

# FINANCIAL RESULTS

2020 First Quarter

May 13, 2020

isa

CONNECTIONS THAT INSPIRE

MEMBER OF  
**Dow Jones**  
Sustainability Indices  
In Collaboration with RobecoSAM



# AGENDA

**1 HIGHLIGHTS**

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**2 FINANCIAL RESULTS**

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**3 COVID-19 IMPACT ON THE GROUP**

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**4 Q&A**

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**5 CLOSING NOTES**

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# HIGHLIGHTS

# ISA Group measures Covid-19

## HIGHLIGHTS

1

2

3

4

5

## CRISIS COMMITTEE

**Human resource  
protection  
measures**



**Specialized  
committees**



**Reactivation  
field work**



**Humanitarian  
aid**



# 1Q20 PROJECTS AWARDED AND ACQUISITIONS

## HIGHLIGHTS

1

2

3

4

5

Loma-Sogamoso + associated projects

USD 9,4 Million Annual revenues

746 Km Lines

USD 15 Million Annual revenues

72,7% Market share

CONTRACT TO ACQUIRE 100% OF ETENORTE Y ETESELVA

# 1Q20 INVESTMENTS

Figures in COP billion

## HIGHLIGHTS

1

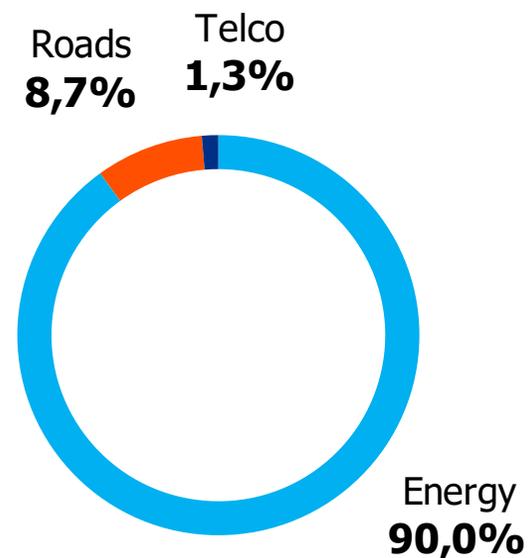
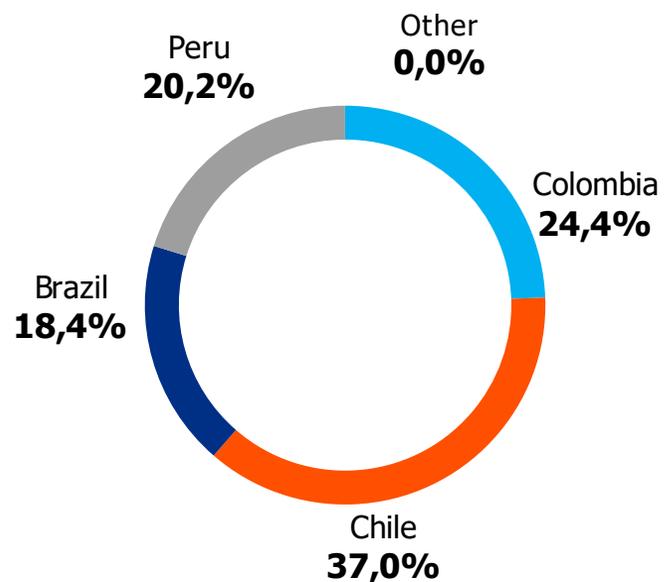
2

3

4

5

Investments totaled  
**COP 987 billion**



# 2020 GENERAL SHAREHOLDER MEETING

## HIGHLIGHTS

- 1
- 2
- 3
- 4**
- 5

Asamblea  
General Ordinaria  
de Accionistas



Profit distribution

Dividends per  
share **\$ 675**

Board of Directors  
election

**9**

Main members

**7**

Independent

## HIGHLIGHTS

1

2

3

4

5

## 1Q20 MAIN RESULTS

Figures in COP billion

ROE 1Q20:  
**13,1%**

	1Q20	1Q19	Variation
<b>Revenues</b>	2.070	1.816	<b>+14,0%</b>
<b>EBITDA</b>	1.319	1.227	<b>+7,5%</b>
<b>Net Income</b>	379	353	<b>+7,2%</b>



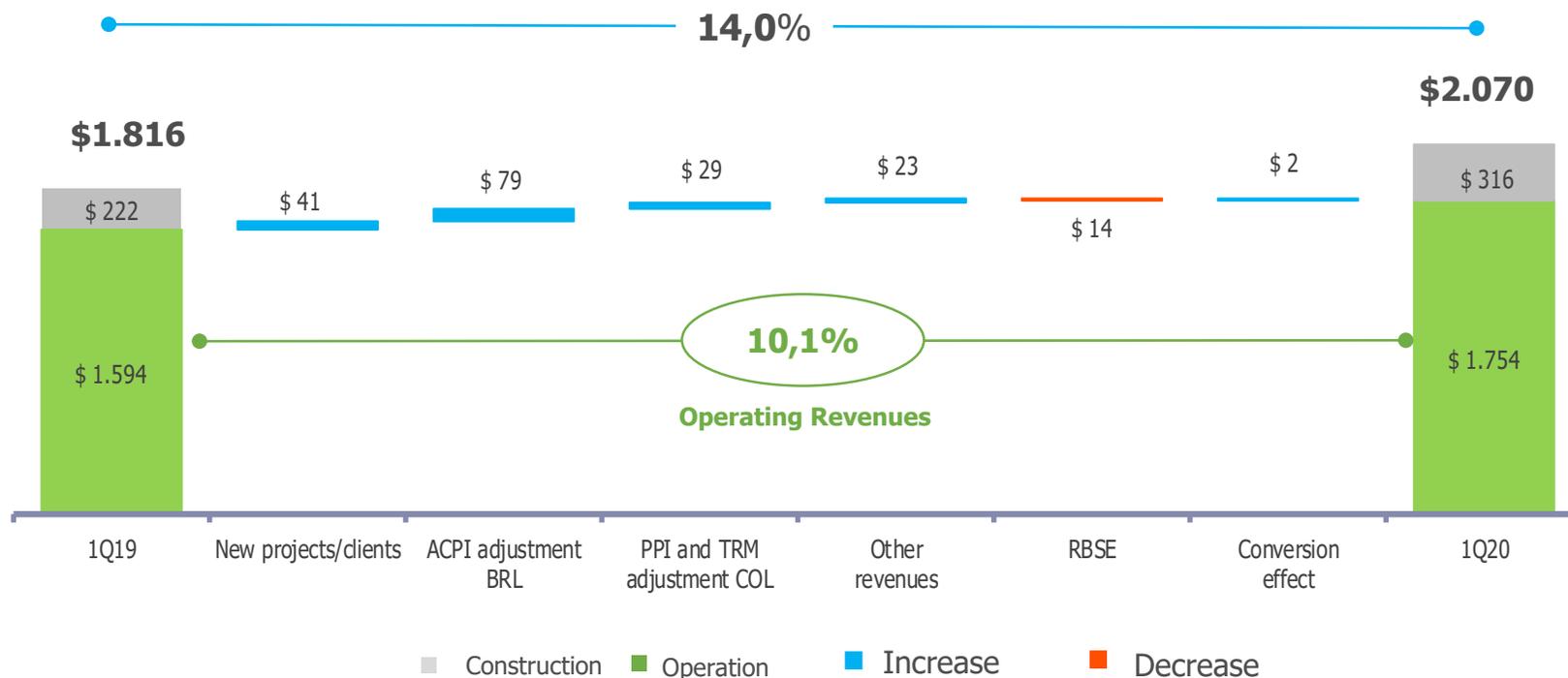
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# FINANCIAL RESULTS

