

Financial results | [Consolidated financial statements](#)

## Consolidated statements of financial position

As of December 31, 2020 and 2019 | Amounts expressed in millions of Colombian pesos.

	NOTE	2020	2019
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3.781.713	2.487.201
Financial assets	5	5.171.007	6.337.727
Current tax	18.3	260.466	247.981
Inventories – Net	8	100.645	151.527
Non-financial assets	6	394.877	225.219
Loans receivable from related parties	5	77	126
<b>TOTAL CURRENT ASSETS</b>		<b>9.708.785</b>	<b>9.449.781</b>
<b>NON-CURRENT ASSETS</b>			
Restricted cash	7	217.646	97.347
Non-current tax	18.3	5.156	6.174
Investments in associates and joint ventures	9	3.124.526	3.119.350
Financial instruments	9	17.102	15.478
Financial assets	5	18.845.990	16.769.982
Inventories – Net	8	64.521	64.808
Property, plant, and equipment - Net	10	11.954.611	11.095.458
Intangible assets – Net	11	8.112.598	7.055.014
Non-financial assets	6	128.094	106.428
Deferred tax	18.2	1.608.436	791.388
Finance lease assets – Net	10	224.569	220.311

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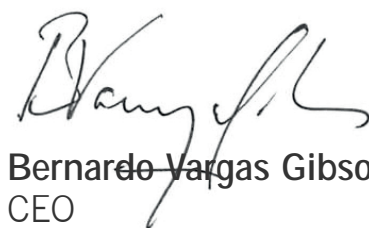
	NOTE	2020	2019
Intangible finance lease assets - Net	11	402	1.390
Loans receivable from related parties	5	17.287	335
<b>TOTAL NON-CURRENT ASSETS</b>		<b>44.320.938</b>	<b>39.343.463</b>
<b>TOTAL ASSETS</b>		<b>54.029.723</b>	<b>48.793.244</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities	13	1.266.015	1.698.041
Accounts payable	14	1.186.693	973.576
Employee benefits	19	120.979	101.658
Current tax	18.4	376.021	268.197
Provisions	17	368.985	551.058
Non-financial liabilities	20	84.348	82.557
<b>TOTAL CURRENT LIABILITIES</b>		<b>3.403.041</b>	<b>3.675.087</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	13	21.202.820	16.059.516
Accounts payable	14	1.100.365	974.314
Non-current tax	18.4	869.716	963.722
Employee benefits	19	781.100	465.417
Provisions	17	247.877	211.188
Non-financial liabilities	20	663.257	499.037
Deferred tax	18.2	5.615.354	4.841.749
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>30.480.489</b>	<b>24.014.943</b>
<b>TOTAL LIABILITIES</b>		<b>33.883.530</b>	<b>27.690.030</b>

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	NOTE	2020	2019
<b>EQUITY</b>	21		
Subscribed and paid-in capital	21.1	36.916	36.916
Premium for placement of shares	21.4	1.428.128	1.428.128
Reserves	21.6	6.241.845	5.346.023
Accumulated income		3.207.681	3.212.454
Income for the year		2.059.191	1.638.732
Other comprehensive income		194.014	779.923
<b>EQUITY ATTRIBUTABLE TO CONTROLLING INTEREST</b>		<b>13.167.775</b>	<b>12.442.176</b>
Non-controlling interest		6.978.418	8.661.038
<b>TOTAL EQUITY</b>		<b>20.146.193</b>	<b>21.103.214</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>54.029.723</b>	<b>48.793.244</b>

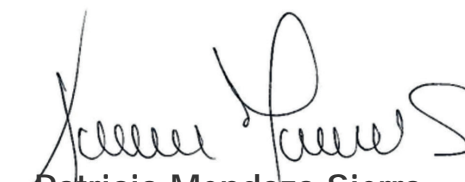
See notes accompanying to financial statements.



**Bernardo Vargas Gibsone**  
CEO  
(See certification attached)



**John Bayron Arango Vargas**  
Chief Accounting Officer  
P.C. No. 34420 – T  
(See certification attached)



**Patricia Mendoza Sierra**  
Statutory Auditor  
P.C. No. 78856 – T  
(See my report attached of March 1, 2021)  
Designated by Ernst & Young Audit S.A.S. TR-530

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## Consolidated statements of comprehensive income

Years ended as of December 31, 2020 and 2019 | Amounts expressed in millions of Colombian pesos.

	NOTE	2020	2019
<b>REVENUES FROM CONTRACTS WITH CUSTOMERS</b>	<b>22</b>		
Energy transmission services		4.915.021	4.814.879
Road concessions		1.120.376	1.089.079
Constructions services		2.194.300	1.409.877
Information and telecommunication technologies		379.168	359.040
Connection charges		260.201	243.755
CND-MEM Dispatch and coordination		101.969	92.513
MEM Services (STN, SIC, SDI)		53.754	48.725
Other revenues		86.058	81.140
<b>TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS</b>		<b>9.110.847</b>	<b>8.139.008</b>
Operating costs	24.1	3.864.858	2.910.529
<b>GROSS INCOME</b>		<b>5.245.989</b>	<b>5.228.479</b>
Administrative expenses	24.2	726.339	768.178
Other extraordinary revenues	25	1.056.979	-
Net equity method revenues/(expenses)	26	519.366	213.728
Other net revenues/(expenses)	26	115.334	69.812
<b>NET INCOME FROM OPERATING ACTIVITIES</b>		<b>6.211.329</b>	<b>4.743.841</b>
Net financial result	27	(1.372.872)	(1.212.664)
<b>INCOME BEFORE TAXES</b>		<b>4.838.457</b>	<b>3.531.177</b>
Income tax	18.1	1.074.232	772.816

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	NOTE	2020	2019
<b>INCOME FOR THE YEAR</b>		<b>3.764.225</b>	<b>2.758.361</b>
Non-controlling interest		1.705.034	1.119.629
<b>INCOME ATTRIBUTABLE TO CONTROLLING INTEREST</b>		<b>2.059.191</b>	<b>1.638.732</b>
<b>INCOME FOR THE YEAR</b>			
Net income attributable to			
Controlling interest		2.059.191	1.638.732
Non-controlling interest		1.705.034	1.119.629
<b>TOTAL NET INCOME FOR THE YEAR</b>		<b>3.764.225</b>	<b>2.758.361</b>
Actuarial losses from defined benefit plans, net of taxes		(51.194)	(58.422)
Losses from cash hedges, net of taxes		(125.368)	(103.804)
Losses from foreign exchange differences, net of taxes		(409.347)	(292.266)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(585.909)</b>	<b>(454.492)</b>
Total comprehensive income attributable to			
Controlling interest		1.473.282	1.184.240
Non-controlling interest		1.705.034	1.119.629
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3.178.316</b>	<b>2.303.869</b>

See notes accompanying to financial statements.



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## Consolidated cash flow statements

Years ended as of December 31, 2020 and 2019 | Amounts expressed in millions of Colombian pesos.

	DECEMBER 2020	DECEMBER 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collections from loans and operations portfolio	41.987	38.810
Collections from deposits and exigibilities	4.809	4.550
Collections from insurance accounts receivable	806	-
Collections from sales of goods and services	8.020.563	8.583.052
Payments from Secr da Fazenda Ações - Lei 48	(133.864)	(122.092)
Payments to suppliers for the provision of goods and services	(3.042.266)	(1.846.848)
Payments to and on behalf of employees	(916.637)	(810.865)
Other payments from operating activities	(342.846)	(317.501)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>3.632.552</b>	<b>5.529.106</b>
Interest paid, classified as operating activities	(201.596)	(208.505)
Interest received, classified as operating activities	37.496	25.503
Income tax paid	(907.181)	(981.600)
Other cash inflows	353.410	57.449
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2.914.681</b>	<b>4.421.953</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Cash flow used to obtain control of subordinate	(1.105.308)	-
Other (payments) charges for acquire or sale of equity or debt instruments	(16.320)	20.797
Other payments to acquire interest in joint ventures	(146.304)	(215.084)

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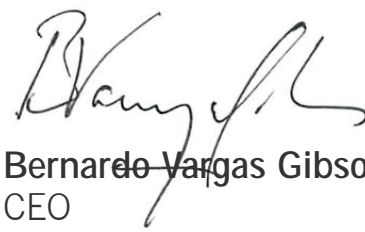
	DECEMBER 2020	DECEMBER 2019
Amounts from the sale of property, plant, and equipment	434	9.706
Purchase of properties, plant, and equipment	(2.310.583)	(1.973.542)
Amounts from the sale of intangible assets	250	-
Purchase of intangible assets	(672.148)	(256.027)
Cash advances and loans granted to third parties	(484.131)	(127.190)
Charges (payments) collections from the reimbursement of advances and loans	99.541	(82.525)
Payments from futures contracts, term contracts, option contracts	(22.074)	(6.788)
Dividends received, classified as investing activities	108.922	88.872
Interest received, classified as investing activities	47.168	27.100
Other cash inflows	45.778	942.524
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>(4.454.775)</b>	<b>(1.572.157)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Charges (payments) from other interest on equity	685	(14.582)
Amounts from issuance of others equity instruments	9.201	-
Amounts from loans	4.926.611	3.921.758
Reimbursement of loans	(2.553.392)	(3.348.229)
Payment of financial lease liabilities	(71.040)	(18.585)
Dividends paid, classified as financing activities	(1.252.876)	(1.169.797)
Interest paid, classified as financing activities	(1.132.889)	(946.532)
Income tax reimbursed (paid)	147	(1.106)
Other cash outflows	(203.046)	(192.484)

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	DECEMBER 2020	DECEMBER 2019
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(276.599)	(1.769.557)
<b>CASH AND CASH EQUIVALENTS, EXCLUDING EXCHANGE EFFECT</b>	(1.816.693)	1.080.239
Effects of exchange rate variation on cash	3.111.205	(115.098)
<b>NET CASH AND CASH EQUIVALENTS</b>	1.294.512	965.141
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	2.487.201	1.522.060
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	3.781.713	2.487.201

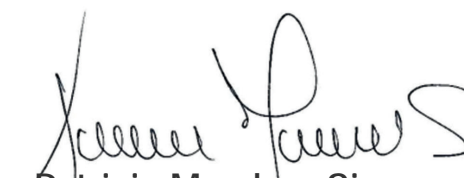
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## Consolidated statements of changes in shareholders' equity

Years ended as of December 31, 2020 and 2019 | Amounts expressed in millions of Colombian pesos.

NOTE	SUBSCRIBED AND PAID-IN CAPITAL	PREMIUM FOR PLACEMENT OF SHARES	RESERVES					INCOME FOR THE YEAR AND ACCUMULATED	OTHER COMPREHENSIVE INCOME	NON-CONTROLLING INTEREST	TOTAL
			LEGAL	BY TAX REGULATION	FOR EQUITY STRENGTHENING	FOR REHABILITATION AND REPLACEMENT OF STN ASSETS	TOTAL RESERVES				
	21.1	21.4	21.6								
<b>BALANCE AS OF DECEMBER 31, 2018</b>	36.916	1.428.128	18.458	898.802	3.473.612	37.434	4.428.306	4.741.609	1.234.415	7.072.453	18.941.827
Transfers approved by the General Shareholders' Meeting	-	-	-	-	917.717	-	917.717	(917.717)	-	-	-
Ordinary dividends at COP 552 per share and per share settled on 1.107.677.894 outstanding shares	-	-	-	-	-	-	-	(611.438)	-	-	(611.438)
Exchange rate difference	-	-	-	-	-	-	-	-	(292.266)	468.956	176.690
Other comprehensive income	-	-	-	-	-	-	-	-	(162.226)	-	(162.226)
Net income as of December 31, 2019	-	-	-	-	-	-	-	1.638.732	-	1.119.629	2.758.361
<b>BALANCE AS OF DECEMBER 31, 2019</b>	36.916	1.428.128	18.458	898.802	4.391.329	37.434	5.346.023	4.851.186	779.923	8.661.038	21.103.214
Transfers approved by the General Shareholders' Meeting	-	-	-	-	895.822	-	895.822	(895.822)	-	-	-
Ordinary dividends at COP 675 per share and per share settled on 1.107.677.894 outstanding shares	-	-	-	-	-	-	-	(747.683)	-	-	(747.683)
Exchange rate difference	-	-	-	-	-	-	-	-	(409.347)	(3.387.654)	(3.797.001)
Other comprehensive income	-	-	-	-	-	-	-	-	(176.562)	-	(176.562)
Net income as of December 31, 2020	-	-	-	-	-	-	-	2.059.191	-	1.705.034	3.764.225
<b>BALANCE AS OF DECEMBER 31, 2020</b>	36.916	1.428.128	18.458	898.802	5.287.151	37.434	6.241.845	5.266.872	194.014	6.978.418	20.146.193

See notes accompanying to financial statements.

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## Interconexión eléctrica S.A. E.S.P. Notes to the consolidated financial statements

As of december 31, 2020 and 2019 | (Amounts expressed in millions of Colombian pesos, excluding nominal value of the share and net income per share. Foreign currency expressed in original amounts).

### I. GENERAL NOTES

#### 1. General information

ISA, parent company, with headquarters in Medellín, was incorporated as joint stock company by public deed No. 3057, issued by the 8th Notary Office of the Notarial Circuit of Bogota on September 14, 1967.

On November 22, 1996, by public deed No. 746 issued by the Sole Notary Office of Sabaneta, ISA changed its legal nature to Mixed Utility Company, incorporated as a Joint Venture of commercial and national nature, linked to the Ministry of Mines and Energy, with indefinite term, and subject to the legal regime provided for by Law 142 of 1994, a situation that materialized on January 15, 1997 with the entry of private contributions.

In accordance with the considerations of the Constitutional Court in its ruling C-736 dated September 19, 2007, ISA has a special legal nature by being defined as a Mixed Utility Company, decentralized by services, which is part of the executive branch of the public power with special and legal regime of private law.

Headquarters are in Medellín, calle 12 Sur # 18-168.

#### ISA's purpose is:

- The provision of the Energy Transmission utility, pursuant to Laws 142 and 143 of 1994 and the rules supplementing, amending, or replacing them, as well as the provision of similar and complementary services related to such activities, according to the legal and regulatory framework in force
- The development of information and telecommunication technology systems, activities, and services
- The direct or indirect participation in activities and services related to the transport of other energies
- The provision of technical and non-technical services in activities related to its purpose.
- The development of infrastructure projects and their commercial operation, as well as the execution of activities related to the exercise of engineering according to Law 842 of 2003 and the regulations that supplement, modify, or replace it
- The investment in national or foreign companies whose purpose is the exploitation of any legal economic activity; the investment in movable and immovable property,

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and the investment in shares, quotas or stakes, bonds, commercial papers, or fixed or variable rate instruments registered in the stock exchange market, or any other modality provided by Law, allowing the investment of resources

→ The management of the group's companies is exercised through the definition of strategic, organizational, technical, and financial guidelines, among others

In October 2001, ISA, as parent company, registered the Business Group in the Chamber of Commerce of Medellín for Antioquia, under Colombian laws. To this effect, the parent company is INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. (ISA) and the Business Group is composed of the following affiliates and subsidiaries: ISA INTERCOLOMBIA S.A. E.S.P.; TRANSELCA S.A. E.S.P.; XM Compañía de Expertos en Mercados S.A. E.S.P. and its subsidiary SISTEMAS INTELIGENTES EN RED S.A.S.; ISA CAPITAL DO BRASIL and its affiliate Companhia de Transmissão de Energia Elétrica Paulista (CTEEP) and its subsidiaries INTERLIGAÇÃO ELÉTRICA AGUAPEÍ S.A., Evrecy Participações LTDA, INTERLIGAÇÃO ELÉTRICA ITAÚNAS S.A., INTERLIGAÇÃO ELÉTRICA BIGUAÇU S.A., INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI S.A., INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS S.A. (IEMG), INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE S.A. (IENNE), INTERLIGAÇÃO ELÉTRICA PINHEIROS S.A. (IEPINHEIROS), INTERLIGAÇÃO ELÉTRICA SUL S.A. (IESUL), INTERLIGAÇÃO ELÉTRICA TIBAGI S.A. (IETG), INTERLIGAÇÃO ELÉTRICA ITAQUERÊ S.A., INTERLIGAÇÃO ELÉTRICA ITAPURA S.A. e INTERLIGAÇÃO ELÉTRICA RIACHO GRANDE S.A.<sup>1</sup>; ISA INVESTIMENTOS E PARTICIPAÇÕES DO BRASIL S.A.; ISA PERÚ S.A. and its affiliate ORAZUL ENERGY GROUP S.A.C and its subsidiaries ORAZUL ENERGY TRANSMISION S.A, which

simultaneously owns ETENORTE S.R.L and ETESELVA S.R.L; Red de Energía del Perú S.A.; Consorcio Transmantaro; Proyectos de Infraestructura del Perú S.A.C.; ISA BOLIVIA S.A.; INTERNEXA S.A. and its subsidiaries INTERNEXA PERÚ, INTERNEXA CHILE S.A., INTERNEXA ARGENTINA, INTERNEXA PARTICIPAÇÕES S.A. and its subsidiary Internexa Brasil Operadora de Telecomunicações S.A.; INTERCHILE S.A.; ISA INVERSIONES CHILE LTDA. and its subsidiary INTERVIAL CHILE S.A., which simultaneously owns Interconexiones Viales SPA, ISA Inversiones Toltén Ltda. and concessionaires: Ruta de la Araucanía Sociedad Concesionaria S.A., Ruta del Maule Sociedad Concesionaria S.A., RUTA DEL BOSQUE SOCIEDAD CONCESIONARIA S.A., Ruta del Maipo Sociedad Concesionaria S.A., RUTA DE LOS RÍOS SOCIEDAD CONCESIONARIA S.A. and RUTA DEL LOA SOCIEDAD CONCESIONARIA S.A.; ISA INVERSIONES COSTERA CHILE SPA and its affiliate Concesión Costera-Cartagena-Barranquilla S.A.S; INTERVIAL COLOMBIA S.A.S; and LINEAR SYSTEMS RE LTD., companies where the parent is direct and indirect shareholder (hereinafter the subordinate companies).

ISA's companies had the following employees during 2020 and 2019. This information is reported to comply with the External Circular 002 of 1998, issued by the Financial Superintendence of Colombia, which requests to disclose the number of people employed during the period by the parent or controlling company and its subsidiaries, classified by management and trusted employees and others, and the personnel expenses generated for each of these categories.

<sup>1</sup> Lot auctioned in ANEEL's bidding No. 01/2020 of December, 2020; it is planned to be signed the concession contract as of March 2021.

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AÑO 2020						
Company	MANAGEMENT AND TRUSTED PERSONNEL		OTROS		TOTAL	
	NO. PEOPLE	VALUE	NO. PEOPLE	VALUE	NO. PEOPLE	VALUE
ISA	209	50.109	17	1.610	226	51.716
ISA INTERCOLOMBIA	413	69.424	215	25.797	628	95.221
ISA CTEEP	105	23.170	1.287	72.420	1.392	95.590
ISA REP	223	51.923	142	25.734	365	77.657
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	21	2.619	26	2.779	47	5.398
ISA BOLIVIA	2	470	26	1.006	28	1.476
ISA TRANSELCA	16	5.643	187	27.103	203	32.746
XM	278	45.930	1	112	279	46.042
SISTEMAS INTELIGENTES EN RED	61	2.451	-	-	61	2.451
INTERNEXA	187	33.486	14	937	201	34.423
INTERNEXA PERÚ	36	10.384	-	-	36	10.384
INTERNEXA CHILE	16	4.469	-	-	16	4.469
INTERNEXA ARGENTINA	2	721	8	1.471	10	2.192
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	6	8.061	73	34.230	79	42.291
ISA INTERCHILE	10	5.671	53	9.035	63	14.706
ISA INTERVIAL CHILE	27	11.621	71	19.055	98	30.676
RUTA DE LA ARAUCANÍA	1	933	29	1.937	30	2.870
RUTA DEL MAIPO	13	3.812	139	16.093	152	19.905
RUTA DEL MAULE	2	928	39	3.517	41	4.445
RUTA DEL BOSQUE	1	928	32	2.166	33	3.094
RUTA DE LOS RÍOS	1	933	27	1.702	28	2.635
RUTA DEL LOA	1	621	-	-	1	621
RUTA COSTERA	43	2.719	292	5.190	335	7.909
<b>TOTAL</b>	<b>1.674</b>	<b>337.026</b>	<b>2.678</b>	<b>251.894</b>	<b>4.352</b>	<b>588.920</b>

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AÑO 2019							
Company	MANAGEMENT AND TRUSTED PERSONNEL		OTHERS		TOTAL		
	NO. PEOPLE	VALUE	NO. PEOPLE	VALUE	NO. PEOPLE	VALUE	
ISA	200	61.758	13	1.244	213	63.002	
ISA INTERCOLOMBIA	381	64.522	205	25.881	586	90.403	
ISA CTEEP	104	25.502	1.283	81.354	1.387	106.856	
ISA REP	233	51.260	155	20.481	388	71.741	
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	20	2.844	38	3.001	58	5.845	
ISA BOLIVIA	3	192	28	2.537	31	2.729	
ISA TRANSELCA	16	5.704	226	29.160	242	34.864	
XM	240	42.452	2	231	242	42.683	
SISTEMAS INTELIGENTES EN RED	59	2.340	-	-	59	2.340	
INTERNEXA	169	32.954	14	660	183	33.614	
INTERNEXA PERU	36	8.546	2	48	38	8.594	
INTERNEXA CHILE	21	3.694	-	-	21	3.694	
INTERNEXA ARGENTINA	2	585	8	1.158	10	1.743	
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	3	6.877	90	32.751	93	39.628	
ISA INTERCHILE	7	3.377	54	6.817	61	10.194	
ISA INTERVIAL CHILE	24	8.880	64	14.159	88	23.039	
RUTA DE LA ARAUCANÍA	1	755	28	1.684	29	2.439	
RUTA DEL MAIPO	13	2.679	136	14.716	149	17.395	
RUTA DEL MAULE	2	766	39	3.441	41	4.207	
RUTA DEL BOSQUE	1	766	31	1.924	32	2.690	
RUTA DE LOS RÍOS	1	755	29	1.449	30	2.204	
RUTA DEL LOA	1	527	-	-	1	527	
<b>TOTAL</b>	<b>1.537</b>	<b>327.735</b>	<b>2.445</b>	<b>242.696</b>	<b>3.982</b>	<b>570.431</b>	

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## 2. Basis of presentation

Below is the description of the main policies and practices adopted by ISA and its companies:

### 2.1 Consolidation principles

Consolidated Financial Statements include the financial statements of the parent company and all affiliates and subsidiaries (including consolidable structured entities).

Subordinate companies are entities over which the parent company exerts direct or indirect control. Structured entities consolidable by ISA are generated from contractual agreements with financial institutions for the management of resources that do not have voting rights.

Structured entities over which ISA exerts control are: FUNDO DE INVESTIMENTO REFERENCIADO DI BANDEIRANTES, FUNDO DE INVESTIMENTO XAVANTES REFERENCIADO DI, FUNDO DE INVESTIMENTO ASSIS and FUNDO DE INVESTIMENTO BARRA BONITA RENDA FIXA REFERENCIADO through ISA CTEEP.

An investor controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the same.

The consolidated financial statements of ISA and its subordinate companies<sup>2</sup> are prepared according to the global integration method, whereby all assets, liabilities, equity, revenues, costs, and expenses of subordinate companies are added to the financial statements of the parent or controlling company, after eliminating the investment made by the parent or controlling company in the equity of the subordinate companies, as well as reciprocal operations and balances existing on the date of preparation of the consolidated financial statements.

The following basic principles were applied to consolidate operations between the parent company and subordinate companies:

- a. On the date of takeover, the assets acquired and liabilities incurred by the subsidiary are recorded at fair value, excluding certain assets and liabilities that are recorded following the valuation principles set out in other IFRS.
- b. The value of the stake of non-controlling shareholders in equity and comprehensive income of the subordinate companies, respectively, is presented in non-controlling interest in the consolidated statement of financial position and in non-controlling interest in the consolidated income statement, respectively. The income for the year and each component of the other comprehensive income are attributed to the owners of the controlling entity and to the non-controlling interest. These shares correspond to third parties alien to ISA's businesses.

<sup>2</sup> Includes affiliates and subsidiaries

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- c.** Subordinate companies' financial statements are included in the consolidated financial statements, as of the date the Group obtained control over the subordinate company and up to the date its control ends.
- d.** Investments in foreign subordinate companies are recorded based on financial statements as of the reporting date, approved under the financial information standards accepted in Colombia (NCIF) and translated into Colombian pesos according to the provisions of IAS 21, upon definition of the functional currency, using the U.S. dollar as reference currency. The income and financial position of all entities where ISA conducts businesses that use a functional currency that is different from the presentation currency, are translated into the presentation currency as follows:
  - Assets and liabilities are translated into Colombian pesos at the closing rate, which corresponds to the Representative Market Rate (RMR) on the balance sheet date, certified by the Financial Superintendence of Colombia.
  - Revenue and expense items are translated into Colombian pesos at the average exchange rate in force at the end of each period, unless it changes significantly, in which case the exchange rates of the date when the transaction is performed, are to be used.
  - Equity is maintained at the historical exchange rate on the acquisition or contribution date, and at the average exchange rate on the date of generation, in the case of accumulated income.

- If applicable, exchange differences that arise are recognized in other comprehensive income and are accumulated in equity, in gains (losses) for conversion exchange differences (attributed to the non-controlling stakes, as appropriate).

Both the surplus value arising from the acquisition of a business abroad, and the fair value adjustments made on the carrying amount of assets and liabilities, as a result of the acquisition of a business abroad, will be treated as assets and liabilities of the same. This means that they will be expressed in the same functional currency of the business abroad, and will be translated into the closing exchange rate.

- e.** All significant balances and transactions between ISA and its subordinate companies were eliminated in the consolidation process.
- f.** Changes in ISA and its companies' stakes in a subordinate company that do not cause a loss of control are accounted for in equity. The carrying amount of the stakes owned by ISA and its companies and the non-controlling stakes are adjusted to reflect changes in their corresponding stake in the subordinate company. Any difference between the amount by which the non-controlling stakes were adjusted and the fair value of the consideration paid or received is recognized directly in equity, and attributed to the owners of the controlling entity.

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Accounting policies of the Group's subordinate companies, associates, and jointly controlled companies are applied in a way that matches the accounting policies of ISA, to ensure the consistency of the Group's financial information, basis for appropriate consolidation.

Regarding investments in associates and jointly controlled entities, the parent company applies the equity method in its consolidated financial statements.

An associate is an entity over which the parent company is able to exercise significant influence, through the power to participate in decisions about its operating and financial policies.

In general, the significant influence is presumed in cases where the Group's stakes exceed 20%, even though, as in the case of control, it must be evaluated.

A joint venture is an agreement whereby the parties exerting joint control have rights to the net assets of the entity. Joint control only occurs when the decisions on relevant activities require the unanimous consent of the parties sharing control.

The equity method is a method of accounting whereby the investment in associates and jointly controlled entities is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The

income for the period and other comprehensive income of the entity that applies the equity method include its share of the income for the period and other comprehensive income of the entity. Dividends received from these entities are recorded as lower value of investment.

Transactions that imply a loss of control or significant influence over an associate or a jointly controlled entity are accounted for by recognizing any retained stake at its fair value, and the gain or loss resulting from the transaction is recognized in the income for the period, including the corresponding items of other comprehensive income.

Regarding transactions that do not imply a loss of control or significant influence over the associate or jointly controlled entity, the equity method remains being applied and the portion of the gain or loss recognized in other comprehensive income relating to the reduction in the stake of the property is reclassified in income.

Consolidated financial statements as of December 31, 2020 were authorized for disclosure by the Board of Directors on February 26, 2021.

The following figures were taken from the accounting records of ISA and its companies as of December 31, 2020 and 2019 and in the consolidation currency (Colombian peso), according to the provisions of Decree 2784/2012 and all its subsequent amendments:

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DECEMBER 2020				
COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT (LOSS)
ISA	19.803.064	6.602.891	11.137.223	2.062.950
ISA TRANSELCA	1.456.659	640.550	669.295	146.814
ISA REP	1.723.163	1.138.244	414.351	170.567
ISA PERÚ	729.588	609.767	87.194	32.627
CONSORCIO TRANSMANTARO	6.205.291	4.583.766	1.400.104	221.420
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	214.773	205.654	6.384	2.735
ISA CTEEP	15.784.190	6.699.274	6.680.350	2.404.566
ISA CAPITAL DO BRASIL	3.378.872	118.356	2.417.483	843.034
INTERLIGAÇÃO ELÉTRICA PINHEIROS	405.974	51.121	345.924	8.930
INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS	92.046	25.396	78.126	(11.475)
INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI	361.200	49.824	257.406	53.970
EVRECY PARTICIPAÇÕES	41.699	5.294	32.351	4.054
INTERNEXA	479.719	399.370	72.460	7.889
INTERNEXA PERÚ	266.741	216.837	38.139	11.766
ISA BOLIVIA	122.867	14.808	70.067	37.992
XM	201.887	175.250	13.684	12.953
SISTEMAS INTELIGENTES EN RED	18.327	8.363	3.354	6.609
ISA INVERSIONES CHILE	3.765.610	177.439	3.418.949	169.222
ISA INTERVIAL CHILE	4.015.680	783.498	3.042.205	189.977
RUTA DEL MAIPO	6.856.003	4.695.339	1.978.041	182.623
RUTA DE LA ARAUCANÍA	856.548	427.411	408.141	20.996

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DECEMBER 2020				
COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT (LOSS)
RUTA DE LOS RÍOS	320.489	248.184	63.656	8.648
RUTA DEL BOSQUE	381.969	313.935	125.488	(57.453)
RUTA DEL MAULE	185.096	44.441	123.848	16.807
RUTA DEL LOA	331.873	156.271	169.961	5.642
ISA INVERSIONES TOLTEN	34	-	39	(5)
INTERNEXA ARGENTINA	33.189	15.393	17.629	167
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	215.683	186.028	36.464	(6.809)
INTERNEXA PARTICIPAÇÕES	29.658	405	36.245	(6.992)
INTERNEXA CHILE	69.602	51.094	15.693	2.815
LINEAR SYSTEMS RE	44.659	25.888	15.599	3.172
ISA INTERCOLOMBIA	272.251	184.750	58.076	29.424
ISA INTERCHILE	4.841.402	3.696.030	1.130.052	15.319
ISA INTERVIAL COLOMBIA	592	19	582	(10)
FUNDO DE INVESTIMENTO REFERENCIADO DI BANDEIRANTES	97.278	9	94.672	2.597
FUNDO DE INVESTIMENTO XAVANTES REFERENCIADO DI	172.013	14	171.639	360
ISA INVESTIMENTOS E PARTICIPAÇÕES	795.512	68.853	519.456	207.203
INTERLIGAÇÃO ELÉTRICA TIBAGI	112.587	22.411	61.670	28.507
INTERLIGAÇÃO ELÉTRICA AGUAPEÍ	347.783	36.635	192.580	118.568
INTERLIGAÇÃO ELÉTRICA ITAQUERÊ	368.748	45.060	131.121	192.567
INTERLIGAÇÃO ELÉTRICA ITAPURA	102.578	9.227	94.132	(781)
INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE	330.884	122.815	195.477	12.592

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DECEMBER 2020				
COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT (LOSS)
INTERLIGAÇÃO ELÉTRICA SUL	147.701	32.276	133.031	(17.606)
INTERLIGAÇÃO ELÉTRICA ITAÚNES	191.750	14.779	116.060	60.911
INTERLIGAÇÃO ELÉTRICA RIACHO GRANDE	381	12	369	-
FUNDO DE INVESTIMENTO ASSIS	20.365	1	19.795	569
INTERLIGAÇÃO ELÉTRICA BIGUAÇU	81.565	13.214	78.448	(10.097)
FUNDO DE INVESTIMENTO BARRA BONITA RENDA FIXA REFERENCIADO	14.388	3	14.021	364
ISA INVERSIONES COSTERA CHILE	601.497	582.801	(11.430)	30.126
ORAZUL ENERGY GROUP	160.880	50.111	104.105	6.665
ORAZUL ENERGY TRANSMISION	160.392	27	153.694	6.671
ETENORTE	44.564	1.997	37.194	5.372
ETESELVA	118.984	2.845	114.833	1.307
RUTA COSTERA	3.120.489	2.913.818	211.581	(4.910)
INTERCONEXIONES VIALES	3.643	124	3.712	(193)

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DECEMBER 2019				
COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT (LOSS)
ISA	18.909.930	6.439.115	10.827.310	1.643.505
ISA INTERCOLOMBIA	252.747	160.410	59.395	32.943
ISA INVESTIMENTOS E PARTICIPAÇÕES	872.443	120.985	671.368	80.090
ISA CAPITAL DO BRASIL	3.473.521	28.694	2.941.790	503.037
ISA CTEEP	15.664.291	6.074.979	8.123.874	1.465.437
INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS	102.404	22.475	78.711	1.218
INTERLIGAÇÃO ELÉTRICA PINHEIROS	519.917	74.081	390.723	55.113
INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI	419.881	65.665	318.381	35.835
INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE	402.107	160.301	222.549	19.256
INTERLIGAÇÃO ELÉTRICA SUL	227.904	65.813	151.776	10.315
EVRECY PARTICIPAÇÕES	43.633	3.429	36.708	3.496
INTERLIGAÇÃO ELÉTRICA TIBAGI	100.005	26.719	72.781	505
INTERLIGAÇÃO ELÉTRICA AGUAPEÍ	101.801	18.503	82.606	692
INTERLIGAÇÃO ELÉTRICA ITAQUERÊ	201.886	47.234	144.294	10.358
INTERLIGAÇÃO ELÉTRICA ITAPURA	115.976	35.217	64.178	16.580
INTERLIGAÇÃO ELÉTRICA ITAÚNES	115.966	8.892	102.608	4.466
INTERLIGAÇÃO ELÉTRICA BIGUAÇU	9.820	1.030	9.659	(869)
ISA PERÚ	180.275	61.851	85.290	33.133
ISA REP	1.679.842	1.046.352	420.353	213.137
CONSORCIO TRANSMANTARO	5.055.779	3.491.212	1.376.294	188.274
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	164.008	147.899	15.019	1.090

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DECEMBER 2019				
COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT (LOSS)
ISA BOLIVIA	178.008	86.818	51.962	39.229
ISA TRANSELCA	1.452.299	629.172	652.507	170.619
XM	175.235	152.390	13.061	9.783
SISTEMAS INTELIGENTES EN RED	17.084	8.730	2.380	5.974
INTERNEXA	434.780	362.349	69.973	2.458
INTERNEXA PERÚ	243.038	205.838	27.807	9.393
INTERNEXA CHILE	72.131	57.985	8.949	5.197
INTERNEXA ARGENTINA	31.354	14.513	14.035	2.806
INTERNEXA PARTICIPAÇÕES	44.282	327	62.932	(18.977)
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	244.102	199.859	63.085	(18.842)
ISA INVERSIONES CHILE	2.009.609	405	1.837.089	172.115
ISA INVERSIONES MAULE	1.289.749	160.876	1.023.286	105.587
ISA INTERVIAL CHILE	3.125.778	265.824	2.568.790	291.164
RUTA DE LA ARAUCANÍA	893.417	524.013	336.181	33.224
RUTA DEL MAIPO	6.122.238	4.115.568	1.793.280	213.390
RUTA DEL MAULE	223.541	87.630	106.648	29.262
RUTA DEL BOSQUE	457.997	342.602	111.072	4.323
RUTA DE LOS RÍOS	361.359	299.348	33.329	28.682
RUTA DEL LOA	129.666	88.671	36.638	4.357
ISA INVERSIONES TOLTEN	36	-	37	(1)
LINEAR SYSTEMS RE	75.465	60.360	11.658	3.447

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DECEMBER 2019				
COMPANY	ASSETS	LIABILITIES	EQUITY	PROFIT (LOSS)
ISA INTERCHILE	4.122.732	2.929.555	1.153.795	39.382
ISA INTERVIAL COLOMBIA	589	6	1.267	(684)
FUNDO DE INVESTIMENTO REFERENCIADO DI BANDEIRANTES	103.981	13	86.524	17.444
FUNDO DE INVESTIMENTO XAVANTES REFERENCIADO DI	1.555.293	22	1.553.939	1.332
PATRIMONIO AUTÓNOMO BETANIA	84	-	670	(586)
FUNDO DE INVESTIMENTO ASSIS	3.202	1	(2.215)	5.416
FUNDO DE INVESTIMENTO BARRA BONITA RENDA FIXA REFERENCIADO	25.120	6	22.122	2.992

## 2.1.1 Business combination

### 2.1.1.1 ORAZUL ENERGY GROUP

On March 10, 2020, ISA, through its subsidiary ISA PERU, entered into an agreement for the acquisition of 100% stake of ORAZUL ENERGY GROUP and 0,004% stake of ORAZUL ENERGY TRANSMISSION. On August 24, 2020, the purchase was performed once the closing conditions were met, such as the authorization by the National Institute for the Defense of Competition and Protection of Intellectual Property of Peru (Indecopi).

ORAZUL ENERGY GROUP holds a 99.976% stake of ORAZUL ENERGY TRANSMISSION, which holds a 99.999% stake in ETENORTE and ETESELVA, concessions

acquired in perpetuity that operate six electric energy transmission lines in Peru, totaling 746 kilometers of circuit. The transmission lines located in central and northern Peru in the departments of Ancash, Cajamarca, Huánuco, Lambayeque, and Uycali operate in the Peruvian Primary Transmission System (SPT) and Secondary Transmission System (SST).

This transaction was made with the purpose of increasing ISA's stake in the Peruvian market, reaching 73%, thus consolidating its position as the largest energy transmission company in Peru.

The price paid to control ORAZUL ENERGY GROUP was COP 595.095 (USD 158.254.066).

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**Assets acquired and liabilities incurred at acquisition date**

The fair value of assets acquired, liabilities incurred, and non-controlling interests, as well as the amount of goodwill, were defined according to the preliminary valuation prepared by an independent consulting firm, considering the financial statements as of August 31, 2020. The Purchase Price Allocation (PPA) information is preliminary as the appraisal of the company's acquired assets is pending.

Preliminary assets and liabilities at fair value are detailed below:

	2020
<b>CURRENT ASSETS</b>	<b>32.806</b>
Cash and cash equivalents	26.484
Accounts receivable from customers and other accounts receivable, net	3.831
Others	2.491
<b>NON-CURRENT ASSETS</b>	<b>87.981</b>
Property, plant, and equipment	87.440
Deferred tax	500
Others	41
<b>TOTAL ASSETS</b>	<b>120.787</b>
<b>CURRENT LIABILITIES</b>	<b>3.328</b>
Accounts payable to suppliers and other accounts payable	325
Current tax liabilities	1.904

	2020
Others	1.099
<b>NON-CURRENT LIABILITIES</b>	<b>2.855</b>
Deferred tax liabilities	2.855
<b>TOTAL LIABILITIES</b>	<b>6.183</b>
<b>TOTAL EQUITY AT FAIR VALUE</b>	<b>114.604</b>

The transaction resulted in the following accounting impacts as of August 31, 2020:

	2020
<b>VALUE PAID</b>	<b>595.095</b>
Assets and liabilities at fair value	114.604
(-) Non-controlling interest	(37)
<b>SHARES ACQUIRED</b>	<b>114.567</b>
<b>GOODWILL</b>	<b>480.528</b>

Changes in goodwill between the purchase date and December 31, 2020 are as follows:

	2020
<b>GOODWILL AT PURCHASE DATE</b>	<b>480.528</b>
(-) Exchange rate effect expense	(41.899)
<b>GOODWILL AS OF DECEMBER 31, 2020</b>	<b>438.629</b>

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Below are the net flows of cash and cash equivalents:

	2020
Cash and cash equivalent acquired	26.484
(-) Costs related to the acquisition	(6.066)
<b>NET CASH FLOW FROM ACQUISITION</b>	<b>20.418</b>

**Effect of acquisition on the entity's income**

ISA's income between the purchase date and December 31, 2020 and from January 1 and December 31, 2020 are shown below, as if the business had been undertaken since the beginning of the year. For ISA, these figures represent an approximate indicator of the company's performance and provide a baseline for future periods.

FROM 31.08.2020 TO 31.12.2020	COP
Operating Revenues	15.771
Ebitda	11.420
<b>INCOME BEFORE TAXES</b>	<b>7.042</b>

FROM 01.01.2020 TO 31.12.2020	COP
Operating Revenues	44.989
Ebitda	19.722
<b>INCOME BEFORE TAXES</b>	<b>23.225</b>

**2.1.1.2 RUTA COSTERA**

On October 24, 2019, ISA, through its subsidiary INTERCONEXIONES VIALES, signed a share purchase and sale agreement for the acquisition of 100% stake of RUTA COSTERA, owned by MHC Ingeniería y Construcción de Obras Civiles S.A.S., Constructora MECO S.A., Constructora Colpatria S.A. and Castro Tcherassi S.A.

On October 22, 2020, the purchase transaction was completed once the closing conditions were met, including authorizations from the National Infrastructure Agency (ANI), insurers and concession funders.

RUTA COSTERA was incorporated in Colombia and entered into Concession Contract No. 004 with ANI on September 10, 2014. This Fourth Generation (4G) Concession has six operating units with 146 kilometers of roads and connects two main cities (Tranche 1: Cartagena-Barranquilla 110 km, and Tranche 2: Circunvalar de la Prosperidad between Malambo and Barranquilla, 36 km of double lane). The project comprises the Gran Manglar Viaduct, located on Ciénaga de la Virgen, Cartagena (5,4 km)

This transaction represents an important movement for implementing the strategy in the Road Concessions business unit in which the ISA Group intends to participate in Colombia and Peru, complying with the aim of diversifying its main energy transmission business unit.

The purchase price to control RUTA COSTERA was COP 531.454.

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**Assets acquired and liabilities incurred at acquisition date**

The fair value of assets acquired and liabilities incurred, as well as the calculation of the profit from the purchase in advantageous terms, were defined according to the preliminary valuation made by an independent consulting firm, based on the financial statements as of September 30, 2020.

Assets and liabilities at fair value are detailed below:

	CARRYING VALUE	ADJUSTMENTS AT FAIR VALUE	AT FAIR VALUE
<b>CURRENT ASSETS</b>	<b>303.092</b>	-	<b>303.092</b>
Cash and cash equivalents	285.694	-	285.694
Accounts receivable from customers and others, net	2.935	-	2.935
Current tax assets	1.720	-	1.720
Others	12.743	-	12.743
<b>NON-CURRENT ASSETS</b>	<b>2.675.872</b>	<b>(116.556)</b>	<b>2.559.316</b>
Concession asset	2.016.422	(116.556)	1.899.866
Accounts receivable from customers and others, net	1.018	-	1.018
Property, plant, and equipment	3.575	-	3.575
Deferred tax	653.147	-	653.147
Intangible assets	148	-	148
Others	1.562	-	1.562
<b>TOTAL ASSETS</b>	<b>2.978.964</b>	<b>(116.556)</b>	<b>2.862.408</b>
<b>CURRENT LIABILITIES</b>	<b>12.709</b>	-	<b>12.709</b>
Accounts payable to suppliers and others	5.631	-	5.631
Employee benefits	1.293	-	1.293
Current tax liabilities	1.029	-	1.029

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	CARRYING VALUE	ADJUSTMENTS AT FAIR VALUE	AT FAIR VALUE
Others	4.756	-	4.756
<b>NON-CURRENT LIABILITIES</b>	<b>2.754.674</b>	<b>-</b>	<b>2.754.674</b>
Financial liabilities	1.516.108	-	1.516.108
Accounts payable to suppliers and other accounts payable	6.916	-	6.916
Deferred tax liabilities	699.157	-	699.157
Subordinated debt	475.542	-	475.542
Contingent liabilities and provisions	2.711	-	2.711
Others	54.240	-	54.240
<b>TOTAL LIABILITIES</b>	<b>2.767.383</b>	<b>-</b>	<b>2.767.383</b>
<b>TOTAL EQUITY</b>	<b>211.581</b>	<b>(116.556)</b>	<b>95.025</b>

The fair value adjustment to the concession's financial asset of COP 116,556 will be recovered over the concession's term.

The transaction resulted in the following accounting impacts at acquisition date:

	2020
<b>PURCHASE PRICE</b>	<b>531.454</b>
Equity	95.025
Subordinated debt	475.542
<b>ASSETS AND LIABILITIES AT FAIR VALUE</b>	<b>570.567</b>
<b>PROFIT FROM PURCHASE ON ADVANTAGEOUS TERMS</b>	<b>39.113</b>

Below are the net flows of cash and cash equivalents:

	2020
Cash and cash equivalent acquired	285.694
(-) Costs related to the acquisition	(1.700)
<b>NET CASH FLOW FROM ACQUISITION</b>	<b>283.994</b>

**Effect of acquisition on the entity's income**

ISA's income between the purchase date and December 31, 2020 and from January 1 and December 31, 2020 are shown below, as if the business had been undertaken since the beginning of the year. For ISA, these figures represent an approximate indicator of the company's performance and provide a baseline for future periods.

