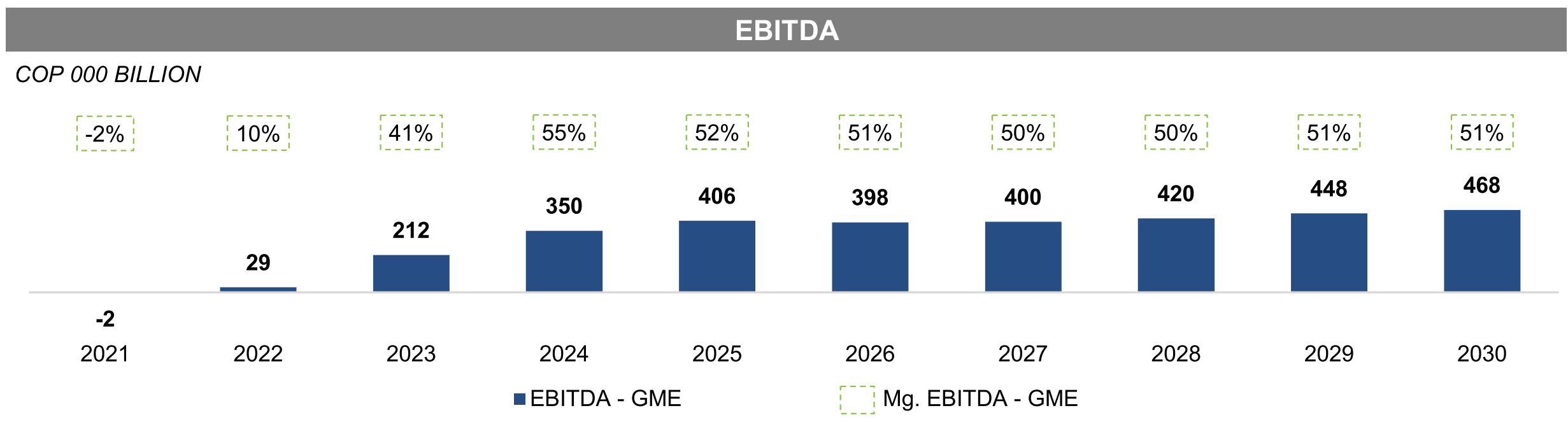
### EGP Colombia



# 3.5

## Plans for the near future

### EGP Colombia



Source: GEB and DD Advisors

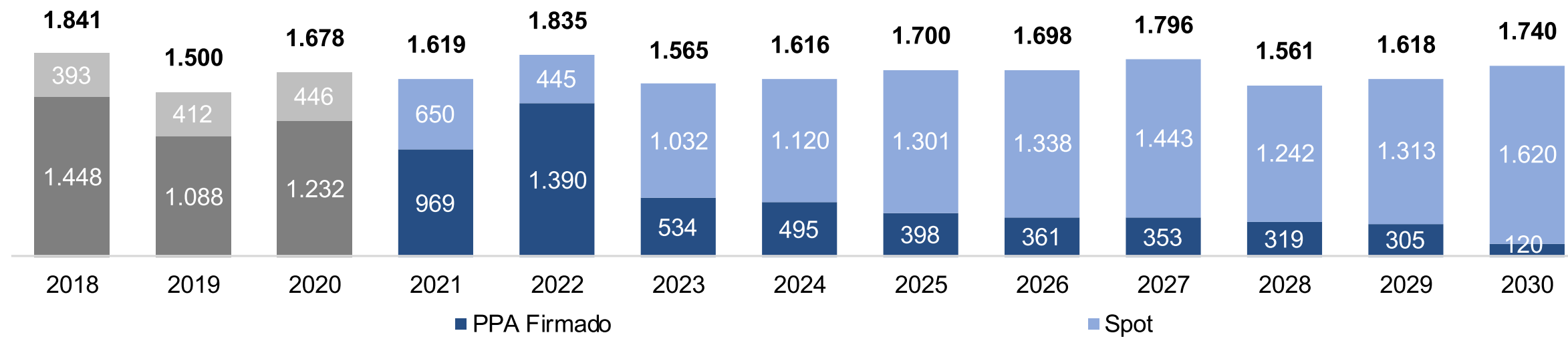
# 3.5

## Plans for the near future

### EGP Panama

#### Sale of Energy

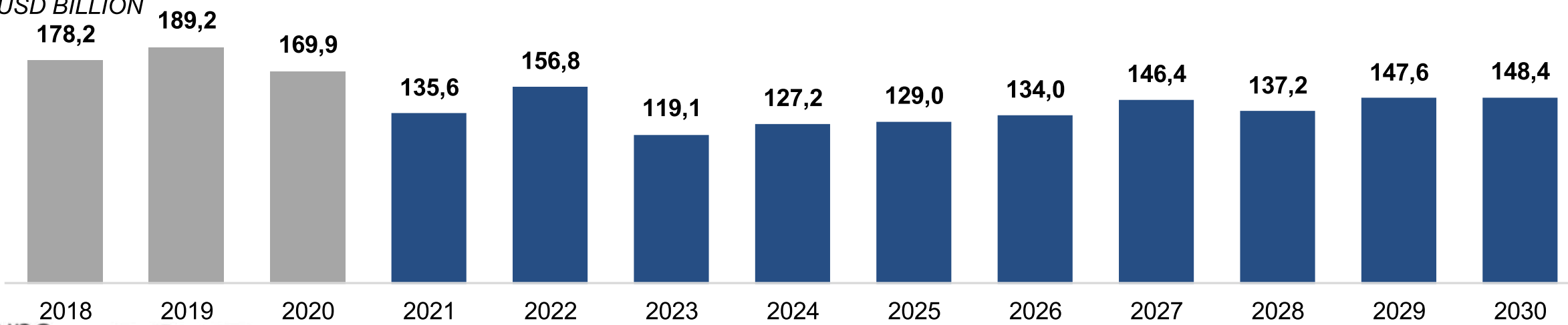
GWh



CAGR '20 -'30  
**0.4%**

#### Revenues

USD BILLION



CAGR '20 -'30  
**-1.3%**



Source: GEB and DD Advisors



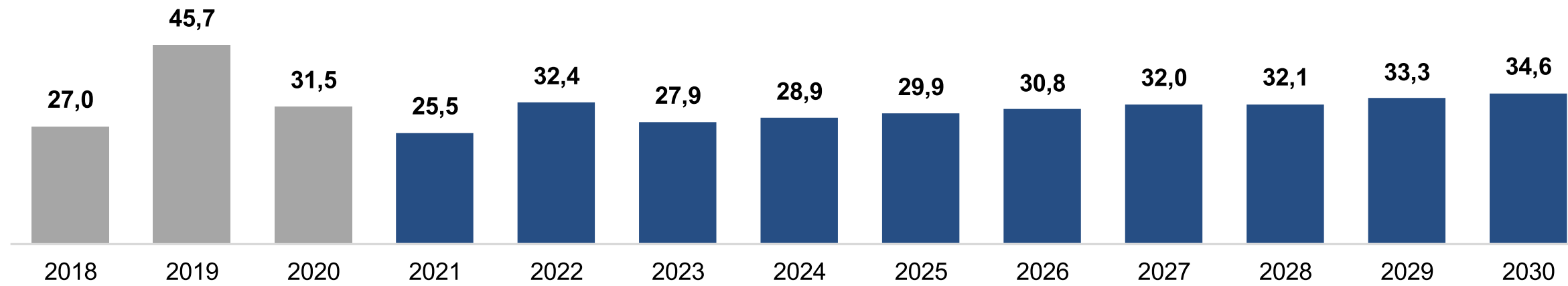
# 3.5

## Plans for the near future

### EGP Panama

#### Costs and OPEX

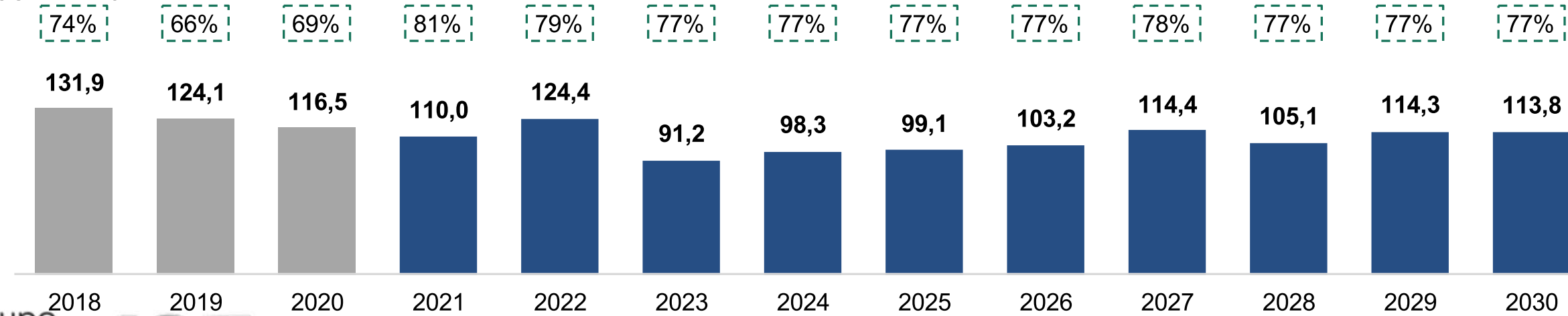
USD BILLION



CAGR '20 -'30  
**0.9%**

#### EBITDA

USD BILLION



CAGR '20 -'30  
**-0.2%**



Source: GEB and DD Advisors

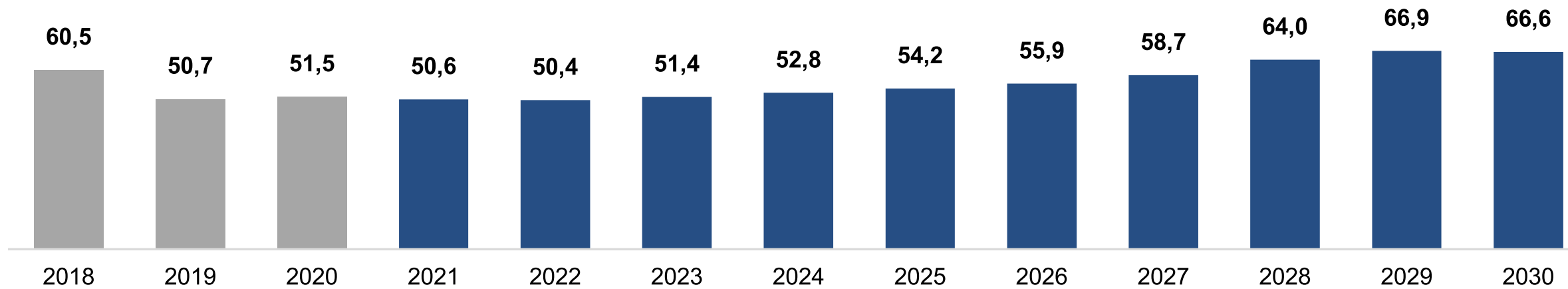
# 3.5

## Plans for the near future

### EGP Guatemala

#### Revenues

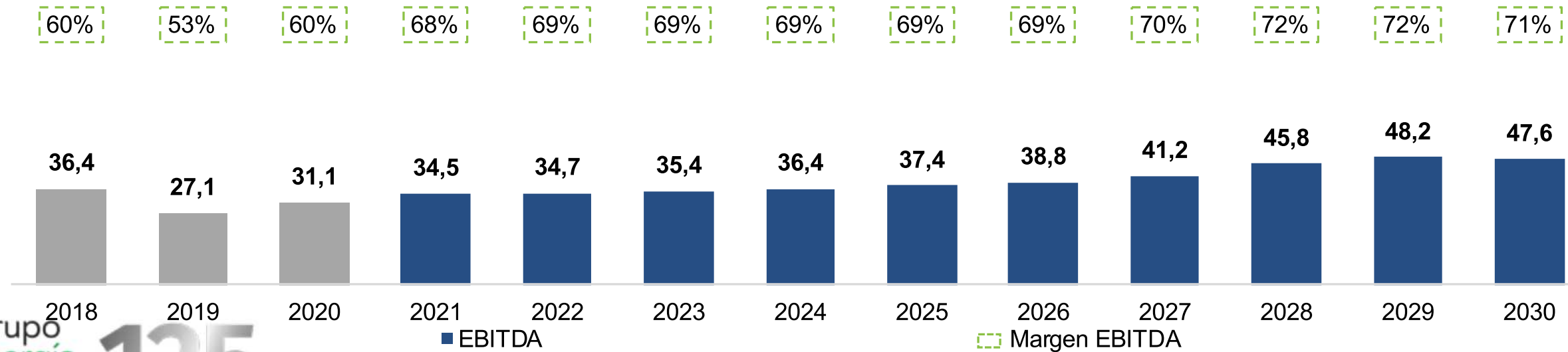
USD BILLION



CAGR '20 -'30  
2.6%

#### EBITDA

USD BILLION



CAGR '20 -'30  
4.4%



Source: GEB and DD Advisors

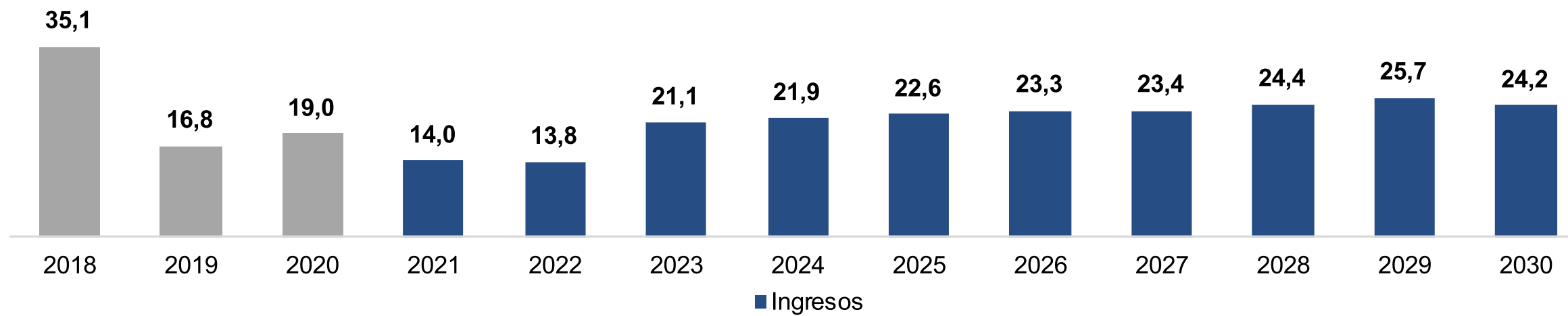
# 3.5

## Plans for the near future

### EGP Costa Rica

#### Revenues

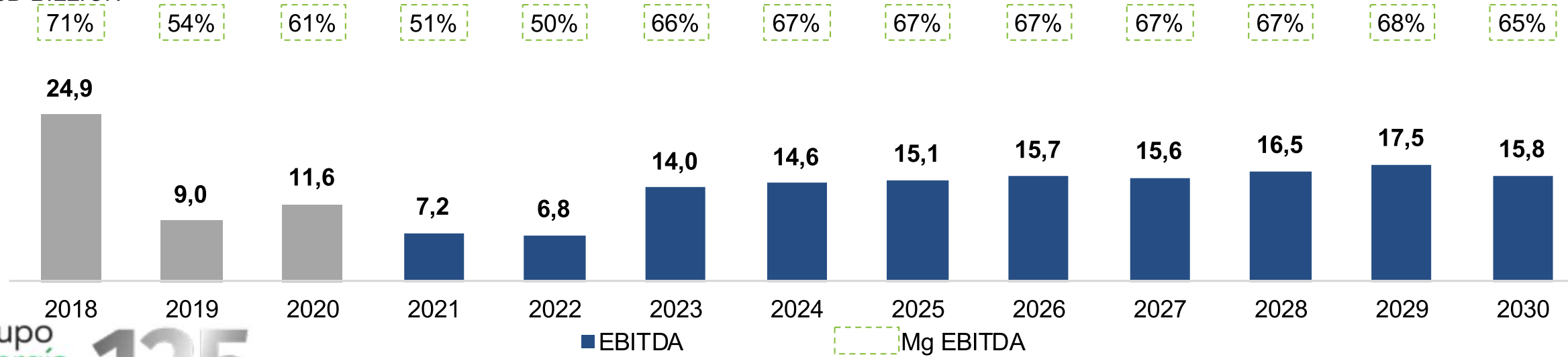
USD BILLION



CAGR '20 -'30  
2.5%

#### EBITDA

USD BILLION



CAGR '20 -'30  