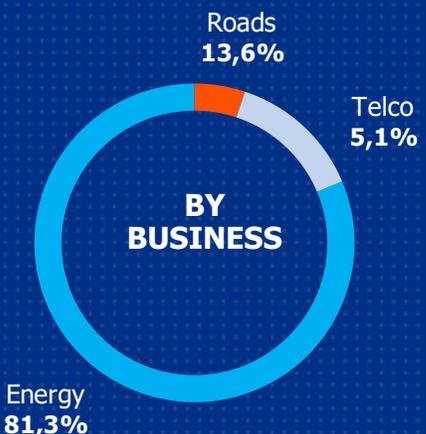
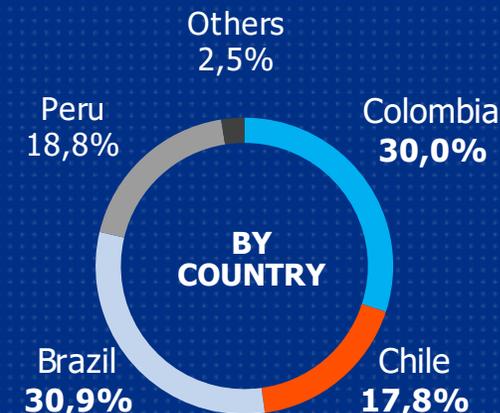


# OPERATING REVENUES CONSOLIDATED INFORMATION

Figures in COP billion



Revenues grew due to new projects that came into operation, the update of rates and construction activity.