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FROM 31.10.2020 TO 31.12.2020	COP
Operating Revenues	94.659
Ebitda	56.155
<b>INCOME BEFORE TAXES</b>	<b>7.267</b>

FROM 01.01.2020 TO 31.12.2020	COP
Operating Revenues	214.698
Ebitda	152.333
<b>INCOME BEFORE TAXES</b>	<b>15.391</b>

## 2.2 Accounting principles

The ISA Group prepares its consolidated financial statements in accordance with the Colombian Standards for Financial Information (NCIF), established in Law 1314 of 2009, regulated by Decree 2420 of 2015, which was compiled and updated by Decree 2270 of 2019, with all the legal provisions in force adopted by the General Accounting Office of Colombia.

These accounting and financial information reporting standards correspond to the International Financial Reporting Standards (IFRS), officially translated, and authorized by the International Accounting Standards Board (IASB).

## 2.3 Application of standards implemented in Colombia as of January 1, 2020

According to Decree 2270 of 2019, from January 1, 2020, the following standards came

into force within the technical regulatory framework, which contains some amendments issued by the IASB in 2018, allowing their early implementation:

### 2.3.1 IFRIC 23 - Uncertainty over income tax treatments

This interpretation clarifies how to apply the requirements for the recognition and measurement of IAS 12 when there is uncertainty over income tax treatments. In this case, an entity will recognize and measure its deferred or current tax asset or liability by applying IAS 12 requirements based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and tax rates determined by applying this interpretation.

ISA and its companies conducted a practical analysis of IFRIC 23, determining that to recognize and measure deferred and current tax assets and liabilities when there is uncertainty about the acceptance of a tax treatment, the interpretation that is most likely to be accepted by the entities in charge of examining tax returns should be applied. ISA also concluded that an impact on the financial statements should only result from the application of this IFRIC when an item with uncertain treatment is estimated differently, by applying the interpretation with the highest tax acceptance.

ISA and its companies applied this standard in advance, from 2019.

### 2.3.2 IAS 1 – Presentation of financial statements

The amendments align the definition of “Material” between IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting policies, changes in accounting estimates, and errors, and clarify certain aspects of the definition. The new definition establishes

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that “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

### 2.3.3 IAS 19 – Employee benefits

Amendments to IAS 19 define the accounting treatment of any amendment, curtailment, or settlement of a plan that occurs during a financial year. Said changes specify that when a plan is amended, curtailed, or settled during the reporting year, the entity is required to:

- Determine the current cost of the service for the remaining period after the plan is amended, curtailed, or settled, applying the actuarial assumptions that are used to recalculate the net liability (asset) for defined provisions, reflecting the benefits offered and the plan assets after that event.
- Determine the net interest for the remaining period after the plan is amended, curtailed, or settled, by using: the net liability (asset) of the defined benefit that reflects the benefits offered under the plan and plan assets after that event, and the discount rate used to recalculate that net liability (asset) of the defined benefit.

The amendments also clarify that the entity first shall determine any past service cost, or settlement gain or loss, regardless of the effect of the asset ceiling. This amount is recognized as a profit or loss. The effect of the asset ceiling after the plan amendment, curtailment, or settlement is then determined and any changes in such effect, excluding amounts included in net interest, are recorded in other comprehensive income.

### 2.3.4 IFRS 3 – Business combinations

This interpretation clarifies that, to be considered a business, a set of activities and assets acquired must include, at least, an input and a substantive process where these contribute significantly to the capacity to create outputs. It restricts the definitions of a business and outputs by focusing on goods and services provided to customers and by eliminating the reference to the capacity to reduce costs. It provides guidance and graphic examples to help entities assess whether a substantive process has been acquired. It eliminates the assessment on market participants’ capacity to replace any missing inputs or processes and continue the production of outputs, and adds an optional concentration test, which allows for a simplified assessment about a set of activities and assets acquired not being a business.

### 2.3.5 Conceptual framework

It contains definitions of concepts related to:

- Measurement: including factors considered when selecting measurement bases.
- Presentation and disclosure: including when to classify revenues or expenses in other comprehensive income.
- Non-recognition: including guidance on when assets or liabilities should be removed from the financial statements.

Additionally, it updates definitions of assets and liabilities as well as criteria to include them in the financial statements. Likewise, it clarifies the meaning of some concepts.

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ISA and its companies concluded that the adoption of these standards and interpretations issued by the IASB, in force in Colombia, did not have a material impact on the financial statements.

## 2.4 Standards issued by the IASB not yet in force in Colombia

Standards and interpretations that have been issued by the International Accounting Standards Board (IASB) but not applicable in Colombia on the date of these financial statements are disclosed below. The Group will adopt these standards on the date they become effective, according to the decrees issued by the local authorities.

### 2.4.1 IFRS 17 - Insurance contracts

In May 2017, the IASB issued IFRS 17, which is a new comprehensive accounting standard for insurance contracts that includes measurement, recognition, presentation, and disclosure. Once effective, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all kinds of insurance contracts regardless of the type of issuing entity, as well as certain guarantees and financial instruments with discretionary participation features. There are few exceptions to this standard.

The main purpose of this standard is to provide an accounting model for insurance contracts that is more useful and confidential for insurers. Unlike IFRS 4 requirements, which mainly seek to protect previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. The essence of this standard is a general model, supplemented by:

- a specific adaptation for contracts with direct participation features (Variable Fee Approach),
- a simplified approach (the Premium Allocation Approach), mainly for short-term contracts.

To date, IFRS 17 has not been introduced into the Colombian accounting framework by any decree.

### 2018 – 2020 Improvements

#### 2.4.2 Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

The amendments provide several exemptions that apply to all hedging relationships that are directly affected by the Interest Rate Benchmark Reform. A hedging relationship is affected if the reform results in uncertainty about the time and/or amount of cash flows based on benchmark rates of the hedged item or hedging instrument.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree. The Group is assessing the potential effect of this standard on its financial statements.

#### 2.4.3 Amendment to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classification of liabilities as current or non-current. The amendments clarify the following:

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- The meaning of the right to defer settlement of a liability.
- That the right to defer settlement of the liability should be granted at the end of the period.
- That the classification is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

#### **2.4.4 Amendment to IFRS 3 - Business Combinations - Reference to the conceptual framework**

In May 2020, the IASB issued the amendments to IFRS 3 - Business Combinations - Reference to the conceptual framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting, issued in March 2018, without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

#### **2.4.5 Amendment IAS 16 - Property, plant and equipment - Proceeds before intended use**

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds Before Intended Use, which prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

#### **2.4.6 Amendment to IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets - Cost of Fulfilling a Contract**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs a company should include when assessing whether a contract will be onerous or loss-making.

According to the amendments, a 'directly related cost approach' shall be applied. Costs directly related to a contract to provide goods or services comprise both incremental costs and an allocation of other costs that relate directly to contract activities. General and administrative costs are not directly related to the contract and

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shall be excluded, unless those costs are explicitly chargeable to the counterparty under the contract.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

#### **2.4.7 Amendment to IFRS 1 - First-time adoption of international financial reporting standards**

The amendment permits a subordinate company that applies paragraph D16 (a) of IFRS 1 to measure cumulative translation differences (CTD) using amounts reported by the parent based on the date of transition to IFRS of such parent. This amendment also applies to associates or joint ventures that choose to apply paragraph D16 (a) of IFRS 1.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

#### **2.4.8 Amendment to IFRS 9 - Financial instruments: '10 per cent' Test for Derecognition of Financial Liabilities**

The amendment to IFRS 9 clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These are only fees paid or received between the borrower and the lender, including fees paid

or received by either the borrower or the lender on behalf of the other. The entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

#### **2.4.9 IAS 41 - Agriculture - Taxation of fair value measurements**

As part of its 2018-2020 annual improvements to the IFRS process, the IASB issued an amendment to IFRS 41 - Agriculture. The amendment to IAS 41 removed paragraph 22 requirement to exclude cash flows from taxation when measuring the fair value of assets within the scope of IAS 41.

To date, the amendments have not been incorporated into the Colombian accounting framework by any decree.

### **2.5 Main judgements and estimates**

The preparation of the financial statements based on IFRS demands from the management the use of judgements, estimates, and assumptions to determine the asset and liability figures reported, the exposure of contingent assets and liabilities on the date of the financial statements, the revenue and expense figures reported, and the applications of accounting policies as of December 31, 2020.

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Nonetheless, final results could differ from estimates included in the financial statements. The management expects that variations, if any, would have no significant effect on the financial statements.

If the information is material, *it is a matter of judgment and depends on the factors involved and the circumstances of the company*. These estimates are based on the best experience of the management, on the best expectations regarding present and future events, and on the best use of the information available on the date of issuance of these consolidated financial statements. Current results may differ from these estimates but are adjusted once they are known.

**The Group management has determined that the most significant judgments and estimates correspond to:**

- **Identification of Cash Generating Units (CGUs):** The CGU is the identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the sale or provision of services, arising from other assets or groups of assets. The identification of CGUs involves significant judgment, mainly about how the company must add its assets.
- **Definition of hierarchy levels of financial instruments:** (See Note 3.10).
- **Lease agreements:** Leases may be financial or operating, and the classification is based on the degree to which the risks and benefits inherent to owning the asset affect the lessor or the lessee. A lease is classified as financial when all the risks and benefits inherent to owning the asset leased are substantially transferred to the lessee; otherwise, it is classified as an operating lease. These risks include the

possibility of idle capacity or technological obsolescence losses, as well as variations in performance due to changes in economic conditions. Benefits may imply the expectation of profitable exploitation throughout the economic life of the asset, and the gain from revaluation or realization of its residual value.

This classification is made at the beginning of the agreement and is not changed during its term, unless lessee and lessor agree to change the terms of the lease. Nevertheless, changes in estimates -economic life or residual value of the asset-, would not generate a new classification of said lease. (See Note 3.9 Leases).

- **Disbursements incurred for concessions recognized as intangible, as financial asset, or as contract asset under guidelines of IFRIC 12 (Service Concession Arrangements):** The management of each of the companies that has entered into concession agreements determines the classification as intangible assets, contract assets, or financial assets of the disbursements capitalized, based on cash flows receivable and based on requirements specified in concession agreements entered into with the respective governments, which contemplate the infrastructure and other assets that should be part of the concession granted, and which will be delivered to the grantor at the end of the respective terms. (See Note 3.7 Concessions). Goods acquired by each of these companies, with the purpose of providing support to the operations inherent to the concessions granted, but which are not part of the goods of the companies, are recorded and classified as fixed assets or supplies, depending on their nature.
- **Value impairment of accounts receivable:** To determine the expected loss impairment, it is no longer necessary for a credit-related event to occur before credit losses are recognized. Instead, an entity shall always account for credit losses

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expected, as well as changes in them. The amount of such losses is updated on each reporting date to reflect changes in the credit risk since initial recognition and, therefore, more timely information can be provided on these losses.

- **Estimated recoverable amount of a non-financial asset:** The carrying value of non-financial assets, excluding deferred taxes, is reviewed on each balance sheet date to determine whether there is evidence of impairment. If there is evidence of impairment, the recoverable amount of the asset is estimated and charged to income for the period.
- **Estimated value in use of operating assets:** Future cash inflows and outflows, derived either from the continuous use of the asset or from its disposal through other methods at the end of its useful life, are estimated. Then, the proper discount is applied to these future cash flows.
- **Estimation of assets and liabilities at fair value in a business combination:** Identifiable assets acquired and liabilities incurred will be classified or designated as necessary. The company will classify or designate assets based on contractual arrangements, economic conditions, its accounting policies, and other relevant conditions that may exist on the acquisition date. ISA will measure assets and liabilities at fair value through profit or loss or through other comprehensive income in accordance with IFRS 13 - Fair Value Measurement (see Note 3.11).

Fair value is measured using valuation techniques, including the discounted cash flow model. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include input considerations such as liquidity risk, credit risk, and volatility. Changes in assumptions related to these factors could affect fair value.

If at the end of the period in which the combination was made, the fair values to distribute to identifiable assets, liabilities, and contingent liabilities of the acquired company or the cost of the combination can be determined only provisionally, the combination will be accounted for by using these provisional values. Once the fair values of assets and liabilities are objectively determined, they will be adjusted. The period to make these adjustments is up to twelve months after the acquisition date.

- **Useful lives and residual values of property, plant, and equipment:** The calculation of useful lives and residual values of the property, plant, and equipment components involves judgments and assumptions that could be affected if circumstances change. The Group management reviews these assumptions annually and adjusts them prospectively if any change is identified.
- **Useful lives of intangible assets (concessions) and their expansions:** The useful lives of concession intangible assets, mainly expansions, are estimated and recorded depending on the closing date of the concession agreement, that is, the remaining useful life of each expansion.
- **Provision for legal and administrative proceedings:** When estimating the loss contingency for legal proceedings pending against ISA and its companies, legal advisors analyze, among other things, the merits of the claims, the jurisprudence of the courts involved, and the current status of proceedings. This provision is linked to the probability of occurrence, as well as the professional judgement and opinion of the legal advisors.
- **Recovery of deferred tax assets:** The use of professional judgment is required to determine whether deferred tax assets should be recognized in the statement of financial position. To recognize deferred tax assets, the management is required

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to evaluate the probability that the company generates taxable revenues in future periods. The estimates of future taxable income are based on financial projections and the application of tax laws. Depending on how much future cash flows and taxable income significantly differ from estimates, there could be an impact on the organization's capacity to realize the net deferred taxable assets recorded on the reporting date.

Additionally, future changes in tax laws could limit the capacity of the Company to obtain tax deductions in future periods. Any difference between estimates and subsequent real disbursements is recorded in the year when it occurs.

→ **Provision for major maintenance and replacement:** Under concession agreements, major replacement and maintenance costs necessary to keep the infrastructure in the conditions required, are estimated and recorded as an expense and a provision on the closing date of each accounting period, depending on the condition and ageing factors of the transmission lines and substations, on which a qualitative analysis (weather conditions, number of technical failures, technical inspections) and a quantitative analysis (samples, physical-chemical and lab analysis) are annually performed by the Maintenance area and, based on such factors, an estimate of disbursements for major maintenance and replacements is made, taking into account the current market prices of the components to be replaced.

According to the budget prepared for the capital expenditure, companies index the corresponding inflation to the cash outflows, and to update the provision for significant maintenance and replacements, an annual rate free of risk is applied, taking into account current market conditions and the specific risk of the liability associated.

→ **Traffic projections for concessions:** To estimate the concession term by the Present Value of Revenues (VPI) for RUTA DEL MAIPO, RUTA DEL MAULE, RUTA DEL BOSQUE, RUTA DE LA ARAUCANÍA and RUTA DEL LOA, Chilean concessionaires, traffic studies are performed by an independent entity based on GDP projections and local variables according to the concession.

→ **Employee benefits:** The current value of defined benefit pension plans and other post-employment medical benefits and long-term benefits is based on actuarial valuations. These valuations include formulating several hypotheses which could differ from future real events, such as the determination of the discount rate, future salary increases, future pension increases, and mortality rates. Due to the complexity of the valuation, its long-term nature, and underlying hypotheses, the calculation of the defined benefit obligation is highly sensitive to changes in these hypotheses. All of them are reviewed on each closing date.

The mortality rate is based on the country's public mortality rates. The future salary and pension increase are based on expected future inflation rates. (See Note 19).

## 2.6 Foreign currency transactions and balances

The financial statements are presented in Colombian pesos as it is the currency used in the primary economic environment of operation of the parent company and, therefore, it is the functional and presentation currency.

Foreign currency transactions are translated into the functional currency by using exchange rates valid on the dates of the transactions. At year-end, monetary assets and liabilities in foreign currency are restated, and exchange gains and losses resulting

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from exchange rate differences, as well as gains and losses generated by the settlement of non-monetary liabilities or collection of monetary assets, are recognized in the comprehensive income statement.

Exchange gains from the restatement of monetary items are presented in the comprehensive income statement, in Financial net income/expense.

→ **Rates used**

Foreign currency transactions and balances are converted to the current exchange rates certified by the Central Bank of Colombia (Banco de la República) or official banks of the main countries with whom the Company conducts transactions.

The exchange rates used for the preparation of the consolidated financial statements as of December 31, 2020 and 2019, expressed in Colombian pesos, were the following:

Average rate: for converting comprehensive income statement balances:

CURRENCY	2020	2019
COP / USD	3.691,27	3.282,39
COP / BRL	715,32	831,39
COP / CLP	4,68	4,69
BRL / USD	5,16	3,95
CLP / USD	788,53	700,10

Closing rates, for converting statement of financial position balances:

CURRENCY	2020	2019
COP / USD	3.432,50	3.277,14
COP / BRL	660,52	813,04
COP / CLP	4,83	4,38
BRL / USD	5,2	4,03
CLP / USD	710,95	748,74

**2.7 Classification of balances as current and non-current**

In the statement of financial position, balances are classified according to their maturities, i.e., current balances are those with maturities equal to or below twelve months, excluding provisions for post-employment obligations and other similar, and as non-current for maturities exceeding such period.

**3. Main accounting policies**

The main accounting policies and practices applied in the preparation of the accompanying consolidated financial statements are the following:

**3.1 Investments in jointly controlled entities and associates**

IISA applies the equity method in its Consolidated Financial Statements to account for investments in jointly controlled entities and associates, in accordance with IAS 28.

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Accounting policies of jointly controlled entities and associates are applied on a basis that is uniform with the Group's, in order to ensure comparability in the financial information of ISA and its companies, and a proper application of the equity method.

The equity method is an accounting method whereby the investment is initially recorded at cost and is then adjusted for changes in the net assets of affiliates, subsidiaries, joint ventures, and associates, according to the investment held by the company. The result for the period and other comprehensive income of the Group include results of companies in which the Group holds stakes.

Dividends received from companies over which ISA and its companies exert joint control or significant influence are recorded as a lower investment value.

Transactions that imply a significant loss of control or influence over an investee are accounted for by recognizing any retained interest by its fair value and the gain or loss resulting from the transaction is recognized in the income for the period, including the corresponding items of other comprehensive income.

For transactions not implying a significant loss of control or influence over the investee, the equity method remains being applied, and the portion of the gain or loss recognized in other comprehensive income related to the reduction in ownership interest is reclassified in income.

### 3.2 Business combination and surplus value

A business combination should be accounted for by applying the acquisition method. The consideration for each acquisition is measured at fair value, which is calculated as the sum of the fair value on the acquisition date of the assets transferred, minority interest in the acquisition, liabilities generated or accepted, and equity instruments issued by the Group, in exchange for the control of the acquisition. Costs related to the acquisition are recognized in results when incurred.

Identifiable assets acquired and liabilities incurred are recognized at fair value on the acquisition date, except that:

- Deferred tax assets and liabilities and liabilities or assets related to employee benefit agreements are recognized and measured according to IAS 12 - Income Tax and IAS 19 - Employee Benefits, respectively;
- Equity liabilities or instruments related to payment agreements based on shares from the acquired company or payment agreements based on Group shares made to replace agreements with payment based on shares from the acquired company, are measured in accordance with IFRS 2 - Share-based payments at the acquisition date; and
- Assets or asset groups for disposal, classified as held-for-sale in accordance with IFRS 5 - Non-Current Assets held for sale and discontinued operations, are measured according to such standard.

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If the initial accounting of a business combination can be determined only provisionally by the end of the period in which the combination was made, because the fair values to distribute to identifiable assets, liabilities, and contingent liabilities of the acquired company or the cost of the combination can be determined only provisionally, the combination will be accounted for by using these provisional values. These values will be adjusted when the fair values of assets and liabilities are objectively determined until a period of twelve months after the date of acquisition.

When the consideration transferred by the Group in a business combination includes assets or liabilities that result from a contingent consideration agreement, i.e., as a recognized obligation associated with future events arising from it, the contingent consideration is measured at fair value on the acquisition date and it is included as part of the consideration transferred in business combination. Changes in the fair value of the contingent consideration that qualify as adjustments to the measurement period are adjusted retrospectively to the corresponding adjustments against the surplus value. Measurement period adjustments are those that arise from the additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed on the acquisition date.

The subsequent record of changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. The contingent consideration that is classified as equity is not measured again on subsequent reporting dates and its subsequent cancellation

is registered in equity. The contingent consideration that is classified as asset or liability is measured again on its reporting date according to IAS 39, or IAS 37, when appropriate, and the corresponding profit or loss is recognized in income.

In cases of phased business combinations, the Group's equity in the acquired company is re-measured at its fair value on the acquisition date (i.e., the date on which the Group obtained the control) and the resulting gain or loss, if any, is recognized in income. Amounts resulting from the stake in the acquired company before the acquisition date, that had been recognized in other comprehensive income, are reclassified in income, provided that such treatment was adequate in the event of selling that stake.

### **3.2.1 Surplus value**

When the company Group acquires the control of a business, the difference between the consideration transferred and the fair value of identifiable assets, liabilities assumed and any non-controlling stake in the company acquired, are recorded as goodwill.

The goodwill is not amortized and is subject to annual impairment tests or whenever there is evidence of impairment. Impairment losses applied to the surplus value are recorded in income for the period and their effect is not reversed.

If the net amounts of the identifiable assets acquired and the liabilities incurred exceed the amount of the consideration transferred, the amount of any non-controlling stake in

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the acquired company and the fair value of the stake previously held by the acquiring company in the acquired entity, then said excess or negative surplus value is recognized directly in income for the period as purchase gain.

### 3.3 Inventories

Inventories are recorded at cost or at net realizable value, the lower value of either.

For ISA's companies, inventories correspond to materials used in operating asset internal maintenance and conservation activities.

They are initially recognized at the acquisition cost, which includes all costs incurred in the purchase, excluding interest costs. Inventory consumptions are determined based on the weighted average cost method.

Inventories are annually tested for impairment or lost value, based on a specific analysis by the management. If impairment takes place, it is recognized in profit or loss of the period.

### 3.4 Property, plant, and equipment

Property, plant, and equipment are valued at their acquisition cost -historical cost- or construction cost, less depreciation and accumulated impairment losses, if any. In addition to the price paid to acquire each element, the cost also includes the following concepts:

- Import tariffs and non-recoverable indirect taxes imposed on the acquisition, after deducting trade discounts and rebates
- All costs directly related to placing the asset, in the conditions necessary for its operation in the manner intended by the management
- Borrowing costs attributable to the acquisition of a qualifying asset -an asset that requires a substantial period of time for being ready for use or sale, and from which it is expected to obtain future benefits
- The initial estimate of element dismantling or withdrawing costs, as well as the rehabilitation of the place on which it is based, when they are obligations incurred by the company, as a result of using such item during a certain period

Expenses for maintenance, preservation, and repair of these assets are recorded directly in income as a cost for the period in which they are incurred.

Additions and expansion, upgrading, or improvement costs are capitalized as higher value of the respective assets, if they extend their useful life, production capacity and operational efficiency, and improve the quality of services, or bring a significant reduction of costs.

A property, plant, and equipment item is derecognized upon sale or when no future economic benefits are expected. When an asset is sold, the derecognition gain or loss is calculated as the difference between the revenues from the net sale and the carrying value of the asset. This effect is recognized in income for the period.

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→ **Security and environment assets**

Certain property, plant, and equipment items may be acquired for security or environmental purposes. Although their acquisition does not increase the economic benefits provided by the existing property, plant, and equipment items, it may be necessary for the Companies to obtain the economic benefits derived from the rest of assets. Security assets are depreciated on a linear basis over their estimated useful lives.

→ **Assets under construction and assembly**

Assets used during the course of the construction for management, production, supply, or non-defined purposes are recorded at cost, less any recognized impairment loss. Such construction and assembly assets are classified in the corresponding categories of property, plant, and equipment when they are ready for their intended use, and the depreciation of these assets begins on that day i.e., when they are at the location and in the conditions required for operating as intended.

→ **Borrowing costs**

Borrowing costs directly attributed to the acquisition, construction, or production of qualifying assets that require a substantial period for use are added to the cost of those assets until they are ready for said use. In general, a substantial period will be considered for ISA and its companies, and it would be appropriate to capitalize the interest costs if the construction of an asset lasts for six (6) months or more. However, if the period for building a qualifying asset is shorter than expected, the management of each of the companies will financially support the generation of future profits.

Specific borrowings are those acquired with the specific purpose of obtaining a qualifying asset; therefore, costs of real borrowings that have been incurred could be directly capitalized, deducting financial yields obtained from the temporary investment of the funds, as long as the activities to prepare the asset for its use are being carried out. Determining whether loans are specific or not requires an assessment of the circumstances and evidence or internal documentation supporting this purpose.

The capitalization rate is based on generic borrowing costs, divided by the weighted average of the borrowings received by the Group which have been outstanding during the accounting period, excluding borrowings considered specific.

All other borrowing costs are recognized in income for the period in which they are generated.

→ **Estimation of the remaining useful life**

Every year, the Companies review the residual value, the depreciation method, and the remaining life of the assets and its components. For this purpose, the company established a methodology based on the rate of impairment of each asset associated with a rate of instant failure, which at the same time is related to its effective age. The impairment rate is calculated based on this age, and then the life expectancy and remaining life are calculated based on international survival curves. This methodology has allowed obtaining more reliable values when estimating the remaining life of the asset, which is a useful input for the asset renewal plan and basis of valuation thereof.

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Lands are not depreciated as they have an indefinite useful life. The depreciation of the remaining property, plant, and equipment items is calculated by using the straight-line method on the cost, based on the estimated useful lives of the assets.

→ **Residual value**

It is the estimated amount that would be obtained from the disposal of the asset after deducting costs estimated for such disposal, if such asset would have already reached its disposal age and other expected conditions at the end of its useful life.

→ **Asset components**

A fixed asset component is an item that can be seen as part of other asset, but due to its own characteristics, the role it plays, and the type of strategies or activities followed during its technical or service life, it may be classified as a separate asset.

Each property, plant, and equipment component shall be identified and separated from the other assets in order to depreciate them during their useful lives and make their treatment and accounting control easier. Important spare parts and permanent maintenance equipment that the company expects to use for more than one period normally comply with specifications to be classified as property, plant, and equipment. Similarly, if spare parts and assisting equipment of a fixed asset could only be used for such asset, they will be classified as part of the property, plant, and equipment.

**3.5 Non-financial assets**

They are prepaid expenses, telecommunication services, and other assets that are amortized by the straight-line method during the periods in which economic benefits are expected. Prepaid expenses mainly include monetary items such as insurance premiums, among others, and they could be also amortized according to the validity of the corresponding policies.

**3.6 Intangible assets**

An intangible asset is recognized when the condition of being identifiable and separable is met, when the item generates future economic benefits, and when the Group is able to control such benefits.

Intangible assets are initially recognized at their acquisition or production cost, and then valued at their cost less their corresponding accumulated amortization and impairment losses experienced by the assets, if any.

An intangible asset is derecognized upon its disposal, or when no future economic benefits are expected. The resulting gain or loss, which is calculated as the difference between net revenues from the sale and the carrying amount of the asset, is recognized in income when the asset is derecognized.

Residual values, useful lives, and amortization methods are reviewed at each year-end and are applied prospectively if necessary.

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→ **Easements**

Easements are rights obtained for the use of a strip of land for the installation of a transmission line. This involves restrictions by the owner on land use and authorizations to the line owner for construction, operation, and maintenance.

Such intangible assets imply permanent rights, which term for use is indefinite; although transmission lines to which these easements are related do have a limited life. The Group has the possibility to either replace the transmission lines when their useful lives end, or to use the right of easements acquired for any other service related to energy transmission and telecommunications, according to what the purposes of creation of the easements stipulate. These assets have indefinite useful lives and are not amortized; therefore, they are tested for impairment on an annual basis.

→ **Software and licenses**

Software is amortized by the straight-line method over a maximum period of three years. Licenses are amortized by the same method during periods in which it is expected to receive benefits, according to studies of feasibility for recovery.

Project studies and research charges are treated as expenses when incurred.

→ **Research and development costs**

Disbursements from research activities are recognized as expenses in the period in which they are incurred.

An intangible asset generated internally as a result of development activities (or as a result of the development phase of an internal project) is recognized if, and only if, the following conditions are met:

- Technically, it is possible to complete the production of the intangible asset so that it can be available for use or sale;
- the intention to complete said intangible asset to use it or to sell it;
- the ability to use or sell the intangible asset;
- the way the intangible asset will generate probable future economic benefits;
- the availability of proper technical, financial and other resources to complete the development and to use or sell the intangible asset, and the capacity to reliably measure the disbursement attributable to the intangible asset during its development; and
- the ability to reliably measure the expenses attributable to intangible assets during their development.

The amount initially recognized for an intangible asset generated internally is the sum of the disbursements incurred from the time the item meets the conditions for recognition established above. When an intangible asset generated internally cannot be recognized, development disbursements are charged to profit or loss in the period in which they are incurred.

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### 3.7 Concessions

The concession arrangements are public service concession arrangements where the grantor controls or regulates the services to be provided by the concessionaire by using the infrastructure, to whom the services are provided and at what price; and through ownership, the right of usufruct or, otherwise, any residual interest on the infrastructure, when the concession agreement expires.

The concession arrangements also apply to infrastructures built or acquired by the operator to third parties and the already existing, to which the operator has access for use.

The concession arrangements of the Group are recognized as follows:

#### 3.7.1 IFRIC 12 – Services concession arrangements

This interpretation establishes the general principles of recognition and measurement of rights and obligations under the concession arrangements and defines the following models:

→ **Financial asset model:** When the operator has an unconditional and contractual right to receive money or other financial asset from the grantor for the specific amounts for the provision of the service and the grantor has little or no power to avoid the payment under the arrangement.

The financial asset recognized is classified as accounts receivable under IFRS 9, and recorded in the statement of financial position in current and non-current customers and concessions. This asset bears interest using the effective interest rate method.

→ **Intangible asset model:** When the operator receives from the grantor the right to charge a fee based on the use of infrastructure; the operator will recognize an intangible asset to the extent that it receives a right (a license) to charge users of the utility. The right to charge is not an unconditional right to receive cash because the amounts are conditioned by the level of public use of the utility.

The intangible asset generated by the concession agreements is amortized by the straight-line method during the validity term of such contract. The amortization expense on intangible assets with limited useful lives is recognized in the comprehensive income statement, guaranteeing coherence with the function of such intangible assets.

Expansions of infrastructure are recorded as additions to the intangible asset, since the generation of future economic benefits for ISA and its companies is expected.

Significant replacements and maintenance that the Group must perform on the energy transmission system infrastructure to maintain the service quality and reliability standards, which are required in the concession agreement are accounted for as part of the provision for significant replacements and maintenance.

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The costs of renewals, improvements and additions are capitalized, while routine maintenance and repairs that do not extend the useful life of goods are recognized in the income for the period to which they correspond.

→ **Mixed model:** When the contract simultaneously includes remuneration commitments guaranteed by the grantor and remuneration commitments dependent on the level of use of the concession infrastructure.

Concession contracts in the Group within the scope of IFRIC 12 are: Road Concessions in Chile and Colombia, Energy Transmission in Peru and Bolivia, and SISTEMAS INTELIGENTES EN RED in Colombia. Additionally, Energy Transmission operation and maintenance (O&M) services in Brazil are included.

### 3.7.2 Contract asset

The concession contracts of the Brazilian energy transmission companies, involving the obligation to build and implement the transmission infrastructure, are classified under the contract asset model according to IFRS 15 (Revenues from Contracts with Customers).

The contract asset originates as a concessionaire meets its obligation to build and implement the infrastructure, being an income recognized during the project time.

The value of the contract asset is generated by the present value of their future cash flows, that include current allowable compensation. The future cash flows are estimated

at the beginning of the concession, or at its extension<sup>3</sup>, and measurement requirements are revalued in the Periodic Tariff Review -Revisión Tarifaria Periódica (RTP)-.

Cash flows are defined based on the remuneration scheme established in the contract, which is the consideration that concessionaires receive for the provision of the transmission utility to users. These collections amortize the infrastructure investments and eventual investments that are not amortized (reversed assets) that generate the right to compensation by the grantor at the end of the agreement, according to the type of concession.

According to this methodology, the yield of concession is recognized by the linear method, based on the inherent discount rate applied on the value of construction investments, considering the specifications of each project. The rate seeks to define the financial component of the contract asset, determined in the initial date of each concession agreement and remains fixed during the concession term. (See Note 23).

In general, ISA's companies with concessions for the delivery of utilities understand that the construction of infrastructure made by the operator is a service provided to the grantor, which is different to the operation and maintenance service, and as such it is remunerated by the same.

<sup>3</sup> In ISA CTEEP, the concession contract n° 059/2001 was extended until December, 2042 within the terms of Law 12.783/2013, whose values are determined according to the conditions established in the Portaria n.° 120/16. This asset is determined by the cash flow regulated in the Technical Note ANEEL n.° 336/2016. These assets recorded as the Basic Network of Existing System (RBSE), starting January 1, 2020, were classified as contract asset, due to the application of the pronouncement of contract asset of the Comissão de Valores Mobiliários de Brasil (securities Commission of Brazil) (CVM) - Document-Circular letter/CVM/SNC/SEP/n.° 04/2020

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In the concession arrangement, the income of services are measured and recognized according with the contents of IFRS 15, IFRS 9 and IFRIC 12. Revenues related to construction remuneration, as well as costs and expenses incurred and contracted with suppliers for construction, are accrued in income for the period; the difference between revenues and costs corresponds to the margin in said construction that, for certain concessions of ISA and its companies, was negotiated in terms of the operation.

The Group periodically tests for impairment those assets related to the concession, or earlier, in case that there are events or circumstances that indicate that the carrying value exceeds the recoverable value of the assets under the concession. If there is any difference, this is immediately recognized in the income statement for the period.

The Cash Generating Units defined for this treatment are directly associated with each concession agreement with their corresponding extensions, if any; that is, the assets assigned to the concession belong to the same cash generating unit.

### 3.8 Impairment of assets

#### → Non-financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount, and consequently at the end of each period reported, or earlier if there is any indication of impairment, the Group evaluates the recoverable amount and compares it with the carrying amount of its assets, including intangible assets with undefined useful lives, to determine whether there is an indication that those assets have suffered any impairment loss.

The recoverable amount of an asset or a cash generating unit is the higher amount between its fair value, less disposal and its value in use. Under these conditions, provided that the recoverable amount is lower than the carrying amount of the assets, ISA and its companies must record such impairment.

The impairment loss is recognized as a lower cost of the asset or asset component that generated it, and as an expense for the period where it was determined.

The recovery of impairment losses on assets cannot exceed the carrying value that would have been determined, net of depreciation, if the impairment loss for the same asset had not been recognized in previous periods.

#### → Financial assets

To determine the expected loss impairment, it is no longer necessary for a credit-related event to occur before credit losses are recognized. Instead, an entity shall always account for expected credit losses, as well as changes in them. The amount of such losses is updated at each reporting date to reflect changes in the credit risk since initial recognition and, therefore, more timely information can be provided on these losses.

The amount of the expected loss must maintain the analysis of the following variables, based on information available of each of the counterparts, with respect to history of payment performance of their obligations, the geographic location of the counterpart, and guarantees offered by said counterpart, to cover any eventual noncompliance with its obligations.

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Generally, the expected loss can be expressed as follows:

$$\text{Expected loss} = \frac{\text{Probability of default}}{\div} \times \text{\$ Exposed balance} \times \frac{\text{Loss given default}}{\div}$$

Where:

- **Exposed balance:** The exposed balance of the asset is the current balance of capital, interest and other accounts receivable of the obligations or the portfolio analyzed.
- **Probability of default:** Probability that, in a period of twelve (12) months, debtors of a certain obligation or portfolio cause a default.
- **Loss given default (LGD):** It is the entity's downturn if any of the default situations materializes. LGD for debtors within the default category will increase gradually according to the number of days passed after being classified in said category.

To determine investment and goodwill impairment, ISA and its companies, at the end of each year, assess whether there is an impairment of its investments in affiliates, subsidiaries, associates and joint ventures, with the purpose of not recognizing them at an amount higher than the amount expected to be obtained from their sale or use.

Thus, all the companies of the Group analyze the presence of impairment evidence and if there is an indication that an asset may be impaired, they conduct impairment tests, estimating the recoverable amount, which is the highest amount between the value in use and the fair value, less sale costs.

The value impairment test consists of estimating the recoverable amount, which will be the higher amount between its value in use and its fair value, less sale costs.

To determine the recoverable amount, the generating unit is the company as a whole. Regarding companies that hold goodwill, these are distributed among each of the investments in subordinates, which are expected to benefit from synergies from the business combination in the estimation of the value impairment.

The value in use is determined by discounting cash flows expected from and generated by operations in the long term, at the weighted cost of debt and equity capital resources, reflecting the value of the money over time and the risk associated with the business.

The fair value is determined by using the valuation technique that is most appropriate and consistent with market conditions of the company.

When the carrying value of investments in affiliates and subsidiaries exceeds its recoverable value, ISA and its companies first verify the value impairment of the investee's assets in order to obtain value impairment losses through the equity method. In the event that this is not applicable, it reduces the carrying amount of the investment by the value impairment losses, and recognizes an expense in the income statement for the period.

When the carrying value of investments in associates and jointly controlled entities exceeds its recoverable value, ISA and its companies verify the value impairment at

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the level of the assets of the associate in order to obtain impairment losses through the equity method. In the event that this is not applicable, they reduce the carrying amount of the investment regarding value impairment losses, and recognize an expense in the income statement for the period.

Value impairment losses recognized previously in investments will be reversed when their service potential increases due to sale or use. The reversal will be limited in such a way that its carrying value does not exceed its recoverable amount, nor is higher than the carrying value that would have been determined if no value impairment loss had been recognized in previous years. Such reversal will be recognized in the income statement.

### 3.9 Leases

A lease is the agreement that grants the right to use an asset, capacity, or another portion of the asset for a period, in exchange for receiving fees or payments commonly known as lease payments.

#### 3.9.1 Leases when ISA and its companies are the lessees

ISA and its companies initially recognize lease payments for underlying assets with low value, short-term as a linear expense over the term of the agreement. Other lease agreements are recognized as an asset by right of use and a lease liability.

The asset by right of use is measured at cost, which comprises:

- The amount of the initial measurement of the lease liability.
- Lease payments made before or as from the starting date, less lease incentives received.
- Initial direct costs incurred by the lessee.
- An estimate of the costs to be incurred by the lessee when dismantling and removing the asset, restoring the site where it is located, or restoring the asset to the condition required under the terms of the lease.

After the commencement date, ISA and its companies measure their assets by the right of use by applying the cost model, and are amortized according to the term of the contract and the expectations of the asset's use.

For its part, the lease liability is initially measured at the present value of the lease payments pending payment by that date. Lease payments are discounted using the interest rate implicit in the lease if that rate could be easily determined; otherwise, the companies use the lessee's incremental borrowing rate, which is equivalent to the rate that would have to be paid for a loan with a similar term and security in a similar economic environment.

In subsequent periods, lease liabilities are measured:

- By increasing the carrying amount to reflect the interest on the lease liability.
- By reducing the carrying amount to reflect the lease payments made.
- By re-measuring the carrying amount to reflect new measurements or

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modifications made to the lease, and to reflect fixed lease payments that have been revised.

**3.9.2 Leases when ISA and its companies are the lessors**

ISA and its companies classify each of their agreements as either an operating lease or a financial lease, depending on the nature of the transaction rather than on the form of the agreement. A lease is classified as financial when all the risks and benefits inherent to owning the asset are substantially transferred, and classified as an operating lease when risks and benefits are not substantially transferred to the ownership of the asset.

The companies initially recognize payments from operating leases as linear revenues. Also, the initial direct costs incurred when negotiating and agreeing an operating lease are added to the carrying amount of the asset leased and recognized on a linear basis over the term of the agreement. In subsequent periods, lease assets are depreciated and/or impaired based on Group policies.

However, ISA and its companies recognize, in their financial statements, financial lease payments as a receivable item for an amount equal to the net investment in the lease. The net investment in the lease is the sum of the lease payments to be received by the lessor and any unsecured residual value that corresponds to the lessor, discounted at the implicit interest rate of the lease. Initial direct costs are included in the initial measurement of the net investment in the lease and they reduce the revenue amount recognized over the term of the lease.

In subsequent measurements, the companies recognize the financial revenues over the term of the lease, applying a rate that reflects a constant rate of return on the net financial investment made in the lease. It also applies lease payments related to the period to the gross investment made in the lease, in order to reduce both principal and unearned financial revenues, and implements the derecognition and impairment requirements of IFRS 9 to the net investment in said lease.

**3.10 Financial instruments**

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument.

**3.10.1 Financial assets**

Classification as financial asset depends on the business model used to manage the financial assets and the characteristics of contractual cash flows of the financial asset; this classification is determined at the time of initial recognition.

**→ Financial assets at fair value with value changes recognized in income**

Their particularity is that they are incurred mainly for managing liquidity with frequent instrument sales. These instruments are measured at fair value and variations in their value are registered in income when generated.

**→ Accounts receivable and others**

Financial assets valued at amortized cost correspond to non-derivative financial assets, with known payments and fixed maturities, under which the managements

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of the companies have the intent and ability to collect the contractual cash flows of the instrument.

The amortized cost is calculated by adding or deducting any premium or discount over the remaining life of the instrument and using the effective interest method. Gains and losses are recognized in the income statement if there is objective evidence of impairment or when assets are recognized by the amortization process.

Borrowings and accounts receivable are financial assets issued or acquired by ISA and its companies in exchange for cash, goods or services delivered to a debtor. Sale accounts receivable are recognized at the original invoice value, net of accumulated impairment losses, and when all risks and benefits are transferred to the third party.

→ **Financial assets at fair value with value changes in other comprehensive income**

They correspond to investments with variable income that are not held for trading nor correspond to a contingent consideration of an acquirer in a business combination. For these investments, ISA and its companies may choose at initial recognition and irrevocably, to disclose gains or losses on subsequent measurement at fair value with value changes in other comprehensive income.

These instruments are measured at fair value. Gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until the derecognition of the asset. In these cases, gains and losses that were previously recognized in equity are reclassified to cumulative income.

→ **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position of the companies include all cash balances and held in banks. For purposes of preparing the cash flow statement and due to their liquidity, temporary investments with original maturity of less than 90 days are considered cash equivalents. These accounts are not subject to a significant risk of changes in their value.

Bank overdrafts payable on demand and that are an integral part of the Group's cash management are included as a component of cash and cash equivalents for purposes of its cash flow statement. And for the statement of financial position, the financial accounts disclosing overdrafts are classified as financial obligations.

→ **Restricted cash**

Restricted cash is a monetary resource that is classified independently in order to use it for specific, previously established purposes, such as: debt payment or acquisition of capital equipment, or to be used during emergencies and/or unforeseen losses. Therefore, there are certain limitations regarding its availability, which could be legal or contractual, and it cannot be freely used to cover current financial commitments that result from normal activities of the companies.

→ **Derecognition of financial assets**

A financial asset or a portion thereof is derecognized when sold, transferred, or expired, or when the control over the contractual rights or over the cash flows of the instrument is lost. When all the risks and benefits of the property are retained

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by the Group, the financial asset is still recognized in the financial position for its total value.

### 3.10.2 Financial liabilities

All financial liabilities are initially recognized at fair value plus directly attributable transaction costs except in the case of loans, which are initially recognized at fair value of the cash received, less costs directly attributable to the transaction.

ISA and its companies establish the classification of their financial liabilities at their initial recognition, which include: financial liabilities at fair value with value changes in income or at amortized cost.

#### → Financial liabilities at fair value with value changes in income

They include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value with value changes in income.

#### → Financial liabilities at amortized cost

They include loans received and bonds issued, which are initially recognized at the amount of cash received, net of transaction costs. Subsequently, they are measured at amortized cost by using the effective interest rate, recognizing interest expenses based on effective profitability.

#### → Derecognition of a financial liability

The Group will derecognize a financial liability if, and only if, it expires, is canceled,

or the obligations originating it have been met. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognized in income.

### 3.10.3 Derivative financial instruments and hedging operations

Derivative financial instruments are initially recorded at fair value on the date of the transaction and on subsequent measurements. The recognition of gains and losses arising from variations in their fair values depends on the designation made of the derivative financial instruments.

ISA and its companies designate certain financial instruments, which include derivatives, embedded derivatives, and non-derivatives with respect to foreign currency risk as a fair value hedge, or cash flow hedge.

At the inception of the hedge, the company documents the hedging ratio and the objective and risk management strategy for undertaking the hedge; such documentation will include how the Group will measure the effectiveness of the hedging instrument to offset the exposure to changes in the fair value of the hedged item or changes in cash flows attributable to the hedged risk.

#### → Fair value hedge

Changes in the fair value of derivatives, designated and qualified as fair value hedge, are recognized immediately in income, along with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the

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hedged item attributable to the hedged risk is recognized in gains or losses in the item related to the hedged item.

