CONNECTIONS THAT INSPIRE

Integrated management report 2020

Traces

Expressions of a conection year

We have gone through a year of tremendous learning, a year in which we have been marked in different ways, leaving an indelible trace on each of us, our families and our country.

Just as artists leave a trace over time with their works, today we want to share, with an artistic expression, the result of our 2020 work, a result that inspires us to continue advancing firmly towards the goals of our strategy and moves us to keep generating CONNECTIONS THAT INSPIRE

We continue to honor the path traveled, acting as an example of resilience, empathy, strength, unity and gratitude.
We continue with the conviction that our actions, no matter how small, have an impact.
We continue to join efforts to contribute to the recovery of countries.
We continue to create connections that inspire.
Today, together, we continue leaving trace.

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1

Message from the CEO

Bernardo Vargas Gibsone
ISA´s CEO

2020
leaving trace

Dear shareholders

"Let us change our conversation and our lives will change", the Chilean biologist, philosopher, and writer Humberto Maturana says. And I quote him because to me, it expresses in a simple way what life is demanding from us in this difficult situation: for us to transcend our individuality, our particular interests and to open our conversations to greater and urgent matters that bring us together as a human race; to commit to think and build from the empathy and the acknowledgement of others, thus contributing to a more equitable and solidary world where respect for others and caring for the planet are the center of attention and also of action. We have seen our existence marked in all possible ways: our values, principles, systems, the way we used to interacting and doing things. This year showed us that we are not invincible, but also that we are responsible for our actions, as our future and the future of others depend on them; that there is a deep connection among everyone and everything.

That is how we understood it in ISA Group. We renewed our motives to stay firm in hope and optimism, and stand by what our manifesto expresses, *we are all one and our wellbeing is linked to everyone's*. At this point the vaccine might represent a relief, but we will overcome this test if we continue growing in self-knowledge, joint responsibility, and resilience. Joichi Ito, former director of MIT Media Lab and author of the fascinating book Whiplash, wrote that "the world is in the middle of a fundamental structural change. We have to be capable of acquiring the ability to adapt and see things we usually ignore as they might not be related to our preestablished conditioning". **[GRI 102-14]**

There is no doubt that the way we continue responding to and learning from this situation will mark the future that we continue building as a human race.

"This year showed us that we are not invincible, but also that we are responsible for our actions, as our future and the future of others depend on them; that there is a deep connection among everyone and everything"

Medical brigades, We Are All One

The pandemic has also brought to the surface capabilities and resources that were latent or unknown to us, and they allow us to stay firm to face adversity and project ourselves in the new order. It has also brought us significant lessons about the accelerated and imperative process of digital transformation and the focus on innovation, two levers that go hand in hand and that are key to guarantee the survival of any company in today's world and in which we have been moving forward as a group. In this regard, I cannot forget to acknowledge the importance of the adaptability, networking, and flexibility of all our employees facing the change; without this, it would have been impossible to move forward under these complex circumstances.

To our company, this situation has also meant an opportunity to ratify that we are on the right path and that our choices and priorities are relevant. In this sense, first, our attention was focused on protecting the health and integrity of our employees and their families; second, on guaranteeing the continuity in the provision of our energy transmission, road concessions, and telecommunications services. All of them are decisive for the connectivity, wellbeing, progress, and development of the society.

It has also been the time to understand that our responsibility goes beyond our closest surroundings and expands to the whole society. This conviction led us to implement a humanitarian aid strategy where, together with our affiliates, we invested resources for more than USD 4,5 million in Latin America to contribute through company-academy-State alliances, with actions aimed directly at facing the impact of the pandemic, such as the improvement of hospital capacity, the boost of scientific developments and the support of our communities in their most urgent needs. This way we stayed true to our purpose CONNECTIONS THAT INSPIRE. **(Refer to ISA Group in the context of the COVID-19 pandemic).**

During the year, and in spite of the situation —which magnitude was difficult to foresee—, we continue honoring our commitment with you, our shareholders, and with all stakeholders, creating Sustainable Value, strengthening the territories, protecting the environment, and staying as leaders and benchmarks in our businesses. In this sense, we are pleased to inform that we exceeded once more our historic financial results and we reached important milestones with which we continue our progress in the fulfillment of our 2030 strategy.

Financial results

In the financial aspect, given the nature of the sectors where we are, the project management and the proper corporate decisions aimed at strengthening our businesses, we continue growing in a profitable way and capturing efficiencies to continuously improve our performance and competitiveness. In 2020, the ROE closed in 15,6%, an increase of 18,7% compared with 2019; the EBITDA was COP 6,6 trillion, 24,4% higher than the previous year, and the EBITDA margin was 64,6%. The net income reached COP 2,1 trillion, 25,7% higher than 2019; the operating revenues were COP 10,2 trillion, representing an increase of 24,9%, and the assets COP 54 trillion, an increase of 10,7% compared with 2019.

ISA, the best performing stock in 2020. Maximum closing price:
COP 25.700

COP 10,2 TRILLIONS
Operating revenues

COP 2,1 TRILLIONS
Net income

COP 6,6 TRILLIONS
EBITDA

ROE 15,6%

Coherent with the results mentioned, the share price has shown a consistent growth in the last years: in 2020 it has the best performance in the Colombian Stock Exchange, with a cumulative valuation of 31,1%, above Emerging Markets and US markets. The shares surpassed its historical peak on six occasions during the year, reaching COP 25.700 at the end of 2020.

Resilient businesses, key for reactivation

Regarding the business dynamics, one of the most important milestones occurred in the Road Concessions business unit in Colombia with the acquisition of Costera Cartagena-Barranquilla Concession: 146 km of roads that have won engineering and social-environmental awards (thanks to its innovation and impeccable construction), that connect urban, touristic, and port development sectors of significant relevance for competitiveness and economic revival of the Caribbean Coast and Colombia. This acquisition formalized the Group's entry into the road concessions market in Colombia and increased its road infrastructure in operation to 1.053 km in Colombia and Chile.

In Chile, INTERCONEXIONES VIALES was also incorporated into this business unit. This is a company that helped us materializing our alliance with Construcciones El Cóndor, so that we can participate in public tenders and private infrastructure projects in Colombia and Peru, to form a solid portfolio in the region. The Group exerts control over the new company through its affiliate ISA INTERVIAL CHILE, through 65% shareholding. Additionally, Construcciones El Condor holds 35% shareholding.

In the Energy business, we maintain our leadership in the region as the largest carrier of high voltage power energy. This year, five energy transmission projects commenced operations in Brazil, Chile, Colombia, and Peru, expanding our infrastructure to 47.358 km and 95.720 MVA. We were also assigned eight transmission projects, including La Loma-Sogamoso (275 km) transmission line in Colombia; Lot 7, awarded by public tender by Agência Nacional de Energia Elétrica (ANEEL), in Brazil, as well as Chincha Nueva and Nazca Nueva projects in Peru. The most important energy transmission movements this year occurred in these last two countries: in Brazil, our affiliate ISA CTEEP signed an agreement for the acquisition of 100% of the Piratininga-Bandeirantes Transmissora de Energia (PBTE) shares, so ISA reaffirms a relevant position in Sao Paulo State.

Also, through or affiliate ISA PERU, we acquired from ORAZUL ENERGY PERÚ S.A. 100% of shares of ORAZUL ENERGY GROUP in that country.

ORAZUL ENERGY GROUP owns ETENORTE and ETESELVA, which operate six transmission lines covering 746 circuit kilometers. Concessions are in perpetuity and will generate annual revenues of approximately USD 13 million. We also celebrated our first-year energizing Cardones-Polpaico transmission line in Chile, the country's most important infrastructure project of the last 50 years, through which more than 5 million Chilean homes receive clean energy.

For its part, our affiliate XM, which has been operating for fifteen years, has had an essential role in the security of the Colombian energy system during the pandemic as operator of the National Interconnected System (SIN) and administrator of the Wholesale Energy Market (MEM). The company launched EcoGox, a platform for certification and registration of renewable energy, which uses technology 4.0 to the service of sustainability, dynamizing the renewable energy market in Colombia and Latin America. Also, XM became the first company in the country to be recognized for its incorporation of renewable sources of energy in Colombia, by the Electric Power Research Institute (EPRI), which declared it "out of competition" at Gran Premio Andesco de Sostenibilidad 2020 (2020 Andesco Sustainability Awards).

With the closing of the acquisition of 100% shares of the Costera Cartagena-Barranquilla Concession, the Group formalized its entry into the Road Concessions business unit market in Colombia and increased its road operations to a total of 1.053 km in Colombia and Chile.

In the framework of our commitment with the decarbonization of the Colombian energy sector, ISA became the first company in the real sector to issue green bonds in the stock exchange market. The resources of this successful transaction will be used to finance two projects on the northern coast of Colombia that will allow non-conventional renewable energies (wind and solar) to be connected to the National Interconnected System (SIN). The placement of green bonds had a 2,54 times excess demand compared with the amount tendered (COP 300 billion). Also, as part of this same corporate purpose, we inaugurated a solar plant at the headquarters in Medellín: 1.044 solar panels with a total capacity of 402 kW, which besides covering part of the energy consumption in the facilities, it is being used for conducting distributed energy resource research. This solar plant is one of the research projects of the Energética 2030 program, a company-academy-State alliance created to develop a comprehensive transformation proposal for the energy sector in Colombia.

Additionally, the Telecommunications and ICT business unit was decisive to support the connectivity during the pandemic. It represented many challenges for our

In the framework of our commitment with the decarbonization of the Colombian energy sector, ISA became the first company in the real sector to issue green bonds in the stock exchange market.

Solar plant at the headquarters in Medellín

affiliate INTERNEXA, for instance, the challenge of strengthening its services to support our customers' digital transformation processes. This year, the company gained access to two additional Internet Exchange Points (Amsterdam and London), so we are now present in five of the ten most important Internet Exchange Points (IXPs) in the world.

One of the pillars of the VIDA acronym on which our ISA2030 Strategy is supported is innovation, as we work on gradually searching for initiatives that support the competitiveness of our current business units, bring adjacent business closer or promote new business models. In this regard, Colciencias recognized

five projects in the Process Innovation and Organizational Innovation categories. Also, innovation committees were created in the affiliates, which have been decisive in strengthening innovation culture.

Generating sustainable value, a commitment with the present and the future

For more than five decades we have worked to achieve the leadership in subjects such as sustainability, corporate governance, ethics, and transparency. In these areas we have been recognized by different prescribers as regional example because of our performance and treatment of opportunities, risks and impacts inherent to the economic, environmental, and social development of our businesses and because of our deep respect for human rights. This leadership was recognized for the first time with the bronze medal awarded by S&P Global in The Sustainability Yearbook 2021, as one of the most sustainable companies in the world. Furthermore, for six consecutive years, we have been included in the Dow Jones Sustainability Index. This indicator selected us in 2020 as one of the top 10 Energy Utility Companies in the world. The company was included in the FTSE4Good, which recognizes the companies listed on the stock market with best global standards regarding corporate investment and best corporate sustainability practices. ISA was also selected as one of the top three companies with the best Private Social Investment practices in Colombia, and the Asociación Nacional de Empresarios (National Business Association of Colombia) -ANDI- included it in the list of “INspiradoras” (inspiring companies), for supporting through its affiliate ISA INTERCOLOMBIA the comprehensive development of coffee farming in Antioquia. We are incredibly pleased with these recognitions, as they allow that external specialized entities, some of them with global coverage, recognize our indeclinable focus on Sustainable Value.

We were recognized for the first time, as one of the most sustainability companies, with the bronze medal awarded by S&P Global in The Sustainability Yearbook 2021.

Besides, Transparencia por Colombia, rated ISA once again as a company with “low corruption risk”, together with its affiliates XM and ISA INTERCOLOMBIA. We also continue with our vigorous commitment with matters such as sexual diversity, divergent thinking, gender equality and disability, through our corporate program Otras Miradas (Other Insights).

Our commitment with the development of territories goes beyond the compulsory dimension: the volunteer social investment in the countries where we have operations was COP 40.605 million, which was mainly directed to strengthening communities, supported on knowledge transfer, the development of local suppliers, promoting inclusion, participation, and building agreements and shared vision of the future. The initiatives include Programas de Desarrollo y Paz

Contribution to the goals of the National Development Plan in Colombia by planting and preserving more than 1,8 million trees

(Peace and Development Programs), Convivencia y Educación Ambiental (Coexistence and Environmental Education), Alianzas para el Desarrollo Territorial (Alliances for Territorial Development), Obras por Impuestos (Works instead of taxes), Community Projects, Servidumbres Sostenibles (Sustainable Easements), among many others. 95% of the population who benefits from these projects is rural, 97% is in a vulnerable condition and 100% of the programs were executed in alliance with the communities.

The Voluntariado ISA program (officially launched in 2020) is another initiative I wish to highlight, as it demonstrates the quality of the human beings within our organization. This program seeks to connect our employees with solidarity actions that have an impact on those in need. We have 90 volunteers so far in initiatives that improve the communities' quality of life.

Through our ISA2030 Strategy, we make a proactive and significant contribution to adapting to climate change and the protection and conservation of ecosystems and their biodiversity, inspiring others for the benefit of humanity. Conexión Jaguar, the group's iconic sustainability program, allows us today to have more than 780.000 hectares of forest protected, 167 wildlife species registered, and a potential reduction of over six millions tons of CO2 in forestry projects supported in Colombia, Brazil, and Peru. We also carried out the international first sale of carbon credits of Amazónicos por la Amazonía (Amazonians for the Amazon) -AMPA- project in Peru: a total of 35.000 internationally certified carbon credits. In Sierra Nevada de Santa Marta, an agreement was reached with the Arhuaco community to make progress in a project for the conservation and protection of their ancestral territories. At the international level, we joined the 20x20 Initiative for the

Conexión Jaguar program was recognized as the “Best Corporate Offsetting Project” award by the Environmental Finance Awards 2020, which recognizes the best stakeholders of the voluntary carbon market.

recovery and conservation of more than 50 million hectares of forest throughout Latin America and included the Forest Stewardship Council (FSC) as a program’s technical cooperant. I am immensely proud to share that Conexión Jaguar was recognized as the “Best Corporate Offsetting Project” award by the Environmental Finance Awards 2020, which recognizes the best stakeholders the voluntary carbon market.

As part of our commitment with climate change mitigation, we also contribute to the goals of the National Development Plan in Colombia by planting and preserving more than 1,8 million trees that will create better environmental conditions in areas of ecological interest, in a process that started in 2018 and will continue until 2022. In this regard, I want to highlight that ISA INTERCOLOMBIA received from the Ministry of Mines and Energy of Colombia the recognition “Meaningful Social and Environmental Management Experiences from the Mining Sector”, for its good practices and leadership in reducing impacts and its proactive contribution to SDO 13 Climate Action.

All these achievements were possible thanks to each of our close to 4.000 employees that have demonstrated once more that when facing adversities, they show even greater strength and commitment with ISA’s higher purpose. This is evident when, this year again, the results of the organizational climate survey showed the pride and the strong sense of belonging that we all feel for working in this company. We reached 86% favorability index according to the Korn Ferry’s measurement, one of the best climates among companies of our level in LATAM, which demonstrates strengths in the direction of the company, the trust in leaders, and in the adaptation capacity to change and innovation. I am enormously proud, and I feel privileged to lead a team of committed people, with the highest human and technical competences. I am deeply grateful.

Gratitude and commitment

To our stakeholders, shareholders and investors, allies, suppliers, academy, professional associations, and our communities, thank you for continuing to believe in us and for being with us this year of adaptation and transformation. In 2021 this during this year group will continue with its financial strength and human drive to contribute with the urgent economic revival, expected in all countries of the region and, of course, it will also continue its commitment to climate change mitigation, which will be the big test for the human race in the coming decades. We count on you to work together and prepare to face energy transformation and the economy’s decarbonization, which involves working in the development of renewable and distributed

ISA Group will continue with its financial strength and human drive to contribute with the urgent economic revival, expected in all countries of the region and, of course, it will also continue its commitment to climate change mitigation, which will be the big test for human race in the coming decades.

energy solutions, the stimulus to efficient consumption of resources, the operational optimizations based on alliances and the collaborative innovation and acceleration of digital models' development, among other important subjects.

At ISA we received 2021 working with optimism and hope, staying profitable, competitive, thus guaranteeing that our stock is considered as an attractive investment option for local and international investors, especially building social fabric, generating progress and development for each of the lives we touch with our work.

Our unbreakable commitment will be to continue learning and inspiring by example, being the change the world needs and actively participating in global agenda matters. For this purpose, we will continue our path, led by that beautiful and challenging purpose that motivates us, to continue establishing CONNECTIONS THAT INSPIRE.

Bernardo Vargas Gibsone
ISA's CEO

2

ISA Group in the context of the COVID-19 pandemic

ISA Group in the context of the COVID-19 pandemic

The COVID-19 pandemic made 2020 an unprecedented year in the recent history of the human race. To mitigate its impact, organizations and governments have adopted measures to protect people's lives, to ensure the provision of services, and minimize the economic and social consequences. To face this situation, the group prioritized actions in three work lines:

CARING FOR EMPLOYEES

BUSINESS CONTINUITY

COMMITMENT AND SOLIDARITY WITH THE ENVIRONMENT

We recognize in our people the main priority and we are sure that our well-being is linked to everyone's, especially in times as challenging as the ones we are going through currently as humanity.

Caring for employees

The health and integrity of its employees and family circle was the priority for the company since the beginning of the pandemic. For this purpose, a series of measures were implemented in all the Group's companies to look after their safety. Also, reconditioning activities were started in our facilities for the time when employees return.

Creation of Crisis Committees in the Group's companies

24 Comittees in total

to cover mainly matters related to:

- **Crisis attention and coordination**
- **Prevention of contagion**
- **Management activities**
- **Return to presencial activities**

50.000 hours of dedication

69%
EMPLOYEES WORKING FROM HOME
since the end of March, approximately

Creation of the Daily Monitoring System with 30 health professionals and Occupational Health and Safety (OHS) leaders, continuously operating 24/7 since March 16

75 protocols

defined and implemented in all countries to guide employees regarding the decisions adopted by each government and applied as our own for the health crisis attention

21.084
HOURS OF ACTIVITIES
directed to employees of the Group's companies and their families, seeking to preserve physical and emotional wellbeing

1.397
APPOINTMENTS RECEIVED
in the psychologic attention area that was enabled to direct the handling of emotions during uncertainty

1.994
CONSULTS
regarding the proper ergonomic conditions at home, physiotherapy, and guidance related to active pauses to strengthen care and wellbeing practices

USD 2,6
MILLION
invested in meeting the needs of the different companies

Such as purchasing the care material needed, supplies for disinfection processes, administering of tests, transportation, attention of operators' camps, infrastructure adaptation, among others

Business continuity

Within this environment, the role of sectors that faced the pandemic in the front line, such as the health sector, has become even more relevant, but also the role of those sectors like the ones where the Group has operations, that had to make viable the implementation of protection measures for the society, ensuring the continuity of economic activity, the provision of essential services, and the support for the economy revival once the crisis caused by COVID-19 is overcome.

The role of sectors that faced the pandemic in the front line, such as the health sector, has become even more relevant, but also the role of those sectors like the ones where the Group has operations, that had to make viable the implementation of protection measures for the society, ensuring the continuity of economic activity, the provision of essential services, and the support for the economy revival.

The energy sector has guaranteed the continuity of the energy provision during the pandemic. The transportation sector has been responsible for the availability of infrastructure and transportation services. The telecommunications sector, which is indispensable for connectivity, was declared an essential service by the governments of several countries where the group has a presence.

The pandemic imposed new and demanding conditions for the infrastructure's construction, operation, maintenance, and provisioning, which required, as the economies gradually reopened and with the flexibilization of some restrictions, a continuous adaptation to the evolution of the measures defined by the governments to achieve the economic revival, mitigating the impact of possible new outbreaks.

In this context, ISA's companies have started the actions required to ensure continuity in the provision of their services, based on the analysis of the main pandemic impacts. These actions include:

MEASURES TO ENSURE CONTINUITY OF OPERATIONS

ELECTRIC POWER

- Operations to 100%: 125 operators in 11 control centers (primary and backup)
- Re-scheduling of suspended maintenance activities
- Suspension and subsequent reactivation of execution of 15 projects
- Continuous monitoring of critical goods and services provision
- Contingency plans according to shortage risk
- Permanent assessment of risks and implementation of actions for the safety of employees
- On-site work for operating employees only
- Concentration of 27 operators for 5 months, developing tasks of the National Dispatch Center to ensure the operation of the Colombian energy system and the provision of energy to the whole country

ROADS

- Operation of the backup control center
- Essential personnel on site under all health measures and protocols established
- Slower execution of works, considering the isolation measures applied by the Company and by third parties
- Curtailment of operating equipment, power plants and emergency equipment
- Continuous monitoring of critical goods and services provision
- Permanent assessment of risks and implementation of actions for the safety of employees and contractors

TELECOMMUNICATIONS AND ICT

- Customer's loyalty management
- Focused on ensuring the services for the Group's companies
- Strictness in traffic engineering
- Reassessment of strategies and alternative suppliers and work plan with allies
- Inventory expansion in high demand equipment
- Traffic demand service and launching of services for supporting customers in the contingency
- Adaptation of value offer focused on solutions and niches of better demand
- Development of metropolitan networks with allies
- Acceleration of digital customer journey map and service channels

ISA and its companies complied with the efficient provision of services

POWER TRANSMISSION SERVICES

99,99% RELIABILITY

99,87% AVAILABILITY

100% COMPLIANCE OF XM WITH CREG INDICATORS

98,3% SERVICE LEVEL IN INTERNEXA

94% FAVORABLE customer service in ISA INTERVIAL CHILE and its concessionaire societies

Commitment and solidarity with the environment

In the humanitarian crisis caused by the pandemic, ISA Group has materialized its higher purpose and its principles: “If we are aware that we are all one, if we are certain that our well-being is linked to everyone else’s, there is connection.” To promote solidarity and unity as persons and companies, a humanitarian aid strategy called TODOS SOMOS UNO (WE ARE ALL ONE) was defined, with the following objectives:

Contribute to flattening the infection curve through the massification of diagnostic tests.

Protect medical personnel and the most vulnerable populations in their most urgent needs, such as biosecurity equipment, food, and water.

Generate installed capacity in countries where the Group is present with equipment, infrastructure, and knowledge to address not only this situation, but also future ones.

MORE THAN USD **4,5** MILLION
in total contributions in Latin America

WE ARE ALL ONE

Main actions in Colombia

COUNTRY ACTION

MASS PCR TESTING:

100.000
TESTS

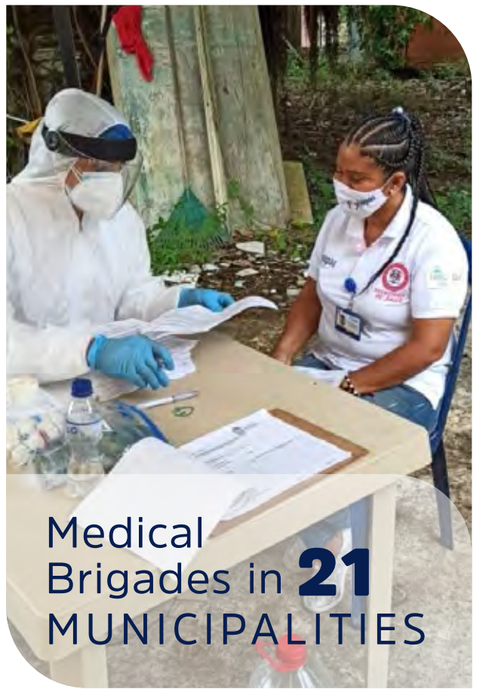
- COMMUNITY SURVEILLANCE
- HOSPITAL SURVEILLANCE

Convalescent plasma

Reagent local production

Mass rapid testing

Applied research



Medical Brigades in **21** MUNICIPALITIES

TERRITORIES

COP 400 million
Personal protection items for medical staff in public hospitals

COP 60 million
Contributions to the population of Sierra Nevada de Santa Marta

Provision of **5** ICU beds to the San José de Maicao hospital, La Guajira

COP 1.000 million
Sanitary kits delivered to vulnerable population

OUR PEOPLE

VOLUNTEER PROGRAM

1X1

Contribution from companies and employees of the ISA Group for the provision of hospitals with ICU beds

Main actions in other countries

Development and implementation of rapid tests

- Delivery of uniforms for vulnerable population
- Contribution to construction of a vaccine production plant

Oxygen plant

Community projects fund

Manufacturing of 110 VENTILATORS

100 | 10

Donation of 100 mechanical ventilators to the Ministry of Health in partnership with the Pontificia Universidad Católica del Perú

Transversal actions

Personal protection items for **MEDICAL STAFF**

1X1

contributions from companies and employees of ISA Group

CONTRIBUTIONS

USD **2,7** MILLION

USD **331.376**

USD **630.400**

USD **20.000**

USD **881.337**

Volunteer Work

Sanitary kits delivered to vulnerable population

FOOD AND WATER

The development of these actions, supported on innovation and alliances, pillars of the ISA2030 Strategy, has been marked by the teamwork and coordinated between company–academy–State–NGO, to achieve more strictness, sustainability, and impact.

Colombia Allies

Allies in other countries

ASMAR

FIOCRUZ
Fundação Oswaldo Cruz

AMAZÓNICOS POR LA AMAZONÍA

BRUJHA'S

TINNITUS
PERU

TECHO
UN TECHO PARA CHILE

Juguete Pendiente

Rotoplas
más y mejor agua

PUCP

UNIVERSIDAD PERUANA
CAYETANO HEREDIA

BIORED UCAYALI

Universidad de Concepción

INSTITUTO BUTANTAN
A serviço da vida

isa

3

Report profile

Report profile

This report was prepared as per the methodology adopted by the International Integrated Reporting Council (IIRC) and under the new standard of the Global Reporting Initiative (GRI) essentially required. **[GRI 102-54]** Corresponds to the period between January 1 and December 31, 2020 and has an annual periodicity. **[GRI 102-50]** For comparative purposes, the 2019 Integrated Management Report, presented in March of 2020, should be referenced. **[GRI 102-51] [GRI 102-52]**

The report addresses ISA and its businesses' management results: Energy Transmission, Road Concessions, and Telecommunications and ICT. It includes results of material issues that may affect the creation of value for the energy transmission and roads business units. Ten material issues that are part of the environmental, social, and economic dimensions are presented. At the same time, this report represents the Communication on Progress of the Global Compact of the United Nations (COP).

For 2020, the materiality analysis covers ISA (the parent company of the Group) and its energy companies: ISA INTERCOLOMBIA, ISA REP, ISA CTEEP, ISA TRANSELCA, ISA INTERCHILE and XM, as well as ISA INTERVIAL which is a road concessions business unit company. Their revenues reach 68,9% from ISA's business units. The main results of the Telecommunications and ITC business are also shown. Each of the affiliates have their respective management reports, which can be found on their websites.

The materiality analysis was conducted by the Chief Institutional Relations Officer, and the Integrated Management Report was elaborated by the Chief Strategy and Institutional Relations Officers. Both processes were validated by the Board Committee to ensure that all material aspects are properly covered. **[GRI 102-32]**

The Company hired KPMG to conduct the verification of the Report according to the Global Reporting Initiative (GRI), ISAE 3000 and ISAE 3410 standards, to guarantee the reliability and accuracy of the information published. The scope and conclusions of the verification may be examined in the independent review report included in the annexes. **[GRI 102-56]**

To facilitate the query of indicators reported, the table of of GRI indicators can be found in annexes **[GRI 102-55]**, which also includes compliance with the Principles of the Global Compact.

[GRI 102-53] For suggestions, opinions or concerns regarding this Integrated Management Report, please contact:

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4

Profile of the ISA Group

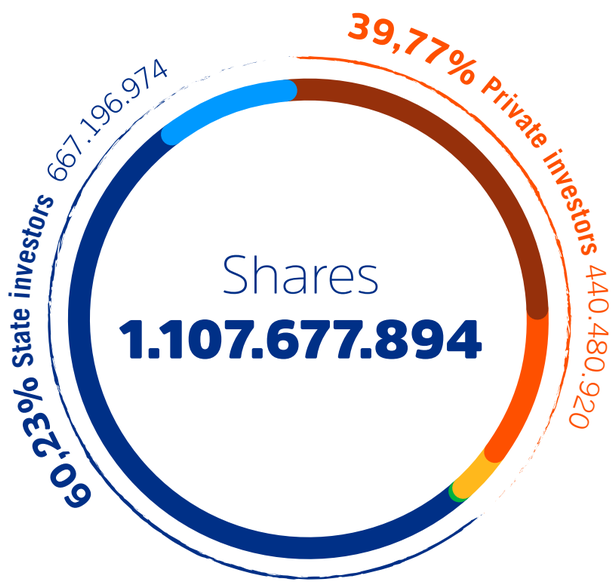
Profile of the ISA Group

ISA is a multi-Latin company group with more than 53 years of experience and track record that operates in the Energy Transmission, Road Concessions, Telecommunications and ICT business units, providing quality of life to millions of people in Colombia, Brazil, Chile, Peru, Bolivia, Argentina, and Central America through the work of more than 4.000 employees in its 51 companies. **[GRI 102-4]**

The Group does business based on technical excellence, efficient provision of services, and creation of sustainable value for its stakeholders and society in general, leveraged by innovation and digital transformation, and supported on best corporate governance and ethics practices.

Shareholder structure

As of December 31 - 2020 **[GRI 102-7]**



The Nation
51,41% | 569.472.561

Empresas Públicas de Medellín
8,82 % | 97.724.413

Institutional
26,88% | 297.761.561

Foreign investment funds
9,63% | 106.715.904

Natural persons
3,22% | 35.631.705

ISA ADR Program
0,03% | 371.750

ISA and its companies are committed to the mitigation and adaptation to climate change, the rational use of resources, the development of programs that generate a positive impact on the environment, the comprehensive development of the communities where it operates, as well as the quality, reliability, and availability of the services it provides.

After more than five decades of leadership in the region, ISA has transcended the physical action of connecting one point with another to connect people, making each connection an inspiring action.

[GRI 102-1] [GRI 102-3] [GRI 102-5]

ISA is a mixed utility company, incorporated as a joint-stock company, of commercial nature and national order, regulated by Laws 142 and 143 of 1994, with headquarters in the city of Medellín (Colombia). The Nation, through the Ministry of Finance and Public Credit, is ISA's majority or controlling shareholder since it owns 51,41% of the capital stock.

The company has state and private investors. Its stocks and bonds are traded in the Colombia Stock Exchange. Also, the company has Level I ADRs traded in the U.S. Over the Counter (OTC) market. All the shares that comprise the capital stock enjoy the same rights and are common, registered, and dematerialized. There are no statutory restrictions on their transferability. ISA applies high standards of transparency, efficiency, and corporate governance that provide protection and confidence to investors.

Relevant figures

[GRI 102-7]

Operations in **6** countries in **South America and Central America**

51
COMPANIES

PARTICIPATION IN 14 OTHER COMPANIES

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

SIX CONSECUTIVE YEARS

MILA
MERCADO INTEGRADO LATINOAMERICANO

THREE CONSECUTIVE YEARS

bvc Emisor ir

FIVE CONSECUTIVE YEARS

ELECTRIC POWER

47.358 km and 95.720 MVA of transmission infrastructure in operation **(65.612 km** and 114.017 MVA, including ISA's participation in other companies)

6.529 km and 15.603 MVA of transmission infrastructure under construction

Coordination of the operation of the Colombian energy system, 70.249 GWh of demand served, 17.485 MW of effective net capacity

ROADS

1.053 km of roads in operation

136 km of roads under construction

TELECOMMUNICATIONS AND ICT

54.137 km of fiber optics in operation

Financial figures

[GRI 102-7] Expressed in COP

INDIVIDUAL

NET INCOME
2,1 trillion
↗ 25,5%

NET INCOME
2,1 trillion
↗ 25,7%

CONSOLIDATED

OPERATING REVENUES
10,2 trillion
↗ 24,9%

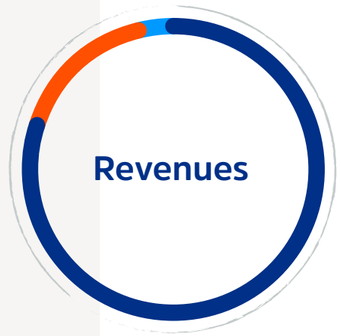
EBITDA
6,6 trillion
↗ 24,4%

MARGIN EBITDA
64,6%
↘ -0,4%
no construction: 75,3%

ASSETS
54 trillion
↗ 10,7%

LIABILITIES
33,9 trillion
↗ 22,4%

Note: Financial figures included in this report are expressed in Colombian pesos, unless otherwise specified in other currency.



80% Electric Power

16,3% Roads

3,7% Telecommunications and ICT

85,6% Electric Power

12,1% Roads

2,3% Telecommunications and ICT

74,7% Electric Power

22,8% Roads

2,5% Telecommunications and ICT

ISA Group presence

Colombia

- ISA
- ISA INTERCOLOMBIA
- ISA TRANSELCA
- XM
- INTERCONEXIÓN ELÉCTRICA COLOMBIA - PANAMÁ
- RUTA COSTERA
- ISA INTERVIAL COLOMBIA
- INTERNEXA
- SISTEMAS INTELIGENTES EN RED
- CRCC
- DERIVEX
- PARQUES DEL RÍO

Peru

- ISA REP
- CONSORCIO TRANSMANTARO
- ISA PERÚ
- PROYECTOS DE INFRAESTRUCTURA DEL PERÚ
- ORAZUL ENERGY GROUP
- ORAZUL ENERGY TRANSMISION
- ETENORTE
- ETESELVA
- INTERNEXA

Bolivia

- ISA BOLIVIA

Argentina

- INTERNEXA

Chile

- ISA INTERCHILE
- ISA INTERVIAL CHILE
- RUTA DEL MAIPO
- RUTA DEL MAULE
- RUTA DEL BOSQUE
- RUTA DE LA ARAUCANÍA
- RUTA DE LOS RÍOS
- RUTA DEL LOA
- INTERCONEXIONES VIALES
- INTERNEXA
- ISA INVERSIONES CHILE
- ISA INVERSIONES TOLTEN
- ISA INVERSIONES COSTERA CHILE

Brazil

- ISA CTEEP
- IENNE
- IEMG
- IE SUL
- IE PINHEIROS
- IE MADEIRA
- SERRA DO JAPI
- IE GARANHUNS
- EVRECY
- IE PARAGUAÇU
- IE AIMORÉS
- IE ITAÚNAS
- IE TIBAGI
- IE AGUAPEÍ
- IE ITAQUERÊ
- IE ITAPURA
- IE BIGUAÇÚ
- IE IVAÍ
- IE JAGUAR 7
- TAESA
- INTERNEXA
- INTERNEXA PARTICIPAÇÕES
- ISA INVESTIMENTOS E PARTICIPAÇÕES
- ISA CAPITAL DO BRASIL

Central America

- INTERCONEXIÓN ELÉCTRICA COLOMBIA - PANAMÁ
- EPR
- REDCA

United States

- ATP*

Bermuda

- LINEAR SYSTEMS RE

- ISA Group matrix
- Electric power
- Roads
- Telecommunications and ICT
- Other businesses
- Investment vehicle

*ATP based in the USA develops operations in Colombia, Peru and Chile

See shareholding of ISA in their companies

ESG data

ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE

ENVIRONMENTAL [GRI 305-5] [GRI 304-3] [GRI 307-1]

ENVIRONMENTAL INVESTMENT

COP **55.029** MILLION

↗ **82,78%**

36.781
TONS OF CO_2e* COMPENSATED

↗ **43%**

70%
GROUP'S COMPANIES THAT ARE CARBON NEUTRAL

25.239
TONS OF CO_2e SF6 LEAKS

↗ **7,05%**

548,6
HECTARES PROTECTED

12
HABITATS PROTECTED AND RESTORED

Without variation

0 monetary fines and sanctions — **15 in 2019**

4 non-monetary fines and sanctions — **0 in 2019**

Tons of CO_2 equivalent is the unit of measurement for the gases that cause global warming.
SF_6 Sulfur Hexafluoride is an insulating artificial gas essential for the correct operation of high voltage electrical equipment.

SOCIAL [GRI 413-1]

INVESTMENT IN COMMUNITIES

COP **40.605** MILLION

↘ **-53%***

*The social investment plan budgeted for the year was not executed, due to the health emergency. This value does not include the investment made in actions developed in the context of the pandemic.

13 STRENGTH SUPPLIERS

↗ **18%**

STRENGTHENED SOCIAL ORGANIZATIONS

1.591

↗ **2,38%**

90,4%
LOCAL PURCHASES

↘ **-0,66%**

100%
SHAREHOLDERS' CONSULTS PROCESSED

Without variation

GOOD GOVERNANCE [GRI 102-18]

9 MEMBERS IN THE BOARD OF DIRECTORS

Without variation

78%
INDEPENDENT ON THE BOARD OF DIRECTORS

Without variation

COP **5.020.587**
REMUNERATION PER MEETING TO THE BOARD OF DIRECTORS

↗ **7,39%**

7,3 years
AVERAGE PERMANENCE TIME ON THE BOARD OF DIRECTORS

0 HUMAN RIGHTS VIOLATION EVENTS

Without variation

100%
COMPLAINTS ADDRESSED BY THE ETHICS LINE

Without variation

ENVIRONMENTAL

Biodiversity

ACTIONS THAT STAND OUT

CONEXIÓN JAGUAR PROGRAM
- 4 countries: Colombia, Peru, Brazil, Chile
- 7 projects
- 784.000 ha
- Emission reduction potential: 6 million tons of CO_2e
- 2 technical allies (FSC and Initiative 20x20)
- 4 human-wild cat coexistence projects

INTEGRAL MANAGEMENT IN BUSINESS
- Forest offset portfolio
- 548.6 hectares of forest protected and restored
- Dry forest protection
- First tropical dry forest habitat bank
- Agreements with natural parks and forest services
- Low-impact construction methods and technologies
- Forest exploitation variable strips
- Installation of bird flight diverters to mitigate collisions with transmission lines
- Drones for cable surveillance and laying, reducing the need for tree pruning and logging

See: Commitment to the protection of biodiversity

SOCIAL

Work standards

- Organizational climate: 86% favorability, one of the best among peer companies in LATAM
- 29% female directors
- 32% of new openings filled by internal candidates
- 38% of employees in agreements and unions
- Parity in the Board (50%-50%)

See: Human capital development and care

Occupational Safety and Health

- USD 2.627.663 were invested in the implementation of control measures to address the pandemic
- More than 80 sessions of the Occupational Health and Safety Parity Committee (Copasst in Spanish) at ISA and its companies
- 24 crisis committees and close to 50.000 hours of work
- 30 OHS professionals and leaders continuously operating since March 16, 2020
- 37,5% reduction in total accidents suffered by our own employees
- 28,06% reduction in total accidents suffered by contract employees

See: Human capital development and care

GOVERNANCE

Corporate government

- 13 Board meetings in the year
- 78% independent members
- COP 5.020.587 remuneration per session
- 99% attendance
- 80% minimum attendance rate goal

See: Good governance and integrity

Ethics and anti-corruption

- 100% of cases processed
- 0 corruption cases
- 0 cases of human rights violations
- 0 information mismanagement cases confirmed

50 CASES
MANAGED IN THE ETHICS LINE

See: Ethics

ENVIRONMENTAL

Climate change

GHG MEASUREMENT, REDUCTION, AND OFFSET STRATEGY

- 36.781 tons of CO_2e offset
- 100% carbon neutral: ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, XM, SIER, and ISA REP. ISA CTEEP 99,7%.
- 70% of the Group's companies are carbon neutral

MITIGATION:

- 100% of the energy to be used at the Medellín office comes from renewable sources, with the I-REC certification (EPM)
- EcoRegistry - XM: carbon project and certificate registration platform
- EcoTrade – XM: carbon certificate trading platform.
- Installation of a solar panel microgrid at ISA's headquarters located in Medellín, Colombia, covering 12%-14% of the monthly energy consumption.

See: Climate change mitigation and adaptation

SOCIAL

Communities and human rights

TOTAL SOCIAL MANAGEMENT INVESTMENT

COP 40.605 MILLION

PEOPLE BENEFITED

347.849

ORGANIZATIONS BENEFITED

1.591

See: Commitment to socio-economic development

HUMAN RIGHTS

- **0** human rights violations due to businesses
- **0** human rights violations reported through the Ethics Line

See: Ethics

GOVERNANCE

Risks

ISA and its companies' Comprehensive Risk Management (GIR in Spanish) seeks to preserve the integrity of corporate resources, continuity, and sustainability of business units. For this, ISA and its companies systematically perform the identification, analysis, evaluation, monitoring, and communication of risks to which companies are exposed, to minimize impacts on the financial resources and reputation resources, and benefit from opportunities that can come from them.

See:
Comprehensive risk management
Risk monitoring and review
Priority risks
Materialized risks
Emerging risks

ENVIRONMENTAL

Eco-efficiency

For 2020, the goal was to reduce 533 tons of CO_2e, taking into account water and energy consumption, waste generation, and sustainable mobility. The results are positive, as the goal was exceeded with a total of 952 tons of CO_2e avoided.

ACTIONS THAT STAND OUT

- Green sites and substations project
- Sustainable Mobility Program
- Higher number of drones for asset and substation inspection
- Improved energy efficiency by using LED lights
- Optimized fiber-optic utilization capacity
- Use of recycled asphalt on local roads and berms
- XM launched EcoGox, a platform for certification and registration of renewable energy, which uses 4.0 technologies to the service of sustainability, dynamizing the renewable energy market in Colombia and Latin America
- In 2020, the Group achieved a consolidated SF_6 leakage rate of 0.45%, so it remained below the IEC standard.

See: Eco-efficiency

* N. D. Not available

Business model

[GRI 102-9]

ACTIVITIES

- Design, construction, operation and maintenance of electrical and road infrastructure
- Procurement
- Social management
- Environmental management
- Regulatory management
- Project management
- Customer management

REVENUES

- Remuneration for investments and management of assets
- Remuneration for system operation and the energy market in Colombia
- Payment for the provision of ICT services

RESOURCES

- Physical assets
- Financial resources
- Natural resources
- Intellectual capital
- Reputation

RISKS

- Legal and regulatory
- Environmental, social and property
- Business operation
- Design and construction of projects
- Market and competition
- Political

Customers
Allies
Allies/Customers

Electric Power business unit

[GRI 102-2] [GRI 102-6]

IN OPERATION

KM OF CIRCUIT

47.358

65.612*

Equivalent to one and a half laps around the world.

MVA INSTALLED CAPACITY

95.720

114.017*

EN CONSTRUCCIÓN

KM OF CIRCUIT

6.529

MVA CAPACITY

15.603

*Including ISA's participation in other companies

THE LARGEST electric power transmission company in Colombia, Peru, and in the State of São Paulo, Brazil

3.005 employees in the energy companies

RESULTS OF THE OPERATION

99,99% RELIABILITY

99,87% AVAILABILITY

COORDINATION OF THE OPERATION OF THE COLOMBIAN ENERGY SYSTEM

70.249 GWh
Energy demand

17.485 MV
Net effective capacity

COP 23,7 trillion
Market transactions

Do you know what GWh means?
It is the abbreviation of gigawatt hours, an energy measurement unit equivalent to the energy generated or consumed in a period.

Do you know what MVA means?
It is the abbreviation of megavolt amperes, an energy measurement unit, which tells us the "size" of transformers installed.

Colombia
- ISA INTERCOLOMBIA
- ISA TRANSELCA
- XM

Brazil
- ISA CTEEP
- IENNE
- IEMG
- IE SUL
- IE PINHEIROS
- IE MADEIRA
- SERRA DO JAPI
- IE GARANHUNS
- EVRECY
- IE PARAGUAÇU
- IE AIMORÉS
- IE ITAÚNAS
- IE TIBAGI
- IE AGUAPEÍ
- IE ITAQUERÊ
- IE ITAPURA
- IE BIGUAÇÚ
- IE IVAÍ
- IE JAGUAR 7
- TAESA

Peru
- ISA REP
- CONSORCIO TRANSMANTARO
- ISA PERÚ
- PROYECTOS DE INFRAESTRUCTURA DEL PERÚ
- ORAZUL ENERGY GROUP
- ORAZUL ENERGY TRANSMISION
- ETENORTE
- ETESELVA

Chile
- ISA INTERCHILE

Bolivia
- ISA BOLIVIA

Central America
- INTERCONEXIÓN ELÉCTRICA COLOMBIA - PANAMÁ
- EPR

Energy Transmission

ISA is the largest energy transmission company in Latin America. The energy transmission companies of the company group expand, operate, and maintain a high-voltage transmission network in Colombia, Peru, Bolivia, Brazil, and Chile, as well as the international interconnections that operate between Colombia-Ecuador and Ecuador-Peru. In Central America, the company holds a stake in Empresa Propietaria de la Red (EPR), which operates the Energy Interconnection System for the Countries of Central America (SIEPAC).

ISA, through its subordinates, transmits 407.000 GWh annually, by means of 47.358 km of high-voltage network circuits, which support the energy supply in the region. Also, ISA is building 6.529 km more, which will start operations in the following years.

In countries where ISA is present, energy transmission (for being a natural monopoly) is a regulated activity within the productive chain of the energy sector, whose expansion is awarded to private investors through bidding processes. Therefore, legal and regulatory stability conditions in the countries directly affect business management.

Revenues associated with the provision of the Energy Transmission service are regulated and indexed to macroeconomic variables such as the Peso - Dollar exchange rate, the Producer Price Index (PPI), the Consumer Price Index (CPI) or the corresponding indexes in the different countries.

[GRI 102-2] [GRI 102-6] [GRI 103-2] The services provided by the group's energy transmission companies include:

- Design, construction, operation, and maintenance of high-voltage energy transmission systems
- Connection of generators, network operators, regional transporters, and large consumers to the energy system

Transmission is essential for the creation of an energy market, as it is the cross point between generation and demand. Through transmission, the physical exchange of energy is achieved, and the use of generation resources is optimized.

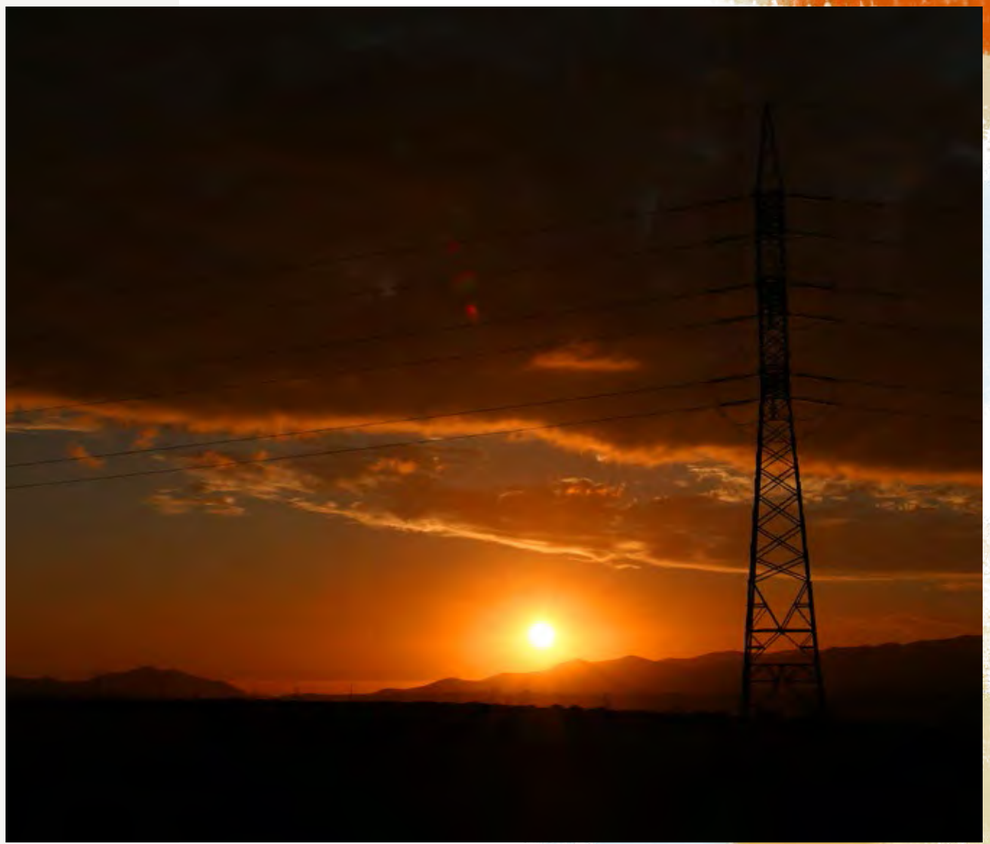
“The ISA2030 strategy established objectives for the Electric Power Transmission business unit, which continued materializing in 2020, the second year of the strategy, in spite of having to face difficulties as a consequence of restrictions and measures implemented for the mitigation of COVID-19 impact.

Thus, at the end of 2020 and with more than USD 1 billion, ISA’s business exceeded its annual goal of allocated investments. In the construction, operation and maintenance processes, ISA and its companies adapted to the demanding conditions and restrictions imposed by the pandemic, which allowed to guarantee more than 99,99% reliability in the provision of electric power, thanks to uninterrupted network operation in eleven control centers in Colombia, Perú, Bolivia, Brazil, and Chile. And although it was necessary to suspend construction activities in fifteen projects and to reschedule some maintenance activities during the first months of the pandemic, the provision of the service was guaranteed at all times as well as the safety of personnel and our infrastructure.

Implementing safety measures in our processes allowed to resume suspended works, perform priority maintenance in the infrastructure, and continue guaranteeing the continuity of our operations.

The COVID-19 pandemic put the adaptation and innovation capacity of our work teams, the strength of our continuity plans, and the resilience of our transmission systems to the test. This confirmed the business strength to face significant challenges such as decarbonization, decentralization, and digitalization. We received 2021 with optimism and great expectations for the materialization of new opportunities to continue walking towards 2030.”

César Augusto Ramírez Rojas
Chief Electric Power Transmission Officer



XM is a company of ISA's Group specialized in real-time systems management, that executes the operation planning and coordination for resources of the National Interconnected System (SIN). Furthermore, it administers the Commercial Settlement System (SIC) in the Wholesale Energy Market (MEM), administers the International Electricity Transactions (TIE) with Ecuador, and carries out the settling and clearing of charges for use of the SIN's grids. It also develops solutions and provides energy and information services. **[GRI 102-2] [GRI 102-6] [GRI 103-2]**

Real-Time Systems Management consists of planning, design, optimization, commissioning, operation coordination, administration or management activities for transactional systems or technological platforms involving value added information exchange and goods-and-services-related markets.

As operator of the SIN, XM guarantees the balance between production and consumption of energy in the country. Also, based on energy demand estimates, it carries out the coordinated real-time operation of the generation plants and the grid to ensure that power plants' generation continuously respond to consumers' demand in a cost-effective, reliable, and safe manner with quality standards.

XM'S PARTICIPATION IN OTHER SECTORS

Financial

- Derivex manages in Colombia a system to trade and register energy futures.
- The Cámara de Riesgo Central de Contraparte (CRCC) is a financial entity managing counterpart risks resulting from derivative financial instruments.

Transit and transportation

As XM's affiliate, Sistemas Inteligentes en Red S.A.S. (SIER) offers technology and knowledge in the coordination of operation and information management in intelligent network infrastructure. Also, it takes the experience and strength in operation and planning of the energy system, to offer multi-objective solutions directed towards traffic optimization and accident rate reduction.

Environmental assets and sustainable development

Environmental assets and sustainable development: transactional platforms EcoRegistry, EcoTrade and EcoGox, developed in alliance between XM and Latincheckout, which aim to contribute to the sustainable development of Latin America by implementing blockchain technology.

"In 2020, we at XM celebrated 15 years of work and commitment with the country. We faced one of the greatest challenges of our history: to deliver the best energy to Colombians under a pandemic situation that required from us to activate new work schemes and to test our organizational capabilities. The coordinated work with agents, government, institutionality, and academy and with the unconditional support of our employees and their families, allowed for the continuity in delivering the energy service.