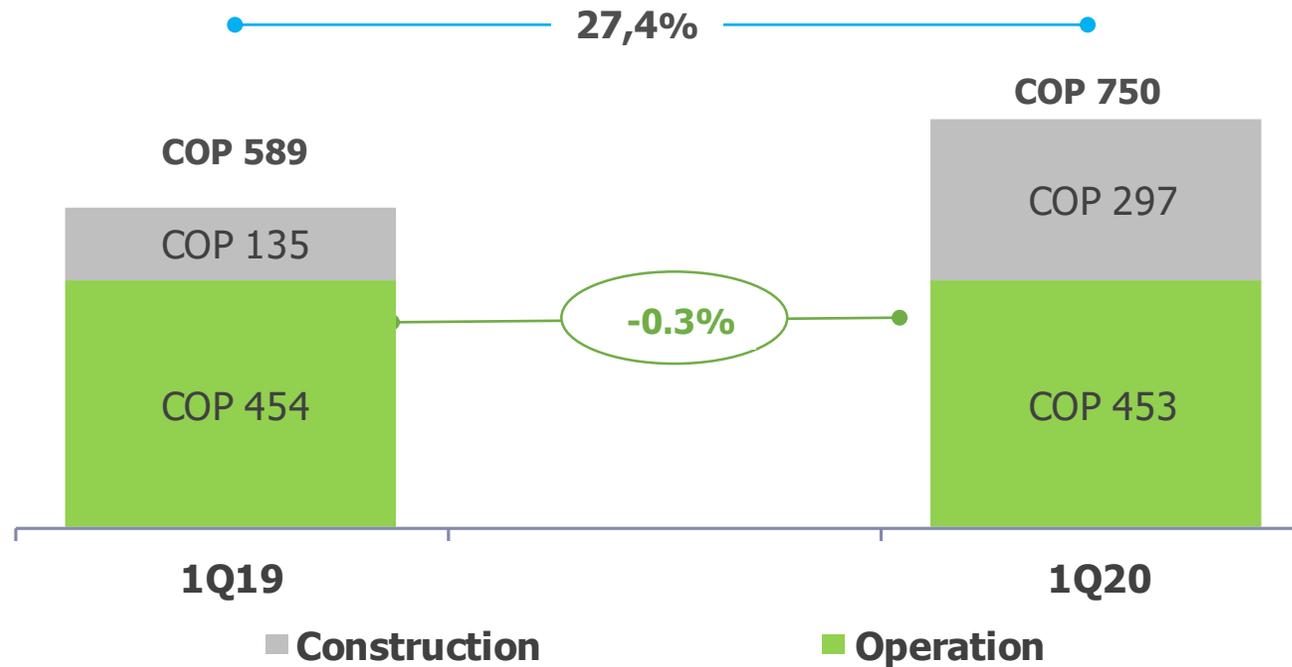


**Operating revenues 1T20**

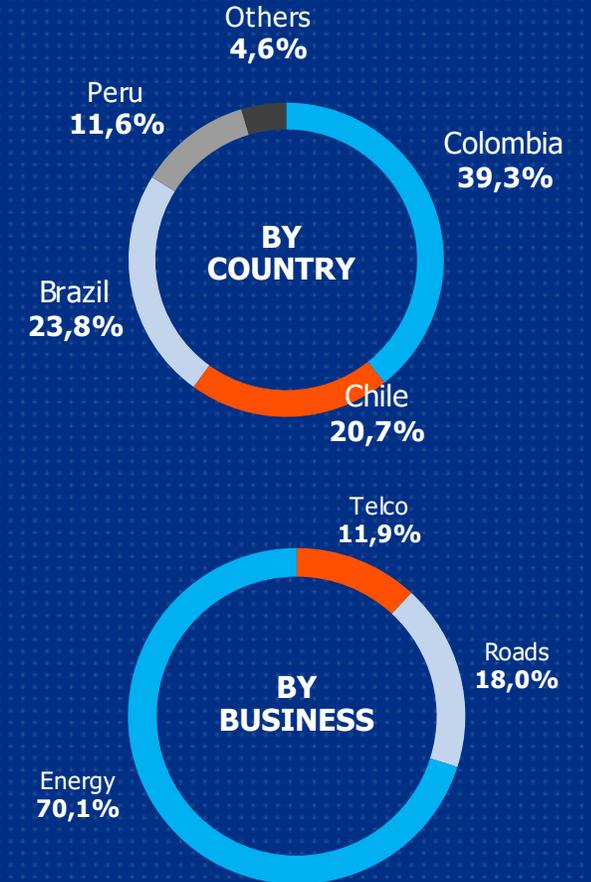
# AOM

## CONSOLIDATED INFORMATION

Figures in COP billion



The efficient management of the AOM leverages ISA's competitiveness.

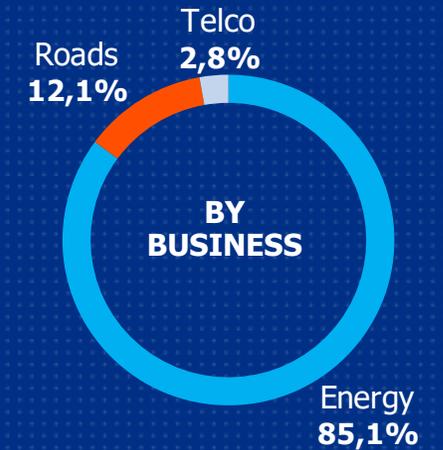
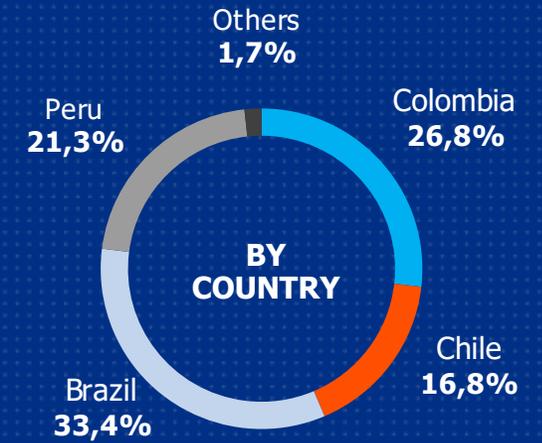
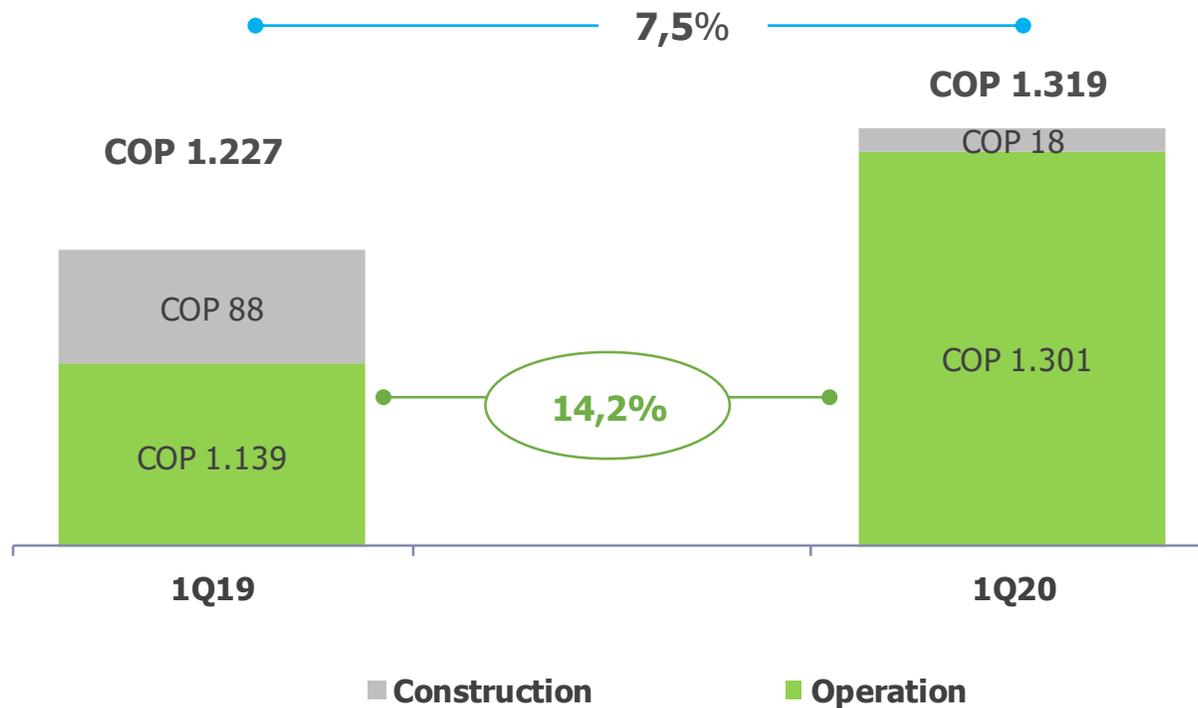