The Group interrupts the hedge accounting when: the hedging relation is revoked, the hedging instrument expires or is sold, finalized, or exercised, or when the criteria for hedging accounting is no longer met.

Any adjustment to the carrying amount of a hedged financial instrument is amortized against the income for the period.

→ **Cash flow hedges**

The portion of changes in the fair value of derivatives that is determined to be an effective cash flow hedge will be recognized in other comprehensive income and will be accumulated as cash flow hedge reserve. The ineffective portion of gains or losses of the hedge instrument will be immediately recognized in the income for the period, in “other gains or losses.”

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified in the income for the period in which the hedged item is recognized, in the same line of the comprehensive income statement where the recognized hedged item is located. However, if the hedge of a planned transaction subsequently generated the recognition of a non-financial asset or a non-financial liability, losses or gains previously accumulated in equity are transferred and directly included in the initial cost or other amount of the non-financial asset or liability.

The hedge accounting will be interrupted when the companies revoke the hedge relation, when the hedge instrument expires or is sold, resolved, or exercised; or when the hedge no longer meets the requirements established for hedge accounting. The gain or loss that had been recognized in other comprehensive income and accumulated in equity will remain in equity and will be recorded when the planned transaction is charged to income. When it is no longer expected that the planned transaction occurs, any gain or loss accumulated in equity is immediately recognized in gains or losses.

→ **Hedges of a net investment in a foreign operation**

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges. Any gain or loss on the hedge instrument that is classified as an effective hedge is recognized in other comprehensive income and accumulated in the foreign operation translation reserve. Gains or losses related to the ineffective portion will be recognized in income.

Gains and losses on hedge instruments related to the effective portion of the hedge accumulated in the foreign currency conversion reserve are reclassified to income at the time of disposal of the foreign operation.

**3.10.4 Offsetting assets and financial liabilities**

Financial assets and liabilities are offset and reported net in the financial statements if, and only if, there is a legally enforceable right at the closing date, requiring receiving or paying the amounts recognized at their net value, and when there is an intention to offset on a net basis to realize assets and settle liabilities simultaneously.

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### 3.11 Fair value measurement

The fair value of an asset or liability is defined as the price that would be received when selling an asset or the price that would be paid when transferring a liability in an orderly transaction between market participants on the measurement date.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the primary market, i.e., the market with higher volume and level of activity for the asset or liability. In the absence of a primary market, it is assumed that the transaction takes place in the most advantageous market the company has access to, that is, the market that maximizes the amount to be received when selling the asset or the market that minimizes the amount that would be paid to transfer the liability.

To determine the fair value, the companies use valuation techniques that are appropriate to the circumstances and on which there are sufficient data for measuring, maximizing the use of relevant observable input data and minimizing the use of unobservable input data.

Taking into account the hierarchy of input data used in valuation techniques, assets and liabilities measured at fair value are classified at the following levels:

- Level I: quoting prices (unadjusted) in active markets for identical assets or liabilities.
- Level II: valuation techniques for which the data and variables that have a significant effect on the determination of the fair value recorded are observable, either directly or indirectly.

- Level III: internal valuation techniques, using company estimated variables not observable for the asset or liability (there is no market information observable).

When measuring the fair value, the company considers the characteristics of the asset or liability, in particular:

- For non-financial assets, an estimation of the fair value considers the capacity of a market participant to generate economic benefits by making the highest and best use of the asset, or by selling it to other market participant that would make the highest and best use of the same.
- For liabilities and own equity instruments, the fair value entails that the liability will not be settled, and the equity instrument will not be canceled, nor otherwise will be extinguished on the measurement date. The fair value of the liability reflects the effect of the default risk, i.e., the risk that a company does not meet an obligation, which includes but is not limited to the company's own credit risk.
- In the case of financial assets and liabilities with offset positions at market risk or counterpart credit risk, the fair value is measured on a net basis that is consistent with the way market participants would price the net exposure to risk on the measurement date.

### 3.12 Operations from the Wholesale Energy Market

In the development of the management of the energy trading system -Administración del Sistema de Intercambios Comerciales de Energía Eléctrica (ASIC)- in the wholesale market, and acting as agent represented by the participants in the Colombian energy

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market, the group, through its affiliate XM, collects the monies related to transactions performed by the agents in that market on behalf of third parties, and distributes them to the agent's beneficiaries.

XM defined the following accounting criteria for the recognition of regulated revenues:

- Revenues from operating costs: They are recorded as revenues at the time of provision of the service.
- Revenues from investment costs: The current methodology to recognize XM's regulated revenues establishes the approval of revenues from investments, which is subject to meeting the five-year investment program. Total revenues received that correspond to the remuneration from investments and projects are treated as deferred revenues at the moment of billing. These revenues are amortized according to depreciation, amortization and study and project expenses for the period, in the proportion that results from dividing the deferred revenues from investment by the fixed and intangible assets (net) of the statement of financial position of the former period. The value of unexecuted investments is transferred to the next tariff year; that is, it is reduced in the amount billed in the next tariff period.
- Remuneration of shareholders' equity: These revenues are recognized at the time that the regulated service is provided.
- Remuneration of the adjustment to the maximum regulated revenues: Total revenues received from this concept are recognized as deferred revenues, which are amortized in the proportion that additional approved expenses are executed.

The adjustment value of unexecuted maximum regulated revenues that is linked to the implementation of new resolutions and legal defense expenses is transferred to the next tariff year; that is, the amount billed is reduced in the next tariff period.

### 3.13 Provisions

Provisions are recognized when the Group has a present obligation -legal or implicit- as the result of a past event; it is probable that a resource outflow is needed to settle such obligation, and a reliable estimate regarding the amount of the obligation can be made.

The amount recognized as provision should be the best estimate of the disbursement required to settle the present obligation at the end of the period that is reported, considering the corresponding risks and uncertainties. When a provision is measured using the cash flows estimated to settle said obligation, its carrying amount reflects the present value of that cash flow (when the effect of the value of money over time is material).

Certain contingent conditions may exist on the date of issuance of the statement of financial position. These may result in a loss for the companies and will only be resolved in the future, when one or more events occur or may occur; such contingencies are estimated by the management and its legal advisors. The estimation of loss contingencies necessarily involves an exercise of judgement and it is a matter of opinion.

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If the estimation of the contingency indicates that it is probable that a material loss will occur and the amount of the liability can be estimated, then it is recorded in the statement of financial position. In addition, if the estimation indicates that a potential loss is not probable and its amount is known, or is probable but the amount of the loss cannot be estimated, then the nature of the contingency is disclosed in a note to the statement of financial position, with an estimate of the potential range of loss. Loss contingencies estimated as remote are not disclosed.

### 3.14 Income tax

The income tax expense for the period comprises current and deferred income tax. Tax assets and liabilities are measured at the amount expected to be recovered or paid to tax authorities. The income tax expense is recognized in income, except when it is related to items recognized directly in equity, in which case it is recognized in equity.

#### 3.14.1 Current tax

The current tax payable is based on taxable gains recorded during the year. Taxable gains differ from gains reported in the income statement due to income or expense items that are taxable or deductible in other years, and items that are never taxable or deductible. The current tax liability is calculated by using tax rates in force at the end of the period.

The managements of the companies periodically evaluate positions taken in tax returns with respect to situations in which tax laws are subject to interpretation. The companies, when appropriate, create provisions for the amounts they expect to pay to tax authorities.

#### 3.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities included in the statement of financial position and the corresponding tax bases used for determining the taxable income. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the assets and liabilities by current tax and are related to income taxes applied by the same tax authority on the same taxable company.

Deferred tax assets are recognized by all the deductible temporary differences, including tax losses, to the extent that it is likely that there is taxable income against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recovered.

The carrying amount of deferred tax assets is reviewed on each closing date and reduced to the extent that it is no longer likely that there will be sufficient taxable income available to allow the use of all or part of the deferred tax asset. The deferred tax related to items recorded directly in equity is recognized in equity instead of in the comprehensive income statement.

### 3.15 Employee benefits

Employee benefits include all compensations to employees and former employees related to the provision of services to the entity. These are salaries, short-term and long-term benefits, termination benefits and post-employment benefits.

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### 3.15.1 Current benefits

Obligations regarding current employee benefits are recognized as expenses as the related service is provided. Employment obligations are adjusted at the end of each period, based on legal provisions and labor agreements in force.

This benefit is recognized when there is a current legal or implicit obligation to make a payment as a result of a service provided by the employee in the past and at the time the obligation can be estimated reliably. The obligation is recognized by the amount expected to be paid within the next year after the cut-off.

### 3.15.2 Non-current benefits

Some companies of the Group grant their employees benefits associated with their time of service, such as quinquennium (seniority premium and five-year period payments).

The fair value of the plan assets is deducted from the present value of the obligation by benefits defined when determining the deficit or surplus. The calculation is performed annually by certified independent actuaries, who use the projected credit unit method to make a reliable estimation of the final cost for ISA and its companies. Any actuarial gain or loss is recognized in income for the corresponding period.

### 3.15.3 Post-employment benefits

#### → Defined contribution plans

The defined contribution plan is a post-employment benefit by which the Group pays fixed contributions to a pension fund, and by which it has no legal obligation to pay additional amounts. The obligations for payment of contributions to defined benefit

pension plans are recognized as employment benefit expense in income for the periods in which employees provide the services.

#### → Defined benefit plans

In the case of defined benefit plans, the obligation and the cost of such benefits is determined by using the projected unit credit method, with independent actuarial valuations on an annual basis.

The liability recognized in the statement of financial position regarding defined benefit pension plans is the present value of the defined benefit obligation on the date of the statement of financial position, less the fair value of the plan assets. The present value of the defined benefit obligation is determined by discounting the estimated cash outflow, using interest rates calculated from the yield curve of the Colombian Government bonds –TES B curve–, expressed in Actual Value Units (Unidades de Valor Real, UVR), which have terms that are close to the terms of the pension obligation until maturity.

Actuarial gains and losses arising from adjustments based on experience and changes in actuarial assumptions are charged or credited in other comprehensive income for the period in which they arise.

Past service costs are recognized immediately in income, unless changes in the pension plan are conditioned to the fact that the employee continues providing services for a specific period –the period granting the right–. In this case, the past service costs are amortized by the straight-line method during the period that grants the right.

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→ **Other post-employment obligations**

Some companies of the Group grant their retired employees benefits such as complementary health plan, health assistance, education assistance and calamity loan, after the employment relation. The right to access these benefits depends on the conditions defined in individual and collective agreements.

The obligation and the cost of such defined benefit plans are determined by the projected unit credit methodology. Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited in the statement of comprehensive income for the period in which they arise. Qualified independent actuaries annually value these obligations.

→ **Plan assets**

Plan assets correspond to the set of assets destined by the Group, by virtue of the legal provisions in effect or by own initiative to comply with pension obligations. These resources are recognized following the same policies that would apply if they were classified in the other kind of assets, and their restatement is recognized in the income for the period. This minimum reserve amounts should correspond to the pension liability supported by the actuarial estimate.

**3.15.4 Termination benefits**

These benefits are determined by using the Projected Unit Credit method, with actuarial valuations conducted at the end of each annual period being reported. The new measurement, which includes actuarial gains and losses, is immediately reflected in

the statement of financial position, charged or credited to other comprehensive income for the period in which it is incurred.

**3.16 Onerous contracts**

Present obligations arising from an onerous contract are recognized as a provision when the unavoidable costs of meeting the obligations of the contract exceed the economic benefits expected to be received from it. To the date of the statement of financial position, the companies have no provisions for onerous contracts.

**3.17 Recognition of revenues, costs, and expenses**

Revenues, costs and expenses are recorded based on the principle of accrual.

**3.17.1 Revenues**

The company recognizes revenues from ordinary activities to describe the transfer of goods or services promised to customers in exchange for an amount that reflects the consideration to which the entity expects to be entitled when exchanging for those goods or services.

Revenues are recognized only when all the following criteria are met:

- Step 1: Identify the contract with the customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the price of the transaction.
- Step 4: Allocate the price of the transaction to the performance obligations in the contract.

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Step 5: Recognize ordinary revenues when (or as) the entity satisfies a performance obligation.

The following criteria apply for the recognition of revenues:

→ **Revenues from contracts with customers for energy transmission and other associated services**

Colombian companies: ISA, ISA INTERCOLOMBIA, ISA TRANSELCA and XM-providers of the energy transmission and other related services, are regulated by the Gas and Energy Regulatory Commission -Comisión de Regulación de Energía y Gas (CREG)-. Revenues from operating costs are recorded when performance obligations are met.

→ **Revenues from concession arrangements**

Concession revenues applicable to energy transmission companies in Brazil, Bolivia, Peru, and road companies in Chile are measured at the fair value of the consideration received or receivable, taking into account the payment conditions defined in the contracts. The following specific criteria must be met to recognize revenues in accordance with the application of IFRIC 12:

**a. Construction services.** Revenues and costs from project construction services are recognized in the comprehensive income statement, according to the completion percentage method for those projects on the date of statement of financial position. Some Group companies<sup>4</sup> recognize the revenues from construction

services using the costs incurred plus a profit margin estimated for the project, defined based on macroeconomic characteristics and conditions of the project. Also, the weighing of flows estimated from cash collections in relation with cash flows estimated for the construction of infrastructure is taken into account.

**b. Operations and maintenance services.** Revenues from operation and maintenance services to third-party facilities are recognized as the service is delivered.

**c. Financial returns of concessions recorded as financial asset or contract asset.** The companies that recognized their concessions as financial asset or contract asset according to IFRIC 12, recognize interests of the account receivable credited to income, by using the effective interest rate method.

→ **Revenues from construction contracts**

When the outcome of a construction contract can be estimated reliably, the revenues from ordinary activities and their associated costs are recognized based on the progress of the work at the end of the period being reported. The measurement is made based on the ratio that contract costs incurred during the work performed to that date represent with respect to the total contract costs estimated, except when this ratio does not represent the status of completion. Variations in contract works, claims, and incentive payments are included to the extent that their amount can be measured reliably and their reception is considered probable.

When the outcome of a construction contract cannot be estimated reliably, revenues from ordinary activities are recognized only to the extent that it is probable to

<sup>4</sup> ISA CTEEP, its affiliates and jointly controlled companies, incorporate construction margin for the recognition of construction revenues, with the application of the pronouncement of the contract asset of Securities Commission of Brazil (CVM) - Document-Circular letter/CVM/SNC/SEP/n.º 04/2020.

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recover costs incurred by virtue of the contract. These costs shall be recognized as expenses for the period in which they are incurred. If there is a possibility that the total contract costs will exceed total revenues, the expected loss is recognized as an expense immediately.

Regarding contracts where billings based on work progress exceed the contract costs incurred to date, plus recognized profits, less recognized losses, the surplus is shown as amounts owed to customers for the construction contract. Amounts received before the corresponding work is performed are included in the statement of financial position in liabilities, as an advance payment received. Amounts billed for work performed but pending payment by the customer are included in the statement of financial position in trade accounts receivable and other accounts receivable.

→ **Revenues from dividends**

Revenues from dividends are recognized once shareholders' rights to receive the payment have been established –provided that the economic benefits will flow to the company and ordinary revenues can be measured reliably–. Dividends received from companies where ISA exerts control, joint control, or significant influence are recorded as a lower investment value.

→ **Revenues from interest**

Interest revenues are recognized when it is probable that ISA and its companies will receive economic benefits associated with the transaction. Interest revenues are recorded on a time basis, by reference to the outstanding principal and the effective

interest rate applicable, which is the discount rate that exactly matches the cash flow receivable or payable estimated throughout the expected life of the financial instrument to the net carrying amount of the financial asset or liability on initial recognition.

**3.17.2 Government subsidies**

Government subsidies are only recognized when there is reasonable assurance that the entity meets the conditions attached to the grant and that the subsidy will be received.

The government subsidies must be recognized as gain or loss on a systematic basis over the periods necessary to offset them with the related costs. Government subsidies which main condition is that the Group purchases, builds, or otherwise acquires non-current assets are recognized as deferred revenues in the consolidated statement of financial position and are transferred to income on a systematic and rational basis over the useful life of related assets.

In the case of concessionaire companies in Chile, subsidy revenues are recognized as a lower value of the account receivable and correspond to RUTA DEL –BOSQUE, which is entitled to an annual state subsidy equivalent to UF 150.000, which is growing at an annual rate of 5 % as of 2002, and ends in 2020.

The benefit of a government loan at an interest rate below the market rate is treated as a government subsidy, measured as the difference between the benefits received and the fair value of the loan based on the exchange rate in effect on the date.

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### 3.18 Business units

ISA Group has the following business units: Energy Transmission, Road Concessions, and Telecommunications and ICT. In the parent company, the corporate strategy is defined by business unit and the management is performed by company.

The business lines of the Group are described below:

→ **Energy Transmission:** Design, construction, operation, and maintenance of high-voltage energy transmission systems, connecting generators, network operators, regional transporters, and large consumers to the energy system.

ISA is the largest energy transmission company in Latin America, including Colombia, Peru, Bolivia, Brazil, and Chile. ISA also has international interconnections that operate between Colombia-Ecuador and Ecuador-Peru.

→ **Road Concessions:** ISA designs, builds, operates, and maintains road infrastructure that connects millions of people in Chile and Colombia.

→ **Telecommunications and ICT:** ISA offers digital solutions that adapt to the companies' needs, trends, and digital innovation.

### 3.19 Gain per basic and diluted share

Income per basic share is calculated by dividing the income attributable to shareholders of the company, by the weighted average of common shares outstanding in the year, excluding common shares acquired by the company and held as treasury shares.

Income per diluted share is calculated by adjusting the average number of common shares outstanding to simulate the conversion of all common shares potentially dilutable. The companies own no potentially dilutable common shares.

### 3.20 Distribution of dividends

The distribution of dividends to shareholders is recognized as a liability in the financial position of the parent company for the period in which the Shareholders' Meeting approves dividends, or when the corresponding obligation is in place according to the applicable legal provisions or policies established by the Shareholders' Meeting.

### 3.21 Capital stock

Common shares are classified in equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the amount received, net of taxes.

The repurchase of own equity instruments of the parent company is recognized and deducted directly in equity at the acquisition cost and the difference with the nominal value is recognized as a higher or lower value of the premium for placement of shares. Rights are suspended for own shares reacquired and, therefore, they do not take part in the distribution of dividends.

The parent company is listed on the Colombia Stock Exchange.

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### 3.22 Premium for placement of shares

The issuance premium corresponds to the overpricing in the placement of shares generated in capital increase operations.

### 3.23 Related parties

According to the definitions of IAS 24 and ISA'S particular characteristics, especially its shareholding structure, a party related to ISA is an individual or an entity that is related to it for being in one of the following assumptions:

- a. A person or a close relative to that person<sup>5</sup>, is related to ISA if said person is a member of the senior management key staff<sup>6</sup> of ISA or the controlling authority of ISA (i.e., the State as the sole controller of ISA).
- b. an entity is related to ISA if any of the following conditions applies:
  - i. The entity and ISA are members of the same group (this means that each of them, either as a controller, subsidiary or another subsidiary of the same controller, are parties related among them).

<sup>5</sup> Close relatives of a person: family members that are expected to influence, or could be influenced by that person in their relations with the entity, including:  
**(a)** his/her spouse, domestic partner or person with equivalent sentimental relationship;  
**(b)** relatives within the third degree of consanguinity (parents, children, siblings, grandparents, grandchildren, aunts/uncles and nieces/nephews of the person);  
**(c)** relatives within the second degree of consanguinity (parents, children, grandparents, grandchildren and siblings of the spouse, domestic partner or person with equivalent sentimental relationship);  
**(d)** relatives within the first civil degree (adoptive parents or children) of the person or his/her spouse, domestic partner or person with equivalent sentimental relationship.  
**(e)** the dependents of that person, of the spouse or of the domestic partner of that person or of the person with equivalent sentimental relationship.

<sup>6</sup> **Board of Directors or Senior Management key staff:** son aquellas personas que tienen autoridad y responsabilidad para planificar, dirigir y controlar las actividades de una entidad, directa o indirectamente, incluyendo cualquier director o administrador (sea o no ejecutivo) de esa entidad. En el caso de ISA son los miembros de la Junta Directiva, los de la Alta Gerencia de ISA<sup>7</sup> y los directores con facultad para tomar decisiones de alto impacto financiero. En el caso de la Nación, como accionista controlante, se considera personal clave de la dirección de la Nación respecto a ISA quienes hagan parte de la Junta Directiva de ISA.

- ii. An entity is an associate or a joint venture of ISA (or an associated entity or joint venture owned by a member of a group where ISA is a member).
- iii. The entity is controlled or joint controlled by a person identified in (a); i.e., by a member of ISA's Senior Management key staff or by a key staff member of ISA's controller (i.e., the State, sole controller of ISA).

In the definition of a related party, an associate includes subsidiaries of the associated company, and a joint venture includes subsidiaries of the joint venture. In this regard, subsidiary of the associated company is a related party to the investor exerting significant influence on the associate company.

Commercial transactions<sup>7</sup> between the companies of the Group and the members of the Board of Directors, the Senior Management<sup>8</sup> and other administrators and/or their permanent relatives, spouses or partners and legal entities where they hold stakes or hold directing positions pursuant to the law, are subject to the legal regime of inabilities or incompatibilities applicable to ISA and its companies' contracting as mixed utility company, which are prohibited to be contracted with the Company. The corporate website includes the informative list of such inabilities and incompatibilities provided by Colombian legislation.

<sup>7</sup> The commercial transactions with related parties are those that imply: (i) providing services; (ii) transferring assets or resources; or (iii) generating obligations. The definition of Related-Party Transactions does not imply: (a) guidance, monitoring and control activities; (b) capitalizations, distribution of dividends, capital reductions, and other capital transactions that are part of the activities of any company; (c) activities ordered by the law or regulations; (d) Senior Management compensation and benefits, which are subject to special labor compensation guidelines; and (e) ISA's Board of Directors compensation, which is subject to the Board of Directors Remuneration Policy approved by the General Shareholders' Meeting. Notwithstanding the above, said transactions except for (a) will be disclosed in the financial statements pursuant to the applicable international accounting standards.

<sup>8</sup> **ISA Senior Management:** composed of the CEO and board-level employees reporting directly to the CEO.

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In 2020, ISA established the procedure for the identification, assessment, approval and disclosure of commercial transactions between ISA and its related parties, following the Corporate Guideline N.º 77 for Commercial Transactions with Related Parties and considering the corresponding guidelines of the Organization for Economic Cooperation and Development (OECD), the recommendations of the Code of Best Corporate Practices (Country code) issued by the Financial Superintendence of Colombia, the international accounting standards, the transfer pricing standards and ISA’s Corporate bylaws.

The legally valid commercial transactions between related parties are carried out under market conditions and prices, i.e., in conditions equivalent to those existing for transactions with unrelated third parties.

**3.24 Reclasificaciones**

In the financial statements as of December 31, 2020, Brazilian energy transmission companies applied the Document-Circular letter/CVM/SNC/SEP/No. 04/2020, which provided relevant information on CPC 47 - Revenue from Contract with Customers (IFRS 15) and CPC 48 - Financial Instruments (IFRS 9), related to the accounting of contract assets.

In compliance with this resolution, the following reclassification was made to the balances originally reported in the financial statements ending December 31, 2019:

→ The asset related to the Basic Network of the Existing System (RBSE), presented as a financial asset in the Concessions note (Note 23) in 2019, was reclassified to a contractual asset.

	REPORTED VALUE IN 2019	RBSE RECLASSIFICATION	RECLASSIFIED VALUE
<b>NOTA 23 - CONCESSIONS</b>			
<b>BRAZIL</b>			
<b>CONCESSION ASSET:</b>			
Financial asset	7.036.797	(6.921.163)	115.634
Contract asset	4.883.280	6.921.163	11.804.443
<b>TOTAL ASSETS</b>	<b>11.920.077</b>	<b>-</b>	<b>11.920.077</b>

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	REPORTED VALUE IN 2019	RBSE RECLASSIFICATION	RECLASSIFIED VALUE
<b>OPERATING REVENUES:</b>			
Financial asset	1.762.965	(841.349)	921.616
Contract asset	1.385.452	841.349	2.226.801
<b>TOTAL REVENUES</b>	<b>3.148.417</b>	<b>-</b>	<b>3.148.417</b>

Also, in 2020, changes were made in the hierarchy of revenues from energy transmission services and revenues from construction services, which involved reclassifications between these lines of the consolidated statement of financial

position, to ensure comparability and approval of ISA's 2019 financial information, with no impact on the total revenues from contracts with customers, net income, income before taxes or equity.

2019	REPORTED VALUE IN 2019	RECLASSIFICATION	RECLASSIFIED VALUE
<b>NOTA 22 - REVENUES FROM CONTRACTS WITH CUSTOMERS</b>			
Energy transmission services	4.783.487	31.392	4.814.879
Construction services	1.441.269	(31.392)	1.409.877
<b>TOTAL</b>	<b>6.224.756</b>	<b>-</b>	<b>6.224.756</b>

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## II. NOTES TO FINANCIAL INFORMATION

### 4. Cash and cash equivalent

The composition of the item as of December 31, 2020 and 2019 is as follows:

	2020	2019
Cash and banks	918.038	755.825
<b>TOTAL CASH</b>	<b>918.038</b>	<b>755.825</b>
Fixed income investments (1)	2.433.644	1.321.588
Other variable income investments (2)	430.031	409.788
<b>TOTAL CASH EQUIVALENT</b>	<b>2.863.675</b>	<b>1.731.376</b>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3.781.713</b>	<b>2.487.201</b>

(1) It includes term deposits and purchase agreement transactions with repurchase, both with a maturity of less than 90 days from the investment date. The following stand out: ISA CTEEP, COP 1.332.315 (2019: COP 479.565) and Chilean road concessions, COP 444.492 (2019: COP 355.768).

(2) Basically, it includes deposits for easy-to-liquidate marketable securities, such as rights on securities funds and trusts, among which the following stand out: RUTA DEL MAIPO, COP 154.179 (2019: COP 271.862), RUTA DEL BOSQUE, COP 105.241 (2019: COP 32.357), ISA INTERVIAL CHILE, COP 83.651 (2019: COP 49.000) and ISA INVERSIONES COSTERA CHILE, COP 29.495 (2019: \$0).

There are no restrictions on cash and cash equivalent balances.

Cash and cash equivalent items managed by XM are presented below, and because of their characteristics, they are compensated with liability items.

#### Resource Management

XM, as administrator of the commercial exchange system of the energy market (ASIC) in the Wholesale Energy Market (MEM) and as administrator of the usage fee of the National Interconnected System (SIN), as controlling entity, representing stakeholders of the Colombian energy market, receives the respective monies from paying agents to be distributed to beneficiary agents. Therefore, these monies do not belong to XM, since it is just an administrator, so that, as they are not own assets, they should not be included in the presentation of the statement of financial position.

Balance of assets and liabilities of third parties as of December 31, 2020 and 2019 are represented in:

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents (1)	590.482	442.401
<b>TOTAL ASSETS</b>	<b>590.482</b>	<b>442.401</b>
<b>LIABILITIES</b>		
Collections in favor of agents	(590.472)	(442.393)
GMF Reserve (2)	(10)	(8)
<b>TOTAL LIABILITIES</b>	<b>(590.482)</b>	<b>(442.401)</b>
<b>NET</b>	<b>-</b>	<b>-</b>

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(1) Balances in bank accounts. The use of these monies is restricted to stock transactions in accordance with the provisions of the current regulation.

(2) This balance is due to an account payable to XM and established as provision to cover possible bank expenses and GMF for the first days of the following month.

## 5. Financial assets

The balance of this item as of December 31, 2020 and 2019 is composed by accounts receivable and other financial assets, as shown below:

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Accounts receivable	5.1	4.084.421	18.863.129	22.947.550	3.953.472	16.750.085	20.703.557
Other financial assets	5.2	1.086.663	148	1.086.811	2.384.381	20.232	2.404.613
<b>TOTAL FINANCIAL ASSETS</b>		<b>5.171.084</b>	<b>18.863.277</b>	<b>24.034361</b>	<b>6.337.853</b>	<b>16.770.317</b>	<b>23.108.170</b>

### 5.1 Accounts receivable

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Clients and concessions	(1)	3.886.118	17.180.678	21.066.796	3.439.155	15.433.544	18.872.699
Accounts receivable Law 4819	(2)	-	1.516.050	1.516.050	-	1.701.368	1.701.368
Other debtors	(3)	213.785	455.505	669.290	545.137	221	545.358
VAT accounts receivable (MOP)	(4)	51.175	-	51.175	41.887	-	41.887
Loans to employees	(5)	11.986	34.602	46.588	11.830	34.355	46.185
Interest receivable		142	1	143	110	1	111
Loans to economic related parties		77	17.288	17.365	126	335	461
Dividends receivable		9.468	-	9.468	85	-	85
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<b>4.172.751</b>	<b>19.204.124</b>	<b>23.376.875</b>	<b>4.038.330</b>	<b>17.169.824</b>	<b>21.208.154</b>
Less - impairment	(6)	(88.330)	(340.995)	(429.325)	(84.858)	(419.739)	(504.597)
<b>TOTAL ACCOUNTS RECEIVABLE, NET</b>		<b>4.084.421</b>	<b>18.863.129</b>	<b>22.947.550</b>	<b>3.953.472</b>	<b>16.750.085</b>	<b>20.703.557</b>

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**(1)** This item includes the following balances:

- Accounts receivable from Road Concessions in Chile and Colombia, for COP 9.127.052 (2019: COP 6.312.937). It mainly includes remuneration for construction, operation and maintenance services.
- Account receivable from the Basic Network of the existing System (RBSE) of ISA CTEEP, for COP 6.119.338 (2019: COP 6.921.163): The decrease in the account receivable by COP 801.825 compared with 2019 is mainly explained by the net effect of:
  - a. collections, for COP 1.150.107;
  - b. higher revenues, for COP 1.056.979, mainly associated to the updating of the RBSE, and the Periodic Tariff Review (RTP) of ANEEL made every five years, which corresponds to the first review after the extension of the concession agreement 059/2001, retroactive to July 2018, considering the redefinition of all elements comprising the remuneration, highlighting: the increase of the remuneration of BBSE assets, through regulatory WACC, going from 6,64% to 7,71%. In addition, ANEEL recognized the cost of the RBSE's Ke as of 2020 and updated the RBSE's remuneration asset base.
  - c. net financial returns, from Programa de Integração Social (PIS) and Consejo Superior de Política Fiscal (Senior Council for Fiscal Policy -COFINS-) contributions, for the updating of accounts receivable for IPCA and financial flow for COP 675.760, and
  - d. the negative effect for exchange rate variation<sup>9</sup> given the closure rate revaluation of the Colombian peso against the Brazilian real.

- Concession contracts of Energy Transmission of ISA CTEEP and affiliates, different from RBSE, had a variation of COP 56.385, increasing from COP 4.883.280 in 2019 to 4.939.665 in 2020, explained by the net impact of: 1) Revenues related to construction works; 2) financial returns from the updating of the account receivable; 3) net amortizations, and 4) minor effects by exchanging Brazilian reais into Colombian pesos.
- Operation and maintenance account receivable of ISA CTEEP and its subsidiaries for COP 118.788, in 2020, and for COP 115.634 in 2019. This account refers to the installment billed monthly, informed by the National System Operator -ONS- related to the remuneration of operation and maintenance services, with an average reception term of less than 30 days.
- Accounts for the administration of the Wholesale Energy Market, which correspond 100% to XM, for COP 16.033 (2019: COP 15.022).

**(2)** Accounts receivable of ISA CTEEP from the Government of Brazil for labor benefits regulated by Law 4819 of 1958 for BRL 2.295.254 thousands (2019: BRL 2.092.588 thousands); the decrease in the account receivable with respect to the previous year is a result of the net effect of minor effect by exchange, given the closure rate revaluation of Colombian peso in relation with Brazilian real, and the increase in the account receivable for COP 133.865 is a result of compliance with court ruling No. 49 of the labor court, in which ISA CTEEP requests the reimbursement of complementary benefits paid to state pensioners covered by the Law.

**(3)** Other debtors mainly include: CONSORCIO TRANSMANTARO COP 503.043 (2019: COP 379.349) and ISA REP COP 25.400 (2019: 21.654) for private

<sup>9</sup> It is equivalent to the effect of the average exchange rates variation on the conversion of revenues of the companies abroad to COP.

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contracts for energy transmission signed with third parties, which are seen as finance lease contracts; disbursements made by CONSORCIO TRANSMANTARO for the construction of the related asset are recognized as account receivable, as long as the energy transmission lines are under construction, and become an account receivable equal to the outstanding lease installments when the construction has been completed, and in RUTA DEL MAIPO COP 76.709 (2019: COP 62.415), mainly associated to electronic toll service - free flow, tag; the increase is due to the effects of the pandemic.

- (4) Account receivable to the Ministry of Public Works of Chile (MOP), corresponding to VAT paid by concessionaire companies to providers of operation and maintenance services, as well as construction services charged to MOP. Concessionaires are entitled to recover such tax by issuing a sales invoice to MOP from the construction and/or exploitation services. For 2020, in RUTA DE ARAUCANÍA, RUTA DEL BOSQUE, RUTA DEL MAULE and RUTA DE LOS RIOS, there is an increase in relation with 2019, of COP 15.880 for an additional month receivable; however, RUTA DEL MAIPO records a decrease of COP 6.592 as there is one less month receivable, in relation with the previous year.
- (5) Loans to employees mainly comprise loans granted for acquisition of housing, vehicles, and education.
- (6) The movement of credit losses expected over the life of the loan that has been recognized for commercial accounts receivable and others, in accordance with the simplified approach defined by IFRS 9 is as follows:

	2020	2019
Initial balance	(504.597)	(514.314)
Provisions of year charged to profit or loss	(9.852)	(7.916)
Portfolio write-off	2.602	10
Recovery of provisions	5.652	3.774
Exchange rate effect	76.870	13.849
<b>FINAL BALANCE</b>	<b>(429.325)</b>	<b>(504.597)</b>

There are no restrictions to the disposal of such accounts receivable of significant amount.

The Group does not have any customers with whom it records sales representing 10% or more of its ordinary revenues for the periods ended December 31, 2020 and 2019.

As of December 31, 2020 and 2019, the current and overdue portions of accounts receivable from customers and concessions is as follows:

	2020	2019
Current	19.468.599	18.738.155
<b>OVERDUE</b>		
Overdue between 1 and 90 days	134.771	58.264
Overdue between 91 and 180 days	45.298	3.883
Overdue between 181 and 360 days	84.163	3.124
Overdue between 1 and 3 years	211.353	23.269
Overdue between 3 and 5 years	236.581	24.555
Overdue above 5 years	886.031	21.449
<b>TOTAL OVERDUE</b>	<b>1.598.197</b>	<b>134.544</b>
<b>TOTAL ACCOUNTS RECEIVABLE FROM CUSTOMERS AND CONCESSIONS</b>	<b>21.066.796</b>	<b>18.872.699</b>

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ISA and its companies charge interest on overdue accounts to its customers at the maximum rate authorized by law in each country.

## 5.2 Other financial assets

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Rights on trusts and mutual funds	(1)	644.999	-	644.999	1.687.582	3.870	1.691.452
TDs over 90 days	(2)	441.664	-	441.664	696.799		696.799
Derivative	(3)	-	148	148	-	16.362	16.362
<b>TOTAL</b>		<b>1.086.663</b>	<b>148</b>	<b>1.086.811</b>	<b>2.384.381</b>	<b>20.232</b>	<b>2.404.613</b>

(1) It mainly includes resources from the mutual investment fund of CONSORCIO TRANSMANTARO, for COP 299.183 (2019: COP 0); FUNDO DE INVESTIMENTO XAVANTES REFERENCIADO DI, COP 171.987 (2019: COP 1.555.285), managed by Banco Itaú Unibanco; from DI BANDEIRANTES INVESTMENT FUND COP 97.277 (2019: COP 103.980), managed by Banco Bradesco; from FUNDO DE INVESTIMENTO ASSIS, COP 20.365 (2019: COP 3.201), managed by Banco de Santander; from FUNDO DE INVESTIMENTO BARRA BONITA RENDA FIXA REFERENCIADO, COP 14.388 (2019: COP 25.120), managed by

Banco do Brasil, and from the autonomous equity used to pay works taxes in ISA INTERCOLOMBIA, COP 2.157 (2019: COP 3.870).

(2) The balance includes TD over 90 days of RUTA DEL MAIPO COP 266.442 (2019: COP 448.343); RUTA DEL BOSQUE, COP 84.782 (2019: COP 192.132), and RUTA DE LA ARAUCANÍA, COP 41.439 (2019: COP 34.841), among others.

(3) It includes USD/BRL exchange rate forward transactions to mitigate the foreign exchange risk from obligations undertaken in dollars with suppliers in the IE Biguaçu Lote 01 and IE Jaguar 07 projects.

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## 6. Non-financial assets

Balances as of December 31 comprise the following:

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
<b>NON-FINANCIAL ASSETS</b>							
Prepaid expenses	(1)	84.351	22.809	107.160	75.864	17.907	93.771
Prepayment for purchase of goods and services	(2)	227.248	65.016	292.264	132.707	16.609	149.316
Deposits delivered	(3)	2.656	29.706	32.362	1.001	52.287	53.288
Others	(4)	80.622	10.563	91.185	15.647	19.625	35.272
<b>TOTAL</b>		<b>394.877</b>	<b>128.094</b>	<b>522.971</b>	<b>225.219</b>	<b>106.428</b>	<b>331.647</b>

(1) Prepaid expenses of: insurance, leases, fees, travel expenses, among others.

(2) Advances granted to suppliers to purchase supplies and equipment to be used in company projects, especially RUTA DEL LOA, COP 118.232 (2019 COP 236) for advanced payment to Ferrovial for the construction of the concession; PROYECTOS DE INFRAESTRUCTURA DEL PERÚ for COP 82.045 (2019: COP 72.279), linked to advances granted by the affiliate acting as controller for the Mantaro-Nueva Yanango - Carapongo 500 kV Connection and associated substations (COYA) and Nueva Yanango - Nueva Huánuco 500 kV Connection and associated substations (YANA) and INTERNEXA BRASIL for COP 42.554 (2019: COP 27.131) specially for the submarine cable project contracted with Telxius.

(3) It mainly includes in ISA CTEEP for COP 29.576 (2018: COP 51.671), from legal deposits created to cover labor, tax, and regulatory contingencies. The decrease is mainly associated to the completion, in August 2020, of the regulatory proceeding of the nullity action proposed in 2008, to nullify the infringement proposed by National Electricity Agency (ANEEL) for the alleged breach of compliance of duties and obligations. The withdrawal was for BRL 7,5 million.

(4) The increase in other non-financial assets compared with 2019 was mainly due to government titles received by ISA CTEEP from the Municipality of São José dos Campos, for the negotiation of plots of land with a surface area over 395.000 m<sup>2</sup> to develop an urban mobility project. ISA CTEEP has the option of using these titles to compensate for the Urban Land & Property Tax (IPTU) payments.

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## 7. Restricted cash

The composition of the item as of December 31, 2020 and 2019 is as follows:

	2020	2019
Restricted cash	217.646	97.347
<b>TOTAL RESTRICTED CASH</b>	<b>217.646</b>	<b>97.347</b>

Restricted cash mainly includes: ISA INTERCHILE COP 177.835 (2019: COP 50.358), from contract for project finance, signed on February 2016 between the company and Banco BBVA as agent; therefore, payments require the bank's approval for drafts; INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE, COP 11.383 (2019: COP 13.704), for the guarantee granted to Banco do Nordeste do Brasil (BNB) until the repayment of the debt with the bank; and ISA, COP 8.529 (2019: COP 11.029), associated with the trusts created for the execution of FAER, FAZNI projects and management and payment trusts created for Unidad de Planeación Minero Energética (UPME) projects. It also includes resources to develop the Conexión Jaguar (Jaguar Connection) program.

## 8. Inventories - Net

ISA and its companies perform actions to secure due preservation and safeguard of their inventories, and they are insured by a combined material damage policy; they also perform periodical physical inventories and have not found any significant differences in the counting. Inventories have no restrictions, liens, or pledges limiting the use or realization.

Balances as of December 31 comprise the following:

	2020			2019		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
<b>INVENTORIES</b>						
Materials for provision of services (1)	102.263	64.648	166.911	153.637	64.849	218.486
Inventory in transit	1.246	-	1.246	660	-	660
<b>TOTAL INVENTORIES</b>	<b>103.509</b>	<b>64.648</b>	<b>168.157</b>	<b>154.297</b>	<b>64.849</b>	<b>219.146</b>
Provision (2)	(2.864)	(127)	(2.991)	(2.770)	(41)	(2.811)
<b>TOTAL INVENTORIES, NET</b>	<b>100.645</b>	<b>64.521</b>	<b>165.166</b>	<b>151.527</b>	<b>64.808</b>	<b>216.335</b>

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- (1) Inventories for delivering energy services and project construction services to ensure continuity of the service and allow compliance with system availability indicators.  
 (2) The recognized provision for inventories is the result from the inventory impairment evaluation conducted by the companies. The following is the movement of the provision for inventories:

	2020	2019
Initial balance	(2.811)	(4.132)
Charge in income	(385)	(269)
Inventories write-off	13	237
Business combination	(73)	-
Exchange rate effect	88	6
Provision recovery	177	1.347
<b>FINAL BALANCE</b>	<b>(2.991)</b>	<b>(2.811)</b>

As of December 31, 2020 and 2019 there are no pledges on inventories.

## 9. Investments in associates, joint ventures, and financial instruments

The composition of investments in joint ventures, associates, and financial instruments as of December 31, 2020, and 2019 are detailed below:

	MAIN ACTIVITY	PLACE AND CREATION OF TRANSACTIONS	STAKE (%)		BALANCES AS OF DECEMBER 2020	BALANCES AS OF DECEMBER 2019
			2020	2019		
<b>INVESTMENTS WITH JOINT CONTROL (1)</b>						
INTERLIGAÇÃO ELÉTRICA DO MADEIRA	Energy Transmission	Brazil	51,00	51,00	1.089.928	1.278.705
INTERLIGAÇÃO ELÉTRICA GARANHUNS	Energy Transmission	Brazil	51,00	51,00	249.515	315.952
INTERLIGAÇÃO ELÉTRICA PARAGUAÇU	Energy Transmission	Brazil	50,00	50,00	253.652	84.182

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	MAIN ACTIVITY	PLACE AND CREATION OF TRANSACTIONS	STAKE (%)		BALANCES AS OF DECEMBER 2020	BALANCES AS OF DECEMBER 2019
			2020	2019		
INTERLIGAÇÃO ELÉTRICA AIMORÉS	Energy Transmission	Brazil	50,00	50,00	168.019	52.387
INTERLIGAÇÃO ELÉTRICA IVAÍ	Energy Transmission	Brazil	50,00	50,00	126.636	55.848
TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA	Energy Transmission	Brazil	14,88	14,88	783.833	861.144
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ - PANAMÁ	Energy Transmission	Panama	50,00	50,00	1.140	4.996
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ - COLOMBIA	Energy Transmission	Colombia	1,17	1,17	3	3
TRANSNEXA (2)	Telecommunications Transmission	Ecuador	50,00	50,00	-	-
DERIVEX	Derivative financial instruments	Colombia	40,35	42,48	581	708
PARQUES DEL RÍO	Road concessions	Colombia	33,00	33,00	55	63
<b>TOTAL INVESTMENTS WITH JOINT CONTROL</b>					<b>2.673.362</b>	<b>2.653.988</b>
<b>INVESTMENTS IN ASSOCIATES</b>						
ATP TOWER HOLDINGS	Telecommunications Transmission	United States	24,69	24,69	451.164	465.362
<b>TOTAL INVESTMENTS IN ASSOCIATES</b>					<b>451.164</b>	<b>465.362</b>
<b>TOTAL INVESTMENTS IN ASSOCIATES AND WITH JOINT CONTROL</b>					<b>3.124.526</b>	<b>3.119.350</b>
<b>FINANCIAL INSTRUMENTS (3)</b>						
ELECTRICARIBE	Energy distribution and trading	Colombia	0,48	0,48	-	-
EMPRESA PROPIETARIA DE LA RED (EPR)	Energy Transmission	Costa Rica	11,11	11,11	12.524	12.524
CÁMARA DE RIESGOS CENTRAL DE CONTRAPARTE DE COLOMBIA (4)	Operations Settlement and Compensation System	Colombia	7,46	8,07	4.578	2.954
RED CENTRO AMERICANA DE TELECOMUNICACIONES (REDCA)	Telecommunications Transmission	Costa Rica	11,11	11,11	-	-
<b>TOTAL FINANCIAL INSTRUMENTS</b>					<b>17.102</b>	<b>15.478</b>

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- (1) The Group exerts joint control over these companies according to Colombian Financial Reporting and Accounting Standards (NCIF) and at the statutory level. These investments are updated using the equity method.
- (2) TRANSNEXA is currently undergoing a liquidation process; the investment is 100% impaired.
- (3) ISA and its companies hold these investments for the development of the strategic business mobilization plan in different countries. Electrificadora del Caribe was received as transfer payment. Investments in Electrificadora del Caribe, which cost is COP 12.113, and Red Centro Americana de Telecomunicaciones (REDCA), which cost is COP 944, are totally impaired.
- (4) On December 14, 2020 the merging of two of the most important entities in the Colombian market was materialized: Cámara de Riesgo Central de Contraparte de Colombia - CRCC S.A. (merging company) and Cámara de Compensación de Divisas de Colombia - CCDC S.A. As a result, XM has 7,46% share in the merged entity.