3.2%



Source: GEB and DD Advisors

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# 3.6

## Valuation Methodology

Inverlink-UBS developed a valuation in order to quantify a range of fair and market value of the terms of trade resulting from the merger.

Leveraged Cash Flow Discount / Equity

Multiples of Comparable Companies and Transactions

- Main Valuation Methodology: Leveraged Cash Flow Discount (to shareholder)
  - Valuation Date: December 31, 2020, locked-box mechanism as reflected in the transaction documents.
    - Locked-box mechanism: Between December 31, 2020 and the closing date of the merger, the Companies must operate within the ordinary course of business and must not make profit distributions to their shareholders, except for extraordinary dividends to be decreed by Emgesa and Codensa prior to the fusion.
  - Discount rate:
    - Range of Cost of Capital Equity (Ke) estimated based on the CAPM methodology (*Capital Asset Pricing Model*). Projection Period: 2021 – 2040
    - Discounting of flows was performed in the functional currency of each asset (COP for Emgesa, Codensa and EGP Colombia, USD for the assets of ESSA 2).
  - Terminal value according to the useful lives of each asset and specific characteristics of the concession/licenses/permits of each company.
  - The following aspects are incorporated into the value range resulting from discounting the leveraged cash flows:
    - Pension Liabilities and Provisions according to Financial Statements as of December 31, 2020.
    - Quantified contingencies resulting from due diligence.
    - Preferred dividends of GEB's preferred shares in Emgesa and Codensa<sup>1</sup>
    - The present value of the capitalization to be performed by ENEL to EGP Colombia.
    - Cash and equivalents as of Dec 31, 2020 and the present value of dividends to be decreed by Emgesa and Codensa Pre-Merger (COP \$ 2.95 trillion).
    - Adjustment for brand expenses in favor of GEB worth COP 4.847 BILLION.
- 
- Methodology for comparing market valuation multiples of listed companies and comparable transactions in the sectors and regions of operation of the companies subject to the merger.
    - Primarily hydroelectric generation companies in Latin America
    - Primarily renewable energy generation companies Global
    - Primarily energy distribution companies in Latin America
  - This methodology is used as a reasonableness check.