1Q20 operational AOM

# EBITDA

## CONSOLIDATED INFORMATION

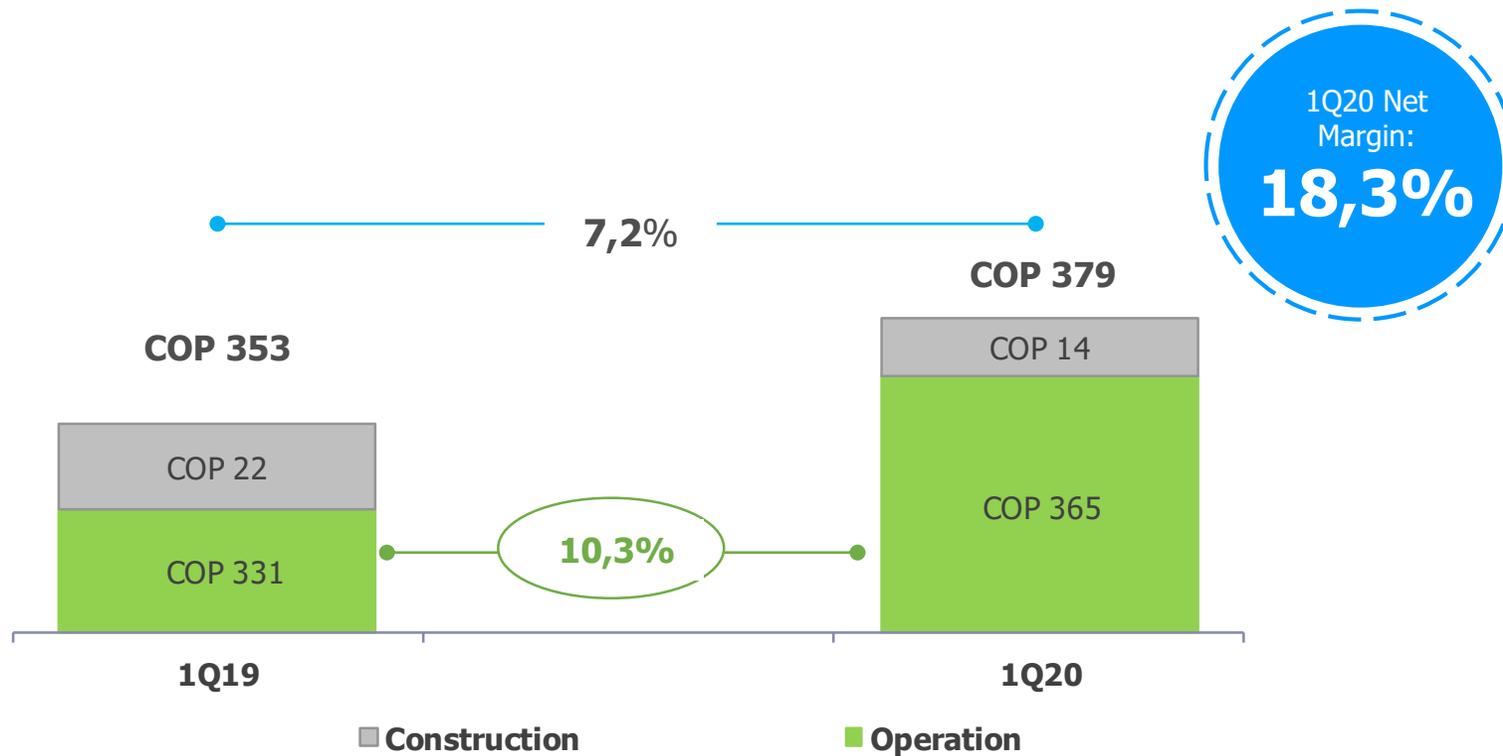
Figures in COP billion



**1Q20 EBITDA excluding construction**

# UTILIDAD NETA CONSOLIDATED INFORMATION

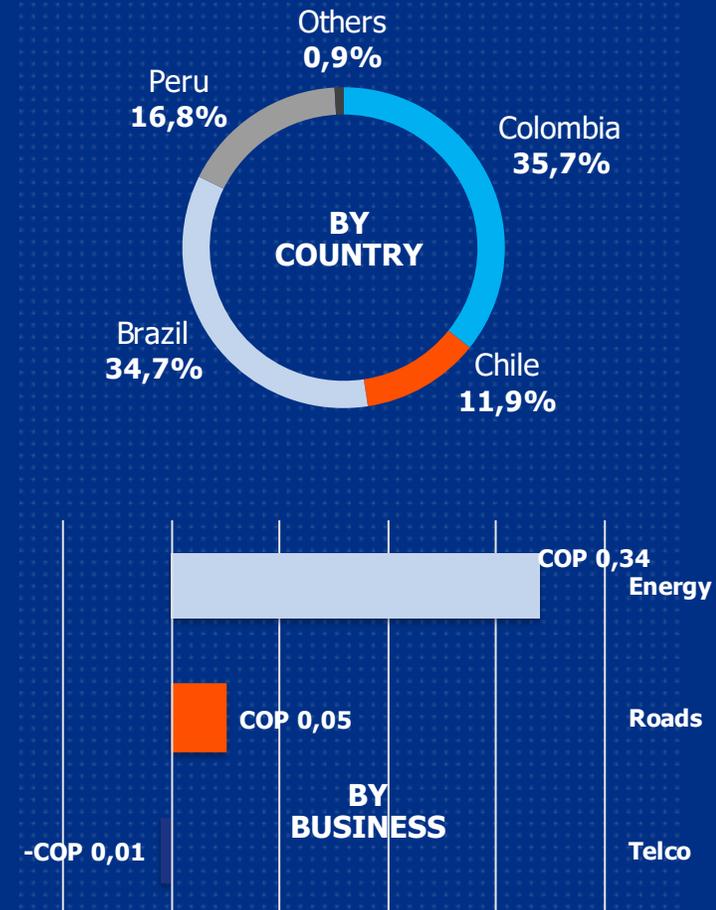
Figures in COP billion



1Q20 Net Margin:  
**18,3%**

Net Profit is generated in **Colombia, Brazil, Peru and Chile**, diversifying the origin of resources.