## 10. Property, plant, and equipment - Net

The following is the balance of property, plant, and equipment:

	2020	2019
<b>PROPERTY, PLANT, AND EQUIPMENT IN OPERATION</b>		
Grids, lines, and cables	12.913.087	12.267.476
Plants and ducts	6.723.088	6.173.007
Buildings	609.701	573.020
Lands	255.010	250.631
Machinery and equipment	593.592	616.875
Communication and computing equipment	208.523	177.526
Transportation, traction, and lifting equipment	68.104	57.147
Furniture, chattels, and office equipment	50.586	50.636
<b>SUBTOTAL PROPERTY, PLANT, AND EQUIPMENT</b>	<b>21.421.691</b>	<b>20.166.318</b>
Less – accumulated depreciation	(11.548.867)	(10.944.388)
Less - impairment	(20)	-
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT IN OPERATION</b>	<b>9.872.804</b>	<b>9.221.930</b>
Construction in progress and machinery, plant and assembly equipment	2.306.376	2.093.370
Assets in transit	-	469
<b>TOTAL NET PROPERTY, PLANT, AND EQUIPMENT</b>	<b>12.179.180</b>	<b>11.315.769</b>
<b>TOTAL PROPERTY, PLANT, AND EQUIPMENT</b>	<b>11.954.611</b>	<b>11.095.458</b>
<b>TOTAL FINANCE LEASE ASSETS</b> <span style="color: #0070C0;">NOTE 12</span>	<b>224.569</b>	<b>220.311</b>

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→ **Movement of property, plant, and equipment**

	BALANCES AS OF DECEMBER 2019	ADDITIONS AND/OR TRANSFERS	ADDITIONS BY BUSINESS COMBINATION	SALES AND/OR DERECOGNITIONS	DEPRECIATION	EXCHANGE DIFFERENCE	BALANCES AS OF DECEMBER 2020
Grids, lines, and cables (1)	5.362.508	140.394	77.930	(5.808)	(188.392)	110.459	5.497.091
Plants and ducts (1)	2.840.664	646.719	-	(7.505)	(155.907)	30.119	3.354.090
Buildings	468.485	40.961	5.898	(885)	(30.396)	(8.883)	475.180
Lands	250.632	4.219	148	-	-	12	255.011
Machinery and equipment	178.937	24.288	1.734	(1.411)	(36.865)	(8.519)	158.164
Communication and computing equipment	79.072	41.589	2.528	(986)	(31.526)	(192)	90.485
Transportation, traction, and lifting equipment	22.817	8.494	3.700	(334)	(11.337)	(1.043)	22.297
Furniture, chattels, and office equipment	18.818	6.188	138	(58)	(3.740)	(860)	20.486
On-going constructions (2)	2.093.836	259.557	136	(50.763)	-	3.610	2.306.376
<b>TOTAL</b>	<b>11.315.769</b>	<b>1.172.409</b>	<b>92.212</b>	<b>(67.750)</b>	<b>(458.163)</b>	<b>124.703</b>	<b>12.179.180</b>

(1) In 2020, COP 72.738 for grids, lines, and cables and COP 444.057 for plants and ducts were activated in the following projects:

- UPME 03-2014 - Interconexión Noroccidental, 230/500 kV (partially), for COP 420.663
- UPME 01-2018 Ocaña Second Transformer, 500/230 kV for COP 43.105
- Asset Optimization Program (POA), for COP 37.835
- Renovation of line bays in Jaguas and Yumbo Substations for COP 8.064

In plants and ducts, ISA INTERCHILE, COP 178.626, started operations in December 2020, of the project Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar 500/200 kV, 750 MVA substations second transformer bank and ISA TRANSELCA, COP 15.133, associated to the reinforcement of the grounding

systems, alkyd coating and replacement of elements and guard wires.

In grids, lines and cables, INTERNEXA recognized subjacent assets for the application of IFRS 16 corresponding to the contract the new alliance 2020-2040, for COP 13.685.

(2) The balance of on-going constructions mainly includes:

- In ISA INTERCHILE COP 194.646, expansion works Nueva Maitencillo, and Nueva Pan de Azúcar, 220 kV substations, in the National Transmission System, schedule to start operations in April 2021; expansion works, called Reactive Compensation in 2x500 kV Nueva Pan de Azúcar–Polpaico, line project, in the National Transmission System (its activation is expected for March, 2021), and synchronized control for autotransformers in Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar 500/220 kV substations, for November 2021.

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- In ISA, it mainly includes:
  - UPME 03-2014 230/500kV Northwestern Interconnection Project for COP 1.003.265 (2019: COP 1.240.271), which scope comprises the design, supply, civil works, assembly and commissioning of Antioquia and Medellin substations, expansion of substations and related Transmission Lines at 500 kV - 547 km. In 2020, six substations and the following transmission lines entered into operation: Ancón Sur EPM–Medellín 230 kv, and Medellín–West 230 kV, five transmission lines are still pending. Expected date for entry into service: February, 2021.
  - Costa Caribe 500 kV Interconnection project for COP 428.582 (2019: COP 298.179), which scope comprises the design, supply, civil works, assembly, and commissioning of Cerromatoso – Chinú – Copey 500 kV - 352 Km transmission lines and substations expansions. Expected date for entry into service: October 2021.
  - UPME 09-2016 Copey - Cuestecitas 500 kV and Copey - Fundación 220 kV for COP 257.219 (2019: COP 122.908), which comprises the design, acquisition of supplies, construction, testing, commissioning, operation and maintenance of the works related to the Copey – Cuestecitas 500 kV and Copey – Fundación 220 kV transmission lines project. Expected date for entry into service: January 2023.

ISA and its companies currently hold insurance policies for combined material damages, terrorism, and consequential losses, intended to ensure the loss and damage of its fixed assets, except transmission lines and towers.

There are no restrictions or pledges or mortgaging on assets for any obligations.

As of December 31, 2020 and 2019, ISA's management, through its affiliates and subsidiaries, stated that there are no operating and/or economic indications identified, revealing that the net book value of property, plant, and equipment cannot be recovered.

### 11. Intangibles - Net

The intangibles balance is as follows:

	2020	2019
<b>INTANGIBLE</b>		
Software	193.640	173.388
Licenses	79.555	76.761
Easements (1)	538.707	520.189
Concessions (2)	9.141.009	8.130.661
Rights	678.231	644.148
Others	46.088	56.730
Goodwill and brands (3)	1.490.398	1.228.672
<b>SUBTOTAL INTANGIBLES</b>	<b>12.167.628</b>	<b>10.830.549</b>
Less – intangible amortization	(4.054.628)	(3.774.145)
<b>TOTAL INTANGIBLES</b>	<b>8.113.000</b>	<b>7.056.404</b>
<b>TOTAL INTANGIBLES</b>	<b>8.112.598</b>	<b>7.055.014</b>
<b>TOTAL INTANGIBLE FINANCE LEASE ASSETS NOTE 12</b>	<b>402</b>	<b>1.390</b>

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- (1) Easements correspond to rights acquired by the Group for transferring its operating assets, mainly the transmission lines. These assets are acquired in perpetuity, this is, there is not a fixed term or contract and the right remains over time. Additions for the year correspond mainly to easements imposition on UPME 06-2013 Sabanalarga–Caracol–Flores, 220 kV Interconnection for COP 1.534 on ISA.
- (2) It corresponds mainly to concessions in Peru, Bolivia, and Colombia, which are treated as intangibles according to their characteristics, for COP 6.400.081 (2019: COP 5.791.423). (See Note 23).
- (3) It includes mainly ISA CTEEP for COP 476.010 (2019: COP 585.932), ISA PERÚ for COP 438.629 (2019: COP 0), ISA for COP 243.256 (2019: COP 243.256) and ISA CAPITAL DO BRASIL for COP 297.471 (2019: COP 366.165).

→ **Intangible assets movement**

NAME	BALANCE AS OF DECEMBER 2019	ADDITIONS			DERECOGNITION	AMORTIZATIONS	EXCHANGE RATE EFFECT	BALANCE AS OF DECEMBER 2020
		ACQUIRED SEPARATELY	BUSINESS COMBINATION					
Software (1)	95.271	46.546	-	(21.530)	(15.863)	(141)	104.283	
Licenses	14.207	11.402	-	(35)	(6.485)	(801)	18.288	
Easements	520.189	1.906	-	-	-	16.612	538.707	
Concessions and rights (2)	6.170.898	673.748	-	(1.987)	(339.480)	269.513	6.772.692	
Intangibles related to client list	26.790	34	-	-	(3.572)	(4.983)	18.269	
Goodwill and brands (3)	229.049	-	438.629	-	(4.773)	(2.144)	660.761	
<b>TOTAL</b>	<b>7.056.404</b>	<b>733.636</b>	<b>438.629</b>	<b>(23.552)</b>	<b>(370.173)</b>	<b>278.056</b>	<b>8.113.000</b>	

- (1) The high ones correspond mainly to the progress to productive of the Market Administration System (SAM) performed by XM. The project was in execution since 2015 and its total value was COP 42.967.
- (2) Acquisitions, mainly in CONSORCIO TRANSMANTARO, for COP 594.960, associated to the investment in YANA and COYA projects; also, at the end of the period, the Chincha Nazca project was approved, and therefore the engineering services were recognized, and in ISA REP, COP 77.384, for expenses incurred in the expansion 20 project.
- (3) In ISA PERU, the Goodwill was recognized for the purchase of grupo Orazul, for \$438.629.

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Amortization corresponds to the systematic distribution of the goodwill amount for the term of the concession.

## 12. Leases

### 12.1 Leases when ISA and its companies are the lessees

ISA and its companies have leases mainly for their operation and are related to properties, grids and lines, lands, vehicles, substations components, and computer and communication equipment.

Property and land leases have average lease terms between 6 and 10 years; substation components have 8-year terms; grids and lines have 4-year terms; vehicles have 5-year terms, and computer equipment have a 3-year term.

In general, the contracts of ISA and its companies have regular adjustment clauses according to inflation rates, and assets leased are guaranteed by the lessor title.

ISA and its companies apply the exceptions proposed by the standard for lease of low-value underlying assets, which term will end in twelve months.

Carrying amounts of assets by the right of use and movements at the end of the period was COP 224.971 (2019: COP 221.701) and the movements during the period are included in Note 10.

Below are the carrying amounts of lease liabilities and movements during the period:

	2020	2019
<b>INITIAL BALANCE</b>	<b>226.285</b>	<b>18.231</b>
Increase by implementation of IFRS 16	-	194.639
Additions	86.234	67.428
Business combination	1.440	-
Withdrawals	(20.424)	(6.638)
Interest	14.131	16.060
Exchange difference	(9.422)	(2.925)
Lease payments	(71.040)	(60.510)
<b>FINAL BALANCE (SEE NOTE 14)</b>	<b>227.204</b>	<b>226.285</b>

Below is the analysis of maturities of lease liabilities:

	2020	2019
Less than one year	56.208	49.722
Between one and five years	98.378	86.431
More than five years	72.618	90.132
<b>TOTAL</b>	<b>227.204</b>	<b>226.285</b>

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These amounts are recognized in the consolidated results of the period from leases:

	2020	2019
Revenues from sublease of leased assets	-	3.363
Depreciation expenses of leased assets	(61.929)	(50.607)
Interest expense of lease liabilities	(14.131)	(16.060)
Short-term lease expenses	(10.374)	(15.060)
Lease expenses of low-value assets	(2.642)	(4.984)
<b>TOTAL NET AMOUNT RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT</b>	<b>(89.076)</b>	<b>(83.348)</b>

ISA and its companies had total cash outflows from leasing for the year for COP 84.056 (COP 80.554 in 2019).

## 12.2 Leases when ISA and its companies are the lessees

### → Operating lease

ISA and its companies have operating leases of energy infrastructure, dark fiber, buildings, machinery, telecommunication equipment and land. These leases have remaining terms between 1 and 12 years. Usually, lease payments are updated according to the market indices.

ISA and its companies have insured their assets. ISA has not repurchase agreements or residual value guarantees.

Lease revenues recognized in the year amount to COP 12.361 (COP 38.832 in 2019).

Future minimum receivables from operating leases are:

	2020	2019
Less than one year	13.076	31.122
Between one and five years	49.688	66.456
More than five years	34.002	2.035

### → Finance leases

The Group has agreed finance leases of energy infrastructure. Their average term are 12 years. Usually, lease payments are updated according to the market indices.

ISA and its companies have insured their assets and some of them include residual value guarantees.

Financial revenues from the net lease investment recognized in the year amount to COP 45.437 (COP 38.547 in 2019).

Below is the net lease investment and the period balance:

	2020	2019
<b>INITIAL BALANCE</b>	<b>348.775</b>	<b>263.167</b>
Additions	113.142	89.801
Interest	45.437	38.547
Exchange difference	9.541	2.076
Payments received from lessee	(48.544)	(44.816)
<b>FINAL BALANCE</b>	<b>468.351</b>	<b>348.775</b>

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Also, the minimum future collections from finance lease together with the current value of minimum lease payments:

	2020		2019	
	MINIMUM PAYMENTS	CURRENT VALUE OF PAYMENTSS	MINIMUM PAYMENTS	CURRENT VALUE OF PAYMENTS
Less than one year	48.247	8.114	44.766	6.127
Between one and five years	145.771	30.733	179.063	36.178
More than five years	641.337	429.504	508.261	306.470
<b>TOTAL MINIMUM LEASE PAYMENTS</b>	<b>835.355</b>	<b>468.351</b>	<b>732.090</b>	<b>348.775</b>
Less: non-accumulated financial revenue (or not accrued)	(367.004)	-	(383.315)	-
<b>CURRENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>468.351</b>	<b>468.351</b>	<b>348.775</b>	<b>348.775</b>

### 13. Financial liabilities

The balance of this item as of December 31, 2020 and 2019 is composed of bonds and financial obligations, as shown below:

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Bonds	13.1	640.820	13.553.613	14.194.433	632.718	10.838.218	11.470.936
Financial liabilities	13.2	625.195	7.649.207	8.274.402	1.065.323	5.221.298	6.286.621
<b>TOTAL</b>		<b>1.266.015</b>	<b>21.202.820</b>	<b>22.468.835</b>	<b>1.698.041</b>	<b>16.059.516</b>	<b>17.757.557</b>

During the accounting period, the companies of the Group have complied with the payment of principal and interest on their liabilities.

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### 13.1 Outstanding bonds

As of December 2020, the debt represented in bonds reached COP 14.194.433 (2019: COP 11.470.936).

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>COLOMBIA</b>						4.491.590	4.403.542	3.300.000	3.332.081
<b>ISA</b>									
Tranche 7 Series A Program	COP	1/12/2011	1/12/2023	12	CPI + 4,47%	180.000	181.313	180.000	181.185
Tranche 7 Series B Program	COP	1/12/2011	1/12/2041	30	CPI + 4,84%	120.000	120.905	120.000	120.777
Tranche 8 Series C9 Program	COP	22/05/2013	22/05/2022	9	CPI + 2,84%	120.000	120.327	120.000	120.838
Tranche 8 Series C15 Program	COP	22/05/2013	22/05/2028	15	CPI + 3,25%	100.000	100.286	100.000	100.775
Tranche 9 Series C10 Program	COP	7/05/2015	7/05/2025	10	CPI + 3,80%	100.000	100.476	100.000	100.929
Tranche 9 Series C15 Program	COP	7/05/2015	7/05/2030	15	CPI + 4,14%	120.000	120.564	120.000	121.136
Tranche 9 Series C20 Program	COP	7/05/2015	7/05/2035	20	CPI + 4,34%	280.000	281.337	280.000	282.696
Tranche 10 Series C8 Program	COP	16/02/2016	16/02/2024	8	CPI + 4,73%	115.000	115.349	115.000	115.797
Tranche 10 Series C12 Program	COP	16/02/2016	16/02/2028	12	CPI + 5,05%	152.000	152.304	152.000	152.981
Tranche 10 Series C25 Program	COP	16/02/2016	16/02/2041	25	CPI + 5,38%	133.000	132.990	133.000	133.631
Tranche 11 Series A7 Program	COP	18/04/2017	18/04/2024	7	Fixed Rate 6,75%	260.780	264.078	260.780	264.003
Tranche 11 Series C15 Program	COP	18/04/2017	18/04/2032	15	CPI + 3,81%	196.300	197.537	196.300	198.820
Tranche 11 Series C25 Program	COP	18/04/2017	18/04/2042	25	CPI + 4,00%	242.920	244.474	242.920	246.084
Tranche 12 Series A8 Program	COP	28/11/2017	28/11/2025	8	Fixed Rate 6,99%	150.080	150.884	150.080	150.836
Tranche 12 Series C14 Program	COP	28/11/2017	28/11/2031	14	CPI + 3,75%	120.100	120.115	120.100	120.690
Tranche 12 Series C30 Program	COP	28/11/2017	28/11/2047	30	CPI + 3,98%	229.820	229.821	229.820	230.955
Tranche 13 Series C9 Program	COP	25/07/2018	25/07/2027	9	CPI + 3,49%	156.500	157.513	156.500	158.523
Tranche 13 Series C15 Program	COP	25/07/2018	25/07/2033	15	CPI + 3,89%	142.063	143.048	142.063	143.991

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
Tranche 13 Series C25 Program	COP	25/07/2018	25/07/2043	25	CPI + 4,07%	201.437	202.884	201.437	204.223
Tranche 14 Series A9 Program	COP	13/08/2020	13/08/2029	9	Fixed Rate 6.33%	160.000	161.054	-	-
Tranche 14 Series G20 Program	COP	13/08/2020	13/08/2040	20	Fixed Rate 3,67%	140.221	141.961	-	-
<b>TOTAL</b>						<b>3.420.221</b>	<b>3.439.220</b>	<b>3.120.000</b>	<b>3.148.870</b>

RUTA COSTERA									
Series A Bond	USD	8/07/2016	15/01/2034	18	Fixed Rate 6,75%	517.621	480.536	-	-
Series B Bond	UVR	8/07/2016	15/01/2034	18	Fixed Rate 6,25%	373.748	301.095	-	-
						<b>891.369</b>	<b>781.631</b>	-	-

ISA TRANSELCA									
Third issue Series A10	COP	11/10/2011	11/10/2021	10	CPI + 4,20%	80.000	81.140	80.000	81.407
Third issue Series A15	COP	11/10/2011	11/10/2026	15	CPI + 4,48%	100.000	101.551	100.000	101.804
<b>TOTAL</b>						<b>180.000</b>	<b>182.691</b>	<b>180.000</b>	<b>183.211</b>

PERÚ									
						4.132.846	4.260.115	3.305.881	3.315.598
ISA REP									
2P 20.th Issue (Serie A)	USD	20/01/2011	19/01/2026	15	Fixed Rate 6,50%	130.634	131.693	124.728	124.742
3P 4.th Issue (Serie A)	USD	19/10/2012	19/04/2031	19	Fixed Rate 5,88%	137.510	138.384	131.292	132.058
3P 1.st Issue (Serie A)*	PEN	7/11/2012	8/11/2022	10	Fixed Rate 5,38%	98.869	100.064	102.834	103.680
Fair Value Swap	USD					42.347	42.282	34.505	34.451

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019		
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE	
3P 1st Issue (Series B)*	PEN	7/02/2013	7/02/2023	10	Fixed Rate	5,13%	73.393	74.698	76.335	77.899
Fair Value Swap	USD						34.509	34.457	28.736	28.691
3P 7. th Issue (Serie A)	USD	14/07/2014	14/07/2021	7	Fixed Rate	3,75%	11.459	11.635	21.882	22.193
<b>TOTAL</b>							<b>528.721</b>	<b>533.213</b>	<b>520.312</b>	<b>523.714</b>

CONSORCIO TRANSMANTARO							2020		2019	
FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE		NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
CTM International Bonds 144A	USD	7/05/2013	7/05/2023	10	Fixed Rate	4,38%	1.544.625	1.547.536	1.474.713	1.475.513
CTM International Bonds 144A	USD	16/04/2019	16/04/2034	15	Fixed Rate	4,70%	2.059.500	2.179.366	1.310.856	1.316.371
<b>TOTAL</b>							<b>3.604.125</b>	<b>3.726.902</b>	<b>2.785.569</b>	<b>2.791.884</b>

BRAZIL							2020		2019	
ISA CTEEP							2020		2019	
FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE		NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
Debentures 4ª Emissão	BRL	15/07/2016	15/07/2021	5	IPCA	+ 6,04%	113.964	116.555	134.483	137.034
Debentures 5ª Emissão	BRL	30/03/2017	15/02/2024	7	IPCA	+ 5,04%	225.758	232.825	266.406	273.923
Debentures 6ª Emissão	BRL	15/12/2017	13/12/2020	3	106%	CDI	-	-	284.566	284.865
Debentures 7ª Emissão	BRL	2/05/2018	15/04/2025	7	IPCA	+ 4,70%	454.002	450.462	535.746	529.306
Debentures 8ª Emissão	BRL	20/12/2019	15/12/2029	10	IPCA	+ 3,50%	281.377	268.851	333.308	316.794
Debentures 9ª Emissão (Serie 1)	BRL	7/12/2020	15/11/2028	8	CDI	2,83%	528.412	525.605	-	-
Debentures 9ª Emissão (Serie 2)	BRL	7/12/2020	15/05/2044	23	IPCA	+ 5,30%	529.753	505.656	-	-
<b>TOTAL</b>							<b>2.133.266</b>	<b>2.099.954</b>	<b>1.554.509</b>	<b>1.541.922</b>

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>ISA INVESTIMENTOS E PARTICIPAÇÕES</b>									
Tranche 1	BRL	12/06/2017	12/06/2022	5	CDI + 1,68%	67.042	67.598	120.229	119.190
<b>TOTAL</b>						<b>67.042</b>	<b>67.598</b>	<b>120.229</b>	<b>119.190</b>
<b>CHILE</b>						<b>3.526.633</b>	<b>3.363.224</b>	<b>3.375.034</b>	<b>3.162.145</b>
<b>RUTA DEL MAIPO</b>									
Bond 144A **	USD	29/08/2001	15/06/2022	21	Fixed Rate 7,37%	205.117	204.781	347.912	343.171
Fair Value Swap	USD					81.115	81.112	112.198	112.198
Series C Bond	UF	1/08/2018	15/06/2025	7	Fixed Rate 4,85%	814.046	742.048	718.672	661.910
Series D Bond	UF	1/08/2018	15/12/2030	12	Fixed Rate 3,20%	1.307.673	1.157.541	1.118.669	1.029.122
Series E Bond	UF	7/08/2018	15/12/2024	6	Fixed Rate 2,30%	140.353	142.267	123.909	114.082
Series F Bond	UF	20/06/2019	15/12/2030	11	Fixed Rate 2,30%	709.788	764.462	626.629	575.341
<b>TOTAL</b>						<b>3.258.092</b>	<b>3.092.210</b>	<b>3.047.989</b>	<b>2.835.824</b>
<b>RUTA DEL BOSQUE</b>									
Series A Bond	UF	21/03/2001	15/03/2021	20	Fixed Rate 6,30%	45.283	48.300	129.944	131.094
Series B Bond	UF	30/10/2006	15/06/2022	16	Fixed Rate 3,40%	223.258	222.713	197.101	195.227
<b>TOTAL</b>						<b>268.540</b>	<b>271.013</b>	<b>327.045</b>	<b>326.321</b>
<b>TOTAL BONDS</b>						<b>14.351.377</b>	<b>14.194.433</b>	<b>11.655.653</b>	<b>11.470.936</b>

\*Bonds issued in PEN and a SWAP was carried out into USD.

\*\* Bonds issued in USD and a SWAP was carried out into UF.

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The following relevant events took place in 2020, which explain the movements in outstanding bonds in each of the Group's companies:

### INTERCONEXIÓN ELÉCTRICA

In August, 2020, ISA conducted the Fourteenth Tranche of the Securities Program (Green Bonds) in the amount of COP 299.998, of which COP 160.000 were placed in Series A9 with maturity in August 2029, and UVR 509,8 million (equivalent to COP 139.998) in Series G20 with maturity in August 2040. Resources from placement will be used for the development of investments that will ease the integration of two renewable non-conventional energy projects to the National Interconnected System (SIN): UPME 09-2016 Copey–Cuestecitas, 500 kV, and Copey–Fundación, 220 kV transmission lines project, and UPME 05-2014 500 kV Costa Caribe Reinforcement.

### RUTA COSTERA

With the acquisition of the society in October, the company acquired 100% shares of RUTA COSTERA through ISA INTERVIAL CHILE, achieving the objective of entering into the road concessions business unit in Colombia; therefore, the balance of two issuances of bonds Series A and B is added to the debt portfolio for USD 150,8 million, and UVR 1.359 million, respectively.

### ISA REP

In January and July, repayments for USD 3,3 million were made to the Seventh Issue (Series A) of the Third Corporate Bonds Program, each payment for USD 1,66 million, for a total of USD 3,3 million.

### CONSORCIO TRANSMANTARO

In September the International “green” bonds’ issuance was reactivated, with maturity date April 16, 2034, for USD 200 million. Resources from the placement shall be used to finance or refinance Mantaro-Nueva Yanango-Carapongo 500 kV Connection and Nueva Yanango-Nueva Huanuco 500 kV connection and associated substations projects related to energy efficiency.

### ISA INVESTIMENTOS E PARTICIPAÇÕES

In January and June, ISA made payments to holders of debentures for BRL 46,4 million.

### RUTA DEL MAIPO

In June it made payment to holders of Bonds 144A for USD 46,4 million. Local bonds Series D earned interest for UF 288.901.

### RUTA DEL BOSQUE

In March and September, a payment to holders of Series A for UF 726.074 was made.

### ISA CTEEP

In December a new disbursement for the issuance of the Ninth Issuance of Debentures with two series was received, each for BRL 800 million, for a total of BRL 1.600 million. The funds collected in the First Series will be used for investments, and the collected amount in the Second Series will be used for reimbursement or future payments of investment in the projects of the company. In December, a payment was made for BRL 350 million and the Sixth issuance of bonds was concluded.

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The following is the detail of maturities for outstanding bonds:

	2020
Current	640.820
<b>LONG-TERM</b>	<b>13.553.613</b>
2022	754.758
2023	2.263.254
2024	996.430
2025 and after	9.539.171
<b>TOTAL</b>	<b>14.194.433</b>

### 13.2 Financial obligations

As of December 2020, debt represented in financial obligations amounted COP 8.274.402 (2019: COP 6.286.621).

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>COLOMBIA</b>						2.472.033	2.476.014	1.840.815	1.857.651
<b>ISA</b>									
Banco de Bogotá	COP	26/02/2015	26/02/2022	7	CPI + 3,60%	66.730	67.923	111.216	114.128
BBVA	COP	23/02/2016	23/02/2023	7	CPI + 2,99%	125.000	126.560	175.000	178.607
BBVA	COP	9/10/2017	9/10/2027	10	CPI + 4,80%	43.750	44.160	50.000	50.996
Banco Davivienda	COP	9/10/2017	9/10/2027	10	CPI + 4,80%	43.750	44.160	50.000	50.996
BBVA	COP	7/11/2017	7/11/2027	10	CPI + 4,80%	78.750	79.028	90.000	91.111

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
Banco Davivienda	COP	7/11/2017	7/11/2027	10	CPI + 4,80%	78.750	79.028	90.000	91.111
BBVA	COP	14/12/2017	14/12/2027	10	CPI + 4,80%	-	-	60.000	60.194
Banco Davivienda	COP	14/12/2017	14/12/2027	10	CPI + 4,80%	-	-	260.000	260.841
Bancolombia	COP	19/11/2019	19/11/2029	10	IBR + 2,56%	150.000	149.936	150.000	151.151
Banco Davivienda	COP	19/11/2019	19/11/2031	12	CPI + 4,65%	150.000	150.094	150.000	151.442
Bancolombia	COP	19/05/2020	19/11/2029	10	IBR (6M) + 2,56%	150.000	150.189	-	-
Banco Davivienda	COP	19/05/2020	19/11/2031	12	CPI + 4,65%	150.000	150.379	-	-
<b>TOTAL NATIONAL OBLIGATIONS</b>						<b>1.036.730</b>	<b>1.041.457</b>	<b>1.186.216</b>	<b>1.200.577</b>
Scotiabank	USD	27/12/2018	27/12/2023	5	LIBOR (6M) + 1,20%	171.625	170.652	163.857	163.532
Scotiabank	USD	26/02/2019	27/12/2023	5	LIBOR (6M) + 1,20%	171.625	170.777	163.857	163.690
<b>TOTAL FOREIGN OBLIGATIONS</b>						<b>343.250</b>	<b>341.429</b>	<b>327.714</b>	<b>327.222</b>
<b>TOTAL</b>						<b>1.379.980</b>	<b>1.382.886</b>	<b>1.513.930</b>	<b>1.527.799</b>

<b>INTERNEXA</b>									
Banco Popular	COP	8/06/2017	8/06/2024	7	IBR (3M) + 3,75%	12.203	12.159	13.947	14.010
Banco Popular	COP	10/08/2017	10/08/2024	7	IBR (3M) + 3,75%	31.817	31.801	31.817	32.138
Banco Popular	COP	26/12/2017	26/12/2024	7	IBR (3M) + 3,75%	9.962	10.018	9.962	9.972
Bancolombia	COP	11/05/2018	11/11/2028	11	IBR (6M) + 2,20%	59.467	59.493	59.467	59.998
Bancolombia	COP	2/11/2018	2/11/2028	10	IBR (6M) + 2,20%	23.000	23.045	23.000	23.241
Bancolombia	COP	19/02/2019	19/02/2029	10	IBR (6M) + 2,20%	5.530	5.572	5.530	5.660
Banco de Bogotá	COP	11/03/2019	11/03/2020	1	IBR (3M) + 2,30%	-	-	3.947	3.962

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
Davivienda	COP	23/05/2019	23/05/2029	10	IBR (6M) + 3,30%	9.000	9.007	9.000	9.075
Davivienda	COP	1/08/2019	23/05/2029	10	IBR (6M) + 3,30%	9.000	9.004	9.000	9.071
IBM Capital	COP	1/11/2019	1/07/2020	1	Fixed Rate 5,50%	-	-	1.165	1.165
Bancolombia	COP	29/11/2019	29/11/2020	1	IBR (3M) + 1,73%	-	-	2.000	2.010
Banco de Bogotá	COP	12/03/2020	12/03/2021	1	IBR (3M) + 2,45%	3.500	3.503	-	-
Bancolombia	COP	3/03/2020	3/03/2021	1	IBR (3M) + 1,65%	10.000	10.017	-	-
Davivienda	COP	15/04/2020	15/04/2030	10	IBR (3M) + 3,19%	10.000	10.080	-	-
Banco Popular	COP	26/05/2020	26/05/2027	7	IBR (3M) + 4,85%	12.000	12.060	-	-
Banco Davivienda	COP	14/09/2020	14/09/2030	10	IBR (3M) + 3,45%	3.800	3.808	-	-
Banco Davivienda	COP	25/11/2020	25/11/2030	10	IBR (3M) + 3,45%	8.000	8.019	-	-
Banco Davivienda	COP	18/12/2020	14/09/2030	10	IBR (3M) + 3,45%	8.200	8.215	-	-
Banco Popular	COP	21/12/2020	26/05/2027	6	IBR (3M) + 4,85%	6.000	6.012	-	-
<b>TOTAL</b>						<b>221.479</b>	<b>221.813</b>	<b>168.835</b>	<b>170.302</b>

RUTA COSTERA									
Bancolombia	COP	21/12/2016	15/01/2028	11	CPI + 7,50%	250.000	249.995	-	-
Banco de Bogotá	COP	21/12/2016	15/01/2034	17	CPI + 9,00%	150.000	150.617	-	-
Banco de Occidente	COP	21/12/2016	15/01/2034	17	CPI + 9,00%	150.000	150.645	-	-
Ashmore-CAF	COP	21/12/2016	15/01/2034	17	Fixed Rate 7,40%	154.300	152.578	-	-
FDN	COP	5/07/2018	8/07/2035	17	IBR (3M) + 8,20%	8.224	8.771	-	-
<b>TOTAL</b>						<b>712.524</b>	<b>712.606</b>	<b>-</b>	<b>-</b>

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>ISA TRANSELCA</b>									
Banco de Bogotá	COP	12/02/2019	12/02/2026	7	CPI + 4,25%	82.500	83.010	82.500	83.401
Banco de Bogotá	COP	12/02/2019	12/02/2026	7	CPI + 4,25%	5.500	5.540	5.500	5.567
Banco Davivienda	COP	27/02/2019	27/02/2029	10	IBR (3M) + 4,05%	47.250	47.304	47.250	47.606
Banco de Occidente	COP	6/03/2019	6/03/2026	7	CPI + 4,25%	22.800	22.855	22.800	22.976
<b>TOTAL</b>						<b>158.050</b>	<b>158.709</b>	<b>158.050</b>	<b>159.550</b>
<b>PERU</b>						902.219	900.891	297.546	299.314
<b>ISA REP</b>									
Scotiabank	USD	20/09/2019	13/09/2025	6	Fixed Rate 3,10%	240.275	240.275	229.400	231.393
BCP	USD	30/03/2020	25/03/2021	1	Fixed Rate 3,75%	51.487	52.884	-	-
<b>TOTAL</b>						<b>291.762</b>	<b>293.159</b>	<b>229.400</b>	<b>231.393</b>
<b>ISA PERÚ</b>									
Interbank	USD	17/12/2019	25/12/2025	6	Fixed Rate 3,80%	45.821	45.529	51.542	51.164
Scotiabank	USD	24/08/2020	24/08/2022	2	Libor (3M) + 1,25%	542.335	539.662	-	-
<b>TOTAL</b>						<b>588.156</b>	<b>585.191</b>	<b>51.542</b>	<b>51.164</b>
<b>INTERNEXA PERÚ</b>									
Interbank	USD	5/02/2016	28/07/2024	8	LIBOR (6M) + 3,22%	15.557	15.623	16.604	16.757
Interbank	PEN	8/05/2020	8/05/2023	3	Fixed Rate 0,98%	6.744	6.918	-	-
<b>TOTAL</b>						<b>22.301</b>	<b>22.541</b>	<b>16.604</b>	<b>16.757</b>

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>BRAZIL</b>						946.568	952.162	1.177.111	1.186.018
<b>ISA CTEEP</b>									
ELETRORBRAS	BRL	8/01/1990	15/11/2021	32	Fixed Rate 8,00%	11	13	26	28
BNDES III (FINEM)	BRL	29/01/2014	15/03/2029	15	TJLP + 1,80%	104.673	105.060	144.462	144.858
BNDES III (PSI)	BRL	29/01/2014	15/01/2024	10	Fixed Rate 3,50%	20.796	20.776	33.900	33.874
BNDES III (Social)	BRL	29/01/2014	15/03/2029	15	TJLP + 0,00%	870	15	1.201	21
BTMU	USD	20/07/2018	20/07/2020	2	Fixed Rate 3,34%	-	-	246.941	248.848
Citibank	USD	24/08/2018	24/08/2020	2	Libor (3M) + 0,47%	-	-	245.182	245.870
Fair Value Swap	USD					-	-	749	749
BNDES IV	BRL	8/08/2017	15/03/2032	15	TJLP + 2,62%	144.722	144.572	190.543	190.370
BNDES IV (Social)	BRL	29/04/2020	15/03/2032	12	TJLP + 0,00%	859	19	-	-
CCB (Bradesco)	BRL	30/04/2020	20/04/2022	2	CDI + 2,45%	429.335	431.526	-	-
<b>TOTAL</b>						<b>701.266</b>	<b>701.981</b>	<b>863.004</b>	<b>864.618</b>
<b>INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS</b>									
BNDES (FINEM)	BRL	27/03/2009	15/04/2023	14	TJLP + 2,39%	7.798	8.140	13.719	14.318
<b>TOTAL</b>						<b>7.798</b>	<b>8.140</b>	<b>13.719</b>	<b>14.318</b>
<b>INTERLIGAÇÃO ELÉTRICA PINHEIROS</b>									
BNDES (PSI)	BRL	28/01/2011	15/01/2021	10	Fixed Rate 5,50%	501	553	8.021	8.853
BNDES (FINEM)	BRL	28/01/2011	15/05/2026	15	TJLP + 2,62%	11.461	12.909	16.839	18.965

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019		
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE	
BNDES (PSI)	BRL	12/09/2013	17/04/2023	10	Fixed Rate	3,50%	2.748	2.791	4.832	4.908
BNDES (FINEM)	BRL	12/09/2013	15/02/2028	14	TJLP	+ 2,06%	2.419	2.598	3.392	3.644
<b>TOTAL</b>							<b>17.129</b>	<b>18.851</b>	<b>33.084</b>	<b>36.370</b>

INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI										
BNDES (FINEM)	BRL	18/11/2011	15/05/2026	14	TJLP	+ 1,95%	12.790	13.792	18.651	20.116
BNDES (FINEM)	BRL	18/11/2011	15/05/2026	14	TJLP	+ 1,55%	11.072	11.918	16.144	17.383
<b>TOTAL</b>							<b>23.862</b>	<b>25.710</b>	<b>34.795</b>	<b>37.499</b>

INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE										
Banco do Nordeste	BRL	19/05/2010	19/05/2030	20	Fixed Rate	10,00%	97.562	97.872	129.924	130.337
<b>TOTAL</b>							<b>97.562</b>	<b>97.872</b>	<b>129.924</b>	<b>130.337</b>

INTERLIGAÇÃO ELÉTRICA SUL										
BNDES	BRL	21/12/2010	15/05/2025	14	TJLP	+ 2,58%	3.914	3.924	3.349	3.363
BNDES	BRL	21/12/2010	15/01/2021	10	Fixed Rate	5,50%	1.834	1.837	986	986
BNDES	BRL	28/07/2013	15/02/2028	15	TJLP	+ 2,58%	2.220	2.227	5.490	5.506
BNDES	BRL	28/07/2013	15/04/2023	10	Fixed Rate	3,00%	61	62	3.227	3.230
<b>TOTAL</b>							<b>8.029</b>	<b>8.050</b>	<b>13.052</b>	<b>13.085</b>

INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES										
ITAU (Helm bank) Panamá	USD	13/12/2013	13/12/2020	7	LIBOR (6M) + 3,50%		-	-	8.193	8.228

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
ITAU	BRL	21/06/2019	23/03/2020	1	CDI + 2,47%	-	-	8.964	8.976
BNDES	BRL	15/10/2014	15/08/2020	6	Fixed Rate 6,00%	-	-	109	109
Banco Santander	BRL	21/11/2016	7/02/2022	5	CDI + 5,40%	7.332	7.429	9.025	9.113
Banco Safra	BRL	17/11/2017	17/11/2022	5	CDI + 1,80%	13.210	13.229	24.391	24.440
Banco ABC	BRL	4/01/2018	6/03/2023	5	CDI + 3,91%	3.604	3.621	11.207	11.227
Banco ABC	BRL	25/06/2018	6/03/2023	5	CDI + 3,41%	7.230	7.245	12.196	12.214
ITAU	BRL	13/03/2019	23/03/2020	1	CDI + 2,03%	-	-	-	-
Banco Safra	BRL	10/05/2019	10/05/2024	5	CDI + 2,50%	9.908	9.931	3.252	3.256
ITAU	BRL	6/03/2020	12/08/2024	4	CDI + 3,15%	20.575	20.978	12.196	12.228
China Construction Bank	BRL	3/04/2020	24/09/2021	1	CDI + 4,79%	19.815	19.828	-	-
Banco ABC		23/11/2020	23/11/2023		CDI + 3,90%	3.963	3.987	-	-
Banco BOCOM		26/11/2020	27/11/2023		CDI + 3,10%	5.285	5.310	-	-
<b>TOTAL</b>						<b>90.922</b>	<b>91.558</b>	<b>89.533</b>	<b>89.793</b>

<b>CHILE</b>						4.086.700	3.945.335	3.080.221	2.943.638
<b>INTERNEXA CHILE</b>									
Scotiabank	CLP	28/01/2015	28/01/2021	6	TAB (180) + 1,40%	8.600	8.637	11.693	11.892
BCI	CLP	8/03/2017	4/03/2022	5	TAB (180) + 1,50%	9.173	9.231	13.860	14.070
BCI	CLP	25/05/2020	25/04/2024	4	Fixed Rate 0,29%	3.183	3.184	-	-
BCI	CLP	25/05/2020	25/04/2024	4	Fixed Rate 0,32%	3.206	3.206	-	-
<b>TOTAL</b>						<b>24.162</b>	<b>24.258</b>	<b>25.553</b>	<b>25.962</b>

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE		2020		2019	
							NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>RUTA DE LA ARAUCANÍA</b>										
Banco de Chile Tranche A3	UF	15/03/2012	15/09/2022	11	Fixed Rate	4,53%	-		23.546	
Banco de Chile Tranche B1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	36.593		45.497	
Banco de Chile Tranche B2	UF	15/09/2012	15/09/2022	10	TAB (360)	+ 0,95%	17.037		34.709	
Banco de Chile Tranche C1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	35.099	137.222	34.275	193.041
Banco de Chile Tranche C2	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	28.192		29.259	
Banco de Chile Tranche D1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	12.870		14.768	
Banco de Chile Tranche D2	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	6.356		10.644	
Banco de Chile Tranche F1	CLP	3/10/2018	3/03/2025	6	TAB (30)	+ 1,33%	18.148	16.780	13.246	12.073
Banco Corpbanca A3	UF	15/03/2012	15/09/2022	11	Fixed Rate	4,53%	-		3.779	
Banco Corpbanca B1	UF	15/03/2011	15/09/2022	12	TAB (360)	+ 0,95%	17.579		21.856	
Banco Corpbanca B2	UF	15/09/2012	15/09/2022	10	TAB (360)	+ 0,95%	8.185		16.674	
Banco Corpbanca C1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	5.634		5.501	
Banco Corpbanca C2	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	4.525		4.696	
Banco Corpbanca D1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	6.183	56.086	7.094	78.784
Banco Corpbanca D2	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	3.053		5.113	
Banco Corpbanca E1	UF	17/03/2014	15/09/2022	9	Fixed Rate	2,85%	-		1.883	
Banco Corpbanca E2	UF	16/09/2013	15/09/2022	9	Fixed Rate	3,06%	-		1.883	
Banco Corpbanca E3	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	5.614		5.482	
Banco Corpbanca E4	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	4.509		4.680	
Banco Corpbanca F1	CLP	3/10/2018	3/03/2025	6	TAB (30)	+ 1,33%	7.469	6.859	5.451	4.984

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019		
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE	
Banco del Estado A3	UF	15/03/2012	15/09/2022	11	Fixed Rate	4,53%	-		11.311	
Banco del Estado B1	UF	15/03/2011	15/09/2022	12	TAB (360)	+ 0,95%	17.579		21.856	
Banco del Estado B2	UF	15/09/2012	15/09/2022	10	TAB (360)	+ 0,95%	8.185		16.674	
Banco del Estado C1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	16.861		16.466	
Banco del Estado C2	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	13.543		14.056	
Banco del Estado D1	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	6.183	75.754	7.094	106.687
Banco del Estado D2	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	3.053		5.113	
Banco del Estado E1	UF	17/03/2014	15/09/2022	9	Fixed Rate	2,85%	-		1.883	
Banco del Estado E2	UF	16/09/2013	15/09/2022	9	Fixed Rate	3,06%	-		1.883	
Banco del Estado E3	UF	15/03/2017	15/09/2022	6	TAB (360)	+ 0,95%	5.614		5.482	
Banco del Estado E4	UF	15/09/2016	15/09/2022	6	TAB (360)	+ 0,95%	4.509		4.680	
Banco del Estado F1	CLP	3/10/2018	3/03/2025	6	TAB (30)	+ 1,33%	9.968	9.264	7.275	6.615
<b>TOTAL</b>							<b>302.541</b>	<b>301.965</b>	<b>403.809</b>	<b>402.184</b>

RUTA DE LOS RÍOS										
Banco BICE	UF	21/09/2016	15/08/2022	6	Fixed Rate	3,40%	78.653	79.121	102.720	104.254
Banco Security	UF	21/09/2016	15/08/2022	6	Fixed Rate	3,40%	28.994	28.994	37.866	35.893
Banco BICE	UF	4/01/2019	15/12/2022	4	Fixed Rate	3,15%	14.568	17.012	15.005	15.005
Banco BCI	UF	4/01/2019	15/12/2022	4	Fixed Rate	3,15%	17.012	14.568	17.521	17.843
Banco BCI	UF	15/03/2019	15/12/2024	6	TAB (360)	0,90%	7.282	7.282	6.429	5.946
Banco BICE	UF	15/03/2019	15/12/2024	6	TAB (360)	0,90%	6.237	6.236	5.506	5.506
<b>TOTAL</b>							<b>152.746</b>	<b>153.213</b>	<b>185.047</b>	<b>184.447</b>

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
<b>RUTA DEL LOA</b>									
Banco Santander Chile	UF	27/09/2018	15/06/2050	32	Fixed Rate 3,85%	8.702	7.045	6.116	4.970
Compañía de Seguros Euroamérica	UF	27/09/2018	15/06/2050	32	Fixed Rate 3,85%	86.037	69.484	61.122	47.496
Compañía de Seguros Confuturo	UF	27/09/2018	15/06/2050	32	Fixed Rate 3,85%	25.825	20.930	24.454	19.003
Compañía de Seguros Confuturo	UF	27/09/2018	15/06/2050	32	Fixed Rate 3,85%	8.702	6.977	11.836	11.880
Banco Santander Chile	CLP	27/09/2018	15/12/2022	4	TAB (30) + 0,35%	33.370	33.369	-	-
<b>TOTAL</b>						<b>162.636</b>	<b>137.805</b>	<b>103.528</b>	<b>83.349</b>
<b>ISA INTERVIAL CHILE</b>									
Scotiabank Chile	UF	14/10/2020	1/09/2022	2	TAB (180) + 0,35%	561.412	556.190	-	-
<b>TOTAL</b>						<b>561.412</b>	<b>556.190</b>	<b>-</b>	<b>-</b>
<b>ISA INTERCHILE</b>									
Banco Estado	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	219.006	209.623	215.840	204.809
Scotiabank Chile	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	219.006	209.623	215.840	204.809
BTMU	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	263.064	251.793	259.260	246.012
CA-CIB	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	219.006	209.623	215.840	204.809
NATIXIS	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	218.678	209.623	215.527	204.809
SMBC	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	263.392	209.623	259.573	246.012
KFW	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	219.006	209.309	215.840	204.809
LA CAIXA	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	219.006	148.281	215.840	204.809

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FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020		2019	
						NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
SIEMENS	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	219.489	210.085	216.300	204.809
SABADELL	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	154.919	252.107	152.657	144.237
SUMITRUST	USD	24/05/2016	31/03/2031	15	Libor (3M) + 2,25%	60.521	57.928	59.682	57.697
Fair Value Swap	USD				Libor (3M) + 2,25%	285.453	285.453	117.399	117.399
CA-CIB	USD	15/05/2020	31/03/2031	11	Libor (3M) + 1,60%	68.650	65.709	895	892
KFW	USD	15/05/2020	31/03/2031	11	Libor (3M) + 1,60%	116.707	65.710	895	892
SABADELL	USD	15/05/2020	31/03/2031	11	Libor (3M) + 1,60%	68.650	111.705	896	892
Scotiabank Chile	USD	15/05/2020	31/03/2031	11	Libor (3M) + 1,60%	68.650	65.709	-	-
<b>TOTAL</b>						<b>2.883.203</b>	<b>2.771.904</b>	<b>2.362.284</b>	<b>2.247.696</b>
<b>TOTAL FINANCIAL OBLIGATIONS</b>						<b>8.407.520</b>	<b>8.274.402</b>	<b>6.395.693</b>	<b>6.286.621</b>

The following relevant events took place in the companies in 2020, which explain the debt change:

**INTERCONEXIÓN ELÉCTRICA**

In February and August, payments were made for a total of COP 44.487 corresponding to the loan with Banco de Bogotá, and for a total of COP 50.000 corresponding to the loan with BBVA.