# 3.6

## Construction of the Discount Rate

### Methodology for Estimating the Discount Rate

$$K_e = R_f + ERP \times \beta_l + \text{Country Risk}$$

Risk-free Rate	▶	Daily average of the last 30 days of the US Treasury Bond (10 years) (04/29/2021)	
Beta Leveraged	$B_u$	▶	Unlevered Beta of Comparable Companies (See Annex) (04/29/2021)
	$D/E^2$	▶	Implicit Capital Structure of the Companies
	$T_x$	▶	Income Tax Rate of each country
	$B_l$	▶	Levered Beta considering capital structure and tax shield
Equity Risk Premium	▶	Arithmetic difference between returns of equities and US sovereign bonds (Damodaran 01/29/2021)	
Country Risk	▶	EMBI+ daily average of the last 30 days (04/29/2021)	
<b>Cost of Equity <math>K_{e(USD)}</math></b>	▶	<b>Capital Asset Pricing Model</b>	
Devaluation	▶	Long-term Inflation Difference Focus Economics and CBO (April - 2021)	
<b>Cost of Equity <math>K_e</math> (COP)</b>	▶	<b>Capital Asset Pricing Model</b>	
<b><math>K_e</math> CFC</b>	▶	<b>CAPM methodology, adjusting levered beta to 1.12 according to CFC comparables.</b>	

emgesa		codensa		enel Green Power	
CO	EC	CO	EC	GR	CR
1.64%					
0.65	0.63	0.59	0.65	0.65	0.65
4.6%	32.4%	11.4%	5.7%	7.9%	68.4%
30%	30%	30%	29% <sup>1</sup>	25%	30%
0.67	0.78	0.65	0.68	0.69	0.96
6.4%					
2.2%		1.6%		2.3%	4.8%
7.7% - 8.7%	8.3% - 9.3%	7.7% - 8.2% <sup>3</sup>	7.1% - 8.1%	7.8% - 8.8%	12.2% - 13.2%
0.9%		N.A.			
8.7% - 9.7%	9.3% - 10.3%	8.7% - 9.2% <sup>3</sup>	N.A.		
N.A.	11.6% - 12.6% (COP)	N.A.			

Note: Discount Rates in Current terms (1) Rate weighted by installed capacity rate applicable to Fortuna (30%) and Solar (25%) (2) Capital Structure according to current debt conditions for each company financing the expected CAPEX and limiting box entrapments (3) Assumes a range of +/- 0.25%  
 Source: CapitalIQ, FED, Damodaran, FocusEconomics

# 3

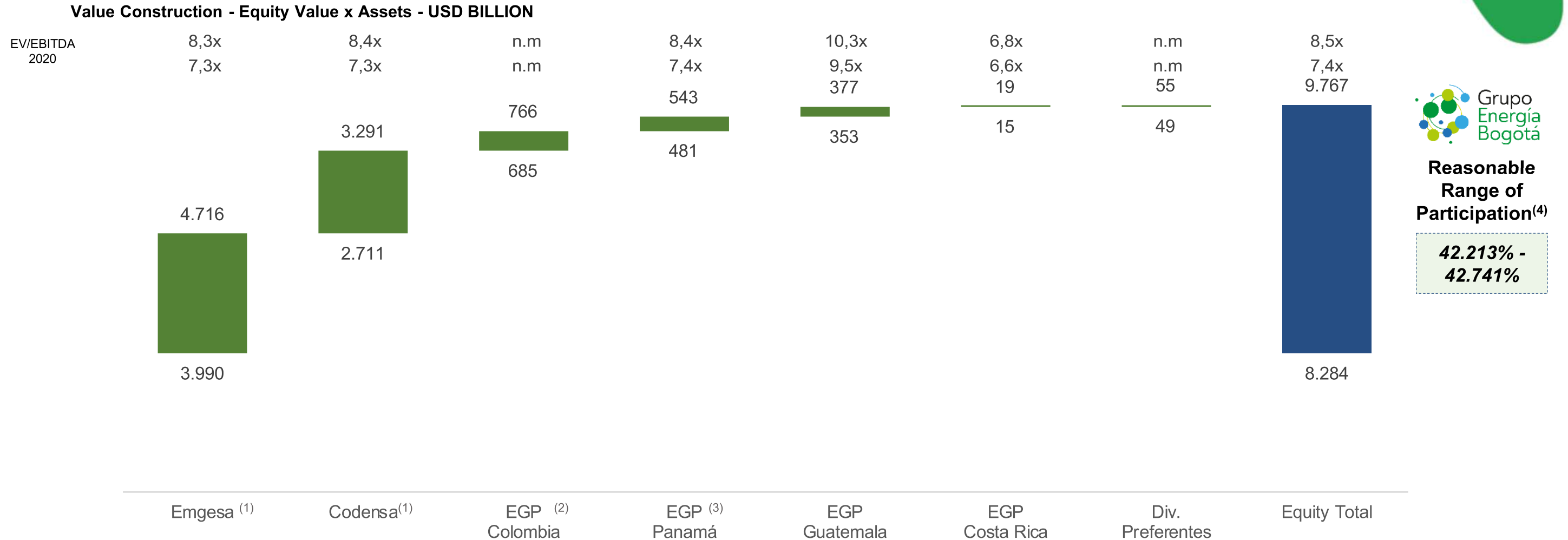
## The Transaction

1. Description of the Transaction
2. Process Advisors for GEB
3. Description of Assets
4. Summary of markets and regulatory framework
5. Financial Forecasts
6. Valuation Methodology
- 7. Valuation and Terms of Trade**
8. Fairness Opinion BBVA

# 3.7

## Range of the Terms of Trade

- The valuation exercise carried out by GEB and its advisors corresponds to their own determination of the range considered reasonable for the exchange relationship - Basis for redefining the investment in Emgesa and Codensa.
- For approval in the Corporate Governance instances of Emgesa and Codensa, said companies will present their own valuation exercise.



Based on the performed analysis, a range of participation by Grupo Energía Bogotá of between 42.213% - 42.741% is considered, based on the estimated equity contributions of ENEL, GEB and minority shareholders in each Company.

(1) Net value of GEB Preferred Shares, including Crédito Fácil Codensa. Includes discount of the Present Value of the dividends to be paid prior to the merger worth ~ USD 482 BILLION for Emgesa and ~USD 318 BILLION for Codensa (as of Dec 31, 2020).

(2) Valuation includes the sum of the Present Value of the capitalization to be carried out by ENEL to EGP Colombia worth ~USD 565 BILLION, which represents the present value of the current value of the capitalization of COP 2.175 Trillion based on the expected dates of capital injection. Capex invested to date (12/31/2020) of EGP Colombia worth \$450.475 BILLION.