We maintained opportuneness and quality of regulatory management and we continue contributing to be a relevant stakeholder in the transformation of the sector. Also, with the innovative DNA characteristic of ISA, we advance in products that contribute to environmental sustainability: We launched EcoGox, a pioneering platform in Latin America for registering and certifying renewable energy, based on blockchain technology and we strengthened EcoRegistry and EcoTrade.

We have a major responsibility with the country: for Colombia to have the best energy to continue advancing. I am certain that 2021 will be even more challenging as we adapt to the new normality, gradually returning to the work site with all biosecurity measures to continue taking care of us, intensifying digital transformation in our different processes, and having more and more participation in strategic spaces for transformation of the sector".

Maria Nohemi Arboleda
XM's CEO

Roads business unit

[GRI 102-2] [GRI 102-6]

ROADS IN OPERATION

1.053 KM

ROADS UNDER CONSTRUCTION

136 KM

129,2 MILLION
Vehicles in transit

94% *
FAVORABILITY
SERVICE CLIENT

718
EMPLOYEES

TRUNK TOLLS

16
IN OPERATION

1
UNDER CONSTRUCTION

SIDE TOLLS

84
IN OPERATION

0
UNDER CONSTRUCTION

SERVICE AREAS

22
IN OPERATION

1
UNDER CONSTRUCTION

90%*
Ambulance service compliance

91%*
Tow truck service compliance

90%*
Patrol service compliance

* Corresponds to the consolidated of the concessionaires in Chile

Chile

- ISA INTERVIAL CHILE
- RUTA DEL MAIPO
- RUTA DEL MAULE
- RUTA DEL BOSQUE
- RUTA DE LA ARAUCANÍA
- RUTA DE LOS RÍOS
- RUTA DEL LOA
- INTERCONEXIONES VIALES

Colombia

- RUTA COSTERA
- INTERVIAL COLOMBIA

ISA designs, builds, operates, and maintains road infrastructure that connects millions of people in Chile and Colombia, contributing to their social, economic, and environmental development, and ensuring high standards of quality, safety, and connectivity to users. **[GRI 102-2] [GRI 102-6] [GRI 103-2]**

In Chile, the Group has experience and recognition in the sector for nearly 20 years: today we are the largest intercity road operator with 907 km and 136 km under construction, of which we will operate 111 km. ISA INTERVIAL CHILE's operations include Ruta 5 (5 Route) from Santiago to Río Bueno, through which more than 126 million vehicles pass every year.

In Colombia, the Costera Cartagena-Barranquilla (RUTA COSTERA) concession has 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

With the closing of the acquisition of 100% shares of the Costera Cartagena-Barranquilla Concession, the Group formalized its entry into the Road Concessions business unit market in Colombia and increased its road operations to a total of 1.053 km in Colombia and Chile.

36,7 km of double lane). The work contracted in the Concession has reached 98% completion, taking second position in progress regarding the Fourth Generation (4G) program in Colombia. The project includes the Gran Manglar Viaducto, located on the Ciénaga de la Virgen in Cartagena, with an extension of 5,4 km that, besides being the longest in Colombia, received the Pan American Sustainable Development Award, the National Engineering Award, and the National Environmental Award, because of its minimal impact on the mangrove and minimal occupation of La Ciénaga.

Product of the alliance between ISA and Construcciones El Cóndor S.A. the company Interconexiones Viales was incorporated in 2020, a platform for growth in the primary and secondary market in Colombia and Peru. Through this alliance, a joint strategy will be executed to evaluate, participate in, and acquire concessions to create a strong portfolio in these countries.

> “2020 was a year of considerable challenges and great achievements for the Roads Business Unit. The health crisis caused by COVID-19 imposed significant challenges to our commitment of guaranteeing the availability of road infrastructure, essential for the connectivity of users and the supply chain. By acting with agility and responsibility, and thanks to the commitment of our team, ISA maintained the operation under optimal and safe conditions at all times. Moreover, important steps were taken in line with our strategic plan, strengthening the team and entering into the road concessions market in Colombia”.
>
> **Ernesto Carrasco Morales**
> Chief Road Concessions Officer

Telecommunications and ICT business unit

[GRI 102-2] [GRI 102-6]

8.449
SERVICES

898
CLIENTS

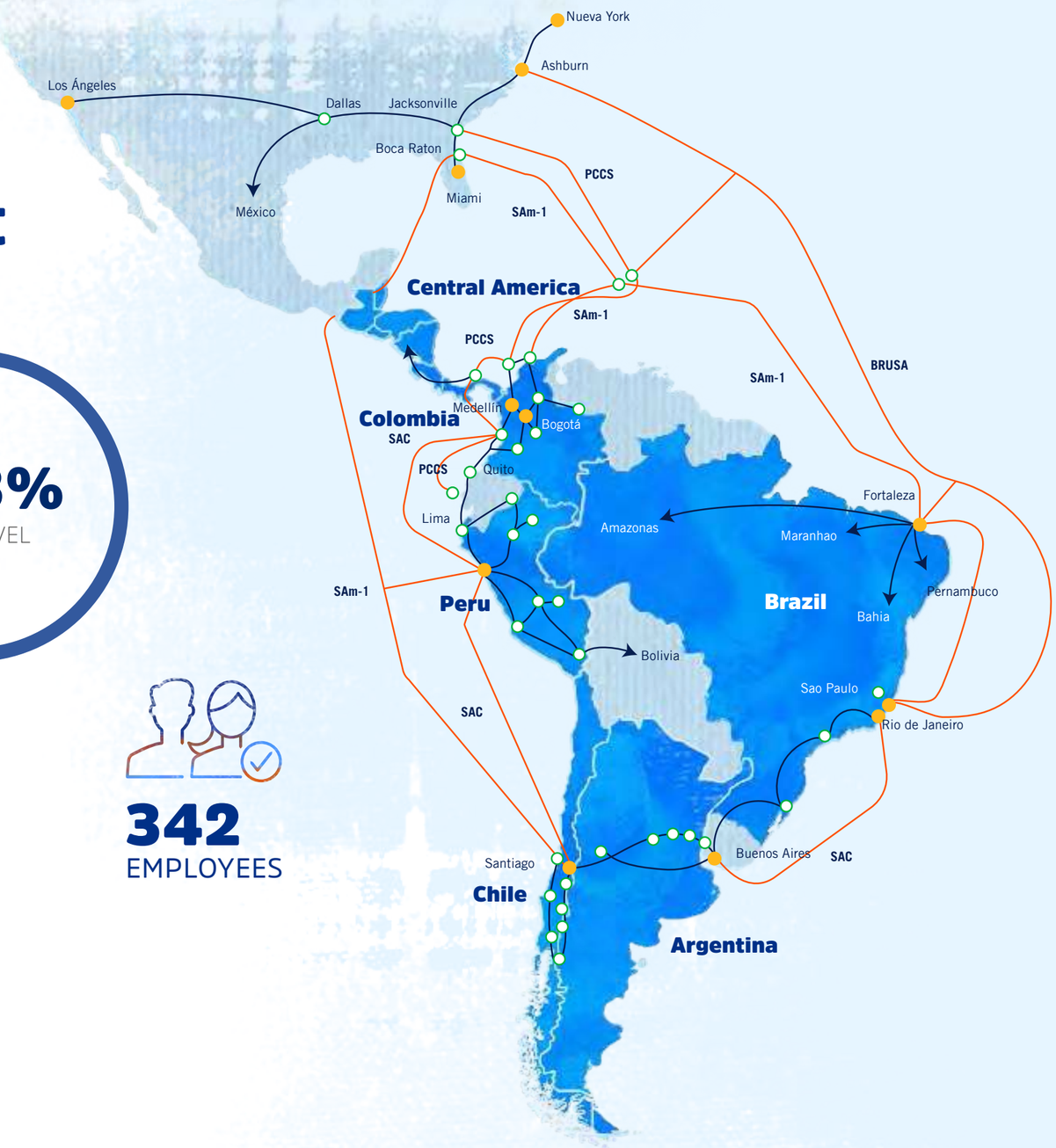
98,3%
SERVICE LEVEL

MORE THAN
150
ciudades conectadas

MÁS DE
54.000 KM
of land and undersea fiber optics in Latin America

342
EMPLOYEES

24/7 service at Network Operation Centers (NOCs) in Brazil and Colombia



Colombia
- INTERNEXA
- ATP*

Brazil
- INTERNEXA
- INTERNEXA PARTICIPAÇÕES

Peru
- INTERNEXA
- ATP*

Chile
- INTERNEXA
- ATP*

Argentina
- INTERNEXA

Central America
- REDCA

*ATP, headquartered in the USA, develops operations in Colombia, Peru, and Chile.

IXP/Colo Facility
Main city

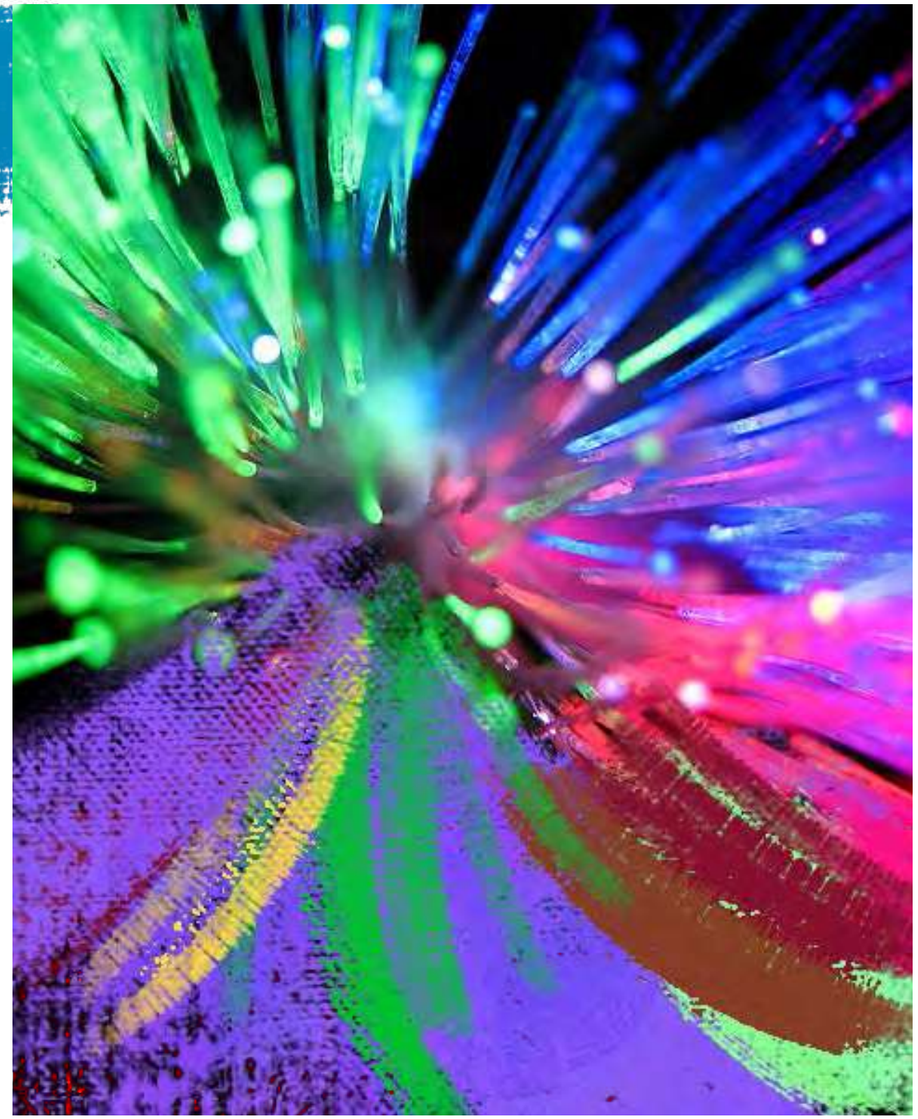
INTERNEXA is the ISA's Group information and telecommunication technologies company, recognized in the industry for its track record in the provision of services in sectors such as OTT (Over the Top, companies that provide services over the internet without being operators) and telecommunications. INTERNEXA has specialized in supporting its customers' digital transformation processes, with connectivity services, managed services, the best cloud, and security services.

In an atypical year, the company advanced in the diversification of its portfolio and market, accompanying its customers in the digital transformation process. In 2020, the company added a new line of services based on analytics and Internet of Things (IoT) that complements its portfolio of connectivity, internet, cloud, data center, security, and managed services portfolio, to assemble comprehensive solutions for its customers. **[GRI 102-2] [GRI 102-6] [GRI 103-2]**

In 2020, the segment diversification progressed 2,5%, mainly driven by the growth of the OTT segment. Similarly, two new data centers were incorporated in Lima and Santiago.

This has complemented the fiber optics network of more than 54.000 Km, the two Data Centers (Bogotá and Río de Janeiro), Thunder, the cloud, and centralized communications platforms; all the above under the supervision and control of the Network Operation Center (NOC) in Colombia and the Security Operation Center (SOC) in Brazil, which guarantee customers' IT security.

ISA also has a shareholding participation in ATP, a private operator of digital infrastructure that offers operation and lease of assets of towers, rooftops, small cells, and fiber optics in Colombia, Peru, and Chile.



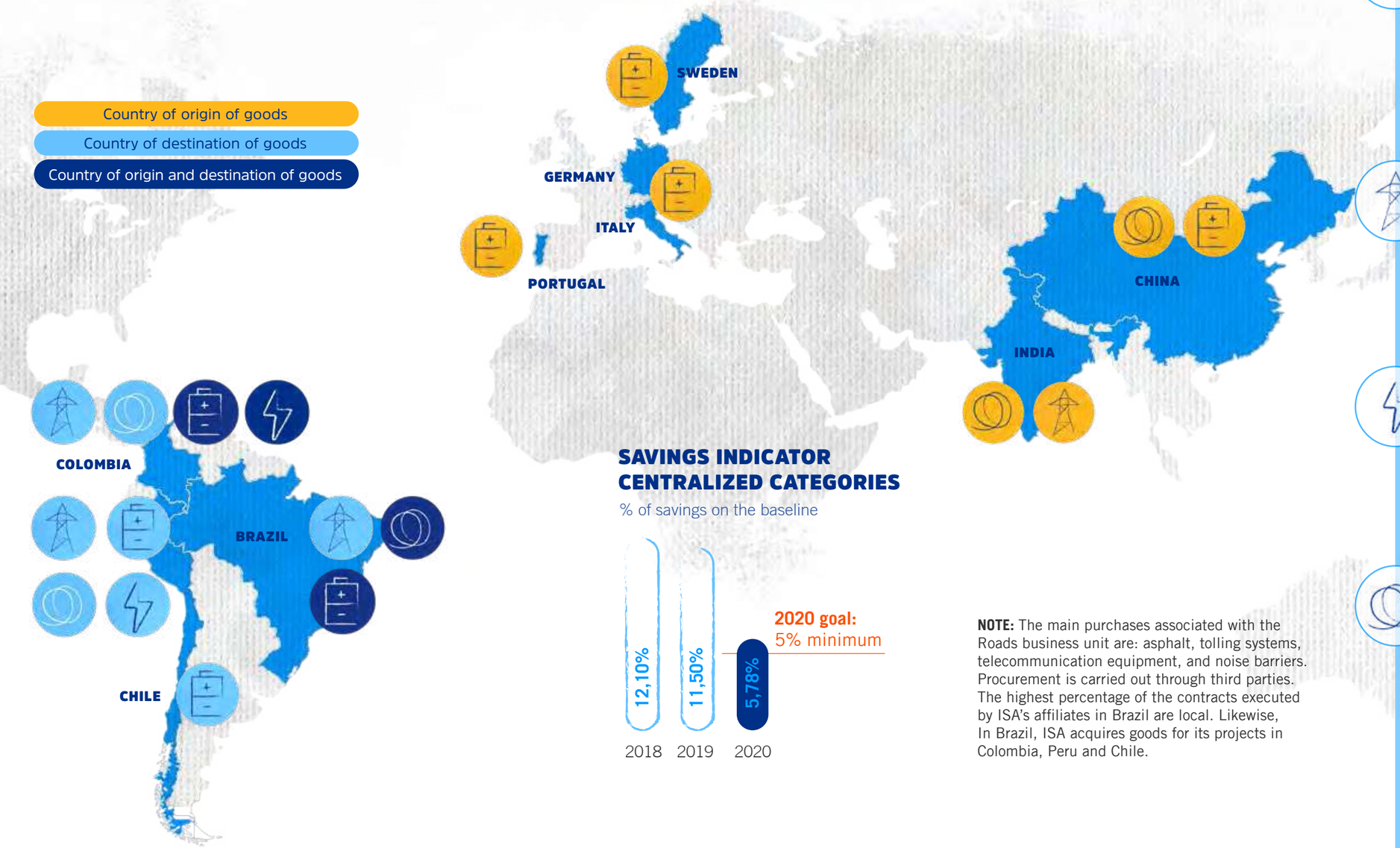
“2020 was for all worldwide organizations a year of many changes and lessons. It represented many challenges for our affiliate INTERNEXA and, in particular, the challenge of strengthening its services to support our customers’ digital transformation processes in the midst of the pandemic.

We expect more economic activity this year than in 2020, with the economic revival process and digital transformation projects in more companies. Our projections aim at 5% growth approximately in regional revenues and we plan investments equivalent to 25% of them, to continue expanding and strengthening our services. These investments are expected to expand the local coverage with metropolitan networks in the main cities where we are present, thus increasing the IXP (internet exchange points) to bring our services closer to more customers. Regarding the cloud service, Thunder is already in Peru with the possibility of implementing the Disaster Recovery Plan (DRP) in Colombia. Also, in Chile, our data center is available for companies. Our centralized security platforms will continue their expansion, as well as the AntiDDoS platform to protect from attacks coming from the internet.”

Jaime Alberto Peláez Espinosa
INTERNEXA’s CEO

Procurement [GRI 102-7]

Country of origin of goods
Country of destination of goods
Country of origin and destination of goods



SAVINGS INDICATOR CENTRALIZED CATEGORIES

% of savings on the baseline

NOTE: The main purchases associated with the Roads business unit are: asphalt, tolling systems, telecommunication equipment, and noise barriers. Procurement is carried out through third parties. The highest percentage of the contracts executed by ISA's affiliates in Brazil are local. Likewise, In Brazil, ISA acquires goods for its projects in Colombia, Peru and Chile.

EQUIPMENT FOR HIGH-VOLTAGE SUBSTATIONS

Raw materials: copper, oil, metals

USD **35** MILLIONS*

Suppliers: ABB, Efacec, GE, Hyosung, Siemens

GALVANIZED METAL STRUCTURE

Raw materials: steel and zinc

USD **86,9** MILLIONS*

Suppliers: KEC y Kalpataru

SECONDARY SYSTEMS

Raw materials: engineering, electronics, supervision service

USD **3,6** MILLIONS*

Suppliers: Siemens y HMV

CONDUCTOR CABLES

Raw materials: aluminum

USD **106,7** MILLIONS*

Suppliers: Henan Tong-da, Sterlite, Prysmian

*Value of contracts in effect as of December 31, 2020

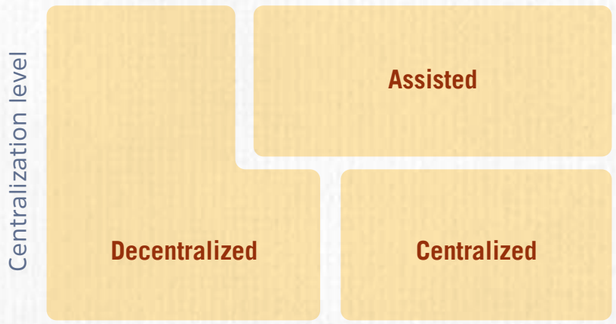
Procurement **model**

WHAT?

CONSOLIDATED PROCUREMENT PLAN

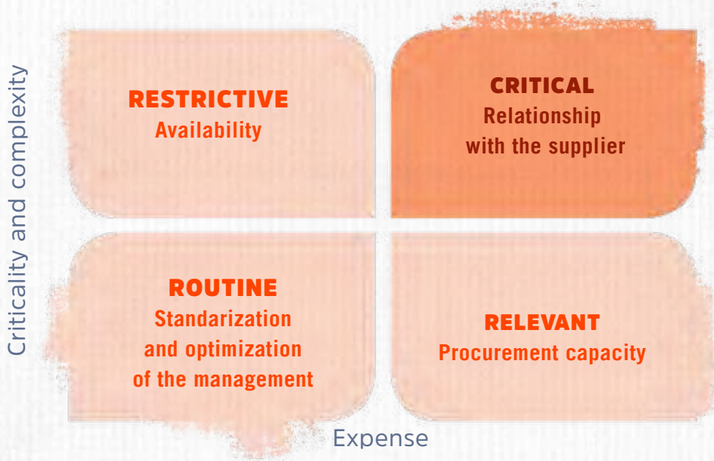
WHO?

SEGMENTATION MATRIX



WHAT APPROACH?

STRATEGYC MATRIX → Deep-level categories



Critical suppliers: suppliers of goods/ services of categories within this quadrant, which represent the highest expenses as well as the greatest complexity of the market and criticality for the business.

HOW?

PROCUREMENT STRATEGIC SOURCING

1. BUILT PROJECT
2. UNDERSTAND THE CATEGORY
3. DESIGN STRATEGY
4. PURCHASE
5. MANAGE CONTRACTS

INNOVATION AND IMPROVEMENT

→ **LESSONS** LEARNED

→ **BEST** PRACTICES

ENABLERS

STRATEGIC MANAGEMENT OF SUPPLIERS

HUMAN SKILLS

CORPORATE GUIDELINES

Relevant milestones

MARCH

ISA wins the La Loma-Sogamoso 500 kV transmission line project of 275 km in Colombia, that will reinforce the North of the country and facilitate the connection of renewable energies.

JUNE

ISA Group launches its corporate voluntary work program.

JULY

ISA Group and Construcciones El Condor, create interconexiones Viales to participate in the road infrastructure sector in Colombia and Peru.

APRIL

ISA Group launched its humanitarian aid project to address the health emergency caused by COVID-19.

AUGUST

ISA has a successfully placement of green bonds, with 2,54 times excess demand compared with the amount tendered.

ISA ACQUIRES

100%

shares of Orazul Energy GROUP in Peru, owner of ETENORTE and ETESELVA.

The construction of the Ruta del Loa project in Chile starts: 136 km that will facilitate the connection and mobility in Antofagasta, Chile.

SEPTEMBER

ISA Group inaugurates a solar plant at their headquarters with 1.044 solar panels, which purpose is to contribute to the mitigation of climate change and to contribute to distributed energy resource research.

ISA Group reaffirms its commitment as signatory of the United Nations Global Compact.

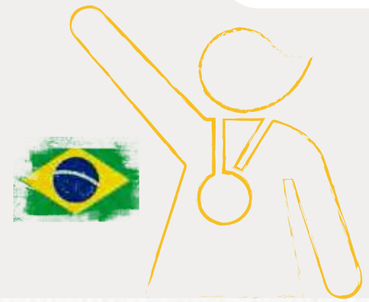
OCTOBER

Through ISA INTERVIAL Chile, **the ISA Group completes the acquisition of Costera Cartagena-Barranquilla Concession.**

DECEMBER

ISA Group signed an agreement to acquire 100% of the shares of Piratininga-Bandeirantes Transmissora de Energia (PBTE) in Brazil.

ISA Group was awarded an energy transmission project in Brazil: Lot 7 in ANEEL's tender

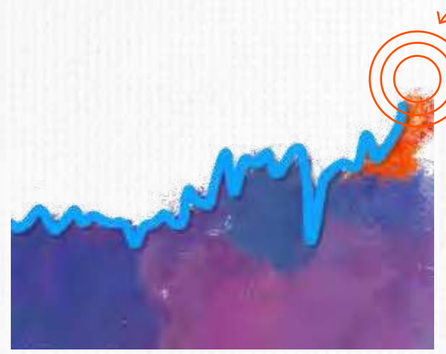


ISA Group was awarded the tender of Chincha Nueva and Nazca Nueva energy transmission projects in Peru.

XM launches EcoGox, a platform for certification and registration of renewable energy.

Entry into operation of energy transmission projects of ISA Group in Brazil, Chile, Colombia and Peru

FOR OVER USD **191** MILLION.



ISA'S SHARES REACH A HISTORIC PEAK CLOSING AT

COP 25.700

AS OF DECEMBER 30.

Recognitions

JANUARY

Colciencias recognizes five

projects in the Process Innovation and Organizational Innovation categories.

COLCIENCIAS

AUGUST

ISA GROUP IS RECOGNIZED AMONG INSPIRADORAS 2020 (INSPIRING COMPANIES), FOR ITS PROGRAMA PARA LA ESPECIALIDAD DEL CAFÉ -PEC LED BY ISA INTERCOLOMBIA.

ANDI

JUNE

XM is declared “out of competition”

at Andesco Awards for Environmental Sustainability 2020.

Andesco
ASOCIACIÓN NACIONAL DE EMPRESAS DE SERVICIOS PÚBLICOS Y COMUNICACIONES

SEPTEMBER

Conexión Jaguar

chosen as the best “Corporate Emissions Offsetting Program”, awarded by Environmental Finance Voluntary Carbon Market.

Environmental Finance
Voluntary Carbon Market Rankings 2020
Winner

JULY

ISA IS RECOGNIZED AS ONE OF THE THREE COMPANIES

with best Private Social Investment practices in Colombia according to Jaime Arteaga and Associates company in alliance with Semana Sostenible.

Semana SOSTENIBLE
IDEAS QUE SE VUELVEN ACCIONES

OCTUBRE

ISA is among the top 100 companies

in Colombia with the best reputation and capacity to attract and retain talent.

Bernardo Vargas Gibsone,

among the top 15 business leaders with best reputation.

merco
EMPRESAS Y LÍDERES

Recognitions

NOVEMBER

ISA is included in the Dow Jones Sustainability Index (DJSI) among the top 10 energy companies worldwide.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

ISA, ISA INTERCOLOMBIA, and XM are classified as companies with a low corruption risk, according to Transparencia por Colombia.

TRANSPARENCIA POR COLOMBIA

Olga Lucía López

wins the Tech Executive category at the Globant Awards, Women that Build Colombia edition.

Olga Lucía López, ISA's Chief Technology and Information Officer

DECEMBER

CONEXIÓN JAGUAR | isa

WINS FIRST PLACE IN ENVIRONMENTAL MANAGEMENT CATEGORY.

ISA REP's project Medicinal Plant for Canchamayo

wins first place in "juntos contra COVID-19: sumando esfuerzos" (together against COVID-19: joining efforts) category.

Sociedad Nacional de MINERIA PETROLEO Y ENERGIA

ISA INTERVIAL CHILE

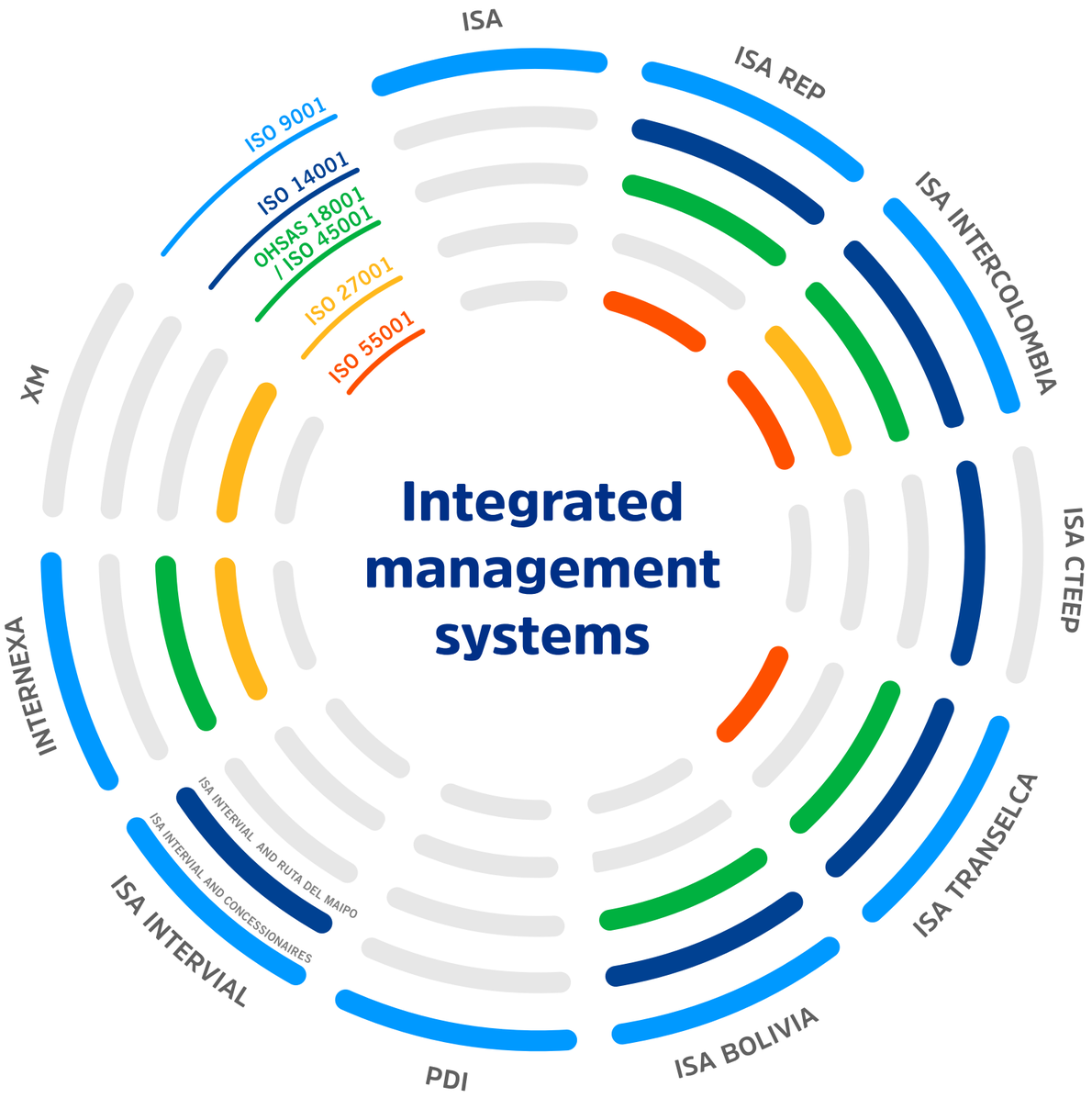
is recognized for its commitment with integrity, application of ethical values, efficiency of compliance tools implemented to prevent anti-ethical conducts and the handling of the pandemics.

FGE

FTSE Russell

ISA is included in FTSE4Good Index Series

Consistent with its desire to apply international standards to increase levels of competitiveness, ISA and its companies adopted the ISO and OHSAS standards to manage quality, occupational health and safety, environment, information, and asset management.



Good governance and integrity

For ISA and its companies, good governance and integrity mean counting on governing bodies that guarantee the transparency and independence of the company and ensure the creation of sustainable value.

Board of Directors 2020 - 2021

13
meetings
held per year

78%
INDEPENDENT MEMBERS

80%
MINIMUM ATTENDANCE RATE GOAL

99%
ATTENDANCE

REMUNERATION

COP 5.020.587
PER SESSION ATTENDED

Board of Directors [GRI 102-18] [GRI 102-22] [GRI 102-23]

Santiago Montenegro Trujillo

Nominated by: Pensions and Severance Funds ● ● ○
Chairman of the Business Committee
Chairman of the Board of Directors

Carlos Mario Giraldo Moreno

Nominated by: Ministry of Finance and Public Credit ● ● ○
Chairman of the Corporate Governance, Sustainability, and Risk Committee

Jesús Aristizábal Guevara

Nominated by: Empresas Públicas de Medellín ● ○
Chairman of the Corporate Audit Committee

Isaac Yanovich Farbiarz

Nominated by: Ministry of Finance and Public Credit ● ● ○
Chairman of the Organizational Talent Committee

Marcela Meléndez Arjona*

Nominated by: Ministry of Finance and Public Credit ● ● ○
*Resigned in November 2020

Henry Medina González

Nominated by: Pensions and Severance Funds ● ○

Camilo Zea Gómez

Nominated by: Pensions and Severance Funds ● ○

Juan Pablo Zárate Perdomo

Nominated by: Ministry of Finance and Public Credit ● ●
Technical Deputy Minister of the Ministry of Finance and Public Credit

César Augusto Arias Hernández

Nominated by: Ministry of Finance and Public Credit ● ● ●
Director of Public Credit and of the National Treasury of the Ministry of Finance and Public Credit

- ● Corporate Governance, Sustainability, and Risk Committee
- ● Business Commitee
- ● Corporate Audit Committee
- ● Organizational Talent Committee
- ○ **Independent members**

CORPORATE GOVERNANCE REPORT

COMPANY STRUCTURE AND SHAREHOLDING

Complying with article 47 of Law 964 of 2005, the results of the evaluation to internal control systems on financial information control and disclosure procedures were presented to the Audit Committee and to the Board of Directors and are explained in the Corporate Governance Report attached.

Management [GRI 102-18]

BERNARDO VARGAS GIBSONE

CEO

OLGA PATRICIA CASTAÑO DÍAZ

Chief Strategy Officer

CÉSAR AUGUSTO RAMÍREZ ROJAS

Chief Energy Tranmission Officer

ERNESTO CARRASCO MORALES

Chief Road Concessions Officer

CAROLINA BOTERO LONDOÑO

Chief Corporate Finance Officer

JULIANA SUSO JARAMILLO

Chief Institutional Relations Officer

CARLOS HUMBERTO DELGADO GALEANO

Chief Organizational Talent Officer

SONIA MARGARITA ABUCHAR ALEMÁN

Chief Legal Officer

DANIEL ISAZA BONNET

Chief Growth and Business Development Officer

OLGA LUCÍA LÓPEZ MARÍN

Chief IT Officer

CARLOS IGNACIO MESA MEDINA

Chief Corporate Audit Officer

JAIME ALBERTO PELÁEZ ESPINOSA

INTERNEXA´s CEO

Ethics

GRI [102-16]

Ethics defines ISA's nature. It is the intrinsic value of our employees and managers, and it is fundamental to be reliable among stakeholders. Since its inception, ISA and its companies have based their identity on ethical principles based on the adoption of honest, coherent, suitable, and responsible conduct that have remained throughout the life of strategic cycles and ensure responsible value generation for all stakeholders. Therefore, in 2020, ISA and its companies continued to strengthen the mechanisms that make this belief to be reflected on every corporate definition and choice.

Below are the most relevant actions:

- Definition of a protocol for ethical issues: Guided by the Chief Corporate Audit Office, the protocols to address ethical issues were defined. These include criteria to be considered by each company, the protection to whistleblowers, the protection of information confidentiality, and the protection of personal information. This protocol is supplemented by a publication addressed to all stakeholders, so they learn about it and use the Ethics Line channels.

Reporting channels are our tool to prevent and detect corruption and ethical violations and honor our obligation to carry out relevant procedures.

- The comprehensive management of risks included the identification and assessment of the Compliance corporate risk (which includes fraud, corruption, money laundering, among others) for the processes at higher risk. Additionally, the declaration of conflict of interest has continued to be addressed, as well as the management of the reports received.

- A communication and education plan, addressed at external managers, employees, and other stakeholders, was developed to preserve a solid ethical culture. The most important topics are:

- Promotion of the ethical culture: Prevention of money laundering, conflict of interest, treatment of gifts, protection of personal data.

- Ethics e-learning program as part of the introductory process for new employees.

- Talks with international experts about “La práctica de nuestra ética” (Ethics practice) and “La motivación y el liderazgo basados en valores” (Motivation and leadership based on values).

- At an external level, ISA participated in the Meeting with Suppliers and Dialogues with Stakeholders held by the different affiliates, which allowed us to confirm the importance of making ethics the backbone of the company’s decisions not only in relations with the companies of the Group, but in its everyday activities.

Relevant management at affiliates

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM maintained their voluntary work on the “Acción Colectiva del Sector Eléctrico” (Collective Action of the Energy Sector). The agreement reached with the various stakeholders, the definition of the suggested essential aspects to be considered by the companies when it comes to their corporate ethics programs, and the confirmation of our commitment for another five years must be highlighted. The eighth Ethics Forum of the Colombian Energy Sector, for the first time held online, whose purpose was to continue to foster a space for thought, action, and commitment around ethics, must also be highlighted.

acción colectiva
LA ÉTICA: ENERGÍA QUE NOS DIFERENCIA

COMMITMENTS

- Make progress in the development and implementation of the comprehensive anti-corruption program, which is part of International Transparency’s “Business Principles to counter bribery.”
- Continue promoting competition in the energy sector based on the best practices of corporate governance for the Prevention of Anti-Competitive Practices.
- Create and distribute to all the companies a Risk Map for corruption, anti-competitive practices, money laundering, and terrorist financing, including the relevant management measures. In addition, contribute to the creation of such map for the sector.
- Provide useful information for the promotion of transparency in the sector and the energy market.

ISA CTEEP kept working on the preparation of its internal processes for compliance with the new Personal Data Protection General Law, which came into force in August 2020. The diagnostic phase was completed. It was the basis for ensuring the adequate management of third-party information. The Company created the Audit and Compliance Department, who reports directly to the CEO and to the Audit Committee. The Company also created the Ethics and Compliance Portal, to which all the employees can access remotely.

ISA INTERVIAL CHILE and its concessionaires ratified the Corporate Integrity & Ethics Model – Law 20.393 (Compliance), including two new companies: RUTA DEL LOA and ISA INVERSIONES COSTERA CHILE SPA. Besides enforcing this law, the highest implementation standards suggested by the Organization for Economic Cooperation and Development (OECD) were applied.

Likewise, the Compliance management was strengthened by incorporating indicators to monitor the efficiency and performance of the model, as well as the data analytics for continuous, online due diligence by stakeholders with respect to the crimes defined in the Chilean law (including corruption risk).

The Fraud Prevention Predictive Model was implemented for real-time monitoring of the toll collection process to identify prevention signals and alarms in advance.

The "Programa Empresarial de Ética y Compliance" seeks to strengthen ethics as a cultural trait that permeates each of the decisions and actions of Grupo ISA employees. Likewise, it allows to manage in each geography and business the regulatory compliance related to the risk events of fraud, corruption, bribery, money laundering and terrorist financing, which may affect business resources and, therefore, the Group reputation and sustainability.

Results of the Ethics Line

[GRI 102-33] [GRI 102-34]

As for the management of reporting channels, all the reports received were addressed during the period. No report was related to corruption acts. To complement these efforts, the Ethics Committee of each of the companies held meetings according to their guidelines.

ETHICS LINE

Each of the companies has a toll-free ethics line to make queries or report any breach of the Code of Ethics and Conduct, wherever they are.

PURPOSE

To have a communication channel through which stakeholders can make queries or report breaches of the Code of Ethics and Conduct.

MANAGEMENT

The toll-free ethics line is attended by an external call center. Once the cases have been received, recorded, and classified, the Ethics Committee manages them.

DATA PROCESSING

Any information received through the toll-free ethics line is classified as confidential and managed as such. Personal data are processed appropriately and for authorized purposes. The identity of callers is confidential.

100%

COMPLAINTS ADDRESSED BY THE ETHICS LINE

2018 | 2019 | 2020

0

[GRI 205-3]

CONFIRMED CORRUPTION

CASES IN 2018 | 2019 | 2020

0

CONFIRMED EVENTS OF HUMAN RIGHTS

VIOLATIONS IN 2018 | 2019 | 2020

PROTECTION AND MANAGEMENT OF INFORMATION

HABEAS DATA

→ **0** PROVEN CASES OF MISUSE OF INFORMATION IN 2018 | 2019 | 2020

→ **0** REPORTED CASES IN 2018 | 2019 | 2020

* Cases reported or investigated: It does not obey the number of effective cases

IMPROVEMENT PLANS IMPLEMENTED

With respect to the two sexual harassment cases confirmed, the relevant administrative actions pursuant to local labor laws were carried out. Preventive actions were also carried out to avoid any further incident. These actions sought to ensure a better understanding about what constitutes harassment and how to address it. Also, training sessions were delivered by experts in the field.

Regarding fraud, one of the cases was related to undue access to sensitive information. The relevant corrective measures were applied within the legal framework and IT key controls were strengthened so that there is a more restricted access. Likewise, monitoring controls were put in place to detect misuse, and awareness campaigns about the importance of proper management and use of information were held. Other themes Workplace Harassment Without category violation of laws, rules and regulations inadequate working conditions. The other case was related to misappropriation of company resources by third parties. Complaints have been filed with the relevant authorities and the process monitoring mechanisms were strengthened.

isa

5

Strategy

The ISA2030 Strategy is ratified

In 2020, a year of high uncertainty, we were able to confirm that ISA's strategy is solid enough to face new global dynamics.

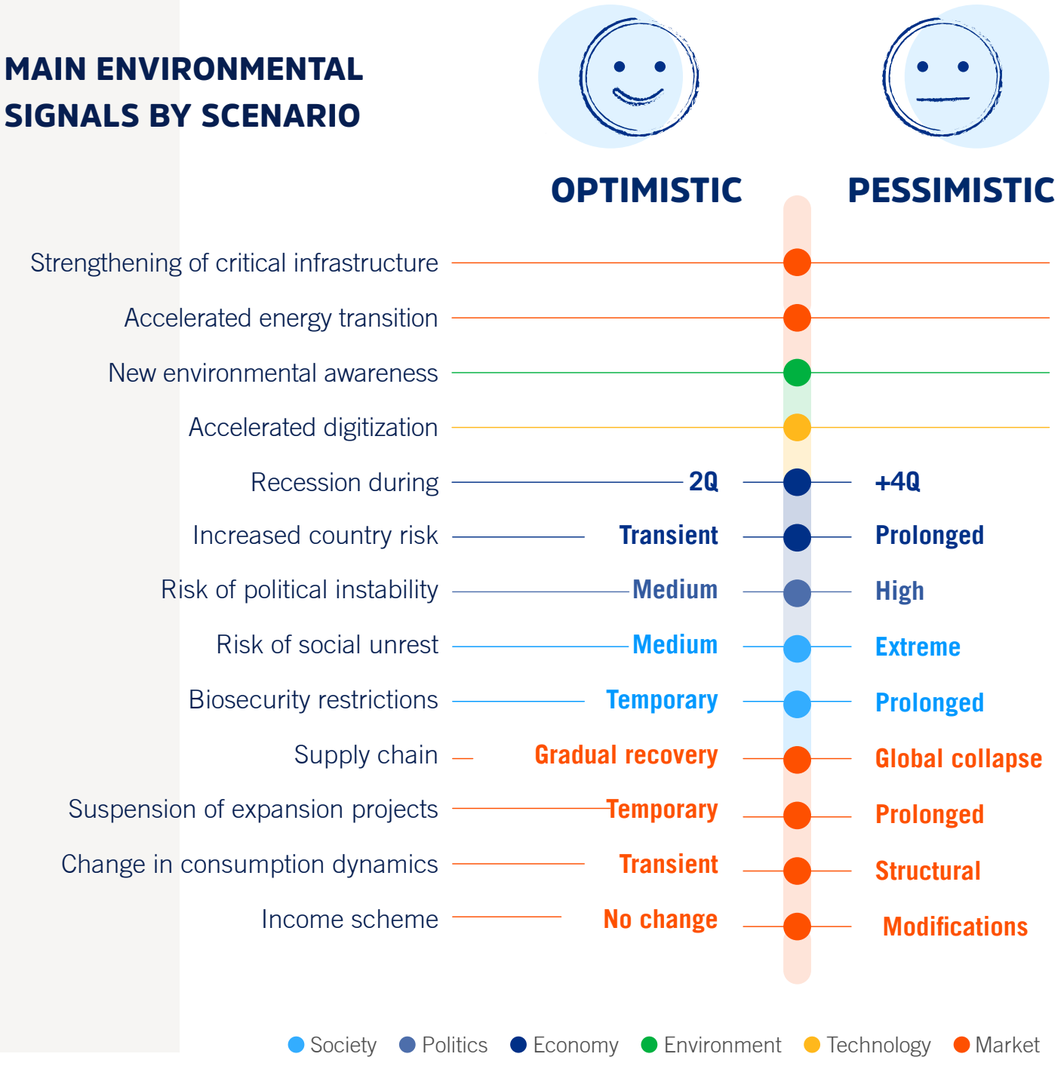
The COVID-19 pandemic forced companies to deal with the crisis not only by taking timely actions to protect the health and safety of their employees and ensure uninterrupted operations and service provision, but also to reflect in depth about previously established goals, the impact of the pandemic on mid-term and long-term choices, the construction of extreme scenarios, and the creation of new strategic paths.

This is how, besides a permanent analysis of the environment and internal and external risks since the beginning of the pandemic in the region, ISA did a construction exercise based on two possible scenarios: the optimistic scenario and the pessimistic scenario. Different pandemic durations and solutions were assumed for each scenario: three months and twelve months, respectively. For each business unit, impacts on operations and maintenance, execution of projects, and procurement were identified and analyzed: Energy Transmission, Road Concessions, Telecommunications and ICT. The possible impacts on expected growth and business models were analyzed. Positive and negative implications for ISA´s business were found.

A potential impact of the crisis on certainty or on macrotrends on which strategic decisions as of 2030 were based, were also analyzed. **[GRI 102-15]**

Among the most relevant environmental signals for the scenarios, there are the following:

MAIN ENVIRONMENTAL SIGNALS BY SCENARIO



In addition, the analysis on the possible financial performance of the Group companies in the short and mid-term regarding the two scenarios evaluated in terms of revenues, expenses, capex execution and cash flows allowed us to conclude, at a general level, that the Group has sufficient financial strength and favorable conditions to reach its investment goals.

- The nature of ISA's businesses, their efficient administration, and the natural hedging policy adopted by each company as for revenues and financing allowed us to deal with this situation without seeing any significant negative effect on revenues.

- Deviations in administrative, operating, and maintenance expenses are mainly associated with travel for scheduled maintenance activities, travel and accommodation savings, training, and office expenses.

- The cost of debt in 2020 was impacted by the inflation rate of each country.

- The deviation in the execution of capex generated minor indebtedness needs.

- ISA companies have sufficient cash for the coming years. The monthly cash flows were positive for all the companies.

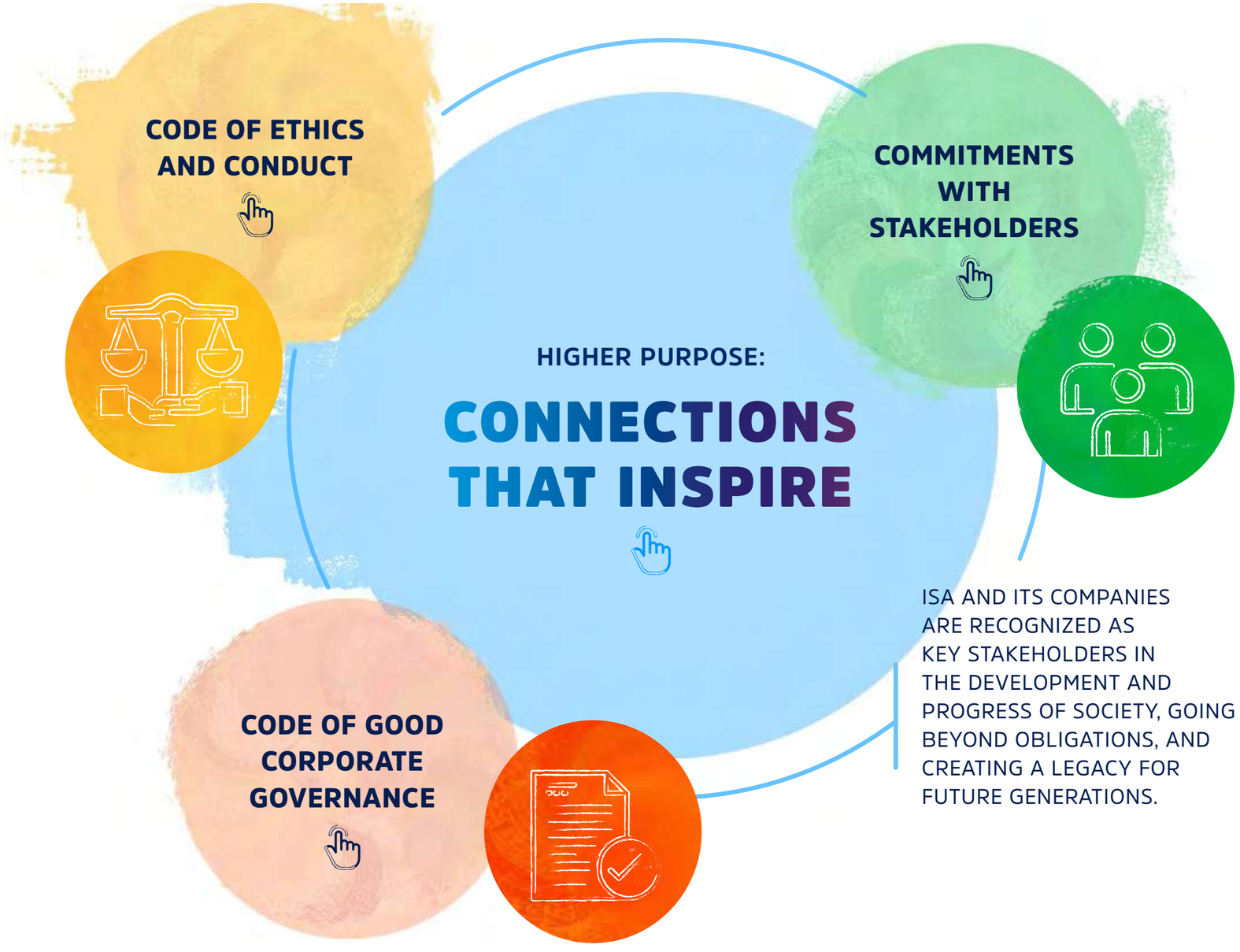
Based on these results, the validity of our goals in the short, medium, and long term was assessed, which made possible for us to conclude that the ISA2030 Strategy is adequate to overcome new challenges. Also, signals were given to make short-term adjustments to adapt to this new reality and continue the path of success when it comes to reaching our goals.

Launch of Strategy 2030, november 2018

Permanent monitoring and analysis of the environment allowed us to make timely decisions and carry out actions to overcome the impacts of the COVID-19 pandemic.

ISA2030 Strategy Sustainable Value

Our higher purpose, CONNECTIONS THAT INSPIRE, and its maxims are the main expression of the behavior, actions, and beliefs of ISA and its companies. It is reinforced by the Code of Ethics and Conduct, the Code of Good Corporate Governance, and Commitments with Stakeholders



The ISA2030 Strategy seeks the creation of Sustainable Value: it is the great commitment to create value over time and to go beyond the creation of just financial value, because we consider social and environmental values and see all the opportunities that the future brings as it is increasingly dynamic, collaborative, and digital. This ensures corporate validity.

[GRI 102-14]

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

Significant contribution to caring for the planet and achieving the Sustainable Development Goals in the countries where the Group is present

SHAREHOLDER VALUE

Growth, generation of profitability, application of good corporate governance practices

SUSTAINABLE VALUE

CORPORATE LONGEVITY

The companies of the future must leverage the generation of value with innovation, digital transformation, alliances and a group of high-performance collaborators

The ISA2030 Strategy is supported by four pillars in its everyday actions and choices, as well as internal relations and with the world.

GREEN

Minimize the environmental impacts of the business and promote positive environmental initiatives.

INNOVATION

Take advantage of business opportunities derived from technological evolution and trends.