In April and October, payments were made for COP 6.250 corresponding to the loan with BBVA, and for COP 6.250 corresponding to the loan with Banco Davivienda.

In May and November, payments were made for COP 11.250 corresponding to the loan with Bancolombia and for COP 11.250 corresponding to the loan with Banco Davivienda; a disbursement was received from Bancolombia for COP 150.000 and from Banco Davivienda for COP 150.000 to cover needs of the 2020 investment plan.

In June and December, payments were made for COP 7.500 corresponding to the loan with BBVA, and for COP 32.500 corresponding to the loan with Banco Davivienda. In December, prepayments were made for COP 52.500 to BBVA, and for COP 227.500 to Banco Davivienda.

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## **RUTA COSTERA**

With the acquisition of the society in October, the loan balance of Bancolombia for COP 250.000, Banco de Bogotá for COP 150.000, Banco de Occidente for COP 150.000, Ashmore-CAF for UVR 561 million and Fondo de Desarrollo Nacional-FDN for COP 6.500 are added to the Group's debt portfolio.

## **INTERNEXA**

On January, and July payments were made for a total of COP 1.165 to the loan with IBM Capital, repaying the obligation.

In March, a payment for COP 3.948 was made to the loan with Banco de Bogota. In June, it received a disbursement for loans, with Banco de Bogota treasury for COP 3.500 and with Bancolombia for COP 10.000.

In April, September, November and December, disbursements for COP 30.000 from Banco Davivienda to finance the 2020 investment plan were received.

In May and December, disbursements for COP 18.000 from Banco Popular to finance the 2020 investment plan were received.

In November payments were made for COP 2.000 to the short-term loan with Bancolombia, repaying the obligation.

In December, a total payment of COP 1.743 was made to the loan with Banco Popular.

## **ISA REP**

In March, a disbursement from Banco de Crédito del Perú for USD 55 million was received for the investment plan. In September, this loan was completely repaid.

In September, a disbursement from Banco de Crédito del Perú for USD 15 million was received, used to cover part of the prepayment of the existing loan with the same bank.

## **CONSORCIO TRANSMANTARO**

In April, it received a disbursement for a loan from Banco de Crédito del Perú treasury for USD 100 million, for its investment plan. In September, this loan was completely prepaid, with resources from the reactivation of bonds and the Company's own cash.

## **ISA PERÚ**

In March, June, September and December payments were made to Interbank for a total of USD 2,4 million.

In May, it received a disbursement of a loan from Scotiabank for USD 4 million, to cover cash flow needs, and it was prepaid in October.

In August it received a disbursement of a loan for USD 158 million from Bank of Nova Scotia, for the acquisition of Orazul Energy Group S.A.C.

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## **INTERNEXA PERÚ**

In January and October, payments were made for USD 533.333 to Banco Interbank.

In May a disbursement of a loan with Banco Interbank was received, under Programa Reactiva Perú (a program from the government seeking to guarantee work capital loans), for PEN 7,5 million.

## **ISA CTEEP**

During all periods of 2020, payments were made to BNDES for a total of BRL 49 million, and disbursements were received from the same bank for BRL 4,1 million for its investment plan. Payments were also made to Electrobras for BRL 8.069.

In April, it received a disbursement from Bradesco for BRL 650 million, for social investments and to strengthen the Company's liquidity.

In July and August, two payments were made, each for USD 75 million, for a total of USD 150 million, completely repaying the loan 4131, with BTMU and Citibank.

## **INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS**

From January until December, payments were made to the loan with BNDES for BRL 5,1 million.

## **INTERLIGAÇÃO ELÉTRICA PINHEIROS**

From January until December, payments were made to the loan with BNDES for BRL 14,8 million.

## **INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI**

From January until December, payments were made to the loan with BNDES for BRL 6,7 million.

## **INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE**

From January until December, payments were made to the loan with BNB for BRL 12,1 million.

## **INTERLIGAÇÃO ELÉTRICA SUL**

From January until December, payments were made to the loan with BNDES for BRL 3,9 million.

## **INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES**

From January until December, payments were made to BNDES for a total of BRL 133.831 and to Banco Safra for BRL 10,0 million.

In March, November and December, payments were made to Banco ITAU for BRL 15 million, and to Banco ABC for BRL 12,4 million, and a disbursement was received from Banco ITAU for BRL 31,1 million, for its investment plan.

In April, a disbursement from China Construction Bank for BRL 30 million was received for the investment plan.

Between June and December, payments to Helm Bank Panamá were made for USD 2,5 completely repaying the obligation.

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In November, disbursements were received from Banco ABC for BRL 6 million (COVID-19 benefits loan) and from Banco BOCOM, for BRL 8 million for the investment plan.

### **INTERNEXA CHILE**

During 2020, a disbursement from Banco Scotiabank for CLP 890,1 million was received.

Between January and December, payments to Banco de Crédito e Inversiones for CLP 1.306 million were made.

In May, it received a disbursement from Banco de Crédito e Inversiones for CLP 1.363 million, to strengthen the Company's liquidity during the COVID-19 crisis.

### **RUTA DE LA ARAUCANÍA**

Between October and December, disbursements from Banco de Chile, Banco Corpbanca and Banco del Estado for CLP 732,6 million, CLP 301,5 million and CLP 402,4 million respectively, were received.

In March and September payments were made to Banco de Chile, Banco Corpbanca and Banco del Estado for a total of UF 585.120, UF 240.808 and UF 321.367, respectively.

### **RUTA DE LOS RÍOS**

During the year, payments were made to Banco BICE, Security, and BCI for UF 285.897, UF 99.013 and UF 20.201, respectively.

In October, the Roll Over of two of the obligations with BCI and BICE was executed to extend the maturities from 2021 to 2024.

### **RUTA DEL LOA**

Between January and December, disbursements were received from Banco Santander for a total of UF 12.642, from Compañía de Seguros EuroAmerica for UF 119.716 and from Compañía de Seguros Confuturo for UF 48.642, for its investment plan.

Additionally, disbursements as part of the VAT line of the project, for CLP 4.208 million were received from Banco Santander.

### **ISA INTERVIAL CHILE**

In October, a disbursement from Banco Scotiabank for UF 4.000.000 was received for the purchase of RUTA COSTERA.

### **ISA INTERCHILE**

In March, June, September and December payments were made to Senior loan for USD 21,4 million.

In March payments were made to the VAT line loan for CLP 613,5 million, repaying the obligation.

In May a disbursement was received, corresponding to Tranche 4 of Senior Loan, to finance new projects, for USD 94 million.

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The following chart shows the maturity of financial obligations by year:

	2020
Current	625.195
<b>LONG-TERM</b>	<b>7.649.207</b>
2022	2.140.418
2023	875.224
2024	567.218
2025 and after	4.066.347
<b>TOTAL</b>	<b>8.274.402</b>

Some obligations are secured (Note 32) or with covenants obligations (Note 33).

### 13.3 Derivative Financial Instruments

Four subsidiaries of the Group had derivative hedging instruments, which are supported by bonds and financial obligations:

Below is the market value of the financial instruments.

COMPANY	DERIVATIVE	SUBJACENT	2020	2019
ISA REP	(1) Cross currency swap	Bonds	76.739	63.142
RUTA DEL MAIPO	(2) Cross currency swap	Bonds	81.112	112.198
ISA INTERCHILE	(3) Interest rate swap	Financial liabilities	285.452	117.399
ISA CTEEP	Cross currency swap	Financial liabilities	-	748
<b>TOTAL</b>			<b>443.303</b>	<b>293.487</b>

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**(1) ISA REP:** To mitigate the cash flow risk generated by debt coupons from the debt in soles resulting due to the potential volatility of the exchange rate, and considering that the functional currency of this company is the USD, cross currency swap hedging contracts have been signed, which were classified as cash flow hedging derivatives, since they have the purpose of eliminating uncertainties in the interest payment in soles made by the company, as a result of exchange rate variations.

On November 8, 2012 and February 7, 2013, ISA REP entered into cross currency swap agreements with BBVA Banco Continental for an amount of S/.104.140.000 and S/.77.305.000, with due date November 2022 and February 2023, at an annual nominal rate of 5,375% and 5,1250%, respectively, thereby hedging the cash flows in soles resulting from the volatility of the exchange rate associated with the First Issue “A” Series and First Issue “B” Series of the Third Corporate Bond Program, for which it pays USD 39.998.464 and USD 29.999.924 at an annual nominal rate of 4,760% and 4,990%, respectively, which flows are liquidated on a semiannual basis. Critical deadlines of hedging contracts have been negotiated to match deadlines of their obligations.

As of December 31, 2020, ISA REP has recognized in equity a market value of cross currency swap contracts for USD 22.356.602 (2019: 19.267.302); the effectiveness of these contracts has not been affected since no relevant ineffectiveness has emerged.

**(2) RUTA DEL MAIPO:** This Company owns a cross currency swap as hedging instrument, which purpose is to reduce exposure to the variation in future cash flows caused by the variation in the exchange rate that affects the bond denominated in US dollars and the UF variation due to future flows from toll collection.

For these hedging operations, the gain or loss of the hedging instrument determined as effective hedging will be recognized in the net equity via other comprehensive income, while the ineffective portion of the gain or loss of the hedging instrument must be recognized in the income of the period.

In August 2001, the company issued in the United States of America a bond of nominal value for USD 421 million and an annual interest rate of 7,373%, which is an instrument that pay interests biannually, in June and December, and started to pay capital on June 15, 2009 ending on June 15, 2022. In May 2005, the Company entered into this hedging agreement instrument with the Official Credit Institute of Spain (*Instituto de Crédito Oficial de España*, ICO) in order to exchange flows in US dollars, originated by the bond, for certain flows in development units (*unidades de fomento*, UF).

Accordingly, during the hedging period, ICO undertakes to deliver the flow in US dollars and the company undertakes to pay a fixed amount of UF for such US dollars. The fair value of the hedging instrument corresponds to the difference in the present value of the flow in UF and the flow in US dollars of the future semiannual payments. Present values are calculated using a projection of future interest rates of development units (*unidades de fomento*) and US dollars, respectively.

This swap is registered for a market value of USD 23.630.488 (2019: USD 34.236.651) as of December 2020.

**(3) ISA INTERCHILE:** In February 2016, this company signed a debt contract in USD to finance works for the construction project and entry into operation of 917 kilometers of lines in Chile. This project has an initial construction period of three years and then an operation stage.

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Therefore, from 2016 to 2019, ISA INTERCHILE made an interest rate swap hedging transaction for USD 716.653.828, to hedge market risks exposed by future commitments of debt operation disbursed during such period, focusing on the Libor three-month interest rate. Such risk is directly materialized due to the positive variation of such rate. The swap operation was made with the following financial institutions: Banco Estado, Bank of Tokio, BBVA, Credit Agricole, Natixis and SMBC.

The total nominal value of this instrument is USD 716.653.828 at a fixed interest rate of 2,51%. This swap is registered as of December 2020 for an amount of USD 83.161.734 (2019: USD 35.823.653).

## 14. Accounts payable

The breakdown of this item as of December 31, 2020 and 2019 is as follows:

CUENTAS POR PAGA ACCOUNTS PAYABLE	2020			2019		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Suppliers (1)	485.207	-	485.207	522.296	-	522.296
Creditors (2)	207.137	48.046	255.183	201.797	24.898	226.695
Economic related Parties	62	-	62	59	-	59
Dividends (3)	215.505	-	215.505	56.300	-	56.300
Retention on agreements (4)	32.516	3.226	35.742	19.528	4.089	23.617
Deposits received and sales paid in advance (5)	190.058	878.097	1.068.155	123.874	768.764	892.638
Lease liabilities Note 12	56.208	170.996	227.204	49.722	176.563	226.285
<b>TOTAL ACCOUNTS PAYABLE</b>	<b>1.186.693</b>	<b>1.100.365</b>	<b>2.287.058</b>	<b>973.576</b>	<b>974.314</b>	<b>1.947.890</b>

(1) Accounts payable to suppliers originate mainly from the purchase of goods and services for the development of operations of the Group. These liabilities do not bear interest, and in general they are paid according to the payment policies established by each company. Payable accounts decreased by COP 37.089.

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**(2)** Creditors include the following balances:

- ISA CTEEP, COP 72.937 (2019: COP 91.310). The decrease is explained by the amounts paid to ABB, Siemens and Artech, corresponding to sustainability projects of the company for USD 7,5 million.
- RUTA DEL MAIPO, COP 36.724 (2019: COP 18.234). The increase is mainly due to the recognition of provisions for technology renewal, major maintenance in Los Niches, lights maintenance, crane services, SOS signposts, ambulance services, advertising campaigns and regulatory safety works.
- ISA INVERSIONES COSTERA CHILE, COP 21.291 (2019: COP 0). It corresponds to the balance of withholdings payable established in the purchase of RUTA COSTERA.
- RUTA DEL BOSQUE, COP 17.583 (2019: COP 6.984). The increase is caused by one month of delay in the approval of major maintenance payments by MOP.
- RUTA DE LA ARAUCANÍA, COP 15.591 (2019: COP 3.666). For 2020 the decrease is caused by engineering, administration, major and routine maintenance delivered and not billed as of December 2020.
- RUTA DEL MAULE, COP 15.232 (2019: COP 19.970). The decrease occurs because the concession is in its final stage.

**(3)** ISA CTEEP's dividends payable to non-controlling or minority shareholders.

**(4)** Withholdings placed on contracts, highlighting those delivered by companies: RUTA COSTERA, COP 5.251 (2019: COP 0); ISA CTEEP, COP 4.421 (2019: COP 5.614); RUTA DEL MAIPO, COP 16.485 (2019: COP 7.960); RUTA DEL MAULE, COP 2.474 (2019: COP 4.523), among others.

**(5)** It mainly includes advance payments and advance payments received, third-party deposits from: RUTA DEL MAIPO, COP 934.303 (2019: COP 754.840), and RUTA DE LA ARAUCANÍA, COP 98.737 (2019: COP 105.354).

## 15. Risk management policy

Given the nature of its various businesses and companies, the geographic position where each of them is located and their various rights (revenues) and obligations (financial debt, acquisition of goods and services), and the analysis of emerging risks identified, ISA and its companies are, or could be, exposed to different financial risks.

Accordingly, ISA and its Companies seek to permanently monitor the financial markets in order to minimize the potential adverse effects of such risks on the financial results, both individual and consolidated.

### Risk management structure

ISA has in place a policy for Comprehensive Risk Management, which provides the concept and action framework for the objective, systemic, and approved implementation of actions aimed at proper management of risks in order to preserve the integrity of the corporate resources and the continuity and sustainability of business. Under this policy, ISA declares the strategic purpose of the Comprehensive Risk Management and assigns express responsibilities to all collaborators.

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Below are the financial risks to which the company is exposed.

### 15.1 Market risk

The market risk corresponds to unfavorable variations with respect to what is expected from the fair value or future cash flows of a financial instrument, caused by adverse changes in variables such as exchange rates, domestic and international interest rates, price of indices (macroeconomic variables), raw materials (commodities), among others.

#### 15.1.1 Interest rate risk and macroeconomic variables

This risk corresponds to unfavorable changes in fair value or future cash flows of financial instruments with respect to expectations, and it is caused by the variation (volatility) of domestic and international interest rates and macroeconomic variables that are indexed to these flows thus affecting their value. The objective of the interest rate and macroeconomic variable risk management is to reach a balance in the structure of revenues and expenditures that would minimize volatility in the financial statement of the company.

#### → Financial obligations

As of December 31, 2020, ISA and its companies keep indexation at interest rates and macroeconomic variables in their financial obligations and bonds, and in most cases, indexation of these operations is offset with the structure of revenues of each Group company. Below, the interest rate composition for financial liabilities:

DEBT PARTICIPATION PER RATES		
RATE	BALANCE AS OF DECEMBER 2020	SHARE (%)
Fixed Rate	5.695.557	25,0%
CPI	4.286.670	18,8%
UF	3.795.125	16,7%
Libor (3M)	3.425.538	15,1%
IPCA (Broad Consumer Price Index)	1.604.853	7,1%
CDI	1.115.711	4,9%
TAB	928.616	4,1%
UVR	668.269	2,9%
IBR (6M)	405.997	1,8%
Libor(6M)	358.807	1,6%
TJLP (Long Term Interest Rate)	302.798	1,3%
IBR (3M)	170.957	0,8%
<b>TOTAL</b>	<b>22.758.897</b>	<b>100%</b>

#### Financial instruments - Liquidity surplus

ISA and its companies make investments in financial instruments with their liquidity surplus and particularly they are acquired to keep them until their due date; therefore, they are not exposed to the interest rate risk.

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### 15.2 Exchange rate risk

This risk corresponds to unfavorable changes with respect to what is expected in the fair value or future cash flows of a financial instrument due to price variations in the foreign currency in which they are expressed.

ISA, on a consolidated basis, is exposed to the exchange rate risk, especially because of the effect of conversion into Colombian Pesos of investments in companies abroad (both in cash-in-hand and in the income statement) which are expressed in the following currencies:



Given that the US dollar is the functional currency used by companies in Peru, the consolidated effect will be related to such currency.

On the other hand, and in a lower proportion, some companies keep an exposure to the Exchange Rate, mainly in the category of expenses associated to the service of debt entered into currencies other than the functional currency of each company.

In cases where no hedging of a natural type exists against the exchange rate risk, ISA and its companies may carry out financial hedging operations that cover this risk.

#### Mitigation measures

Hedge operations for financial risks are considered as mitigation tools for market

risk; their objective is to stabilize for a time horizon, the financial statements, and the cash flow before fluctuations of the aforementioned risk factors.

As part of the Market Risk hedging (Exchange Rate, Interest Rate, Price), ISA and its companies can carry out standardized derivative operations (e.g. Exchange Rate and Commodity Future Agreements, among others) as well as non-standardized derivative operations such as forwards, swaps and options operations at terms, in agreement with the best conditions of each market, which qualify as financial hedging instruments to be registered in the financial statements.

Exchange rate hedging operations kept in force by ISA and its companies, are described in the “Derivative financial instruments” section (Note 13.3).

### 15.3 Credit and counterparty risk

#### 15.3.1 Credit risk (customers):

For ISA and its companies, this risk refers to the late payment, doubtful collection or not recovery of the portfolio from services rendered by the companies. In this regard, businesses and concessions in which companies take part are highly regulated and, in some cases, contractual measures that reduce such risk are maintained.

Likewise, as part of the application of changes proposed by IFRS 9, ISA and its companies, for the end of 2018, included the expected loss methodology in their portfolio analysis.

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The purpose of this methodology is to recognize possible impairment in advance, not being necessary that what is currently understood as an impairment event occurs. In general, all assets analyzed will have an expected impairment loss from the moment of their initial recognition, and will be recorded via a “provision for impairment” that will decrease their carrying value.

The design of the model, in cases where there is sufficient information, includes statistical and market variables, thus ensuring compliance with requirements of IFRS 9. In cases in which information is not available so it is only possible to perform analyzes based on statistics, or when the characteristics of the assets analyzed reflect that an expected loss provision does not apply, the exemption established in the same standard about the cost-benefit of obtaining the information will be fulfilled, and therefore simplified models will be applied. On the other hand, each company of the group, according to its particular characteristics and information available, will perform the analysis and calculation periodically, which will affect its provisions based on the results of said process.

Details of the result of applying these new measures can be seen in Note 5 - Financial Assets.

**15.3.2 Credit risk - surplus liquidity:**

This risk is mainly mitigated through the selection of financial institutions of renowned strength and with a risk rating given by locally or internationally authorized agencies. On the other hand, a counterparty quota is to be evaluated through allocation models that analyze both quantitative (financial indicators) and qualitative (risk grading) variables.

At the end of December 2020, no financial institutions where ISA and its companies manage their liquidity excess materialized any breach.

**15.4 Liquidity risk**

The liquidity risk is defined as the incapacity to obtain enough funds for the fulfillment of obligations when overdue, without incurring in unacceptably high costs. ISA and its companies carry out constant monitoring of the short-term cash flow, which permits liquidity needs to be identified during the periods analyzed.

On the other hand, each company maintains tools to achieve additional liquidity, such as the issuing of commercial papers and credit facilities with local and foreign entities that enable the fulfillment of temporary requirements for funds when so required.

**16. Financial instruments**

**16.1 Classification of financial assets by nature and category**

**Fair value of financial assets**

The carrying value of financial assets measured at amortized cost is the approximation to its fair value. The fair value is presented in the following table, based on the categories of financial assets, compared with its current and non-current carrying value included in the financial statements:

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The detail of financial instruments of the asset, classified by nature and category, as of December 31, 2020 and 2019, is as follows:

	NOTE	2020		2019	
		AMORTIZED COST	AT FAIR VALUE	AMORTIZED COST	AT FAIR VALUE
<b>FINANCIAL ASSETS</b>					
Cash	4	-	918.038	-	755.825
Fixed income investment	4	2.433.644	-	1.321.588	-
Other variable income investments	4	-	430.031	-	409.788
Accounts receivable	5.1	2.348.684	1.735.737	2.384.023	1.569.449
Other financial assets	5.2	441.664	644.999	696.799	1.687.582
<b>TOTAL CURRENT</b>		<b>5.223.992</b>	<b>3.728.805</b>	<b>4.402.410</b>	<b>4.422.644</b>
Restricted cash	7	-	217.646	-	97.347
Investments in financial instruments	9	-	17.102	-	15.478
Accounts receivable	5.1	9.539.863	9.323.266	6.515.091	10.234.994
Other financial assets	5.2	-	148	-	20.232
<b>TOTAL NON-CURRENT</b>		<b>9.539.863</b>	<b>9.558.162</b>	<b>6.515.091</b>	<b>10.368.051</b>
<b>TOTAL</b>		<b>14.763.855</b>	<b>13.286.967</b>	<b>10.917.501</b>	<b>14.790.695</b>

## 16.2 Classification of financial liabilities by nature and category

### Fair value of financial liabilities

The carrying value of financial liabilities measured at amortized cost is the approximation to its fair value. The fair value is presented in the following table, based on the categories of liabilities, compared with current and non-current carrying value included in the financial statements.

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The detail of financial liabilities, classified by nature and category, as of December 31, 2020 and 2019 is as follows:

FINANCIAL LIABILITIES	NOTE	2020		2019	
		AMORTIZED COST	AT FAIR VALUE	AMORTIZED COST	AT FAIR VALUE
Financial liabilities and bonds	13.1 13.2	1.265.875	-	1.697.915	-
Derivative instruments	13.3	-	140	-	126
Accounts payable	14	1.186.693	-	973.576	-
<b>TOTAL CURRENT</b>		<b>2.452.568</b>	<b>140</b>	<b>2.671.491</b>	<b>126</b>
Financial liabilities and bonds	13.1 13.2	20.759.657	-	15.766.155	-
Derivative instruments	13.3	-	443.163	-	293.361
Accounts payable	14	1.100.365	-	974.314	-
<b>TOTAL NON-CURRENT</b>		<b>21.860.022</b>	<b>443.163</b>	<b>16.740.469</b>	<b>293.361</b>
<b>TOTAL</b>		<b>24.312.590</b>	<b>443.303</b>	<b>19.411.960</b>	<b>293.487</b>

### 16.3 Fair value of financial instruments

#### Fair value hierarchies

The financial instruments recognized at fair value in the statement of financial position are classified hierarchically according to the criteria described in Note 3.10.

The following table shows the financial assets and liabilities measured at fair value as of December 31, 2020 and 2019:

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FINANCIAL INSTRUMENTS AT FAIR VALUE	2020		FAIR VALUE MEASURED AT THE END OF PERIOD			
	CURRENT	NON-CURRENT	LEVEL I	LEVEL II	LEVEL III	
<b>FINANCIAL ASSETS</b>						
Cash	918.038	-	918.038	-	-	
Other variable income investments	430.031	-	430.031	-	-	
Restricted cash	-	217.646	217.646	-	-	
Financial assets	1.735.737	9.323.266	-	11.059.003	-	
Financial instruments	-	17.102	-	17.102	-	
Other financial assets	644.999	148	644.999	148	-	
<b>TOTAL</b>	<b>3.728.805</b>	<b>9.558.162</b>	<b>2.210.714</b>	<b>11.076.253</b>	<b>-</b>	
<b>FINANCIAL LIABILITIES</b>						
Derivative instruments	140	443.163	-	443.303	-	
<b>TOTAL</b>	<b>140</b>	<b>443.163</b>	<b>-</b>	<b>443.303</b>	<b>-</b>	
<b>FINANCIAL INSTRUMENTS</b>						
		2019		FAIR VALUE MEASURED AT THE END OF PERIOD		
		CURRENT	NON-CURRENT	LEVEL I	LEVEL II	LEVEL III
<b>FINANCIAL ASSETS</b>						
Cash	755.825	-	755.825	-	-	
Other variable income investments	409.788	-	409.788	-	-	
Restricted cash	-	97.347	97.347	-	-	
Financial assets	1.569.449	10.234.994	-	11.804.443	-	
Financial instruments	-	15.478	-	15.478	-	
Other financial assets	1.687.582	20.232	1.691.452	16.362	-	
<b>TOTAL</b>	<b>4.422.644</b>	<b>10.368.051</b>	<b>2.954.412</b>	<b>11.836.283</b>	<b>-</b>	
<b>FINANCIAL LIABILITIES</b>						
Derivative instruments	126	293.361	-	293.487	-	
<b>TOTAL</b>	<b>126</b>	<b>293.361</b>	<b>-</b>	<b>293.487</b>	<b>-</b>	

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## 17. Provisions

Provisions as of December 31, 2020 and 2019 are the following:

ESTIMATED LIABILITIES AND PROVISIONS	2020			2019		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Disputes and claims (1)	16.144	65.561	81.705	10.074	55.139	65.213
Other estimated liabilities and provisions (2)	352.841	182.316	535.157	540.984	156.049	697.033
<b>TOTAL ESTIMATED LIABILITIES AND PROVISIONS</b>	<b>368.985</b>	<b>247.877</b>	<b>616.862</b>	<b>551.058</b>	<b>211.188</b>	<b>762.246</b>

(1) It corresponds to provisions generated in lawsuits against the company and which, according to experts, are expected at the end of 2020. (See Note 31).

(2) The balance mainly includes:

- ISA INTERCHILE, COP 203.165 (2019: COP 407.799). Liabilities from goods and services received pending invoicing.
- ISAREP, COP 139.194 (2019: COP 132.429), and CONSORCIO TRANSMANTARO, COP 91.296 (2019: COP 69.842). It corresponds to the provision estimate from major maintenance affected annually by variables such as future cash flows, performance percentage, treasury bond curve, and inflation.
- This item also includes estimated liabilities for the acquisition of goods and services which merchandise is in transit, provision for non-invoiced expenses and environmental provisions.

## 18. Income tax

Relevant aspects of income tax applicable to ISA and its companies:

a. In Colombia, current tax regulations applicable to the companies state that:

- The nominal income tax rate is 32% (33% for 2019).
- For income tax purposes, taxpayer's net income is presumed to be no less than 0,5% (1,5% for 2019) of the net worth on the last day of the immediately preceding taxable year. It is adjusted with the items duly authorized in the tax legislation (the net asset value of contributions and shares held in domestic companies, the net asset value of assets related to companies in unproductive period and assets affected by force majeure or fortuitous events, among others).

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- Law 1819 of 2016 established, as of the tax year 2017, the use of international accounting standards applicable for Colombia as the basis for the calculation of taxable income for the income tax, and the different tax treatments were made explicit.
- As of the 2017 taxable year, an anti-deferral regime for passive income obtained abroad by Colombian residents starts being enforced. It is called Empresas Controladas del Exterior - (Foreign Controlled Corporations), ECE, through which passive income obtained by corporations or other foreign corporations controlled by Colombian residents, must be immediately declared in Colombia once ECE is enforceable.

The ECE regime seeks to promote international tax transparency. It also avoids that, through the use of entities abroad receiving passive income, Colombian tax residents defer the payment of income tax in Colombia in relation to such income.

The ECE Regime applies when (i) there is an entity based abroad, (ii) that entity is controlled from Colombia, and (iii) the Colombian taxpayer has a direct or indirect participation equal to or greater than 10% in ECE's capital or results, regardless of whether they individually exercise control over ECE or not.

The assumption is hereby provided when more than 80% of the total income of an ECE arises from real economic activities, it will be considered that the total income, costs, and deductions of such ECE give rise to active income for the controlling entities. On the contrary, when 80% is passive income, it will be fully assumed that the total ECE's income and costs are passive income.

- A regime of Colombian Holding Companies (CHC) was created for companies which main activities include securities holding, investment in shares or stakes abroad, and investment management. Some of its aspects are:
  - Decentralized entities, like ISA, are understood to be included in the CHC regime.
  - To belong to the CHC regime, entities must: i) hold direct or indirect stakes on at least 10% of the capital of two or more Colombian and/or foreign companies or entities, for a minimum period of twelve months, ii) have a real structure, composed of human and material resources that allow them to fulfill their business purpose completely.
  - CHC dividends received from abroad are considered exempt income. Also, income from sale or transfer of the stake of a CHC in entities not domiciled in Colombia are considered exempt income.
  - Dividends paid by the CHC to residents in Colombia that come from dividends from abroad are taxed at the general rate for income and dividends.
  - Dividends paid by the CHC to non-residents of Colombia and that come from dividends abroad, are considered foreign income.
  - CHCs and their shareholders will be subject to the income tax general regime with respect to taxed activities carried out in the national territory.
  - CHCs will pay industry and commerce tax only for Colombian income.

In addition, to determine the income tax, the following must be considered:

- On June 27, 2008, ISA and the Nation -Ministry of Mines and Energy- signed a legal stability agreement for the energy transmission activity for a 20-year period. This agreement basically provided for stabilization of income tax regulations,

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including the income tax rate, deduction of the inflationary element of financial expenses, special deduction of 40% for new investments in real productive fixed assets, tax discount by VAT paid at import of machinery for energy transmission and presumptive income as 3% of net assets, as well as the time limit of the equity tax. This agreement ensures that in the event of adverse changes to the rules stabilized in the agreement, those rules will continue to apply during the term thereof.

- Decision No. 578 of the Andean Community of Nations (*Comunidad Andina de Naciones* -CAN-), seeks the elimination of double taxation for income earned in any country that is a member (Ecuador, Peru, Bolivia, and Colombia) through the exoneration mechanism.

In determining the net income in the income tax for 2018 and 2017, the value of income obtained in countries members of the Andean Community of Nations is included as exempt income. This value results from subtracting the corresponding costs and deductions from the revenues generated by the exempted activity.

- Occasional gains are cleared separately from ordinary income. Occasional gains are obtained from the disposal of fixed assets held for two or more years, the income generated from the liquidation of companies, and income from inheritances, bequests, and donations.
- Tax loss can be offset with taxable income of the following 12 periods and the presumptive income surplus can be offset in 5 periods.
- The rate by which the presumptive income is calculated is reduced until disappearing: 1,5% for 2019, 0,5% for 2020, and 0% for the following years.
- The income tax rate gradually decreases to 30% as of 2022. In 2021, it will be 31%.

- Starting tax year 2019, for payers of sale taxes, the VAT paid for the acquisition, construction or formation and importation of capital assets of any industry may be deducted from the income tax. Regarding formed assets, the discount may only be considered from the moment the asset is activated and depreciation begins.
- It is established that 50% of industry and commerce tax and tax on notices and billboards that is settled and paid by taxpayers, may be taken as a tax deduction in the income tax. As of the tax year 2022, said discount will be transferred to 100% of the value paid for these taxes.
- A 7,5% withholding is established for dividends distributed to companies domiciled in Colombia. This withholding is calculated and paid for the distribution of dividends to the first company, and is credited until reaching the final beneficiary. Companies that belong to the CHC regime will not be subject to this withholding, due to dividends received from national companies.
- The dividend tax rate, when paid to non-residents of Colombia, is now 10% (7,5% in 2019).
- The dividend tax rate, when paid to natural persons in Colombia, is 10% for dividends exceeding COP 10 million (15% for 2019), and tax withheld at source of 7,5% will be deducted from this 10%.

**b.** In Peru, current tax regulations state that:

- The income tax rate in force is 29,5% on taxable income, after deducting the participation of employees, which is calculated at a rate of 5% or 10%, on the taxable income.

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- Dividends and other forms of distribution of profits are taxed with the income tax at 5%.
    - In 2020, to promote the economy's growth, rules were issued to accelerate depreciation for constructions carried out between 2020 and 2021.
    - The deductibility rules for financial expenses were modified. A limit of three times the taxable net worth was established until the end of 2020. As of 2021, the limit is 30% of the taxable Ebitda.
    - The tax legal accrual criterion was modified. It specifies that the accrual implies the verification of substantial facts, i.e., the transfer of control and risks, as well as the compliance level with the provision to verify the recognition of income and expenses for income tax purposes.
    - Regarding intra-group services, definitions were defined as low value-added service, in which the deduction of the expense is allowed to the extent that it does not exceed the expenses and costs plus a margin of 5%.
    - OECD's recommendations have been implemented to prevent tax evasion, the most important one being the reactivation of an anti-evasion standard and the obligation of the final beneficiary identification of corporate entities.
  - c.** In Chile, current tax provisions stipulate that:
 

To establish the income tax, two tax regimes exist: the General Pro-SME income regime and the General regime (semi-integrated), to which taxpayers have the right to select. The first-category tax (IDPC) rates vary depending of the regime selected. All ISA Group companies headquartered in Chile apply the General Regime (semi-integrated).
  - a. General Pro-SME Regime:** Tax regime focused on micro, small, and medium-sized taxpayers (SMEs), which determines their tax income, as a general rule, based on income received and expenses paid, being obliged to keep full accounting records with the possibility of opting for a simplified accounting. They are subject to the first-category tax rate (IDPC), at a rate of 25%, whose taxpayers will be taxed based on effective withdrawals, remittances, or distributions, with full allocation of the first-category tax rate in the final taxes that affect them, except for IDPC taxpayers and who are not under the Pro SME regime.
  - b. General Regime (semi-integrated):** Tax regime targeted at large companies, which determine their net taxable income pursuant to the general rules provided in articles 29 to 33 of the Income Tax Law, being required to keep full accounting records. These companies are taxed with the IDPC at a rate of 27%. Their taxpayers will be taxed based on effective withdrawals, remittances or distributions, with partial allocation (65%) of the credit for first-category tax rate in the final taxes that affect them, except for taxpayers of the additional tax, residents of countries with which Chile has signed a double taxation agreement in force, of which they may use 100%. For these taxpayers, their tax burden will remain at 35%, whilst for other foreign investors it will be 44,45%.
- Other provisions**
- **Tax procedure:** New taxpayer rights are incorporated. A hierarchical appeal is introduced against the Voluntary Administrative Appeal. It is allowed to pay only the capital and readjustment of tax obligations with a pending judicial claim (2-year valid term) and the appeal for reversal in tax matters is introduced.

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- **Single tax from disproportionate withdrawals:** Partnerships with related partners that are not proportional to the participation in the capital and do not have the economic or commercial reasonableness shall pay 40% on the amount of the disproportionate payment.
  - **Substitute tax:** For balances as of December 31, 2019, all or part of the Taxable Profits Fund -FUT- accumulated as of December 31, 2016, may be subject to a substitute tax, at a single rate of 30%, with the right to a credit for first-category tax rate paid.
  - **Provisional Payments for Absorbed Profits (PPUA):** The PPUAs that as of the 2024 business year will not be refundable are gradually eliminated.
  - **Instant depreciation regime:** Instant depreciation of 50% is allowed for investment in new assets allocated to new investment or expansion projects, acquired between October 1, 2019, and December 31, 2021, valid for all companies subject to IDPC, being able to apply accelerated depreciation to the remaining 50%. Regarding the Araucanía Region, instant depreciation will be 100% on all new fixed asset investments.
  - **New concept of accepted expenses:** It is defined as those that have the ability to generate income in the same or future years, aimed at developing or maintaining the business.
- d.** In Brazil, current tax regulations state that:  
The Income Tax for Corporate Entities (IRPJ) and the Social Contribution on net profit are taxes under federal authority that affect the income of the corporate entity in its actual or presumed profit.
- **Actual profit:** The tax is established based on actual income for each period, setting up the taxable basis based on accounting profit and making calculations provided by tax law. The calculation base is composed by all income and capital gains, whichever denomination they have. The 34% rate is applied to the taxable base of the net income.
  - **Presumed profit:** It is a form of simplified taxation for determining the calculation basis. It applies to corporate entities with gross revenues up to BRL 78 million in the previous year. Under this system, the profit of each taxpayer is determined by applying rates of 8%, 12%, and 32% (application of the rate depends on the activity carried out by the taxpayer). The 34% rate is applied to the revenues.
- e.** In Bolivia, current tax regulations state that:
- The company is subject to the Business Profit Tax (*Impuesto a las Utilidades de Empresas*) -IUE- at a 25% rate on taxable income for each period, which is the result of adjusting the accounting profit according with the criteria defined in the tax provisions. This tax is settled and paid in annual periods, offset with the Transaction Tax (IT) generated in the following period, until its depletion or until the following due date of the IUE.
  - The distribution of Company profits or payments of interest for the benefit of its shareholders or foreign related companies is subject to a withholding tax of 12,5% on the total amount accredited, paid, or remitted.
- f.** In Argentina, current tax regulations state:

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- That the company is subject to the income tax, and the dividends are subject to income tax withheld on the total amount credited, paid, or remitted.
- A gradual reduction of the income tax general rate for companies, as well as an increase in dividend withholding, are established. However, in December 2019, the State enacted Law 27541 called “Social Solidarity and Productive Reactivation Act in the Public Emergency Framework”, in which changes in income and dividends rate are postponed for one more year.

CONCEPT	2019	2020	2021
Income tax (%)	30%	30%	25%
Dividend withholding (%)	7%	7%	13%

An equalization tax on dividends distributed shall be applied for accumulated income until December 2017, established at 35% on the surplus of accounting profits distributed with respect to the accumulated tax gain.

**LEGAL STABILITY AGREEMENTS SIGNED BY ISA AND ITS COMPANIES**

**a. In Colombia:** On June 27, 2008, ISA, and the Nation –Ministry of Mines and Energy–, signed the legal stability agreement for the energy transmission activity for a 20-year period, whereby ISA paid a premium and agreed to make an investment. This agreement basically provided for stabilization of income tax regulations, including the income tax rate, deduction of the inflationary element of financial expenses, special deduction of 40% for new investments in real productive fixed assets, tax discount by VAT paid at import of machinery for energy transmission and presumptive income as 3% of net worth, as well as the time limit of the equity tax.

This agreement ensures that in the event of adverse changes to the rules stabilized in the agreement, those rules will continue to apply during the term thereof.

**b. In Peru:** The agreement mainly provides investors and the investment recipient with stability in the income tax regime regarding the income tax and stability in procurement regimes of employees.

The following are the Group companies located in Peru who signed legal stability agreements:

- **ISA REP:** On July 26, 2002, the Company entered into a Legal Stability Agreement with the Peruvian State, which term is extended throughout the concession term. This agreement is related to the investment that the Shareholders of the company must perform with capital contributions for USD 20.000.000, an amount which was completed as of December 31, 2002. The agreement mainly provides investors and the investment recipient with stability in the tax regime regarding the income tax and stability in procurement regimes of employees. The income tax rate is 27% over taxable income, after deducting the participation of employees, which is calculated at a rate of 5% over the taxable income.
- **CONSORCIO TRANSMANTARO:** On February 24, 1998, this affiliate entered into a Legal Stability Agreement with the Peruvian State, which term is extended throughout the concession term. On October 27, 2006, the company signed an addendum to the tax stability agreement with the Peruvian State, which clarifies that the amount at that time of capital contributions amounted to USD 43.005.250. The agreement mainly provides investors and the investment recipient with stability in the tax regime regarding the income tax and stability in procurement regimes of employees. The income tax rate is 30% over the taxable income.

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- ISA PERÚ:** On March 29, 2001, the Company entered into a Legal Stability Agreement with the Peruvian State, which term is extended throughout the concession term. The agreement mainly provides investors and the investment recipient with stability in the tax regime regarding the income tax and stability in procurement regimes of employees. Accordingly, the income tax rate is 20% plus additional 2%.
- c. En Chile:** Until 2015, foreign investors could enter into foreign investment agreements with the State under Decree-Law 600 (DL600), provided that the investment amount exceeds USD 5.000.000.  
 ISA and INTERNEXA, shareholders of these companies: In 2015, ISA INVERSIONES CHILE, ISA INTERCHILE, and INTERNEXA CHILE, signed foreign investment agreements under DL600.  
 DL600 allows:

  - Access to Formal Exchange Market:** Access to Formal Exchange Market: The foreign investor may remit capital or income abroad, without restrictions or limitations regarding capital amount or income.
  - Tax cost of shares or corporate rights:** This option is provided to the foreign investor so that, in the event of disposal or settlement of its investment in Chile, the foreign investor has an opportunity to value shares or rights in the receiving company in two different ways, the most appropriate at “acquisition cost” or “tax cost”.
  - Tax Invariability:** It provides a rate of 42% as total effective income tax burden for a period of 10 years counted from the start operation date of the respective

- company, which acts as a protection against possible future tax rate increases above 42%.
- Non-discrimination:** It provides the foreign investor with the resource to claim standards ordered, which the foreign investor considers a discriminatory resource.

**d. In Bermuda:** LINEAR SYSTEMS RE is not required to pay revenues or capital gains taxes in Bermuda. The company received a guarantee from the Finance Minister of Bermuda providing that, in the case of levying taxes, the company will be exempt from taxes until 2035.