(3) Net of minority interest, Panamanian State

(4) Includes adjustment and compensation of expenses incurred in the brand of ENEL to GEB worth \$4.847 BILLION

**Note: TRM COP/USD 3,433; Valuation Date 12/31/2020**





# 3

## The Transaction

1. Description of the Transaction
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8. **Fairness Opinion BBVA**

The logo for BBVA, consisting of the letters 'BBVA' in a bold, blue, sans-serif font.

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Management hired BBVA to issue an independent Fairness Opinion on the terms of trade resulting from the technical valuation report of the companies that will comprise the new merged structure advanced by GEB and its advisers, from a financial point of view.

# Fairness Opinion

Material prepared for:



BBVA Advisory

Private and Confidential

# Executive Summary

## General Considerations

### BACKGROUND

- Grupo Energía Bogotá S.A. ESP (hereinafter, “GEB”) has reached a preliminary agreement with ENEL Américas S.A. to carry out a **potential merger** between the companies Codensa S.A. ESP (hereinafter, “**Codensa**”), Emgesa S.A. ESP (hereinafter, “**Emgesa**”), ENEL Green Power Colombia S.A. ESP (hereinafter, “**EGP Colombia**”) And ENEL Green Power Centroamérica (hereinafter, “**EGP Centro**”) (collectively, the “Transaction”) and the creation of ENEL Colombia.
- In March 2021, GEB hired the Advisory services of BBVA Valores Colombia S.A. (hereinafter, “BBVA”), **to carry out an independent valuation and prepare a Valuation Report of ENEL Colombia in order to issue a Fairness Opinion on the terms of trade.**
- This **valuation report** (hereinafter, the “Report”) is based on the analysis of flows, in accordance with the projections and business plan of the GEB Management Team, built based on the results of the consultants hired on various fronts (technical, legal, accounting and tax) and business plans delivered by ENEL during due diligence. The above information was shared in the Financial Model of Inverlink (Advisor in the merger process of Codensa, Emgesa, EGP Colombia and EGP Centro, hereinafter, the “Advisor”) **to estimate the potential value of ENEL Colombia.**

### REPORT CONSIDERATIONS

- The Report has the **objective of providing an opinion of financial reasonableness** regarding the agreed upon **terms of trade**, as well as to compare the macroeconomic and operational assumptions from a financial point of view with the due diligence reports from experts and available public information, respectively.
- This Report is issued for the **benefit and knowledge of GEB** as a contracting entity. The content of the Report is **strictly confidential** and it may not be used for purposes other than those established in the Contract. Additionally, if it is shared with third parties, BBVA will not be liable for possible claims from them.

### REPORT CONTENT

- This document includes:
  - **Executive Summary and Conclusions**
  - **Business plan analysis** of ENEL Colombia and its main value driver
  - **Study of the main financial and macroeconomic assumptions** applied by GEB
  - **ENEL Colombia valuation ranges**, built from cash flow discount methodologies for the shareholder and comparing methodologies (valuation references by multiples)<sup>(1)</sup>
  - Ranges of the **shareholder terms of trade** of the shareholders of ENEL Colombia

Notes: (1) The valuation ranges are based on a Business Plan and the time of issuing the Valuation Report, without considering events that occur afterward.

# Executive Summary

## Tasks performed for the Valuation

### SCOPE OF THE WORK PERFORMED

- In order to determine the valuation of the Company, **GEB and Inverlink have provided financial and operational information, among others, as well as ENEL Colombia's business plan.**
  - The information has been discussed with GEB, Inverlink and other advisers (GME and Deloitte) through (i) conference calls and (ii) email exchanges.
  - BBVA acts as the issuer of a *Fairness Opinion* through which an **opinion on the reasonableness of the agreed upon terms of trade is provided.**
- To prepare this report, **BBVA relied on the following information:**
  - Historical financial and operational information provided by GEB and the Advisor
  - Internal presentations (i.e. Industrial Business Plan for Codensa and Emgesa)
  - Third party reports for developing the business plan (Grupo Mercados Energéticos Consultores - "GME," internal estimates of the Company and/or GEB's Management Team)<sup>(1)</sup>
  - Financial Model built by Inverlink for the transaction (hereinafter, "Base Case")<sup>(1)</sup>
  - Due diligence reports prepared by GME (technical advisor), Deloitte (accounting/tax advisor) and Posse Herrera Ruiz ("PHR", legal advisor)
  - Public and private information regarding transactions and prices of business units similar to the companies subject to the merger

### ADDITIONAL CONSIDERATIONS

- **This document is a version of the valuation report as of May 27, 2021.** BBVA is not responsible for events after this date that may impact the conclusion contained in this report.
- **It should be noted that BBVA has not carried out the following tasks:**
  - BBVA, in no case, has performed due diligence or audit work on the Companies or information received
  - A study of contingencies, provisions, or any type of fiscal, accounting or regulatory matters has not been performed, nor has the Company's permits been verified.
  - Likewise, this information has not been verified by an external consulting team.
  - BBVA does not issue an opinion on ENEL Colombia's business plan and its probability of success, nor has it verified it with the management of the companies subject to the merger.
  - BBVA has not analyzed the merger agreement or participated in the negotiations of the Transaction.

Notes: (1) In the event of discrepancies between the reports, with GME's assumptions, and the financial model, the information contained in the financial model is taken as the final version, as confirmed by GEB.