DEVELOPMENT

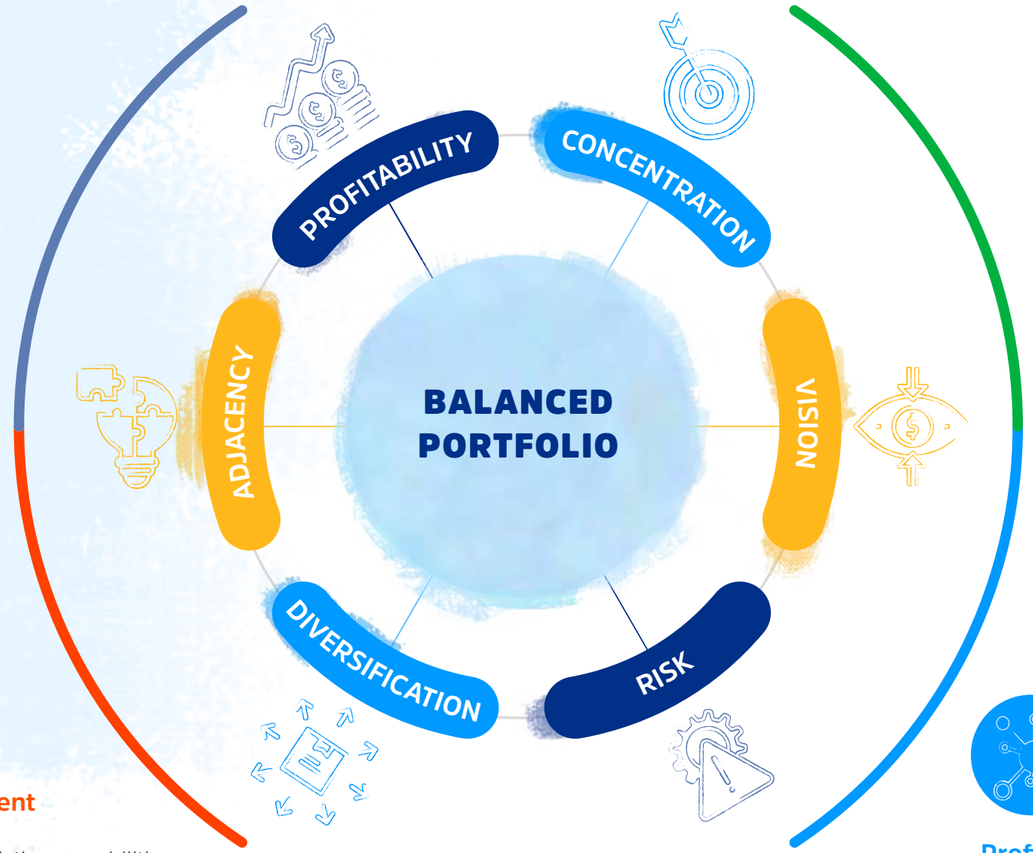
Build capacities and leaders to face business challenges and promote the development of the territory and an entrepreneurship ecosystem.

ARTICULATION

Seal strategic alliances to meet objectives.

Strategic choices

Business choices reflect how a balanced portfolio has been assembled, where there is balance between risk and profitability criteria, vision and adjacency, and geographic and business diversification.



ELECTRIC POWER

- Electric Power Transmission, core business
- Profitable projects
- Capex and opex excellence
- New geographies: United States, Panama and other Latin American countries
- Key role in the transformation of the sector
- Sub transmission

New businesses
- Large-scale storage
- Distributed energy solutions

ROADS

Platform development
- Alliances for growth
- Strengthening of existing capabilities
- Profitable projects
- Capex and opex excellence
- New geographies: Colombia and Peru

BUSINESSES OF FUTURE

Approach
- Beyond the core business
- Transformational innovation
- Enhancing existing abilities

Vehicles
- Open Innovation Ecosystem
- Corporate Entrepreneurship

TELECOMMUNICATIONS AND ICT

Profitability
- Strategic alliances
- Internexa and ATP synergies
- Synergies in future businesses

Growth in each segment and territory will be achieved through organic and inorganic transactions. We will be more competitive thanks to excellence in the formulation and execution of capex and opex, the creation of strategic alliances, the generation of positive social and environmental impact, and an ambitious commitment to innovation and digitization.

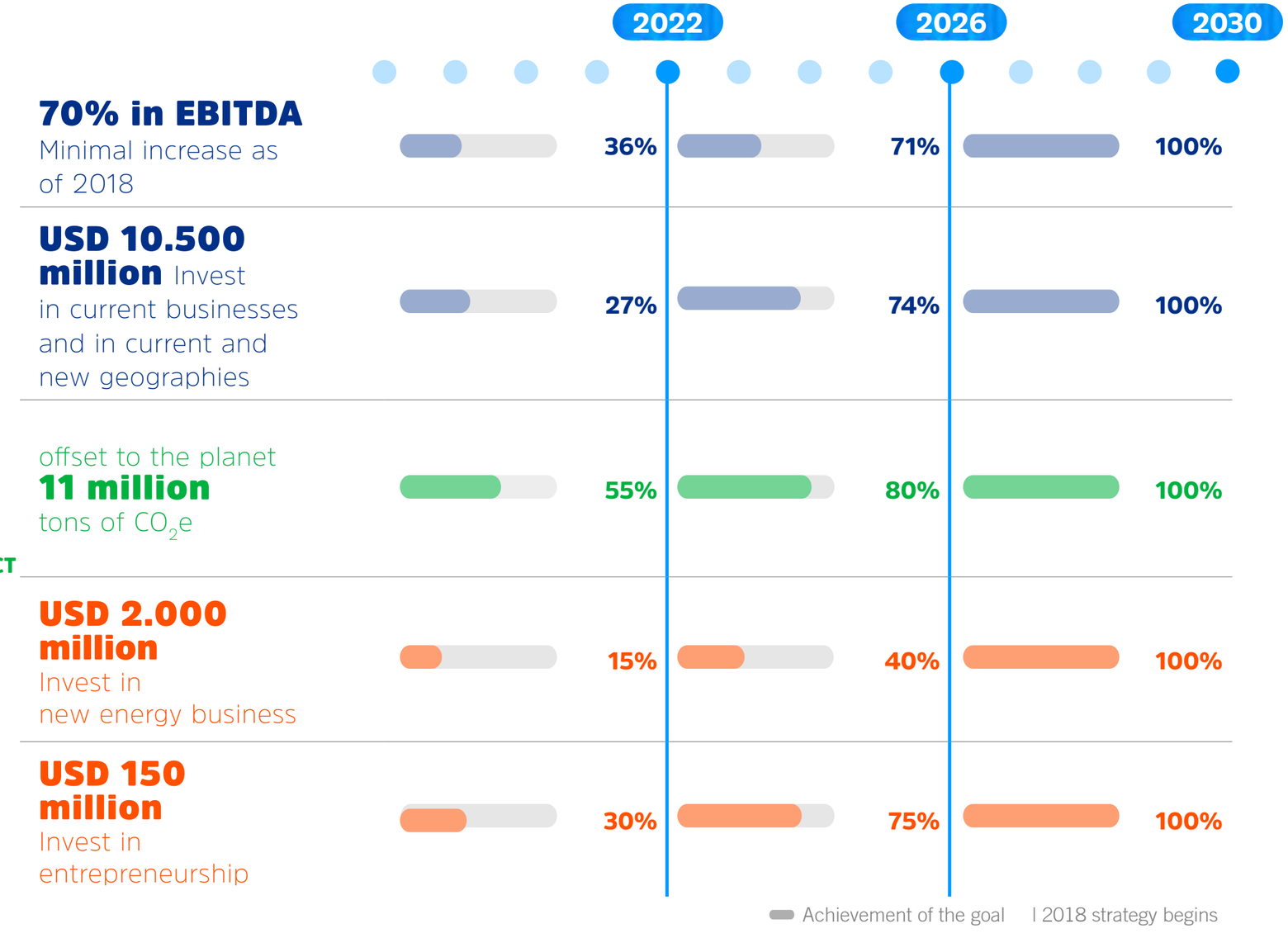
Besides our goals for 2030, we have defined some mid-term goals to ensure the implementation of challenges; maintain our transcendence approach in the long term; and carry out, in the short term, the actions required to achieve future results. These metrics allow us to look at our short-term priorities according to the environment's dynamics, to synchronize the implementation pace with the nature of relevant variables in the strategy, to enable motivational connections and factors, and to facilitate the communication of goals that are attainable in the short and mid-term, among other advantages.

Goals

SHAREHOLDER VALUE

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

CORPORATE LONGEVITY



Progress in the strategy

Achieve an increase of at least 70% in EBITDA

EBITDA 2020
COP 6,6 trillion

97,6% WITH THE GOAL TO 2022
34,85% WITH THE GOAL TO 2030

GOAL 2022

GOAL 2030

Invest USD 10.500 million in current businesses and geographies and in new geographies

USD 2 billion

70% WITH THE GOAL TO 2022
19% WITH THE GOAL TO 2030

GOAL 2022

GOAL 2030

More than USD 1.050 million allocated in 2020 for new investments, (in addition to the USD 900 million committed in 2019)

SUSTAINABLE VALUE

SHAREHOLDER VALUE

CORPORATE LONGEVITY

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

Invest USD 150 million in entrepreneurship

- **USD 12,83 million** investment in innovation projects
- **USD 2,55 million** in revenues from new products and services
- 400 ideas or projects on the Brightidea platform as a management tool
- Creation and operation of the Innovation Committees at ISA and its affiliates
- Joint work with the ecosystem of partners and startups

Invest USD 2.000 million in new energy businesses

- Inauguration of ISA's solar plant, which is expected to reduce up to 1.427 tons of CO_2 in 25 years
- Delivery of a proposal to regulators in Peru, Brazil, and Chile to consolidate future regulatory projects for the incorporation of large-scale energy storage technologies
- Design of the business case for an energy storage system in Colombia

Offset to the planet 11 million tons of CO_2e

REDUCTION 6,4 million tons CO_2e

106% WITH THE GOAL TO 2022
58% WITH THE GOAL TO 2030

GOAL 2022

GOAL 2030

- **Accumulated as of 2020, 6.354.350 tons of CO_2e,** have been reduced. This reduction is composed of an emission reduction potential of 6.352.972 tons of CO_2e through projects of the Conexión Jaguar program and 1.378 tons of CO_2e through impact reduction.

En 2020

- 641 tons of CO_2e reduced through improved eco-efficiency in operations. Also, a potential of 450.000 tons of CO_2e avoided through the adherence of a new REDD+ project to the Conexión Jaguar program.
- 28,19% compliance with the indicator defined for the Group's companies in the year.

DIGITIZATION AND ORGANIZATIONAL CAPABILITIES

To reach these goals, we will leverage, among other aspects, on digital transformation and the development of organizational capacities, where we also made significant progress during the year:

Progress in deepening the digitization of core and support processes:

- On our path towards the work of the future, with no time and place restrictions, and where people are dedicated to more high-value activities, 300 robot assistants were consolidated at the end of 2020, impacting 70 processes, and improving productivity by 60.000 hours throughout the year.
- We created RPALAB, our first robotics laboratory for the improvement of our robot self-service capacity, where 500 employees of the whole Group were trained.
- We created the Digital Excellence Center for the ISA Group, where all the core business processes are a priority: more than 120 analytics and AI solutions with state-of-the-art techniques such as machine learning, image processing, and AI. More than 150 employees received training on these techniques.
- We made progress on the implementation of the Group's cybersecurity strategy and roadmap, as well as in assessing, controlling, and measuring cyber risks.
- 71% of the strategic initiatives are leveraged on digitization, especially: remote assistance and augmented reality for substation maintenance; Intelligent Asset Management System (SIGA), image analytics for detecting faults in transmission lines, cost-effective transfers with the Host to Host solution, debt management, leveraging of the growth strategy for the Road Concessions business unit thanks to SAP in new companies, and INTERNEXA's internal transformation, which will be based on technology to improve services and customer experience.

Organizational capacities of the Group, required to make progress in the strategy, are customer orientation, operational excellence, innovation and entrepreneurship, digital transformation, adaptability, networking, ethics, co-responsibility, and environmental and social management. Main advancements comprise:

- Design and implementation of the capacity building model
- Identifying what kind of knowledge will be required for prioritized capacities and based on this, design training routes for employees
- Design and implementation of the capacity recognition model

Strategic initiatives to mobilize the objectives

Also, ISA companies are working on the execution of projects to get closer to their proposed goals. During 2020, **35 initiatives** for the improvement of competitiveness, business growth in current and new geographies, social and environmental management, new energy businesses, and enabling cross-cutting projects were under execution. All these initiatives were supported by innovation and digitization.

46%
OF INITIATIVES ARE LEVERAGED ON **INNOVATION**

71%
ON **DIGITIZATION**

EXPLORATION
Consolidation of existing businesses and geographies and exploration of new growth ways

ESCALATION
New growth ways and entering into new geographies

CONSOLIDATION AND ESCALATION
Current and new businesses and geographies

INITIATIVES

- **19** initiatives related to social and environmental management and cross-cutting processes
- **10** capex and opex (competitiveness and efficiencies) operational excellence initiatives
- **4** growth-oriented initiatives in current and new businesses and geographies
- **2** initiatives aimed at new energy businesses

2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

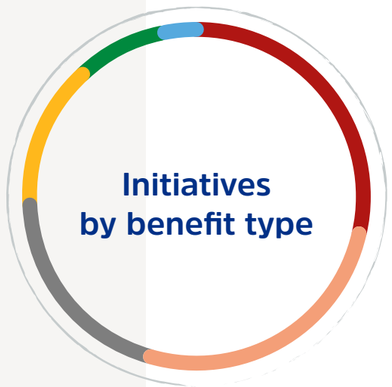
- Competitiveness and excellence
- Growth with profitability
- Organizational preparedness
- Innovation
- Digitization

15 Energy

14 Cross fuctional

4 Roads

2 Telecommunications



29% Cross fuctional with non-monetary benefits

26% Competitiveness

20% Efficiencies

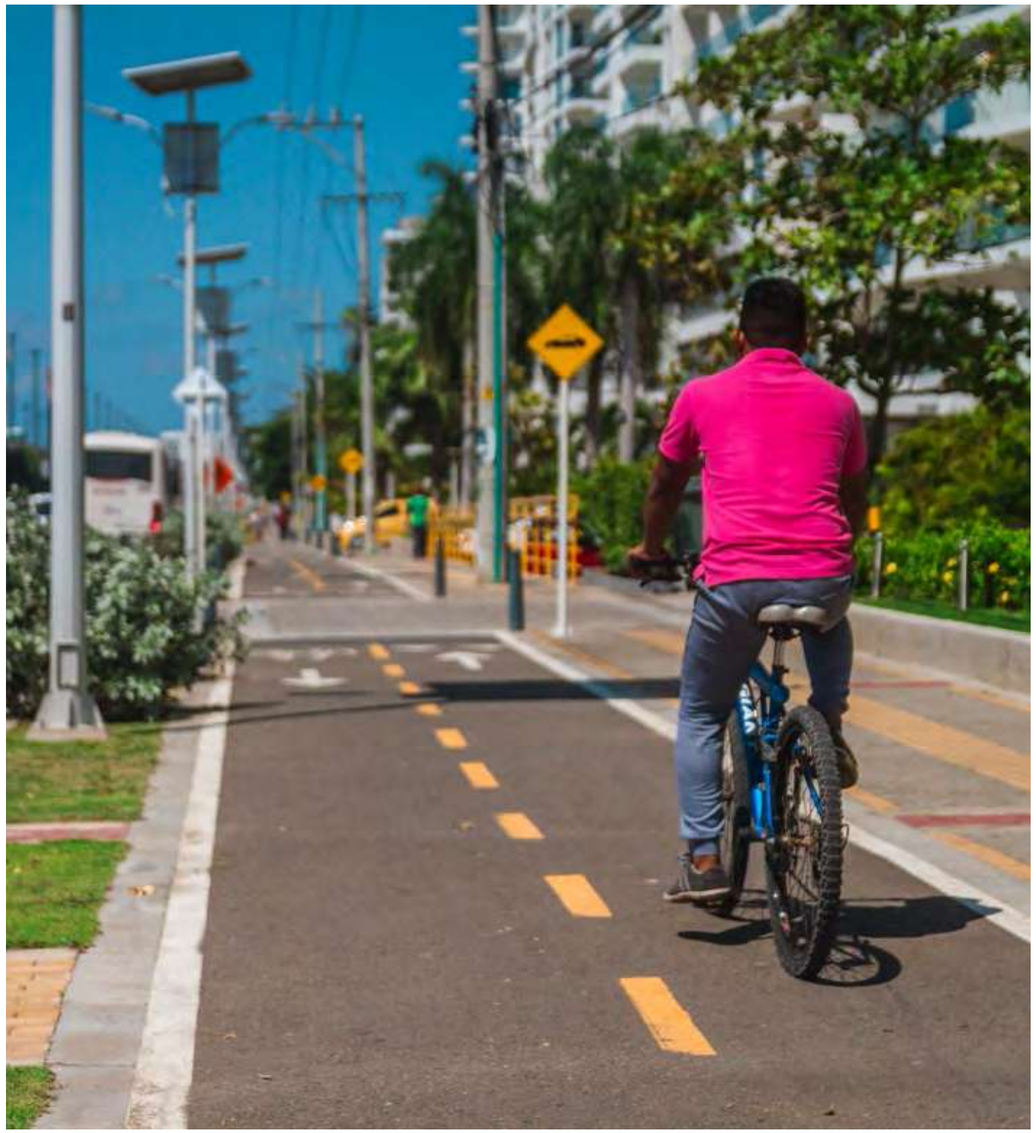
14% Revenue diversification

9% Minimization of deviations

3% Investment capacity

35 initiatives under execution in 2020

Despite the impact of the pandemic on ongoing strategic projects, we made satisfactory progress as we reached **95% compliance** with our milestones for the year.



Costera Cartagena Barranquilla Concession

ISA's performance results in 2020 were outstanding, especially after so many constraints and challenges. 2021 will also be challenging as this will be the year of economic revival, overcoming COVID-19, and adaptation to this "new normality." In this scenario, ISA will seek to transform the experience acquired and resilience shown in 2020 by giving a constructive use to uncertainty and restrictions derived from the main signals in the environment, which were seen in the short term, like: **[GRI 102-15]**

- Expectation of transition to political stability in the countries of the region after the turmoil generated by generalized states of emergency and recent political events in Peru and Chile. This transition will depend on the elections in both countries.
- Joe Biden's tenure will determine the commercial relations with LATAM, the geopolitical climate in the region, and the trend in the U.S. energy markets.
- The rebound effect from the recession will boost the economy's growth in the first quarters of 2021.
- Even though, a high-country risk is expected in LATAM markets in which ISA is interested, especially Brazil, Bolivia, and Mexico.
- The higher fiscal deterioration in the countries, accentuated by growing social demands and COVID-19 management, creates tax pressure on large taxpayers.
- Continuity of investment and infrastructure agendas of the governments as economic revival measure.
- Gradual normalization of the supply chain.
- Increased operational risks of socio-environmental mobilization agendas.
- Gradual solving of the pandemic will require that we remain in the highly digitized world to which we migrated in 2020.
- We expect higher connectivity demand and the prevalence of digital and remote solutions.

The ISA Group will continue to contribute to development and post-pandemic economic revival in the countries where it operates. This way, uninterrupted services and high-quality projects will be guaranteed while protecting people's health and safety and boosting the development of suppliers of goods and services for operations, always believing in the protection of the planet: territorial development, environmental protection, and climate change mitigation. Value generation will continue to be leveraged on innovation and entrepreneurship, digital transformation, partnerships, and the development of capacities by a group of high-performance collaborators, always committed to active participation in social and political debates.

The ISA Group steadily advancing towards its ISA2030 Strategy, confident that our work will allow us to continue to generate CONNECTIONS THAT INSPIRE.

Comprehensive risk management

[GRI 102-15] [GRI 102-29] [GRI 102-31]

The Board of Directors regularly monitors relevant risks across the organization through the Governance, Sustainability, and Risk Committee. Also, every year, it reviews and approves criteria for prioritizing risks, establishing the Group's appetite and tolerance for business and operations.

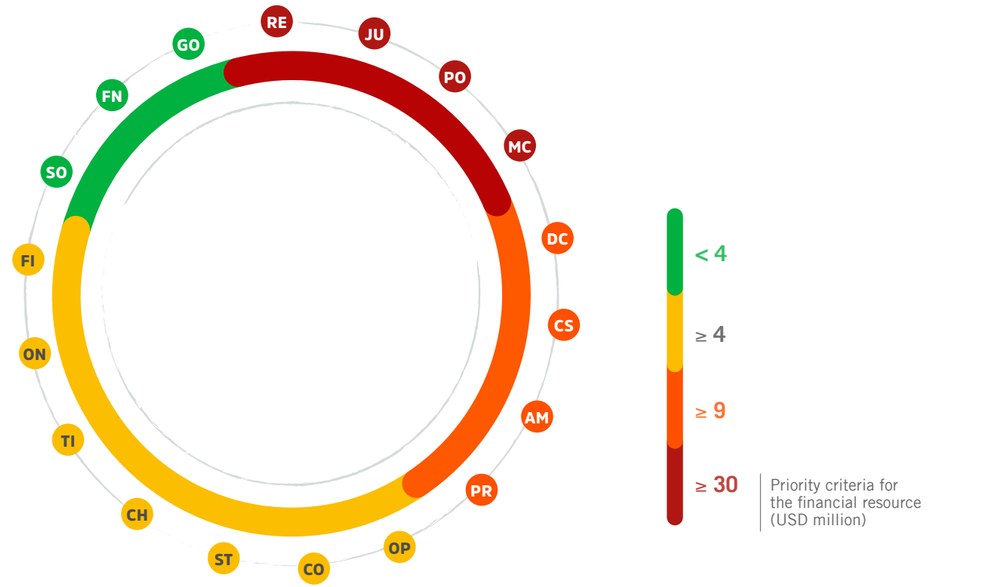
ISA and its companies' Comprehensive Risk Management (GIR) seeks to preserve the integrity of corporate resources and the continuity and sustainability of business units. For this purpose, ISA and its companies systematically identify, analyze, evaluate, monitor, and communicate risks to which companies are exposed to minimize impacts on financial and reputation resources and to benefit from opportunities that may come from them. Each affiliate of the group applies the risk cycle and then generates a map that includes identification, assessment, and administration measures. This information is updated and consolidated on a quarterly basis.

During the period, the company made some adjustments like updating the risk dimensions and categories, and criteria for prioritizing risks in ISA (based on the concepts of appetite and risk tolerance). Also, organizational adjustments to strengthen risk management were approved.

At the end of the period, the consolidated risk map for ISA and its companies showed the following scenario in its 18 risk categories:

The Board of Directors and the Senior Management are strongly committed to risk management.

RISK MAP OF ISA AND ITS COMPANIES



ECONOMIC

- RE Regulatory
- JU Legal
- PO Political
- MC Market, competition, mergers, and acquisitions
- FI Market, liquidity, and credit
- GO Governance

OPERATING

- DC Project design and construction
- CS Supply chain
- ON Operation of the business
- TI Cybersecurity and information technologies
- CH Human capital and labor relations
- ST Occupational Safety and Health
- CO Compliance

SOCIO-ENVIRONMENTAL

- AM Environmental
- PR Property
- OP Public order and citizen security
- FN Natural phenomena and extreme climate changes
- SO Social

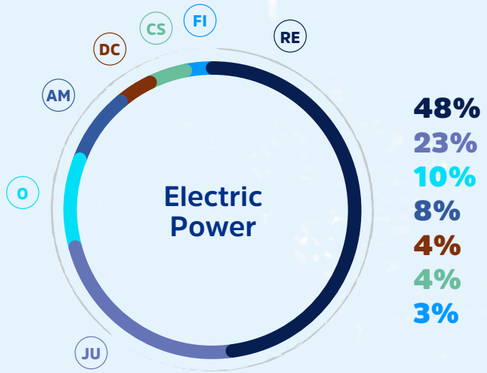
Relevant risks

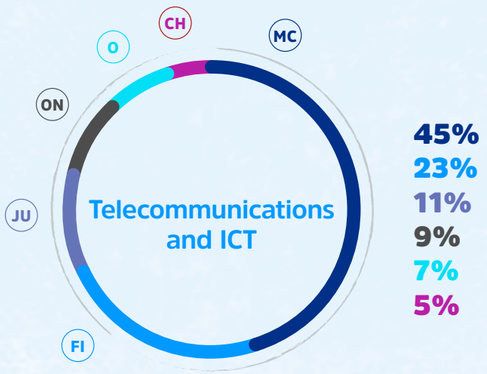
[GRI A- RI1]

BY BUSINESS

Risks

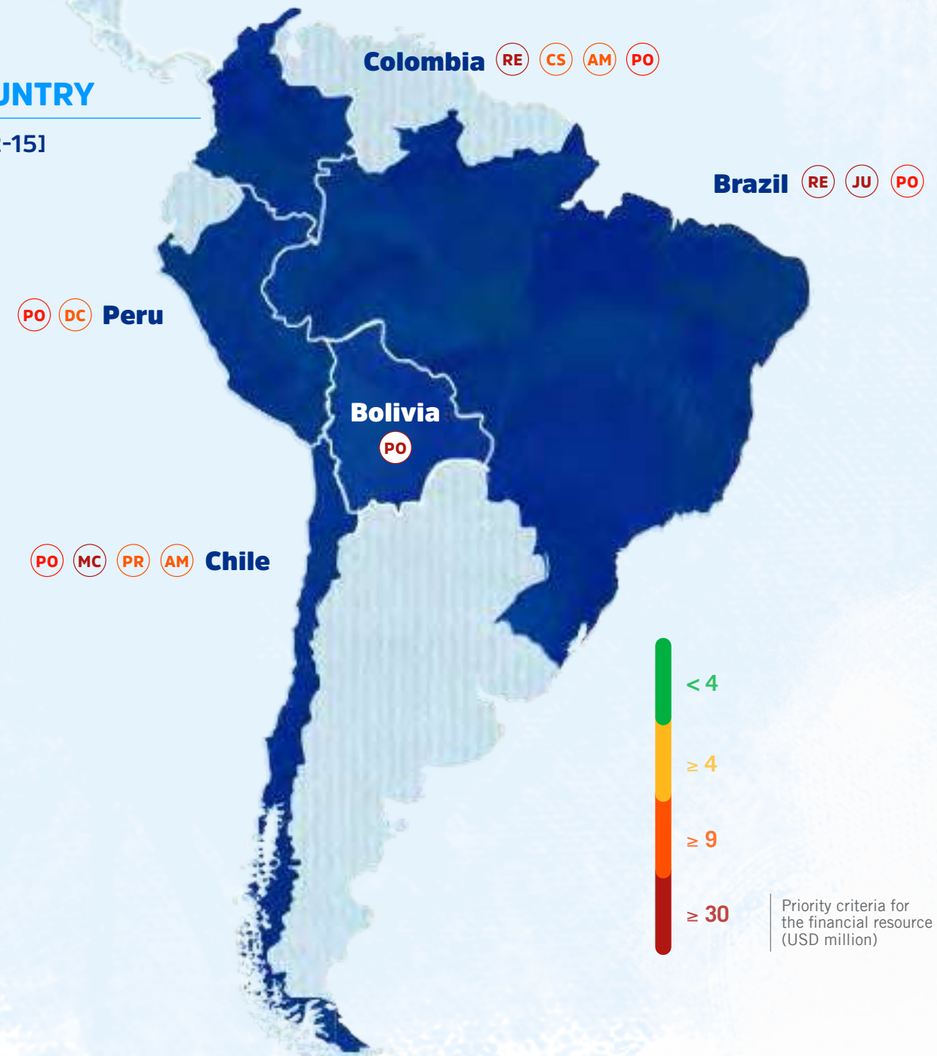
- RE Regulatory
- JU Legal
- AM Environmental
- DC Project design and construction
- CS Supply chain
- MC Market, competition, mergers, and acquisitions
- FI Market, liquidity, and credit
- FN Natural phenomena and extreme climate changes
- ON Operation of the business
- CH Human capital and work relations
- PO Political
- O Other





BY COUNTRY

[GRI 102-15]



Risk monitoring and review

At ISA and its companies, risk management is supported by processes, from where events that might affect the company's results are identified and addressed. Therefore, each person that is in charge of a process, project, asset, contract, among others, is directly responsible for proper identification, assessment, prevention, and mitigation of risks. Risk monitoring is associated with the level of responsibility along the structure of the organization, going from the layer of processes until reaching the highest levels of the companies including their boards of directors. Additionally, the audit areas, in the performance of their duties, base their work on the analysis of business risks.

Number of risks reported in each instance: red to directors, chief officers, and area managers; yellow to general managers; orange and red to boards of directors and their equivalents.

RISK ESCALATION

532
IDENTIFIED AND REPORTED RISKS IN ISA

Priority risks

	COUNTRY	RISK 2020	ACTIONS
REGULATORY	Colombia	• **Change in the energy transmission remuneration scheme**	• Direct work and work through unions with the regulator, the Ministry of Mines and Energy, and the Ministry of Finance. Comprehensive technical, regulatory, legal, and financial analyses of the regulator's proposals • Support during asset management to make decisions based on cost, risk, and performance criteria when defining procurement plans

		• **Uncertainty over allocation of the payment of restrictions to transporters (CREG Resolution 100 of 2019)**	• Work through different sectoral entities such as the National Association of Public Utilities and Communications (ANDESCO) and the National Council of Operation (CNO):
			  ◦ Comments and counterproposals to the regulator
			  ◦ Technical, regulatory, and legal analyses to define the proposal to be submitted to the regulator
			  ◦ Efforts with the Government to communicate comments and counter-proposals
			• Support asset management decisions on maintenance strategies and plans

LEGAL	Brazil	• **Tax events and pension liability at ISA CTEEP**	• Submission of relevant appeals to the regulatory authorities • Handing over documentation and backups • Work on unions • Judicial and extrajudicial proceedings • Management of collections and ongoing monitoring of process evolution • Availability of a dedicated legal team

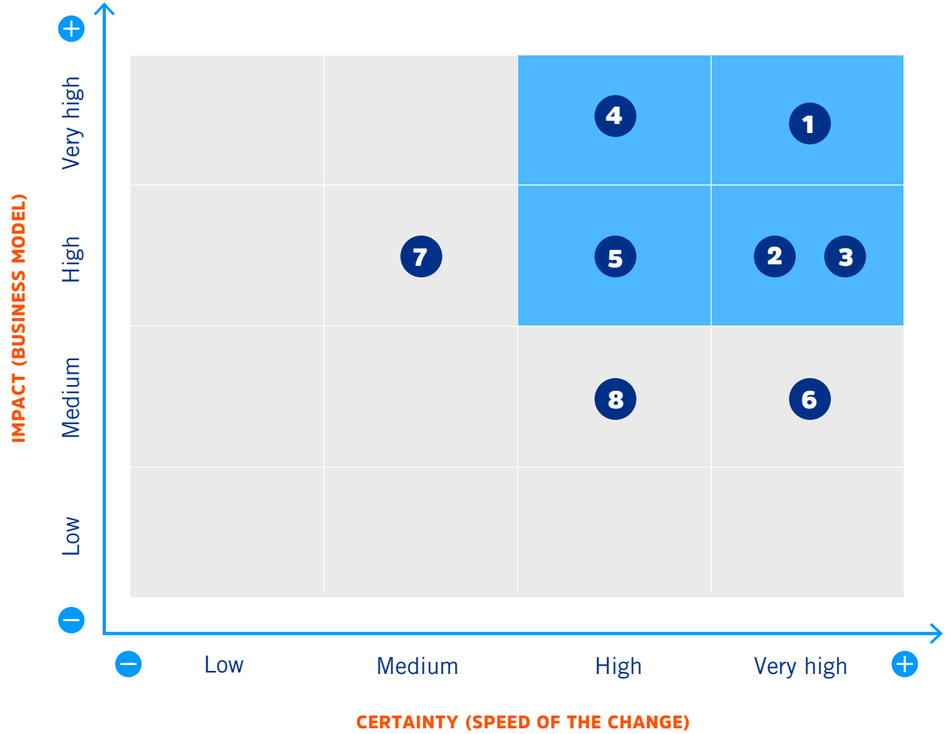
	COUNTRY	RISK 2020	ACTIONS
LEGAL	**Brazil**	• **Uncertainty over receiving the total or partial value of the remuneration from the Basic Network of the Existing System (RBSE) at ISA CTEEP**	• Permanent work with the Ministry of Mines and Energy, the Ministerio da Fazenda, the National Energy Agency (ANEEL), and the Tribunal de Contas da União (TCU) • Submission of proposals and judicial management through Associação Brasileira das Empresas de Transmissão de Energia (ABRATE), in collective and individual actions • Joint work with the relevant entities, providing technical-legal arguments
MARKET, COMPETITION, MERGERS, AND ACQUISITIONS	**Chile**	• **Uncertainty over renewal or substitution of road concessions maturing before 2030 due to political and market situations, among others**	• Consolidation of synergies • Assessment of strategic alliance • Development of private initiatives • Engagement in brownfield and greenfield projects
POLITICAL	**Colombia, Peru, Brazil, Chile, Bolivia**	• **Instability of governments, economies, and institutions**	• Management through unions • Close monitoring of the regulatory agenda • Follow-up, management, and response to tax changes • Actions aimed at obtaining a social license to operate in the long term

MATERIALIZED RISKS

- Decrease in the Allowed Annual Revenue (Receta/ Ingreso Anual Permitido -RAP-) with respect to the efficient operating cost due to abrupt changes in the calculation methodology in Brazil
- Higher value of the asset associated with the Coya-Yana project in Peru due to social, environmental, and contractual restrictions, and of the Cardones-Polpaico project in Chile due to environmental restrictions
- Losing in the rebidding process for the Talca-Chillán road concession, Chile
- Ruling in favor of Toshiba in an arbitration proceeding related to the Madeira project in Brazil

EMERGING RISKS

To supplement the quarterly evaluation of risks that could impede it from achieving the strategy, ISA studies uncertain events —generally external and complex, with many ramifications— that might affect, besides the current strategy, future business models. In this study, trends are monitored, and the trajectory of the main variables that could amplify them or affect the ratio between them is evaluated to redesign the business models, deviate the strategy to prepare against negative impacts, or turn them into new opportunities.



1. Instability of governments, economies, institutions, or government relations
2. Reconfiguration of the energy sector's value chain (energy transition)
3. Deep social instability in countries of interest
4. Legal and regulatory uncertainty and new revenue schemes
5. Climate turning points and catastrophic external events
6. Cyber-vulnerability and critical information fraud
7. Acceleration of new technologies (artificial intelligence, new materials, and cable free solutions and remote operating models)
8. Changes in user preferences or technologies that affect the use of current road infrastructure

EMERGING RISKS	DESCRIPTION	POTENTIAL IMPACTS ON THE ORGANIZATION	ACTIONS
Instability of governments, economies, institutions, or government relations	• High uncertainty over the regional governments' ability to face political and economic challenges, accentuated by several election periods (in Peru, Colombia, and Brazil) and the constitutional process in Chile	• More restrictions to business development and growth, which forces to adjust the strategy • Greater demands from society • Increased volatility of macroeconomic variables, particularly interest rates and exchange rates	• Monitoring of the regional environment and adjustments to strategy • Business and market (geographies) diversification • Proactive relations with stakeholders and leadership in sectoral economic revival • Financial hedges
Deep social instability in countries of interest	• Social unrest and potential turmoil over economic reforms, worsened quality of life, and inequality. This is closely correlated with political and economic risks		
Reconfiguration of the energy sector's value chain (energy transition)	• Entry of new stakeholders into the value chain as well as uncertainty over technological and regulatory developments to address the energy transition, especially batteries and distributed generation	• Impact on the Energy business model, on competitiveness, and current revenues • More opportunities for investment and growth of the value chain	• Dynamization of the entry into new energy businesses (storage and distributed energy services) • Development of new business models in early stages • Preparation of human resources • Proactive regulatory management
Legal and regulatory uncertainty and new revenue schemes	• Great uncertainty over the possible recalculation of energy revenue schemes, associated with the energy transition		
Climate turning points and catastrophic extreme events	• Uncertainty over extreme weather phenomena, among other causes, due to global failure to deal with global warming and pollution	• Damage to property and infrastructure • Impact on service provision • Acceleration of climate finance	• Expansion of conservation programs (Conexión Jaguar) • Portfolio of forest offsets • Entry into green financial markets • Implementation of preventive and corrective measures due to climate variation and its impact on infrastructure
Cyber-vulnerability and fraud over critical information	• Increased activity and uncertainty over the types of attacks at a global level, accentuated by the use of technology during the pandemic	• Impact on service availability • Impact on information • Impact on productivity and competitiveness	• Protection mechanisms, cybersecurity culture, and recovery plans • Monitoring and application of better practices, according to security challenges
Acceleration of new technologies	• Uncertainty over how quickly new technologies are being developed as well as their relationship with existing technologies and processes	• Decreased need for energy transmission services and decreased road traffic • Opportunity to develop new products and services	• New energy businesses • Early stage business models • Innovation system evolution
Changes in user preferences or technologies that affect the use of current road infrastructure	• Uncertainty over the speed of incorporating the green trend into business and correlation with social demands		

6

Materiality analysis

Materiality analysis

GRI [102-43] [102-44] [102-46] [102-47] [102-49]

The ISA Group analyzes materiality to identify issues that are relevant to the achievement of its strategy and hence are valued as such both internally and externally, and that are relevant not only to the business but also to stakeholders. These issues are called "material issues."

Business relevance (X axis): Impact of the issues on achieving the company's strategic goals. Issues considered:

- Influence of the issue on the fulfillment of the strategic goals
- Capacity to generate an impact (positive or negative) on the corporate strategy, through management of each element of the model
- Company performance with respect to each of the issues, perceived by key audiences (approved by ISA in 2019)

External relevance (Y axis): Importance of the issues according to key audiences expectations, the context, and the trends that may affect companies, non-financial reporting requirements, and investor requirements.

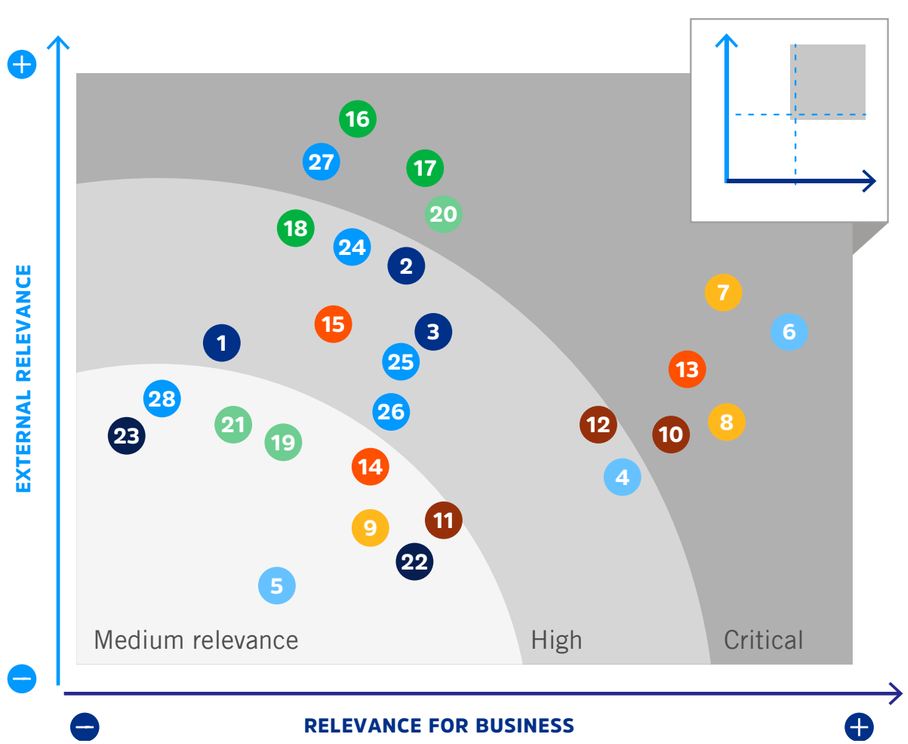
The ISA Group's materiality matrix is composed of the companies' materiality exercises: ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, XM, ISA REP, ISA CTEEP, ISA INTERCHILE, and ISA INTERVIAL.

Finding each issue in the matrix, according to their value in each axis, allows identifying the issues that are highly important for both the company and the stakeholders. The materiality analysis identified twenty-eight issues that are relevant to the company and its stakeholders, which makes it a key tool for identifying the issues that constitute sustainability priorities for ISA and its companies.

Materiality is an in-depth reflection tool that allows us to understand the issues and trends with a relevant impact on our ability as a company to create value over time, identifying risks and opportunities.

MATERIALITY MATRIX

- **Good governance and integrity**
- **Transformational leadership and capacity to influence**
- **Strength and growth**
- **Foresight and innovation**
- **Excellence in compliance with activities**
- **Proactive contribution to global environmental challenges**
- **Commitment to socio-economic development**
- **Strategic alliances for transformation**
- **Attraction, development, and care of the best talent**



Critical relevance

- 6 Fulfillment of commitments
- 7 Ability to meet financial and business objectives, benefitting from opportunities, and ensuring corporate relevance
- 8 Appropriate growth strategy
- 13 Fulfilling the value proposition with precision and excellence
- 16 Leadership in initiatives to contribute to the protection of ecosystems and biodiversity
- 20 Closeness and dialogue with stakeholders, listening to their expectations
- 17 Management of environmental impacts associated with activities
- 10 Identification, foresight, and adaptation to challenges and trends
- 27 Occupational health and safety for direct and indirect employees

High relevance

- 2 Ethical, comprehensive, and transparent conduct
- 18 Strategy to mitigate and adapt to effects of climate change
- 12 Versatility in the definition of appetite for risk and in its management before new business opportunities
- 24 Attractive, desirable employer
- 4 Influential, inspiring company able to foresee, adapt to, and transform the environment
- 3 Diverse corporate governance structure and composition, responsive to strategy challenges
- 15 Security of infrastructure, information, and cybersecurity
- 26 Quality work practices and respect for employees
- 1 Independence from the state and/or third parties
- 25 Capacity to educate highly qualified employees who learn and see themselves linked to the organization in the long term

Medium relevance

- 14 A benchmark for its standards and practices
- 28 Management of equality, diversity, and inclusion
- 21 Respect and promotion of human rights and management of social impacts
- 19 Contribution to sustainable development and transformation of territories, building a positive legacy for the regions
- 11 Flexible, agile innovation culture
- 22 Long-term partnerships for achieving goals and enhancing the capabilities of the parties
- 9 Optimization of its resources and capabilities to generate synergies between group companies
- 23 Third-party risk management
- 5 Inspiring, adaptive, model, and transformative leaders

Dimensions		Attribute		Impact: Internal	Impact: External	SDG
	Good governance and integrity	1	Independence from the State and/or third parties		✓	
		2	Ethical, comprehensive, and transparent behavior	✓	✓	
		3	Diverse corporate governance structure and composition responsive to strategy challenges		✓	
	Transformational leadership and capacity to influence	4	Influential, inspiring company able to anticipate to, adapt to, and transform the environment	✓	✓	
		5	Inspirational, adaptive, model, and transformative leaders	✓	✓	
		6	Fulfillment of commitments		✓	
	Strength and growth	7	Ability to meet financial and business objectives by benefitting from opportunities and ensuring corporate relevance	✓	✓	
		8	Appropriate growth strategy	✓	✓	
		9	Optimization of its resources and capabilities to generate synergies between group companies	✓		
	Foresight and innovation	10	Identification, foresight, and adaptation to challenges and trends	✓	✓	
		11	Flexible, agile innovation culture	✓		
		12	Versatility in the definition of appetite for risk and in its management before new business opportunities	✓		
	Excellence in compliance with activities	13	Fulfilling the value proposition with rigor and excellence		✓	
		14	Reference in its standards and practices	✓	✓	
		15	Infrastructure and information security and cybersecurity	✓	✓	

Dimensions		Attribute		Impact – Internal	Impact – External	SDG
Proactive contribution to global environmental challenges	16	Leadership in initiatives to contribute to the protection of ecosystems and biodiversity		✓	✓	15, 12
	17	Management of environmental impacts related to activities		✓	✓	15, 7
	18	Strategy to mitigate and adapt to effects of climate change			✓	13, 15, 7, 12
Commitment to socio-economic development	19	Contribution to sustainable development and transformation of territories, building a positive legacy for the regions		✓	✓	7, 15, 4, 13, 14, 12
	20	Closeness and dialogue with stakeholders, listening to their expectations			✓	7
	21	Respect and promotion of human rights and management of social impacts		✓	✓	14
Strategic alliances for transformation	22	Long-term partnerships for achieving goals		✓	✓	7, 12
	23	Third-party risk management		✓	✓	9
Attraction, development, and care of the best talent	24	Attractive and desirable employer		✓		8
	25	Capacity to educate highly qualified workers who learn and see themselves linked to the organization in the long term		✓		8
	26	Quality labor practices and respect for employees		✓		9, 8
	27	Occupational health and safety for direct and indirect employees		✓	✓	9, 8
	28	Management of equity, diversity, and inclusion		✓		8

Strength and growth

GRI [103-1] GRI [103-2]

The ISA Group continues to work on the development of infrastructure while remaining a leader in the region. The company consolidates its engagement in the markets by maintaining the solvency of its companies, supported by its strategy. It benefits from growth opportunities, synergies, and adjacencies in its portfolio; it also benefits from business model diversification and financing.

Benefiting from this value will allow the organization to make decisions with a long-term approach and to keep seizing opportunities to ensure its permanence over time.

Material issues that are a priority regarding this dimension:

ABILITY TO REACH FINANCIAL AND BUSINESS GOALS, SEIZING OPPORTUNITIES, AND ENSURING CORPORATE VALIDITY

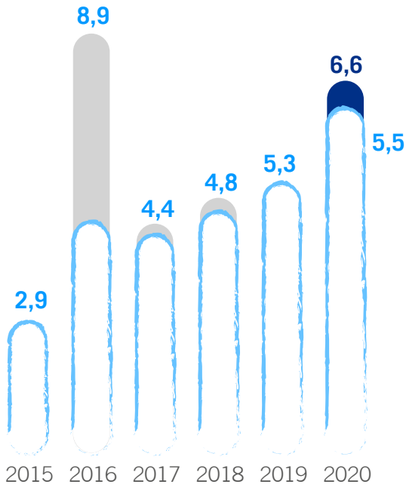
Company that optimizes capital investments by seizing the opportunities that guarantee corporate validity, ensuring compliance with the goals defined in its business strategic plan and obligations with stakeholders.

APPROPRIATE GROWTH STRATEGY

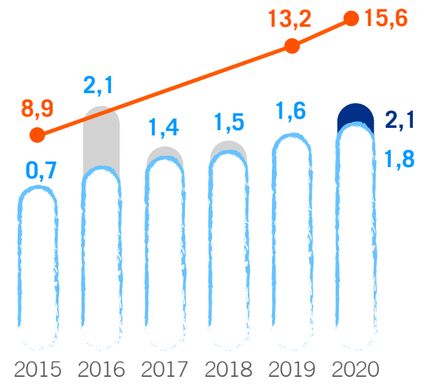
Company that grows because of a balanced business portfolio, thus ratifying and developing its organizational capabilities and generating sustainable value.

Excluding the extraordinary events that occurred in the period from 2015 to 2020, as detailed in the graph, the growing trend in EBITDA and net income stands out, which presented a compound annual growth of 13,9% and 20,9%, respectively, as a result of the company's efficient management and its focus on profitability.

EBITDA COP trillion
2015-2020 VARIATION ↗ **92,1%**
CAGR 2015-2020* **13,9%**



UTILIDAD NETA COP trillion
2015-2020* VARIATION ↗ **157,8%**
CAGR 2015-2020* **20,9%**



* Excluding extraordinary events

Extraordinary events

2016
- The first value adjustment of the Basic Network of the Existing System (RBSE) in ISA CTEEP from BRL 1,4 billion to BRL 3,9 billion was made. These were the base figures as of December 31, 2012.

2017
Two events:
- The second value adjustment of the Basic Network of the Existing System (RBSE) from BRL 3,9 billion to BRL 4,1 billion. These were the base figures as of December 31, 2012.
- The Government of Brazil approved a tax amnesty known as the Special Tax Regularization Program (PERT), by which ISA Capital do Brasil and ISA CTEEP optimized the payment of tax obligations.

2018
- 2011 equity tax recovery in ISA Colombia, lower tax expense due to the application of Financing Law 1943/2018 and monthly payments of inflation update of tariffs in Brazil.

2020
- Periodic tariff review and RBSE's adjustments of ISA CTEEP.

PROJECTS IN 2020

COUNTRY	SECTOR	COMPANY	PROJECT
COLOMBIA	Energy Transmission	ISA	UPME 04-2019 La Loma - Sogamoso 500 kV
			Copey-Cuestecitas 500 kV Second Circuit
		ISA INTERCOLOMBIA	Connection of Windpeshi 200 MW Wind Farm to Cuestecitas 220 kV Substation
PERU		ISA PERU	Acquisition of Eteselva and Etenorte
			Chincha Nazca
		ISA REP	+200/-100 MVAR Static VAR Compensator in San Juan 220 kV Substation
		CTM	Reinforcement of Carabayllo-Chimbote-Trujillo 500 kV Transmission Line
			+400/-150 MVAR Static VAR Compensator in Trujillo Norte 500 kV Substation
BRAZIL		ISA CTEEP	Piratininga-Bandeirantes Transmissora de Energia - PBTE
			Lot 7 - ANEEL 001/2020
		TAESA*	São João Transmissora y São Pedro Transmissora
			Rialma I
	Telecommunications	INTERNEXA	Participation of IFC and GIF

* TAESA's investment values, as it is not subordinated to ISA, are included in ISA's interest, in capital (14,88%).

The total investment amounts to USD 1.050 MILLION

Represented in 13 PROJECTS of high relevance in Colombia, Peru, and Brazil

Exceeding the USD 700 million target by 46%

Eight bids were submitted for energy transmission projects, of which three were awarded, which represent an estimated investment of USD 400 million. Likewise, and in line with the commitment to strengthening the Energy Transmission business unit in Brazil, we entered into an agreement to acquire 100% of the shares of Piratininga-Bandeirantes Transmissora de Energia (PBTE). Also, in Peru we acquired 100% of the shares of ORAZUL ENERGY GROUP, owner of ETENORTE and ETESELVA, which operate six transmission lines across 746 circuit kilometers.

In the Roads business unit, through the acquisition of Costera Cartagena-Barranquilla Concession (146 km), the road infrastructure operated by the ISA Group was extended to 1.053 km in Chile and Colombia. The transaction amounted to COP 2,0 trillion. This value includes, besides the price of 100% of the capital and sub-debt, the value of the concessionaire's net financial debt of COP 1,5 trillion.

Besides the projects awarded, current operations of the ISA companies undergo a proper inertial growth process, mainly due to inflationary revenue adjustments and the entry into operation of projects.

Excellence

GRI [103-1] GRI [103-2]

The ISA companies ensure compliance with the value proposition by applying world-class standards, by making decisions effectively and efficiently, and by taking into account the needs of their stakeholders. Also, mechanisms are in place to ensure the security and resilience of infrastructure and cybersecurity, allowing timely response to contingencies.

Material issues that are a priority regarding this dimension:

FULFILLING THE VALUE PROPOSITION IN AN ACCURATE, SEAMLESS MANNER

Company that conducts business considering the needs and expectations of stakeholders and provides top-quality services as timely and effectively as possible.

ENERGY TRANSMISSION

COLOMBIA

99,98% RELIABILITY

99,93% AVAILABILITY

12.543 KM
21.661 MVA

PERU

99,99% RELIABILITY

99,68% AVAILABILITY

11.745 KM
12.714 MVA

BOLIVIA

100% RELIABILITY

99,81% AVAILABILITY

587 KM
470 MVA

BRAZIL

99,99% RELIABILITY

99,99% AVAILABILITY

20.536 KM
56.375 MVA

CHILE

99,9% RELIABILITY

99,52% AVAILABILITY

1.948 KM
4.500 MVA

47.358 KM*
65.612 KM**
OF CIRCUIT

95.720 MVA*
114.017 MVA**
INSTALLED CAPACITY

* ISA Group's companies
** Also considering shareholding in other companies

ENERGY TRANSMISSION

In 2020, investments of USD 191 million entered into operation in Peru, Brazil, Chile, and Colombia for the following projects, which represent annual revenues of approximately USD 28 million:

- Second transformer for the Ocaña Substation (Colombia)
- New autotransformer banks for Nueva Cardones, Nueva Maitencillo, and Nueva Pan de Azúcar Substations (Chile)
- Nova Porto Primavera-Rosana-Tibagi 230 kV Transmission Line (Brazil)
- Installation of three 900 MVAR 500 kV synchronous compensators in Itaqueré (Brazil)
- Expansion of transformation in Combapata, Huánuco, Reque, Tingo María, and Tocache Substations (Peru)

5 projects
PROJECTS COMMISSIONED IN 2020*

KM OF CIRCUIT
19

TRANSFORMATION MVA
2.800

APPROXIMATE INVESTMENT USD MILLIONS
191

* Additional reinforcements at ISA CTEEP

40 Total projects under execution at the end of 2020*

PROJECTS AWARDED IN PREVIOUS YEARS*	PROJECTS AWARDED DURING THE YEAR
25 Projects IN PROGRESS AT THE END OF 2020	**15 Projects** IN PROGRESS AT THE END OF 2020
KM OF CIRCUIT **5.979**	KM OF CIRCUIT **550**
TRANSFORMATION MVA **15.603**	TRANSFORMATION MVA **0**
APPROXIMATE INVESTMENT USD MILLIONS** **3.018**	APPROXIMATE INVESTMENT USD MILLIONS** **684**

ISA made progress in project construction by developing 6.547 km of which 19 km entered into operation during 2020 and 6.529 km will enter into operation in the next four years and will allow the Group, to meet the demand reliably. Also, ISA companies will connect important energy projects in countries where ISA companies have a presence.