**18.1 Income tax recognized in income of the year**

The result for income tax recorded in the comprehensive income statement corresponding to years 2020 and 2019, is as follows:

	2020	2019
Expense from current tax	649.262	533.080
Expense (income) from deferred tax	405.875	197.202
Income tax expense from previous years	(21.948)	(1.487)
Tax expense paid in other jurisdictions	41.043	44.021
<b>TOTAL EXPENSE FROM INCOME TAX</b>	<b>1.074.232</b>	<b>772.816</b>

The reconciliation of the income tax expense and the product of accounting profit, multiplied by the nominal tax rate of each Group company in 2020 and 2019, is as follows:

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	2020	2019
<b>CRECONCILIATION BETWEEN INCOME TAX EXPENSE AND ACCOUNTING PROFIT BY THE NOMINAL TAX RATE OF EACH COMPANY</b>		
Net profits before income tax	4.838.457	3.531.177
<b>INCOME TAX EXPENSE AT NOMINAL RATE FOR EACH COMPANY</b>	<b>1.397.864</b>	<b>1.055.546</b>
<b>INCREASE (DECREASE) IN THE TAX PROVISION RESULTING FROM:</b>		
Tax effect of tax rates borne abroad	36.843	41.033
Non-taxable revenues	(1.933)	5.742
Non-deductible expenses	144.545	16.061
Effect of tax losses/presumptive income surplus	(24.560)	13.316
Change in tax rates	(23.458)	(18.254)
Other tax effects	(455.069)	(340.628)
<b>INCOME TAX EXPENSE AT EFFECTIVE RATE</b>	<b>1.074.232</b>	<b>772.816</b>

(1) Application of tax loss and presumptive income surplus and the monetary adjustment for tax loss, recognized by Chilean companies.

(2) It includes the effect of settling the income tax for presumed profit in Brazil and for presumptive income in ISA INTERVIAL COLOMBIA, as well as the application of the fixed assets benefit in ISA.

## 18.2 Deferred tax assets and liabilities

Deferred tax balances are presented in the consolidated statement of financial position as the sum of deferred taxes recognized in each company, considering that current and deferred assets and liabilities amounts come from income tax corresponding to various tax administrations and different taxpayers.

Deferred tax assets and liabilities as of December 31, 2020 and December 31, 2019 are as follows:

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	2020		2019	
	BEGINNING OF THE PERIOD	END OF THE PERIOD	BEGINNING OF THE PERIOD	END OF THE PERIOD
<b>DEFERRED TAX ASSETS</b>				
Other financial and tax credits	266.168	1.320.998	301.667	266.168
Estimated liabilities and accounts payable	525.220	287.438	289.611	525.220
<b>TOTAL DEFERRED TAX ASSET</b>	<b>791.388</b>	<b>1.608.436</b>	<b>591.278</b>	<b>791.388</b>
<b>DEFERRED TAX LIABILITY</b>				
Property, plant, and equipment	(1.219.984)	(1.393.670)	(938.430)	(1.219.984)
Goodwill and intangible assets	(87.375)	(83.248)	(104.397)	(87.375)
Other liabilities	(3.534.390)	(4.138.436)	(3.588.126)	(3.534.390)
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>(4.841.749)</b>	<b>(5.615.354)</b>	<b>(4.630.953)</b>	<b>(4.841.749)</b>
<b>NET DEFERRED TAX</b>	<b>(4.050.361)</b>	<b>(4.006.918)</b>	<b>(4.039.675)</b>	<b>(4.050.361)</b>

Annual variations in the deferred tax balance were recognized as shown below:

	2020	2019
<b>DEFERRED TAX VARIATION</b>		
Beginning of the period (net)	(4.050.361)	(4.039.675)
End of the period (net)	(4.006.918)	(4.050.361)
<b>VARIATION OF THE PERIOD</b>	<b>43.443</b>	<b>(10.686)</b>
Recognized in income - Expense (revenue)	405.875	197.202
Recognized in other comprehensive income	176.381	(111.944)
Rate conversion effect	(625.699)	(74.572)
<b>DEFERRED TAX VARIATIONS</b>	<b>(43.443)</b>	<b>10.686</b>

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The greatest deferred tax (net) item is related to the following:

- In property, plant, and equipment, by differences in the recognition of the deemed cost, inflation adjustments, recognition of finance leases, and the use of different useful lives for tax and accounting purposes.  
In liabilities, by differences for determining financial liabilities, the recognition of finance leases, non-deductible provisions, and the difference between the amortization of the actuarial calculation.
- ISA CTEEP, by recognition of the provision on the account receivable of Law 4819/58, estimated liabilities provision, recognition by indemnification of RBSE (Basic Network of the Existing System) assets, and by the difference in revenue recognition, which are recognized under IFRS on an accrual basis, and on an earned basis for tax purposes.
- ISA INTERVIAL CHILE and THE CONCESSIONAIRES, by the variation in the monetary adjustment of tax losses, variations in uncollectible debtors accounts and pre-existing infrastructure, recognition of income before taxes in 2020 lower than 2019, amortization of regulatory safety works and positive variations of IFRIC 12 during 2020.  
In liabilities, by the variation in amortized tax/financial costs, arising from the difference between the recognition of an effective rate (amortized tax cost) and a discounted rate (amortized financial cost).
- ISA INTERCHILE, by the higher tax loss and the related monetary adjustment.  
The higher tax loss was mainly due to accelerated depreciation, the effects

of derivative contracts (swap), and the recognition of project expenses during 2020.

In liabilities, property, plant and equipment by differences in the recognition of financial depreciation in relation to accelerated tax depreciation.

- ISA REP, by the difference in the useful lives for accounting and tax purposes of the initial concession. For tax purposes, the initial concession has been fully amortized. For accounting purposes, amortization is expected until the end of the concession granted.
- CONSORCIO TRANSMANTARO, by the accelerated amortization of concessions for tax purposes, which differs from amortization for accounting purposes, which is equal to the concession term. This effect is a consequence of implementing the legal stability agreement.
- RUTA COSTERA. In 2020, the deferred tax of this company, which was acquired in October 2020, was included.
- In some Group companies, as a result of tax losses. According to IAS 12, a deferred tax asset by tax losses is recognized when a company considers that the existence of future taxable income is probable, on which it is possible to attribute these losses.

According to IAS 12, a deferred tax asset by tax losses is recognized when a company considers that the existence of future taxable income is probable, on which it is possible to attribute these losses.

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The following companies have tax losses that could be offset in the future and resulted in the recognition of deferred tax asset:

	COUNTRY	LOSSES/PRESUMPTIVE INCOME SURPLUS	DEFERRED TAX
<b>TAX LOSSES/PRESUMPTIVE INCOME SURPLUS</b>			
RUTA DE LA ARAUCANÍA	Chile	657.331	177.479
RUTA DEL BOSQUE	Chile	11.234	3.033
RUTA DEL MAIPO	Chile	2.848.850	769.190
RUTA DEL LOA	Chile	33.187	8.961
ISA INTERVIAL CHILE	Chile	6.797	1.835
ISA INVERSIONES CHILE	Chile	30.299	8.181
ISA INVERSIONES COSTERA CHILE	Chile	5.026	1.357
ISA INTERCHILE	Chile	1.991.835	537.580
INTERNEXA CHILE	Chile	56.544	15.267
RUTA COSTERA	Colombia	20.267	6.080
<b>TOTAL</b>		<b>5.661.370</b>	<b>1.528.963</b>

The management of ISA and its companies consider that projections of future profits of the various companies cover the necessary to recover the balance due to accumulated tax losses as of December 31, 2020; recognizing the deferred tax. Additionally, there is a balance of tax losses as of December 31, 2020, on which deferred tax was not recognized since there is not a reasonable expectation that these companies obtain enough net income to compensate such losses:

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	COUNTRY	LOSSES/PRESUMPTIVE INCOME SURPLUS	DEFERRED TAX
<b>TAX LOSSES/PRESUMPTIVE INCOME SURPLUS</b>			
RUTA DEL BOSQUE	Chile	280.458	75.724
RUTA DEL MAULE	Chile	79.811	21.549
ISA INTERVIAL COLOMBIA	Colombia	1.492	454
RUTA COSTERA	Colombia	1.178	353
ISA CAPITAL DO BRASIL	Brazil	40.929	13.916
ISA INVESTIMENTOS E PARTICIPAÇÕES	Brazil	944	321
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Brazil	196.999	66.980
INTERNEXA PARTICIPAÇÕES	Brazil	76.634	26.056
<b>TOTAL</b>		<b>678.445</b>	<b>205.353</b>

ISA and its companies are potentially subject to tax audits on the income tax by the tax authorities in each country. These audits are limited to a number of annual tax periods, which usually give rise to expiration of the term of such inspections.

Given their nature, tax audits are usually complex and may require several years. Due to the varying interpretations that can be given to tax rules, the inspection results that could be held in the future by tax authorities, for the years subject to verification, could lead to tax liabilities which amounts cannot be quantified today in an objective manner.

**Expected nominal income tax rate by country**

The expected nominal income tax rate is the one established by tax regulations in each country. The nominal rate applicable to group companies according to their jurisdiction is:

COUNTRY	2020	2019
Colombia	32,0%	33,0%
Brazil	34,0%	34,0%
Perú	29,5%	29,5%
Chile	27,0%	27,0%
Bolivia	25,0%	25,0%
Bermudas	(1) 0,0%	0,0%
Argentina	30,0%	30,0%

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(1) LINEAR SYSTEMS RE is not required to pay revenues or capital gains taxes in Bermuda. The company received a guarantee from the Finance Minister of Bermuda providing that, in the case of levying taxes, the company will be exempt from taxes until 2035.

### Expected nominal income tax rate

The expected nominal income tax rate for the ISA Group is the result of multiplying the participation weight of each country in the consolidated profit before taxes of ISA.

Given the above, the expected nominal income tax rate for 2020 was 31,97% and 33,34% in 2019:

COUNTRY	2020				2019			
	PROFIT BEFORE TAX (WITHOUT NON-CONTROLLING)	PARTICIPATION OF THE INCOME IN THE CONSOLIDATED STATEMENT	COUNTRY NOMINAL RATE	RATE PARTICIPATION BY COUNTRY	PROFIT BEFORE TAX (WITHOUT NON-CONTROLLING)	PARTICIPATION OF THE PROFIT IN THE CONSOLIDATED STATEMENT	COUNTRY NOMINAL RATE	RATE PARTICIPATION BY COUNTRY
Colombia	744.744	27,76%	32,00%	8,88%	647.313	30,10%	33,00%	9,93%
Brazil	1.256.759	46,84%	34,00%	15,92%	664.306	30,89%	34,00%	10,50%
Perú	397.814	14,83%	29,50%	4,37%	397.212	18,47%	29,50%	5,45%
Chile	232.091	8,65%	27,00%	2,34%	382.678	17,79%	27,00%	4,80%
Bolivia	47.973	1,79%	25,00%	0,45%	51.407	2,39%	25,00%	0,60%
Bermudas	3.172	0,12%	0,00%	0,00%	3.447	0,16%	0,00%	0,00%
Argentina	704	0,03%	30,00%	0,01%	4.236	0,20%	30,00%	0,06%
<b>TOTAL</b>	<b>2.683.257</b>	<b>Expected nominal rate</b>	<b>31,97%</b>		<b>2.150.599</b>	<b>Expected nominal rate</b>	<b>31,34%</b>	

### Income tax effective rate

The consolidated effective income tax rate resulted from the ratio between the income tax and the income before tax applicable to ISA in the consolidated statement, considering the participation in each company.

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**Effective rate vs. nominal income tax rate**

COUNTRY	2020				2019			
	PROFIT BEFORE TAX (WITHOUT NON-CONTROLLING)	TAX PROVISION (WITHOUT NON-CONTROLLING)	EFFECTIVE RATE (%)	COUNTRY NOMINAL RATE	PROFIT BEFORE TAX (WITHOUT NON-CONTROLLING)	TAX PROVISION (WITHOUT NON-CONTROLLING)	EFFECTIVE RATE (%)	COUNTRY NOMINAL RATE
Colombia	744.744	241.189	32,39%	32,00%	647.313	221.466	34,21%	33,00%
Brazil	1.256.759	213.723	17,01%	34,00%	664.306	95.095	14,31%	34,00%
Perú	397.814	115.496	29,03%	29,50%	397.212	112.775	28,39%	29,50%
Chile	232.091	43.141	18,59%	27,00%	382.678	68.923	18,01%	27,00%
Bolivia	47.973	9.981	21,13%	25,00%	51.407	12.179	23,69%	25,00%
Bermudas	3.172	-	0,00%	0,00%	3.447	-	0,00%	0,00%
Argentina	704	537	76,23%	30,00%	4.236	1.429	34,68%	30,00%
<b>TOTAL</b>	<b>2.683.257</b>	<b>624.067</b>	<b>23,26%</b>	<b>31,97%</b>	<b>2.150.599</b>	<b>511.867</b>	<b>23,80%</b>	<b>31,34%</b>
			Consolidated rate				Consolidated rate	

The effective rate in 2020 was 23,26% compared to an expected nominal rate of 31,97%, and in 2019 it was 23,80% against an expected nominal rate of 31,34%, due to the following reasons:

- In Colombia, in 2020, the effective rate was very similar to the nominal rate. In 2019, the effective rate was greater mainly because of the amount withheld abroad on income distributed on behalf of ISA and that may not be accredited from the national tax.
- In Brazil, in 2020 and 2019, the effective rate was lower against the nominal rate because ISA CTEEP's affiliates calculate their tax by applying the presumed profit and by the use of tax loss.

- In Peru, in 2020 and 2019, the effective rate was lower against the nominal rate because ISA REP, CONSORCIO TRANSMANTARO, and ISA PERU calculate income tax with different nominal rates (27%, 30%, and 22%, respectively), under the legal stability agreements that each of these companies has signed.
- In Chile, in 2020 and 2019, effective rate was lower because some companies have tax losses, over which deferred tax assets and their corresponding monetary adjustment have been recognized.
- In Argentina, in 2020 and 2019, the effective rate was higher than the nominal rate due to devaluation, which does not have tax effects, causing a higher taxable income. For 2020, in particular, the effective rate was higher than the nominal rate because this effect increased by 125% compared with 2019.

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### 18.3 Other assets from taxes, rates, and contributions

	2020			2019		
	CURRENT (1)	NON-CURREN (2)	TOTAL	CURRENT (1)	NON-CURREN (2)	TOTAL
Other assets from taxes, rates, and contributions	260.466	5.156	265.622	247.981	6.174	254.155

(1) This item includes withholding tax advance payments of different taxes that will be offset in subsequent periods, credit balance in tax return, sales tax, and municipal taxes.

(2) This item corresponds to ISA and XM's balances from deferred withholding tax advance payments that will be offset in subsequent periods, and also contains the ISA's industry and commerce credit balance from some of the municipalities in which the company is a taxpayer; and the VAT amount discounted for the acquisition and import of heavy machinery for basic industries which will be taken as tax discount in future taxable periods.

### 18.4 Other liabilities from taxes, rates, and contributions

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Contributions payable	(1)	4.180	869.716	873.896	4.027	963.722	967.749
Other taxes	(2)	138.489	-	138.489	160.210	-	160.210
Income tax provision		233.352	-	233.352	103.960	-	103.960
<b>TOTAL</b>		<b>376.021</b>	<b>869.716</b>	<b>1.245.737</b>	<b>268.197</b>	<b>963.722</b>	<b>1.231.919</b>

(1) Current liabilities contain contributions of several companies located in Peru, Colombia, Bolivia and Brazil, and non-current liabilities contain the contribution payable by PIS, CONFIS of ISA CTEEP, and controlled entities.

(2) Other taxes payable, including withholding tax, territorial taxes, and VAT.

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## 19. Employee benefits

The Group grants its active and retired employees benefits subject to actuarial calculation.

The composition of benefits as of December 31, 2020 and 2019 is as follows:

BENEFIT	NOTE	2020	2019
<b>POST-EMPLOYMENT BENEFITS</b>			
Retirement pensions	19.1.1	488.508	227.846
Prepaid medical assistance plans	19.1.2	247.022	234.630
Education allowance	19.1.3	33.779	27.474
Energy allowance	19.1.4	6.738	5.852
Pension contribution and social security allowance	19.1.5	5.455	5.340
Plan assets	19.1.6	(11.244)	(45.910)
<b>NON-CURRENT BENEFITS</b>			
Seniority and quinquennium bonus	19.2	18.672	16.922
Severance	19.2	2.586	5.264
Interest payable	(2)	949	-
<b>TERMINATION BENEFITS</b>			
Termination benefits	19.3	4.726	3.871
<b>TOTAL ACTUARIAL CALCULATION</b>		<b>797.191</b>	<b>481.289</b>
<b>TOTAL EMPLOYEE BENEFITS - NON-CURRENT</b>		<b>781.100</b>	<b>465.417</b>
<b>TOTAL EMPLOYEE BENEFITS - CURRENT</b>	(1)	<b>16.091</b>	<b>15.872</b>

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(1) In addition to these benefits, the current portion incorporates the following items:

	2020	2019
Severance and severance interests	7.421	7.428
Vacations	22.697	18.000
Extra-legal payments	7.244	5.728
Bonuses	33.190	24.435
Retirement pensions	16.091	15.872
Others	34.336	30.195
<b>TOTAL</b>	<b>120.979</b>	<b>101.658</b>

(2) In ISA PERU’s collective agreement, signed on February 27, 2008, under the Red de Energía concession contract of August 14, 2002, the payment of the quinquennium bonus benefit was calculated as a basic salary percentage, as follows: 50% (5 years), 75% (10 years), 125% (15 years), 150% (20 years), and 250% (25 years).

## 19.1 Post-employment benefits

### 19.1.1 Retirement pensions

#### ISA, ISA TRANSELCA, and XM

ISA, ISA TRANSELCA, and XM, according to the collective and individual labor contracts, must pay retirement pensions to those employees who meet certain requirements of age and length of service. The Social Security Institute (Instituto de

Seguros Sociales -ISS-), today called Colpensiones, and the pension management companies assume the major portion of this obligation, according to the compliance with legal requirements.

The present value of the pension obligation as of December 31, 2020 and 2019 was calculated based on actuarial studies in accordance with IAS 19, using the actuarial valuation method. The projected unit credit was used to obtain the present value of the defined benefit obligation and, if applicable, current service costs and past service costs.

According to this method, benefits are attributed to periods in which the obligation to provide them is created by directly applying the formula of the plan benefit, based on the service at the time of the valuation. When the benefit is based on compensation or salary or salary increases, they are applied until the date on which the participant is expected to end the service. However, if the service in recent years leads to significant additional benefits in previous years, benefits are linearly attributed from the date when service by the employee entitles to benefits under the plan, until such date when subsequent services lead to no additional material amount of benefits under the plan.

#### ISA CTEEP

The Company sponsors a retirement benefit plan and pension benefits due to death for employees, former employees, and respective beneficiaries, administered by FUNCESP, whose purpose is to provide guaranteed benefits by Social Security.

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Payments to retirement plan of defined contribution are recognized as expenses when services granting the right to such payments are rendered.

This evaluation is carried out every year, and the effects of restructuring plan commitments, which include actuarial gains and losses, caused by changes in the asset ceiling (if applicable) and the return on plan assets (excluding interests),

are immediately reflected in the balance sheet as a charge or credit recognized in other comprehensive income in the period of their occurrence. Valuation is determined by using the projected unit credit method.

The primary actuarial variables used in the valuation were:

DECEMBER 2020				
VARIABLES	ISA	ISA TRANSELCA	XM	ISA CTEEP
Discount rate	6,60%	6,70%	6,90%	3,5% a. a.
Future salary increase	4,50%	4,00%	4,50%	1,87% a. a.
Future pension increase	3,50%	3,50%	3,50%	3,20% a. a.
Inflation rate	3,50%	3,50%	3,50%	3,20% a. a.
Minimum salary increase	4,00%	4,50%	4,50%	0,00%
Rate of return on assets	0,00%	0,00%	0,00%	0,00%
Mortality chart	2008 valid rentiers	2008 valid rentiers	2008 valid rentiers	AT-1949 male
Number of people covered by pension plan	403	186	19	4.161
Number of people covered by contributions plan	-	186	-	-

**19.1.2 Prepaid medical assistance plans**

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM S.A. E.S.P., will pay the following percentages on premiums related to health plans corresponding to prepaid medical assistance and hospitalization policy:

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For wages and pensions up to four point three (4,3) current minimum legal monthly wages (SMLMV) in force, 90% of the premium value.

For wages and pensions above four point three (4,3) and up to five point five (5,5) legal monthly minimum salaries (SMLMV), eighty percent (80%) of the premium value.

For salaries and pensions above five point five (5,5) legal monthly minimum salaries (SMLMV), seventy percent (70%) of the premium value.

On the other hand, ISA and ISA INTERCOLOMBIA recognize a health assistance benefit of 1,70 SMLMV and 1,54 SMLMV. This benefit is granted to the employee and its beneficiaries.

The obligation for health plans, current service cost, and past service cost, were established through the projected unit credit methodology, as of December 31, 2020 and 2019.

The primary actuarial variables used in the valuation were:

DECEMBER 2020				
VARIABLES	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	XM
Discount rate	6,80%	7,20%	7,00%	7,30%
Salary increase	4,50%	4,50%	4,00%	4,50%
Initial increase rate for benefit cost	4,50%	4,50%	4,50%	4,50%
Final increase rate for benefit cost	4,50%	4,50%	4,50%	4,50%
Rate of return on assets	0,00%	0,00%	0,00%	0,00%
Mortality chart	2008 valid rentiers	2008 valid rentiers	2008 valid rentiers	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study"	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%	N/A	110% of chart "2003 SOA Pension Plan Turnover Study"
Number of people covered by medical plan	1017	515	387	203

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### 19.1.3 Education allowance

Employees of ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM are entitled to a recognition for education allowance, for each child of active employees and pensioned personnel, up to 25 years old, provided that they are single and are not working.

The allowance will be paid per year or early school semester and must be made in education centers duly approved by the competent entity.

Values to be recognized will be provided in the collective agreements in force:

#### ISA and ISA INTERCOLOMBIA

EDUCATIONAL LEVEL	AMOUNT TO BE RECOGNIZED FOR EACH PERIOD	
	BENEFICIARIES OF THE COLLECTIVE LABOR CONVENTION	BENEFICIARIES OF THE LABOR COLLECTIVE PACT
Daycare, kindergarten, primary and secondary, for each child	2,7 SMLMV (annual)	4,5 SMLMV (annual)
Technology, technical, professional and specialization in technology, for each child	1,5 SMLMV (per semester)	2,25 SMLMV (per semester)
Children with learning disabilities, whatever age.	3,0 SMLMV (annual)	4,5 SMLMV (annual)

#### ISA TRANSELCA

EDUCATIONAL LEVEL	AMOUNT TO BE RECOGNIZED FOR EACH PERIOD	
	BENEFICIARIES OF THE COLLECTIVE LABOR CONVENTION	
Maternity aid, kindergarten and/or primary	COP 295.626 (annual)	
Financial aid for secondary studies and/or technical courses	COP 418.790 (annual)	
University and/or intermediate degrees aid	COP 592.348 (per semester)	
Physical and mental rehabilitation	COP 592.348 (annual)	

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**XM**

EDUCATIONAL LEVEL	AMOUNT TO BE RECOGNIZED FOR EACH PERIOD-BENEFICIARIES OF THE LABOR COLLECTIVE PACT
Employee	3,5 SMLMV (per semester)
Daycare / Preschool Primary / Secondary (children)	5 SMLMV (annual)
Technology / Professional Technician / Specialization studies (children)	5 SMLMV (annual, payable per semester)
Specially	3,5 SMLMV (annual)

The obligation for the education allowance benefit, current service cost and past service cost, was calculated through the projected unit credit methodology, as of December 31, 2020 and 2019.

The primary actuarial variables used in the valuation were:

VARIABLES	DECEMBER 2020			
	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	XM
Discount rate	7,20%	7,10%	6,70%	7,30%
Minimum salary increase	4,50%	4,50%	3,50%	4,50%
Rate of return on assets	N/A	N/A	N/A	N/A
Mortality chart	2008 valid rentiers	2008 valid rentiers	2008 valid rentiers	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study"	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%	N/A	110% of chart "2003 SOA Pension Plan Turnover Study"
Number of people covered by education plan	178	375	51	

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### 19.1.4 Energy allowance

In ISA TRANSELCA, the energy allowance is a contribution of up to 80% of the residential consumption of the employee’s permanent housing.

The obligation for the energy allowance benefit, current service cost and past service cost, was calculated through the projected unit credit methodology, as of December 31, 2020 and 2019.

The primary actuarial variables used in the valuation were:

VARIABLES	DECEMBER 2020
Discount rate	7,10%
Inflation rate	3,50%
Rate of return on assets	0,00%
Mortality chart	2008 valid rentiers
Turnover rate	N/A
Number of people covered by education plan	155

### 19.1.5 Pension contribution and social security allowance

It consists of the payment of contribution for pension and social security to the provisional system and on behalf of the employee by ISA TRANSELCA, from the time the employee leaves the company and until the employee is retired and included in the Colombian Social Security system.

The obligation for pension contribution and social security allowance, current service cost and past service cost, was established through the projected unit credit methodology, as of December 31, 2020 and 2019.

The primary actuarial variables used in the valuation were:

VARIABLES	DECEMBER 2020
Discount rate	7,10%
Future salary increase	4,00%
Future pension increase	3,50%
Inflation rate	4,00%
Minimum salary increase	4,00%
Rate of return on assets	N/A

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Below is the reconciliation of movements in post-employment benefits carried out during 2020 and 2019:

	PENSION	MEDICAL ASSISTANCE PLAN	EDUCATION ALLOWANCE	ENERGY ALLOWANCE	CONTRIBUTIONS TO SOCIAL SECURITY	TOTAL
<b>BALANCE AS OF DECEMBER 31, 2018</b>	<b>222.473</b>	<b>221.714</b>	<b>25.428</b>	<b>5.516</b>	<b>5.330</b>	<b>480.461</b>
Current period service costs	-	2.955	1.055	-	-	4.010
Interest expense	15.668	15.953	1.871	389	366	34.247
Previous services costs	-	-	119	-	-	119
Actuarial (gains)/losses from experience	18	621	75	134	103	951
Actuarial gains/(losses) from change in demographic assumptions	-	(951)	(587)	-	-	(1.538)
Actuarial gains/(losses) from financial assumptions	5.677	4.264	(18)	178	163	10.264
Benefits directly paid by the company	(15.990)	(9.926)	(469)	(365)	(622)	(27.372)
<b>BALANCE AS OF DECEMBER 31, 2019</b>	<b>227.846</b>	<b>234.630</b>	<b>27.474</b>	<b>5.852</b>	<b>5.340</b>	<b>501.142</b>
Reclassification - plan assets to retirement pensions (1)	(34.980)	-	-	-	-	(34.980)
Current period service costs	12.025	2.984	1.074	-	-	16.083
Interest expense	15.509	16.542	2.023	396	355	34.825
Actuarial (gains)/losses from experience	527.820	(2.132)	432	883	296	527.299
Actuarial gains/(losses) from change in demographic assumptions	-	(2.489)	(347)	-	-	(2.836)
Actuarial gains/(losses) from financial assumptions	(59.813)	8.176	3.679	-	-	(47.958)
Benefits directly paid by the company	(15.977)	(10.689)	(556)	(393)	(536)	(28.151)
Other changes (2)	(189.641)	-	-	-	-	(189.641)
Exchange rate effect	5.719	-	-	-	-	5.719
<b>BALANCE AS OF DECEMBER 31, 2020</b>	<b>488.508</b>	<b>247.022</b>	<b>33.779</b>	<b>6.738</b>	<b>5.455</b>	<b>781.502</b>

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- (1) As of December 31, 2020, ISA CTEEP had an actuarial deficit of COP 252.302 (2019: plan assets of COP 34.980). The variation from actuarial surplus to actuarial deficit between December 2019 and December 2020 resulted from a readjustment in annuities of more than 23% (cumulative variation in the IGP-DI over the period).
- (2) It is related to the calculation of ISA CTEEP’s pension liability by yield on the fair value of plan assets (less interest on the asset’s fair value) and change in the ceiling for the recognition of onerous assets/liabilities at the end of the year (less interest on the ceiling for the recognition of onerous assets/liabilities).

On the other hand, a quantitative sensitivity analysis was conducted in relation to changes in different key assumptions. The effect on benefit obligation to retired employees is as follows:

ASSUMPTIONS	PENSION	MEDICAL ASSISTANCE PLAN	EDUCATION ALLOWANCE	ENERGY ALLOWANCE	CONTRIBUTIONS TO SOCIAL SECURITY
<b>CHANGE IN DISCOUNT RATE</b>					
Discount rate increase by +1%	3.153.695	(28.506)	(4.543)	(657)	(533)
Discount rate decrease by -1%	4.021.163	35.186	5.736	783	640
<b>BENEFIT INCREASE CHANGE</b>					
Increase in benefit increase by +1%		-	6.028	802	-
Decrease in benefit increase by -1%		-	(4.826)	(682)	-
<b>CHANGE IN MEDICAL TREND</b>					
Increase in medical trend by +1%		32.144	-	-	-
Decrease in medical trend by -1%		(26.337)	-	-	-
<b>OBLIGATION BASE</b>	<b>488.508</b>	<b>247.022</b>	<b>33.779</b>	<b>6.738</b>	<b>5.455</b>
<b>AVERAGE DURATION OF THE PLAN</b>	<b>11,80</b>	<b>14,42</b>	<b>14,69</b>	<b>11,60</b>	<b>11,50</b>

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### 19.1.6 Plan assets

	2020	2019
XM (1)	(11.244)	(10.930)
ISA CTEEP	-	(34.980)
<b>TOTAL PLAN ASSETS</b>	<b>(11.244)</b>	<b>(45.910)</b>

**(1) XM:** The affiliate holds restricted cash and cash equivalents to support pension liability and long-term employee benefits, which are in the Autonomous Equity managed by Protección S.A. The value of the assets is present in the statement of financial position, offset by the statement of liabilities previously described.

### 19.2 Non-current benefits

ISA, ISA INTERCOLOMBIA, and XM grant their employees benefits associated to the length of service within the company, such as severance, seniority premium, and five-year period payments (quinquennium).

#### 19.2.1 Quinquennium

The benefit consists of the five-year period payment of a fixed sum when the employee reaches five-year service in the company, and subsequently, every five-year service.

#### 19.2.2 Seniority premium

The benefit consists of the annual payment of one day's salary per each year of service with the company, in the month of completion of each year of service. The benefit begins when participant completes five years of service with the company.

#### 19.2.3 Severance

In ISA INTERCOLOMBIA, this benefit is granted by any cause for termination of the employment contract, including: retirement, disability, death, etc. It consists of the following fact: when employees retire from the company, they are paid a retroactive amount by severance after discounting advance payments. Severance retroactivity is settled to employees of an employment regime preceding Law 50 of 1990, who did not adopt changes in the defined contribution plan. This social benefit is settled for the entire working time based on the monthly salary average for each participant.

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The main actuarial assumptions used in the valuation of the non-current benefits are:

DECEMBER 2020			
VARIABLES	ISA	ISA INTERCOLOMBIA	XM
Seniority premium discount rate	5,90%	5,70%	6,00%
Severance discount rate	-	4,8%	-
Minimum salary increase	4,50%	4,50%	4,50%
Rate of return on assets	N/A	N/A	N/A
Mortality chart	2008 valid rentiers	2008 valid rentiers	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study"	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%	110% of chart "2003 SOA Pension Plan Turnover Study"
Number of people covered by seniority premium and quinquennium	108	501	
Number of people covered by severance	-	17	-

These benefits are valued annually. The reconciliation of the movements presented is shown below:

DECEMBER 2020			
	SEVERANCE	SENIORITY PREMIUM AND QUINQUENNium	TOTAL
<b>BALANCE AS OF DECEMBER 31, 2018</b>	<b>5.168</b>	<b>17.062</b>	<b>22.230</b>
Current period service costs	132	1.439	1.571
Interest expense/revenue	297	1.065	1.362
Actuarial (gains)/losses from experience	83	512	595
Actuarial gains/(losses) from change in demographic assumptions	-	(676)	(676)
Actuarial (gains)/losses from financial assumptions	19	405	424
Benefits directly paid by the company	(435)	(2.885)	(3.320)

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DECEMBER 2020			
	SEVERANCE	SENIORITY PREMIUM AND QUINQUENNium	TOTAL
<b>BALANCE AS OF DECEMBER 31, 2019</b>	5.264	16.922	22.186
Current period service costs	87	1.540	1.627
Interest expense/revenue	270	1.014	1.284
Actuarial (gains)/losses from experience	(1.884)	1.332	(552)
Actuarial gains/(losses) from change in demographic assumptions	-	(228)	(228)
Actuarial (gains)/losses from financial assumptions	69	857	926
Benefits directly paid by the company	(1.220)	(2.261)	(3.481)
Other changes	-	(504)	(504)
<b>BALANCE AS OF DECEMBER 31, 2020</b>	<b>2.586</b>	<b>18.672</b>	<b>21.258</b>

The quantitative analysis of sensitivity regarding a change in a key assumption will generate the following effect on the net obligation due to non-current benefits:

DECEMBER 2020		
ASSUMPTIONS	SEVERANCE	SENIORITY/ QUINQUENNium
<b>CHANGE IN DISCOUNT RATE</b>		
Discount rate increase +1%	(69)	(1.134)
Discount rate decrease -1%	75	1.284
<b>CHANGE IN SALARY INCREASE</b>		
Increase in salary increase in +1%	107	1.328
Decrease in salary increase in -1%	(101)	(1.192)
<b>OBLIGATION BASE</b>	<b>2.586</b>	<b>18.672</b>
<b>AVERAGE TERM OF THE PLAN (YEARS)</b>	<b>3,43</b>	<b>7,07</b>

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### 19.3 Termination benefits

Termination bonuses of employment relations in ISA TRANSELCA amounts to COP 4.726 (2019: COP 3.871).

The primary actuarial variables used in the valuation were:

VARIABLES	2020
Discount rate	6,40%
Inflation rate	4,00%
Mortality chart	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 30%
Number of people covered	154

The following chart includes the reconciliation of movements made during 2020 and 2019:

	RETIREMENT BONUS
<b>BALANCE AS OF DECEMBER 31, 2018</b>	<b>2.412</b>
Current period service costs	94
Interest expense/revenue	166
Previous services costs	1.268
Actuarial (gains)/losses from experience	(168)
Actuarial (gains)/losses from financial assumptions	99
<b>BALANCE AS OF DECEMBER 31, 2019</b>	<b>3.871</b>

	RETIREMENT BONUS
Current period service costs	142
Interest expense/revenue	248
Previous services costs	-
Actuarial (gains)/losses from experience	465
Actuarial (gains)/losses from financial assumptions	-
<b>BALANCE AS OF DECEMBER 31, 2020</b>	<b>4.726</b>

The quantitative analysis of sensitivity regarding a change in a key assumption would generate the following effect on the net obligation from defined benefits:

ASSUMPTIONS	RETIREMENT BONUS
<b>CHANGE IN DISCOUNT RATE</b>	
Discount rate increase by +1%	(226)
Discount rate decrease by -1%	260
<b>CHANGE IN SALARY INCREASE</b>	
Increase in benefit increase by +1%	282
Decrease in benefit increase by -1%	(249)
<b>OBLIGATION BASE</b>	<b>4.726</b>
<b>DURATION OF THE PLAN</b>	<b>5,50</b>

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## 20. Non-financial liabilities

OTHER NON-FINANCIAL LIABILITIES	2020			2019		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Deferred revenues and credits (1)	33.769	379.018	412.787	13.612	406.568	420.180
Collections in favor of third parties (2)	35.002	235.682	270.684	40.088	33.527	73.615
Revenues received in advance (3)	15.577	48.557	64.134	28.857	58.942	87.799
<b>TOTAL OTHER LIABILITIES</b>	<b>84.348</b>	<b>663.257</b>	<b>747.605</b>	<b>82.557</b>	<b>499.037</b>	<b>581.594</b>

(1) The deferred revenues and credits mainly correspond to:

- In ISA, deferred revenues from the National Transmission System (STN), from UPME bidding assets, deferred revenues from construction services for infrastructure projects, and from infrastructure use rights, for COP 143.464 (2019: COP 158.331);
- INTERNEXA PERU, COP 120.253 (2019: COP 125.561), associated with advances received for the construction of the fiber optics network of three usufruct contracts with Telefónica and advances received for contracts related to the right to transportation capacity signed with Latin American Nautilus Perú and Telefónica.
- XM, COP 113.972 (COP 95,248), from investment invoicing, which is given to the extent that they are actually executed, i.e., that depreciation and amortization are accounted for by the use of assets.

(2) It mainly comprises resources delivered by ANI to RUTA COSTERA for future periods, in accordance with the provisions of the concession contract, amounting to COP 203,934 (2019: COP 0).

(3) It mainly includes revenues received in advance in INTERNEXA, for COP 55.734 (2019: COP 72.353), in contracts for the right of use and network from the following customers: AVANTEL S.A.S., Colombia Telecomunicaciones S.A., Comunicación Celular – Telmex Colombia S.A., Colombia Móvil S.A. and TV Azteca S.A.S.

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## 21. Equity

### 21.1 Subscribed and paid-in capital and number of shares

ISA's subscribed and paid-in capital, as of December 31, 2020 and 2019, is COP 36.916, represented in 1.125.498.016 shares, distributed as follows:

2020			
SHAREHOLDERS	NUMBER OF SHARES	VALUE	% INTEREST (1)
<b>STATE INVESTORS</b>			
Ministerio de Hacienda y Crédito Público	569.472.561	18.679	51,4114
Empresas Públicas de Medellín E.S.P. (EPM)	97.724.413	3.205	8,8225
<b>SUBTOTAL</b>	<b>667.196.974</b>	<b>21.884</b>	<b>60,2339</b>
<b>PRIVATE CAPITAL INVESTORS</b>			
Fondo de Pensiones Obligatorias Porvenir Moderado	92.193.288	3.024	8,3231
Fondo de Pensiones Obligatorias Protección Moderado	63.707.822	2.090	5,7515
Fondo Bursátil Ishares Colcap	32.861.575	1078	2,9667
Fondo de Pensiones Obligatorias Colfondos Moderado	25.582.376	839	2,3096
Norges Bank-Cb New York	13.276.805	435	1,1986
Skandia Fondo de Pensiones Obligatorias Moderado	12.194.060	400	1,1009
Fondo Bursátil Horizons Colombia Select De S&P	8.834.733	290	0,7976
Fondo Pensiones Obligatorias Porvenir Mayor Riesgo	7.374.241	242	0,6657
Abu Dhabi Investment Authority J.P. Morgan	6.789.843	223	0,6130
Fondo de Pensiones Obligatorias Protección Mayor Riesgo	6.247.402	205	0,5640
Vanguard Emerging Markets Stock Index Fund	6.014.503	197	0,5430
Vanguard Total International Stock Index Fund	5.723.103	188	0,5167

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2020			
SHAREHOLDERS	NUMBER OF SHARES	VALUE	% INTEREST (1)
Fondo de Pensiones Obligatorias Protección Retiro	4.843.785	159	0,4373
Ishares Core Provident Fund Board	3.533.541	116	0,3190
Employees Provident Fund Board	3.277.291	107	0,2959
Vol-Eqcol Fondo de Pensiones Protección	3.091.201	101	0,2791
Amalfi S.A.S.	2.692.834	88	0,2431
Fondo de Cesantías Porvenir	2.560.541	84	0,2312
Other shareholders	139.681.976	4.581	12,6101
<b>SUBTOTAL</b>	<b>440.480.920</b>	<b>14.447</b>	<b>39,7661</b>
<b>TOTAL OUTSTANDING SUBSCRIBED CAPITAL</b>	<b>1.107.677.894</b>	<b>36.331</b>	<b>100,0000</b>
Own shares reacquired (2)	17.820.122	585	
<b>TOTAL SUBSCRIBED AND PAID-IN CAPITAL</b>	<b>1.125.498.016</b>	<b>36.916</b>	

2019			
SHAREHOLDER	NUMBER OF SHARES	VALUE	% INTEREST (1)
<b>STATE INVESTORS</b>			
Ministerio de Hacienda y Crédito Público	569.472.561	18.679	51,4114
Empresas Públicas de Medellín E.S.P. (EPM)	97.724.413	3.205	8,8225
<b>SUBTOTAL</b>	<b>667.196.974</b>	<b>21.884</b>	<b>60,2339</b>
<b>PRIVATE CAPITAL INVESTORS</b>			
Fondo de Pensiones Obligatorias Porvenir Moderado	96.053.920	3.151	8,6716
Fondo de Pensiones Obligatorias Protección Moderado	64.582.211	2.118	5,8304

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2019			
SHAREHOLDER	NUMBER OF SHARES	VALUE	% INTEREST (1)
Fondo Bursátil Ishares Colcap	26.750.652	877	2,4150
Fondo de Pensiones Obligatorias Colfondos Moderado	25.875.087	849	2,3360
Norges Bank-Cb New York	12.780.813	419	1,1538
Old Mutual Fondo de Pensiones Obligatorias Moderado	11.634.376	382	1,0503
Fondo Bursátil Horizons Colombia Select De S&P	7.415.790	243	0,6695
Vanguard Total International Stock Index Fund	6.784.091	223	0,6125
Vanguard Emerging Markets Stock Index Fund	6.303.702	207	0,5691
Abu Dhabi Investment Authority J.P. Morgan	5.575.123	183	0,5033
Vol-Eqcol Fondo de Pensiones Protección	4.785.692	157	0,4320
Fondo Pensiones Obligatorias Porvenir Mayor Riesgo	4.397.058	144	0,3970
Ishares Core Msci Emerging Markets Etf	4.002.096	131	0,3613
Fondo de Pensiones Obligatorias Protección Mayor Riesgo	3.563.108	117	0,3217
Fondo de Pensiones Obligatorias Protección Retiro	3.488.118	114	0,3149
Fondo de Cesantías Porvenir	2.777.859	91	0,2508
Emerging Markets Core Equity Portfolio of Dfa Inve	2.473.088	81	0,2233
The Bank of Nova Scotia	2.433.716	80	0,2197
Other shareholders	148.804.420	4.880	13,4339
<b>SUBTOTAL</b>	<b>440.480.920</b>	<b>14.447</b>	<b>39,7661</b>
<b>TOTAL OUTSTANDING SUBSCRIBED CAPITAL</b>	<b>1.107.677.894</b>	<b>36.331</b>	<b>100,0000</b>
Own shares reacquired (2)	17.820.122	585	
<b>TOTAL SUBSCRIBED AND PAID-IN CAPITAL</b>	<b>1.125.498.016</b>	<b>36.916</b>	

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- (1) Percentage of stake on outstanding shares, which are common, registered, and dematerialized.
- (2) Shares belonged to CORELCA, and were reacquired by ISA in August 1998. To this date, all rights inherent to these shares have been suspended, and consequently, they do neither participate in the distribution of dividends nor are part of the quorum to deliberate and decide.

The Colombian Centralized Deposit of Securities (Deceval) is an entity that receives securities in deposit, for their administration and custody, thereby contributing to facilitate and speed up market agents' operations.

### 21.2 Authorized shares and nominal value

As of December 31, 2020 and 2019, the authorized capital stock included 1.371.951.219 common shares, with a nominal value of COP 32,800000005352. All shares issued are fully paid.

### 21.3 Rights and restrictions of shareholders

Shareholders holding common shares are entitled to receive dividends as declared from time to time and are also entitled to one vote per share at the company Shareholders' Meetings. ISA is listed on the Colombian Stock Exchange (BVC).

### 21.4 Premium for placement of shares

This item amounts to COP 1.428.128 in 2020 and 2019. (See Note 3.22).

### 21.5 Dividends

Dividends declared in 2020 and 2019, on income of the previous year, are detailed below:

	2020	2019
Net income of previous period	1.643.505	1.529.155
Outstanding shares	1.107.677.894	1.107.677.894
Ordinary dividend per share (in COP)	675	552
Extraordinary dividend per share (in COP)	-	-
Total decreed dividends per share	675	552
Decreed dividends	747.683	611.438
Payment method	Ordinary and extraordinary dividends payable in two installments, July and December 2020	Ordinary and extraordinary dividends payable in two installments, July and December 2019

The detail of dividends paid in recent years is as follows:

ATTRIBUTED TO THE PERIOD	TYPE OF DIVIDEND	DATE OF PAYMENTO	COP PER SHARE
2016	Ordinary	25-Jul-17	124
2016	Extraordinary	25-Jul-17	72
2016	Ordinary	12-Dec-17	124
2016	Extraordinary	12-Dec-17	72
2017	Ordinary	12-Jul-18	133

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ATTRIBUTED TO THE PERIOD	TYPE OF DIVIDEND	DATE OF PAYMENTO	COP PER SHARE
2017	Extraordinary	12-Jul-18	138
2017	Ordinary	4-Dec-18	133
2017	Extraordinary	4-Dec-18	138
2018	Ordinary	24-Jul-19	276
2018	Ordinary	11-Dec-19	276
2019	Ordinary	23-Jul-19	338
2019	Ordinary	15-Dec-20	338

**21.6 Reserves**

		2020	2019
Equity strengthening	(1)	5.287.151	4.391.329
Legal under tax provisions		898.802	898.802
Rehabilitation and repair of STN assets	(2)	37.434	37.434
Legal	(3)	18.458	18.458
<b>TOTAL</b>		<b>6.241.845</b>	<b>5.346.023</b>

(1) In compliance with Article 47 of the Statutes, the General Shareholders' Meeting has created this reserve, which is occasional, so that the company maintains its financial strength, maintains the level of financial indicators required by credit rating agencies to provide the investment grade, and fulfills the contractual commitments acquired with financial entities. On March 29, 2020, the General Shareholders' Meeting decided to create an occasional reserve for equity strengthening for COP

895.822, to cover investment commitments already acquired and maintaining financial strength.