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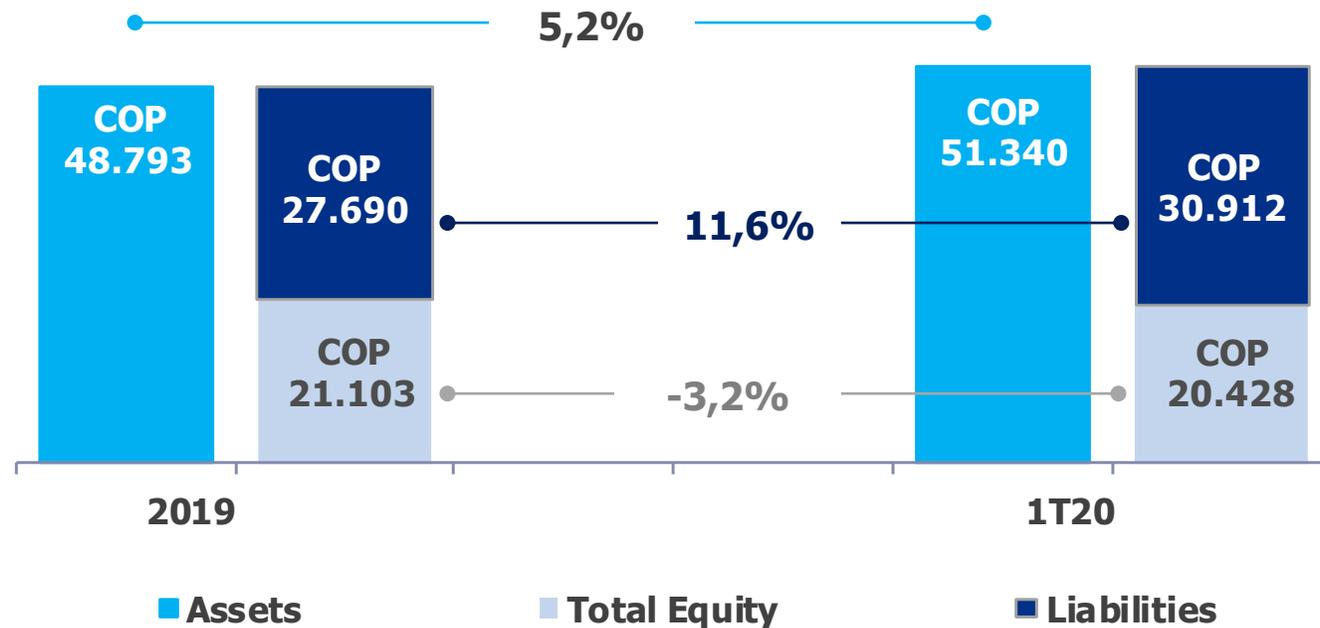


**1Q20 Net income**

# BALANCE GENERAL

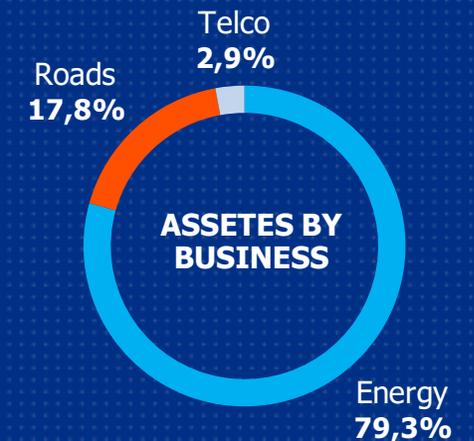
## CONSOLIDATED INFORMATION

Figures in COP billion



**New projects** support the growth of assets

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# ROE

## CONSOLIDATED INFORMATION

Percentage %



ROE %

ROE % (excluding extraordinary events)

Adjustment of the value of the RBSE: In 2016 the first value adjustment was presented, going from BRL1.4 to BRL3,9 billion, COP 1.333.710 million  
In 2017, the value of the RBSE was adjusted for the second time, leaving the account receivable at BRL4,1 billion, COP 85.269 million.

Tax amnesty - PERT- in Brazil COP 248.675 million

RBSE financial update.

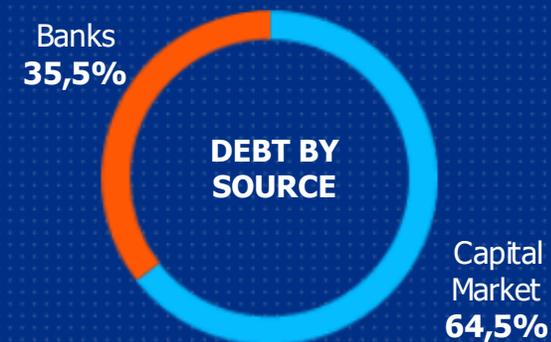
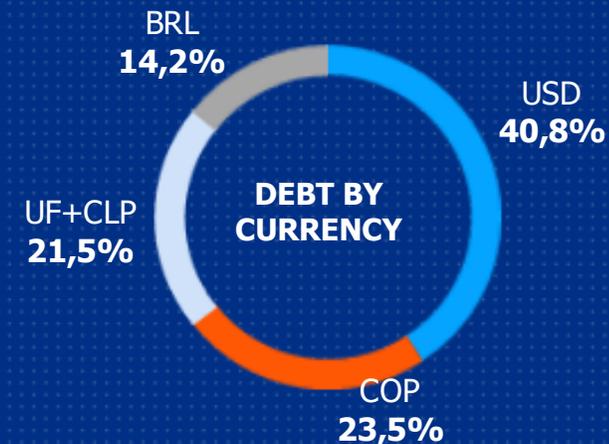
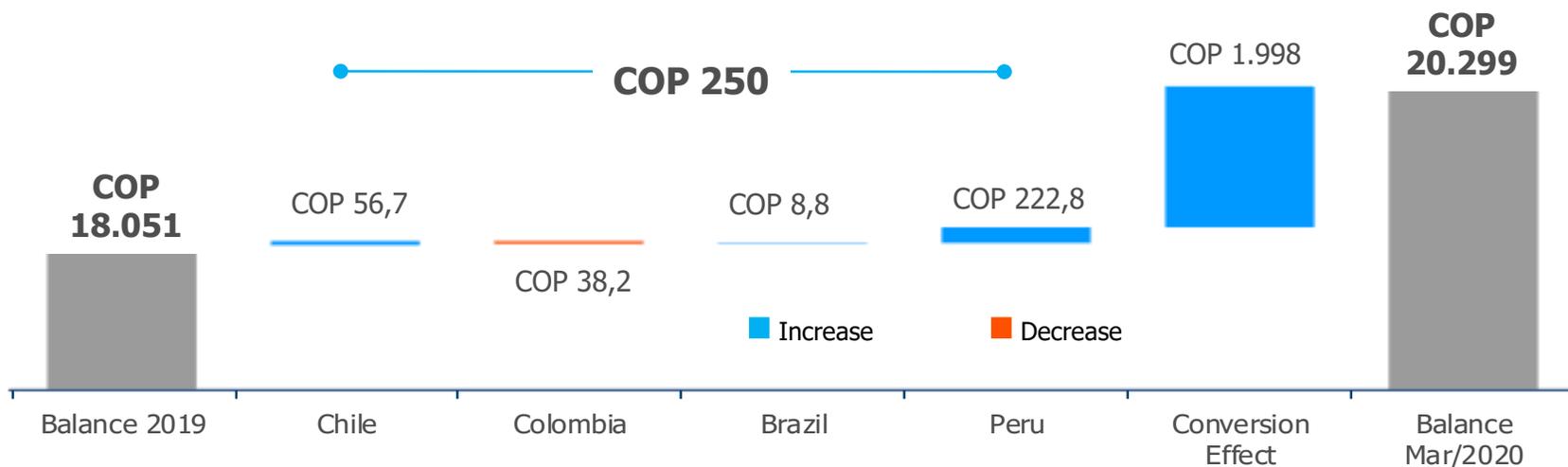
6 additional months of adjustment for inflation in Brazil.