* Including reinforcements, upgrades, and expansions.
** The approximate investment value corresponds to the projected capex.

100%
COMPLIANCE WITH CREG INDICATORS

xm
15 AÑOS Sumando energías

70.249 GWH
ENERGY DEMAND

17.485 MW
NET EFFECTIVE CAPACITY

MÁS DE
66.000
Maneuvers per year

COP 23,7 TRILLION
MARKET TRANSACTIONS

COORDINATION OF THE OPERATION OF THE COLOMBIAN ENERGY SYSTEM

28.059
KM OF LINE

90
GENERATORS

15
NATIONAL TRANSMITTERS

32
NETWORK OPERATORS

7
REGIONAL TRANSMITTERS

123
RETAILERS

31
LINKS

229
GENERATION PLANTS

ROADS

ROAD INFRASTRUCTURE

	In operation						In operation	Under construction
	RUTA DEL MAIPO	RUTA DEL MAULE	RUTA DEL BOSQUE	RUTA DE LA ARAUCANÍA	RUTA DE LOS RÍOS	TOTAL EN CHILE	RUTA COSTERA*	RUTA DEL LOA
Tranche	Santiago - Talca	Talca - Chillán	Chillán - Collipulli	Collipulli - Temuco	Temuco - Río Bueno	Santiago - Río Bueno	Cartagena - Barranquilla	Carmen Alto - Calama
Length (km)	237	193	161	144	171,7	906,7	146	136
Trunk tolls	3	2	2	2	2	11	5	1
Side tolls	39	16	16	8	5	84	NA	0
Service areas	4	4	3	3	4	18	4	1

* The contracted work is over 98% complete.

94%
FAVORABILITY OF CUSTOMER SERVICE*

90%
Compliance with ambulance service*

91%
Compliance with tow truck service*

90%
Compliance with patrol service*

* Corresponding to the consolidated amount for concessionaires in Chile.

ROAD PROJECTS IN PROGRESS IN 2020

Investment aprox. USD millones*

RUTA DEL MAIPO
208
EXTENSION TO THIRD TRACKS. SAFETY AND SERVICE WORKS

RUTA DEL BOSQUE
80
REGULATORY SAFETY WORKS

RUTA DE LOS RÍOS
74,5
REGULATORY SAFETY WORKS

RUTA DEL MAULE
96,4
REGULATORY SAFETY WORKS

RUTA DE LA ARAUCANÍA
80,2
REGULATORY SAFETY WORKS

RUTA DEL LOA
323
DOUBLE CARRIAGEWAY CONSTRUCTION AND OTHERS, CALAMA BYPASS

* The approximate investment value corresponds to the projected capex

As for the Roads business unit in Chile, after making satisfactory progress in the study and authorization stages, construction activities for the Ruta del Loa project formally started. This is ISA's first greenfield project in this business unit. This is to honor our commitment to build the infrastructure to facilitate connection and mobility in Antofagasta, northern Chile.

TELECOMMUNICATIONS AND ICT BUSINESS UNIT

FIBER OPTICS IN OPERATION

54.137 KM

8.449
SERVICES

898
CUSTOMERS

98,3%
SERVICE LEVEL

Internet access all-time record: 1,9 Tbps delivered to customers and more than **2,5 Tbps** expansion of the telecommunications network connecting Latin American cities, to meet the demand generated by the pandemic.

MONETARY VALUE OF SIGNIFICANT FINES FOR NONCOMPLIANCE WITH REGULATIONS CONCERNING THE PROVISION OF PRODUCTS AND SERVICES

[GRI 419-1]

Company	Monetary value (COP) 2018	2019	2020	Description for the period of validity
ISA	N. A.	N. A.	N. A.	
ISA INTERCOLOMBIA	0	0	0	
ISA TRANSELCA	0	0*	109.609.432	• The National Environmental Licensing Authority (ANLA) resolved the appeal for reconsideration, declaring the company liable for noncompliance with the presentation of the 2009 Environmental Compliance Report. • The company paid the fine in full to avoid coercive administrative collection. • ISA TRANSELCA filed a claim for nullity and reinstatement of rights against Resolutions of May, 2019 and July, 2020
ISA BOLIVIA	0	0	0	
ISA REP	0	66.711.771	3.888.378,65	• Ongoing process • Osinergmin charged REP with an alleged impact on the security of the public electricity transmission service by “not having complied with” availability standards
ISA INTERCHILE	0	N. D.**	2.987.085,07	• Fine imposed for a failure that occurred in January 2019. This fine is currently in dispute with Chile’s Superintendence of Electricity and Fuels (SEC) at the Court of Appeals of Santiago.
ISA CTEEP	0	0	0	
XM	0	0	0	
ISA INTERVIAL	N. D.	940.401	N. D.	
TOTAL	**0**	**67.652.172**	**116.484.895,72**	

* The figure is different than the one presented in the previous year as the value of the fine was totally revoked and a warning sanction was imposed instead.
** N .D.: not available

CYBERSECURITY

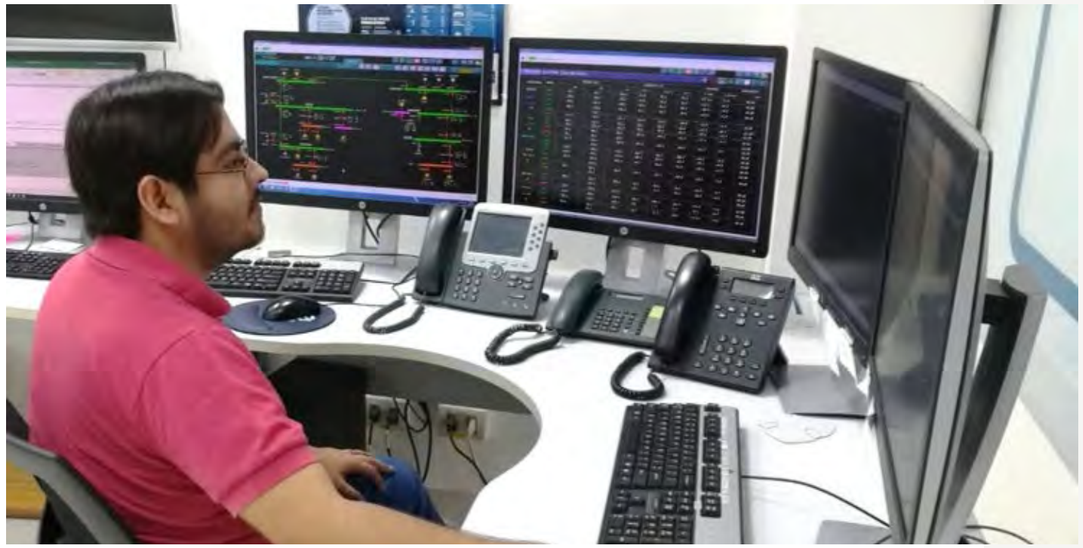
Cybersecurity is one of the most relevant elements as it ensures business continuity, the protection of our own information and stakeholders' information, and the protection of the integrity of information systems and critical infrastructures driving operations and providing services to customers.

The COVID-19 pandemic crisis forced the Group to re-define its cybersecurity approach:

- The higher number of attacks and the massive number of employees working from home was a major challenge in 2020.
- Cybersecurity will be, today more than ever, one of the greatest challenges for digital transformation.

Some of the most important challenges and relevant achievements in 2020 were:

Having mechanisms in place for safe access to corporate networks, shared file servers, databases, and information systems from administrative offices, as well as control of



the entire security perimeter. However, after the beginning of t mandatory confinement due to the pandemic, most employees started working from home, so they used home networks that couldn't be controlled by ISA.

These circumstances made us expand our security perimeter to reach thousands of homes; therefore, the magnitude of the cyber risk area was widely expanded. For us, it was a priority to optimize security conditions for remote access to these services:

The Board of Directors and the Board Committee played a key role in the materialization of cybersecurity measures, which must be implemented quickly.

The Board's Governance, Sustainability, and Risk Committee received the reports and monitored the evolution of threats periodically, as well as the advances in cybersecurity strategy.

- The capacity of the Virtual Private Network (VPN) was expanded.
- The two-factor authentication tool was implemented.
- Strengthened protection of employee digital ID.
- Conditional access tools were implemented, based on connection risk.
- The sensitivity of the tools that protect end-user devices was increased.

There was a high number of COVID-19-related malicious emails during the pandemic, which were detected by internal protection tools. Attackers tried to use multiple access mechanisms via e-mail, like phishing, spoofing, and contaminated attachments. These attacks forced us to design new methods for remote deployment of security patches and to streamline the implementation of advanced tools for e-mail protection, some of them AI-powered.

In 2000, the Security Operations Center (SOC) implementation process started in several companies of the Group in Chile, Colombia, and Brazil. This platform is the element that ensures continuous monitoring of the security infrastructure. It allows us to strengthen our prevention, detection, response, and prediction capacity against cyber threats.

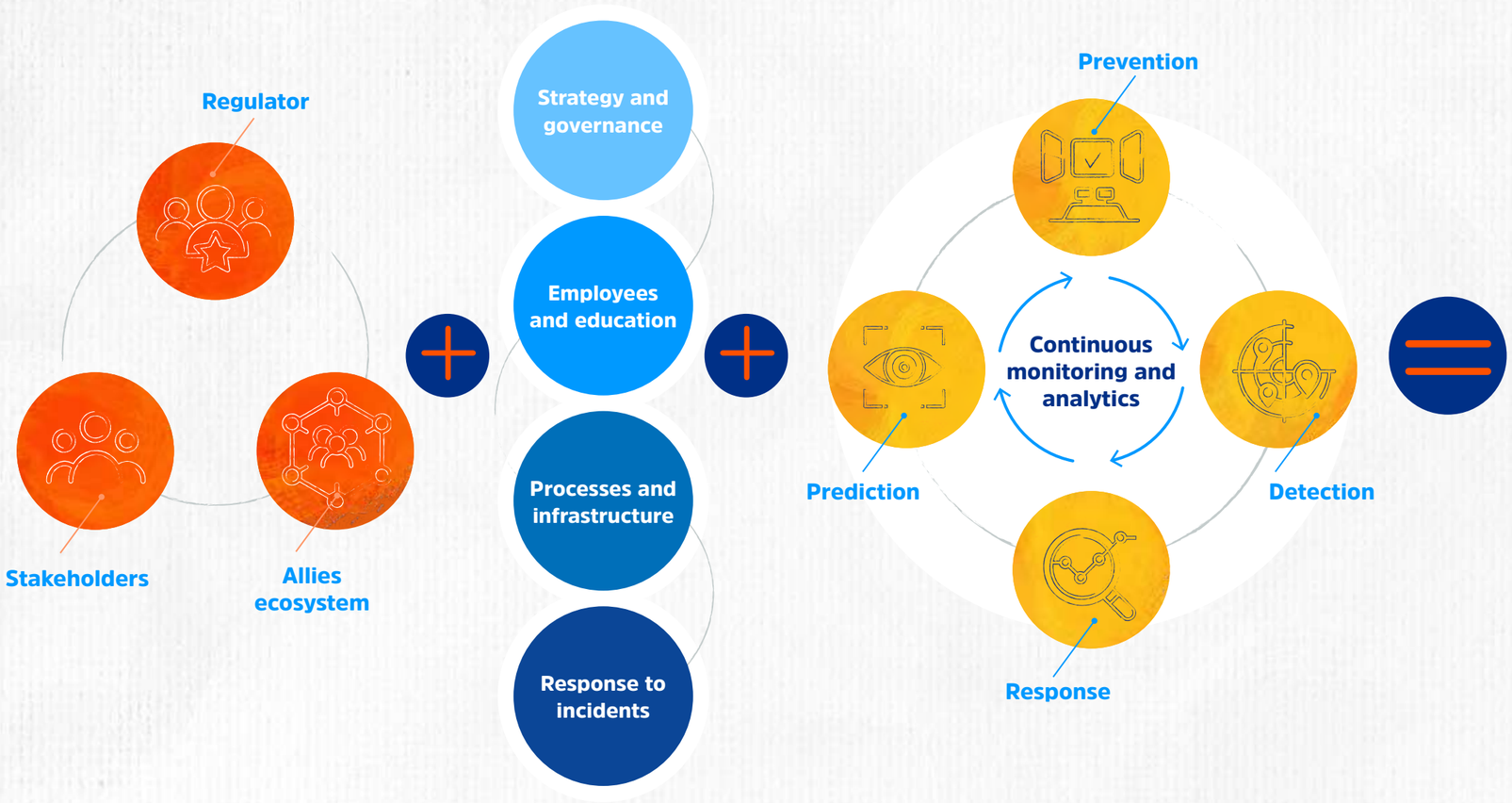
Olga Lucía López, Chief IT Officer of ISA, awarded in the Tech Executive category at the Globant Awards - Women that Build Colombia edition.

Go to website

Other relevant aspects of cybersecurity management were: extended ISO 27001 certification for some critical business processes, renewal of insurance policies covering cyber risks for all the affiliates, and deployment of multiple training and awareness campaigns addressed at all employees.

Additionally, to prepare for a future return to normal and to foresee new cybersecurity challenges in post-pandemic times, we will benefit from what we have learned: people will become the first line of cyber defense, remote work will be consolidated, and mandatory protection measures that go beyond work stations will be extended. We also expect a higher number of increasingly sophisticated attacks, which will be monitored from the Cyber Security Operations Center. Also, the ecosystem of allies will continue to be strengthened.

CYBERSECURITY STRATEGY AND ITS INTERACTIONS



STRATEGY AND GOVERNANCE

- Alignment between IT and operating security
- Sponsorship: Board of Directors, Risk, Corporate Governance and Sustainability Committee, CEO, Chief Officers

RESPONSE TO INCIDENTS

- Response mechanisms and risk coverage

PROCESSES AND INFRASTRUCTURE

- Segmentation of operational networks
- Implementation of predictive security solutions
- Secure remote access and mobile work
- Strengthening of preventive security and digital identity

RESPONSIBILITIES AND EMPLOYEES

- Education and culture of cyber risk

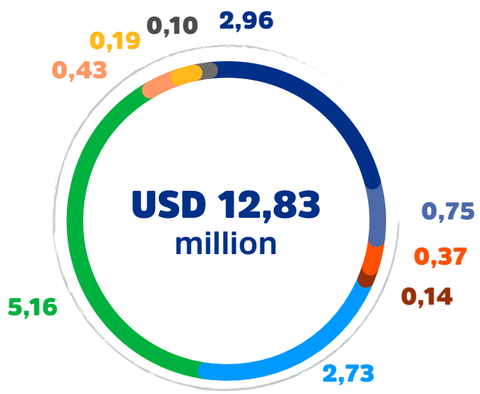
APPLICABLE INTERNAL REGULATIONS

- Code of Ethics and Conduct
- Information policy
- Corporate guide 04: Use and management of information technology
- Institutional guide 242: Protection of personal data

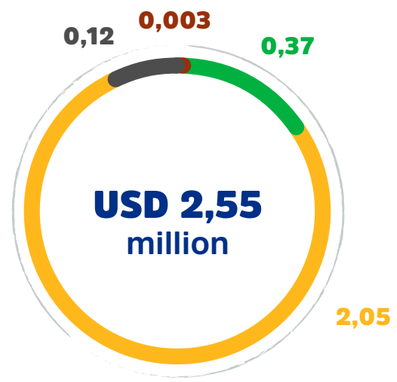
Foresight and innovation

GRI [103-1] GRI [103-2]

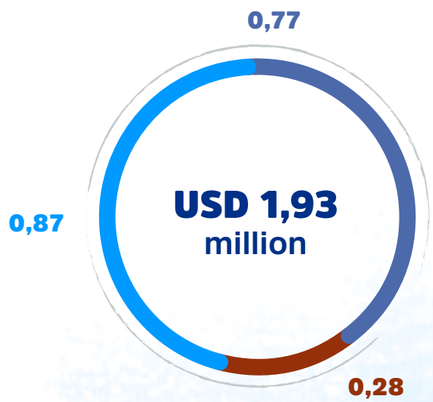
Innovation total investment



Income or sales from innovation



Cost reduction from innovation



ISA
ISA INTERCOLOMBIA
ISA TRANSELCA
ISA REP
ISA CTEEP
XM
ISA INTERVIAL
INTERNEXA
SIER

The ISA Group promotes disruptive, incremental innovation relying on the flexibility and agility of its decisions and actions to identify and foresee challenges and opportunities for the environment, taking into account the level of risk assumed. Likewise, a culture focused on sustainable innovation that ensures a positive impact on society and the environment is promoted.

Material issues that are a priority regarding this dimension:

IDENTIFICATION, FORESIGHT, AND ADAPTATION TO CHALLENGES AND TRENDS

Ability to understand signals from the environment, propose solutions, and incorporate trends in a timely manner while maintaining corporate validity.

FORESIGHT

Major global trends and challenges will deeply transform the world and its dynamics. This includes, of course, relevant changes in ISA's businesses. The ISA2030 strategy consolidates the company's response to this vision of the future, as it was built based on a macro-trend and foresight analysis, which combines the company's own experience and the experience of global experts in the businesses managed by ISA. Thus, we determined which of these global trends could significantly affect the Group's business models, and the strategy was structured to address these changes efficiently, ensuring the competitiveness and permanence of the ISA companies in the long term.

TRENDS

Optimization of energy resources
- Regional energy integration
- Energy efficiency

Automation
- Autonomous activities
- Data-based decisions
- Virtualization

Hyperconnectivity
- IoT
- 5G
- Cyber attacks

Demographic transformation
- Urban and suburban densification

Personalization
- Consumed services on demand
- Blockchain
- Decentralized Human Resources

Digital Transformation
- Network automation
- Big Data and automatic control
- Intelligent transport systems
- Autonomous vehicles

Ethics and Transparency
- Reputational crisis

More active social participation
- More active consumers and society
- Behavior and response to demand

Decarbonization
- Decarbonization and renewables
- Storage and distributed services
- Transport electrification

Market adaptation
- Regulation by incentives
- Incentives for traffic regulation

Some of these trends are explained below due to their relevance, taking into account that impacts expected in the industries where ISA operates are highly relevant:

Digital transformation: Incorporation of 4.0 technologies to support the transformation of processes and the sector in general, to increase energy efficiency, and to leverage innovation. Generalized penetration of these technologies will have relevant impacts on our business units, such as automation of infrastructure maintenance and operation, and extension of the useful life of assets through smart use of data. The creation of platforms that enable Peer to Peer (P2P) energy transactions will transform the energy industry. The implementation of telecommunications and IT systems for transit and transport will improve the travel experience, will optimize routes, and will increase road safety.

Decarbonization: Massive electrification of large carbon emitters, like the transport industry, implies a convergence among the sectors that will boost the dissemination of new business models focused on sustainability. The incorporation of many clean energy sources is expected. Value chains in the infrastructure will have to implement technologies and processes aimed at reducing their impacts. There is a new trend where the energy system provides complementary solutions to electrification, and where hydrogen will be protagonist.

More active social engagement: In their main mobilization agendas, citizens have included topics related to infrastructure and its impacts, while engagement mechanisms have been gradually strengthened. Growing interest in sustainability not only implies project socio-environmental management challenges, but also attracts opportunities like the development of new products and services to meet these new demands. Decentralization across the energy value chain generates a more active consumer; that is, consumers can meet their energy needs autonomously, and even sell energy. It is expected that, besides production, consumers will eventually incorporate local storage technologies. While this brings major challenges to the operation of the grid, it also brings new opportunities to disruptive business models.

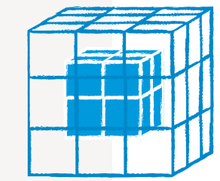
Optimization of energy resources: To reach the goals of the Paris Agreement (COP21), it is mandatory to optimize the energy resources available. A holistic approach of the energy system will allow us to meet society's needs while respecting nature. The energy transition will be possible thanks to the leading role of renewable energies in the generation matrix. However, significant progress in other technologies and end-user behaviors will also be required. Distributed energy resources and 4.0 technologies will result in a consumer that is more empowered and conscious about using energy.

INNOVATION

ISA will have to face the challenges of a world that is living a full digital transformation, hyperconnected, and automated, with more active consumers and citizens who prefer green solutions. This will take place in increasingly competitive markets where new segments are emerging, modifying traditional value chains, and breaking the boundaries between sectors, like the aforementioned trends have demonstrated.

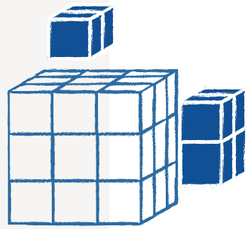
These challenges are crucial for the corporate strategy and for the new innovation system of the Group, which was adopted specifically to face the challenges of the future:

- Ensure the **competitiveness of our current business units** (Electric Power, Roads, and Telecommunications and ICT)
- Develop **new adjacent energy businesses**
- Benefit from **new business opportunities in areas of convergence** of current businesses



Ensure the competitiveness of our current business units (Electric Power, Roads, and Telecommunications and ICT)

Develop new adjacent energy businesses

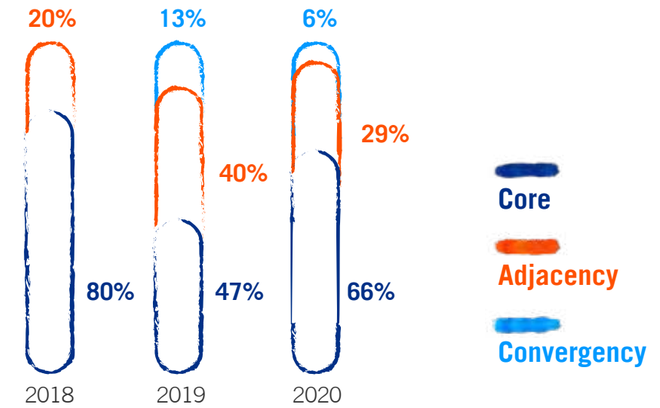


Benefit from new business opportunities in areas of convergence of current businesses

In this regard, innovation seeks to strengthen capacities and ensure excellence as a guarantee of business growth and profitability.

To meet these objectives, ISA accepted the challenge of diversifying its innovation projects portfolio to gradually include initiatives that go beyond its traditional businesses, to obtain value from new segments and complement its current value chain. There have been significant advances in recent years:

DISTANCE TO THE CORE



Progress was also made in the consolidation of the open innovation approach: many of the initiatives launched resulted from interaction with our wide network of allies, with whom work was done to capture greater value from the global innovation and entrepreneurship ecosystem. 2020 had many interactions through startups that were relevant in the sector:

Startup	Joint project
GILYTICS	Pilot to implement AI and data analytics to support an optimal routing process for energy transmission lines
SMART WIRES REIMAGINE THE GRID	Joint work to optimize power flow across current transmission lines, using industry cutting-edge technology
DRONEPOWER	R+D+i project for line and substation inspection automation using drones, doubling the number of findings in half the time
buró4.0	INTERNEXA offers its Thunder project, which is a sandbox-type multicloud collaborative project for engineering and construction corporations and startups to develop joint projects in an innovation environment in Medellín
sunandplay	Pilot to implement a smart road node network, such as road studs, for dynamic sensors and signals on highways to improve road safety

Great achievements by objective

Competitiveness of current businesses:

- Management of energy transmission assets: Development of the first phase of the organization's O&M transformation process through the incorporation of the Asset Performance Management (APM) concept and data analytics tools, achieving operating and performance efficiencies throughout the asset lifecycle.
- Optimized operation of the Colombian energy system: Design and beginning of the implementation phase of the Dynamic Line Rating (DLR) pilot in the Colombian National Interconnected System (SIN), which will allow us to learn about the feasibility of new installations and their impact on the operation of the energy transmission network.
- First open road mobility challenge event in the region: First road mobility hackathon in the region, aimed at finding road mobility solutions, especially user experience. More than eighty applications and five pilot projects were received, which promise benefits such as: cost savings, new revenues, reduction of CO_2 emissions, reduction of road accidents, and customer satisfaction.
- Smart management of telecommunications assets: INTERNEXA developed and implemented an IoT solution and other disruptive technologies on its nodes to obtain real-time data, make informed decisions, identify improvement opportunities in O&M processes, and eventually achieve unattended node operations.

New adjacent energy businesses:

- In Colombia, the Energy Mining Planning Unit (UPME) released for comments the pre-tender specifications of the STR01-2020 call for a 45MW/45MWh energy storage system in Barranquilla. This will be the first storage project to be performed through a call for bid in Latin America. ISA will participate in the call for bid process scheduled for the first quarter of 2021.

- ISA submitted an energy storage formal proposal to regulators of Brazil and Peru. The proposal recommends considering storage as a network element to provide cost optimization services for system operation, to regulate frequency, and to relieve network congestion.

- Studies to identify and assess energy storage projects were conducted in Colombia, Brazil, Chile, and Peru, to promote them among energy planners and system operators in these countries.

Promotion of electricity storage projects to electricity system planners and operators in Colombia, Brazil, Chile, and Peru.

New business opportunities in areas of convergence of current businesses

Many intrapreneurship projects were created and consolidated at the Group's affiliates.
Many of them are currently marketed, especially:

BLOCKCHAIN

ECOGOX

XM, affiliate of the ISA Group, developed a blockchain platform that provides renewable energy certification and registration services to end users of energy.

ECOREGISTRY

This is a pioneering platform in Colombia and Latin America, based on the blockchain technology for the issuance, monitoring, and withdrawal of carbon credits, contributing to the mitigation of climate change.

CLOUD

THUNDER

Cloud service developed by affiliate INTERNEXA* that allows users to quickly and flexibly access their computer infrastructure resources. It is integrated with multiple clouds and delivers a better business app experience to customers.

AUTOMATION

ARCO

Service to estimate the value of portfolio provisions of companies engaged in the Wholesale Energy Market. It provides important information for credit risk management.

IOT

BUSINESS-IOT

Affiliate INTERNEXA developed a solution based on the internet of things to monitor, view, and predict asset critical variables in real time through a clear, usable, modern interface.

BIG DATA

GAPS

Solution based on applying mathematical methods to power systems to identify and assess all possible scenarios and restrictions of a network.

Transformational leadership and capacity to influence

GRI [103-1] GRI [103-2] GRI [102-12] GRI [102-13]

ISA and its companies are accepting current and future challenges that transform the environment. They do this relying on proactivity, foresight, responsibility, and closeness with leaders who help reach goals and fulfill the commitments declared by the company to stakeholders, demonstrating an exemplary trajectory.

Material issues that are a priority regarding this dimension:

FULFILLMENT OF COMMITMENTS

Company that transcends through the generation of sustainable value, articulated with global initiatives to transform the sectors it belongs to, positively impacting the environment and society through proactive leadership.

REGULATORY MANAGEMENT

ISA and its companies establish actions to generate good conditions for business operations through effective relations with governments, being a relevant stakeholder in the construction of public policies, and foreseeing and adapting to the regulatory environment.

During the year, the ISA companies attended different sector committees such as technical committees and union committees. Spaces were created to analyze and address new proposals on regulations that benefit the development of businesses in the countries where they are present.

- Participation, together with the Energy and Gas Regulation Commission (CREG) and the National Association of Public Service and Communications Companies (Andesco) in the review of the energy transmission remuneration scheme for the next regulatory period, especially reviewing the methodology to define the remuneration rate for regulated activities. In addition, a study to update and complement unitary costs of the National Transmission System (STN)'s construction units was submitted.
- Direct, sectoral joint work with the Commission for the Regulation of Energy and Gas (CREG) to address energy transmission-relevant topics:
  - Proposal to review the concept of expansion of STN facilities for more flexibility and feasibility in the incorporation of new technologies.
  - Proposal of a regulatory scheme for repowering and reconfiguration as an expansion alternative
  - ISA Group's work plan to reduce restrictions originated during energy transmission asset maintenance
- Analyses and proposals on energy policies for comments by the Ministry of Mines and Energy:
  - Draft decree and draft resolution with guidelines for the assignment of connection points to the networks
  - Draft resolution on the creation of the intersectoral commission for follow-up on the energy and fuel gas sectors
  - Draft resolution on energy supply resilience, reliability, and security criteria
- Active participation in analyses and exercises carried out by the Ministry of Mines and Energy within the framework of the Energy Transformation Mission. Proposals based on the Mission's recommendations, especially about transmission activity.
- Comments and proposals around the UPME call for bid for the Atlántico Energy Storage project, based on CREG Resolution 098 of 2019, which will provide solutions to problems in the Regional Transmission System (STR) area.

Costera Cartagena Barranquilla Concession

At the end of 2020, the Multisectoral Commission for the Reform of the Electric Subsector (CRSE) and the Ministry of Energy and Mines started working on the "Libro Blanco" (White Book) to upgrade the Peruvian energy system so that the traditional energy system can orderly migrate to a more modern one through the use of disruptive technologies —like intelligent networks— and the incorporation of unconventional renewable energies. To achieve this, the Commission will address the following axes:

- **Strengthening the institutional framework**
- **Transformation of the wholesale market**
- **Innovation in retail distribution and marketing**
- **Streamlining transmission regulation and management**

Together with sectoral groups, ISA REP will be part of this upgrading process and will contribute with its knowledge and experience.

ISA INTERCHILE participated in conversations about the study contracted by the regulator, the National Energy Commission (CNE), to process the valuation of the STN facilities for 2020-2023. The final report is expected to be published by the CNE in 2021.

Because of the efforts of ISA INTERCHILE and other four energy transmission companies of the country, the corresponding generation companies would receive gradual payments associated with the single transmission fee through the collection mechanism determined by the CNE. This is due to the discrepancy reported by the transmission companies to the Panel of Experts, which was originated by CNE's delay —of about one year— in publishing the name of the energy generation companies adhered to the Equivalent Transmission Charge (TEC). The date of commencement of this regime was stipulated in Law 20.936.

Additionally, ISA INTERCHILE actively participated in the analyses that resulted in the Technical Standard for Energy Unavailability and Compensations, which establishes the requirements, procedures, methodologies, and conditions of application when calculating and paying compensations to end users if they were affected by energy service unavailability, published by the regulator in December, pursuant to Article 72-20 of the Compensation Law and Regulations, which is in force as of January 2021.

2020 was marked by relevant definitions of standards. This implied challenges such as ensuring that the amounts of the RBSE are received and ensuring proper remuneration to the concession contract 059 in its Periodic Tariff Review (RTP).

As a result of ISA CTEEP's efforts, among other factors, the RTP for 2018-2023, applicable as of July 2018 but postponed for the 2020-2021 cycle was approved with favorable results for the company, which are reflected on the following:

- An increase in revenues, retroactive to 2018/2019
- Efficiency gains in the O&M costs due to obtaining the first place in the efficiency benchmarking
- Increase in the remuneration rate for investment payments
- Remuneration to special obligations, previously nonexistent
- Recognition as of the first quarter of 2020, with retroactive effect, of the financial component corresponding to the remuneration portion, which was suspended in judicial proceedings

In addition, ISA CTEEP participated by sending comments to the Technical Note No. 094/2020-SRG, published by the regulator, about regulatory requirements to incorporate storage systems in the National Interconnected System (SIN) which final regulation is expected for 2021.

Ilha Solteira, São Paulo. Brazil

REGULATORY MANAGEMENT IN THE ENERGY SECTOR IN THE PANDEMIC CONTEXT

The COVID-19 pandemic had significant impacts on the economy, including the population's compromised capacity to pay for utilities, which compelled the governments to adopt extraordinary measures to support both users —especially the impoverished population— and companies, seeking the sustainability of the utility provision. Said measures are based on the principle that utilities should be for profit as a factor that is crucial for business sustainability and continuity. In this context, regulatory management was crucial when balancing the interests of companies and users.

From the energy user's perspective, the most common measures sought to ensure the service provision by eliminating power cuts due to non-payment and the postponement of payment option for the most vulnerable users.

From the service suppliers' perspective, governments' current priority has been to define relief measures, among

which are financing instruments that would allow the companies who collect fees directly from users (retailers in Colombia or distributors in other countries of the region) to comply with their obligations with other supply chain stakeholders.

ISA and its energy transmission companies permanently monitor regulatory changes to detect risk signals and to contribute, together with the other companies of the sector, to the development of regulatory proposals to overcome the difficulties faced by each country and to mitigate risks while ensuring sustainability in the production chain, which is one of the pillars of society during crises. This will contribute to economic revival once the COVID-19 crisis has been controlled.

COLOMBIA – PANAMA INTERCONNECTION PROJECT

The region's strategy regarding the energy sector is based on encouraging the energy integration among the countries to boost competitiveness and efficiency. This way, it would contribute to the economic, sustainable development of these countries. To achieve this, policies and projects that guarantee the continent's energy security are being promoted through diversified, safe, reliable, and eco-friendly service provision.

In this regard, both the countries of Central America and the Andean Community have made significant progress towards integration by promoting projects and schemes for energy free trade, export, import, and transmission between and in the countries of the region. As a result of this endeavor, the development of the Panama-Colombia energy interconnection is being encouraged, which represents the integration between Central America and the Andean Community. The execution of this project favors the access to cost-effective sources of generation that benefit users and allow an optimum use of energy resources and surplus generation with the corresponding benefit in terms of fuel savings, reduced emissions, and increased system reliability and safety.

This project will allow the electric power exchange between both countries and will enable access to new renewable sources of energy to boost competitiveness and efficiency, thus contributing to its economic and sustainable development.

To ensure its viability, the governments of both countries signed, in 2019, a Bilateral Complementation Agreement to establish a regulatory harmonization scheme within the framework of the Mesoamerica Project, considering, as benefits, the efficient supply of the energy demand and establishing development and remuneration mechanisms for the interconnection works. This scheme will be developed through a Ministerial Agreement (in process of subscription) which will establish the basic principles and criteria, and a Regulator Agreement that will contain the regulatory treatment and guidelines for the definition of operational and commercial issues.

After receiving the approval from indigenous communities, under the environmentally sustainable corridor approach, the Environmental and Social Impact Assessment (ESIA) and the project's field design study are being conducted. They will be coordinately developed in stages. Simultaneously, the marine inspection has been contracted (process postponed in 2020 due to the pandemic). This study seeks to gather the detailed technical and environmental information required for the design, engineering, and execution of cable laying and protection activities. It also seeks to define the baseline study for the ESIA.

UNIONS MANAGEMENT

The ISA Group has strategy in place for stakeholder relationships, where unions play a relevant role as they are the connection between the company and corporate, sectoral, and country discussions. The purpose of engaging in these spaces is to help build public policies, participate in and lead transformational dialogues with the sectors to benefit society, and create collaboration networks to be aligned with the countries' priorities.

In 2020, with the help of unions, besides addressing the agendas established for the year, we worked on the consolidation of the public policies in the context of the COVID-19 emergency and on the articulation of the contributions of different unions for impact mitigation, humanitarian aid, and economic revival.

Today, the Group actively participates in more than 100 relationship forums in the countries where it operates through defined work teams, spokespeople, and consolidated agendas.

ISA Group's engagement in unions is part of its permanent strategy to contribute to today's dialogues in the industry. Unions are forums where the company is able to interact with peers, decision makers, and influential stakeholders in the different sectors. The company can also learn about the trends and contribute actively to the construction of the public policy that benefits society and responds to the business needs of the present and future. The purpose of these forums is neither finance nor promote political parties, their representatives or candidates, nor sponsor seminars or activities aiming at political propaganda.

ACTIONS WITH ENTITIES OF THE AREA

COMPANY	ENTITY	VALUE
ISA	Andesco	**COP 40 million**
	Cámara Colombiana de la Infraestructura (CCI)	
ISA INTERCOLOMBIA	Andesco	**COP 15 million**
	Asociación Nacional de Empresarios de Colombia (ANDI)	
ISA CTEEP	Asociación Brasileña de Infraestructura e Industrias Básicas (Abdid) and Abrate	**BRL 88.642**

INSTITUTIONAL COMMITMENTS

[GRI 102-12]

Focused on the generation of sustainable value, the ISA2030 Strategy responds to global challenges included in the United Nations 2030 Agenda. It seeks to contribute to the Agenda's goals by means of specific actions within the framework of the prioritized Sustainable Development Goals (SDG). These actions are supported by partnerships and cooperation (SDG 17: Partnerships for the goals):

7 AFFORDABLE AND CLEAN ENERGY	• Energization and development of the communities where we operate • Promotion of new energy businesses • Promotion of innovation and development for new energy solutions
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Strong commitment to innovation in the different businesses of the Group. Offer solutions to economic and environmental challenges, like increasing energy efficiency • Help face employability and small business development challenges derived from the health emergency. Based on ISA's business growth, promotion of the Conexiones para el Desarrollo (Connections for Development) Program and of the economic revival initiative proposed
13 CLIMATE ACTION	• Climate change reduction and mitigation actions • Strategic goal of reducing 11 million tons of CO_2e • Alignment of corporate goals with the employee variable compensation system • Climate change prevention through actions carried out by the Conexión Jaguar program
15 LIFE ON LAND	• ISA's declaration of commitment to the protection of ecosystems through its forest offset programs, covenants, and partnerships that promote the protection of vulnerable ecosystems • Conexión Jaguar program, which one of its purposes is to preserve the biodiversity and connectivity of the jaguar's natural habitats
4 QUALITY EDUCATION	• Creation of opportunities for the development of capacities and for strengthening employability and entrepreneurship through the Conexiones para el Desarrollo program • Improving the quality of education through the professional studies support program
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• ISA declares its commitment to the promotion and protection of human rights and to an ethical, transparent conduct • Ethics and Compliance Corporate Program to manage, in each geography and business, regulatory compliance related to the risks of fraud, corruption, bribery, money laundering, and terrorism financing, which may affect business resources and therefore the reputation and sustainability of the Group • Code of Ethics and Conduct and on the ethical actions and attributes promulgated • Good corporate governance practices

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, ISA REP, XM, and SIER offset **100%** of their greenhouse gas emissions through the purchase of carbon credits. These companies were ratified by the South Pole Group as Carbon Neutral **36.781 tons of CO_2e.**

ISA CTEEP offset 99,7% of their greenhouse gas emissions.

In the promotion of a comprehensive anti-corruption system, ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM are part of Collective Action in the Energy Sector.

Global Compact of the United Nations

During the seventh meeting of the Global Compact (Construction of a learning community on sustainability crisis management) ISA and ISA INTERCOLOMBIA, together with other Colombian companies, shared best practices of business continuity amid the pandemic:

- Response to crisis: sustainability during the crisis
- Revival: accepting new realities and building new sustainability narratives
- Sustainability as an ally in organizational redesign

2.564
ATTENDANTS

Red Prodepaz

Red Prodepaz (Prodepaz Network), together with Red de Pobladores (Settlers Network), advanced towards the construction of a peaceful nation based on local and regional dynamics and processes for development and peace. ISA, as a supporting entity, facilitated:

- Strategic relations and partnerships for reconciliation and peace building
- Involvement in territory and peace strengthening public policies and social movements for peace action

ASSOCIATIONS TO WHICH ISA AND ITS COMPANIES BELONG

[GRI 102-13]

NAME OF THE ENTITY	COMPANIES	FIGURES IN COP		
		2018	2019	2020
Asociación Colombiana de Relaciones de Trabajo	ISA	16.518.000	1.130.763	**1.182.778**
Asociación de servicios públicos y telecomunicaciones	ISA	26.300.000	101.974.000	**108.092.000**
Asociación Nacional de Comercio Exterior	ISA	15.500.000	12.720.000	**N. A.**
Asociación Nacional de Empresarios de Colombia	ISA	0	207.192.000	**232.754.700**
Asociación usuarios de SAP - Colombia	ISA	4.000.000	6.898.713	**3.024.000**
Asociación usuarios de SAP - ASUGAmericas	ISA	48.433.077	0	**0**
Asociación usuarios de SAP - Iberoamérica	ISA	3.148.000	0	**0**
Cámara Colombiana de Infraestructura	ISA	0	46.620.240	**48.391.200**
Cámara de Comercio Colombo Brasilera	ISA	0	0	**N. A.**
Cámara de Comercio e Industria Colombo Chilena	ISA	286.000	8.004.399	**8.308.566**
Cámara de Integración Colombo Peruana	ISA	11.010.000	0	**N. A.**
Corporación Reconciliación Colombia	ISA	1.607.040	20.702.913	**21.945.075**
Comité Colombiano de la Comisión de Integración Energética Regional	ISA	30.000.000	17.122.000	**0**
Consejo Mundial de Energía Colombia	ISA	52.000.000	15.803.000	**17.772.000**
Fundación para el Progreso de Antioquia	ISA	48.000.000	39.000.000	**40.950.000**
Red Local del Pacto Global Colombia	ISA	14.857.100	14.857.100	**15.500.000**
Pacto Global de las Naciones Unidas	ISA	23.000.000	23.000.000	**23.650.000**
Red de Líderes empresariales contra el cambio climático	ISA	2.822.469	6.045.699	**4.638.564**
Comité Nacional CIGRÉ Colombia	ISA	1.054.368	4.406.897	**4.326.000**

NAME OF THE ENTITY	COMPANIES	FIGURES IN COP		
		2018	2019	2020
International Council on Large Electric Systems	ISA	5.521.167	0	**0**
Institute of Electrical and Electronics Engineers	ISA	1.052.852	169.795.423	**220.666.735**
Colombia Inteligente	ISA	93.554.000	0	**0**
Corporación Centro de Investigación y Desarrollo del Sector Eléctrico	ISA	12.000.000	0	**87.780.300**
Red de Programas Regionales de Desarrollo y Paz	ISA	198.270.000	0	**0**
Clúster Energía Sostenible	ISA	44.226.241	0	**0**
Comisión de Integración Energética Regional	ISA	3.500.000	0	**0**
Comité Universidad - Empresa - Estado	ISA	4.560.000	0	**0**
Corporación Ruta N	ISA	19.531.058	0	**0**
Corporación Centro de Ciencia y Tecnología de Antioquia	ISA	17.850.000	0	**0**
Corporación Centro de Innovación Ventures	ISA	0	82.811.600	**71.400.000**
Agencia de Promoción de Inversiones de Barranquilla - ProBarranquilla	ISA TRANSELCA	24.392.060	24.392.060	**25.095.000**
Asociación de Empresas de Servicios Públicos	ISA TRANSELCA	42.536.692	42.536.692	**46.544.000**
Asociación Nacional de Empresarios de Colombia - Apell	ISA TRANSELCA	5.762.964	0	**6.057.243**
Cámara de Comercio Colombo Americana	ISA TRANSELCA	3.226.080	3.226.080	**3.368.000**
Comité Colombiano de la Comisión de Integración Energética Regional	ISA TRANSELCA	14.372.600	14.372.600	**15.300.000**
Consejo Colombiano de Seguridad	ISA TRANSELCA	2.170.780	2.170.780	**0**
Consejo Internacional de Grandes Sistemas Eléctricos Colombia	ISA TRANSELCA	4.000.000	4.407.000	**4.326.000**
Corporación Centro de Investigación y Desarrollo del Sector Eléctrico	ISA TRANSELCA	8.390.793	8.390.793	**8.709.643**
Fundación Cívico Social Pro Cartagena	ISA TRANSELCA	15.410.761	15.410.761	**15.996.369**
Asociación Nacional de Empresas de Servicios Públicos y Comunicaciones	ISA INTERCOLOMBIA	16.518.000	18.006.000	**19.083.000**
Comité Colombiano de la Comisión de Integración Energética Regional	ISA INTERCOLOMBIA	26.300.000	29.600.000	**29.000.000**

NAME OF THE ENTITY	COMPANIES	FIGURES IN COP		
		2018	2019	2020
Red Local del Pacto Global Colombia	ISA INTERCOLOMBIA	15.500.000	15.500.000	**15.500.000**
Pacto Global de las Naciones Unidas	ISA INTERCOLOMBIA	0	0	**0**
Comité Nacional CIGRÉ Colombia	ISA INTERCOLOMBIA	4.000.000	4.406.897	**4.326.000**
Comité Minero Energético de Seguridad y DD. HH.	ISA INTERCOLOMBIA	48.433.077	49.973.249	**51.872.232**
Grupo Pares	ISA INTERCOLOMBIA	0	N/A	**N. A.**
Grupo del Sur	ISA INTERCOLOMBIA	0	N/A	**N. A.**
Instituto de Auditores Internos	ISA INTERCOLOMBIA	286.000	0	**0**
Centro de Innovación y Desarrollo Tecnológico del Sector Eléctrico	ISA INTERCOLOMBIA	11.010.000	12.000.000	**15.000.000**
Asociación Usuarios de SAP - Colombia	ISA INTERCOLOMBIA	0	3.248.000	**0**
Risk Management Society	ISA INTERCOLOMBIA	0	2.019.468	**2.220.537**
Mesa ANDI Mas La Guajira	ISA INTERCOLOMBIA	0	0	**49.000.000**
Asociación Colombiana de Relaciones de Trabajo	ISA INTERCOLOMBIA	0	0	**0**
Cámara de Industria Digital y Servicios de la ANDI	ISA INTERCOLOMBIA	0	0	**2.476.259**
Comisión de Integración Energética Regional	ISA INTERCOLOMBIA	0	0	**78.092.490**
Colombia Inteligente	ISA INTERCOLOMBIA	11.010.000	12.000.000	**15.000.000**
Asociación de Empresas de Servicios Públicos	XM	15.238.000	16.610.000	**17.608.000**
Asociación Mundial de operadores de mercados de energía y gas	XM	2.536.400	2.536.400	**3.291.619**
Colombia Inteligente	XM	11.010.000	14.280.000	**15.000.000**
Comisión de Integración Energética Regional	XM	0	0	**0**
Comité Colombiano de la Comisión de Integración Energética Regional	XM	13.900.000	16.600.000	**15.300.000**
Corporación Centro de Investigación y Desarrollo del Sector Eléctrico	XM	4.687.452	4.968.696	**5.266.818**
Institute of Electrical and Electronics Engineers	XM	0	0	**0**

NAME OF THE ENTITY	COMPANIES	FIGURES IN COP		
		2018	2019	2020
International Council on Large Electric Systems	XM	4.968.672	4.200.000	**4.326.000**
International Council on Large Electric Systems Colombia	XM	4.000.000	4.406.897	**4.326.000**
The Risk Management Society	XM	1.757.008	2.177.515	**15.000.000**
ASSOCIAÇÃO BRASILEIRA DOS CONCESSIONÁRIOS DE ENERGIA	ISA CTEEP	24.456.155	23.708.389	**21.186.690**
ASSOCIAÇÃO BRASILEIRA DE INFRAESTRUTURA	ISA CTEEP	71.709.875	73.125.257	**61.097.668**
ASSOCIAÇÃO BRASILEIRA DE GERÊNCIA DE RISCOS	ISA CTEEP	2.100.915	2.195.221	**1.783.391**
ASSOCIAÇÃO BRASILEIRA DOS CONTADORES DO SETOR DE ENERGIA ELETRICA	ISA CTEEP	10.567.474	10.244.365	**8.322.493**
ASSOCIAÇÃO BRASILEIRA DAS COMPANHIAS ABERTAS	ISA CTEEP	15.096.392	14.634.808	**13.078.204**
ASSOCIAÇÃO BRASILEIRA DAS EMPRESAS DE TRANSMISSÃO DE ENERGIA	ISA CTEEP	144.638.851	130.304.459	**106.186.056**
INSTITUTO ACENDE BRASIL	ISA CTEEP	192.255.908	190.419.176	**155.036.158**
Centro de Investigación en Energía	ISA CTEEP	83.868.845	81.304.488	**66.051.533**
Comité Brasileño de la Comisión de Integración Energética Regional	ISA CTEEP	16.606.031	18.566.693	**25.641.998**
Comité Nacional Brasileiro de Produção e Transmissão de Energia Elétrica	ISA CTEEP	3.626.489	3.512.354	**2.961.090**
Conselho Regional de Engenharia e Arquitetura - São Paulo	ISA CTEEP	2.908.068	3.437.424	**2.595.832**
Sindicato das Industrias de Energia no estado de São Paulo	ISA CTEEP	85.782.044	88.579.882	**74.577.683**
Pacto Global de las Naciones Unidas	ISA CTEEP	16.773.769	16.260.898	**13.210.307**
Associação Brasileira de Energia Solar Fotovoltacia	ISA CTEEP	0	4.471.747	**3.632.834**
Instituto Brasileiro de Governança Corporativa	ISA CTEEP	0	22.196.125	**24.872.365**
Grupo de Institutos, Fundações e Empresa	ISA CTEEP	0	0	**16.446.832**
Associação de Intercâmbio Sociocultural e empresarial Brasil-Colômbia	ISA CTEEP	0	0	**33.025.767**

NAME OF THE ENTITY	COMPANIES	FIGURES IN COP		
		2018	2019	2020
Associação Brasileira de Comunicação Empresarial	ISA CTEEP	0	0	**6.824.444**
Empresas Electricas A.G.	ISA INTERCHILE	40.287.817	0	**0**
Corporación Empresarial para el Desarrollo de Til-Til	ISA INTERCHILE	0	59.949.857	**67.023.792**
Cámara Regional de Comercio y la Producción de Valparaíso	ISA INTERCHILE	0	17.844.613	**19.684.085**
Consejo Internacional de Grandes Redes Eléctricas	ISA INTERCHILE	0	2.626.122	**4.828.050**
Corporación Industrial para el Desarrollo Regional de la Región de Coquimbo	ISA INTERCHILE	0	21.884.350	**24.140.250**
World Energy Council	ISA INTERCHILE	0	21.884.350	**24.140.250**
Asociación Chilena de Energías Renovables y Almacenamiento	ISA INTERCHILE	0	0	**67.788.487**
Cámara de Comercio Chileno Colombiana	ISA INTERCHILE	0	0	**6.209.138**
Sociedad de Fomento Fabril	ISA INTERCHILE	0	0	**0**
Comité Boliviano de la Comisión de Integración Energética Regional	ISA BOLIVIA	16.248.750	16.385.700	**17.162.500**
Patronato Perú 2021	ISA REP	16.007.671	16.475.212	**17.309.528**
Sociedad Nacional de Minería, Petróleo y Energía	ISA REP	88.717.211	91.308.407	**88.470.920**
Comité Peruano de la CIER	ISA REP	14.175.467	14.589.495	**14.136.114**
Alianza de Empresas que Promueven y Financian Obras por Impuestos –ALOXI–	ISA REP	10.607.493	10.917.309	**10.578.045**
Consejo Empresarial Colombiano	ISA REP	6.364.496	6.550.386	**6.346.827**
Comité CIGRE	ISA REP	3.818.697	3.930.231	**3.808.096**
AMCHAM	ISA REP	1.928.635	1.984.965	**1.923.281**
Aperhu	ISA REP	385.727	396.993	**384.656**
Club de la Energía	ISA REP	4.821.588	4.962.413	**0**
Cámara Chilena de la Construcción	ISA INTERVIAL	8.027.358	8.027.358	**8.027.358**

NAME OF THE ENTITY	COMPANIES	FIGURES IN COP		
		2018	2019	2020
COPSA- Concesiones	ISA INTERVIAL	94.761.468	9.476.146	**94.761.468**
Cámara de Comercio Chileno Colombiana	ISA INTERVIAL	1.054.368	1.054.368	**1.054.368**
ACCION EMPRESAS	ISA INTERVIAL	0	0	**7.000.000**
Asociación de Empresas de Servicios Públicos	INTERNEXA	30.000.000	0	**40.000.000**
GNAP Colombia	INTERNEXA	52.000.000	52.000.000	**52.000.000**
NAP Colombia	INTERNEXA	48.000.000	48.000.000	**48.000.000**
Centro de Investigación de Desarrollo de las Telecomunicaciones	INTERNEXA	17.643.000	17.643.000	**0**
CINTEL	INTERNEXA	0	13.000.000	**13.000.000**
NAP principal	INTERNEXA	0	0	**145.630.828**
NAP alterno	INTERNEXA	0	0	**34.050.660**
Cámara de Comercio de Estados Unidos en Argentina	INTERNEXA ARGENTINA	0	0	**120.720**
AMCHAM	INTERNEXA BRASIL	0	0	**3.632.834**
Cámara de Comercio Colombo Chilena	INTERNEXA CHILE	0	0	**8.208**
Cámara de Comercio de Santiago	INTERNEXA CHILE	0	0	**6.759**
Cámara Chilena Norteamericana de Comercio	INTERNEXA CHILE	0	0	**4.345**
Consejo Empresarial Colombiano	INTERNEXA PERÚ	0	0	**2.077.143**
TOTAL		**2.135.259.274**	**2.229.377.197**	**2.857.307.183**

Contribution to global environmental challenges

GRI [103-1] GRI [103-2]

ISA and its companies are committed to excellence and leadership to protect the environment. In this regard, the management of business impacts has evolved towards proactive, significant contributions to mitigate and adapt to climate change and to protect and preserve ecosystems and their biodiversity.