(2) On March 30, 2000, the General Shareholders' Meeting approved an appropriation for COP 24.933 for the rehabilitation and replacement of the National Transmission System assets, and on March 18, 2002 an addition to this reserve was approved for COP 12.501, for a total of COP 37.434.

(3) According to the Law, the company is required to set aside 10% of its net annual profits as legal reserve until the balance of this reserve equals 50% of the subscribed capital. The mandatory legal reserve may not be distributed before the liquidation of the company, but may be used to absorb or reduce net annual losses. Reserve balances are freely available to shareholders, as soon as they exceed 50% of the subscribed capital.

**22. Revenues from contracts with customers**

They are revenues for services provided by ISA and its companies, for: energy transmission (use of the National Transmission System -STN-), connection to the STN; services related to energy transmission services, management, operation and maintenance; specialized technical services, design, construction, maintenance, exploitation and operation of road concessions, financial returns from concessions, special studies, availability of infrastructure and project management, organization, administration, marketing and provision of telecommunication services, performing all kinds of activities with the construction of transmission lines, energy projects of all kinds, and intelligent management of real-time systems.

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Revenues from contracts with customers for years ending December 31, are detailed below:

CONCEPT OF REVENUES		2020	2019
Energy transmission services	(1)	4.915.021	4.814.879
Road concessions	(2)	1.120.376	1.089.079
Construction services	(3)	2.194.300	1.409.877
Information and telecommunication technologies	(4)	379.168	359.040
Connection to the STN		260.201	243.755
CND-MEM Dispatch and coordination		155.723	141.238
Other operating revenues		80.461	78.535
Management, operation, and maintenance		2.220	2.489
Technology transfer		3.377	116
<b>TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS</b>		<b>9.110.847</b>	<b>8.139.008</b>

Accumulated revenues reached COP 9.110.847, 11,94% more than 2019, explained by:

(1) In Colombia, energy transmission services correspond to services provided by ISA, ISA INTERCOLOMBIA, and ISA TRANSELCA, which are regulated by the Energy and Gas Regulation Commission (CREG) and for the provision of services covered by concession contracts in Brazil, Peru, and Bolivia paid under the fee regime of each country and with annual adjustments during the concession term, according to the fee agreed in each concession contract.

In Chile, part of the revenues is subject to amounts regulated by the National Energy Coordinator and another part of revenues comes from contractual agreements with the facility users.

Energy revenues increased 2,1% (COP 100.142), explained by:

- Higher revenues from the inflation adjustment of the Broad Consumer Price Index (IPCA) at ISA CTEEP and its companies.
- Higher revenues from the last tranche, the Pan de Azúcar transmission line of the Cardones-Polpaico project. Commissioning of the 750 MVA autotransformer bank project at ISA INTERCHILE in December 2020.
- In Colombia, new UPMES COP 31.495, PPI COP 28.833, RMR and PPI COP 17.891, by annualization of UPME 07 of 2013 in Monteria for COP 19.102.
- Consolidation of the Orazul group's revenues from Peru as of September.

Revenues increase is partially contrasted by the net effect of the average exchange rate revaluation of COP against BRL and the devaluation of COP against USD for COP 75,964.

- (2) The Road Concessions business unit had a net increase of 2.9% (COP 31.299) as a result of the consolidation of revenues from RUTA COSTERA as of October 2020, for COP 68.693, and lower revenues associated with maintenance and the lower financial performance of Chilean concessions, due to the decrease (COP 37.295) in the account receivable during the concessions' term.
- (3) The construction business increased by 55,64% (COP 784.423), explained by:
- Higher construction activity in Peru (COP 468.776), particularly for the Coya-Yana projects and expansions of networks 20 and 21. It is also worth noting the higher construction activity in Brazil and Chile.

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- Higher income of COP 349.668, as a result of the incorporation of the margin in the construction of projects, improvements and reinforcements of ISA CTEEP and its affiliates, due to the application of the pronouncement by CVM - Comisión Valores Mobiliarios de Brasil on the accounting treatment of contract assets (Document 4/2020 of CVM).
  - Consolidation of RUTA COSTERA's revenues as of October 2020, for COP 26.980.
  - This is offset by a negative restatement effect of COP 98.123.
- (4) The Telecommunications and ICT business unit had a net increase of 5,6% (COP 20.128), mainly due to higher sales in Colombia, Peru, Brazil, and Argentina, offset by a sales decrease in Chile.

Assuming that 85,4% of revenues from contracts with customers in 2020 come from concession contracts, the following note presents a more detailed description of concessions.

## 23. Concessions

ISA, through its companies, promotes development in Brazil, Peru, and Bolivia by means of concessions acquired to provide energy transmission utility services, Real-Time Systems Management services in Colombia, and road transportation services through concessionaires in Chile and Colombia.

### 23.1 Concessions in Peru

Due to the terms and conditions contained in the concession agreements in Peru for the provision of energy transmission utility, similar in legal terms and rights and obligations

with the State, the model that applies to concession agreements to provide the energy transmission utility at ISA REP, ISA PERÚ, and CONSORCIO TRANSMANTARO is the intangible asset model, which applies when the services provided by the operator are paid by users or when the grantor does not unconditionally warrant the collection of accounts receivable.

The intangible asset represents the right granted by the Peruvian State to charge users for the energy transmission service.

The company applies the intangible asset model to record its concession agreements, given that this intangible asset represents the right granted by the Peruvian State to charge users for the energy transmission service. This right is not an unconditional right to receive cash.

### 23.2 Concessions in Bolivia

Similar to the type of agreements in Peru, in concession agreements for the provision of energy utilities in Bolivia, unconditional cash receipt is not guaranteed for the operator, thus the latter must assume the credit risk associated with the collection of amounts billed, which could mean that the company cannot recover all the investment. Additionally, the Bolivian State is not required to guarantee the lacking amounts either by the absence of demand or lack of payment of any of the market players; therefore, the grantor has no obligation to pay for the construction services received. In this sense, the model that is consistent with the agreement terms, covered by IFRIC 12, is the intangible asset model.

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### 23.3 Concessions in Colombia

#### SISTEMAS INTELIGENTES EN RED

Currently, SISTEMAS INTELIGENTES EN RED, by means of Business Cooperation Agreement signed with UNE EPM Telecomunicaciones S.A. and Consorcio ITS, is in charge of executing the Inter-Administrative Agreement No. 5400000C003 of 2006 with the Municipality of Medellín “under concession, and therefore at its account, by contributing with the technological infrastructure required to provide modernization and optimization for the management of the administrative services of the Department of Transport and Traffic of Medellin, through a comprehensive solution for technology, information, communications and operation of ICTs”. In consideration of the above, it is entitled to receive revenues from fines captured by the photo-detection system.

This agreement is within the scope of IFRIC 12 under the intangible model due to the following reasons:

- The grantor, in this case the Municipality of Medellín, controls which services should be provided by the operator with the infrastructure, whom should be charged, and at what price.
- The grantor controls, through ownership of the right of use, any significant residual stake in the infrastructure at the end of its useful life, as set out in Addendum No. 5 of the agreement: upon termination of this agreement, all goods, equipment, technology, software licenses shall be reversed in favor of the Municipality.

#### RUTA COSTERA

Under the Public-Private Partnership (PPP) scheme under Law 1508 of 2012, derived from the awarding act of the Public Tender VJ-VE-IP-LP-0011-2013, issued by the National Infrastructure Agency -ANI-, through Resolution No. 862 of July 2, 2014, on September 10, 2014, ANI and the Concessionaire entered into the Concession Contract No. 004 of 204, for “carrying out the final studies and designs, environmental management, property management, social management, construction, rehabilitation, improvement, operation and maintenance of the Cartagena-Barranquilla and Circunvalar de la Prosperidad Project corridor”.

This contract covers the scope of IFRIC 12 under the financial asset model and is not an intangible asset for investment in construction work (construction services). The concession receives revenues from the following sources: ANI contributions, toll collection, and commercial operation revenues. If the concessionaire fails to achieve the expected toll collection revenue, the grantor -ANI- will recognize and pay the concessionaire the toll collection differential in years 8, 13, and 18, contractually called VPIP (present value of the toll collection calculated in pesos of the reference month). These revenue guarantees represent an unconditional contractual right to receive cash or other financial assets from construction services provided. The contractually guaranteed payment is a specific and determinable amount.

#### 23.4 Concessions in Brazil

In concession contracts in Brazil for the provision of the energy transmission utility, the operator is entitled to the contract asset, as far as the concessionaire complies with

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the obligation to build and implement the transmission infrastructure, recognizing the revenues over the project term. At the end of the concession, the reversion of assets linked to the concession will be established by determination and calculation of the compensation to be recognized by the operator.

All concession agreements of ISA CTEEP and TAESA were analyzed and classified in accordance with IFRS 15 - Revenues from Contracts with Customers (in Brazil, CPC 47 - Receita de Contrato com Cliente-), within the contract asset model, as from January 1, 2018.

The value of the contract asset of energy transmission concessionaires is determined by the present value of their future cash flows, which are determined at the beginning of the concession or at its extension, and are revalued in the Periodic Fee Review (Revisión Tarifaria Periódica -RTP-).

Cash flows are defined based on the remuneration that concessionaires receive for the provision of the transmission utility to users, Receita Anual Permitida -RAP-. These collections amortize investments made in the transmission infrastructure. Any eventual investments that are not amortized (reversed assets) generate the right to compensation by the Grantor's Power, which is equivalent to the additional compensation of the entire transmission infrastructure at the end of the concession agreement. This flow of future collections is adjusted by inflation (Extended Consumer Price Index -IPCA-/General Market Price Index -IGPM-) and remunerated by a discount rate that represents the financial component of the business defined at the beginning of each project.

During the execution stage of the construction of the work, the concessionaire is entitled to consideration according to the completion of the work and performance obligations, and not only over time; and the recognition of construction revenues is related to the formation of this asset through the incurred expenses, plus the construction margin, resulting from the application of the pronouncement by the Comissão de Valores Mobiliarios de Brasil -CVM- on the accounting treatment of contract assets (Document 4/2020 by CVM).

Construction revenues and remuneration revenues from concession assets are subject to the deferral of the Social Integration Program (PIS) and the cumulative Social Security Financing Contribution (COFINS), recorded in "deferred taxes", in non-current liabilities.

### 23.5 Concessions in Chile

Contracts of the Chilean concessionaires for the provision of the road transport utility, as per the concession contract, can include traffic risk or total guaranteed revenues according to the Revenue Distribution Mechanism -MDI-, or Revenues at the Present Value -VPI-, which allow the guaranteed collection at the present value of the total concession revenues. In addition, some concession contracts include other concepts, such as the Guaranteed Minimum Income -IMG- and construction and operation subsidies, which correspond to payments by the State, subject to specific compliance conditions by the concessionaire.

Based on the above, the model to be applied to concessions in Chile will depend on whether or not there is traffic risk, i.e., whether or not their revenues are guaranteed and

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whether or not they are sufficient to pay for the investment. If the concession contract has traffic risk, then said risk is recognized pursuant to IFRIC 12 as an intangible asset. This asset is amortized during the concession's term. On the other hand, if the contract sets forth revenue and compensation guarantee mechanisms, it is recognized as a

financial asset. This asset is extinguished by the payments received from road users through tolls or directly by payments from the Ministry of Public Works (Ministerio de Obras Públicas -MOP-). The Chilean road concessions apply the financial asset model.

BUSINESS	CONCESSIONAIRE	COUNTRY	ASSET CLASSIFICATION	CONCESSION ASSET VALUE		OPERATING REVENUES	
				DECEMBER 2020	DECEMBER 2019	DECEMBER 2020	DECEMBER 2019
<b>INTANGIBLE ASSET:</b>							
Energy Transmission	CONSORCIO TRANSMANTARO	Peru	Intangible	4.759.017	4.184.216	1.290.433	770.705
	ISA REP	Peru	Intangible	1.442.082	1.395.534	645.533	536.848
	ISA PERÚ	Peru	Intangible	153.195	155.819	68.257	59.827
<b>SUBTOTAL CONCESSIONS IN PERU:</b>				<b>6.354.294</b>	<b>5.735.569</b>	<b>2.004.223</b>	<b>1.367.380</b>
Energy Transmission	ISA BOLIVIA	Bolivia	Intangible	42.400	51.785	75.090	81.823
Energy Transmission	SISTEMAS INTELIGENTES EN RED	Colombia	Intangible	3.387	4.069	18.180	19.697
<b>TOTAL CONCESSIONS RECOGNIZED AS INTANGIBLE ASSETS:</b>				<b>6.400.081</b>	<b>5.791.423</b>	<b>2.097.493</b>	<b>1.468.900</b>
<b>CONTRACT ASSET:</b>							
Energy Transmission	ISA CTEEP (1)	Brazil	Contract	8.592.807	9.639.569	2.407.674	1.640.011
	INTERLIGAÇÃO ELÉTRICA PINHEIROS	Brazil	Contract	387.562	497.277	20.392	60.966
	INTERLIGAÇÃO ELÉTRICA AGUAPEÍ	Brazil	Contract	347.666	78.236	307.682	69.209
	INTERLIGAÇÃO ELÉTRICA TIBAGI	Brazil	Contract	112.494	98.542	35.130	88.816
	INTERLIGAÇÃO ELÉTRICA ITAPURA	Brazil	Contract	101.022	90.323	36.121	72.255
	INTERLIGAÇÃO ELÉTRICA ITAQUERÊ	Brazil	Contract	359.778	201.777	223.816	98.526

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BUSINESS	CONCESSIONAIRE	COUNTRY	ASSET CLASSIFICATION	CONCESSION ASSET VALUE		OPERATING REVENUES	
				DECEMBER 2020	DECEMBER 2019	DECEMBER 2020	DECEMBER 2019
	INTERLIGAÇÃO ELÉTRICA ITAÚNES	Brazil	Contract	191.653	106.873	113.528	68.904
	INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI	Brazil	Contract	350.326	407.277	57.676	40.550
	INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS	Brazil	Contract	77.340	88.218	18.278	5.676
	EVRECY PARTICIPAÇÕES	Brazil	Contract	39.824	40.373	13.671	4.357
	INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE	Brazil	Contract	294.633	364.788	31.111	42.659
	INTERLIGAÇÃO ELÉTRICA SUL	Brazil	Contract	131.190	182.889	(5.517)	27.342
	INTERLIGAÇÃO ELÉTRICA BIGUAÇU	Brazil	Contract	72.708	8.301	-	7.530
<b>TOTAL CONCESSIONS RECOGNIZED AS CONTRACT ASSETS:</b>				<b>11.059.003</b>	<b>11.804.443</b>	<b>3.259.562</b>	<b>2.226.801</b>
BUSINESS	CONCESSIONAIRE	COUNTRY	ASSET CLASSIFICATION	CONCESSION ASSET VALUE		OPERATING REVENUES	
				DECEMBER 2020	DECEMBER 2019	DECEMBER 2020	DECEMBER 2019
<b>FINANCIAL ASSET:</b>							
Energy Transmission	ISA CTEEP	Brazil	Financial asset O&M	97.033	100.998	731.521	902.915
	INTERLIGAÇÃO ELÉTRICA PINHEIROS	Brazil	Financial asset O&M	4.755	3.542	10.099	7.320
	INTERLIGAÇÃO ELÉTRICA ITAPURA	Brazil	Financial asset O&M	778	1.042	2.544	1.289
	INTERLIGAÇÃO ELÉTRICA ITAQUERÊ	Brazil	Financial asset O&M	3.735	-	3.775	-

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BUSINESS	CONCESSIONAIRE	COUNTRY	ASSET CLASSIFICATION	CONCESSION ASSET VALUE		OPERATING REVENUES	
				DECEMBER 2020	DECEMBER 2019	DECEMBER 2020	DECEMBER 2019
	INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI	Brazil	Financial asset O&M	3.424	3.826	5.827	5.490
	INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS	Brazil	Financial asset O&M	1.332	1.309	2.673	2.770
	EVRECY PARTICIPAÇÕES	Brazil	Financial asset O&M	662	(35)	3.134	2.133
	INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE	Brazil	Financial asset O&M	5.418	3.672	4.675	(1.869)
	INTERLIGAÇÃO ELÉTRICA SUL	Brazil	Financial asset O&M	1.651	1.280	1.954	1.568
<b>TOTAL CONCESSIONS RECOGNIZED AS FINANCIAL ASSETS:</b>				<b>118.788</b>	<b>115.634</b>	<b>766.202</b>	<b>921.616</b>
Road concessions	RUTA DEL MAIPO	Chile	Financial	6.102.452	5.089.989	932.447	862.947
	RUTA DEL MAULE	Chile	Financial	15.149	13.385	278.838	181.499
	RUTA DE LA ARAUCANÍA	Chile	Financial	694.643	724.385	122.815	149.397
	RUTA DEL BOSQUE	Chile	Financial	-	136.895	82.260	106.839
	RUTA DE LOS RÍOS	Chile	Financial	226.067	261.730	76.753	114.674
	RUTA DEL LOA	Chile	Financial	166.108	86.553	68.486	59.476
<b>SUBTOTAL CONCESSIONS IN CHILE:</b>				<b>7.204.419</b>	<b>6.312.937</b>	<b>1.561.599</b>	<b>1.474.832</b>
Road concessions	RUTA COSTERA	Colombia	Financial	1.922.633	-	95.672	-
<b>SUBTOTAL CONCESSIONS IN COLOMBIA:</b>				<b>1.922.633</b>	<b>-</b>	<b>95.672</b>	<b>-</b>
<b>TOTAL CONCESSIONS RECOGNIZED AS FINANCIAL ASSETS:</b>				<b>9.152.898</b>	<b>6.428.571</b>	<b>2.423.473</b>	<b>2.396.448</b>

(1) Include account receivable from the Basic Network of the existing System (RBSE) of ISA CTEEP, for COP 6.119.338 (2019: COP 6.921.163): RBSE revenues, net of PIS and Cofins for COP 1.734.969 (2019: COP 841.349).

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## 24. Operating costs and expenses

### 24.1 Operating costs

Operating costs as of the years ended December 31 are detailed below:

		2020	2019
Construction costs of concession contracts	(1)	1.628.854	955.624
Services	(4)	212.625	180.701
Contributions and taxes	(5)	135.017	109.449
Materials and maintenance	(6)	330.369	313.795
Miscellaneous	(7)	117.907	75.864
Personnel costs	(8)	495.867	515.457
Leases		7.258	13.959
Insurances		58.364	38.626
Fees		44.128	29.586
Communications		27.176	23.738
Environmental		25.112	14.627
Maintenance of intangibles		7.609	4.517
Studies and projects		6.378	4.494
Advertising, printed material, and publications		2.649	4.088
<b>TOTAL OPERATING COSTS BEFORE DEPRECIATION AND AMORTIZATION</b>		<b>3.099.313</b>	<b>2.284.525</b>
Amortizations	(2)	358.729	277.120
Depreciations	(3)	406.816	348.884
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>		<b>765.545</b>	<b>626.004</b>
<b>TOTAL OPERATING COSTS</b>		<b>3.864.858</b>	<b>2.910.529</b>

Operating costs increased by 32,8% (COP 954.329) in 2020 as a result of:

- (1) The increase in construction costs of concession contracts for COP 673.230 (70,45%), which revenues are associated and represent 70,54% of the total variation in operating costs. This is mainly due to higher levels of construction activity, especially the Coya-Yana Project and Grid Expansions in Peru, projects and improvements in Brazil, road concessions in Chile, and the acquisition of RUTA COSTERA in October 2020. Construction costs correspond to contracts for the construction, management, administration, and supervision of the construction and commissioning of transmission lines and road concessions in: Perú, COP 642.846 (2019: COP 160.175); Brazil, COP 522.787 (2019: COP 455.707); Chile, COP 438.538 (2019: COP 339.741), and the incorporation of RUTA COSTERA construction costs for the fourth quarter in Colombia, for COP 24.683.
- (2) Increase in amortizations for COP 81.609, especially energy transmission concessions in Peru: CONSORCIO TRANSMANTARO, ISA REP, and ISA PERÚ.
- (3) Higher depreciations for COP 57.932 due to the incorporation of ISA INTERCHILE's projects for COP 33.284 and ISA for COP 4.857, given the partial entry into operation of the UPME 03-2014 project. The higher depreciation expense due to the application of IFRS 16 on INTERNEXA's finance lease assets for COP 20.256 also explains this variation. In this regard, the behavior of construction, amortization, and depreciation costs explains the 85,17% variation in operating costs. The remaining 14,83% is due, among other aspects, to the net effect of these costs:
- (4) Transport, public utility, process outsourcing, installation, surveillance, and audit services. The variation for COP 31.924 corresponds to COP 24.382 in Brazil and COP 6.262 in Peru.

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- (5) Contributions and taxes increased by COP 25.568. In Colombia, COP 11.304 are mainly due to: UPME contribution, tax on financial transactions, contribution to the Superintendence of Household Utilities, property tax, and industry and commerce tax. COP 13.984 correspond to Peru.
- (6) Road network maintenance costs, including those incurred in the recovery of infrastructure. These costs increased by 5,28% when compared with 2019, especially increased major maintenance in energy transmission concessions in Peru.
- (7) Miscellaneous costs comprise: communications, studies, general production costs, subscriptions and affiliations, among others. The COP 42.043 increase is explained by the captive insurance company's premium costs, which have associated revenues.
- (8) The COP 19.590 decrease in personnel costs (-3,80%) is due to the exchange rate effect from subordinate companies abroad. Excluding this impact, they increased by 1,15%, especially due to higher salary and payroll contribution costs, given the salary increase.

## 24.2 Administrative expenses

Administrative expenses for the years ended December 31 are detailed below:

		2020	2019
Personnel expenses	(1)	289.339	292.950
Fees	(2)	93.512	116.249
Contributions and taxes	(3)	21.317	27.323
Environmental - Social		21.457	26.458

	2020	2019
Services	17.994	27.158
Materials and maintenance	10.113	26.827
Leases	1.953	6.085
Insurances	10.590	13.059
Advertising, printed material, and publications	10.471	11.872
Miscellaneous	7.299	10.902
Studies and projects	10.658	11.750
Maintenance of intangible assets	4.400	5.092
Communications	463	412
<b>TOTAL ADMINISTRATIVE EXPENSES BEFORE DEPRECIATIONS, AMORTIZATIONS, AND PROVISIONS</b>	<b>499.566</b>	<b>576.137</b>
Amortizations	39.096	44.476
Provisions	(4) 136.243	100.867
Depreciations	51.434	46.698
<b>TOTAL DEPRECIATIONS, AMORTIZATIONS, AND PROVISIONS</b>	<b>226.773</b>	<b>192.041</b>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>726.339</b>	<b>768.178</b>

Administrative expenses before depreciations, amortizations, and provisions decreased by 13,3% (COP -76.571) in 2020 mainly as a result of the financial strategy based on efficient management of these expenses.

Total administrative expenses decreased by 5,4% (COP -41.839) with respect to 2019. They comprise:

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- (1) Personnel expenses include all current, non-current, and post-employment benefits.
- (2) This item includes fees for legal, technical, administrative and financial consultancy, as well as fees paid by each affiliate to the statutory auditors and external auditors.
- (3) This item includes contributions to various control entities, electric energy tax, tax on financial transactions, property tax, industry and commerce tax, tax on notices and billboards, and tax on street lighting, environmental surtax, and stamps. The decrease mainly corresponds to CONSORCIO TRANSMANTARO's other energy taxes, contributions, and rates for COP 5.233.
- (4) This item mainly includes the provision for major maintenance at Peruvian companies for COP 66.742 and the provision for contingencies at Brazilian companies for COP 26.775. In 2019, INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES recorded impaired goodwill and customer list due to the acquisition of NQT and IPNET for COP 42.414. This was adjusted at the present value of future operating flows.

## 25. Other extraordinary revenues

Other extraordinary revenues for the years ended December 31 are detailed below:

	2020	2019
Other extraordinary revenues	1.056.979	-

ISA CTEEP contributes with COP 1.052.038 thanks to the positive outcome of ANEEL's Periodic Tariff Review (RTP) made every five years, which corresponds to the first review after the extension of the concession agreement 059 expected for

2018. Therefore, the resolution has a retroactive effect as of 2018 and considers the redefinition of all elements comprising the remuneration: O&M and Regulatory WACC, which went from 6,64% to 7,71%. In addition, ANEEL recognized the cost of the Ke as of 2020, and updated the regulatory base of RBSE's remuneration assets and the regulatory base of new investments.

The remaining COP 4.841 correspond to the Periodic Tariff Review to Serra do Japi, affiliate of ISA CTEEP in Brazil.

## 26. Other revenues and expenses and equity method

Other revenues and expenses and equity method for the years ended December 31 are detailed below:

	2020	2019
<b>REVENUES</b>		
Indemnities	3.008	9.182
Leases	2.864	1.248
Recoveries	8.355	19.545
Income from sale of property, plant, and equipment	5.453	14.657
Others (1)	189.419	55.261
<b>TOTAL OTHER REVENUES</b>	<b>209.099</b>	<b>99.893</b>
Losses from events of loss	813	1.399
Losses from derecognition of assets	28.541	20.739

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		2020	2019
Others	(2)	64.411	7.943
<b>TOTAL OTHER EXPENSES</b>		<b>93.765</b>	<b>30.081</b>
<b>OTHER REVENUES/(EXPENSES), NET</b>		<b>115.334</b>	<b>69.812</b>
Equity method revenues	(3)	571.077	274.067
Equity method expenses		51.711	60.339
<b>NET EQUITY METHOD REVENUES/(EXPENSES), NET</b>		<b>519.366</b>	<b>213.728</b>

(1) In 2020, ISA CTEEP negotiated plots of land with a surface area over 395.000 m<sup>2</sup> for COP 111.376 with the Mayor's Office of São José dos Campos to develop an urban mobility project.

(2) RUTA DEL BOSQUE incurred higher expenses for COP 42.369, mainly due to Revenue Distribution Mechanism (MDI) payments to offset the effect on the financial asset.

(3) The effect of the equity method resulted in higher income, especially from the net impact of:

- the incorporation of the construction margin on companies jointly controlled by ISA CTEEP and adjustments to the contractual asset of TAESA's concessions, due to the enforcement of the statement issued by the Securities and Exchange Commission of Brazil (CVM) about the accounting treatment of concessions as contractual assets. This implied revenues for COP 301.984.
- higher results at TAESA (COP 112.028) due to the inflation update of the General Market Price Index (IGPM) revenues and higher levels of construction activity,

- recording of the ruling against an arbitration process with a supplier at IEMadeira for COP 84.626, and
- the exchange rate expense on the equity method income at jointly controlled companies in Brazil for COP 34.983.

## 27. Net financial result

The detail of financial revenues and expenses as of December 31 is as follows:

	2020	2019
<b>FINANCIAL REVENUES</b>		
Valuation of investments	245.760	286.060
On financial assets	55.689	46.560
Return on other assets	44.257	60.964
Commercial discounts, conditioned, and agreements	25.360	26.891
Monetary variation	21.007	10.360
Dividends	(2) (12.379)	(19.323)
Returns from monetary readjustment	6.428	5.051
<b>TOTAL FINANCIAL REVENUES</b>	<b>386.122</b>	<b>416.563</b>
Interest on bonds	(3) 784.120	640.531
On public credit financial obligations	350.297	307.241
Other interest	103.625	254.706

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		2020	2019
Loss in valuation and sale of investments	(4)	267.157	262.379
Commissions and other bank expenses		25.507	19.946
Miscellaneous		3.158	3.017
Management of issuance of securities		1.615	1.550
<b>TOTAL FINANCIAL EXPENSES</b>		<b>1.535.479</b>	<b>1.489.370</b>
<b>EXCHANGE DIFFERENCE</b>			
Cash		167.201	174.127
Debtors		(8.072)	5.474
Investments abroad		6.657	(10.091)
Other assets		9.045	227
Accounts payable		(183.475)	(83.781)
Loans		18.144	(848)
Financial liabilities		(233.015)	(224.965)
<b>TOTAL NET EXCHANGE DIFFERENCE REVENUE / (EXPENSE)</b>	<b>(5)</b>	<b>519.366</b>	<b>213.728</b>
<b>NET FINANCIAL REVENUES/(EXPENSES)</b>		<b>(1.372.872)</b>	<b>(1.212.664)</b>

- (1) Corresponds to the income from negotiation and sale of fixed and variable income investments.
- (2) Includes the PIS/COFINS tax on equity capital interest (“Juros”) delivered by ISA CTEEP to ISA CAPITAL DO BRASIL and by TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA to ISA INVESTIMENTOS E PARTICIPAÇÕES for COP 16.185

(2019: COP 22.466). Also, revenues from dividends delivered by EMPRESA PROPIETARIA DE LA RED (EPR) to ISA for COP 3.579 and Counterparty Risk Chamber (CÁMARA DE RIESGO DE CONTRAPARTE) delivered to XM for COP 227.

- (3) The increase in financial expenses is the result of the debt incurred and the issuance of bonds to support the investments during the period.
- (4) The main variation corresponds to ISA CTEEP due to loss in the valuation of derivatives for COP 216.490 (2019: 257.523).
- (5) Higher exchange rate expense mainly due to hiring suppliers of goods and services at RUTA DEL MAIPO, ISA INVERSIONES CHILE, and RUTA DE LA ARAUCANÍA and foreign currency liabilities at RUTA DEL MAIPO and ISA.

## 28. Net income per share

Net income per share has been calculated based on the annual weighted average of outstanding shares on the date of the statement of financial position.

As of December 31, 2020 and 2019, the number of outstanding shares was 1.107.677.894. Below is the breakdown of income per share:

	2020	2019
Net income for the period	2.059.191	1.638.732
Average of outstanding shares for the period	1.107.677.894	1.107.677.894
Net income per share (expressed in COP)	1.859,02	1.479,43

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## 29. Related-party balances and transactions

Related-party transactions are carried out under market conditions and prices, i.e., in conditions equivalent to those existing for arm’s-length transactions.

As of the date of these financial statements, there are no granted guarantees associated with related-party balances or impairment on accounts receivable, except for the balance with Transnexa S.A. E.M.A., which is 100% impaired.

Balances and transactions between Group companies, between ISA and its subordinate companies, and between subordinate companies alone, have been eliminated in the consolidation process and are not disclosed in this note.

Below are ISA’s main related-party balances and transactions during 2020 and 2019:

	2020	2019
<b>BALANCE-RELATED TRANSACTIONS</b>		
<b>LOANS RECEIVABLE FROM RELATED PARTIES</b>	16.962	-
ATP TOWER HOLDINGS	16.962	-
<b>INCOME-RELATED TRANSACTIONS</b>		
<b>REVENUES</b>	16.962	-
ATP TOWER HOLDINGS	9	-

### 29.1 Key Senior Management personnel

In the case of ISA, it is the members of the Board of Directors, the members of the Senior Management, and the directors entitled to make high-impact financial decisions. In the case of the Nation as controlling shareholder, members of the Board of Directors of ISA are considered the Nation’s key directors for ISA.

The company group is managed by a Board of Directors composed of nine (9) main members. During Ordinary General Shareholders’ Meeting held on March 29, 2020, the Board of Directors for the April 2020 - March 2021 period was elected. The Board of Directors’ report contains the information in regards to the election and creation of this body.

The Senior Management is composed of the CEO and board-level employees reporting directly to the CEO.

At the end of 2020, there are no transactions other than remuneration transactions between the company and members of its Board of Directors.

#### a. Remuneration to the Board of Directors

For attending Board meetings and committees, the members received fees established by the General Shareholders’ Meeting, equivalent to 141 UVT per meeting (2020 UVT value: COP 35.607).

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The total remuneration to the Board of Directors for 2020 was COP 1.364 (2019: COP 1.476).

As of December 31, 2020 and 2019, there are no labor relations between the members of the Board and the company, or business relations between the company and close relatives of members of the Board of Directors. (See Note 3.23).

**b. Accounts receivable from Senior Management**

Accounts receivable from Senior Management in 2020 amounted to COP 1.823 (2019: COP 2.345).

**c. Remuneration to Senior Management key personnel**

The remuneration received by the Senior Management key personnel is the following:

	2020	2019
Remuneration	11.898	10.602
Short-term benefits	6.179	6.350
Board of Director's fees (1)	2.272	799
<b>TOTAL</b>	<b>20.349</b>	<b>17.751</b>

(1) Fees earned by members of ISA’s Senior Management for attending the Group’s Board Meetings or Steering Committees.

There are no guarantees granted in favor of Senior Management key personnel.

There are no transactions other than remuneration transactions between the company and members of the Senior Management.

**29.2 Balances and transactions with the Nation**

At the end of 2020 and 2019, the Nation, as controlling shareholder, acting through the Ministry of Finance and Public Credit (MHCP)—representative of the Nation’s shares in ISA—holds a 51,4114% interest in ISA’s subscribed and paid-in capital.

**a. The Nation**

There are no transactions other than dividends paid by ISA to the MHCP, representative of the Nation’s shares in ISA. In 2020 and 2019, ISA paid dividends to the MHCP for COP 384.394 and COP 314.349, respectively.

**b. Balances and transactions with the Nation’s key management personnel**

In the case of the Nation, members of the Board of Directors of ISA are considered the Nation’s key directors for ISA.

There are no transactions other than remuneration between the company and the Nation’s key management personnel and close relatives of the Nation’s management. (See Note 3.23, paragraph a).

**c. Entities related to the Nation**

As of December 31, 2020, there are no significant balances with entities over which the Nation holds controlling interest.

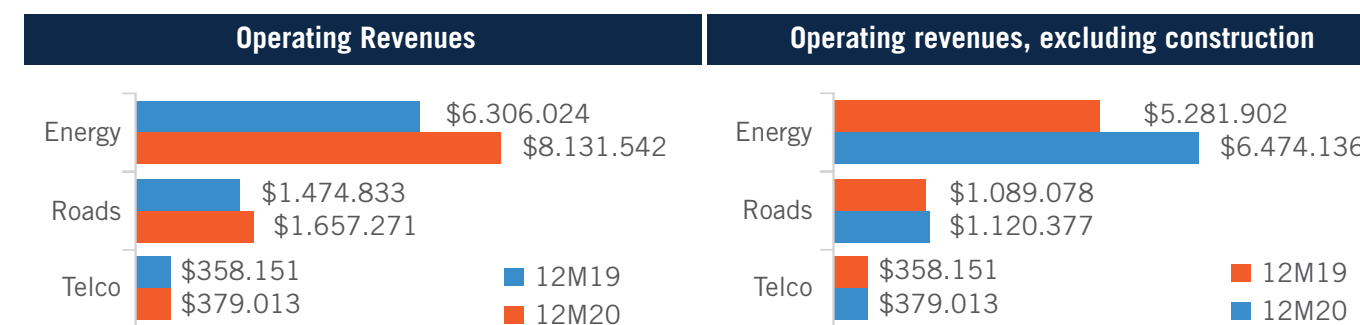
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### 30. Information by business units

An analysis of revenues from contracts with customers and other extraordinary revenues, costs and expenses of the company group, arising from the operation of its business units, is reported below:

#### 30.1 Operating Revenues

Accumulated as of December, operating revenues reached<sup>10</sup> COP 10,2 trillion, 24,9% more than in 2019. This variation is mainly due to the entry into operation of energy transmission projects, the consolidation of ORAZUL ENERGY GROUP and RUTA COSTERA, and higher levels of construction activity at concessions in Peru, Brazil, and Chile. This increase includes the enforcement of the statement issued by the Securities and Exchange Commission of Brazil about the accounting treatment of the contractual asset, the recognition of the Periodic Tariff Review, and RBSE's adjustments at ISA CTEEP.



<sup>10</sup> Operating revenues include revenues from contracts with customers and other extraordinary revenues

By business unit, the variation is explained by the following main factors:

- (1) In the Energy Transmission business unit, an increase of 28,9% (COP 1.825.518), which results from:
  - The positive outcome of the recognition of the Ke payment, extended RBSE's remuneration asset base, higher remuneration of RBSE's assets through the regulatory WACC from 6,64% to 7,71%, and the Periodic Tariff Review (RTP) defined by ANEEL (COP 1.056.979).
  - The incorporation of the construction margin at ISA CTEEP and its companies' concessions and the change in the discount rate of the contractual asset, regulatory WACC at the implicit rate of each concession contract pursuant to the enforcement of the statement issued by the CVM (COP 291.838).
  - Construction progress at Brazilian, Chilean, and Peruvian concessions; and improvements and reinforcements at ISA CTEEP.
  - The entry into operation of Energy Transmission projects and the consolidation of ORAZUL ENERGY GROUP.
  - Higher revenues due to the inflation adjustment of the Broad Consumer Price Index (IPCA) at ISA CTEEP and its companies.
  - The positive effect of macroeconomic variables (Representative Market Exchange Rate -TRM- and Producer Price Index -IPP-) in Colombia.
- (2) In the Road Concessions business unit, an increase of 12,4% (COP 182.438) due to the acquisition of RUTA COSTERA (COP 95.673) and higher levels of construction activity related to regulatory safety works and Third Lanes at RUTA DEL MAIPO

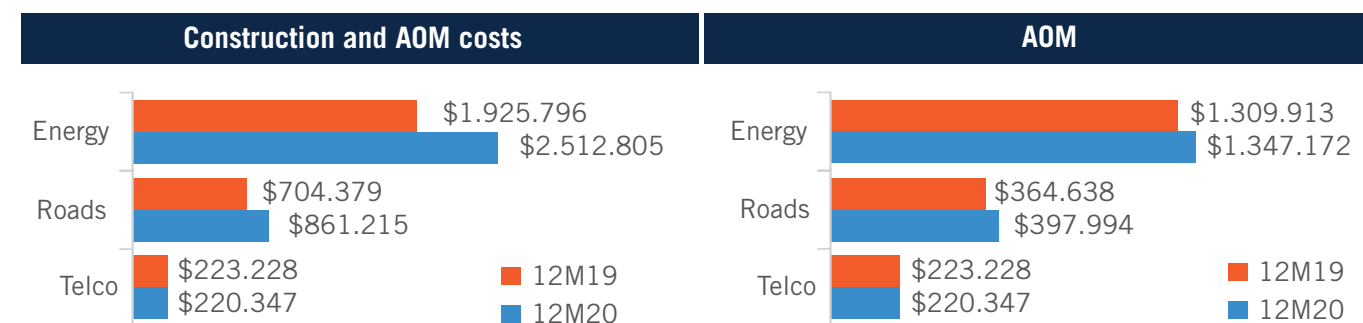
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(COP 124.756). Includes lower financial returns from concessions in Chile due to the decrease in the account receivable, given the concession time passed.

(3) In the Telecommunications business unit, an increase of 5,8% (COP 20.862) due to higher sales of capacities in Colombia, Peru, Chile, Brazil, and Argentina.

**30.2 Operating costs: AOM and construction costs**

As of December 2020, operating costs amounted to COP 3,6 trillion, 26,0% more than in the same period of 2019. This variation is the net effect of higher levels of construction activity for COP 717.421 and AOM costs and expenses for 3,6% thanks to efficient management thereof and, above all, due to the COVID-19 health emergency.



By business unit, the variation in operating costs is mainly explained by the following:

(1) In the Energy Transmission business unit, construction costs increased due to the higher levels of construction activity (COP 593.416), especially in Peru in the context of the Coya-Yana project.

For their part, AOM costs increased by 2,8% (COP 37.259) as a result of the entry into operation of projects, the acquisition of RUTA COSTERA, and research on Company growth.

(2) The increase of COP 156.836 in the Road Concessions business unit was due to the incorporation of RUTA COSTERA (COP 38.504), higher level of construction activity in the context of the regulatory safety works at all the concessions and Third Lanes at RUTA DEL MAIPO (COP 130.699), and higher major conservation and maintenance costs, which include their respective revenues.

(3) In the IT and Telecommunications business unit, costs and expenses remain constant with respect to the previous year.

**31. Disputes and claims**

ISA and its companies are currently a procedural party acting as defendant, plaintiff or intervening third party in administrative, civil, and labor judicial proceedings. None of the proceedings in which it has been sued or has been summoned as intervening party may undermine the stability of the Group. Also, on its own behalf, the legal actions required for the defense of its interests were carried out.