**ROE 13,2% continues to show the strength of the company**

# DEUDA

## CONSOLIDATED INFORMATION

Figures in COP billion

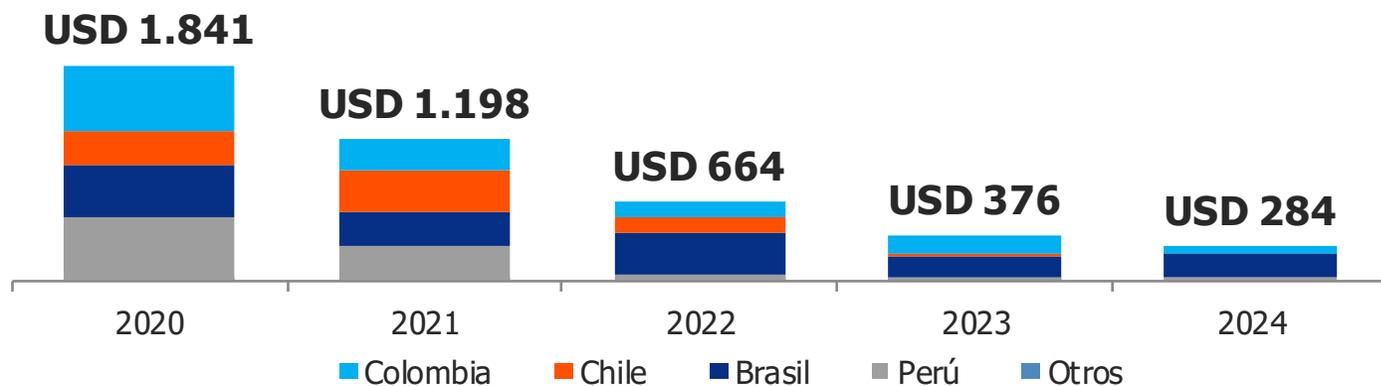


# CAPEX 2020-2024

## COMMITTED INVESTMENT

Figures in USD million

The investment amount estimated for the period is **USD 4.363 million (COP 14,8 trillion)**



No. Projects under construction

**6**

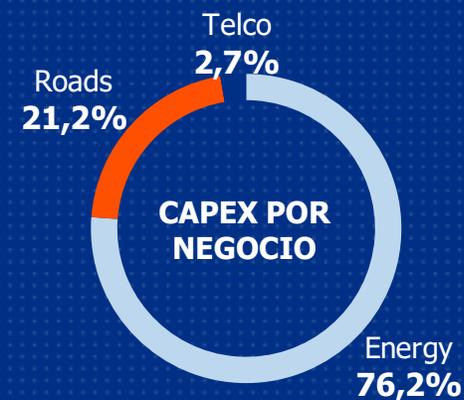
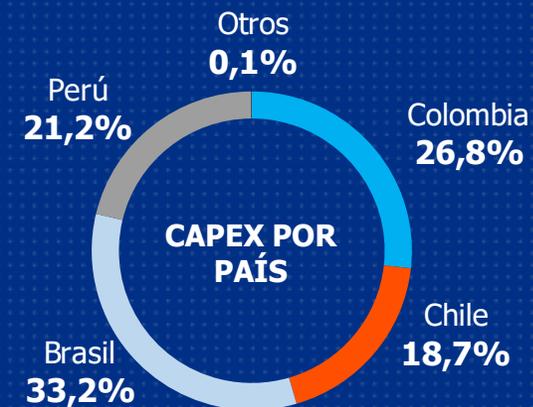
Roads

**26**

Energy Transmmission

**246**

Reinforments in Brasil

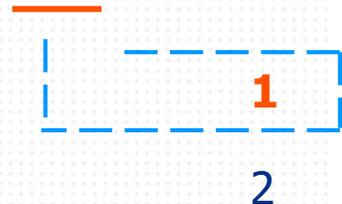


**CAPEX 2020 - 2024**

# COVID-19 IMPACT ON ISA'S GROUP

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## Impacts and management in energy transmission

Measures and  
regulations



Temporary  
suspension



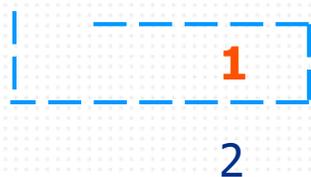
Restoration  
plan

- ~5,000 contractor workers
- Basic work measures
- Authorities regulations
- Logistical restrictions

- From March 16-21 (CO-PE-CL)
- 730 people continued (BR 705 - CO 25)
- Particular restrictions on BR
- Registration and traceability impacts

- 3,700 contractor workers
- Prioritization of projects / activities
- Establish contingency plans
- Framework for action against contractors

# PROJECT RESTORATION PLAN



Restarting activities				
Country	Weeks			
	20/04	04/05	11/05	18/05
CO	SITU	CECO TR Ocaña TRIPLEA		
CL			PLEX8	PLEX6 PLEX7
PE				Quellaveco PetroPerú
BR	did not suspend execution (performance impacted)			