Material issues that are a priority regarding this dimension:

ISA and its companies make sure that their processes and operations are aligned with the search for sustainable development to comply with commitments acquired, applicable regulations, and corporate guidelines and standards. [GRI 103]

They also value, respect, and support the natural heritage, especially in areas of high biodiversity relevance, according to environmental regulations of each country where they are present. To that end, the declarations of the International Union for the Conservation of Nature (IUCN) for category I - IV protected areas are considered.

[GRI 304-4]

COMMITMENT TO THE PROTECTION OF BIODIVERSITY

Company that has a proactive approach to the protection and conservation of natural resources. It inspires other people to protect natural resources and help improve our natural surroundings.

MANAGEMENT OF ENVIRONMENTAL IMPACTS

Company that takes responsibility for the environmental impact of its activities by maximizing eco-efficiency and complying with environmental and legal requirements.

CLIMATE CHANGE MITIGATION AND ADAPTATION

Company that understands, measures, and joins efforts to mitigate and adapt to climate change, positively supporting this global agenda.

CONEXIÓN JAGUAR | isa

Conexion Jaguar is a sustainability program of ISA and its companies, which, in partnership with its technical allies **South Pole** and **Panthera**, is developed to contribute to:

- **Biodiversity conservation**
- **The connectivity of jaguar's natural habitats**
- **Climate change mitigation**
- **Development of rural communities**

It contributes to achieve the country's targets and climate change, complying with international agreements.

PUMA
Puma concolor

In Chile, where the Jaguar does not exist, we work for the conservation of the puma.

FIRST ISSUANCE OF THE PROGRAM'S **CARBON CREDITS** in the Huayabamba project in, **Peru,** for **223.991 credits***

*Each carbon credit is equivalent to 1 ton of CO_2

PROGRAM'S GOALS AS OF 2030

Certified **PROJECTS** in Latin America

2020	7
GOAL 2030	20

HECTARES of the jaguar corridor protected

2020	784.000
GOAL 2030	400.000

EMISSION REDUCTION POTENTIAL OF CO_2
(Toneladas)

2020	6,4 million
GOAL 2030	9 million

JAGUAR
Panthera onca

PROMOTE THE DEVELOPMENT OF RURAL COMMUNITIES.
Improving the quality of life of
300 FAMILIES

PROJECTS

Hectares with conservation activities

Emission reduction potential in tons of CO_2 equivalent

4 PROJECTS IN COLOMBIA

- Cimitarra
- Tierralta
- Kogi community
- Arhuaco community

502.625*

2.735.675 TCO_2e**

Promotion of coexistence between humans humans and big cats

IN 4 REGIONS OF COLOMBIA

1 PROJECT IN BRAZIL

Instituto Homem Pantaneiro

76.855

644.471 TCO_2e**

1 PROJECT IN CHILE

(Under evaluation)

2 PROJECTS IN PERU

- Huayabamba
- Biored

205.428

2.972.825 TCO_2e**

*Kogis project area under verification

** Each project lasts between 20 and 40 years

↘Further information: **www.conexionjaguar.org**

RECOGNITIONS

Participation in events highly recognized and relevant to **sostenibilidad global**

First Place in **Environmental Management** Category in the Premio Nacional de **Sostenibilidad** of the Sociedad de Minería, Petróleo y Energía de Peru (National Sustainability Award)

Sociedad Nacional de MINERIA PETROLEO Y ENERGIA

Premios CECORP 2020

The communication campaign of Conexión Jaguar was recognized as the best communication campaign in sustainability.

Conexión Jaguar, **the best Corporate Emission-Offsetting Program** in the Environmental Finance Awards 2020 ranking

Environmental Finance Voluntary Carbon Market Rankings 2020 Winner

Initiative 20x20

We are part of Initiative 20x20 that seeks to protect **50 million hectares** of forest in Latin America

FSC

Partnership with Forest Stewardship Council FSC to contribute to forest conservation and biodiversity protection

6th place in the **FAUNA** category of the **"Latinoamérica Verde 2020"** ranking

2020 500 MEJORES PROYECTOS PREMIOS LATINOAMÉRICA VERDE CATEGORÍA BOSQUES Y FLORA

COMMITMENT TO THE PROTECTION OF BIODIVERSITY

The ISA Group manages, through legal and voluntary actions, their potential impact on biodiversity throughout the life cycle of their assets:

Biodiversity model

- Designs and consecutive methods to minimize impacts on environment and biodiversity
- Compensation portfolio
- Contributions through the Conexión Jaguar's Sustainability Program

Main actions to manage ecosystem and biodiversity protection in 2020, apart from the Conexión Jaguar program:

ISA INTERCOLOMBIA

Biotic offsets

- Continued execution of a cost-effective, sustainable forest offset portfolio aimed at recovering prioritized areas according to environmental authorities, as they are of ecological interest, especially areas that contribute to the recovery of connectivity in jaguar's habitats

- Design of 13 offsetting plans covering around 11.390 ha. Nine offsetting plans have been submitted to the National Environmental Licensing Authority (ANLA) covering around 5.300 ha, approximately 47% of the requirement

- Support to the identification of biotic offset risks, measures to deal with them, possible synergies, etc. together with companies of the various sectors that develop linear infrastructure projects (EPM, PROMIGAS, ENEL, GEB, CENIT, and ODINSA)

Forest exploitation variable strips

In the design and construction stages, the forest exploitation variable strip methodology has been implemented in projects at the environmental licensing stage or which license modifications are in progress. A reduction close to 50% has been achieved in natural ecosystems, semi-natural ecosystems, and wooded pastures to be intervened.

Flight diverters

Installing these devices has become crucial in the mitigation of bird collisions against conductor cables. To do this, the project easements are analyzed to identify local and migrating bird crossing spots.

Structure height assessment (towers)

The design of the projects proposes to evaluate the heights of some of the structures that overlap with the ecosystems, to evaluate the relevance and appropriateness of building taller structures, and to analyze the mitigation of biotic intervention that results from this choice, by performing a cost-benefit evaluation.

Alliances

- Covenant signed with EL CABILDO to create and implement a Forestry Establishment and Management Plan (PEMF) to reforest 3,8 hectares in the Achiote creek micro basin, adjacent to the Chinú substation in the department of Córdoba
- Incorporation, in the BioCaribe Agreement, of the forest offsetting plan for the Bolívar–Copey–Ocaña–Primavera Transmission Line for the protection, restoration, connectivity, and sustainable development of biodiversity in Canal del Dique-Montes de María basin
- Covenant with National Natural Parks: offsetting alternative for the Antioquia-Medellín-Ancón Sur project in the Paramillo National Natural Park, included in the offsetting plan that will be submitted for evaluation to ANLA in 2021
- Covenant between Banco de Hábitat de Bosque Seco de Antioquia, Terrasos S.A.S., and Contreebute S.A.S.: innovative environmental offset and rural development model that is part of the Antioquia–Medellín–Ancón Sur Connection project offset

ISA REP

- Covenant with the Peruvian National Forest and Wildlife Service (Serfor) for the exchange of scientific information for biodiversity conservation. Through this covenant, the algarrobo or mesquite tree (Prosopis spp) was characterized in five towns of the department of Tumbes
- More than 1.000 trees were planted in ISA REP substations as part of the decarbonization project in energy facilities

ISA TRANSELCA

- With ISA INTERCOLOMBIA, support to REDD+ Arhuaco project in the department of Cesar to strengthen indigenous territories in Sierra Nevada de Santa Marta through a plan for the conservation of biodiversity and sacred natural areas of the Iku (Arhuaco) community, covering approximately 90.000 ha

ISA CTEEP

- Drones for surveillance and cable laying, reducing the need for tree pruning and logging
- Height and special cables: higher towers and light cables, so structure reinforcements are not necessary
- Armored substation technology and hybrid modules in some substations, which allows for greater compactness and therefore a smaller area used
- The total area of conserved or preserved habitats was 46,43 ha for the year. The areas restored during the year through forestry plantations reached 17 ha

ISA INTERCHILE

- 5-year covenant with the Institute of Agricultural Research (INIA) to develop the flora and vegetation biological plan, which seeks to return more than 190.000 individuals of 21 species to the Atacama and Metropolitan regions
- Launching a community plant nursery in the Atacama region, partnered with the Municipality of Freirina and receiving technical support from BioMapu, for the conservation of desert native flora and endemic species
- Bird monitoring and tracking programs and installation of anti-collision devices in defined areas pursuant to current regulations
- Biodiversity information program for the La Campana-Peñuelas Biosphere Reserve, allied with El Observador, La Campana National Park of the National Forest Corporation (CONAF) and the Native Forest Defenders Network

CHALLENGES TO PREVENT AND REVERSE BIODIVERSITY LOSS

Challenges associated with the protection of biodiversity consider sustainable offsetting schemes with the highest added value to neutralize the loss of biodiversity and increase positive impacts.

COLOMBIA

Plan offsetting strategies that favor the conservation or restoration of natural ecosystems, focusing on biodiversity management, through an ecosystem approach that recognizes the importance of protecting endangered species and management measures for the conservation of living organisms:

- Based on the Offset Portfolio, design and implement cost-effective biotic offsets aligned with national and regional strategic conservation goals to meet the requirements of the environmental authority and to improve environmental conditions in areas of ecological interest.
- Strengthen relationships with communities, authorities, and environmental institutions.
- Expand the coverage of the Conexión Jaguar program through the management and execution of projects and partnerships and through the generation of synergies with other processes in the companies, such as mandatory offsets and environmental education programs.

PERU

- Make the third Conexión Jaguar project in Peru to comply successfully with the methodology to calculate benchmark levels of forest emissions according to the Ministry of the Environment.
- Make progress on a regulatory framework for carbon credit issuance projects.

CHILE

- Fight desertification and drought in the country: within the framework of Chile's National Biodiversity Strategy (2017-2030), improve designs and selection of layouts to minimize environmental impacts, and design actions for efficient water use, lower water pressure in aquifers, and soil restoration.
- Joint work with environmental institutions and active involvement in the Biodiversity and Protected Areas Service.

Management of environmental impacts

[GRI 102-11] [GRI 103-1] [GRI 103-2] [GRI 103-3] The ISA companies manage environmental permits and licenses required to develop their projects and operations, thus complying with regulations applicable in each country where they are present, and guaranteeing sustainable development according to the Group's Environmental Corporate Policy and the environmental management model.

This environmental work is done throughout the life cycle of assets, through actions such as:

- Addressing impacts with a preventive approach
- Addressing environmental contingencies that may affect natural resources, ecosystems, communities, or their interrelationships
- Identifying, assessing, and implementing necessary measures, both obligatory and complementary, to manage the risks that can impact ecosystems and society, caused by the development of business operations

Gran Manglar Viaducto, Costera Cartagena - Barranquilla Concession
The project located on Ciénaga de la Virgen in Cartagena, with an extension of 5,4 km that, besides being the longest in Colombia, received the Pan American Sustainable Development Award, among others, because of its minimal impact on the mangrove and minimal occupation of Ciénaga.

ENVIRONMENT, SOCIETY, AND PROPERTY

PORTFOLIO	OFFER	DESIGN	CONSTRUCTION	OPERATION AND MAINTENANCE	DISMANTLING
EMPHASIS					
• Incorporation of environmental, social, and property criteria for portfolio projects	• Comprehensive assessment of environmental, social, and property activities and risks in capex and opex • Incorporation of environmental, social, and property impacts	• Design of the Environmental Impact Studies (EIA) • Citizen participation and prior consultation for timely environmental licensing purposes	• Execution of the Environmental Management Plan • Information provided to communities, authorities, and other stakeholders	• Application of environmental management systems to ensure the management of risks and environmental impacts	• Application of the renewal and final sale of the asset to avoid environmental and social liabilities
SOCIAL MANAGEMENT PLAN					
PRACTICES					
Socio-environmental risks workshop	Identification of environmental, social, and property risks	Updating and management of environmental, social, and property risks			
	Environmental licensing strategy				
Analysis of Restrictions of the Expansion Plan (ARPEX)	Analysis of Environmental Restrictions (ARA)	Execution of environmental, social, and property components			Renovation and final disposal strategy
Social, environmental, and land intervention plans in advance for strategic projects	**Route selection criteria**	Interrelation of the environmental management with the Corporate Social Management Model			
	Calculation of environmental, social, and property items for capex and opex	Environmental and social studies for licensing	Compliance with the environmental management plan		
Regulatory monitoring and environmental legal management					
Sustainable procurement management					
Environmental Management System – ISO 14001					
Comprehensive management of biodiversity					

The main actions to reduce environmental impacts, which go beyond the natural management of processes and compliance with legal commitments, are shown below:

ISA INTERCOLOMBIA

- Strict follow-up on commitments undertaken with authorities and with communities, and on the implementation of environmental management plans (PMA) of projects. Application: administrative offices, energy substations, and projects under construction
- Sectoral synergies to strengthen the benefits of the management on companies, environment, and society

ISA TRANSELCA

- ISO 14001 recertification

ISA INTERCHILE

- Implementation of the Environmental Management System
- Design and implementation of the Environmental Sanitation Program, which regulates environmental deviations; periodic follow-up at the Board level
- Management and participation in unions during environmental regulatory discussions

ISA INTERVIAL CHILE

- Implementation of the ISO 14001 Standard in Ruta del Maipo and ISA INTERVIAL
- In-depth analysis of exposure to environmental risks, following the Group's comprehensive risk management methodology; periodic monitoring at Board level
- Studies to use recycled asphalt in sidewalk and berm pavement, a project developed together with the Universidad de la Frontera
- Traffic-powered generation pilot, a project developed together with the Universidad de Talca

ENVIRONMENTAL LICENSING FOR PROJECTS

COMPANY	PROJECT	THE STATE
ISA INTERCOLOMBIA	Antioquia–Porce III Connection	Modification of the license granted
	Antioquia-Medellín-Ancón Sur Connection	
	Antioquia–Cerromatoso Connection	
	Porce III–Sogamoso Connection	
	Sogamoso–La Loma	Study stage (Assessment of environmental diagnosis of alternatives -DAA-)
	Sabanalarga–Bolívar	Environmental Impact Study (EIA) stage
	El Río New Substation	Assessment by the authority
	Modification of environmental license for Costa Caribe Reinforcement: • Cerromatoso–Chinú–Copey • Copey–Cuestecitas–Fundación • Cuestecitas–Majayura	Three modifications: one modification in assessment process and two modifications in the EIA stage
ISA TRANSELCA	N/A	
ISA REP	Nueva Yanango–Nueva Húanuco	Environmental license granted
	Mantaro–Nueva Yanango–Carapongo	
	Upgrade of the Talara Refinery	
	Moquegua–Papujune	
	Expansion 20	
ISA BOLIVIA	N.A.	
ISA CTEEP	Ie Biguacu	Environmental license for partial installation granted
	Ie Tibagi	Environmental license for operations granted
	Ie Itaquere	
	Ie Itaúnas	Environmental license for operations granted
	Ie Itapura- Lorena	
	Ie Aguapei	
	Projeto Minuano (Substation)	
	Projeto Minuano (Transmission Line)	Awaiting prior environmental license
	Projeto Três Lagoas	Awaiting environmental license for installation
	Projeto Triângulo Mineiro	Awaiting prior environmental license
	Aie Paraguacu	Environmental license for installation granted
	Aie Aimorés	
	Aie Ivaí	
INTERCHILE	Reactive power compensation in the Nueva Pan de Azúcar-Polpaico Transmission Line	Environmental permits
	New autotransformer bank for Nueva Cardones, Nueva Maitencillo, and Nueva Pan de Azúcar Substations	
	Nueva Maitencillo Substation expansion / Nueva Pan de Azúcar Substation expansion	

To monitor compliance with environmental permit and license objectives, the following indicators were established:

COMPLIANCE WITH ENVIRONMENTAL PERMITS AND LICENSING TARGETS

Indicator	Company	2018	2019	2020	Goal 2020
Compliance with physical progress of projects (as per schedule)	ISA INTERCOLOMBIA	105%*	106%	97,90%	Greater than or equal to 95%
	ISA TRANSELCA	102%	100%	104,60%	
	ISA INTERCHILE	104%	103%	96,50%	
	ISA REP	99%	82%	62,40%	
	ISA CTEEP	120%*	119%*	98,40%	
	Consolidated for the group	106%*	102%*	92%	
Days of delay in obtaining the environmental license (as per schedule)	ISA INTERCOLOMBIA	463	303	230,27	Obtaining licenses as per schedule
	ISA TRANSELCA	N. A.	N. A.	N. A.	
	ISA INTERCHILE	645	N. A.	N. A.	
	ISA REP	238	51	227	
	ISA CTEEP	0	163	0	

* Values in prior years adjusted for comparison purposes

Failure to meet the project's physical progress deadline was mainly due to impacts of the pandemic on work schedules, such as: restrictions imposed by the authorities, supply of goods, land management, and environmental licenses (term suspension and consultations with communities). The goal for 2021 is to maintain our compliance rate equal to or higher than 95% for the physical progress scheduled.

LEGAL PROCEEDINGS INHERENT TO THE BUSINESS, ARISEN DURING THE TERM [GRI 307-1]

ISA INTERCOLOMBIA	• 22 ongoing processes
ISA TRANSELCA	• Dispute resolution procedures on 4 cases • 1 penalty for COP 108.506.112
ISA REP	• Dispute resolution procedures on 6 cases • 2 penalties for COP 5.981.976
ISA BOLIVIA	• No procedures
ISA CTEEP	• Dispute resolution procedures on 7 cases • 0 penalties
ISA INTERCHILE	• Dispute resolution procedures on 3 cases • 1 penalty for COP 1.947.708.048*

* Conversion from US dollar (USD) to Colombian pesos: 3.432,50

NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

Company	2017	2018	2019	2020
ISA INTERCOLOMBIA	0	0	0	0
ISA TRANSELCA	0	0	0	0
ISA REP	0	0	0	0
ISA BOLIVIA	0	0	0	0
ISA CTEEP	25	0	12	0
ISA INTERCHILE	N. D.	0	3	0

CLIMATE CHANGE MITIGATION AND ADAPTATION

Our climate strategy is based on the consolidated practice of measuring, reducing, and offsetting greenhouse gases (GHG) produced by our operations. The strategy also takes into account impacts of climate variability and climate change opportunities to plan various actions, most of which are focused on mitigation. This strategy is aligned with the priorities and actions implemented by governments, society, and the companies, which are part of the commitments of the United Nations Climate Change Conference (COP21), the Nationally Determined Contributions (NDCs) planned to decrease GHG emissions in the countries where we are present, and the UN 2030 agenda.

ISA and its companies reduce their emissions by investing in equipment updating, products that are more eco-efficient, process improvements, sustainable mobility, and environmental awareness programs.

Greenhouse Gas (GHG) Management

For 2020, the goal was to reduce 533 tons of CO_2e, taking into account water and energy consumption, waste generation, and sustainable mobility. The results are positive, as the goal was exceeded with a total of 952 tons of CO_2e avoided.

The sustainable mobility goal includes: use of a corporate transportation network, remote work, bikes, and carpooling. However, in 2020, given the security measures to protect ISA's employees, this measure was calculated as emissions avoided throughout the year, because employees did not commute to the facilities for most of the year, which means that fossil fuels were avoided. Once the Group employees resume their daily activities, the sustainable mobility goal will include all said aspects.

For more information, please refer to the GHG consumption and emissions inventory, reference 1, 2, and 3 on ISA's website

Climate change management

ISA's business units, especially its core business —Energy Transmission— emit very low levels of CO_2 when compared with other sectors in the energy chain, as their productive processes do not require fossil fuels on an industrial scale and their stationary sources of air pollution are not significant. This is reflected in very low inventories, especially when compared with other energy generation sectors, such as thermal power stations.

In view of the above, sulfur hexafluoride gas (SF_6) represents ISA's highest percentage of emissions, which Global Warming Potential (GWP) is 23.500 times higher than CO_2. This is a significant influence in global warming per unit emitted. At present, there is no substitute for this gas in the high-voltage systems operated by ISA. In terms of their direct GHG emissions (scope 1), more than 80% corresponds to leaks of the SF_6 installed in encapsulated substations and high-voltage switches.

Since 2016, annual reduction targets of 10% were set so that leakage levels are equal to or lower than 0,5% by 2020, under the International Electrotechnical Commission (IEC) standard. The goal was achieved since 2018 at the Group level. By 2020, the Group achieved a consolidated leakage rate of 0,45%.

In terms of impact on climate change, a reduction of fugitive emissions equivalent to 9.165 tons of CO_2 was achieved, which is lower than the 18.500 ton target (for 2016-2020), due to the following:

- In general, there was a 68% increase in the SF_6 inventory for the energy transmission companies between 2016 and 2020 due to business growth, which resulted in more equipment that contains this gas, especially in encapsulated substations.

- In particular, ISA CTEEP managed to decrease emissions since 2016 by 34,5%. This value is lower than expected, so the IEC standard for 2020 was not met. In 2019 and 2020, leaks were 0,75% and 0,69% versus the amount of installed SF_6. It is worth noting that, as this is the affiliate with the highest amount of assets and consequently the highest SF_6 inventory in the Group, meeting the reference values is more difficult, especially due to the age of the equipment and the technical complexity of eliminating leaks. In this regard, ISA CTEEP is implementing a plan designed to reach the 0,5% value by 2022.

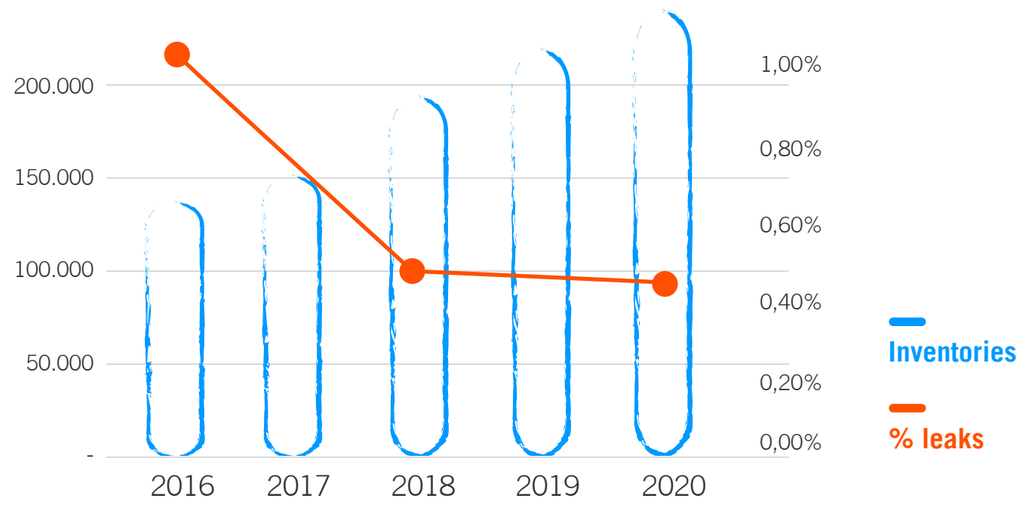
- In 2020, an unforeseen event at ISA TRANSELCA's Termocartagena GIS substation resulted in 192,36 kg SF_6 leaked. The manufacturer's expertise is required to solve this incident, but due to the restrictions caused by the pandemic, the case is in the process of being resolved.

SF_6 analysis in 2020 versus 2019:

Moreover, regarding the Group's performance in 2020, the energy transmission companies —ISA INTERCOLOMBIA, ISA REP, ISA INTERCHILE, and ISA BOLIVIA— reached the annual goal of leaks below 0,5% the IEC standard, even though total net leakage increased.

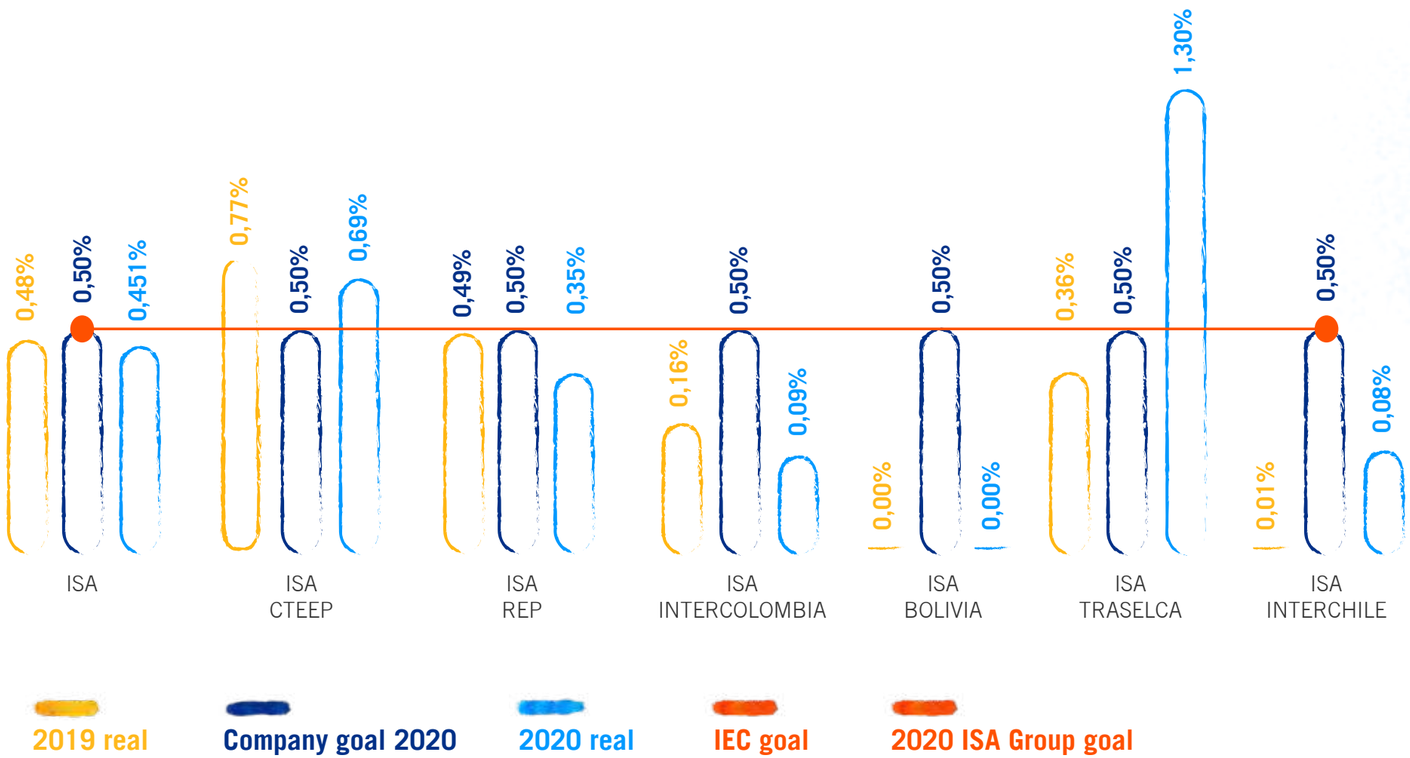
The ISA2030 strategy has defined an emission reduction goal of 11 million tons of CO_2e to the planet.

INVENTORIES VS LEAKS



The leakage percentage decreased with respect to the previous year. The GHG inventory (13%) is above the increase in net leakage (7%); therefore, the relative leakage level remains below the international IEC-60376 leakage standard.

SF_6 LEAKS (%)



The increase in emissions with respect to the previous year was caused by an incident at ISA TRANSELCA, where 192,36 kg of gas leaked. ISA CTEEP did not meet the standard; however, it achieved a reduction of 75 kg, equivalent to 1.767 tCO_2e of leaks avoided. ISA REP reduced emissions by 724 tCO_2e when compared with 2019.

The positive results when managing SF_6 result from the implementation of good practices and proper operation and maintenance of equipment, such as:

- Improved analysis by recurrence of equipment failures, allowing to predict leaks
- Preventive maintenance of high-voltage circuit breakers
- Replacement of high-voltage circuit breakers at the end of their useful life
- Comprehensive training plan and awareness processes addressed at maintenance operators to avoid leaks in manual processes
- Acquisition of state-of-the-art SF_6 gas detectors to detect and monitor leaks in real time
- Reuse of SF_6 gas in good physicochemical conditions, mainly leftover gas from projects
- Improvement plan established in 2020 regarding SF_6 inventory, management, and follow-up
- Proper final disposal through certified companies

ISA companies will continue to meet the international standard and, in the interests of continuous improvement, a more challenging goal was set, which is to go beyond the 2030 standard by 15% for all energy transmission subsidiaries.

As for ISA CTEEP, the goal for 2021 is to reduce leaks by 10% versus the previous year until meeting the standard in 2022, through actions applicable in all the Group's energy transmission companies, and through specific actions such as implementation of an investment plan, monitoring of the bimonthly evaluation, leak repair, and validation testing of gas treatment equipment in energized compartments.

Electric power transmission has a very low carbon emission intensity compared to other sectors of the energy chain, since its production processes do not require the use of fossil fuels on an industrial scale, nor does it have significant stationary sources of emissions.

The operating experience acquired in the National Interconnected System and the managing experience acquired in the Wholesale Energy Market have been transposed to other sectors of the country's economy, thus contributing to the achievement of some of the SDGs and commitments under the Paris Agreement:

- XM developed EcoGox, a tool that meets the need of a program for renewable energy certification and certification registry that is competitive and adapted to the Latin American continent, adding value to renewable energy benefits, so that the end user recognizes it. This tool will make the market of renewable energy certificates more affordable for everyone, contributing to climate change mitigation and promoting a more resilient energy industry.

- Other innovative solutions launched were: EcoRegistry, a platform to register CO_2 projects and certificates, where 25 projects are currently registered to offset 22,3 million tons of CO_2; and EcoTrade, a platform to trade CO_2 certificates.

ACHIEVEMENTS AND CHALLENGES OF GHG MANAGEMENT

ISA INTERCOLOMBIA

- Voluntary offset of 100% of the company's O&M GHG inventory through the purchase of carbon credits that were traded in the voluntary market, after which the carbon neutral certification was obtained
- Four Conexión Jaguar's projects through which conservation activities in 502.000 ha have been carried out for a carbon sequestration potential of approximately 2,3 million tCO_2e
- 1.658 tCO_2e reduced
- Installation of a solar microgrid at ISA's main headquarters in Medellín, Colombia
- The energy consumed at the Medellín headquarters is EPM's green energy, which comes from 100% renewable sources, I-REC certified

ISA TRANSELCA

- Voluntary offset of 100% of its GHG 2019 inventory, equivalent to 2.186 tCO_2e, through initiatives to reduce impacts, like Conexión Jaguar's projects and the purchase of carbon credits certified by South Pole

ISA CTEEP

- Mapping of other GHG gases (e.g. Freon/R22) at all facilities and design of the respective control plan

ISA INTERCHILE

- Registration of all the facilities with the National Program for Quantification and Management of the Corporate Carbon Footprint – HuellaChile
- Standardization of all facilities, hazardous waste storage warehouses, and the handling and reporting procedure (pending approval by the authority)

ISA INTERVIAL CHILE

- The energy consumed by Ruta del Maipo at its centers — Angostura toll plaza building and transit control center— will come from clean sources. Contracting process to purchase power directly from the generator are underway

XM

- Development of EcoGox
- Launch of EcoRegistry and EcoTrade

SIER

- The AppiMotion app measured 389 tCO_2e avoided by users, which is equivalent to planting 49.241 oak trees.
- Voluntary offset of 100% of the company's GHG emissions through the investment in South Pole's climate protection project, after which the carbon neutral certification was obtained

CO_2 EMISSIONS OFFSETTING

Company	Emissions tCO_2e	Offset emissions, tCO_2	% offset	Project name
ISA	1.217	1.218	100	REDD+ AMPA* project
ISA INTERCOLOMBIA	5.699	5.700	100	Procuenca Colombia project
ISA TRANSELCA	2.186	2.186	100	
ISA REP	3.079	3.227	105	REDD+ AMPA* project
ISA BOLIVIA	369	0	0	N. A.
ISA CTEEP	24.061	24.000	99,7	Envira project, Brazil
ISA INTERCHILE	837	0	0	N. A.
ISA INTERVIAL	7.930	0	0	N. A.
XM	317	352	111	Custody of a forestry project located between Antioquia and Córdoba regions, consisting of the replacement of cattle farms with forest plantations for soil and water protection
SIER	98	98	100	

* Asociación Amazónicos por la Amazonía (Association of Amazonians for the Amazon - AMPA)

Installation of a solar microgrid at ISA's main headquarters in Medellín, Colombia. The plant has 1.044 solar panels that will cover 12%-14% of monthly consumption. This initiative is part of the research projects by the Energética 2030 program, a company-academy-State alliance created to develop a comprehensive transformation proposal for the energy sector in Colombia. A reduction of up to 1.427 tons of CO_2 is projected for the 25 years of operation of this solar plant.

GREEN BONDS

First green bonds issue in the public market of Colombia of COP 300 billion. The resources will be used to finance the connection of non-conventional renewable energies to the National Interconnected System (SIN) through the financing of two projects:

- UPME 05-2014 Costa Caribe 500 kV Reinforcement
- UPME 09-2016 Copey-Cuestecitas 500 kV and Copey-Fundación 220 kV Transmission Lines

This is the third green bond issuance by the ISA Group. The first one was made by ISA CTEEP, in Brazil in 2018. The second one was made by the affiliate Consorcio Transmantaro in Peru, in 2019, which was the first company in that country and the region to issue unsecured green bonds in the international market.

USE OF RESOURCES

2 ELIGIBLE PROJECTS

- **UPME 05-2014 Costa Caribe 500 kV Reinforcement**
- **UPME 09-2016 Copey-Cuestecitas 500 kV and Copey-Fundación 220 kV Transmission Lines**

COP **165.546** MILLION

released from the exclusive use account for reimbursement of costs related to the two eligible projects

COP **299.997** MILLION

collected in the issuance and deposited in an exclusive use account

COP **134.451** MILLION

in funds frozen in the exclusive use account

SITAWI report

Green bonds are a debt financial instrument (fixed income) whose resources are exclusively allocated to finance or refinance projects that generate clear and specific environmental benefits, in accordance with the Green Bond Principles (GBP).

ELIGIBLE PROJECTS PROGRESS

1. UPME 05-2014 COSTA CARIBE 500 KV REINFORCEMENT

a. Environmental licenses status

Administrative Act: Resolution 0837 of May 16, 2019
Status: active
Start of construction: August 2019
Construction sites: 3 - active
Civil works physical progress: 76,26%
Physical assembly progress: 53,51%
Physical transmission line progress: 37,01%
Average total progress: 55,60%

b. ESG project management

ENVIRONMENTAL

Biodiversity benefits and impact on strategic ecosystems:

Forest exploitation variable strips

- The use of the PLS CADD software optimizes the areas to be licensed, mitigates the demand for natural resources, and reduces interventions in protected areas, areas where conservation initiatives take place, and relevant areas for the conservation of birds or ecologically important ecosystems.
- Total easement area: 2.406,2 hectares, intervention area of 676,6 hectares, which considers an optimization or reduction of 71,8 % in the area to be intervened.
- The project crosses nine relevant zones classified by category, including 51,53 hectares to be intervened, of which, by 2020, 9,79 hectares have been intervened: 4,23 hectares of natural coverage and 5,56 hectares of other coverages.
- Relevant zones classified by category: integrated management district of the Zárate, Malibú, and Veladero swamp complex, Sierra Nevada de Santa Marta biosphere reserve, tropical dry forest, momposina depression-Magdalena River swamp complex, Serranía de San Jerónimo dry forest and shrubland corridor, Bajo Cauca humid forests, Monterubio dry forest and shrubland complex, Monterubio-Tenerife dry forest and shrubland complex, Chimicuica creek riparian complex and Caraballo stream.

Mitigation of impacts in intervention areas

- Guarantee the conservation of species by rescuing, transferring, relocating, monitoring, and maintaining flora that is endangered, banned, or of economic or cultural interest. Therefore, according to categories of the International Union for Conservation of Nature (IUCN) and the Ministry of Environment and Sustainable Development, five critically endangered species and 35 endangered species are reported for the intervened areas.
- Flight diverters: devices installed on the guard cables to make them more visible and reduce bird collisions. Bird flight corridors were identified: 6.884 flight diverters were installed for 143 spans, totaling 67.125 m in length, representing 18,2% of the transmission line length, of which a total of 80 diverters have been installed on two spans in 2020.

Alternative methods for cable laying (DRONE)

- It allows laying cables in exclusion zones for the project or in sensitive ecosystems that are crossed. The aim is to reduce impacts on vegetation over the easement, fragmentation of ecosystems, and loss of wildlife habitat.
- The cable laying progress for 2020 has been applied to 141 of the 806 total spans for the project.

COMMUNITIES

Archaeological management

- There are strategies related to the conservation and protection of the archaeological heritage pursuant to national regulations, as well as mechanisms for the participation of the community neighboring the areas affected by the civil works.
- There were originally 124 sites planned for archaeological recovery according to the project management plans. Intensive surveys and exploratory excavations reduced the number of sites subject to archaeological recovery to 28 (6 for Section I, 13 for Section II, and 9 for Section III).
- Community delegates made periodic visits to the excavation area to verify archaeological activities.
- COP 4.382.703.256 were invested in the preventive archeology program.
- 47 people from the municipalities in the area of influence were hired.

INVESTMENT OF

COP **4.382.703.256**

Resettlement:

- Improvement in living conditions of two families (nine people)

INVESTMENT OF

COP **254.147.546**

* Unión Internacional para la Conservación de la Naturaleza (UICN)

Prior consultations:

- 25 prior consultations with the Zenú ethnic communities (24 indigenous councils) and the four communities of the Sierra Nevada de Santa Marta
- Process supervised by a delegate of the Arhuaco community during project consultation and construction to ensure that all actions carried out respect the culture and the territory, strengthening the company-ethnic community trust

INVESTMENT OF

COP **107.837.000**

Development of communities:

- Departments in the area of influence: Córdoba, Sucre, Bolívar, Magdalena, and Cesar
- Municipalities in the area of influence: Montelíbano, Buenavista (Córdoba), Planeta Rica, Pueblo Nuevo, Ciénaga de Oro, Sahagún, Chinú, Sampués, Roble, Sincé, San Pedro, Buenavista (Sucre), Corozal, Córdoba, Zambrano, Tenerife, Plato, Sabanas de San Ángel, Nueva Granada, Ariguaní, Bosconia, El Copey
- Number of community organizations: 172
- 24 Zenú councils (ethnic minority)
- Sierra Nevada People (Arhuaco community representatives)
- 3 Zenú indigenous councils not certified, but undergoing social management
- 138 community action boards
- 6 associations

SOCIO-ENVIRONMENTAL MANAGEMENT

- Community Information and Participation Projects (PIPC)
  - 213 follow-up meetings, in addition to all the forums attended to clarify doubts or concerns arising from the project's construction
  - Presence of on-site social coordinators (2), who maintain and strengthen relationships with social stakeholders in the area of influence

Environmental education for the communities:

- Information on sustainable livestock production, proper management of solid waste, care for wildlife, etc.

Nearly **1.255 jobs** were created with personnel from the region

INVESTMENT OF

COP **30.971.806**

Community Benefit Projects (PBC):

- 174 projects, of which 89 projects were approved in 2020 and 80 were started
- Prioritized and agreed initiatives: productive projects; construction or adaptation of road, community, and recreational infrastructure; solutions to public service needs through the installation of solar kits; construction of deep wells or installation of water storage tanks

TOTAL INVESTMENT

COP **2.125** MILLION

of which COP 1.104 million were invested in projects and COP 1.021 million in management expenses

Humanitarian aid within the context of COVID-19 pandemic:

- 6.699 food packages
- 420.500 liters of drinking water
- Hospital supplies and biosecurity elements

INVESTMENT

COP **262.000.000**

2. UPME 09-2016 COPEY-CUESTECITAS 500 KV AND COPEY-FUNDACIÓN 220 KV TRANSMISSION LINES

a. Status of environmental licenses

Project stage: licensing, preparation of Environmental Impact Study (EIA)

Progress on environmental studies: 90%

Progress on prior consultations: 81,25% (13 protocolized consultations/16 communities)

EIA filing projection: April 2021

b. ESG project management

ENVIRONMENTAL

Benefits on biodiversity and impact on strategic ecosystems:

- **Flora:** Variable strips of forestry use focused on reducing intervention areas due to logging through software information processing, which gathers technical-environmental variables.
- **Flight diverters:** Installation of devices to mitigate bird collisions in transmission lines.
- **Structure height assessment (towers):** Relevance and timeliness to implement higher structures to mitigate biotic intervention.
- **Alternative methods for cable laying (DRONE):** It avoids impacts on the vegetation of sensitive ecosystems. The impact mitigation is considerable and minimizes ecosystem fragmentation and loss of wildlife habitat.

COMMUNITIES

Archaeological management

- The Arhuaco indigenous community was present and participated.
- Ten (10) recoveries were carried out: six (6) excavations at the Copey substation, two (2) at the tower 22, and two (2) exploratory excavations.
- Eighteen (18) people from the area of influence were hired

INVESTMENT

COP **675.251.040**

Prior consultations

- Early discussions with the ethnic communities were achieved.
- 16 communities were certified by the Ministry of the Interior. The consultation was formalized with 13 communities. The remaining three (3) communities are in process.

Nearly 168 people were hired

Development of communities

- Departments in the area of influence: Guajira, Cesar y Magdalena
- Municipalities in the area of influence: Fundación, Algarrobo, El Copey, La Paz, San Diego, Valledupar, Bosconia, El Molino, Urumita, La Jagua del Pilar, Villanueva, Hatonuevo, Barrancas, Fonseca, Distracción, Albania, San Juan del Cesar
- Community action boards: 66, made up of 7.970 people
- Community councils: 8, made up of 2.000 people
- Indigenous communities: 8, made up of 3.400 people

SOCIO-ENVIRONMENTAL MANAGEMENT

Community Information and Participation Projects (PIPC):

- Implementation of the PIPC in two stages, including 66 territorial units, 3 governors' offices, 3 environmental corporations, and 240 private landowners.
- 402 meetings held

ECO-EFFICIENCY

As goals for ISA and its companies, in 2020, water and energy consumption and waste generation were targeted to be reduced by 1%, using the average of the last three years as the measurement baseline (2015, 2016, and 2017). This goal was adjusted to include the sustainable mobility factor, considering the commuting avoided by the people who worked from home due to the COVID-19 pandemic.

Below are the results of the CO_2e emission reduction and offset goals reached by the Group:

	Company	2020 goal (tons of CO_2e)	2020 results (tons of CO_2e)	% achievement
REDUCTION OF IMPACTS	ISA	70,48	117	166
	ISA INTERCOLOMBIA	130,39	234	179
	ISA TRANSELCA	30	66	219
	ISA REP	100	85	85
	ISA CTEEP	28,27	152	536
	ISA INTERCHILE	10,13	19	186
	ISA BOLIVIA	5,40	28	523
	XM	59,93	111	186
	ISA INTERVIAL	60	98	169
	INTERNEXA	40	42	106
TOTAL		**533**	**952**	**179**

During the year, we managed to avoid 952 tCO_2e due to better eco-efficiency performance, which represents 179% of our goal (533 tCO_2e).

As of 2021, these goals will also be included in the employee variable compensation system as an incentive for continuous improvement around the eco-efficiency processes of ISA.

ECO-EFFICIENCY ACTIONS

ISA INTERCOLOMBIA

Green sites and substations project

- Comprehensive water management:
  - Use of rainwater
  - Runoff water in switch-yards
  - Implementation of atmospheric water generators
  - Greywater filtration equipment for reuse
  - Low water consumption toilet systems
  - Composters and incinerators
  - Wastewater treatment through constructed wetlands in some substations
- Comprehensive waste management
- Sustainable Mobility program

Five Eco-challenges (Ecorretos) for sustainability: Environmental education program that addresses sustainable mobility, responsible consumption, connection with the territory, and ecological footprint

ISA TRANSELCA

- El Chance sustainable mobility program. 70% of employees using AppiMotion, avoiding 37,34 tCO_2e

ISA REP

- Improved energy efficiency by switching to LED lights
- Optimization of groundwater use through systematized flow and replacement of peripheral pumps
- Biodigester systems for the treatment of domestic effluents
- Fog catcher pilot project in central Peru, implemented in the Marcona Substation

ISA CTEEP

- Biodiesel for the vehicle fleet: 99,86% ethanol
- More frequent use of drones for asset and substation inspections, increasing accuracy and reducing travel and vegetation pruning
- Improved energy efficiency by switching to LED lights in substations
- ~1 ton of uniforms reused to manufacture new garments
- Water reuse in some operating substations

ISA BOLIVIA

- Improved energy efficiency by switching to LED lights in substations and administrative office

ISA INTERCHILE

- Acquisition of new water storage systems that prevent water losses

INTERNEXA

- Maximization of the useful life of equipment and enabled technologies, avoiding rushed technological upgrades
- Optimization of fiber optic utilization capacity
- Technological reuse: Strategy to deliver capacities at 100 Gbps interfaces, using less, smaller equipment and lower power consumption
- Extended useful life of obsolete telecommunications systems through the acquisition of refurbished cards

ISA INTERVIAL

- Use of recycled asphalt on local roads and berms

SIER

- 100% of employees linked to the corporate sustainable mobility strategy through AppiMotion
- AppiMotion was complemented with micro mobility through an alliance with Cosmic Go to manage mobility within different organizations: nine companies with more than 2.289 current active users

Commitment to socio-economic development

GRI [103-1] GRI [103-2]

ISA Group contributes to the development and transformation of territories where it is present, seeking to leave a positive and everlasting legacy of fostering and respect for human rights. In design and construction of projects, as well as in the execution of operations, the company aims to cause the lowest impacts on the surrounding community and on the environment, with a peaceful coexistence and sustainable approach.

Material issues that are a priority regarding this dimension:

SOCIOECONOMIC DEVELOPMENT

To contribute to the development and transformation of territories where the company is present, through sustainable programs that leave a positive and everlasting legacy of empowerment, fostering, and respect for human rights. Proximity, listening and dialogue, to create relationships with trust and legitimacy.

PROXIMITY AND DIALOGUE WITH STAKEHOLDERS, LISTENING TO THEIR EXPECTATIONSS

The company recognizes its stakeholders as relevant for achieving the business strategy, and therefore, it listens to their expectations and establishes transparent and close relationships, focused on complying with the commitments and co-responsibility.

SOCIAL MANAGEMENT IN THE ASSET LIFE CYCLE

ISA, through its social management model, designs relationship strategies with communities in the area of influence, which allow it to build with them healthier and more prosperous environments that ensure the continuity of assets in the long term. Such strategies respond to a vision and a systemic analysis of territories. They seek to capture opportunities and to create a legacy for future generations, as well as to prevent, mitigate, correct, and compensate the impacts created by infrastructure in neighboring communities.

In this regard, the Social Management Model establishes the main guidelines to address relationships and investment plans in the communities:

- Economic development
- Community infrastructure
- Education and safe coexistence with the infrastructure
- Social promotion actions

Portfolio	Offer	Design	Construction	Operation and maintenance	Dismantling
		Programs and commitments included in environmental licenses or required by law			
Environment monitoring and risk analysis					
Channels and mechanisms for constant communication with communities (PQRS requests, complaints, claims and suggestions - mailboxes)					
Early Relationship Program (PRA)		Social programs that contribute to local development, education, community infrastructure, and social promotion actions			
Voluntary social projects and programs					

Complementary
Mandatory
Voluntary

Social investment

[GRI 413-1]

COLOMBIA

COP 23.616 MILLION
Investment

310.252
People benefited

1.445
Benefited organizations

PERU

COP 5.876 MILLION
Investment

2.088
People benefited

33
Benefited organizations

CHILE

COP 1.206 MILLION
Investment

17.814
People benefited

86
Benefited organizations

BRAZIL

COP 9.232 MILLION
Investment

12.695
People benefited

17
Benefited organizations

BOLIVIA

COP 675 MILLION
Investment

5.000
People benefited

14
Benefited organizations

TOTAL

COP 40.605 MILLION
TOTAL INVESTMENT

347.849
PEOPLE BENEFITED

1.595
BENEFITED ORGANIZATIONS

VOLUNTARY WORK HOURS

175
PERSONAL HOURS

85
WORKING HOURS

1066
VOLUNTEERS

INVESTMENT LINES

Figures in COP billion

Local development and institutional strengthening
2018 · **5,8** | 2019 · **10,6**
2020 | **2,8**

Education and coexistence
2018 · **12,3** | 2019 · **39,7**
2020 | **6,8**

Community infrastructure
2018 · **18,7** | 2019 · **8,5**
2020 | **4,7**

Social promotion actions
2018 · **10,3** | 2019 · **18,3**
2020 | **6,5**

Project management
2018 · **N. A.** | 2019 · **N. A.**
2020 | **18,5**

Connections for development
2018 · **N. A.** | 2019 · **N. A.**
2020 | **1,3**

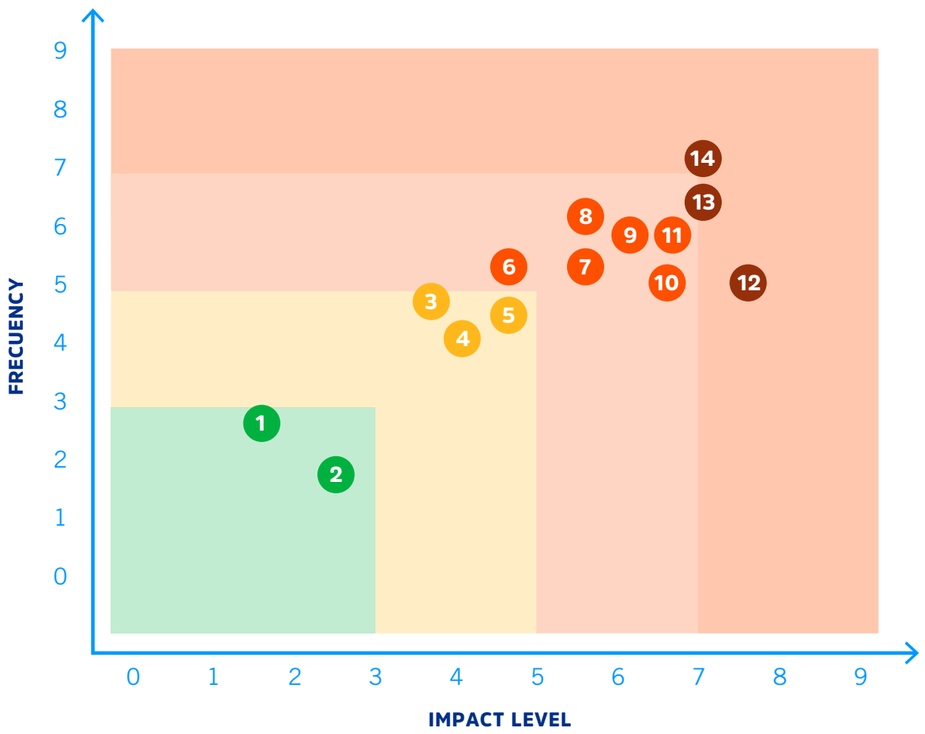
PERCENTAGE OF CRITICAL MUNICIPALITIES WITH PRESENCE OF SOCIAL INVESTMENT

Country	Company	2018	2019	2020	Goal 2020	Goal 2021
COLOMBIA	ISA INTERCOLOMBIA	95	86	99		
	ISA TRANSELCA	100	100	80		
BRAZIL	ISA CTEEP	100	N. D.	N. D.	90	90
PERU	ISA REP	33	72	5		
CHILE	ISA INTERCHILE	N. D.	100	100		
	ISA INTERVIAL	70	80	80		
TOTAL		**79,6**	**87,7**	**72,8**		

The ISA Group contributes to the development and transformation of territories where it is present, seeking to leave a positive and everlasting legacy of fostering and respect for human rights.