# Executive Summary

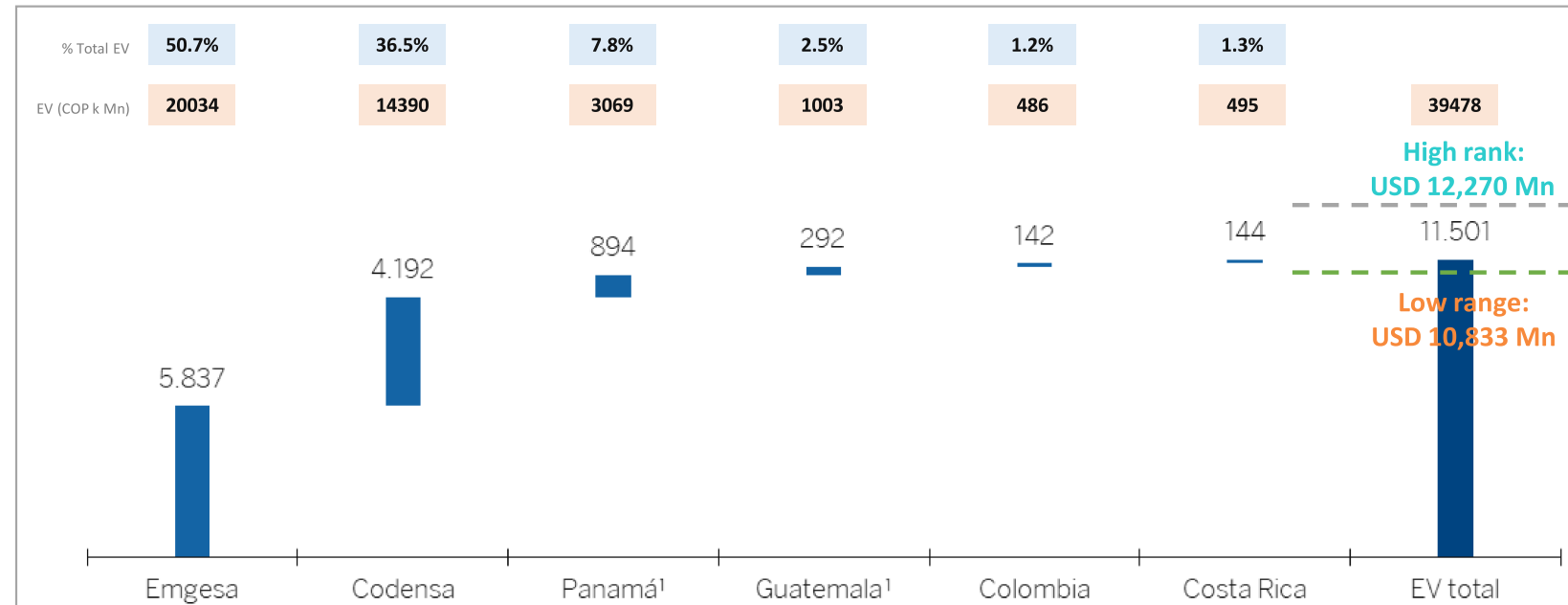
## General Considerations of the Merger

A	SCALE	<ul style="list-style-type: none"> <li>It projects ENEL Colombia as the leading generation company on the Colombian market and as a <b>platform of relevant size on a regional level</b>, with a presence in Colombia and Central America.</li> <li>An <b>integrated company</b> with Gx (conventional and renewable) and Dx operations, <b>geographically diversified in 4 countries</b>.</li> </ul>
B	DIVERSIFICATION	<ul style="list-style-type: none"> <li>It <b>diversifies GEB's asset portfolio</b> both in technology (non-conventional renewables) and geography (Panama, Guatemala and Costa Rica).</li> <li>It <b>diversifies dividend sources for GEB</b>, mitigating the risk of being present in a single geographic location.</li> </ul>
C	GROWTH	<ul style="list-style-type: none"> <li>A platform with <b>favorable future growth</b> based on unconventional generation projects, benefiting from benefits and public policies to promote sustainable investment.</li> <li>An <b>investment vehicle with clear growth prospects</b> based on a project pipeline of 1,288 MW, going from 4,199 MW to 5,487 MW, representing a 31% increase of the current installed capacity.</li> </ul>
D	KNOW-HOW AND SYNERGIES	<ul style="list-style-type: none"> <li><b>Knowledge transfer</b> for GEB in developing <b>non-conventional renewable generation projects</b>.</li> <li><b>Commercial synergies</b> in all countries as a consequence of a combination of conventional and unconventional energy.</li> </ul>
E	CORPORATE GOVERNANCE	<ul style="list-style-type: none"> <li><b>Corporate governance would be strengthened</b> at Holding level, which would allow <b>increasing efficiency in operational and investment decision-making</b> on an asset level.</li> <li><b>The relationship between GEB and ENEL would be strengthened</b>, aligning the companies' interests and having a single vehicle for <b>developing future renewable projects</b>.</li> </ul>
F	FINANCIAL FLEXIBILITY	<ul style="list-style-type: none"> <li>A <b>commercially adequate level of leverage is maintained</b> for the merged company - ENEL Colombia.</li> <li>A <b>greater financing capacity</b> with favorable conditions <b>for developing the project pipeline</b> and potential future acquisitions.</li> <li>GEB participates in <b>company growth, leveraged with capital resources from ENEL</b> (capitalization).</li> </ul>

# Executive Summary

## Valuation Summary (EV) - ENEL Colombia

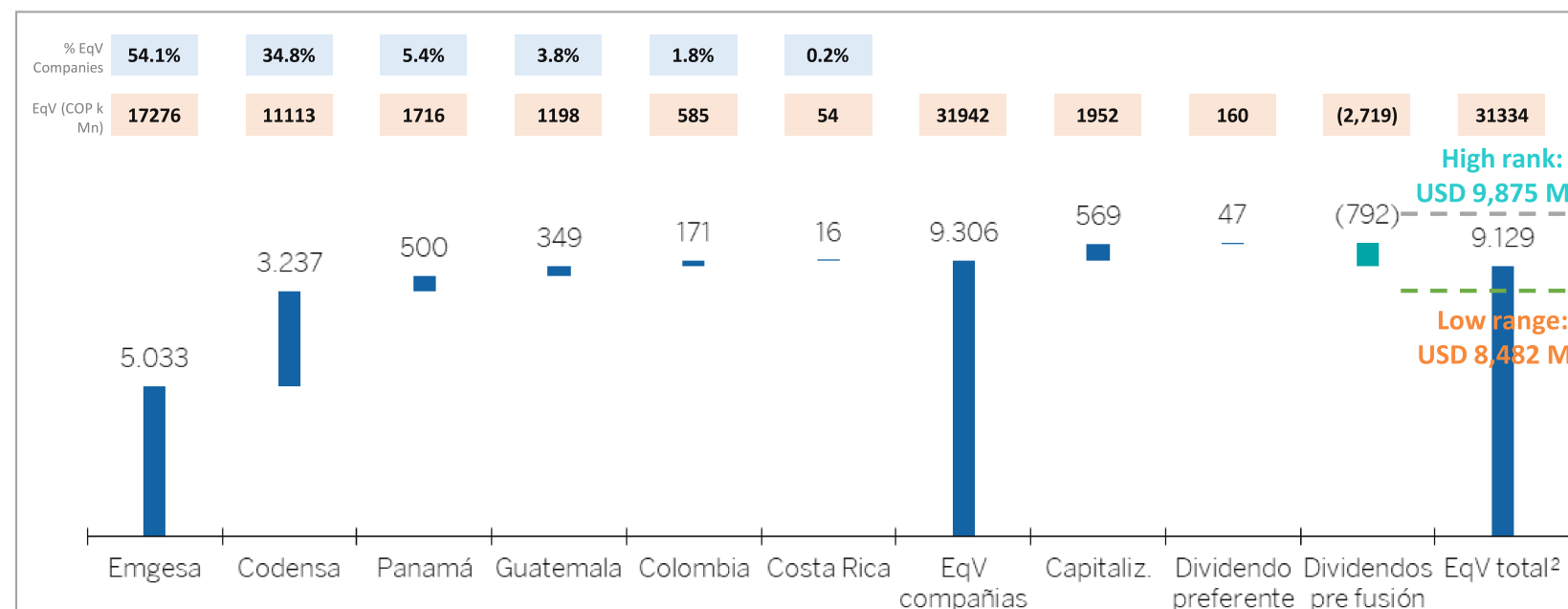
### Company value - Midpoint (USD Mn)