## 1. Criteria for prioritizing projects / activities

- Impact on the system
- Approved date commissioning
- Environmental license status

## 2. Assessment by contract

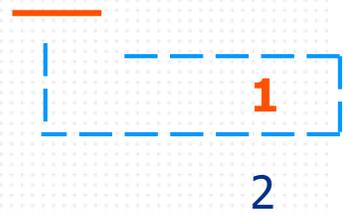
- Contingency plan (technical, health and logistics)
- Economic and contractual evaluation

## 3. Prerequisites for starting activities

- Health and safety protocol
- Relationship and communication protocol
- Local authority permits
- Restart meeting activities

# Regulatory measures aimed at continuity of service and relief of user charges under the principle of no cost

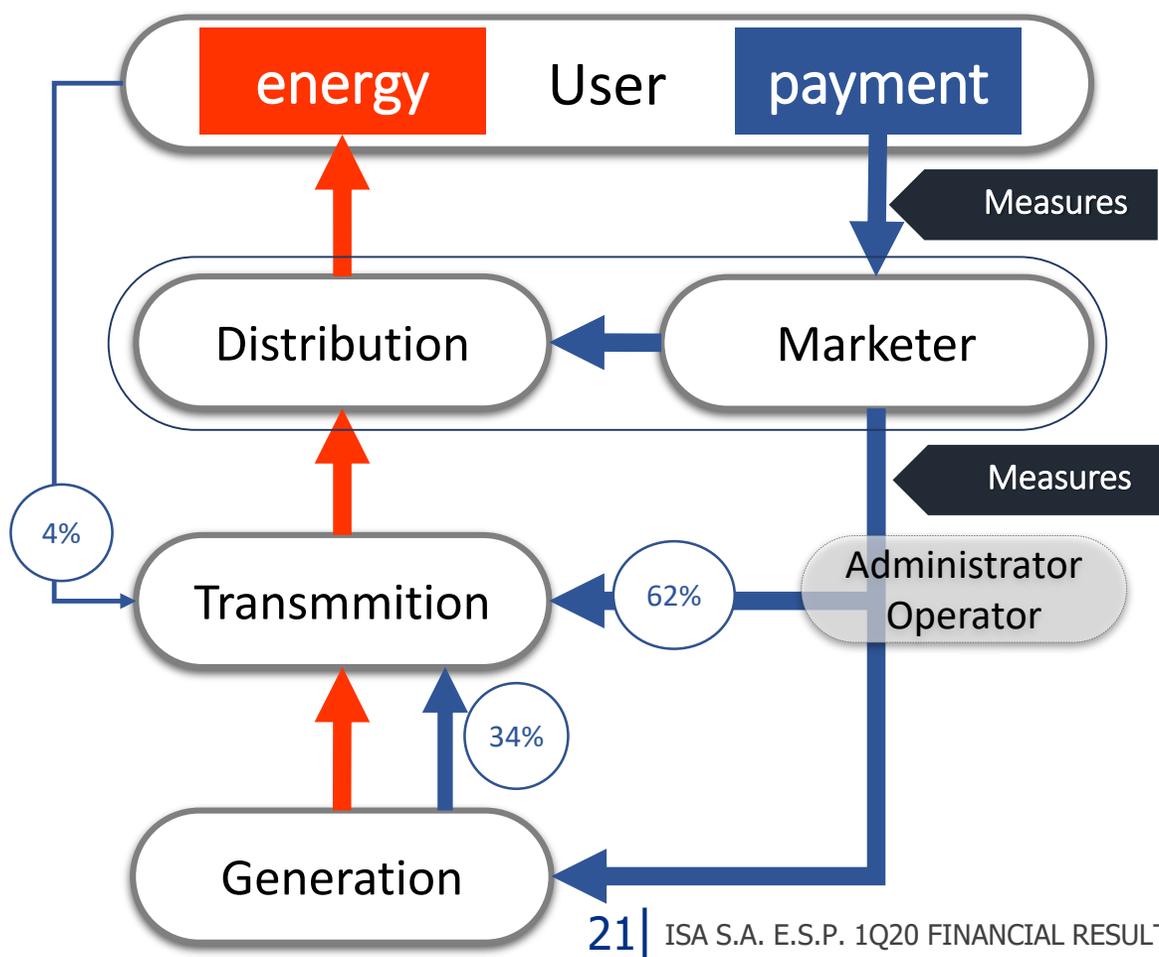
COVID-19  
IMPACT

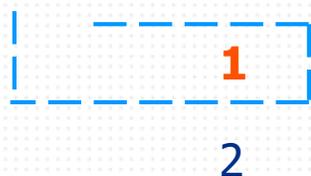


**125**  
USD million  
ISA Energy  
Transport monthly  
revenues

% Revenues allocation

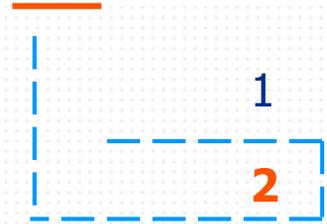
## Market Structure – Revenues flow





## Relief measures defined by countries

Country (% ingreso)	Colombia (25%)	Brazil (42%)	Peru (26%)	Bolivia (2%)	Chile (5%)
Relief measures	Do not cut off the service to the end user and extend the payment of the invoice for the following 2-3 months (from April)				
Beneficiaries	<ul style="list-style-type: none"> <li>Level 1-4 (mandatory)</li> <li>Level 5-6 (optional)</li> </ul>	Consumption <220 kWh / month (low-income families)	Consumption <100 kWh / month (18% -20% D Total)	Consumptions 100% <USD 17 50% between USD 17 and 43	40% of the most vulnerable families
Payment deferral	Between 24 and 36 months, depending on the type of user				
Financial viability	Marketing Line of Credit	<ul style="list-style-type: none"> <li>BRL 900 MM fund to cover subsidies</li> <li>Credit line</li> </ul>	Recognition of interests to the Distributor (FISE Fund)	Subsidy with funds from the National Treasury	
Legal Support	Legislative Decrees	Provisional measures	Emergency Decree	Supreme decret	No official measures yet



# Financial impact assessment

## - ISA Consolidated-

### Scenario 1

- Strong impact of Covid on health and the economy until **July 2020**
- **Slight effects** on the collection of the Companies.
- Governments mitigating measures generally work.
- Regulatory schemes are maintained in the Group's businesses.
- Access to financial markets.