SOCIAL IMPACTS MATRIX AND RISK MANAGEMENT TOOLS

ISA has different tools to identify social impacts that could be generated by projects and operations to structure better solutions, programs, and measures that directly contribute to the prevention, mitigation, or offsetting of such impacts.



1. Modification of air quality
2. Modification in the availability of water resources
3. Impact on cultural characteristics of ethnic or non-ethnic groups
4. Configuration of undesirable parallel economic activities (micro trafficking, prostitution, common crime, among others)
5. Alteration to accesses/road infrastructure or modifications to urban mobility
6. Alteration to historical and archaeological heritage
7. Modification to the current use of the soil (impact on crops, economic use of the soil)
8. Limitation to the right of ownership
9. Radio-interference and electrical inductions
10. Increased risk of accidents
11. Modification in sound pressure levels (noise pollution-noise)
12. Involuntary displacement of families or infrastructure (includes impacts on community and private infrastructure)
13. Conflicts arisen/worsened
14. Modification of landscape quality

Social risk refers to events that could affect the commitments undertaken by ISA and its companies with society. These could include protests of communities or other stakeholders due to the presence of the businesses in a territory, third-party actions affecting the infrastructure, limitations for project development, among others. Social management is supported by several tools, actions, and programs aimed at creating positive social impact and addressing, in a timely manner, social risks during the life cycle of assets, thus contributing to obtaining the social permit to build and operate the projects.

TOOL	DEFINITION	MANAGEMENT
Analysis of Restrictions of the Expansion Plan (ARPEX)	A tool that analyzes georeferenced social, environmental, and property type variables in the area of interest of a project to identify risk areas and generate mitigation actions	ARPEX applied to three projects in Brazil and Chile, and a prototype applied to one project in Perú
Environment analysis	Analysis to identify risks and opportunities associated with social, political, and environmental realities on the area of influence of the infrastructure	Periodic reports with 100% reach in countries where the company is present
Community Benefit Projects (PBC)	Initiatives agreed with the community to provide populations with social infrastructure to support the environmental licensing process	450 projects in the area of influence of infrastructure under construction in Colombia
Program for safe coexistence with the infrastructure	Risk prevention program aimed at strengthening the relationship with the population in the area of influence of transmission lines and promoting safe and friendly coexistence	Programs developed in Colombia, Peru, Brazil, Bolivia, and Chile
Early Relationship Program (PRA)	Complementary social management actions, projects, and programs that seek to generate acknowledgement and genuine support from the communities in stages prior to the construction of projects	Relationship activities with six communities in Colombia and four socio-political studies
Conexión Jaguar program	Sustainability program created for the conservation of biodiversity and mitigation of climate change	A new project in Colombia in 2020, plus the ongoing projects in Brazil, Peru, and Colombia
Human Rights Promotion	Actions to train in and promote Human Rights	• In 2020 there were no cases of discrimination, restriction of freedom of association, child exploitation, or forced labor in any of the Group companies • 420 hours of human rights training
Complementary and voluntary social management	Programs aimed at creating long-term, trust relationships with communities, addressing social risk, and mitigating social impacts	Social programs in all countries where the group is present (refer to graph: social projects investment)
Environmental Management Plans (PMA)	Activities aimed at preventing, mitigating, correcting, or offsetting the environmental and social impacts and effects of the development of a project, work, or activity	In 2020 environmental licenses and modifications were obtained for 17 projects
Community Information and Participation Processes (PIPC) in Colombia	Comprehensive strategy aimed at creating community participation forums to establish effective communication channels	Around 1.319 agreements reached with local communities in more than 107 municipalities in Colombia

CONEXIONES PARA EL DESARROLLO | isa

This program is the ISA Group's contribution to generations of today and tomorrow, which seeks to strengthen the capacities of the community ecosystem to generate transformations in the areas of influence.

Through the strengthening of educational, community, and institutional capabilities, the goal is that communities implement sustainable strategies that involve an improvement of their quality of life in at least three levels: individual, family, community, and public policy.

Program cycle

- **Selection of territories.**
- **Characterization of territory:** Familiarization with territory and dynamics to ensure proper participation that meets the needs of the context, establishing participative development agendas.
- **Strengthening of capabilities:** Specific projects are materialized to strengthen competences for transforming territories at the school, family, and community levels and in institutions of local governments.
- **Transformations:** The goal is to ensure the continuity of projects after the end of the community program support, through the alliance with local stakeholders.

FIRST PROJECT IN COLOMBIA

ISA INTERCOLOMBIA and allies defined the implementation of the project in the Sabanalarga–Bolívar transmission line, that seeks to interconnect two substations located in northern Colombia and to reinforce the network in the area.

7 municipalities
in Atlántico and Bolívar

20 territorial units

31.000 people will be benefited

100% EDUCATIONAL INSTITUTIONS BENEFITED
in the municipalities, with support to improve the quality and relevance of education

Support for families and community organizations
in the area of influence of the project for the improvement of their quality of life by means of productive and community infrastructure projects

Support for local governments
to improve their management capabilities and to prepare projects of interest for the territory

A joint work: isa INTERCOLOMBIA, isa TRANSELCA

En alianza con: Fundación Barco, PNUD

VOLUNTARIADO GRUPO ISA

ISA Group's Voluntariado work program aims to **connect employees with solidarity actions that have impact** on those who need them the most, being aware that one of the most important demonstrations of the commitment with their needs is related to human capital contribution.

Lines of action through which employees get involved with different initiatives, mostly proposed and structured by them:

CARING FOR THE PLANET INSPIRES US

CREATING KNOWLEDGE INSPIRES US

SHARING EXPERIENCES INSPIRES US

In 2020, we worked in an additional line focused on solidarity actions to help communities that were most affected by the pandemic.

Dialogue with stakeholders

[GRI 102-40] [GRI 102-42] [GRI 102-43] [GRI 102-44]

ISA respects, recognizes, and values its stakeholders and incorporates them into its strategic model by formulating commitments to each of them, to generate value.

For ISA companies, stakeholders are groups of people, organizations, and institutions with whom common interests are built and shared. They may be affected by the company's services or activities. The relationship between them and ISA companies is clear, visible, and legitimate. **[GRI 102-42]**

The company is committed to develop, strengthen, and promote mechanisms of relationship and commitment to its stakeholders to:

- promote ethical, transparent, constructive, and respectful human rights relationships,
- generate communication channels that provide information and ensure spaces for dialogue,
- strengthen relationships based on trust and legitimacy,
- provide timely information of public interest,
- contribute to sustainable development and welfare of society.

ISA, to strengthen its relationship with its stakeholders, provides them timely and transparent information, promotes spaces for dialogue and construction, and contributes to the sustainable development and well-being of society.

STAKEHOLDERS

	Material interest	Strategic response Value practices	Strategic indicators	Relations mechanism
EMPLOYEES	**Attraction, development, and care of the best talent** • Attractive and desirable employer • Capacity to educate highly qualified employees who learn and see themselves linked to the organization in the long term • Quality labor practices and respect for employees • Occupational health and safety for direct and indirect employees • Management of equity, diversity, and inclusion	**Corporate validity** • Training programs • Health plans • Leadership Program • Competitive labor conditions	• Organizational Climate • Superior performance • Accident frequency index	• Labor environment and leadership measuring • Psychosocial risk measuring • Performance Management • Intranet, bulletins, billboards, email, and suggestion boxes • Coffee with the CEO • Virtual communities • Joint occupational health committees and coexistence committees • Primary committees and groups • Collective negotiation processes
THE STATE	**Good governance** • Independence from the state and/or third parties • Ethical, comprehensive, and transparent behavior • Diverse governance structure and composition responsive to strategy challenges	**Shareholder value** • Promotion and provision of high-quality utilities • Ethical management and anti-corruption practices • Promotion of SDG (7 Access to energy, 13 Climate change, 15 Ecosystems) • Conexión Jaguar Program	• Net Income • EBITDA	• Participation spaces to promote public policies • Spaces for union participation • Consultations
INVESTORS	**Buen gobierno** **Good governance** **Strength and growth** • Ability to meet financial and business objectives by benefitting from opportunities and ensuring corporate relevance • Appropriate growth strategy	**Shareholder value** • Leadership and commitment of the Board of Directors • Good governance practices • Payment of dividends	• Net Income • EBITDA • Valuation of the share with respect to the market • Inclusion in Dow Jones Sustainability Index	• General Shareholders' Meeting • Shareholder Service Office • Webcast • Quarterly reports • Meetings and visits • Support hotline • Email • ISA's shareholders' chat

	Material interest	Strategic response Value practices	Strategic indicators	Relations mechanism
SUPPLIERS	**Anticipación e innovación** • Application of innovation to develop new products and services • Continuous improvements, innovation of processes, and digital transformation **Strategic alliances for transformation** • Long-term alliances for achieving goals and enhancing the capabilities of the parties	**Social and environmental impact shareholder's value** • Responsible provisioning practices • Management of ethics and Human Rights • Local purchases • Development programs • Commitment and permanent training in OHS	• Accident rate index of own employees and contractors.	• Meeting • Performance Evaluation • Field and plant visits
CLIENTS/ USERS*	**Excellence in compliance with activities** • Fulfilling the value proposition in an accurate, seamless manner • Reference in its standards and practices • Infrastructure and information security, and cybersecurity	**Social and environmental impact** • Permanent communication • Habilitation programs for the provision of the service • Client/user satisfaction • Reliability and availability of the energy grid • Road safety	• Compliance with service standards • Unscheduled Energy Not-Supplied • Road concessions user satisfaction index • Road safety index • Compliance with service levels, Telecommunications and ICT • CREG indicators	In affiliates • Annual meeting • Bulletin • Visits • Satisfaction evaluation • Client mailbox
SOCIETY	**Proactive contribution to global environmental challenges** • Leadership in initiatives to contribute to the protection of ecosystems and biodiversity • Strategy to mitigate and adapt to effects of climate change **Commitment to socio-economic development** • Contribution to sustainable development and transformation of territories, building a positive legacy for the regions • Proximity and dialogue with stakeholders • Respect and promotion of human rights and management of social impacts	**Social and environmental impact** • Commitment to development • Investment in critical business areas • Communication and consultation with the community and its representatives • Conexión Jaguar Program	• Offsetting of CO_2 emissions • Weighted average of physical progress related to electric power transmission and road projects • Compliance with capex execution in electric power transmission projects • Compliance with the IRR for road projects	• Training workshops • Information and awareness meetings • Relationship roundtables • Radio program • Agreement closing survey • Meeting with the community

*This stakeholder is managed directly by the subsidiaries

For the relationship with all stakeholders there are instances:

- **Dialogues with stakeholders**
- **Reputation Research**

And there are different communication channels:

WWW.**ISA**.CO

isa@isa.com.co

Ethics line (free)
01 8000 941341
lineaetica@isa.com.co

MAIN MATTERS OF MEETING AND DIALOGUES

The pandemic and its effects on health, development, economy, stability of contracts with suppliers, COVID-19 management with employees and work dynamics were the core of conversations with stakeholders.

ISA established a dialogue with academy, unions, the Nation, scientific community, representatives of civil society, employees, and suppliers to address these matters and how they are affected, to identify joint actions and design solutions to minimize impacts.

As a result, three work fronts were prioritized, and actions were defined to be implemented in 2020, 2021, and 2022:

Health and scientific research management

In the framework of Todos Somos Uno* (We are all one), program and together with universities, innovation centers, health entities and foundations, the company's OHS teams and the epidemiological advisory group, the ACCIÓN PAÍS (Country Action) line was created, focused on economic revival and health services, in matters such as diagnostic tests, personal protective equipment for medical staff and development and research for the generation of local capabilities. Close to 50 proposals or projects in the following aspects were evaluated with an impact on:

- Country presence
- Flattening of the contagion curve
- Stimulus for innovation matters

Main actions performed:

- Community surveillance strategies to strengthen diagnostic capacities and flatten the contagion curve
- Active monitoring of health personnel (hospitals), weekly random testing of 10% of medical and administrative staff in six hospitals, for 25 weeks as of December 2020 and a total of 6.999 tests administered
- Support for the first clinical study for using convalescent plasma for COVID-19 patients
- Research support for the production of COVID-19 test reagents
- Contribution to the development of "Protocolo Colombia" (Colombia Protocol)
- Support to the National Health Institute (INS) for seroprevalence study
- DogSavior: PCR test support for training dogs to detect odors characteristic of volatile organic compounds generated when a patient is infected by COVID-19
- Wastewater, characterization of chemicals, molecules, and organic waste in wastewater as an effective platform for monitoring the health of communities
- Reinfection/Co-infection, evaluation of immunity level, infection percentage for herd immunity and mechanisms for extended protection as a basis for establishing vaccination protocols
- Medical brigades in 21 municipalities, some of them in remote places

* Refer to chapter ISA in the context of COVID-19 pandemic.

Economic revival

Conversations and document review led to the conclusion that the focus between 2021 and 2022, as an economic revival response, would be in:

- **Creation of employment from the projects area with ISA's contractors and suppliers:** to promote contracting of local labor in infrastructure construction projects.
- **Entrepreneurship, with two scopes:** i) the development of productive projects in territories that create means of subsistence for rural women, prioritizing reforestation due to its potential to create employment, its affinity with Conexión Jaguar program, and the reforestation goal of the National Government, ii) ISA gets involved as a trailblazing company, to include new suppliers from an inclusive market perspective and to strengthen the company's current suppliers.
- **Training for employability:** Pilot for creating skills in "no-code programming" to develop applications and webpages and for a quick hiring for young high school graduates that are not working or studying
- **Energizing:** pilot for developing micro network type systems to energize non-interconnected territories.

The impact of COVID-19 on suppliers' supply chains

ISA's Corporate Procurement Department, together with the main suppliers of goods and services of centralized categories, executed a diagnosis regarding the impacts of COVID-19 on supply chains and agreed on joint actions to be implemented during the contingency:

- Work from home
- Mitigation plans in production plants
- Ground and private transportation for moving personnel and material
- Regular COVID-19 testing
- Prioritization and monitoring of orders and logistics with customers and suppliers and expansion of suppliers' base
- Dissemination of biosecurity protocols to suppliers and contractors
- Flexibilization of deliveries with suppliers

MAIN DIALOGUE MEETINGS WITH STAKEHOLDERS IN AFFILIATES

ISA INTERCOLOMBIA

In 2020, in the midst of the pandemic, the company deployed a communication and relationship strategy through virtual media to guarantee due diligence in the reactivation and continuity of the company's operations in the territories, focused on preserving the trust of stakeholders and facilitating the management of their expectations, to offer real supportive behaviors.

Dialogues with stakeholders to identify expectations; a comprehensive agenda was prepared, developed in eight virtual events, following the same core subjects: trust, leadership, resilience, empathy, care ethics, optimism.

Participant stakeholders: employees, suppliers, customers, local government, trade associations, social management allied organizations, social stakeholders (community and ethnic leaders, NGO, universities, research, and study groups), the church.

As a result of these dialogues, the stakeholders' expectation in relation to the following needs was disclosed

- Strengthening of social dialogue to establish projects
- Entrepreneurship for reactivation, food security, and productive projects
- Facilitating better connectivity and internet access
- Community participation in renewable energy projects
- Remote social support for communities
- Ecosystem offsetting and preservation within the framework of alliances for social management
- Improved relationships with contractors operating in the territory: communication, information, and respect for human rights
- Hiring of local workforce for projects
- Building trust from the dialogue in easement management

ISA INTERCHILE

The management performed by the Freirina community, whose objective was to improve the quality of life through a participative process of design, construction and creation of public spaces for encounters, with the participation of the municipality, the community, and the company. The most important milestones were:

- Physical change: construction of a meeting space for the community according to needs and characteristics.
- Social change: development of a strategy to create, use, and care of the space.
- Community empowerment for making its own decisions.

ISA TRANSELCA

The conversations considered the materiality and reputation results, selecting the most relevant aspects and analyzing them from a triple bottom line approach (environmental, social, and economic). The purpose of the conversations was to create value aspects for stakeholders, understanding that the company is not unrelated to reality and challenges arising from the pandemic.

In addition, a meeting with suppliers was held, whose core subject was aligned with the diversity and inclusion program Otras Miradas (Other Insights).

ISA REP

Conversation forums with communities and employees were created

Communities

The main concerns expressed by communities, arising from the COVID-19 situation are related to more social investment, health promotion, and humanitarian aid.

Collaborators

They have a constant concern for occupational health and safety, which increased due to COVID-19. In this sense, constant communication was established through different webcasts with senior management, communication forums regarding relevant and organizational matters.

Care and human capital development

GRI [103-1] GRI [103-2]

Human talent management in ISA Group is framed within a work model that prioritizes the leader-employee relationship as the core where the real development of people occurs.

Material issues that are a priority regarding this dimension:

TALENT DEVELOPMENT

Company committed to the practices and activities aimed at strengthening the knowledge and at acquiring new skills and competences to improve the performance of employees and achieve the strategy.

QUALITY OF LIFE

Promotes the balance between work responsibilities and personal life, as well as quality work practices, valuing the talent's care and respect.

OCCUPATIONAL HEALTH AND SAFETY

Company that manages the health and safety of its own and indirect employees, by promoting healthy workplace environments, the implementation of safe practices, and the development of a self-care culture.

TALENT DEVELOPMENT

GRI [103-1] GRI [103-2] GRI [103-3] GRI [404-3]

During 2020, progress was made in consolidating the learning and knowledge strategy on the three fronts defined:

LEADERSHIP CENTER

It allows to develop skills defined in the ISA leadership brand in key leaders and talents, to leverage the achievement of the ISA2030 Strategy.

8% PROGRAMS IN RELATION TO OTHER CENTERS

Investment
USD **226.312**

Training hours
12.520
5% of total training hours

LEVEL OF SATISFACTION **4,7**

EXCELLENCE CENTER

It maintains and develops core knowledge of companies, promoting in technical experts the knowledge that strengthens the business and ensures its validity, competitiveness, and sustainability.

36% PROGRAMS IN RELATION TO OTHER CENTERS

Investment
USD **540.853**

Training hours
126.700
49% of total training hours

LEVEL OF SATISFACTION **4,5**

DEVELOPMENT CENTER

It is designed to develop and strengthen organizational capabilities to achieve the ISA2030 Strategy.

56% PROGRAMS IN RELATION TO OTHER CENTERS

Investment
USD **1.036.483**

Training hours
121.087
47% of total training hours

LEVEL OF SATISFACTION **4,4**

General satisfaction average of training events in the group:
4,48/5

Total investment in training
USD1.803.650
Its reduction in relation to 2019 occurred due to a decrease by 50% of the planned budget

Total training hours
260.308

Women

Hours of training **72.277**

Average training **72** hours of training per woman

Men

Hours of training **188.031**

Average training **62** hours of training per man

Internal talent

Job openings **75**

16% Equivalent percentage

Hiring cost/FTE in the last fiscal year USD

2018
USD **2.249** MILLION

2019
USD **2.449** MILLION

2020
USD **2.649** MILLION

Main training actions and programs

Leadership Center

ISA's Liderando el Futuro (Leading the Future) Program

This program is addressed to managers and key talent, as well as the development of new talent. It was a 7-month virtual program with 29 participants from all the Group's affiliates.

Level of satisfaction: 100%

Leadership Blended Program

Two (2) programs were developed to share with participants ISA's leadership brand, to provide tools and create coherence on what is expected from leaders. Participation of 83 persons from the different affiliates of the group with 89% adherence.

Level of satisfaction: 96%

Strengthening the Leadership Brand and the development of organizational capabilities

MBA program tailored to ISA. Participation of 29 persons from the different affiliates.

Level of satisfaction: 94%

Individual and group support through coaching of more than 32 company leaders to strengthen their leadership style in uncertainty and change settings.

Leaders meeting

For the first time in ISA Group, all company's leaders had a virtual meeting in four events. This initiative arose to create spaces to support the development of 260 Group leaders and to achieve alignment with the Leadership Brand, its attributes, and how to put them into practice. Attendance over 85%.

Level of satisfaction: 82%

Operating Excellence Center

This training center strengthens operational excellence and safety in the provision of services, linking people, processes, and technologies.

Safe Culture program

To ensure personal safety and quality maintenance of energy transport assets, the programs for certification of work at heights, work leaders, technical week, Occupational Health and Safety week, and the Safe Culture program were maintained.

"General technical aspects and introduction to the legal framework of renewable and non-conventional energy sources (FNCER)" diploma course, held in response to the identified need to develop competences associated to new energy businesses focused on distributed energy services. Participation of 25 persons from the different affiliates of the Group.
80% assistance

Operational Security program

Addressed at the engineering group of the Control Center:

- Training in Threat and Error Management (TEM) and human factors in operational security
- Training through SCADA_MONARCH software upgrade
- Training workshops addressed at the concentration of engineers of the Control Center to address contingencies arising from the pandemic

ISA CTEEP's internal facilitators program

Participation of 100 facilitators in strengthening knowledge transfer processes.

To continue strengthening the knowledge management in the company, more than 250 critical knowledge assets for the Electric Power Transmission business unit were identified during the year.

Development Center

To develop and strengthen prioritized organizational capabilities, the following programs and events were held:

Digital Transformation

- Digital transformation fair, directed to all Group's employees, addressing subjects such as cybersecurity, analytics, and fingerprints; in addition, a panel of experts discussing the work of the future participated.
- Advanced Analytics in the Cloud diploma course. 32 Group's participants

  Level of satisfaction: 90%

- #SoyDigital: Six sessions to strengthen knowledge in technology tools and to facilitate productivity. 1.300 people attended

Innovation

- Venture capital: Training addressed to ISA people, to deepen in the design, implementation, and management of investment strategies of entrepreneurial capital.
- Formulation of challenges: Addressed at innovation managers of different affiliates, to transfer the methodology for defining challenges to create the capability to identify, analyze, and structure challenges with their teams.

Adaptability

- Basic training on agile methodologies, including Scrum, to incorporate agile practices to the management of projects and processes.
- Close to 32 periodic webinars were held with recognized speakers in the field to enhance adaptability skills in light of the challenges posed by the pandemic.

Virtual learning strategy

- 1.971 Linkedin Learning licenses were purchased for companies of the Group.
- 540 courses
- 1.941 attendants
- 2.180 training hours
- Knowmad and REP Learning program: Series of online courses with live instructors, focused on the development of organizational capabilities.
- Getabstract tool: Portal with access to 20.000 summaries in written and audio formats regarding leadership, finances, innovation, health, and sciences.
- 26.814 visits registered in the portal.

Language program

- 55 persons participated in the language training program (English and Portuguese).
- 4.213 training hours.

  Level of satisfaction: 84%

ISA's Talent Seedbed

- Development of future high-potential leaders for the company and their successors: 100% of the training route was executed.

  Level of satisfaction: 84%

Training programs with greater impact on the core business

Development program	Benefits for the business	Quantitative impacts	% employees (FTE)
LEADERSHIP	Strengthening and positioning of Leadership Brand to face present and future challenges of the company: • Leadership exercise in VUCA (volatility, uncertainty, complexity, and ambiguity) environments • Strengthening of adaptability capability through deep reflections and conversations on leadership in the pandemic situation	• Four virtual meetings 260 leaders participating • Increase in the leadership rate by 2 points, from 85 in 2019 to 87 in 2020	• Leaders meeting: 260 participants • Leaders program: 112 participants

DEVELOPMENT OF ORGANIZATIONAL CAPABILITIES	Development and strengthening of three prioritized organizational capabilities to address the organization's current challenges arising from the global COVID-19 situation:
	• Digital transformation, innovation, and adaptability
	• Digital tools optimization for remote work
	• Generation and implementation of ideas to solve challenges associated with the pandemic
	• Rigor, excellence and strengthening the value of occupational health and safety during pandemic times
		• Improvement of corporate environment for ISA and its companies in relation to 2019
		  • General results: 83%
		  • Favorability: 86%
		• 50% training budget optimization, as all training actions developed in 2020 were within the framework of the virtual learning strategy, avoiding logistics and travel expenses
			• 3.328 participants (83% employees)
			• 29 persons are currently taking a tailored MBA program, designed by Westfield, Prestigio, and ISA Group

*Full-Time Equivalent

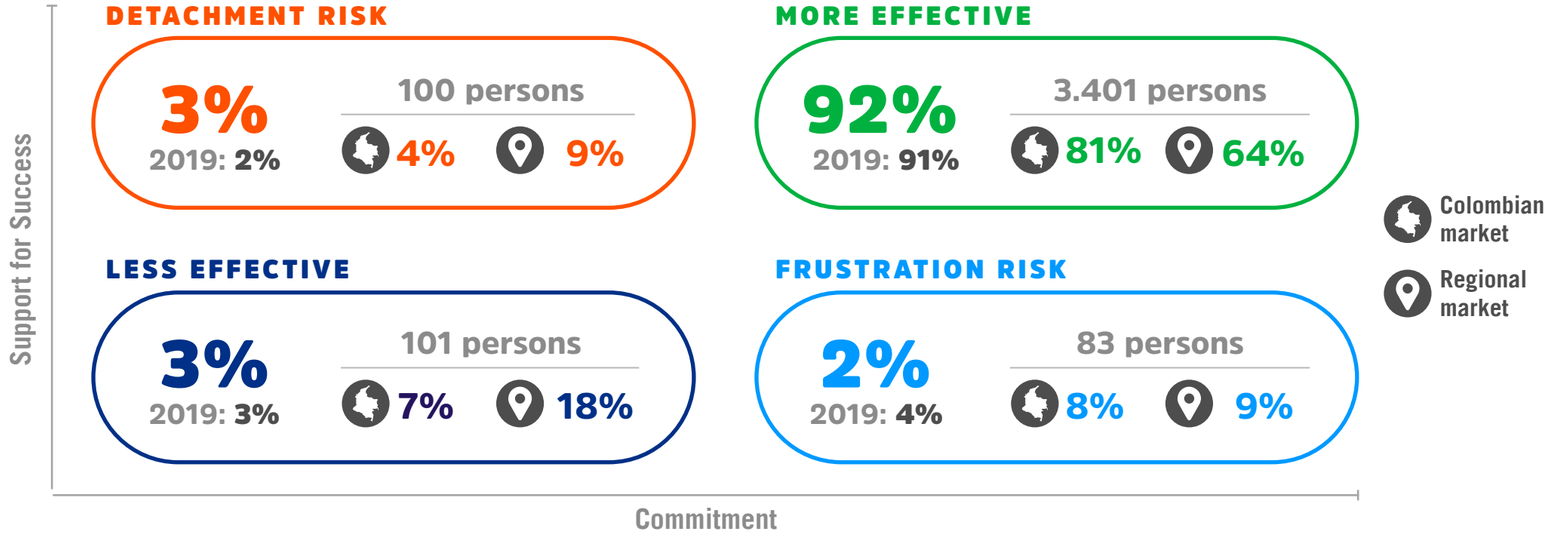
QUALITY OF LIFE

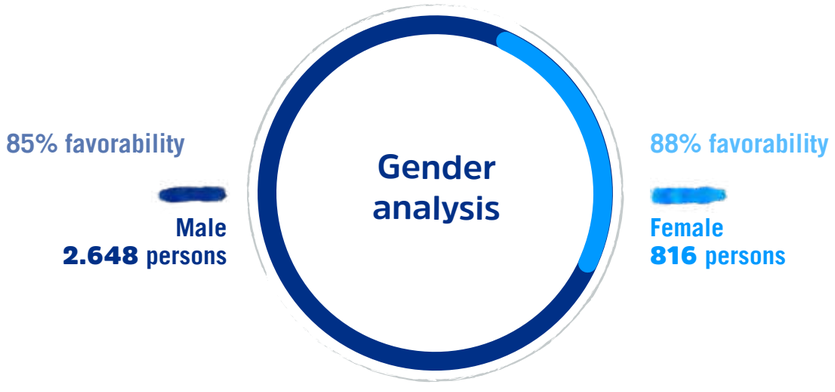
ISA and its companies implement actions to promote quality work practices, valuing the talent's care and respect.

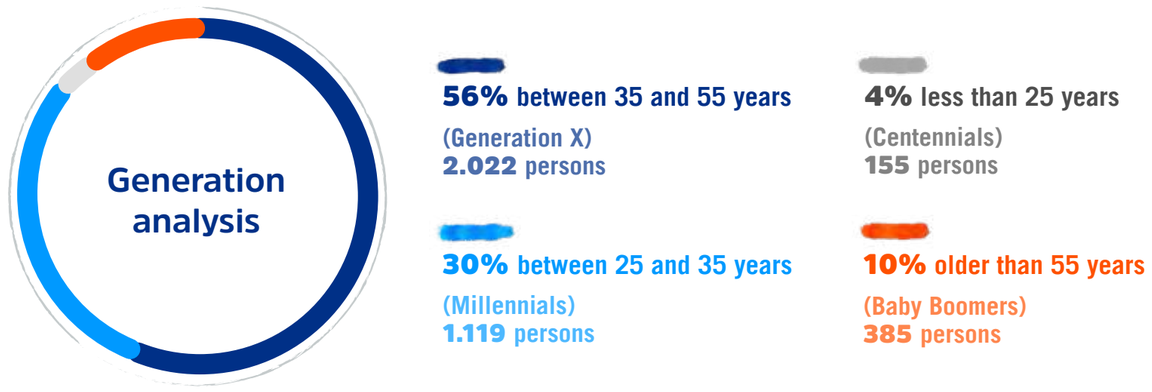
Organizational Climate

The organizational climate in ISA's companies reached 86% favorability in 2020, increasing 3% compared with the previous year's measurement. This is a very positive value when compared with the Colombian (74%) and regional (72%) market averages. 3.685 employees (95%) participated in the survey. The following stands out upon this measurement:

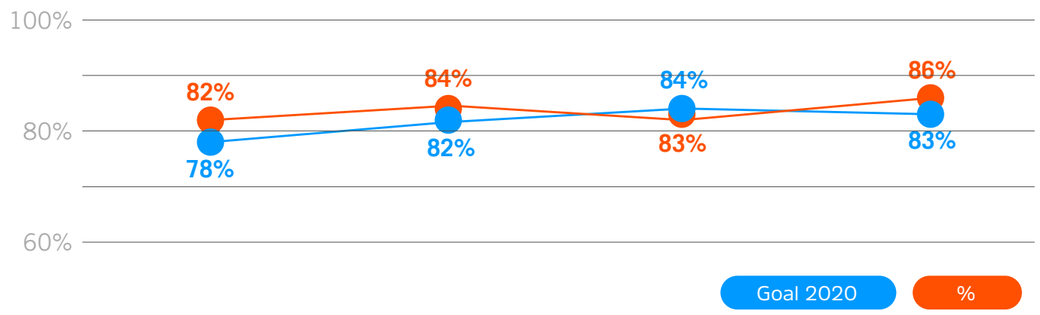
ISA GROUP'S EFFECTIVENESS MATRIX







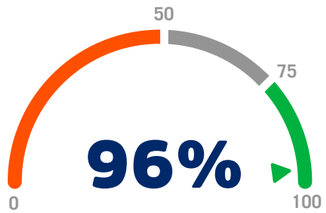
FAVORABILITY RESULT AND GOAL



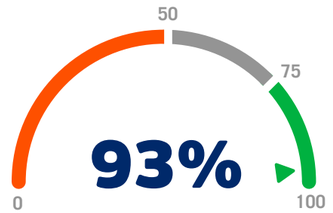
Perceptions about the pandemic

Some measurements were made, understanding the pandemic impact and the changes that occurred in work dynamics of the teams. These measurements aimed to establish the situation in which people were facing the strategies implemented in remote work, their mood, the decisions of the direct team and leadership during contingency times, communications' effectiveness, access to resources and containment and connection environment of teams in virtuality.

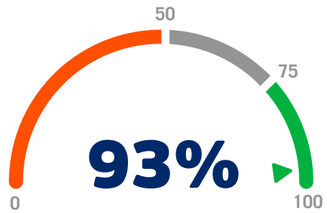
- More than 86% employees maintained a positive mood during remote work
- There was a high level of trust in the executive team and in the decisions made to face the contingency.
- It was perceived that leaders have supported employees to adapt to changes caused by the contingency.



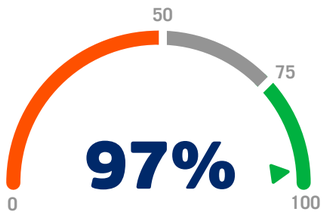
Trust that the executive team has made the right decisions



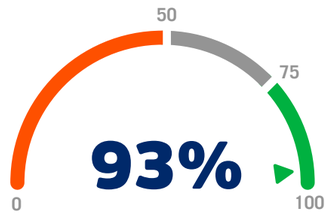
Appropriateness of the decisions made by the executive team for wellbeing and safety



Immediate superior support to adapt to organizational changes



Efforts of your company to maintain a safe environment for suppliers and employees



Access to information and resources for an effective performance of the work

The above results indicate the percentage of favorable responses ("Agree" or "Strongly Agree")

Compensation, performance, and succession

COMPENSATION	• Re-design and approval of adjustments to the short-term variable system • Identification of benefit inventory • Implementation of Korn Ferry's Job Evaluation Manager (JEM) platform • Implementation of updated long-term variable compensation system • Construction of regional indicators for compensation and gender equality regarding compensation • Operationalizing of mobility guidelines at the regional level • Re-designs and implementation of total payment report for ISA
PERFORMANCE MANAGEMENT	• Result 2017: 72% (baseline) • Result 2018: 79% • Result 2019: 85% • The result corresponding to 2020 is obtained in the first semester of 2021 It is the main input for leaders to make decisions regarding management of the human talent under their responsibility. The goal is that 90% of the Group's employees have a superior performance.
SUCCESSION PLANNING AND POTENTIAL ASSESSMENT	Annual and continuous process to identify, develop, and prepare the most competent and high-potential employees, to take over critical positions in the company in the coming years. The following achievements were the result of the planning process of talent succession: • 255 critical positions were identified, of which 169 are executive and 86 are non-executive. • 331 successors have been identified for the 255 critical positions (138 with assessed potential, 64 in the assessment process, and the rest will be assessed during 2021). • 48% of all critical job openings have been filled with internal talent, which creates mobility and development opportunities for 20 employees in the Group.

Occupational health and safety

GRI [403-9]

For ISA and its companies, it is important to protect and preserve the health and safety of employees regardless of the type of contractual relationship, by guaranteeing safe working environments, self-care, and the application of good prevention practices. The unnegotiable commitment with safety is expressed in the Occupational Health and Safety Policy, which purpose is to achieve safe work environments and healthy lifestyles.

2020 meant adapting to continue with the essential activities planned in the pandemic environment. The first commitment was with the employee's health, so that crisis committees were promptly established in ISA and its companies, to offer agile and efficient response to preserve the health of work teams and to ensure the continuity of operations. Management was focused on consolidating a safety culture, which involved designing a plan for the whole company group, with biosecurity protocols and measures to minimize the risk of COVID-19 contagion, in compliance with governmental guidelines and supervised by a team of epidemiologists.

The main actions taken in relation to the pandemic were:

Work from home

ISA Group's companies decided to establish work from home to avoid contagion, adopting the guidelines of national governments, for protecting the health of employees and society in general. The companies have ensured that employees whose work can be done from home have everything they need to perform their activities. The year closed with 69% employees working from home.

Benefits

Psychological support with online therapy sessions was offered to guarantee the health and wellbeing of employees. The COVID microsite was enabled in the corresponding companies' intranets, with information related to the virus and preventive measures.

Investment for the implementation of pandemic control measures was USD 2.627.663 in different processes such as: Control Center personnel concentration, personal protection equipment, COVID-19 tests, psychological support, specialist physicians,

MORE THAN 80 SESSIONS
of the Occupational Health and Safety Parity Committee (Copasst) at ISA and its companies

24 CRISIS COMMITTEES
and close to 50.000 hours of work

30 OHS PROFESSIONALS AND LEADERS
continuously operating since March 16, 2020

exclusive transportation for personnel, deep disinfection, and biosecurity and infrastructure elements.

Depending on the regulations of each country, the necessary actions were taken to resume on-site activities between April and August, to ensure the safety of people, communities, and infrastructure:

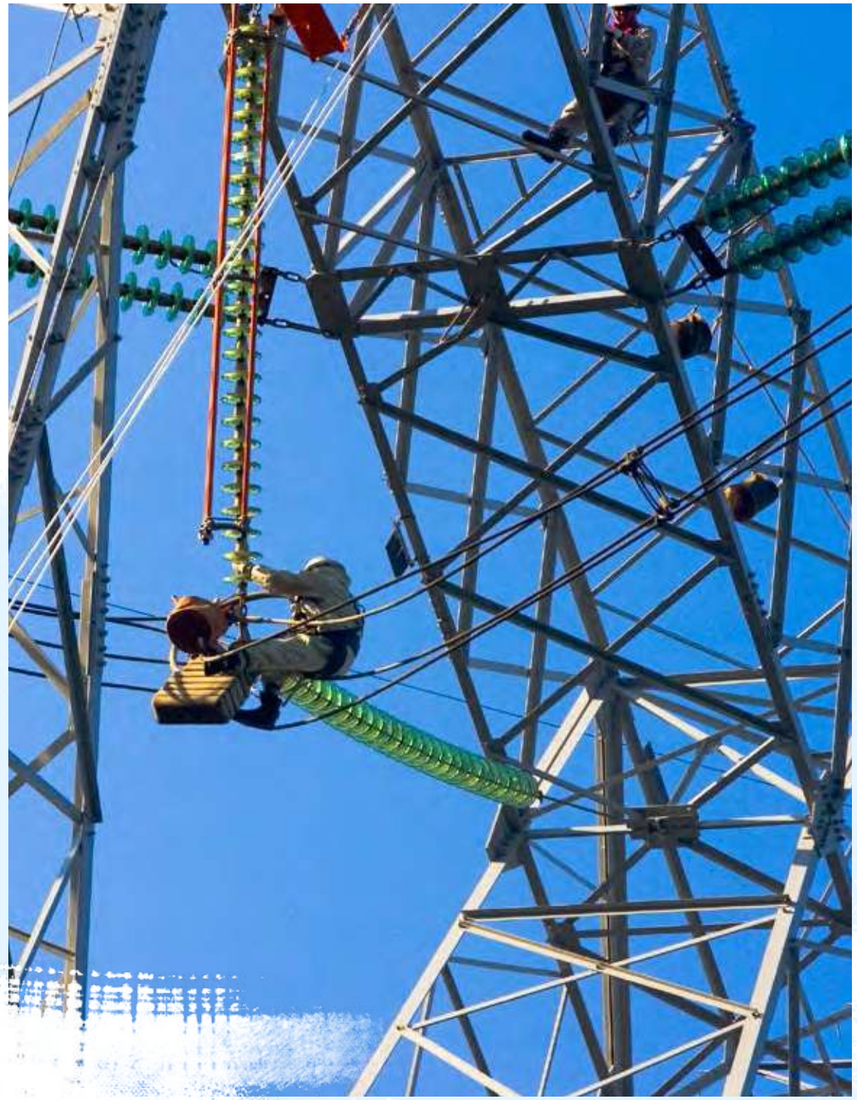
- Definition of health and safety protocols for personnel
- Classification of projects and contracts, as per their relevance and status at the time of the contingency
- Establishing of an action framework to define with contractors the way to safely resume on-site works
- Adjustment of the strategy to restart projects as per the regulations defined by each government
- Gradual restart of on-site activities
- Impact management with contractors and grantors
- Isolation of infected people and epidemiological fences
- Establishment of high-level workgroups for regulations management
- Implementation of virtual mechanisms for supervising assemblies and field inspections for environmental licensing

Businesses moved forward addressing the new normality and continued their practices related to the maintenance of the occupational health and safety management system. The following work lines stand out:

- Epidemiological surveillance system for preventing musculoskeletal injuries
- Psychosocial risk program
- Health promotion and disease prevention programs
- Industrial hygiene measurements
- Incident-accident management (quasi-accidents and unsafe conditions)
- Risk management for handling change
- Workwear and personal protective equipment management
- High risk tasks (heights, high temperatures, and confined spaces) and work permits
- Critical tasks: lifting loads, chemicals, heavy machinery, excavations
- Reinforcement of occupational health and safety policy dissemination
- Definition and monitoring of objectives, goals, management programs and indicators
- Reinforcement in the understanding of roles and responsibilities regarding occupational health and safety
- Activities in the communication, participation, and consulting of stakeholders regarding occupational health and safety matters
- Execution of awareness, training, and education activities related to occupational health and safety
- Management of the strategic road safety plan
- Management of occupational health and safety (OHS) for contractors and third parties
- Emergency plan management
- Electrical risk management

Accident management

During 2020, the risk exposure increased because of the extended work time during the pandemic, 1,5 million man-hours worked (HHT), compared with 2019. Also, 325 accidents occurred, between in employees and contractors, a decrease of 28,88% in accidents.



The accident rate distribution

TOTAL ACCIDENTS OF EMPLOYEES

2019	2020
40 accidents	25 accidents

↘ 37,5% decrease

TOTAL ACCIDENTS OF CONTRACTOR EMPLOYEES

2019	2020
417 accidents	300 accidents

↘ 28,06% decrease

Main causes of occupational accidents

- Falls on the same level
- Struck-by work tools
- Being hit, contusion, or crushing
- Sprain, muscular tear, muscle, or tendon laceration
- Animal stings or bites
- Wound
- Superficial trauma

Measures taken:

- Awareness campaigns
- On-site corrective measures
- Employee induction
- Feedback to personnel
- Works or task training
- On-site monitoring

Fatal accidents

In 2020, one fatal accident occurred in the Group. It involved an ISA CTEEP's contractor while cleaning the easement strip of the transmission line in a felling process. The trunk broke and hit the contractor's thorax.

Intervention measures applied according to the Group´s guidelines:

- Optimize the communication and documentation process with contractor personnel.
- Adjust the selection process for contractors from preselection to annual evaluation.
- Review criteria for planning tree felling and vegetation elimination maintenance.
- Increase the frequency of inspections and audit of contractor companies to verify compliance with requirements agreed upon.

ISA and its affiliates have historically expressed a deep respect and recognition for trade union rights, the law, and the decisions of administrative and judicial authorities.

In April 2019, because of the ruling issued by the Labor Chamber of the Higher Court of the Judicial District of Bogotá, which declared the nullity of the clauses of SINTRAISA's bylaws that allowed the affiliation to this trade union of ISA's affiliates and subsidiaries, even though it is a company's union. The implications of this ruling, as well as the way companies have been applying it, have been ratified on several occasions by different judicial authorities that have resolved different writs for protection of rights filed by employees who were once affiliates of SINTRAISA, highlighting that the companies have acted in compliance with a court ruling and that there has been no violation of workers' rights whatsoever.

Upon the ruling issued by the Higher Court of the Judicial District of Bogota, different communication channels were set up with employees who were once affiliates of SINTRAISA. The purpose was to explain the ruling's scope and remind them of the options provided by the legal system, so that in the exercise of trade union autonomy, employees can have a relationship with their respective employer, such as the creation of a new trade union, the legitimate affiliation to trade union organizations already established, and the promotion of a negotiation process with their current employer.

To establish a joint work agenda aiming to coordinate work relations, maintain welfare, and guarantee the right to association, the company promoted a roundtable with representatives of ISA, ISA INTERCOLOMBIA, XM, and a group of employees who were once affiliated with SINTRAISA. This roundtable made it possible to identify common core issues to address the talks and explore viable alternatives. Unfortunately, after six days of meetings, the parties mutually agreed to terminate the meetings, but decided to keep the roundtable open for future meetings.

The company has kept the Ministry of Labor permanently informed of all decisions and actions taken on the matter.

7

Financial results

Accumulated consolidated results report

Challenges brought on by the COVID-19 contingency marked a turning point. This new reality, as difficult as it is, has inspired and motivated us to maintain, and even improve, the quality of the way we do things. This is expressed in the results for 2020, a period when, besides reaching an important growth in EBITDA, net income, and ROE, important milestones in the company's history occurred.

In 2020, ISA's share surpassed again its historic peak, reaching COP 25.700 on December 30. The purpose of officially entering into the road concession business unit in Colombia was fulfilled with the acquisition of RUTA COSTERA, and ISA was reaffirmed as the main energy transmission company in Peru, through the acquisition of ETENORTE and ETESELVA.

Also, during the year, other relevant transactions where materialized in the capital market that reinforced the sustainability approach of the business group: the issuance of international green bonds of Consorcio Transmantaro in Peru was reactivated and ISA became the first company of the real sector in Colombia in issuing green bonds in the stock exchange market. Such issuances were successful and demanded 5,5x and 2,5x, respectively.

Operational revenues for 2020 amounted to COP 10.167.826 million, an increase of 24,9% compared with 2019. EBITDA reached COP 6.573.459 million, an increase of 24,4% compared with 2019. The total EBITDA margin reached 64,6% and 75,3% excluding construction.

ISA's net income reached COP 2.059.191 million, an increase of 25,7% compared with 2019. Net margin was 20,3% and ROE was 15,6%; one of the best results in the last four years. This result reflects ISA's purpose to grow profitably and sustainably, capturing efficiencies to continuously improve its performance and competitiveness.

As of December, assets totaled COP 54.029.723 million, an increase of 10,7% compared with 2019. New investments in construction projects totaled COP 4.945.582 million.

ROE **15,6%**
one of the **highest**
in the last four years

Net income
COP **2,1 TRILLION**
25,7% more than
in 2019

The consolidated financial debt amounted to COP 22.758.897 million, an increase of 26,1% compared with 2019. The debt/EBITDA and net debt/EBITDA indicators closed at 3,7 x and 3 x, respectively, preserving the proper levels to maintain the current credit rating.

These results were leveraged by events such as:

- ISA delivered projects that leverage development and offer added reliability to the energy transmission systems in Colombia, Chile, Brazil, and Peru.
- ISA Investimentos yielded profits for the first time to ISA, for BRL 104,9 million (COP 71.699 million).
- Within the framework of debt management, ISA continued implementing efficient financing structures that allow it to have optimal costs. In 2020, relevant debt operations were made, which are reported below.
- Regarding operating performance, the rigorous and efficient management of administration, operation, and maintenance (AOM) costs and expenses is evident. Within this context, in 2020, the implementation continued for initiatives aimed at, among other aspects, controlling AOM expenses, especially in the A, monitoring productivity indicators, and the designing of a new cost model according to the asset life cycle.
- The acquisition of 100% shares of Costera Cartagena-Barranquilla Concession was closed for COP 531.454 million. Upon completion of this transaction, the Group consolidated assets to COP 3,0 trillion, and a financial debt COP 2,2 trillion.
- 100% of the shares of ORAZUL ENERGY GROUP, owner of ETENORTE and ETESELVA were purchased for COP 595.095 million (USD 158,25 million). Concessions are in perpetuity and will generate annual revenues of approximately USD 13 million.
- In ISA CTEEP, the Periodic Tariff Review (RTP) and adjustments of the Basic Network of the existing System (RBSE) represented additional revenues and EBITDA COP 1 trillion and income COP 250.633 million. These events will not be repeated. As of August 2020, and every month for the next three (3) years, ISA CTEEP will receive BRL 50 million of additional monthly cash (approximately COP 36,6 billion) from the Basic Network of the Existing System (RBSE)'s equity cost (Ke).
- In December, the Securities and Exchange Commission of Brazil (CVM) issued an announcement on the accounting of contract assets of energy transmission companies in Brazil. By applying these guidelines, ISA CTEEP and its companies contributed higher revenues and EBITDA

COP 291.838 million and higher income of the companies jointly controlled by ISA CTEEP, COP 301.984 million. These facts contributed income for ISA COP 199.579 million.

- ISA CTEEP negotiated plots of land for COP 111.376 million to increase its value generation through the efficient use of its assets. The effect in ISA's net income was COP 39.893 million.
- ISA's share had an excellent performance, accumulating 31,1% valuation the year, whereas Colcap had 13,5% devaluation. ISA's had the best performance on the Colombian Stock Exchange.

The natural hedging strategy implemented by ISA, whereby debt for each company is contracted in the same currency as the currency for the income received to reduce the volatility of results, made it possible that revaluation in 2020 of the average exchange rate variation of the Colombian peso against Brazilian Real (14,0%), and that the devaluation against the dollar (12,5%) would not significantly impact consolidated net income. The exchange rate variation was 1,6% (COP 33.885 million) of the net income, which ratified the strategy effectiveness.

CONSOLIDATED INCOME STATEMENT

COP millon

Of the consolidated results of 2020 are presented below:

	2020	2019	% VARIATION
Construction revenues	2.194.300	1.409.877	55,6
Construction costs	1.628.854	955.624	70,4
CONSTRUCTION EBITDA	**565.446**	**454.254**	**24,5**
Operating Revenues	7.973.526	6.729.131	18,5
Operating AOM	1.965.513	1.897.779	3,6
OPERATING EBITDA	**6.008.013**	**4.831.352**	**24,4**
Operating Revenues	10.167.826	8.139.008	24,9
(-) AOM Expenses	3.594.367	2.853.403	26,0
EBITDA	**6.573.459**	**5.285.605**	**24,4**
OPERATING INCOME	**6.211.329**	**4.743.841**	**30,9**
NET INCOME	**2.059.191**	**1.638.732**	**25,7**
Margins:			
Operating EBITDA	75,3%	71,8%	4,9
Total EBITDA	64,6%	64,9%	(0,4)
Operational	61,1%	58,3%	4,8
Net	20,3%	20,1%	0,6

Operating revenues for 2020 amounted to COP 10.167.826 million, an increase of 24,9% compared with 2019. This is explained by the following relevant events:

The Energy Transmission business unit explains 89% of this variation, COP 1.825.518, as follows:

- ISA CTEEP in Brazil, recognized three important events:
  - Periodic Tariff Review (RTP) of ANEEL made every five years, which corresponds to the first review after the extension of the concession agreement 059, planned for 2018. Therefore, the resolution had a retroactive effect as of 2018 and considers the redefinition of all elements comprising the remuneration: O&M (Operation and Maintenance) and the updating of the regulatory base of the remuneration assets of new investments.
  - The updating of the Ke, the increase of the regulatory WACC that increased from 6,64% to 7,71%, and the updating of the regulatory base of RBSE's assets.

The RTP and the RBSE adjustments increased revenues by COP 1 trillion.

- The recognition of the construction margin and the change in the concessions' discount rate, regulatory WACC at the implicit rate of each concession contract in ISA CTEEP and its affiliates, pursuant to the enforcement of the announcement made by the CVM, that represented revenues for COP 291.838 million.
- Two events occurred in Peru that increased the revenues:
  - Higher levels of construction activity that represented revenues COP 490.206 million, with their corresponding cost.
  - Consolidation of GRUPO ORAZUL's revenues, of COP 14.308 million.
- Also, the entry into operation of projects in Brazil, which represented higher revenues of COP 72.598 million; in Chile, COP 55.089 million; in Colombia, COP 31.495 million; and in Peru, COP 749 million.
- Lastly, the effect of macroeconomic variables in Colombia and Brazil had a positive impact on revenues of COP 153.561 million.

In the Road Concession business unit, the consolidation of RUTA COSTERA, as of October, brought new revenues of COP 95.672 million.