### Valuation Precepts

- The operating inputs used are provided by GME and Inverlink
- The capital structure is neutralized using the leverage of comparables
- Growth in perpetuity with long-term inflation
- The valuation of Panama and Guatemala includes the participation of minority shareholders in Fortuna and Tecnoguat
- The range is developed with a variation of Ke (+/- 0.5%)

### Equity Value and Total Equity Value (USD Mn)



### Considerations

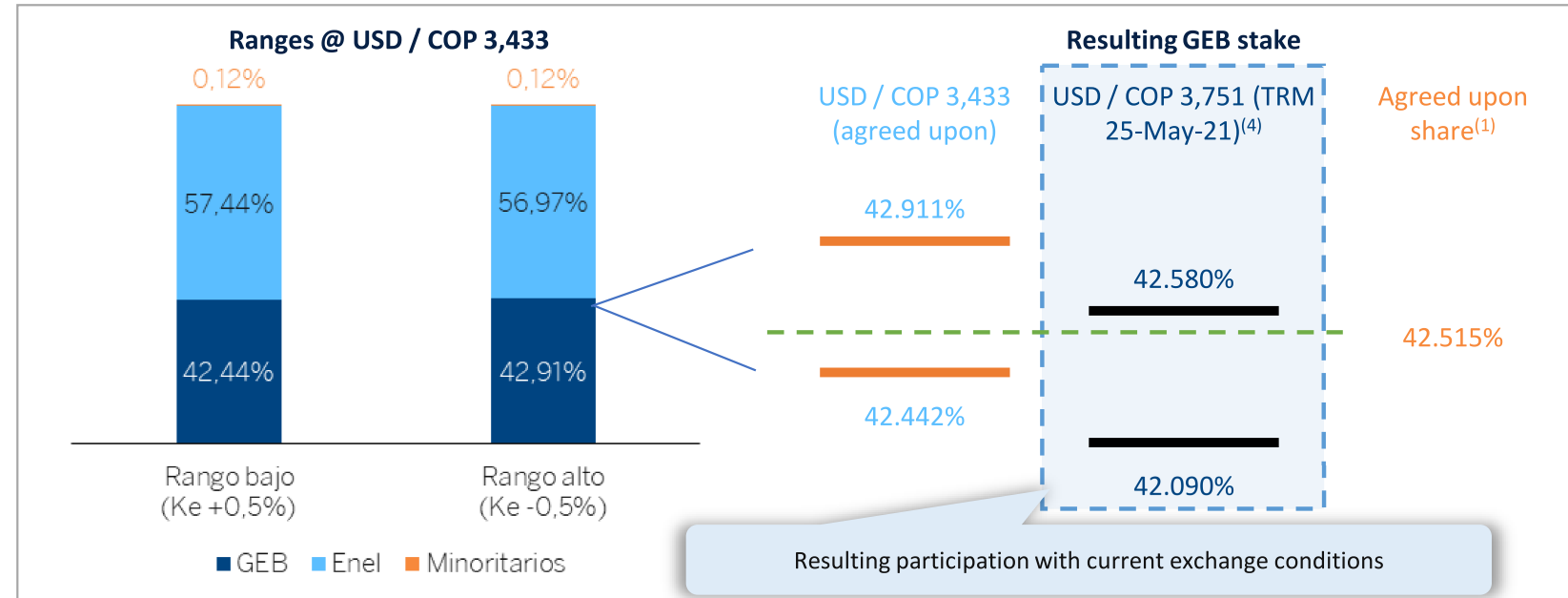
- Equity value includes adjustments to bridge equity
- The precedent conditions (capitalization of EGP Colombia and payment of 50% of the retained earnings) are adjusted in calculating the equity value of the post-merger company
- In Panama and Guatemala, there are minority shareholders who will not be part of the merged company, according to the information provided by GEB, and have been excluded from the EqV,
- The range is developed with a variation of Ke (+/- 0.5%)

Notes: (1) Includes EV of minority shareholders in Fortuna and Tecnoguat (2) Includes brand adjustment