Below is the information related to the main legal proceedings in which the Group is involved:

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**Proceedings as defendant**

COMPANY	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
ISA	Empresas Públicas de Medellín E.S.P. (EPM)	The plaintiff requests ISA to be declared liable for unjust enrichment.	1.712	Probable
ISA	Jorge Eliécer Reyes Plata	The plaintiff seeks a declaration stating that he worked for ISA and was unfairly dismissed.	736	Probable
ISA	Gómez Cajiao y Asociados S.A.	The plaintiff seeks the absolute nullity of the administrative act and auditing and consultancy contract, on the grounds that such contract was awarded to an entity other than the one the plaintiff represents. Also, to reestablish the rights of Gómez Cajiao y Asociados Cía. Ltda. (today called Gómez Cajiao y Asociados S.A.) for having submitted the best bid in public call for bid C-002 of 96.	640	Probable
ISA	José Norman Pedraza Casas	Reestablishment of the constitutional right for his employer to cover old age, disability, and death risks.	371	Probable
ISA	Héctor Miguel Altuve Santos Javier Emilio Franco Roldán Libardo Antonio López Loaiza Luis Alberto Bastidas Uribe Néstor José Chica Castaño Orlando de Jesús Hernández Toro Óscar Grajales Sarria	Recognizing retirement pension agreed upon the collective labor agreement entered into between ISA and SINTRAISA in favor of the plaintiffs.	3.618	Eventual
ISA	Álvaro Fabra Celis Henry Betancur Ríos Jaime Ospitia Obregón José Aníbal Albarracín Ardila	The plaintiffs request ISA to acknowledge extralegal retirement pension subscribed with Sintraisa.	3.164	Eventual
XM	Juana María Gómez Palacio	To declare the reinstatement of the plaintiff to her former position.	331	Eventual
XM	Manuel José Vásquez Velásquez	The plaintiff requests compensation for unfair dismissal.	188	Eventual
XM	Luis Alberto Baquero Neira	Improper settlement of pension quota.	184	Eventual
XM	Juan Carlos Obando López	Alleged non-compliance with payment of social benefits.	105	Eventual

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COMPANY	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
ISA INTERCOLOMBIA	DIAN	<ol style="list-style-type: none"> <li>Suit filed for: Official settlement of Revision No. 900003 of August 31, 2016; Resolution No. 006923 of September 11, 2017; and Resolution No. 007442 of September 29, 2017.</li> <li>The plaintiff filed private CREE surtax (Income tax for equality) report for the 2014 tax year.</li> <li>On May 29, 2015 it requested a credit balance in its favor.</li> <li>The defendant filed a demand, which was replied by the plaintiff.</li> <li>By means of Revised Official Assessment No. 900003, a higher tax was determined and the plaintiff was sanctioned.</li> <li>The plaintiff filed appeals and the defendant confirmed its decision.</li> </ol>	493	Remote
INTERNEXA PERÚ	OSIPTEL	Determination Resolution No. 026-2015-GFS/OSIPTEL and Fine Resolution No. 011-2015-GFS/OSIPTEL for the 2010 period notified on 22/12/2015.	382	Eventual
INTERNEXA PERÚ	OSIPTEL	Determination Resolution No. 00004-2016-GFS/RD/OSIPTEL and Fine Resolution No. 00003-2016-GFS/RM/OSIPTEL for the 2011 period notified on 17/02/2016. Fine Resolution No. 00026-2016-GFS/RM/OSIPTEL notified on 22/07/16.	821	Eventual
INTERNEXA PERÚ	OSIPTEL	Determination Resolution No. 004-2014-GFS/OSIPTEL and Fine Resolution No. 001-2014-GFS/OSIPTEL for payment of Contributions to Osiptel for the 2012 period. Fine Resolution No. 00028-2016/RM/OSIPTEL.	367	Eventual
INTERNEXA PERÚ	OSIPTEL	Determination Resolution No. 00019-2016-GFS/RD/OSIPTEL and Fine Resolution No. 00009-2016-GFS/RM/OSIPTEL for payment of contributions to Osiptel for the 2013 period, notified on 28/03/2016. Fine Resolution No. 00029-2016-GFS/RM/OSIPTEL notified on 25/08/16.	285	Eventual
INTERNEXA ARGENTINA	Ivonne Calvo C /TTSA	Dismissal	37	Eventual
INTERNEXA ARGENTINA	Leonardo Gladsztain C /TTSA	Dismissal	463	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Jurandir da Silva LTDA ME	The contractor disagreed with the dismissal fines and made deposits in court to clear his arrears.	12	Probable

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COMPANY	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	FMG Macabuense Comercio Serviços e Distribuição Ltda	Follow-up procedure	133	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Agência Moderna Tecnologia - AMT	Follow-up procedure	124	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Megalink Provedor e Informatica Ltda	Follow-up procedure	196	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	ESTADO DA BAHIA	Assisted debt execution for the collection of tax credit No. 00056-85-9900-18 related to Tax Update Report (PAF) No. 800000.0402 / 18-8 for alleged failure to collect the tax difference according to the Rate Difference Communication Service of the Value Added Tax on the Circulation of Goods and Services of Brazil (ICMS), from 01/01/2015 to 06/06/2017 with the supplier's main office in the state of Rio de Janeiro.	407	Probable
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Secretaria de Fazenda do Estado de Santa Catarina	Failure to subject taxable communication services to the ICMS. Failure to declare, ICMS's failure to collect.	756	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Secretaria de Fazenda do Estado de Santa Catarina	Failure to subject taxable communication services to the ICMS. Failure to declare, ICMS's failure to collect.	382	Eventual
INTERNEXA	Impleader to INTERNEXA and Azteca. The main defendant is EBSA	Claiming payment of easement - declaratory oral proceeding for a larger amount.	144 for the total remedies sought.	Remote

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COMPANY	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
INTERNEXA	ITX -ISA	Labor proceeding. Severance payments, interest on severance, premium for services for the entire term of employment, taking into account the real salary accrued by the plaintiff. Payment of vacations, service premium, seniority premium, extralegal premium in June and extralegal premium in December for the entire term of services, as well as extralegal benefits the defendant ISA pays to its employees, under collective agreement with SINTRAISA Union. Late-performance penalty of Article 65 of the Labor Code (Código Sustantivo del Trabajo -CST). Late-performance penalty of Article 99 of the Labor Code (Código Sustantivo del Trabajo -CST). Indemnification adjustment for unfair dismissal in accordance with the provisions of the Collective Agreement subscribed with SINTRAISA and in force at the time of termination of the plaintiff, taking into account the real salary accrued by the plaintiff.	ITX -ISA	Eventual
ISA TRANSELCA	GLADYS VILLADIEGO	Simplified proceeding	20	Probable

**Proceedings as the plaintiff**

COMPANY	DEFENDANT	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
ISA	Chamber of Representatives DIAN Senate of the Republic	Direct remedy action to obtain compensation for damages caused to ISA for having to pay equity tax for its energy transmission activity, as a consequence of the issuance of Law 1370 of 2009 and DIAN Concept No. 98797 of 2010.	26.662	Eventual
XM	Energía Confiable S.A. E.S.P.	Default in payment of ASIC and LAC settlements by the company Comercializar S.A. E.S.P.	1.935	Probable
XM	Energen S.A. E.S.P.	Default in payment of ASIC and LAC settlements by the company.	798	Probable
XM	DIAN	Official settlement of 2009 income tax.	23.643	Eventual
XM	Municipality of Guachené - Cauca	Requirement of administrative acts of the coercive process resulting from the sanction for failure to submit information Court of first instance ruling in favor of XM. In Council of State for acceptance of appeal filed by the municipality.	633	Probable

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COMPANY	DEFENDANT	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
XM	Municipality of Guachené - Cauca	The penalty imposed by the municipality is disputed.	514	Probable
XM	Municipality of Guachené - Cauca	Administrative acts of the coercive process disputed.	-	Probable
XM	Mary Sol Peláez Patiño	Wrong calculation of final social benefits withholding.	19	Probable
XM	Manuel José Vásquez Velásquez	Default in housing loan payments to the company.	12	Probable
XM	Superintendence of Household Utilities	The settlement of the special contribution for 2018 is requested; the return of the excess value paid is requested.	459	Eventual
XM	Department of Valle del Cauca	Administrative act denying stamp payment return request disputed.	215	Eventual
XM	Joaquín Fernando Yepes Mejía	Failure to pay an obligation subject to security interest.	161	Eventual
ISA INTERCOLOMBIA	Allianz Seguros SA	The plaintiff seeks declaration of administrative liability against ISA INTERCOLOMBIA for unlawful easement imposed on his property (CANA project) and to pay compensation for damages.	4.737	Eventual
INTERNEXA PERÚ	WORLD'S TV S.A.C.	Arbitration at law for obligation to give money	1.147	Probable
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES	Cardoso & Cardoso Informática Ltda	Follow-up procedure	482	Remote
ISA BOLIVIA	National Tax Services	Rectification of VAT	1.700	Eventual
ISA TRANSELCA	AGENCIA NACIONAL DE INFRAESTRUCTURA 2014-124	Expropriation claim	126	No probability
ISA TRANSELCA	AGENCIA NACIONAL DE INFRAESTRUCTURA 2017-00099	Expropriation claim	282	No probability

The Group management and its legal advisors believe that the possibility of material losses as of result of such claims is remote.

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### 32. Guarantees

ISA and its companies have been providing guarantees to boost the growth of their different business units and to make strategic commercial projects and operations viable. Guarantees within the framework of paragraph 14 of IFRS 7 corresponding to pledged assets as contingent asset/liability guarantees granted by ISA's companies are detailed below.

#### ISA

At the end of 2020, the following counter guarantees granted to support financing contracts entered into by EMPRESA PROPIETARIA DE LA RED and ISA INTERCHILE were valid.

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Joint and Several Guarantee Bond	BCIE	Cover payment obligations undertaken by EPR in bond indenture signed with BCIE for up to USD 44,500,000 to finance the SIEPAC project.	USD	20.085.712	68.944	68.944
Pledge on Shares	Creditors of the Senior Loan	Guarantee compliance with payment obligations acquired by ISA INTERCHILE in the Construction Financing Contract.	USD	662.855.750	2.275.252	2.275.252
	Creditors of the loan for new works (crédito nuevas obras) (T4)	Guarantee payment obligations acquired by ISA INTERCHILE in the Amendment to the Construction Financing Contract of PLEX 6, PLEX 7, PLEX 8 (T4) projects.	USD	94.000.000	322.655	322.655

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**RUTA COSTERA**

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Security of personal property on contractual rights of the concession agreement	Cititrust Colombia	Guarantee the present and future obligations acquired by the joint and severally obligated parties pursuant to the financing documents.	COP	2.679.000.000.000	2.679.000	02-07-34
Security of personal property on business premises	Cititrust Colombia	Guarantee the present and future obligations acquired by the joint and severally obligated parties pursuant to the financing documents.				
Security of personal property on fiduciary rights	Cititrust Colombia	Guarantee the present and future obligations acquired by the joint and severally obligated parties pursuant to the financing documents.				
Assignment as security of credit rights	Fideicomiso P.A. Transacción Costera	Guarantee the present and future obligations acquired by obligated parties pursuant to the financing documents.				
Security of personal property on accounts	Cititrust Colombia	Guarantee the assignment as security of the Fideicomiso P.A. Transacción Costera and compliance with terms and conditions of the assignment agreement.				
Security of personal property / Security Interest	Citibank	Guarantee the present and future obligations acquired by the joint and severally obligated parties pursuant to the financing documents.				
Trust agreement / Security of personal property	Cititrust Colombia	Guarantee compliance with obligations pursuant to the trust agreement.				
Trust agreement / Security of personal property	Cititrust Colombia	Guarantee compliance with the trust agreement (Fideicomiso P.A. Costera), required by the concession agreement, which acts as debtor pursuant to the financing documents.				

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TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Equity support and share retention agreement (Capital contribution agreement). Corporate guarantee	Cititrust Colombia	Ensure project's liquidity preservation by shareholders and compliance with contractual obligations.				

### ISA CTEEP

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	CURRENCY OF ORIGIN	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Fiduciary assignment of credit rights	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	218.906.084	144.591	15-03-32
Pledge on Shares	Banco da Amazônia	Guarantee compliance with payment obligations of the bond indenture with Banco da Amazônia.	BRL	151.129.909	99.824	10-01-33
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	550.688.707	363.738	15-02-30
Corporate Security/Pledge on shares	Itaú / BES	Guarantee compliance with payments of the obligations undertaken with Debênture de Infraestrutura.	BRL	222.920.890	147.243	18-03-25
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payments of the obligations undertaken with Debênture de Infraestrutura.	BRL	95.229.850	62.901	15-12-28
Pledge on Shares	Itaú Corpbanca	Guarantee compliance with payments of the obligations undertaken with Debênture de Infraestrutura.	BRL	863.774.941	570.537	15-12-43

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TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	CURRENCY OF ORIGIN	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	38.924.733	25.710	15-05-26
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	12.324.322	8.140	15-04-23
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	20.381.184	13.462	15-05-26
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	8.158.364	5.389	15-02-28
Corporate Security/Pledge on shares	Banco do Nordeste	Guarantee compliance with payment obligations of the bond indenture with Banco Nordeste.	BRL	148.175.508	97.872	19-05-30
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	3.465.176	2.289	15-05-25
Pledge on Shares	BNDES - Banco Nacional de Desarrollo Económico y Social	Guarantee compliance with payment obligations of the bond indenture with BNDES.	BRL	8.722.626	5.761	15-02-28

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**ISA INTERCHILE**

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	CURRENCY OF ORIGIN	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
First-ranking mortgage on real estate	BBVA Chile, security agent for Chile, Syndicated Loan	Guarantee compliance with payment obligations regarding the Senior Loan with lenders of ISA INTERCHILE, through the mortgages on the following real estate: <ul style="list-style-type: none"> <li>• Lot 8 of the Huasco plot, Freirina Commune, Atacama Region</li> <li>• Pan de Azúcar Lot, Martínez Country Property, Coquimbo Commune</li> </ul>	USD	756.809.903	2.597.750	12-02-31
First-Degree Non-Posses-sory Pledge on Assets	BBVA Chile, security agent for Chile, Senior Loan	Guarantee compliance with payment obligations regarding the Senior Loan with lenders of ISA INTERCHILE, through the pledge on ISA INTERCHILE’s fixed assets.				
First-Degree Non-Posses-sory Pledge on Rights	BBVA Chile, security agent for Chile, Senior Loan	Guarantee compliance with payment obligations regarding the Senior loan with lenders of ISA INTERCHILE, through the second-degree pledge on rights of: <ul style="list-style-type: none"> <li>• ISOLUX Contract</li> <li>• Sociedad Eléctricas de Medellín Contract</li> <li>• Sociedad Siemens Contract</li> <li>• Sociedad Tensa Contract</li> <li>• Unión Eléctrica Contracta</li> </ul>				
First-Degree Non-Pos-sessory Pledge on energy concessions	BBVA Chile, security agent for Chile, Senior Loan	Guarantee compliance with payment obligations regarding the Senior Loan with lenders of ISA INTERCHILE, through the pledge on energy concessions.				

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TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	CURRENCY OF ORIGIN	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
First-Degree Non-Possesory Pledge on Shares	BBVA Chile, security agent for Chile, Senior Loan	Guarantee compliance with payment obligations regarding the Senior loan with lenders of ISA INTERCHILE, through the first-degree pledge on rights of ISA INTERCHILE's shares.				
First-Degree Non-Possesory Pledge on Shares Money and Investments Allowed	BBVA Chile, security agent for Chile, Senior Loan	Guarantee compliance with payment obligations regarding the Senior loan with lenders of ISA INTERCHILE, through the first-degree pledge on Money and Investments Allowed.				

**ISA INTERVIAL CHILE**

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Pledge on Shares	Banco Chile (security agent)	Guarantee compliance with duties and obligations pursuant to concession share transfer agreement.	COP	375.112.718.002	375.113	02-07-34
Pledge on Shares	Banco de Chile / MBIA Insurance Corporation / Banco del Estado de Chile, and Wilmington Trust National Association	Guarantee compliance with payment obligations of USD Bond Financing and Series C, D, E, and F UF bonds (RUTA DEL MAIPO).	USD	59.757.482	205.118	15-06-22
Pledge on Shares	Banco de Chile / MBIA Insurance Corporation / Banco del Estado de Chile y Wilmington Trust National Association	Guarantee compliance with payment obligations of USD Bond Financing and Series C, D, E, and F UF bonds (RUTA DEL MAIPO).	UF	21.174.215	2.971.863	15-12-30

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TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Pledge on Shares	Syncora Guarantee Inc.	Guarantee compliance with payment obligations of Series A and B Bonds financing and the current credit line (RUTA DEL BOSQUE).	UF	1.913.323	268.540	15-06-22
Pledge on Shares	Banco de Chile, Banco Estado and Itaú Corpbanca Chile	Guarantee compliance with payment obligations of the 2010 Financing, 2013 Refinancing and Financing and Modification Opening for the 2018 Loan (RUTA DE LA ARAUCANÍA).	UF	1.902.038	266.957	15-03-22
Pledge on Shares	Banco de Chile, Banco Estado and Itaú Corpbanca Chile	Guarantee compliance with payment obligations of the 2010 Financing, 2013 Refinancing and Financing and Modification Opening for the 2018 Loan (RUTA DE LA ARAUCANÍA).	CLP	7.370.448.131	35.585	03-03-25
Pledge on Shares	BICE, Security and BCI Banks	Guarantee compliance with obligations of the bond indenture.	UF	1.088.294	152.745	15-08-22
Pledge on Shares	Banco Santander (Securities Agent)	Guarantee disbursements according to the bond indenture before obtaining the Environmental Assessment Resolution (RCA).	UF	800.000	112.282	14-06-21
Pledge on Shares	Banco Santander (Securities Agent)	Guarantee compliance with obligations of the project financing contract.	UF	921.000	129.265	15-06-50
Pledge on Shares	Banco Santander (Securities Agent)	Guarantee compliance with obligations of the VAT financing contract.	CLP	6.911.764.291	33.370	14-11-25

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### RUTA DE LA ARAUCANÍA

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Commercial Pledge	Banco de Chile, Banco Estado, and Banco Itau Corpbanca	Comply with the prohibition to tax and dispose of money and investments allowed, to guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment).	CLP	5.446.547.123	26.296	15-03-25
Commercial Pledge			CLP	5.931.667.250	28.638	15-03-25
Commercial Pledge			CLP	7.330.882.000	35.394	15-03-25
Special Pledge of Public Work Concession	Banco de Chile, Banco Estado, and Banco Itau Corpbanca	Guarantee compliance with obligations of the syndicated loan agreement with Banco Chile, Banco Estado, and Banco Itau Corpbanca.	UF	1.902.038	266.957	15-03-22
Special Pledge of Public Work Concession	Banco de Chile, Banco Estado, and Banco Itau Corpbanca	Guarantee compliance with obligations of the syndicated loan agreement with Banco Santander.	CLP	7.370.448.131	35.585	03-03-25

### RUTA DEL MAIPO

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Commercial Pledge	Banco de Chile	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment).	CLP	16.740.304.531	80.823	15-12-30
Commercial Pledge	Itaú Corpbanca		CLP	50.569.622.047	244.153	15-12-30
Commercial Pledge	Banco BCI		CLP	29.144.000.000	140.709	15-12-30
Commercial Pledge	Banco Santander		CLP	4.213.590.337	20.343	15-12-30
Special Pledge of Public Work Concession	MBIA Insurance Corporation	Guarantee compliance with obligations acquired with USD bondholders.	USD	59.757.482	205.118	15-06-22
Special Pledge of Public Work Concession	Banco de Chile	Guarantee compliance with obligations acquired with Series C, D, E, F UF bondholders.	UF	21.174.215	2.971.863	15-12-30

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**RUTA DE LOS RÍOS**

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Commercial Pledge	Banco BCI	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment).	CLP	2.485.433.024	12.000	31-03-25
Commercial Pledge	Itaú Corpbanca		CLP	2.283.408.140	11.024	31-03-25
Commercial Pledge	Banco Santander		CLP	3.278.290.735	15.828	31-03-25
Special Pledge on Public Work Concession	Banco BICE - Banco Security - Banco BCI	Guarantee compliance with obligations of the Syndicated Loan with Banco BICE and Banco Security.	UF	1.088.292	152.745	31-03-25

**RUTA DEL BOSQUE**

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Commercial Pledge	Banco de Chile	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment).	CLP	1.141.140	6	31-07-22
Commercial Pledge	Itaú Corpbanca		CLP	14.319.000.000	69.133	31-07-22
Commercial Pledge	Banco BCI		CLP	25.348.089.626	122.382	31-07-22
Commercial Pledge	Banco Santander		CLP	11.000.000.000	53.109	31-07-22
Special Pledge of Public Work Concession	Bondholders (Syncora)	Guarantee compliance with obligations acquired with bondholders	UF	1.913.323	190.918.815	31-07-22

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**RUTA DEL LOA**

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
Special Pledge of Public Work Concession	Banco Santander and insurance companies, Euroamérica, Confuturo, and Corpseguros	Guarantee compliance with payment obligations acquired with lenders.	UF	921.000	129.265	15-06-50
Special Pledge of Public Work Concession	Banco Santander and insurance companies, Euroamérica, Confuturo, and Corpseguros	Guarantee compliance with payment obligations acquired with lenders.	CLP	6.911.764.291	33.370	14-11-25

**33. Covenants**

ISA and its companies have entered into covenants related to the disclosure of information and compliance with obligations derived from contracts with financial entities, the Ministry of Public Works of Chile, bondholders, risk rating agencies, auditors, municipalities, etc.

Below are the main covenants entered into by the companies to manage financing:

**a. RUTA COSTERA**

The company has signed covenants with lenders related to borrowing limits, restricted payments, budget, debt service coverage ratio, and other material aspects of the project.

**b. ISA PERU**

To manage financing, the affiliate established the interest coverage ratio as follows: EBITDA/consolidated financial expenses.

**c. ISA CTEEP and subordinate companies**

ISA CTEEP and its subordinate companies have entered into financing agreements with covenants based on indebtedness rates, among which the following stand out:

- Net debt/EBITDA
- Net debt/Net debt + Net equity
- EBITDA/financial result
- RCSD (ICSD)

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**d. ISA INTERVIAL CHILE and concessionaires**

In its financing agreements, ISA INTERVIAL CHILE and concessionaires RUTA DEL MAIPO, RUTA DE LOS RÍOS, and RUTA DEL LOA entered into covenants with their creditors as follow-up and control mechanism regarding the obligations acquired, which include obligations to perform/not to perform contemplated in the agreements signed with different entities. Project Life Coverage Ratio (PLCR) and Debt Service Coverage Ratio (DSCR) indicators are monitored.

**e. ISA INTERCHILE**

The main covenants entered into by the affiliate with its creditors, regarding contracting additional debt or making restricted payments, imply compliance with the Debt Service Coverage Ratio-DSCR and Debt/Equity-D/E indicators.

In addition, the affiliate signed covenants related to information reports, compliance with insurance and security terms, and other financial, environmental, and legal covenants.

As of December 31, 2020, ISA and its companies have complied with their covenants.

**34. COVID-19 Implications**

2020 has been a year of significant challenges for organizations not only in financial terms, but also with respect to operations and protection of human resources and communities of influence. This scenario has compelled companies to think about new ways of doing business, of relating to stakeholders, and of generating value to society.

ISA has set up a permanent Crisis Committee, which has taken the following measures, among others, to protect the integrity of its employees and its stakeholders. These actions ensure the efficient and reliable provision of services: permanent monitoring of the health conditions of its own and third party employees, follow-up on the pandemic's progress in the regions where we are present, the option of working at home for employees in Latin America who do not need to be on site (people who should return to the facilities must not have a COVID-19 infection vulnerability condition), the suspension all national and international travels, the suspension from entering the headquarters of external people. These measures also include the activation of business contingency plans, which comprise alternate control centers and distributed operation, distributed and alternated work groups, training of reserve staff to operate critical positions at control centers, reinforcement in the disinfection of spaces, supply of personal protection equipment, reinforcement in team training on critical processes, and modernization of facilities to mitigate contagion.

Likewise, ISA wishes to give some confidence and peace of mind to its shareholders and investors regarding the impact that this situation could have on their investment, given the characteristics of our businesses and hedging policies of the company:

- Businesses operated by ISA are long-term and have predictable, regulated revenues and no demand risk, which means that changes in service consumption do not impact revenues.
- All our companies have natural hedge, which means that their debts are acquired in the same currency of their revenues. This reduces the volatility of their results

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and, therefore, their impact on the consolidated net income is low.

- Regarding share performance, it should be noted that the market situation is cyclical, so it is suggested to be calm and prudent when making investment decisions.

During 2020, in spite of the confinement situation due to the pandemic, which forced to temporary stop some projects and others had delays in their execution, COP 4,9 trillion were invested, which constitute 90% compliance on the estimated figures. The total business units' investment was distributed as follows: 77,5% (Energy Transmission), 20,8% (Road Concessions), and 0,7% (Telecommunications and ICT). Investments that were not made in 2020 pass to 2021.

In addition, we ratify that our priority is the health, well-being, and safety of our employees.

**Take care of people's life, health, and safety**

ISA Group implemented a series of measures to take care of the health of employees, their families, and contractors before the emergency was declared by the National Government. This implementation covered all ISA's business units and geographies, consistent with government recommendations and health authorities of each country.

Employees who, due to their duties, have to attend their workplace, are complying with biosecurity protocols and permanent monitoring of their physical and emotional health conditions.

Close, timely, and transparent communication with our employees has been critical in addressing this pandemic. ISA has created several spaces to allow a continuous communication between directors and collaborators. This has allowed ISA to be more connected as a Group, strengthening communication through virtual means.

By the end of 2020, 65% of employees will continue to work from home. ISA is a company that has tested skills. ISA has lived a digital transformation, adaptability, networking, and ethics. ISA has obtained benefits from our dynamism in processes, adaptive capacity, incorporation of technology into work and, most important, ISA team's unconditional commitment.

Between November and December, ISA conducted a pilot return program at the headquarters in Colombia, where 130 people participated. Thanks to their commitment and dedication, ISA identified opportunities to improve the logistical definitions, physical adaptations, and protocols for safe work adopted by ISA. This collective learning experience is very relevant to ISA. It allowed to immediately test the security measures taken for the safe return to ISA's offices in 2021 and take advantage of lessons learned. For our pilot program, it is remarkable that ISA has the expertise of Occupational Safety and Health teams and the Colombian epidemiological advisor, monitoring relevant epidemiological variables on a daily basis.

**Solidarity actions - WE ARE ALL ONE**

Our aim is to unite as individuals and as companies in the humanitarian crisis we are experiencing and in connection with our manifesto "If we are aware that we are all one,

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there is connection. If we are certain that our well-being is linked to everyone else's, there is connection", ISA has defined a humanitarian aid strategy, We all Are One, with three main objectives:

- i.** Contribute to flattening the infection curve through the massification of diagnostic tests.
- ii.** Protect medical personnel and the most vulnerable populations with biosecurity measures.
- iii.** Generate installed capacity in our country with equipment, infrastructure, and knowledge to address not only this situation, but also future ones.

ISA evaluates nearly fifty proposals and, following the selection of the initiatives, classifies them into three levels:

- Acción País (Country Action)
- Territories
- Our people

Through the Todos Somos Uno (We Are All One) initiative, ISA has contributed USD 4,5 million to the following projects in the countries where the company is present in Latin America:

Acción País (Country Action)

- Mechanical ventilators, Peru (100) and Chile (10)

- Development and implementation of rapid tests (Peru, Colombia, and Brazil)
- Vaccine development agreement, Instituto Butantan, Brazil
- Hospital and community surveillance strategies, Colombia
- Study of convalescent plasma, Colombia
- Production of reagents, Colombia
- Medical brigades to remote territories, Colombia

Territories

- Competitive funds, Chile
- Provision of ICU beds to the San José de Maicao hospital, La Guajira, Colombia
- Humanitarian packages in various countries
- Biosecurity kits for communities and medical staff in different countries
- Contributions to the population of Sierra Nevada de Santa Marta, Colombia
- Provision of Personal Protection Elements (PPE) to hospitals in different countries

Our people

- 1x1
- Voluntary Work

Colombia

- ISA has invested about COP 9.000 of the COP 10.000 committed.
- The 1x1 Program totaled COP 470 in contributions from employees and companies.

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## 35. Subsequent events

### ISA:

On January 14, 2021, INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. disclosed as relevant information to the market, the response of the Ministry of Finance and Public Credit related to the disposal of the share participation of the State in the company, which stated that within the “framework of the medium-term tax planning, the Colombian government is assessing the asset management strategy to optimize the portfolio profitability of companies in which the State has stakes and to obtain more benefits. To develop this process, the government is analyzing ISA (among other companies), in which the State has a share participation of 51%. To date, no final decision has been made on the disposal of shares. Also, it is important to clarify that before the National Government undertakes a privatization process, it should comply with Law 226 of 1995, which implies the issuance of a decree containing the Disposal Program, and it should also comply with the regulations in force for any disposal process. In this regard, until the corresponding approvals and the decree whereby the Disposal Program of a public share participation are issued, the approval of the disposal has not been granted as per provisions of Law 226 of 1995; therefore, it is not appropriate to state that the Government has made any decision on the total or partial disposal of its share participation in ISA”.

### ISA CTEEP:

**a.** Installation license: On January 26, 2021, the company was granted the installation license (LI) from the Brazilian Institute of the Environment and Renewable Natural

Resources (IBAMA) for contract 006/2020 of subsidiary INTERLIGAÇÃO ELÉTRICA TIBAGI (Três Lagoas project). As the installation license was obtained, the works started.

- b.** Operation start-up: On February 2, 2021, subsidiary INTERLIGAÇÃO ELÉTRICA AGUAPEÍ energized Alta Paulista Substation (800 MVA) and 105 km of transmission line that represent 59% of the authorized annual revenues (RAP), six months in advance of the term granted by ANEEL.
- c.** Issuance of debentures: On February 3, 2021, the company’s management approved the tenth issue of 672.500 bonds for BRL 672.000, maturing on July 15, 2044.

### ISA PERU:

On January 1, 2021, ISA PERÚ had a multiple merge with ETESELVA, ETENORTE, ORAZUL ENERGY GROUP and ORAZUL ENERGY TRANSMISSION. Through this merger, the company will transfer the debt incurred to acquire the business to the merged entity.

As of the date of issuance of these financial statements, no additional events or transactions have been or are pending, nor there is information about any data or event that modify figures or information included in the financial statements.

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### TABLE OF REFERENCE FOR ACRONYMS

ANEEL	Brazil-National Electric Power Agency
ASIC	Administración del Sistema de Intercambios Comerciales (Management of Trade Exchange System)
BCI	Banco de Crédito e Inversiones
BCIE	Banco Centroamericano de Integración Económica (Central American Bank of Economic Integration)
BID	Inter-American Development Bank
BRL	Brazilian Real
BNDES	National Bank for Economic and Social Development
CADE	Conselho Administrativo de Defesa Econômica
CAF	Banco de Desarrollo de América Latina (Latin American Development Bank) or Corporación Andina de Fomento (Andean Development Corporation)
CAN	Comunidad Andina de Naciones (Andean Community of Nations)
CESP	Compañía Energética de São Paulo (Brazil)
CGN	General Accounting Office
CHC	Colombian Holding Companies
CINIIF	Comité de Interpretaciones de Normas Internacionales de Información Financiera (International Financial Reporting Interpretations Committee)
CLP	Chilean Peso
CMF	Financial Market Commission
CND	Centro Nacional de Despacho (National Dispatch Center)
CONFIS	Consejo Superior de Política Fiscal (Senior Council for Fiscal Policy)

COP	Colombian Peso
CREE	Contribución Empresarial para la Equidad (Business Contribution for Equity) or Impuesto sobre la renta para la equidad (Income Tax for equity)
CREG	Energy and Gas Regulatory Commission
DECEVAL	Depósito Centralizado de Valores de Colombia (Central Securities Depository of Colombia)
DL600	Decree-Law 600
ECE	Empresas Controladas del Exterior (Companies Controlled Abroad)
EPM	Empresas Públicas de Medellín E.S.P.
EPR	Empresa Propietaria de la Red
FAER	Fondo de Apoyo Financiero para Energización de Zonas Rurales Interconectadas (Financial Support Fund for Energizing Rural Zones)
FAZNI	Fondo de Apoyo Financiero para la Energización de las Zonas no Interconectadas (Financial Support Fund for Energizing Non-Interconnected Zones)
FOES	Fondo de Energía Social (Social Energy Fund)
FUNCESP	Fundación CESP (CESP Foundation)
GMF	Gravamen a los movimientos financieros (Financial Transaction Tax)
IASB	International Accounting Standards Board
ICO	Instituto de Crédito Oficial (Chile) (Official Credit Institute)
IDPC	Impuesto de primera categoría (First-Category Tax)
IGV	Impuesto General a las Ventas (General Sales Tax)
IMG	Minimum Revenues Guaranteed

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IRPJ	Impuesto de Renta de las Personas Jurídicas (income tax for legal persons)
IT	Tax on Transactions
IUE	Impuesto a las Utilidades de Empresas (Bolivia) (Corporate Income Tax)
MDI	Mecanismo de Distribución de Ingresos (Revenues Distribution Mechanism)
MOP	Ministerio de Obras Públicas (Chile) (Ministry of Public Works)
NCIF	Accounting and Financial Reporting Standards
NIC	International Accounting Standards (IAS)
NIIF	Normas Internacionales de Información Financiera (International Financial Reporting Standards)
OECD	Organization for Economic Cooperation and Development
OSINERGMIN	Organismo Supervisor de la Inversión en Energía and Minería (Peru) (Supervisory Body for Investment in Energy and Mining)
PDI	Pérdida dado Incumplimiento (Loss Given Default -LGD-)
PIB	Producto Interno Bruto (Gross Domestic Product -GDP-)
PIS	Programa de Integração Social
PLCR	Project Life Cover Ratio
PROINVERSIÓN	Promoción de la Inversión Privada del Peru (Private Investment Promotion of Peru)

PRONE	Programa de Normalización de Redes Eléctricas (Standardization Plan for Grids)
PSAP	Plan de aposentaduría y pensión (Pension plan)
RAP	Receita Anual Permitida
RBSE	Red Básica del Sistema Existente (Basic Network of the Existing System)
RCSD o DSCR	Debt service coverage ratio
REP	Red de Energía del Perú
RGR	Reserva Global de Reversión (Global Reversion Reserve)
SIEPAC	Sistema de Transmisión Eléctrica para América Central (Energy Transmission System for Central America)
SSPD	Superintendencia of Household Utilities
STN	Sistema de Transmisión Nacional (National Transmission System)
SUNAT	Superintendencia Nacional de Administración Tributaria (Peru) (National Superintendencia of Tax Administration)
UGEs	Unidades Generadoras de Efectivo (Cash Generating Units (CGUs))
UNE	Une Telecommunications S.A. E.S.P.
UPME	Unidad de Planeación Minero Energética (Energy Mining Planning Unit)
USD	US Dollar
UVR	Unidad de Valor Real (Real Value Unit)
VQ	Voltage Quality

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## Statutory auditors' report on the consolidated financial statements



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### Statutory Auditor's Report

To the shareholders:  
Interconexión Eléctrica S.A. E.S.P. and its subordinates

#### Opinion

I have audited the attached consolidated financial statements of Interconexión Eléctrica S.A. E.S.P. and its subordinates (hereinafter, the Group), which include the consolidated statement of financial position as of December 31, 2020, and the corresponding consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying consolidated financial statements, taken from the accounting records, present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, the consolidated results of its operations and the consolidated cash flows for the year then ended in accordance with the Accounting and Financial Information Standards accepted in Colombia adopted by Contaduría General de la Nación.

#### Emphasis Paragraph

As described in Note 5 of the consolidated financial statements, CTEEP, a subordinate of Interconexión Eléctrica S.A. E.S.P. through ISA Capital do Brasil, recorded a net balance of accounts receivable from the Sao Paulo State of approximately \$1.175.056 million, related to the impacts of Law 4.819 of 1958, which granted to the employees of companies subject to the control of the Sao Paulo State benefits already granted to other public servers. CTEEP has undertaken legal actions before the respective State authorities to collect these accounts receivable. The accompanying financial statements do not include adjustments that could result from the outcome of this uncertainty. My opinion is not modified by this matter.

#### Basis for Opinion

I have carried out my audit in accordance with International Standards of Auditing accepted in Colombia. My responsibilities in complying with these standards are described in the *Auditor's Responsibilities in the Audit of the Consolidated Financial Statements* section of this report. I am independent of the Company, in accordance with the Code of Ethics Manual for accounting professionals and the relevant ethical requirements for my audit of financial statements in Colombia, and have fulfilled other applicable ethical responsibilities. I consider that the audit evidence obtained is sufficient and appropriate to support my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of major importance in my audit of the accompanying consolidated financial statements. These matters were addressed in the context of my audit of the consolidated financial statements, at the time of substantiating the corresponding opinion, but not to provide a separate opinion on these matters. Based on the foregoing, I detail below how the key matter was addressed during my audit.



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I have fulfilled the responsibilities described in the *Auditor's Responsibilities in the Audit of the Consolidated Financial Statements* section of my report, including in relation to this matter. Consequently, my audit included performing the procedures designed to respond to the risks of material misstatement assessed in the consolidated financial statements. The results of my audit procedures, including the procedures performed to address the matter mentioned below, form the basis of my audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	
Estimation of the Useful Lives of Property, Plant, and Equipment	Audit Response
Property plant and equipment in the Consolidated Financial Statement of ISA amounts to \$ 11,954,611 million; the determination of useful lives for depreciation is carried out in accordance with the internal methodologies of the Company, and due to the specialty of its property, plant and equipment, this methodology implies judgments and significant estimates by management. I consider it a key audit matter due to the magnitude of the balances, as well as the uncertainties and judgments used by management in determining the useful lives of property, plant and equipment. The description of the methodology and the main assumptions used to estimate the useful lives of property, plant and equipment is presented in Note 3.4 to the accompanying consolidated financial statements.	Our audit procedures included, among others: <ul style="list-style-type: none"> <li>➤ Understanding the process of estimating and determining the useful lives of property, plant and equipment.</li> <li>➤ Evaluation of the methodology and the reasonableness of the assumptions used by Management in the estimation of useful lives of property, plant and equipment.</li> <li>➤ Evaluation of the quality and integrity of the information used in the estimation.</li> <li>➤ Evaluation of the assumptions used by the company, comparing them with other entities of the energy sector to evaluate consistency with the market.</li> <li>➤ Analysis of quantitative and qualitative variables in determining the percentage of service life, maintenance costs, among others.</li> <li>➤ Verification of the consistency of the assumptions used historically, and the actual depletion of the assets.</li> </ul>

**Ernst & Young Audit S.A.S.**  
Bogotá D.C.  
Carrera 111 No 98 - 07  
Edificio Pijao Green Office  
Tercer Piso  
Tel: +57 (1) 484 7000  
Fax: +57 (1) 484 7474

**Ernst & Young Audit S.A.S.**  
Medellín - Antioquia  
Carrera 43A No. 3 Sur-130  
Edificio Mila de Oro  
Torre 1 - Piso 14  
Tel: +57 (4) 369 8400  
Fax: +57 (4) 369 8484

**Ernst & Young Audit S.A.S.**  
Cali - Valle del Cauca  
Avenida 4 Norte No. 6N - 61  
Edificio Siglo XXI  
Oficina 502-510  
Tel: +57 (2) 485 6280  
Fax: +57 (2) 661 8007

**Ernst & Young Audit S.A.S.**  
Barranquilla - Atlántico  
Calle 77B No 59 - 61  
Edificio Centro Empresarial  
Las Américas II Oficina 311  
Tel: +57 (5) 385 2201  
Fax: +57 (5) 369 0580

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## Statutory auditors' report on the consolidated financial statements



### Concession Asset Measurement CTEEP Brazil

As disclosed in note 23, CTEEP, a subordinate of Interconexión Eléctrica S.A. E.S.P through ISA Capital do Brasil, has contractual assets recognized in relation to this matter. CTEEP estimates that even after the completion of the infrastructure construction phase of the transmission infrastructure, there is still a contractual asset corresponding to the construction revenues, since it is necessary to comply with obligations to operate and maintain the infrastructure to support the Company has an unconditional right to receive cash. As of December 31, 2020, the balance of concession assets in the consolidated amounts to R \$ 16,923 million (COP \$ 11,177,791 million).

The recognition of contractual assets and revenues in accordance with CPC 47 - Revenue from contracts with clients (IFRS15 - Revenue from contracts with clients) requires the exercise of significant judgment at the time the client obtains control over the asset. In addition, measuring the progress of the Company and its compliance with performance obligations that are met over time also requires the use of significant estimates and judgments by management, to estimate the efforts or contributions necessary to comply with the performance obligations, such as materials and labor, expected profit margins in each identified performance obligation and expected revenue projections. Finally, as it is a long-term contract, the identification of the discount rate that represents the financial component incorporated in future flows also require the use of judgment by management. Due to the relevance of the amounts and the significant judgment involved, we consider that measuring the revenue from contracts with clients is an important matter for our audit.

Our audit procedures included, among others:

- the evaluation of the internal procedures related to the costs incurred for the execution of the contracts;
- analysis of the margins determined for the projects under construction, whether related to new concession contracts or reinforcement projects and improvements to the existing electrical transmission facilities, verifying the methodology and assumptions adopted by the Company in the determination of the total estimated cost of construction, and the present value of future receipts flows, less the implicit interest rate that represents the financial component incorporated in the future flow of receipts;
- with the support of experts specializing in business valuations, analysis of methodology and calculations to determine the implicit discount rate;
- analysis of the concession contract and its modifications to identify the performance obligations in the contract, in addition to the aspects related to the variable components applicable to the contract price;
- analysis of the framework of the infrastructure already built under the concept of contractual assets, including the concession assets of Law 12,783 (RBSE);
- analysis of the allocation of income to each of the performance obligations present in the concession contracts;
- analysis of possible risks of penalties for delays in construction or unavailability;
- analysis of the possible existence of an onerous contract;
- analysis of the impacts derived from the Periodic price Review, through inspection of the technical notes and public consultations issued by the regulator, recalculation of the present value of the contractual flow of the concessioned assets, based on the new annual income allowed and verification of rejections and bases of remuneration of the project;



- with the support of professionals specialized in the evaluation of construction projects: (a) analysis of compliance with the physical schedule of the works in progress, as well as the verification of the existence or not of abnormal elements in the updated physical schedule of the work, with possible design changes, or supplier changes that may generate costs not captured by the Company's internal controls; (b) evaluation of the variations between the initial budget and the updated budget for the works in progress, and the justifications presented by the management for the deviations; and (c) if applicable, verification of indications of sufficiency of the costs that will be incurred, to complete the construction stages of the project;
- analysis of communications with regulatory entities related to electricity transmission activity and the securities market; and the evaluation of the disclosures made by the Company and its subordinates in the individual and consolidated financial statements.

### Other information

The Administration is responsible for the other information. The other information comprises the non-financial information included in the Integrated Report - ISA 2020, but does not include the financial statements or my corresponding audit report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information that I identify above and, in doing so, consider whether there is a material inconsistency between the other information and the financial statements or the knowledge obtained by me in the audit or if there appears to be a material misstatement of the other information for any other reason. If, based on the work that I have done on the other information that I obtained before the date of this audit report, I conclude that there is a material misstatement of this other information, I am obliged to report it. I have nothing to report on this.

### Management's Responsibilities and of Those Responsible for the Governance of the Company in Relation to the Consolidated Financial Statements

Management is responsible for the preparation and correct presentation of the consolidated financial statements in accordance with the Accounting and Financial Information Standards accepted in Colombia (NCIF), adopted by the Contaduría General de la Nación; to design, implement and maintain the relevant internal control for the preparation and correct presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; to select and apply the appropriate accounting policies; and to establish reasonable accounting estimates in the circumstances.

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## Statutory auditors' report on the consolidated financial statements



In preparing the consolidated financial statements, Management is responsible for evaluating the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to this matter and using the going concern basis of accounting, unless Management intends to liquidate the Company or cease its operations, or have no other realistic alternative to doing so.

Those in charge of governance are responsible for the supervision of the Group's financial information process.

### Auditor's Responsibilities in the Audit of the Consolidated Financial Statements

My responsibility is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatements, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit carried out in accordance with the International Standards of Auditing accepted in Colombia will always detect material misstatements when they exist. Misstatements may arise due to fraud or error and are considered material if, individually or combined, they could be reasonably expected to influence the economic decisions that users make based on the consolidated financial statements.

As part of an audit in accordance with the International Standards of Auditing accepted in Colombia, I must exercise my professional judgment and maintain my professional skepticism throughout the audit, in addition to:

- Identify and evaluate the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and execute audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to substantiate my opinion. The risk of not detecting material misstatements due to fraud is greater than that resulting from an error, since fraud may involve collusion, forgery, intentional omissions, false statements or override of the internal control system.
- Obtain an understanding of internal controls relevant to the audit, and to design audit procedures that are appropriate in the circumstances.
- Evaluate the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the respective disclosures made by the Management.
- Conclude whether it is appropriate for Management to use the going concern basis of accounting and, based on the audit evidence obtained, if there is any material uncertainty related to events or conditions that may generate significant doubts about the Group's ability to continue as a going concern. If I conclude that a significant uncertainty exists, I should call attention to this on the auditor's report on the related disclosures included in the consolidated financial statements or, if such disclosures are inadequate, modify my opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of its report, however, subsequent events or conditions may indicate that an entity cannot continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements fairly represent the underlying transactions and events so that a reasonable presentation is achieved.



- Obtain enough and adequate audit evidence in relation to the financial information of the entities or business activities that are part of the Group, to express my opinion on the consolidated financial statements. I am responsible for the direction, supervision and execution of the group audit and, therefore, the audit opinion.

I communicated to those responsible for the governance of the Company, among other matters, the planned scope and timing of the audit, the significant findings thereof, as well as any significant deficiencies in the internal control identified during the audit.

I also provided to those responsible for the governance of the Company a statement that I have complied with the applicable ethical requirements in relation to independence and communicated with them about all relationships and other matters that could reasonably be expected to affect my independence, and, where appropriate, the corresponding safeguards.

Among the matters that have been the subject of communications with those responsible for the governance of the Company, I determined those that have been of greatest significance in the audit of the consolidated financial statements of the current period and that are, consequently, key audit matters. I described those matters in my audit report unless legal or regulatory provisions prohibit publicly disclosing the matter or, in extremely rare circumstances, it is determined that a matter should not be disclosed in my report because it is reasonably expected that the adverse consequences of doing so would exceed the public interest benefits thereof.

### Other Matters

The consolidated financial statements in accordance with Accounting and Financial Information Standards accepted in Colombia, adopted by the Contaduría General de la Nación, of Interconexión Eléctrica S.A. E.S.P. and its subordinates as of December 31, 2019, that are part of the comparative information of the accompanying consolidated financial statements, were audited by me, in accordance with international standards of auditing accepted in Colombia, over which I expressed an unqualified opinion on February 28, 2020.

The partner in charge of the audit that relates to this report is Mr. Cesar Colodete Lucas.



Patricia Mendoza Sierra  
Statutory Auditor  
Professional Card 78856-T  
Designated by Ernst & Young Audit S.A.S. TR-530

Medellín, Colombia  
March 1, 2021

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## Certification of consolidated financial statements and other relevant reports

Medellín, March 4, 2021

To the shareholders of Interconexión Eléctrica S.A. E.S.P.:

We, the undersigned Legal Representative and the Chief Accounting Officer for Interconexión Eléctrica S.A. E.S.P., in compliance with Accounting and Financial Reporting Standards accepted in Colombia (NCIF) enforced by the National General Accounting Office, and provisions of Article 37 of Law 222 of 1995 and Article 46 of Law 964 of 2005, certify that:

**1.** The consolidated financial statements of the company as of December 31, 2020 and 2019 have been faithfully taken from the books and before making them available to you and to third parties, we have verified the following statements contained therein:

- a.** The events, transactions and operations have been recognized and realized during the years ended on those dates.
- b.** The economic events are disclosed pursuant to the accounting and financial reporting standards accepted in Colombia (NCIF), enforced by the National General Accounting Office of Colombia.

- c.** The total value of assets, liabilities, equity, revenues, expenses, and costs, has been disclosed by the company in the basic accounting statements up to the cut-off date.
- d.** Assets represent potential future economic services or benefits, while liabilities represent past events that imply an outflow of resources, during the development of their activities, at each cut-off date.

**2.** The consolidated financial statements and other reports relevant to the public for the periods ended December 31, 2020 and 2019 do not have inaccuracies, errors or omissions that prevent knowing the true financial condition or operations of ISA and its companies.



**Bernardo Vargas Gibsone**  
Representante legal



**John Bayron Arango Vargas**  
Contador  
T.P. N.º 34420 – T