Lastly, the increased sale of capacities by our telecommunications and ICT companies, to address the new needs emerging from this crisis in relation to connectivity, contributed with additional revenues of COP 20.862 million.

EBITDA reached COP 6.573.459 million, an increase of 24,4% compared with the same period in the previous year. The total EBITDA margin reached 64,6% and 75,3% excluding construction. EBITDA was positively impacted by the efficient management of AOM costs and expenses and the behavior of the revenues described above.

Operational revenues

COP **10,2 TRILLON**

24,9% more than in 2019

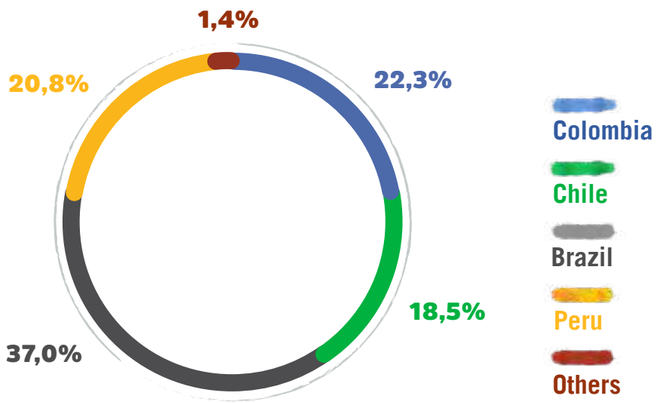
Ebitda

COP **6,6 TRILLON**

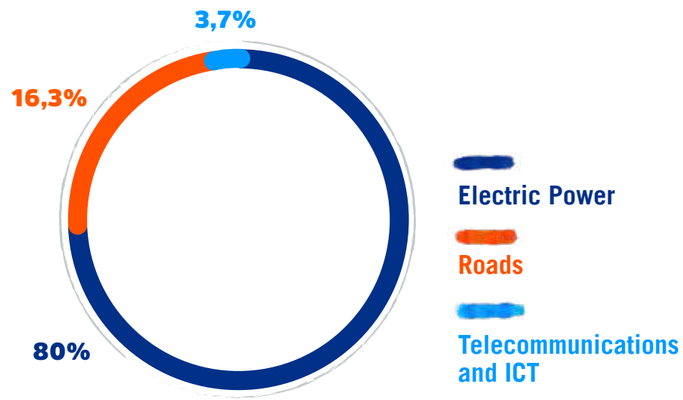
24,4% more than in 2019

The composition of revenues and EBITDA by country and business unit as follows:

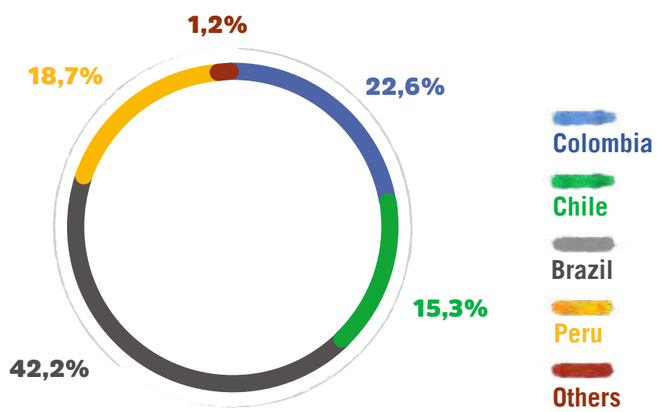
REVENUES BY COUNTRY



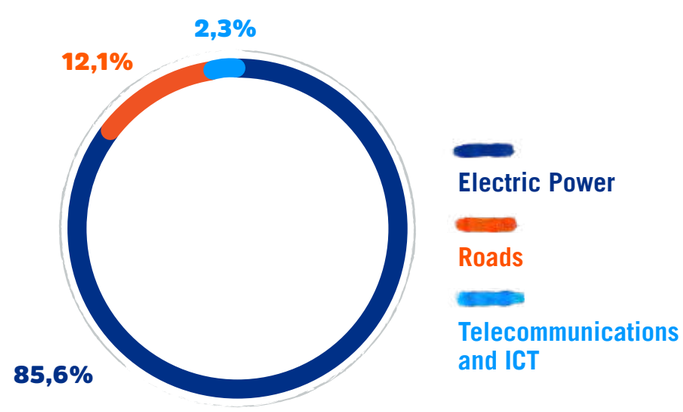
REVENUES BY BUSINESS UNIT



EBITDA REVENUES BY COUNTRY



EBITDA REVENUES BY BUSINESS UNIT



Operating income reached COP 6.211.329 million, an increase of 30,9% compared with the previous year, essentially explained by:

- The enforcement of the announcement made by the CVM in the companies where ISA CTEEP has joint control, which contributed income of COP 301.984 million.
- Higher results at TAESA (COP 112.028 million), given the inflation update of General Market Price Index (IGPM) revenues and the increased construction activity.
- The negotiation of plots of land by ISA CTEEP of COP 111.376 million.
- The adjustment of RUTA COSTERA's assets from the allocation of the purchase price, of COP 39.112 million.

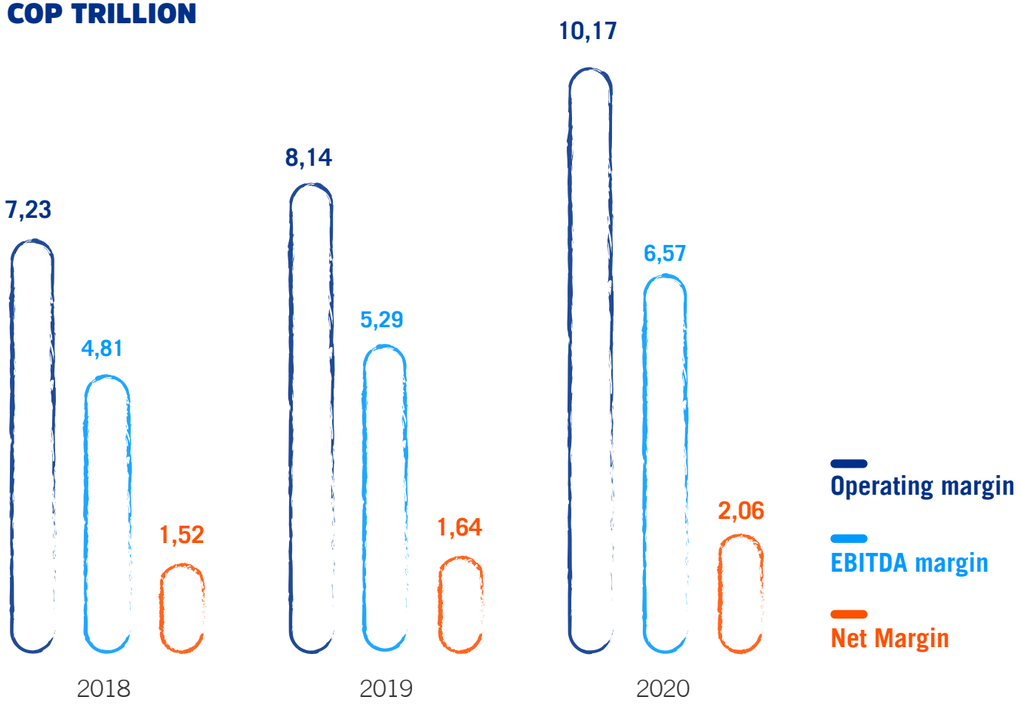
The net financial expenses increased 13,2% (COP 160.207 million), as a result of higher interest expenses to leverage the Group's growth.

Income tax expense totaled COP 1.074.232 million, an increase of 39,0% compared with the same period of the previous year, explained by higher results in Brazil and Colombia.

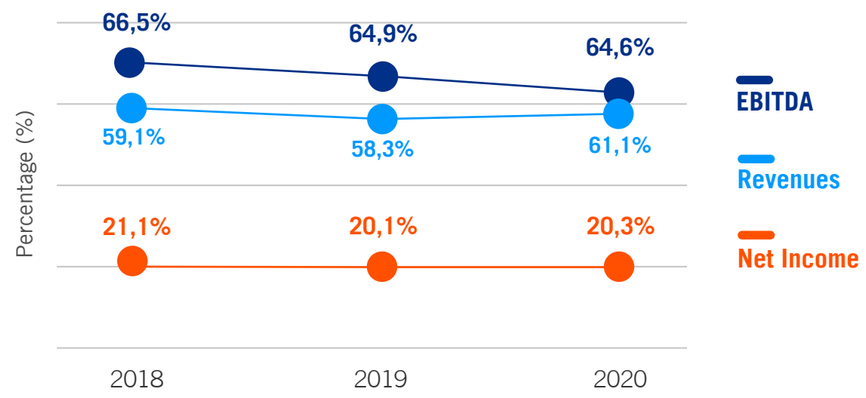
As a conclusion, ISA's financial results are consistent with the value generation to shareholders, within the framework of operation's efficiency and proper debt management.

Below is the pattern of the main consolidated figures for the last three (3) years:

MAIN CONSOLIDATED FIGURES



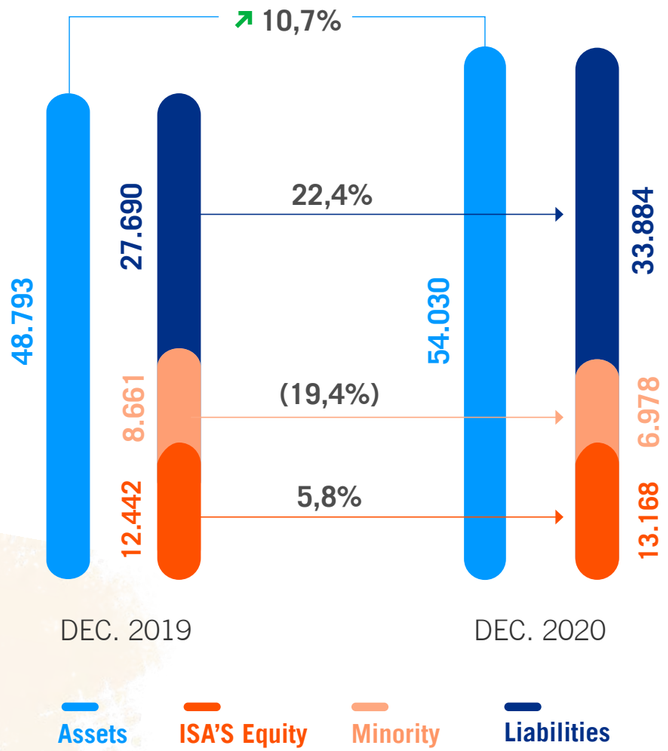
FINANCIAL INDICATORS OF THE CONSOLIDATED REPORT



Operating EBITDA margin was 71,7% in 2018, 71,8% in 2019, and 75,3% in 2020, excluding construction.

Consolidated balance sheet

FIGURES in COP billion



ISA's assets ended the year in COP 54.029.723 million, an increase of COP 5.236.480 million compared with 2019. This variation is mainly explained by the incorporation of RUTA COSTERA and ORAZUL group's assets, the new projects in Colombia, Peru, Chile, and Brazil, and higher cash from debt disbursements. This variation also includes the RTP impact, RBSE's adjustments, and the enforcement of the CVM's announcement regarding contractual assets, in Brazil.

The liability reached COP 33.883.531 million, an increase of 22,4% compared with the previous year, explained by the RUTA COSTERA's debt consolidation and the financing needs for construction and investments of the Group.

ISA's equity was COP 13.167.775 million, an increase of 5,8% compared with 2019. This is explained by the net effect of higher results, the lower exchange rate effect in the financial statements of the companies abroad given the revaluation of COP against BRL, and the distribution of dividends to shareholders.

Assets

COP **54 TRILLION**

10,7% more than in 2019

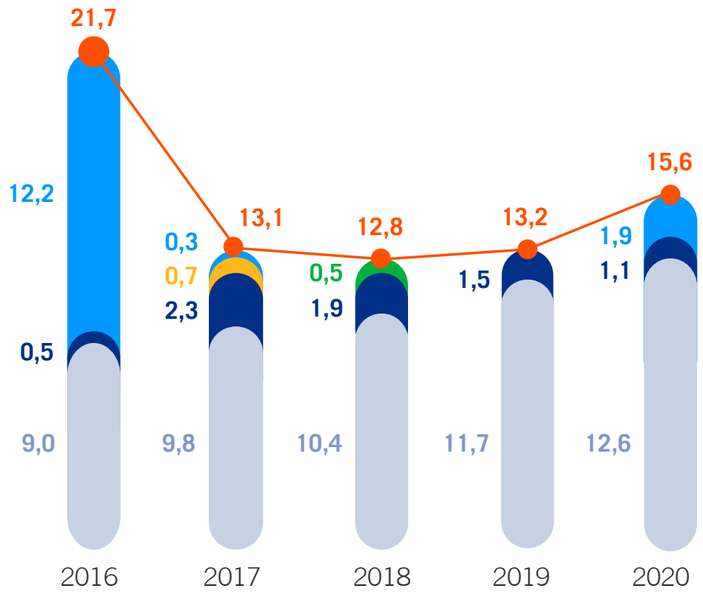
Liabilities

COP **33,9 TRILLION**

22,4% more than in 2019

ROE reached 15,6%, compared with 13,2% for 2019. Excluding the extraordinary events occurred between 2016 and 2020 as detailed in the graphic, there is a growing trend of the shareholder's return on equity, which increased from 9,0% in 2016 to 12,6% in 2020, as a result of the company's efficient management and its focus on profitability, as observed in the light blue bar.

ROE



ROE %

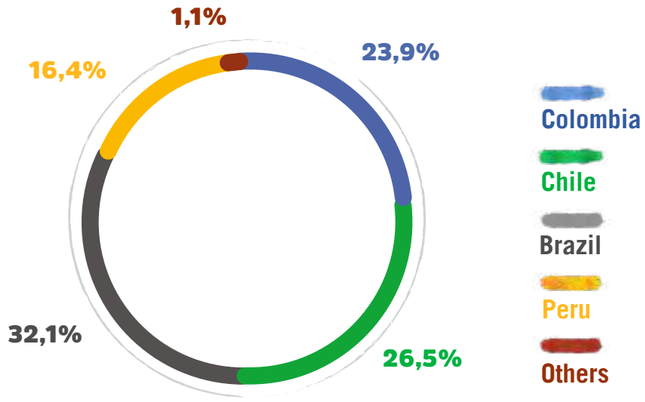
ROE % Excluding extraordinary events

Extraordinary events:

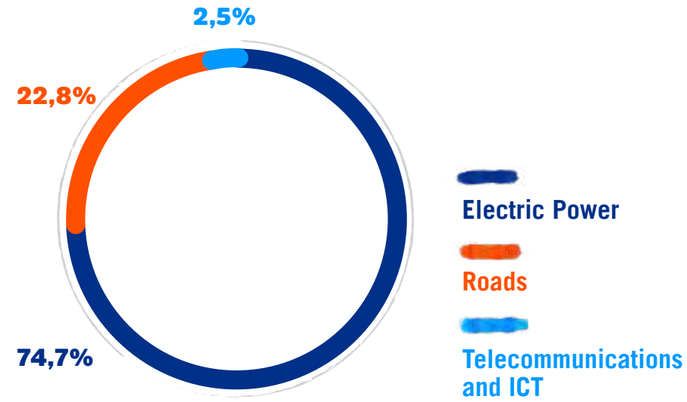
- RBSE value adjustment: In 2016, the first value adjustment emerged going from BRL 1,4 to BRL 3,9 billion, COP 1,3 trillion.
  In 2017, the RBSE value was adjusted for the second time. The account receivable totaled BRL 4,1 billion, COP 85.269 million.
  Update 2020: Higher remuneration assets base defined by ANEEL, K_e updating due to IPCA (Broad Consumer Price Index) and increase of WACC (Weighted Average Cost of Capital) remuneration to 7,71%.
- Tax Amnesty – PERT – in Brazil COP 248.675 million
- RBSE financial update
- 6 additional months of inflationary adjustment in Brazil

Details of assets and liabilities by country and by business unit are presented below:

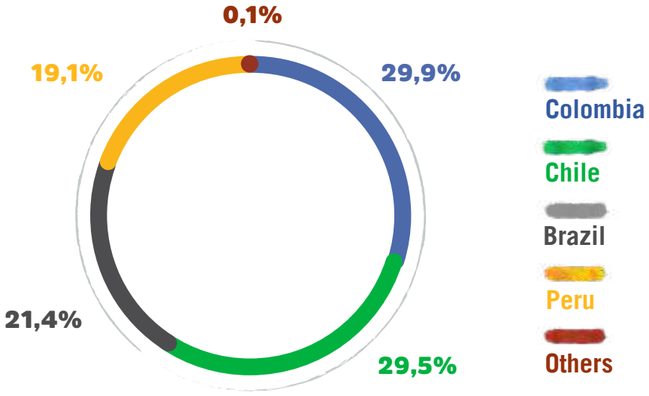
CONSOLIDATED ASSETS BY COUNTRY



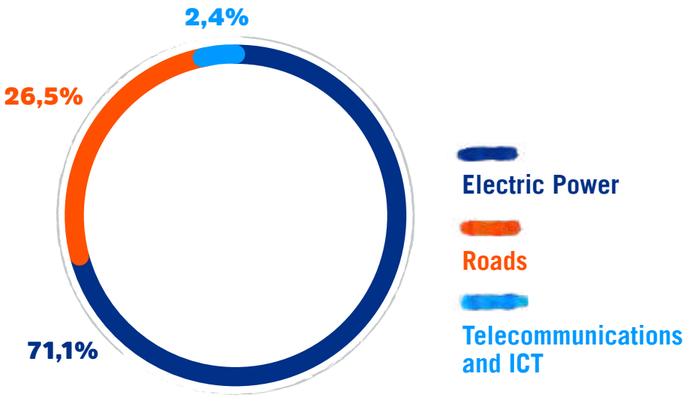
CONSOLIDATED ASSETS BY BUSINESS UNIT



CONSOLIDATED LIABILITIES BY COUNTRY



CONSOLIDATED LIABILITIES BY BUSINESS UNIT



FINANCIAL LIABILITIES AND CONSOLIDATED BONDS

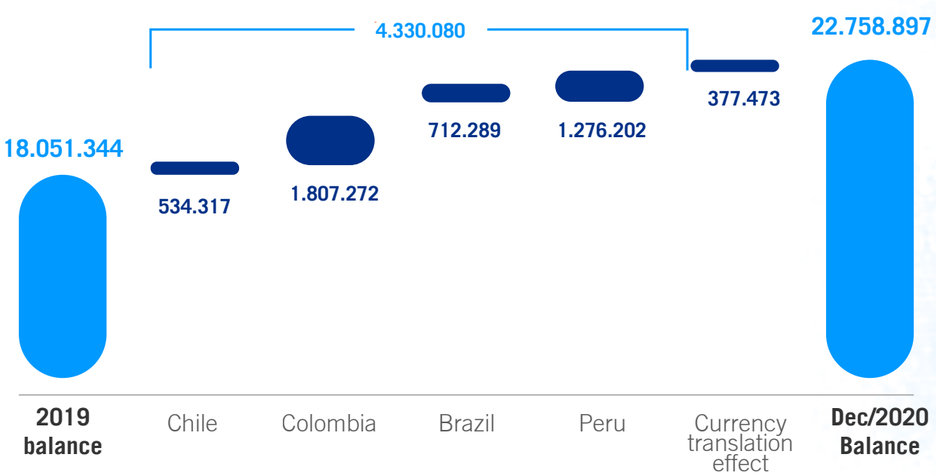
Financial liabilities of ISA and its companies, in effect at the end of 2020, have been acquired through financing in capital markets and with banks. These resources were used to finance the investment plans and cash flow of each company, aimed to achieve the ISA2030 strategy, selecting the right time to incur debt and the best debt structure for the project that is being financed, always considering the impact on the Group.

At the end of 2020, the debt of ISA and its companies was COP 22,8 trillion, an increase of 26,1% compared with 2019, which closed in COP 18,1 trillion.

The following are the main consolidated movements of debt, increases and decreases corresponding to net of disbursements received and capital amortizations, performed during this term.

DEBT MOVEMENTS

COP million



Debt balance at the end of 2020

COP **22,8 TRILLON**

In Chile, ISA INTERVIAL CHILE's operation was the most outstanding of this year, with the acquisition of 100% shares of RUTA COSTERA. As part of the financing strategy, ISA INTERVIAL CHILE received a disbursement of UF 4 million.

Moreover, Ruta del Maipo concessionaire made payments of USD 46,4 million of Bonds 144A, and local Series D bonds capitalized interests of UF 288.901. Ruta del Bosque made payments of UF 726.074. Ruta del Loa, which is in construction stage, consisting of the improvement and expansion to double lane of the current Ruta 25, made disbursements of UF 181.500 and CLP 4.208 million. Ruta de la Araucanía made disbursements of CLP 1.437 million and payments of UF 1,1 million. Ruta de los Ríos made payments of UF 405.111.

ISA INTERCHILE made payments of USD 21,4 million corresponding to the Senior Loan and payments of CLP 613,5 million, completely repaying the VAT loan. The company signed an amendment to the Senior Loan Contract, required for the execution of expansions allowed in the Construction Financing Contract, up to USD 94 million, for new works PLEX 6, PLEX 7, PLEX 8 (Tranche 4). In the Telecommunications and ICT business unit, INTERNEXA CHILE received disbursements of CLP 1.363 million and made payments of CLP 2.197 million.

As mentioned before, ISA issued its first green bond in Colombia for a value of COP 300 billion, to contribute to the connection of non-conventional renewable energies to the National Interconnected System (SIN), through the financing of two projects: Costa Caribe 500 kV Interconnection and Cuestecitas-Copey-Fundación 220 kV Interconnection. This is considered a relevant milestone in the green bonds market in Colombia, as it is the first green bond issuance made by a real sector company in the stock exchange market. In addition, ISA entered into two bond loans, with Davivienda and Bancolombia, and obtained disbursements for a total of COP 300 billion, for the investment plan. During 2020, ISA made payments to the different bond loans for a total of COP 169.486 million, and before the end of the year, it made two prepayments to the obligations with Banco Davivienda and Banco Bilbao Vizcaya Argentaria for a total of COP 280 billion.

In addition, RUTA COSTERA's debt represented for the Group's debt portfolio the incorporation of two issuances of Series A and B bonds, for USD 151 million, and UVR 1.359 million, and loans with local banks for COP 556.500 million, and with Ashmore-CAF, for UVR 561 million.

Regarding the Telecommunications and ICT business unit in Colombia, INTERNEXA made a total disbursement of COP 61,5 billion for the execution of its investment plan and cash needs and made total payments of COP 8.856 million.

In Brazil, ISA CTEEP received disbursements of BRL 655,4 million to make investments in societies and to strengthen the company's liquidity. Payments were made of BRL 49 million and USD 150 million; the latter completed the total repayment of loan 4131 with BTMU and Citibank.

Before the end of the year, ISA CTEEP issued a bond with two series, each for BRL 800 million, for a total amount of BRL 1,600 billion. The first series with an 8-year term (maturity in 2028), and the second series with a 23,5-year term (maturity in May 2044). The first series is not indexed to inflation, whereas the second series has an inflation adjustment corresponding to the cumulative variation of the Extended Consumer Price Index (IPCA).

The funds collected in the first series will be used for investments, and the collected amount in the second series will be used to reimburse future payments of investments in the Companies projects.

ISA CTEEP's companies like INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS, IE PINHEIROS, IE SERRA DO JAPI, IE NORTE E NORDESTE, IESUL made payments to their financial liabilities that reached a total amount of BRL 42,5 million.

In addition, the telecommunications company INTERNEXA Brasil Operadora de Telecomunicações received disbursements of BRL 75,2 million and made payments of BRL 38 million and USD 2,5 million.

In Peru, Consorcio Transmantaro reactivated the issuance of international green bonds, with the maturity date of April 16, 2034, for USD 200 million. The transaction reached a 5,5 times demand. The reopening price was successfully established, which marked the lowest return achieved by the company in a 144A/RegS transaction. The market's appetite for this operation demonstrates the high interest of investors in the energy transmission business unit in Peru and the Company's acceptance by the international debt markets. Resources from the placement will be used to finance or refinance Mantaro-Nueva Yanango-Carapongo 500 kV Connection and Nueva Yanango-Nueva Huanuco 500 kV connection and associated substations; both projects aimed at energy efficiency.

This Company received from the bank market a disbursement of USD 100 million for the investment plan. In September, this loan was completely prepaid, with resources from the reactivation of bonds and the Comany's own cash.

ISA REP received a disbursement of USD 55 million, which was completely prepaid, using It's own resources and resources from the disbursement of a loan for USD 15 million.

ISA Peru made payments for a total of USD 2,4 million and received a disbursement of USD 158 million for the acquisition of ORAZUL ENERGY GROUP S.A.C.

INTERNEXA Peru received a disbursement of PEN 7,5 million and made payments of PEN 374.117 and USD 533.333.

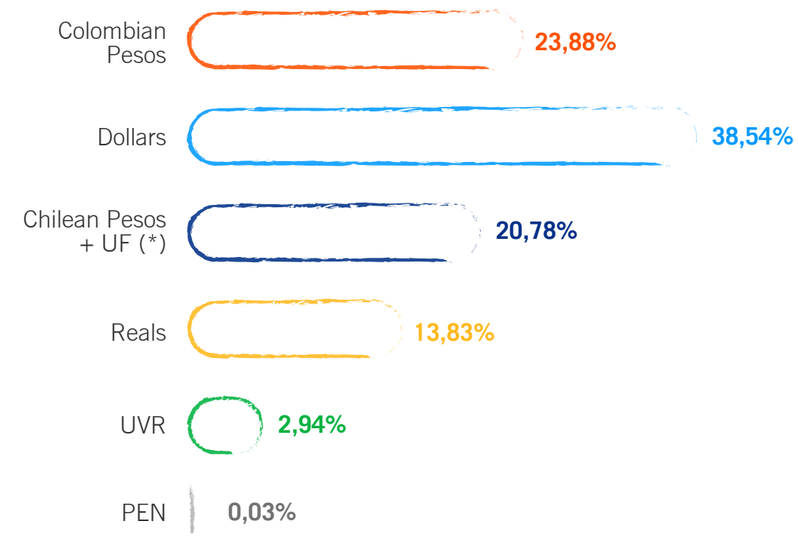
Notes 12 and 13 of the Financial Statements have the details and the main debt transactions for ISA and its companies in 2020.

The debt as of december 2020 also includes the exchange rate effect, which represents 8,02% of total transactions and does not generate an impact on cash flow.

ISA and its companies maintain the strategy of obtaining a natural hedge against foreign exchange risk, seeking to contract debt in the same currency as their income. Similarly, considering that the projects they develop are remunerated in the long term, a large portion of their debt is obtained in the capital market (bonds) at competitive rates.

The detail of the debt, by currency and by source is as follows:

CONSOLIDATED DEBT PER CURRENCY



(*) Unidades de Fomento, Chile

CONSOLIDATED DEBT BY SOURCE

CREDIT RISK RATINGS

In 2020, ISA Group's companies maintained their international corporate risk and local and international bond issuance ratings, granted by national and international specialized agencies. This ratifies the financial strength and soundness of ISA and its energy transmission companies, due to the regulated nature of its revenues as a natural monopoly in the countries where they operate.

ISA's risk rating reflects the low risk profile of the energy transmission business and contemplates the solid geographical and commercial diversification of its source of revenues, which together with the high predictability of operating cash flows, is translated into a strong financial profile. In Colombia, the Program on Issuance and Placement of ISA's Internal Public Debt has maintained the maximum credit risk rating "AAA" for bonds and F1 + (col) for commercial papers.

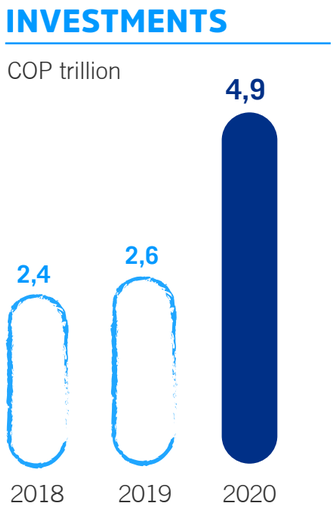
At the end of 2020, ISA's international rating, granted by the three (3) most recognized international credit rating companies, maintained the investment grade rating.

The chart with the credit ratings for ISA and its companies is presented below.

COMPANIES	RATINGS	S&P	MOODY´S	FITCH	FELLER-RATE	APOYO Y ASOCIADOS	PACIFIC CREDIT RATING	MOODY´S LOCAL	HUMPHREYS
ISA	**Governance**	BBB- (Neg)	Baa2 (Stable)	BBB+ (Neg)					
		Jun. 2020	Jun. 2020	Abr. 2020					
	Local Bond Issuance			AAA (Stable)					
				Apr. 2020					
	Commercial papers			F1+					
				Apr. 2020					
ISA TRANSELCA	**Local Bond Issuance**			AAA (Stable)					
				Mar. 2020					
ISA CTEEP	**Governance**			AAA (Stable)					
				Aug. 2020					
	Bonds issuance			AAA (Stable)					
				Aug. 2020					
CONSORCIO TRANSMANTARO	**International Bond issuance**		Baa3 (Stable)	BBB (Stable)					
			Sep. 2020	Sep. 2020					
ISA REP	**Bonds issuance**					AAA (Stable)	AAA (Stable)		
						Oct. 2020	Oct. 2020		
RUTA DEL MAIPO	**Bonds issuance**		Baa3 (Stable)	BBB- (Stable)	A+				A+
			Sep. 2020	Aug. 2020	Jun. 2020				Jun. 2020
RUTA DEL BOSQUE	**Bonds issuance**		Baa3 (Stable)	A+	A				
			Oct. 2020	Jun. 2020	Jun. 2020				

INVESTMENTS*

In 2020, ISA and its companies invested COP 4.945.582 million, according to their growth plans:



Colombia

Investments were made for COP 1.404.830 million, from which COP 530.359 million are associated with the acquisition of RUTA COSTERA and construction costs due to the work in progress. In addition:

- **ISA:** COP 734.379 million, to be used in the construction of energy transmission projects
- **ISA TRANSELCA:** COP 40.427 million, for the renovation of assets and construction projects
- **INTERNEXA:** COP 46.281 million in network capacity expansion and new businesses in the telecommunications' customers segment
- **XM:** COP 53.384 million in technological developments

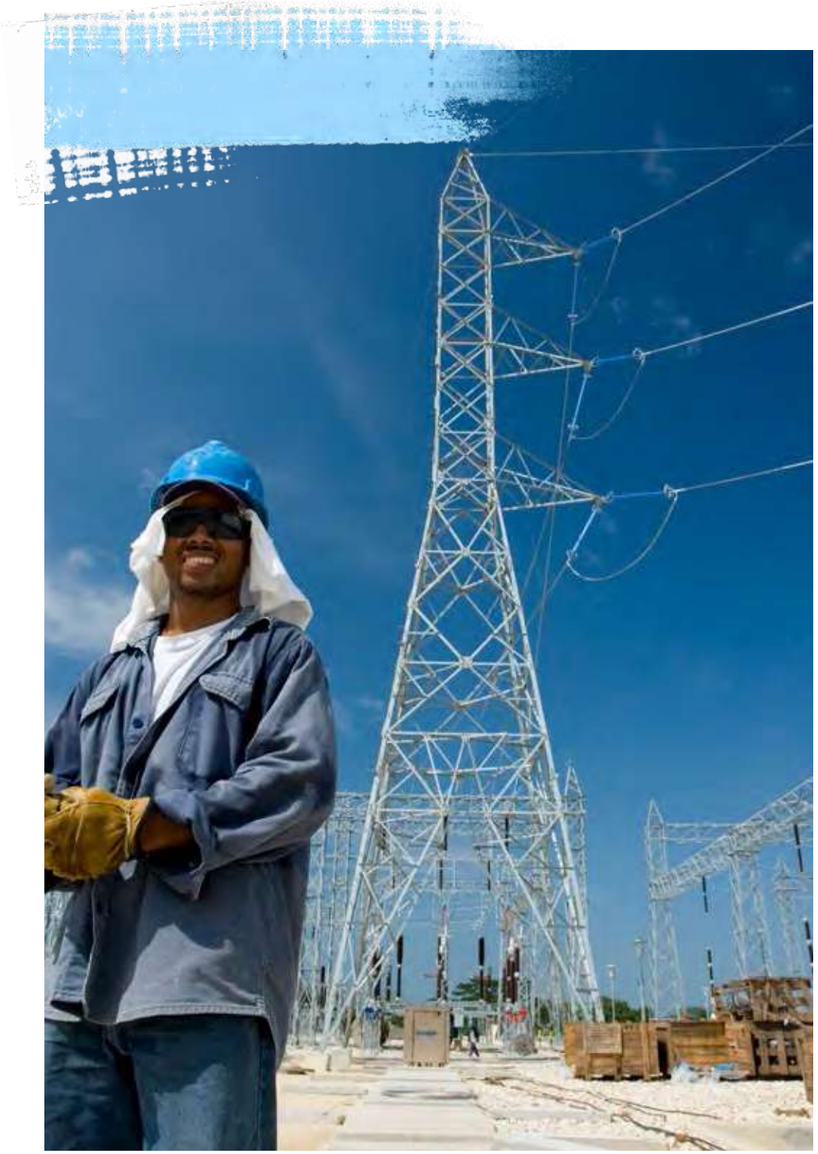
*Capex is included in the country where the investment is made

Brazil

ISA CTEEP made investments of COP 520.345 million for the execution of reinforcements and improvements and to make capital contributions to the companies where it has stakes: INTERLIGAÇÃO ELÉTRICA AGUAPEÍ, INTERLIGAÇÃO ELÉTRICA BIGUAÇU, INTERLIGAÇÃO ELÉTRICA PARAGUAÇU, INTERLIGAÇÃO ELÉTRICA ITAQUERÊ and INTERLIGAÇÃO ELÉTRICA AIMORÉS. Likewise, subsidiaries invested COP 358.595 million in construction and expansion of their networks and substations. On the other hand, INTERNEXA Brazil invested COP 20.646 million in the expansion of its fiber optics network.

Peru

Consorcio Transmantaro invested COP 874.802 million for the execution of energy transmission projects awarded by the Peruvian Government, while ISA REP invested



COP 123.272 million in the expansion of its electric grid. ISA Peru invested COP 602.948 million, mainly associated to the purchase of 100% shares of ORAZUL ENERGY GROUP S.A.C. Likewise, INTERNEXA Peru invested COP 10.026 million in the expansion of its fiber optics network.

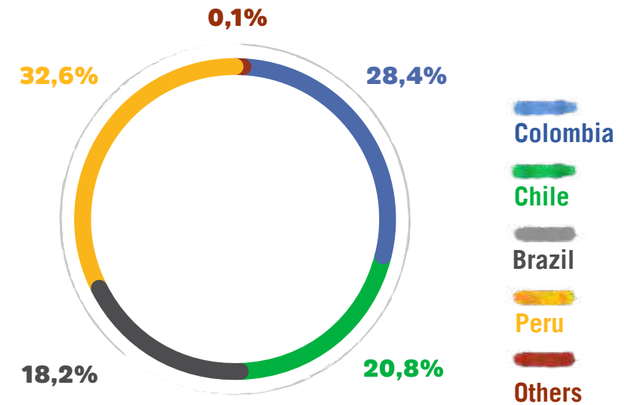
Chile

ISA INTERCHILE made investments of COP 521.753 million in the construction of energy transmission projects.

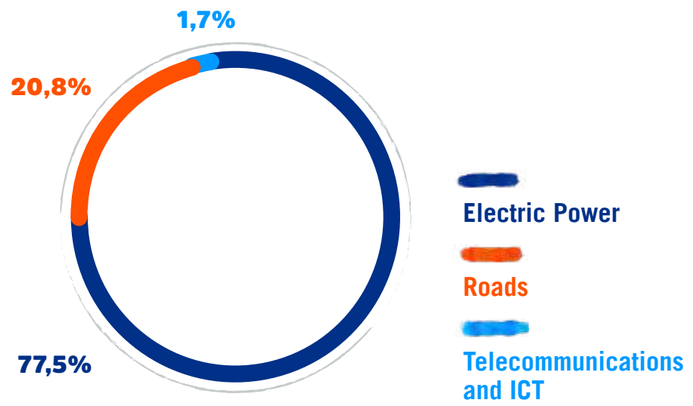
Road concession companies invested COP 499.822 million, executed by Ruta del Maipo for for the construction of third lanes of Tranche 3 and Araucanía, Ríos, Bosque, and Maule routes for the development of safety regulations works. Additionally, INTERNEXA Chile invested COP 5.322 million in the expansion of its fiber optics network.

The detail of investments by country and by business unit is presented below:

INVESTMENTS BY COUNTRY



INVESTMENTS BY BUSINESS



Individual income report

INDIVIDUAL INCOME STATEMENT

COP million

	2020	2019	% VARIATION
Operating Revenues	1.239.485	1.159.768	6,9
EBITDA	**1.074.828**	**1.003.423**	**7,1**
OPERATING INCOME	**2.513.714**	**2.134.911**	**17,7**
NET INCOME*	**2.062.950**	**1.643.505**	**25,5**
Margins:			
EBITDA	86,7%	86,5%	
Net**	72,1%	67,2%	

* The net income of individual ISA differs from the consolidated income by COP 3.759 million, due to the amortization of goodwill in the consolidated report and the adjustment of financial assets in the purchase price allocation (PPA), generated by the acquisition of RUTA COSTERA.

**Operational revenues include the results from the equity method.

2020 was 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 in the area 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.

Facing the challenges arising from the COVID-19 contingency, ISA's positive results inspire confidence and reassurance to shareholders and investors. At the end of 2020, net income reached COP 2.062.950 million, one of the highest in the last ten years, an increase of 25,5% compared with 2019.

EBITDA reached COP 1.074.828 million, an increase of 7,1% compared with 2019.

EBITDA growth was mainly due to higher revenues received from new projects that started commercial remuneration:

- UPME 08-17 Sogamoso 500/230 kV Third Transformer.
- UPME 03-16 San Antonio 230 kV Substation and associated transmission lines

Besides the biddings not transferred to ISA INTERCOLOMBIA:

- UPME 01-18 Ocaña 230 kV Transformer Bay and Ocaña 500 kV Transformer Bay
- UPME 09-16 Nueva Cuestecitas 500 kV Substation and Copey-Nueva Cuestecitas associated transmission lines

During 2020, AOM expenses were efficiently managed, allowing to capture savings in plane tickets and travel expenses, contracted services, advertising, printed material, and communications, which partially compensated for the increase in costs and expenses associated to contributions, road studies and projects, and the executives' civil liability insurance policy premium.

ISA's results also include income of COP 1.621.538 million from companies that it has stakes in. This income increased by 26% compared with 2019, mainly due to the entry into operation of energy transmission projects, the consolidation of ORAZUL ENERGY GROUP and RUTA COSTERA and the increase in the construction activity of concessions in Peru, Brazil, and Chile.

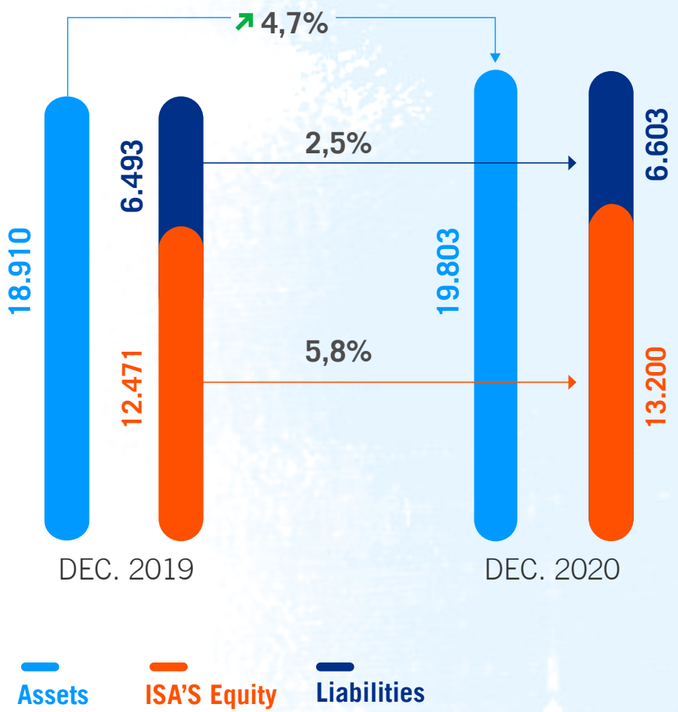
This increase also includes the RTP impact, RBSE's adjustments and the enforcement of the CVM's announcement concerning the accounting treatment of contractual assets of energy transmission companies in Brazil.

The net financial expense was COP 296.835 million, a decrease of 9% compared with 2019. This behavior is explained by the lower expense of debt interest, mainly due to the favorable behavior of macroeconomic variables to which debt is indexed to and the higher capitalization of financial costs in construction assets.

Regarding taxes, it is important to mention that the Company contributed COP 153.929 million of income tax, a decrease of 6,8% compared with 2019, due to the recovery of income tax provision from the previous year, higher deductions due to profits from energy fixed assets and a decrease of the income tax rate.

INDIVIDUAL BALANCE SHEET

FIGURES in COP billion



At the end of 2020, ISA's assets totaled COP 19.803.064 million, an increase of 4,7% compared with December of 2019. The variation is mainly due to higher investments in operating assets of COP 518.962 million, plus the company's investment growth through the acquisition of ORAZUL ENERGY GROUP in Peru and RUTA COSTERA in Colombia and higher results of COP 210.932 million in companies that ISA has stakes in.

Moreover, liabilities amounted to COP 6.602.891 million, an increase of 2,5% compared with the end of 2019, mainly due to higher debt disbursements, required for the implementation of long-term projects.

Equity reached COP 13.200.173 million, an increase of 5,8% compared with 2019. The variation was the net result of higher income, dividends declared, and a negative exchange rate effect in the financial statements of the companies abroad given the revaluation of COP against BRL.

ISA'S FINANCIAL LIABILITIES AND BONDS

As of December 31, 2020, financial debt was COP 4,8 trillion; an increase of 3,6% compared with 2019 (COP 4,6 trillion).

ISA issued its first green bond in Colombia for a value of COP 300 billion, to contribute to the connection of non-conventional renewable energies to the National Interconnected System (SIN), through the financing of two projects: Costa Caribe 500 kV Interconnection and Cuestecitas-Copey-Fundación 220 kV Interconnection. This is considered a relevant milestone in the green bonds market in Colombia, as it is the first green bond issuance made by a real sector company in the stock exchange market. In addition, ISA entered into two loans, with Davivienda and Bancolombia, and obtained disbursements for a total of COP 300 billion, for the investment plan. During 2020, ISA made payments to the different bond loans for a total of COP 169.486 million, and before the end of the year, it made two prepayments to the obligations with Banco Davivienda and Banco Bilbao Vizcaya Argentaria for a total of COP 280 billion.

Note 13 from the financial statements have the details and main debt transactions for ISA and its companies in 2020.

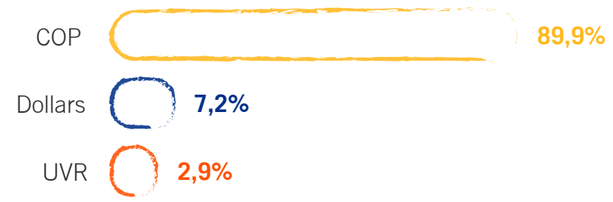
At the end of 2020, 89,9% of the debt was entered into in Colombian pesos since the greatest portion of ISA's revenues are expressed in this same currency.

Most ISA revenues are indexed to PPI, an indicator that is not negotiated in the financial market, so that the debt is mainly incurred in CPI because this index is correlated to PPI, minimizing risk impacts of interest rates associated with macroeconomic variables.

ISA develops long-term projects, and therefore a significant proportion of the debt is incurred in the capital market (bonds) at competitive rates, reducing the refinancing risk.

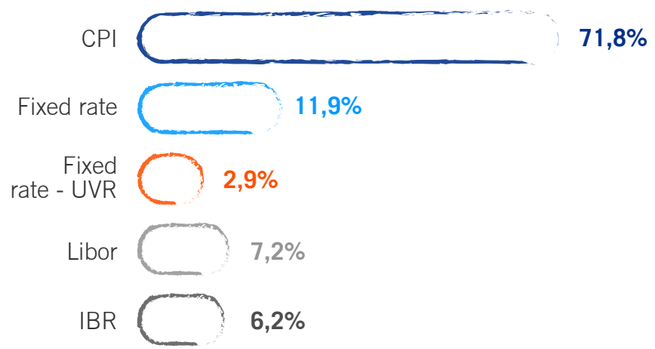
The breakdown of the debt, by currency, by source and by rates is as follows:

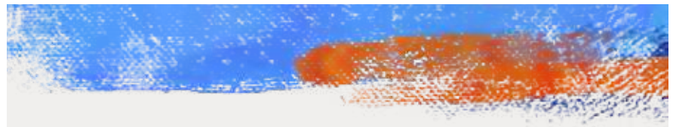
ISA'S DEBT BY CURRENCY



ISA'S DEBT BY SOURCES

ISA'S DEBT BY RATES





LAW 1676 OF 2013

In compliance with Law 1676 of 2013 that amended articles 2, 7, and 8 of Law 1231 of 2008, ISA permitted free circulation of invoices issued by sellers or suppliers.

DISPUTES AND CLAIMS

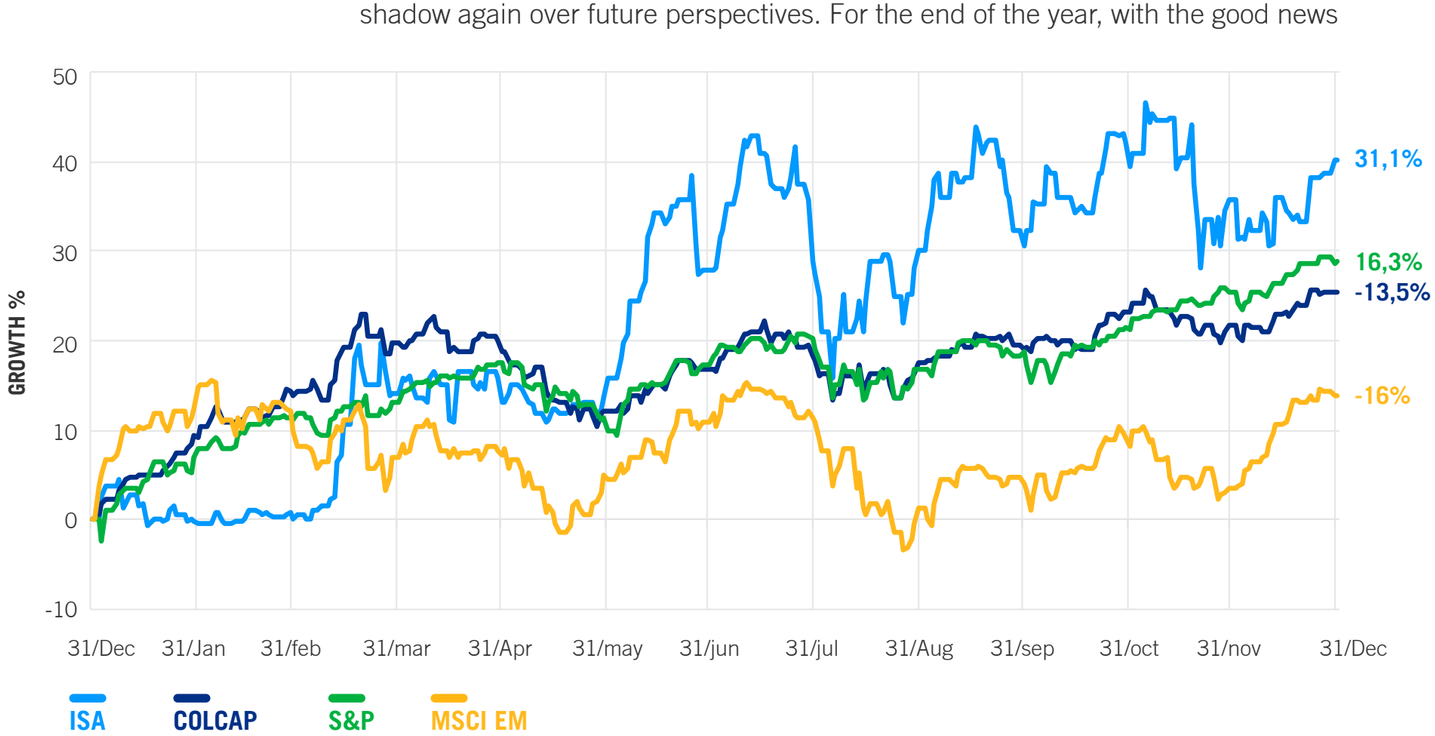
As of December 31, 2020, ISA is a procedural party, acting as defendant, plaintiff or intervening third party in administrative, civil, and labor judicial proceedings. None of the proceedings in which it has been sued or has been summoned as intervening party may undermine the stability of the company. Also, on its own behalf, it has filed legal actions required for the defense of its interests.

Additional information in regards to litigation and claims against the company can be found in the Notes to the Financial Statements of ISA.

SHARE PERFORMANCE

Stock market

Uncertainty and expectations of economic recession arising from the pandemic, resulted in investors increasing their preferences for assets and economies with lower levels of risk exposure. Commercial tensions between United States and China occurred mid-year, which increased investor's risk aversion. Later, between September and November, a new virus outbreak occurred in Europe, casting a shadow again over future perspectives. For the end of the year, with the good news of vaccines results and the election of Joe Biden as United States' new president, the optimism made a comeback and with it, the return of foreign capital to emerging markets, demonstrated by the recovery of the stock exchanges around the world.



As a result, the S&P index, considered the most representative index of the US market, showed an increase of 16,3% during the year. In spite of the Morgan Stanley Capital International Emerging Markets (MSCI EM) Latin America index, designed to measure the performance of the stock market of Brazil, Chile, Colombia, Mexico, and Peru, had a recovery at the end of the year, it ended on the negative side, with 16,0% devaluation. Colombia's COLCAP index followed the behavior of emerging markets and closed the year with 13,5% devaluation.

In contrast, as shown in the graph, ISA's had a very positive performance, accumulating during the year a growth of 31,1%, thus becoming the shares with the highest valuation in the Colombian Stock Exchange. The return of ISA's shares in Colombian pesos was even higher than the S&P.

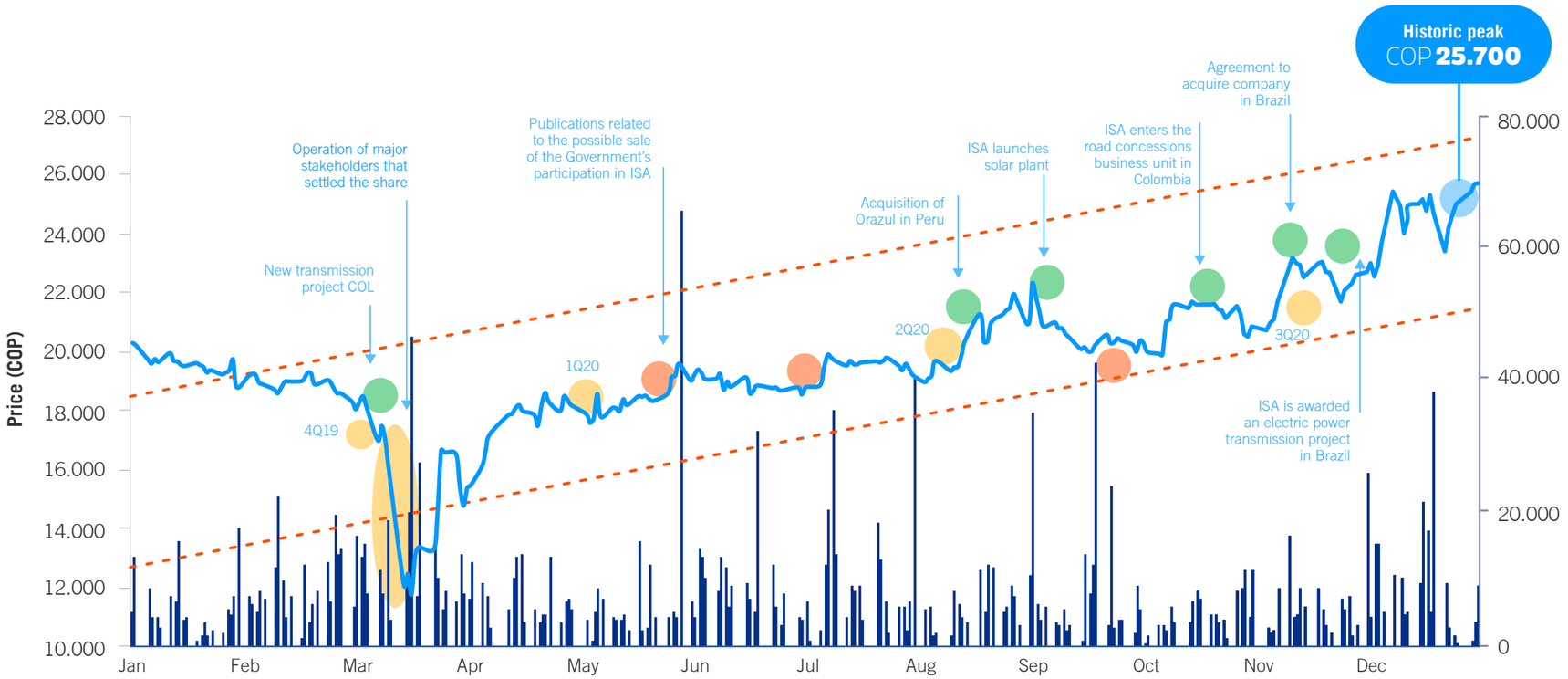
ISA share

In 2020, ISA's shares exceeded on six occasions its historic peak, reaching COP 25.700 at the end of the period.