# Executive Summary

## Terms of Trade

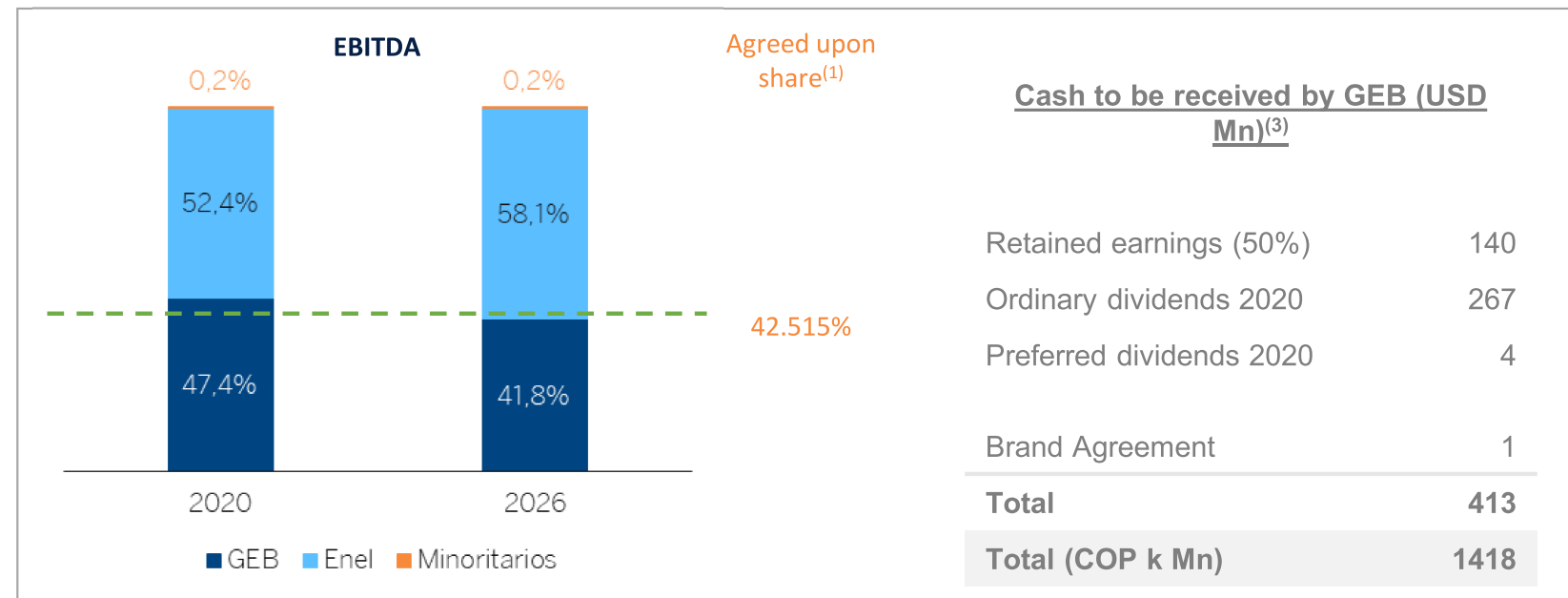
### Calculated (BBVA) and agreed upon<sup>(1)</sup> equation of exchange (by GEB and ENEL)



### Considerations

- GEB's range of participation in the exchange equation calculated with the midpoint of GME's operating assumptions, exchange rate of 3,433 (in line with what was agreed with ENEL) and a variation of +/- 0.5% in Ke
- GEB's range of participation range in the merged company (ENEL Colombia) as of the FCFE exercise, with the exchange rate as of May 25, 2021, is between 42.090% and 42.580%. With the agreed upon exchange rate, it is between 42.442% and 42.911%
- The terms of trade agreed upon by GEB and ENEL<sup>(1)</sup> is 42.515%, a value that is in the range calculated by BBVA. Therefore, it is considered reasonable.

### Exchange relationships based on EBITDA<sup>(2)</sup> (2020 and 2026)



### Considerations

- 2026 is considered in the analysis because it is a date after the projects of EGP Colombia begin operating, once the company is normalized
- The EBITDA approximation is less precise than by EqV, but it shows the dissolving tendency GEB will have if the merger takes place in 5 years
- It does not consider the impact of the preceding conditions: payment of ordinary dividends and retained earnings (GEB and ENEL), payment of preferred dividends (GEB) and capitalization (ENEL)

Notes: (1) Terms of trade reported by GEB (2) Adjusted for shares in Fortuna (EGP Panama) and Tecnoguat (EGP Guatemala)  
(3) Values as of December 2020 discounted at Ke (4) Conversion of the equity value from dollars to pesos with the exchange rate of USD/COP 3,751 as of May 25, 2021



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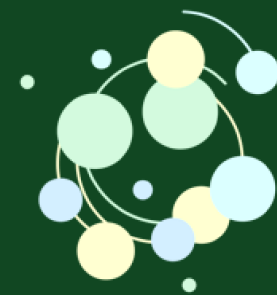
THANKS

Creando Oportunidades

## Conclusion

This reorganization will allow solving past differences, projecting businesses into the future, consolidating a corporate relationship of the highest quality with clear rules and a long-term vocation, thereby materializing the Superior Purpose of Grupo Energía Bogotá:

*“Improving lives with sustainable and competitive energy”*



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## Request to the General Meeting of Shareholders

In accordance with the recommendation of the Board of Directors and the provisions of clause 22 of Article 59 of the Corporate Bylaws, the General Shareholders' meeting was requested to:

Approve the redefinition of GEB's investments in the companies Emgesa S.A. ESP and Codensa S.A. ESP, in the terms presented and, consequently, authorize the representatives of GEB in the General Shareholders' Meetings of the above companies, to vote favorably for the merger project of Emgesa S.A. ESP as the company absorbing Codensa S.A. ESP, Enel Green Power Colombia S.A.S. ESP and ESSA 2 S.p.A.

### Functions of the General Meeting

*Article 59. Duties of the General Meeting: Duties of the General Meeting of Shareholders:*

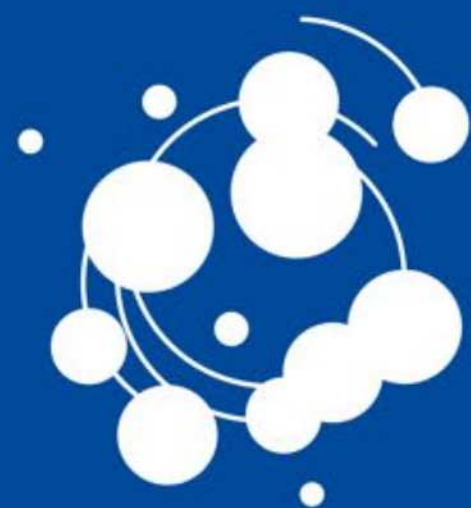
*(...) 22. Approve, subject to prior favorable decision by the Board of Directors, proposals for investments, to redefine existing investments, mergers, creation and/or changes to investment vehicles, acquisition of partners or strategic allies, and structured financing of new businesses in amounts greater than fifteen percent (15%) of stock market capitalization of the Company.*

## Contact - Investor Relations Grupo Energía Bogotá S.A. ESP



Information related to the operation is available to shareholders on the GEB website at the link <https://www.grupoenergiabogota.com/informacion-corporativa/gobierno-corporativo/asntación-general-de-accionistas/historial-asntación-general-de-accionistas/28-de-junio-de-2021-asntación-general- shareholders extraordinary>.

For additional information, contact us at the **Investor Relations** office at e-mail [ir@geb.com.co](mailto:ir@geb.com.co). Requests for information and requirements will be addressed in compliance with the procedures established in the Corporate Bylaws and the Regulations of the General Shareholders' Meeting.



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