### Scenario 2

- Covid's strong impact on health and the **economy throughout 2020 and part of 2021.**
- Effect on the collection for temporary **breakdown of the System's payment chain** in some countries.
- Mitigating measures by governments that show signs of not being enough.
- Regulatory schemes are maintained in the Group's businesses.
- Access to financial markets.

## Conclusions

### Impacts on P&G at the consolidated level

- ✓ Displacement of maintenance and project expenses.
- ✓ Savings in AOM: travel and travel, training, office expenses, etc.
- ✓ 2020: Increase in cost of debt in all countries, offset by lower disbursements due to capex displacement.
- ✓ 2021: Greater financial expense due to higher rates and execution in displaced capex 2020.
- ✓ Non-representative effect on the fall in profit between 2% - 10%, depending on the scenario, by 2020. These effects recover mostly in 2021.

## Conclusions

### Cash

Sensitivities were run by company, facing different% of income reduction, maintaining the obligations of operation, maintenance and debt service

- ✓ There are no cash shortage periods in either of the two scenarios for any month in 2020 and 2021, this for Transport of Energy and Roads.
- ✓ In general and with today's assumptions, for the ISA Group, projects move between 2 and 3 months and 2020 investments move between 20% and 40% to 2021.

### Energy

- ✓ It could tolerate a 20% drop in income for 3 consecutive months, without presenting liquidity shortages.

### Roads

- ✓ It could last for 1 year without income, with acceptable levels of cash, given the level of guarantees obtained from the financing schemes (Project Finance without recourse to the shareholder).

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# Q&A

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# CLOSING NOTES

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# Growth with sustainable value creation

## CLOSING NOTES

1

2

Reduce 11 million tons of carbon dioxide.



Minimum increase of 70% in EBITDA with respect to 2018, reaching a minimum of COP 8 trillion in 2030 (USD 2.5 billion).

Investment of USD 10,5 billion in business units emphasizing current geographies, of which we plan to execute USD 3.5 billion between 2019 and 2023.



Invest USD 2 billion in new energy business units and USD 150 million in companies

CLOSING NOTES



# ISA'S SHARE 2020

## AS OF 30/04/2020



Time High  
**\$20.480**

Average daily volume  
(COP million)

**8.053**

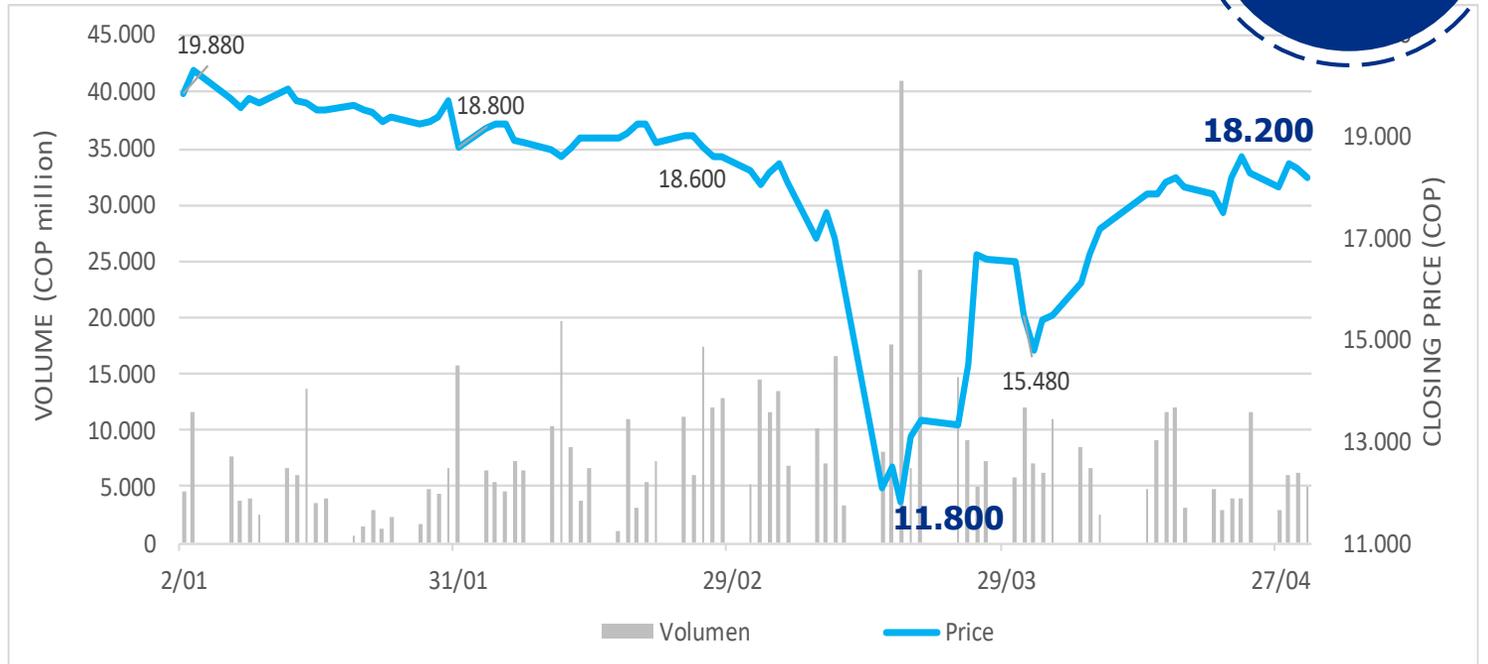
Variation YTD

**-7,14%**

Vs. -31,3% change in  
the market

Floting

**39,77%**



## DISCLAIMER

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The statements contained herein reflect our current points of view regarding future events, are based on assumptions and are subject to risks and factors that may cause the results, performance and achievements of the Company to change at any time.

These factors include overall changes in the energy sector, economic conditions, national and international government policies, as well as variations in interest rates, inflation, volatility of exchange rates and tax levels.

As a result of these risks and factors, the current results may differ materially from estimates provided. The company accepts no liability from any variation or information provided by official sources. ISA assumes no obligation to update these statements as a result of new information, future events or any other factor.

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