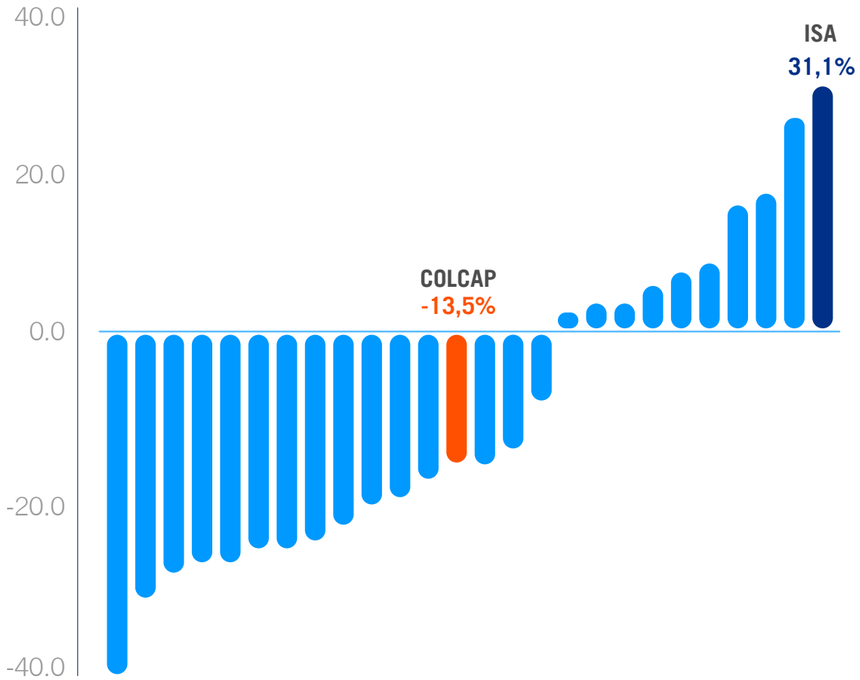
The share's price was the result of external and internal situations. The main external event influencing its behavior was the pandemic, that boosted foreign capital flight at the beginning of the year and, as a consequence, the settlement of ISA's shares by important stakeholders, affecting the price significantly, which dropped down to COP 11.800. A second external event that occurred several times throughout the year was the expectation of a possible sale of the Government's stakes in ISA (51,4%).

Since mid-March, uncertainty regarding ISA dropped and trust was recovered, which was also supported by positive and increasing financial results, business resilience from being regulated and good management in expense control and construction projects. The above allowed for the share price to start an upward trend in search for its fundamental price and a return to the levels before the pandemic.

These events, added to awarded bids and the announcement of new acquisitions during the year, promoted trust in the Company's future and sustainability; so that in the last quarter of the year, the shares registered several historic peaks.

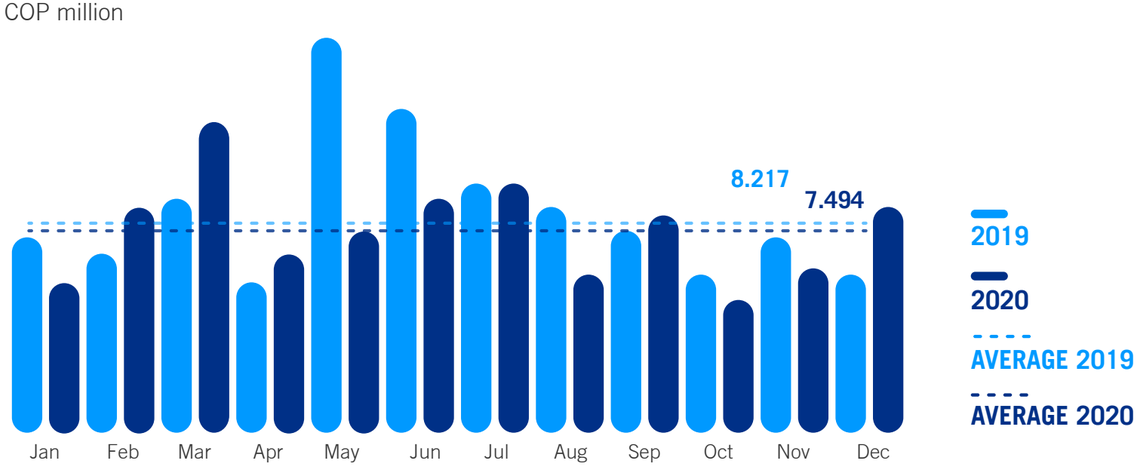


COLCAP (%) ISSUERS VARIATION (2020)



ISA's shares became the ones with the highest valuation in the Colombian Stock Exchange market, as shown in the graph, with high liquidity indexes.

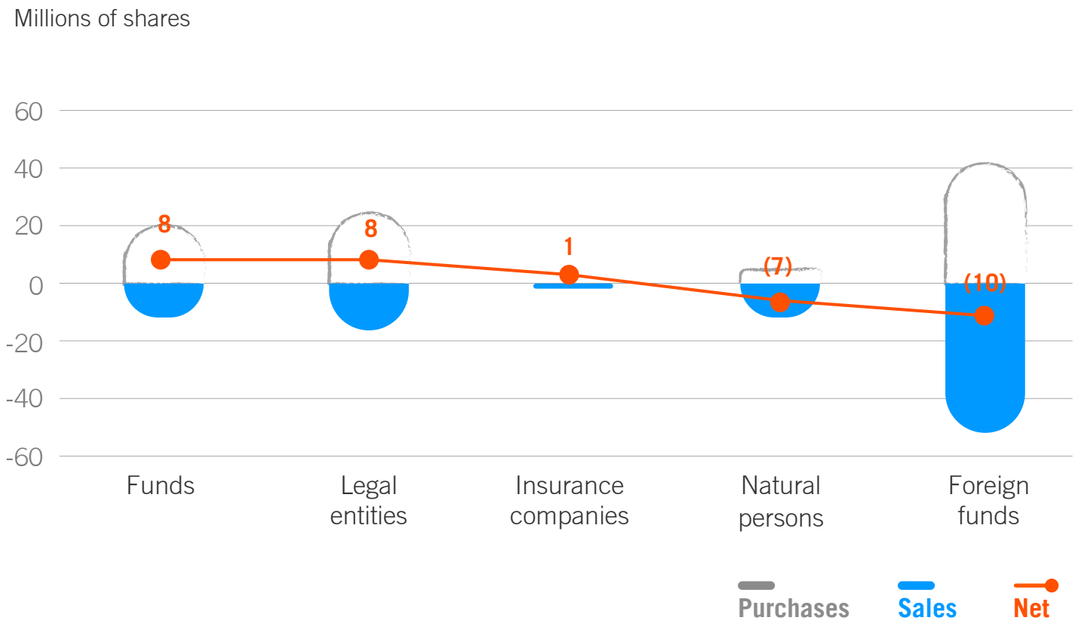
ISA'S DAILY AVERAGE VOLUME



The average daily volume traded by ISA in 2020 was COP 7.494 million, a decrease of 9% compared with the previous year's average. This occurred as a result of uncertainty caused by the pandemic when increasing the market risk, but also because of speculation due to the potential sale of the Government's and EPM's stakes in ISA in 2019.

Consequently, in 2020, the big net purchasers were pension and severance funds, mutual funds, securities funds, and employee funds, while foreign funds and natural persons were the net sellers, which today have higher participation through collective stock funds.

STOCK NEGOTIATION



Funds: pensions and severance, mutual, securities, and employees.

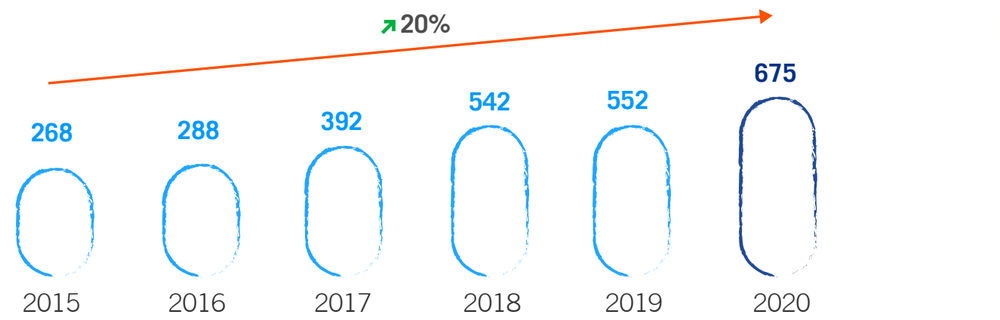
Legal persons: institutions, organizations or companies that seek a social purpose, either for a profit or non-profit.

DIVIDENDS

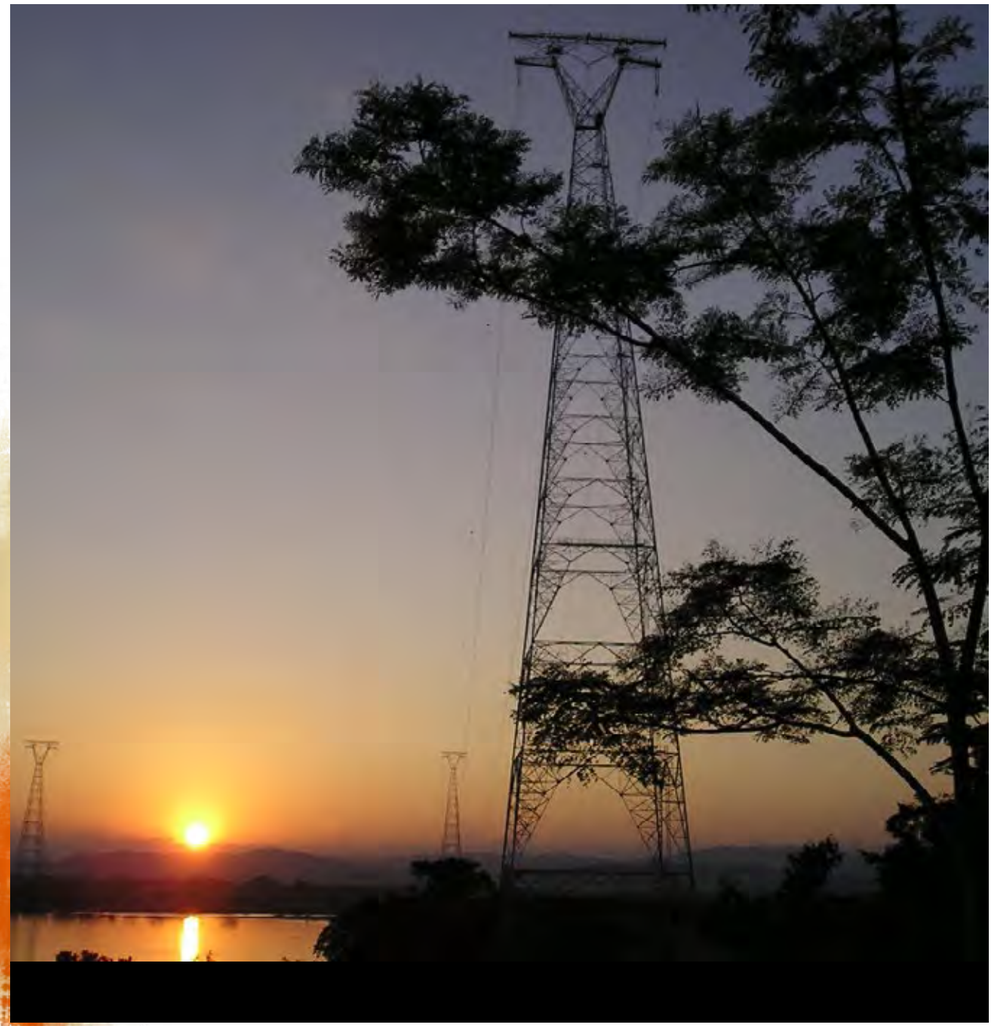
The General Shareholders' Meeting held on March 27, 2020, approved the distribution of dividends to its shareholders for COP 747.683 million, equivalent to 45% of the net income for 2019, the highest paid by the company in its history. In the last five (5) years, the dividend payment has had an average compound annual growth of 20%, much higher than Colombia's inflation and the behavior of other investments.

The payment was made in two equal installments of COP 337,5 per share on July 23 and December 15, 2020.

DIVIDENDS



As shown in the chart, ISA's 2015-2020 compound annual growth for dividends paid was 20%, which is a yield attractive to shareholders.



STOCKMARKET INDICATORS

BVC: ISA CB – ADR: IESFY

NO. OF OUTSTANDING SHARES	**1.107.677.894**
Free - float (%)	39,77
No. of Shareholders	24.862
Nominal value (COP)	32,8
Close price	25.700
UPA (Income per share): Income per share (COP)	1.859
Ordinary dividend	675
Market capitalization (COP millions)	28.467.322
Daily average traded (COP millions)	7.494
Marketability	ALTA
INDEXES	
Colcap interest	12,20
Coleqty interest	10,04
COLIR interest	10,02
FINANCIAL RATIOS	
PER: Price/Income (%)	13,82
Tobin's Q Ratio: Price/Carrying value (times)	2,16
EV/EBITDA (times)	8,25
*Dividend Yield** (%)	2,63

(*) Dividend Yield: yield of the annual dividend on the closing price of the share.

Consolidated statements of financial position

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

	NOTE	2020	2019
ASSETS			
CURRENT ASSETS			
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
TOTAL CURRENT ASSETS		**9.708.785**	9.449.781
NON-CURRENT ASSETS			
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

Continue

	NOTE	2020	2019
Intangible finance lease assets - Net	11	**402**	1.390
Loans receivable from related parties	5	**17.287**	335
TOTAL NON-CURRENT ASSETS		**44.320.938**	39.343.463
TOTAL ASSETS		**54.029.723**	**48.793.244**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
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
TOTAL CURRENT LIABILITIES		**3.403.041**	3.675.087
NON-CURRENT LIABILITIES			
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
TOTAL NON-CURRENT LIABILITIES		**30.480.489**	24.014.943
TOTAL LIABILITIES		**33.883.530**	**27.690.030**

Continue

	NOTE	2020	2019
EQUITY	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
EQUITY ATTRIBUTABLE TO CONTROLLING INTEREST		**13.167.775**	**12.442.176**
Non-controlling interest		**6.978.418**	8.661.038
TOTAL EQUITY		**20.146.193**	21.103.214
TOTAL EQUITY AND LIABILITIES		**54.029.723**	**48.793.244**

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

Consolidated statements of comprehensive income

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

	NOTE	2020	2019
REVENUES FROM CONTRACTS WITH CUSTOMERS	**22**		
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
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS		**9.110.847**	8.139.008
Operating costs	24.1	**3.864.858**	2.910.529
GROSS INCOME		**5.245.989**	5.228.479
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
NET INCOME FROM OPERATING ACTIVITIES		**6.211.329**	**4.743.841**
Net financial result	27	**(1.372.872)**	(1.212.664)
INCOME BEFORE TAXES		**4.838.457**	**3.531.177**
Income tax	18.1	**1.074.232**	772.816

Continue

	NOTE	2020	2019
INCOME FOR THE YEAR		**3.764.225**	2.758.361
Non-controlling interest		**1.705.034**	1.119.629
INCOME ATTRIBUTABLE TO CONTROLLING INTEREST		**2.059.191**	1.638.732
INCOME FOR THE YEAR			
Net income attributable to			
Controlling interest		**2.059.191**	1.638.732
Non-controlling interest		**1.705.034**	1.119.629
TOTAL NET INCOME FOR THE YEAR		**3.764.225**	2.758.361
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)
OTHER COMPREHENSIVE INCOME		**(585.909)**	(454.492)
Total comprehensive income attributable to			
Controlling interest		**1.473.282**	1.184.240
Non-controlling interest		**1.705.034**	1.119.629
COMPREHENSIVE INCOME FOR THE YEAR		**3.178.316**	**2.303.869**

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
CASH FLOWS FROM OPERATING ACTIVITIES		
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)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**3.632.552**	5.529.106
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
NET CASH FLOWS FROM OPERATING ACTIVITIES	**2.914.681**	4.421.953
CASH FLOWS FROM INVESTMENT ACTIVITIES		
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)

Continue

	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
NET CASH USED IN INVESTMENT ACTIVITIES	**(4.454.775)**	(1.572.157)
CASH FLOWS FROM FINANCING ACTIVITIES		
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)

Continue

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

See notes accompanying to financial statements.

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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.

			RESERVES								
	SUBSCRIBED AND PAID-IN CAPITAL	PREMIUM FOR PLACEMENT OF SHARES	LEGAL	BY TAX REGULATION	FOR EQUITY STRENGTHENING	FOR REHABILITATION AND REPLACEMENT OF STN ASSETS	TOTAL RESERVES	INCOME FOR THE YEAR AND ACCUMULATED	OTHER COMPREHENSIVE INCOME	NON-CONTROLLING INTEREST	TOTAL
NOTE	**21.1**	**21.4**	**21.6**								
BALANCE AS OF DECEMBER 31, 2018	**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
BALANCE AS OF DECEMBER 31, 2019	**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
BALANCE AS OF DECEMBER 31, 2020	**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 I (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 Medellin, 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,

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.[1]; 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 Telecomunicaçoes 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 RIOS 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.

1 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.

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
TOTAL	**1.674**	**337.026**	**2.678**	**251.894**	**4.352**	**588.920**

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
TOTAL	**1.537**	**327.735**	**2.445**	**242.696**	**3.982**	**570.431**

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[2] 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.

2 Includes affiliates and subsidiaries

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.

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:

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

Continue

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

Continue

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)

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

Continue

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

Continue

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 Uyacali 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).

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
CURRENT ASSETS	**32.806**
Cash and cash equivalents	26.484
Accounts receivable from customers and other accounts receivable, net	3.831
Others	2.491
NON-CURRENT ASSETS	**87.981**
Property, plant, and equipment	87.440
Deferred tax	500
Others	41
TOTAL ASSETS	**120.787**
CURRENT LIABILITIES	**3.328**
Accounts payable to suppliers and other accounts payable	325
Current tax liabilities	1.904
Others	1.099
NON-CURRENT LIABILITIES	**2.855**
Deferred tax liabilities	2.855
TOTAL LIABILITIES	**6.183**
TOTAL EQUITY AT FAIR VALUE	**114.604**

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

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

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

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

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)
NET CASH FLOW FROM ACQUISITION	**20.418**

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
INCOME BEFORE TAXES	**7.042**

FROM 01.01.2020 TO 31.12.2020	COP
Operating Revenues	44.989
Ebitda	19.722
INCOME BEFORE TAXES	**23.225**

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.

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
CURRENT ASSETS	**303.092**	**-**	**303.092**
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
NON-CURRENT ASSETS	**2.675.872**	**(116.556)**	**2.559.316**
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
TOTAL ASSETS	**2.978.964**	**(116.556)**	**2.862.408**
CURRENT LIABILITIES	**12.709**	**-**	**12.709**
Accounts payable to suppliers and others	5.631	-	5.631
Employee benefits	1.293	-	1.293
Current tax liabilities	1.029	-	1.029

Continue

	CARRYING VALUE	ADJUSTMENTS AT FAIR VALUE	AT FAIR VALUE
Others	4.756	-	4.756
NON-CURRENT LIABILITIES	**2.754.674**	**-**	**2.754.674**
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
TOTAL LIABILITIES	**2.767.383**	**-**	**2.767.383**
TOTAL EQUITY	**211.581**	**(116.556)**	**95.025**

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
PURCHASE PRICE	**531.454**
Equity	95.025
Subordinated debt	475.542
ASSETS AND LIABILITIES AT FAIR VALUE	**570.567**
PROFIT FROM PURCHASE ON ADVANTAGEOUS TERMS	**39.113**

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)
NET CASH FLOW FROM ACQUISITION	**283.994**

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 31.10.2020 TO 31.12.2020	COP
Operating Revenues	94.659
Ebitda	56.155
INCOME BEFORE TAXES	**7.267**

FROM 01.01.2020 TO 31.12.2020	COP
Operating Revenues	214.698
Ebitda	152.333
INCOME BEFORE TAXES	**15.391**

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

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, curtailing, 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.

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:

- 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

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.

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

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

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

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.

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.

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

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.

➜ 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.

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.

➜ 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.

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.

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[3], 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.

3 In ISA CTEEP, the concession contract nº 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.º 120/16. This asset is determined by the cash flow regulated in the Technical Note ANEEL n.º 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 Comisión de Valores Mobiliarios de Brasil (securities Commission of Brazil) (CVM) - Document-Circular letter/CVM/SNC/SEP/n.º 04/2020

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.

Generally, the expected loss can be expressed as follows:

		÷		$		÷
Expected loss	=	**Probability of default**	×	**Exposed balance**	×	**Loss given default**

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

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

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

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

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

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 derivates 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 are reported net in the financial statements if, and only if, there is a legally enforceable right at the closing date, requiring receiving or pay 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.

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 Markea

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

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.

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.

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.

➜ 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 valuate 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.

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[4] 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

4 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.° 04/2020.

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.

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.

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 persona[5], is related to ISA if said person is a member of the senior management key staff[6] 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).

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[7] between the companies of the Group and the members of the Board of Directors, the Senior Management[8] 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.

5 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.

6 **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 ISA7 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.

7 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.

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

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.° 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
NOTA 23 - CONCESSIONS			
BRAZIL			
CONCESSION ASSET:			
Financial asset	7.036.797	(6.921.163)	115.634
Contract asset	4.883.280	6.921.163	11.804.443
TOTAL ASSETS	**11.920.077**	**-**	**11.920.077**

Continue

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

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
NOTA 22 - REVENUES FROM CONTRACTS WITH CUSTOMERS			
Energy transmission services	4.783.487	31.392	4.814.879
Construction services	1.441.269	(31.392)	1.409.877
TOTAL	**6.224.756**	**-**	**6.224.756**

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
TOTAL CASH		**918.038**	**755.825**
Fixed income investments	(1)	2.433.644	1.321.588
Other variable income investments	(2)	430.031	409.788
TOTAL CASH EQUIVALENT		**2.863.675**	**1.731.376**
TOTAL CASH AND CASH EQUIVALENTS		**3.781.713**	**2.487.201**

(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
ASSETS			
Cash and cash equivalents	(1)	590.482	442.401
TOTAL ASSETS		**590.482**	**442.401**
LIABILITIES			
Collections in favor of agents		(590.472)	(442.393)
GMF Reserve	(2)	(10)	(8)
TOTAL LIABILITIES		**(590.482)**	**(442.401)**
NET		**-**	**-**

(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
TOTAL FINANCIAL ASSETS		**5.171.084**	**18.863.277**	**24.034361**	**6.337.853**	**16.770.317**	**23.108.170**

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
TOTAL ACCOUNTS RECEIVABLE		**4.172.751**	**19.204.124**	**23.376.875**	**4.038.330**	**17.169.824**	**21.208.154**
Less - impairment	(6)	(88.330)	(340.995)	(429.325)	(84.858)	(419.739)	(504.597)
TOTAL ACCOUNTS RECEIVABLE, NET		**4.084.421**	**18.863.129**	**22.947.550**	**3.953.472**	**16.750.085**	**20.703.557**

(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[9] 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 reals 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

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

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
FINAL BALANCE	**(429.325)**	**(504.597)**

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
OVERDUE		
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
TOTAL OVERDUE	**1.598.197**	**134.544**
TOTAL ACCOUNTS RECEIVABLE FROM CUSTOMERS AND CONCESSIONS	**21.066.796**	**18.872.699**

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
TOTAL		**1.086.663**	**148**	**1.086.811**	**2.384.381**	**20.232**	**2.404.613**

(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.

6. Non-financial assets

Balances as of December 31 comprise the following:

		2020			2019		
		CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
NON-FINANCIAL ASSETS							
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
TOTAL		**394.877**	**128.094**	**522.971**	**225.219**	**106.428**	**331.647**

(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 m² 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.

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
TOTAL RESTRICTED CASH	**217.646**	**97.347**

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
INVENTORIES							
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
TOTAL INVENTORIES		**103.509**	**64.648**	**168.157**	**154.297**	**64.849**	**219.146**
Provision	(2)	(2.864)	(127)	(2.991)	(2.770)	(41)	(2.811)
TOTAL INVENTORIES, NET		**100.645**	**64.521**	**165.166**	**151.527**	**64.808**	**216.335**

(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
FINAL BALANCE	**(2.991)**	**(2.811)**

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		
INVESTMENTS WITH JOINT CONTROL (1)						
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

Continue

	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
TOTAL INVESTMENTS WITH JOINT CONTROL					**2.673.362**	**2.653.988**
INVESTMENTS IN ASSOCIATES						
ATP TOWER HOLDINGS	Telecommunications Transmission	United States	24,69	24,69	451.164	465.362
TOTAL INVESTMENTS IN ASSOCIATES					**451.164**	**465.362**
TOTAL INVESTMENTS IN ASSOCIATES AND WITH JOINT CONTROL					**3.124.526**	**3.119.350**
FINANCIAL INSTRUMENTS (3)						
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	-	-
TOTAL FINANCIAL INSTRUMENTS					**17.102**	**15.478**

(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
PROPERTY, PLANT, AND EQUIPMENT IN OPERATION		
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
SUBTOTAL PROPERTY, PLANT, AND EQUIPMENT	**21.421.691**	**20.166.318**
Less – accumulated depreciation	(11.548.867)	(10.944.388)
Less - impairment	(20)	-
TOTAL PROPERTY, PLANT AND EQUIPMENT IN OPERATION	**9.872.804**	**9.221.930**
Construction in progress and machinery, plant and assembly equipment	2.306.376	2.093.370
Assets in transit	-	469
TOTAL NET PROPERTY, PLANT, AND EQUIPMENT	**12.179.180**	**11.315.769**
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**11.954.611**	**11.095.458**
TOTAL FINANCE LEASE ASSETS NOTE 12	**224.569**	**220.311**

➜ 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
TOTAL	**11.315.769**	**1.172.409**	**92.212**	**(67.750)**	**(458.163)**	**124.703**	**12.179.180**

(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 Maintencillo 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.

- 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
INTANGIBLE			
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
SUBTOTAL INTANGIBLES		**12.167.628**	**10.830.549**
Less – intangible amortization		(4.054.628)	(3.774.145)
TOTAL INTANGIBLES		**8.113.000**	**7.056.404**
TOTAL INTANGIBLES		**8.112.598**	**7.055.014**
TOTAL INTANGIBLE FINANCE LEASE ASSETS NOTE 12		**402**	**1.390**

(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–Caracolí–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
TOTAL	**7.056.404**	**733.636**	**438.629**	**(23.552)**	**(370.173)**	**278.056**	**8.113.000**

(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.

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
INITIAL BALANCE	**226.285**	**18.231**
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)
FINAL BALANCE (SEE NOTE 14)	**227.204**	**226.285**

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
TOTAL	**227.204**	**226.285**

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)
TOTAL NET AMOUNT RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	**(89.076)**	**(83.348)**

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
INITIAL BALANCE	**348.775**	**263.167**
Additions	113.142	89.801
Interest	45.437	38.547
Exchange difference	9.541	2.076
Payments received from lessee	(48.544)	(44.816)
FINAL BALANCE	**468.351**	**348.775**

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
TOTAL MINIMUM LEASE PAYMENTS	**835.355**	**468.351**	**732.090**	**348.775**
Less: non-accumulated financial revenue (or not accrued)	(367.004)	-	(383.315)	-
CURRENT VALUE OF MINIMUM LEASE PAYMENTS	**468.351**	**468.351**	**348.775**	**348.775**

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
TOTAL		**1.266.015**	**21.202.820**	**22.468.835**	**1.698.041**	**16.059.516**	**17.757.557**

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

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
COLOMBIA							**4.491.590**	**4.403.542**	**3.300.000**	**3.332.081**
ISA										
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

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 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	-	-
TOTAL						**3.420.221**	**3.439.220**	**3.120.000**	**3.148.870**
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	-	-
						891.369	**781.631**	**-**	**-**
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
TOTAL						**180.000**	**182.691**	**180.000**	**183.211**
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

Continue

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
TOTAL							**528.721**	**533.213**	**520.312**	**523.714**
CONSORCIO TRANSMANTARO										
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
TOTAL							**3.604.125**	**3.726.902**	**2.785.569**	**2.791.884**
BRAZIL							**2.200.308**	**2.167.552**	**1.674.738**	**1.661.112**
ISA CTEEP										
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	-	-
TOTAL							**2.133.266**	**2.099.954**	**1.554.509**	**1.541.922**

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	MATURITY DATE	TERM YEARS	INTEREST RATE		2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 AMORTIZED COST VALUE
ISA INVESTIMENTOS E PARTICIPAÇÕES										
Tranche 1	BRL	12/06/2017	12/06/2022	5	CDI	+ 1,68%	67.042	67.598	120.229	119.190
TOTAL							**67.042**	**67.598**	**120.229**	**119.190**
CHILE							**3.526.633**	**3.363.224**	**3.375.034**	**3.162.145**
RUTA DEL MAIPO										
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
TOTAL							**3.258.092**	**3.092.210**	**3.047.989**	**2.835.824**
RUTA DEL BOSQUE										
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
TOTAL							**268.540**	**271.013**	**327.045**	**326.321**
TOTAL BONDS							**14.351.377**	**14.194.433**	**11.655.653**	**11.470.936**

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

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

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.

The following is the detail of maturities for outstanding bonds:

	2020	
Current		640.820
LONG-TERM		**13.553.613**
2022	754.758	
2023	2.263.254	
2024	996.430	
2025 and after	9.539.171	
TOTAL		**14.194.433**

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
COLOMBIA							**2.472.033**	**2.476.014**	**1.840.815**	**1.857.651**
ISA										
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

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 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	-	-
TOTAL NATIONAL OBLIGATIONS						**1.036.730**	**1.041.457**	**1.186.216**	**1.200.577**
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
TOTAL FOREIGN OBLIGATIONS						**343.250**	**341.429**	**327.714**	**327.222**
TOTAL						**1.379.980**	**1.382.886**	**1.513.930**	**1.527.799**
INTERNEXA									
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

Continue

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	-	-
TOTAL							**221.479**	**221.813**	**168.835**	**170.302**
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	-	-
TOTAL							**712.524**	**712.606**	**-**	**-**

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE		2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 AMORTIZED COST VALUE
ISA TRANSELCA										
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
TOTAL							**158.050**	**158.709**	**158.050**	**159.550**
PERU							**902.219**	**900.891**	**297.546**	**299.314**
ISA REP										
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	-	-
TOTAL							**291.762**	**293.159**	**229.400**	**231.393**
ISA PERÚ										
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	-	-
TOTAL							**588.156**	**585.191**	**51.542**	**51.164**
INTERNEXA PERÚ										
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	-	-
TOTAL							**22.301**	**22.541**	**16.604**	**16.757**

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 AMORTIZED COST VALUE
BRAZIL						**946.568**	**952.162**	**1.177.111**	**1.186.018**
ISA CTEEP									
ELETROBRAS	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	-	-
TOTAL						**701.266**	**701.981**	**863.004**	**864.618**
INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS									
BNDES (FINEM)	BRL	27/03/2009	15/04/2023	14	TJLP + 2,39%	7.798	8.140	13.719	14.318
TOTAL						**7.798**	**8.140**	**13.719**	**14.318**
INTERLIGAÇÃO ELÉTRICA PINHEIROS									
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

Continue

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
TOTAL							**17.129**	**18.851**	**33.084**	**36.370**
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
TOTAL							**23.862**	**25.710**	**34.795**	**37.499**
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
TOTAL							**97.562**	**97.872**	**129.924**	**130.337**
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
TOTAL							**8.029**	**8.050**	**13.052**	**13.085**
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

Continue

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	-	-
TOTAL						**90.922**	**91.558**	**89.533**	**89.793**
CHILE						**4.086.700**	**3.945.335**	**3.080.221**	**2.943.638**
INTERNEXA CHILE									
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	-	-
TOTAL						**24.162**	**24.258**	**25.553**	**25.962**

Continue

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
RUTA DE LA ARAUCANÍA									
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

Continue

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
TOTAL						**302.541**	**301.965**	**403.809**	**402.184**
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
TOTAL						**152.746**	**153.213**	**185.047**	**184.447**

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE		2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 AMORTIZED COST VALUE
RUTA DEL LOA										
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	-	-
TOTAL							**162.636**	**137.805**	**103.528**	**83.349**
ISA INTERVIAL CHILE										
Scotiabank Chile	UF	14/10/2020	1/09/2022	2	TAB (180)	+ 0,35%	561.412	556.190	-	-
TOTAL							**561.412**	**556.190**	**-**	**-**
ISA INTERCHILE										
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

Continue

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUE	MATURITY DATE	TERM YEARS	INTEREST RATE	2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 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	-	-
TOTAL						**2.883.203**	**2.771.904**	**2.362.284**	**2.247.696**
TOTAL FINANCIAL OBLIGATIONS						**8.407.520**	**8.274.402**	**6.395.693**	**6.286.621**

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.

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, foe the acquisition of Orazul Energy Group S.A.C.

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.

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, re-paying the obligation.

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

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

	2020	
Current		625.195
LONG-TERM		**7.649.207**
2022	2.140.418	
2023	875.224	
2024	567.218	
2025 and after	4.066.347	
TOTAL		**8.274.402**

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
TOTAL				**443.303**	**293.487**

(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.

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:

		2020			2019		
CUENTAS POR PAGA ACCOUNTS PAYABLE		**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
TOTAL ACCOUNTS PAYABLE		**1.186.693**	**1.100.365**	**2.287.058**	**973.576**	**974.314**	**1.947.890**

(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.

(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 Arteche, 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.

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%
TOTAL	**22.758.897**	**100%**

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.

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:

- Brazilian real
- Chilean Peso
- Bolivian

Converted to: USD Converted to: Colombian Peso

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.

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:

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	
FINANCIAL ASSETS		**AMORTIZED COST**	**AT FAIR VALUE**	**AMORTIZED COST**	**AT FAIR VALUE**
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
TOTAL CURRENT		**5.223.992**	**3.728.805**	**4.402.410**	**4.422.644**
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
TOTAL NON-CURRENT		**9.539.863**	**9.558.162**	**6.515.091**	**10.368.051**
TOTAL		**14.763.855**	**13.286.967**	**10.917.501**	**14.790.695**

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.

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

	NOTE	2020		2019	
FINANCIAL LIABILITIES		**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	-
TOTAL CURRENT		**2.452.568**	**140**	**2.671.491**	**126**
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	-
TOTAL NON-CURRENT		**21.860.022**	**443.163**	**16.740.469**	**293.361**
TOTAL		**24.312.590**	**443.303**	**19.411.960**	**293.487**

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:

FINANCIAL INSTRUMENTS	2020		FAIR VALUE MEASURED AT THE END OF PERIOD		
AT FAIR VALUE	**CURRENT**	**NON-CURRENT**	**LEVEL I**	**LEVEL II**	**LEVEL III**
FINANCIAL ASSETS					
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	-
TOTAL	**3.728.805**	**9.558.162**	**2.210.714**	**11.076.253**	**-**
FINANCIAL LIABILITIES					
Derivative instruments	140	443.163	-	443.303	-
TOTAL	**140**	**443.163**	**-**	**443.303**	**-**

FINANCIAL INSTRUMENTS	2019		FAIR VALUE MEASURED AT THE END OF PERIOD		
AT FAIR VALUE	**CURRENT**	**NON-CURRENT**	**LEVEL I**	**LEVEL II**	**LEVEL III**
FINANCIAL ASSETS					
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	-
TOTAL	**4.422.644**	**10.368.051**	**2.954.412**	**11.836.283**	**-**
FINANCIAL LIABILITIES					
Derivative instruments	126	293.361	-	293.487	-
TOTAL	**126**	**293.361**	**-**	**293.487**	**-**

17. Provisions

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

		2020			2019		
ESTIMATED LIABILITIES AND PROVISIONS		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
TOTAL ESTIMATED LIABILITIES AND PROVISIONS		368.985	247.877	616.862	551.058	211.188	762.246

(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.
- ISA REP, 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).

- 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,

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.

- 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.

- **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:

- 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.

- **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
TOTAL EXPENSE FROM INCOME TAX	**1.074.232**	**772.816**

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:

		2020	2019
CRECONCILIATION BETWEEN INCOME TAX EXPENSE AND ACCOUNTING PROFIT BY THE NOMINAL TAX RATE OF EACH COMPANY			
Net profits before income tax		4.838.457	3.531.177
INCOME TAX EXPENSE AT NOMINAL RATE FOR EACH COMPANY		**1.397.864**	**1.055.546**
INCREASE (DECREASE) IN THE TAX PROVISION RESULTING FROM:			
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	(1)	(24.560)	13.316
Change in tax rates		(23.458)	(18.254)
Other tax effects	(2)	(455.069)	(340.628)
INCOME TAX EXPENSE AT EFFECTIVE RATE		**1.074.232**	**772.816**

(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:

	2020		2019	
	BEGINNING OF THE PERIOD	END OF THE PERIOD	BEGINNING OF THE PERIOD	END OF THE PERIODO
DEFERRED TAX ASSETS				
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
TOTAL DEFERRED TAX ASSET	**791.388**	**1.608.436**	**591.278**	**791.388**
DEFERRED TAX LIABILITY				
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)
TOTAL DEFERRED TAX LIABILITIES	**(4.841.749)**	**(5.615.354)**	**(4.630.953)**	**(4.841.749)**
NET DEFERRED TAX	**(4.050.361)**	**(4.006.918)**	**(4.039.675)**	**(4.050.361)**

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

	2020	2019
DEFERRED TAX VARIATION		
Beginning of the period (net)	(4.050.361)	(4.039.675)
End of the period (net)	(4.006.918)	(4.050.361)
VARIATION OF THE PERIOD	**43.443**	**(10.686)**
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)
DEFERRED TAX VARIATIONS	**(43.443)**	**10.686**

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.

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
TAX LOSSES/PRESUMPTIVE INCOME SURPLUS			
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
TOTAL		**5.661.370**	**1.528.963**

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:

	COUNTRY	LOSSES/PRESUMPTIVE INCOME SURPLUS	DEFERRED TAX
TAX LOSSES/PRESUMPTIVE INCOME SURPLUS			
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
TOTAL		**678.445**	**205.353**

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%

(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%
TOTAL	**2.683.257**	**Expected nominal rate**		**31,97%**	**2.150.599**	**Expected nominal rate**		**31,34%**

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.

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%
TOTAL	**2.683.257**	**624.067**	**23,26%**	**31,97%**	**2.150.599**	**511.867**	**23,80%**	**31,34%**
			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.

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
TOTAL		**376.021**	**869.716**	**1.245.737**	**268.197**	**963.722**	**1.231.919**

(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.

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
POST-EMPLOYMENT BENEFITS			
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)
NON-CURRENT BENEFITS			
Seniority and quinquennium bonus	19.2	18.672	16.922
Severance	19.2	2.586	5.264
Interest payable	(2)	949	-
TERMINATION BENEFITS			
Termination benefits	19.3	4.726	3.871
TOTAL ACTUARIAL CALCULATION		**797.191**	**481.289**
TOTAL EMPLOYEE BENEFITS - NON-CURRENT		**781.100**	**465.417**
TOTAL EMPLOYEE BENEFITS - CURRENT	(1)	**16.091**	**15.872**

(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
TOTAL	**120.979**	**101.658**

(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.

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:

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

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)

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:

DECEMBER 2020				
VARIABLES	**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	

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

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
BALANCE AS OF DECEMBER 31, 2018	**222.473**	**221.714**	**25.428**	**5.516**	**5.330**	**480.461**
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)
BALANCE AS OF DECEMBER 31, 2019	**227.846**	**234.630**	**27.474**	**5.852**	**5.340**	**501.142**
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
BALANCE AS OF DECEMBER 31, 2020	**488.508**	**247.022**	**33.779**	**6.738**	**5.455**	**781.502**

(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
CHANGE IN DISCOUNT RATE					
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
BENEFIT INCREASE CHANGE					
Increase in benefit increase by +1%		-	6.028	802	-
Decrease in benefit increase by -1%		-	(4.826)	(682)	-
CHANGE IN MEDICAL TREND					
Increase in medical trend by +1%		32.144	-	-	-
Decrease in medical trend by -1%		(26.337)	-	-	-
OBLIGATION BASE	**488.508**	**247.022**	**33.779**	**6.738**	**5.455**
AVERAGE DURATION OF THE PLAN	**11,80**	**14,42**	**14,69**	**11,60**	**11,50**

19.1.6 Plan assets

	2020	2019
XM (1)	(11.244)	(10.930)
ISA CTEEP	-	(34.980)
TOTAL PLAN ASSETS	**(11.244)**	**(45.910)**

(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.

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**
BALANCE AS OF DECEMBER 31, 2018	**5.168**	**17.062**	**22.230**
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)

Continue

DECEMBER 2020			
	SEVERANCE	SENIORITY PREMIUM AND QUINQUENNIUM	TOTAL
BALANCE AS OF DECEMBER 31, 2019	**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)
BALANCE AS OF DECEMBER 31, 2020	**2.586**	**18.672**	**21.258**

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
CHANGE IN DISCOUNT RATE		
Discount rate increase +1%	(69)	(1.134)
Discount rate decrease -1%	75	1.284
CHANGE IN SALARY INCREASE		
Increase in salary increase in +1%	107	1.328
Decrease in salary increase in -1%	(101)	(1.192)
OBLIGATION BASE	**2.586**	**18.672**
AVERAGE TERM OF THE PLAN (YEARS)	**3,43**	**7,07**

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
BALANCE AS OF DECEMBER 31, 2018	**2.412**
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
BALANCE AS OF DECEMBER 31, 2019	**3.871**

	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	-
BALANCE AS OF DECEMBER 31, 2020	**4.726**

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
CHANGE IN DISCOUNT RATE	
Discount rate increase by +1%	(226)
Discount rate decrease by -1%	260
CHANGE IN SALARY INCREASE	
Increase in benefit increase by +1%	282
Decrease in benefit increase by -1%	(249)
OBLIGATION BASE	**4.726**
DURATION OF THE PLAN	**5,50**

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
TOTAL OTHER LIABILITIES		**84.348**	**663.257**	**747.605**	**82.557**	**499.037**	**581.594**

(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.

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)**
STATE INVESTORS			
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
SUBTOTAL	**667.196.974**	**21.884**	**60,2339**
PRIVATE CAPITAL INVESTORS			
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

Continue

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
SUBTOTAL	**440.480.920**	**14.447**	**39,7661**
TOTAL OUTSTANDING SUBSCRIBED CAPITAL	**1.107.677.894**	**36.331**	**100,0000**
Own shares reacquired (2)	17.820.122	585	
TOTAL SUBSCRIBED AND PAID-IN CAPITAL	**1.125.498.016**	**36.916**	

2019			
SHAREHOLDER	**NUMBER OF SHARES**	**VALUE**	**% INTEREST (1)**
STATE INVESTORS			
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
SUBTOTAL	**667.196.974**	**21.884**	**60,2339**
PRIVATE CAPITAL INVESTORS			
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

Continue

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
SUBTOTAL	**440.480.920**	**14.447**	**39,7661**
TOTAL OUTSTANDING SUBSCRIBED CAPITAL	**1.107.677.894**	**36.331**	**100,0000**
Own shares reacquired (2)	17.820.122	585	
TOTAL SUBSCRIBED AND PAID-IN CAPITAL	**1.125.498.016**	**36.916**	

(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

Continue

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
TOTAL		**6.241.845**	**5.346.023**

(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.

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
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS		**9.110.847**	**8.139.008**

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.

- 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.

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

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 Comisión 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

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
INTANGIBLE ASSET:							
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
SUBTOTAL CONCESSIONS IN PERU:				**6.354.294**	**5.735.569**	**2.004.223**	**1.367.380**
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
TOTAL CONCESSIONS RECOGNIZED AS INTANGIBLE ASSETS:				**6.400.081**	**5.791.423**	**2.097.493**	**1.468.900**
CONTRACT ASSET:							
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

Continue

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
TOTAL CONCESSIONS RECOGNIZED AS CONTRACT ASSETS:				**11.059.003**	**11.804.443**	**3.259.562**	**2.226.801**

BUSINESS	CONCESSIONAIRE	COUNTRY	ASSET CLASSIFICATION	CONCESSION ASSET VALUE		OPERATING REVENUES	
				DECEMBER 2020	DECEMBER 2019	DECEMBER 2020	DECEMBER 2019
FINANCIAL ASSET:							
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	-

Continue

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
TOTAL CONCESSIONS RECOGNIZED AS FINANCIAL ASSETS:				**118.788**	**115.634**	**766.202**	**921.616**
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
SUBTOTAL CONCESSIONS IN CHILE:				**7.204.419**	**6.312.937**	**1.561.599**	**1.474.832**
Road concessions	RUTA COSTERA	Colombia	Financial	1.922.633	-	95.672	-
SUBTOTAL CONCESSIONS IN COLOMBIA:				**1.922.633**	**-**	**95.672**	**-**
TOTAL CONCESSIONS RECOGNIZED AS FINANCIAL ASSETS:				**9.152.898**	**6.428.571**	**2.423.473**	**2.396.448**

(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).

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
TOTAL OPERATING COSTS BEFORE DEPRECIATION AND AMORTIZATION		**3.099.313**	**2.284.525**
Amortizations	(2)	358.729	277.120
Depreciations	(3)	406.816	348.884
TOTAL DEPRECIATION AND AMORTIZATION		**765.545**	**626.004**
TOTAL OPERATING COSTS		**3.864.858**	**2.910.529**

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.

(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
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
TOTAL ADMINISTRATIVE EXPENSES BEFORE DEPRECIATIONS, AMORTIZATIONS, AND PROVISIONS		**499.566**	**576.137**
Amortizations		39.096	44.476
Provisions	(4)	136.243	100.867
Depreciations		51.434	46.698
TOTAL DEPRECIATIONS, AMORTIZATIONS, AND PROVISIONS		**226.773**	**192.041**
TOTAL ADMINISTRATIVE EXPENSES		**726.339**	**768.178**

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:

(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
REVENUES			
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
TOTAL OTHER REVENUES		**209.099**	**99.893**
Losses from events of loss		813	1.399
Losses from derecognition of assets		28.541	20.739

Continue

		2020	2019
Others	(2)	64.411	7.943
TOTAL OTHER EXPENSES		**93.765**	**30.081**
OTHER REVENUES/(EXPENSES), NET		**115.334**	**69.812**
Equity method revenues	(3)	571.077	274.067
Equity method expenses		51.711	60.339
NET EQUITY METHOD REVENUES/(EXPENSES), NET		**519.366**	**213.728**

(1) In 2020, ISA CTEEP negotiated plots of land with a surface area over 395.000 m² 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
FINANCIAL REVENUES			
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
TOTAL FINANCIAL REVENUES		**386.122**	**416.563**
Interest on bonds	(3)	784.120	640.531
On public credit financial obligations		350.297	307.241
Other interest		103.625	254.706

Continue

		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
TOTAL FINANCIAL EXPENSES		**1.535.479**	**1.489.370**
EXCHANGE DIFFERENCE			
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)
TOTAL NET EXCHANGE DIFFERENCE REVENUE / (EXPENSE)	(5)	**519.366**	**213.728**
NET FINANCIAL REVENUES/(EXPENSES)		**(1.372.872)**	**(1.212.664)**

(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

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
BALANCE-RELATED TRANSACTIONS		
LOANS RECEIVABLE FROM RELATED PARTIES	**16.962**	**-**
ATP TOWER HOLDINGS	16.962	-
INCOME-RELATED TRANSACTIONS		
REVENUES	**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).

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
TOTAL		**20.349**	**17.751**

(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

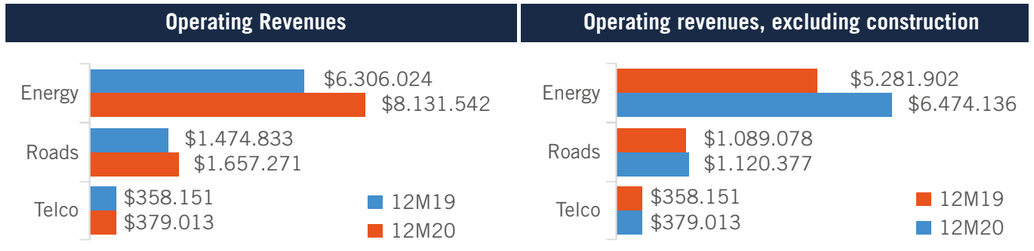
As of December 31, 2020, there are no significant balances with entities over which the Nation holds controlling interest.

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[10] 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 in 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.



10 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.

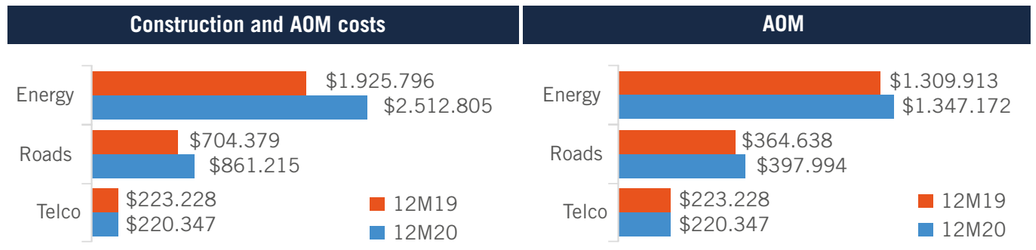
(2) In the Road Concessions business unit, an increase of 12,4% (COP 182.438) due to the acquisition of RUTA COSTERA (COP 95.673) and higher levels of construction activity related to regulatory safety works and Third Lanes at RUTA DEL MAIPO

(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:

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

Continue

COMPANY	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
ISA INTERCOLOMBIA	DIAN	1. 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. 2. The plaintiff filed private CREE surtax (Income tax for equality) report for the 2014 tax year. 3. On May 29, 2015 it requested a credit balance in its favor. 4. The defendant filed a demand, which was replied by the plaintiff. 5. By means of Revised Official Assessment No. 900003, a higher tax was determined and the plaintiff was sanctioned. 6. The plaintiff filed appeals and the defendant confirmed its decision.	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 TELECOMUNICAÇOES	Jurandir da Silva LTDA ME	The contractor disagreed with the dismissal fines and made deposits in court to clear his arrears.	12	Probable

Continue

COMPANY	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇOES	FMG Macabuense Comercio Serviços e Distribuição Ltda	Follow-up procedure	133	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇOES	Agência Moderna Tecnologia - AMT	Follow-up procedure	124	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇOES	Megalink Provedor e Informatica ltda	Follow-up procedure	196	Eventual
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇOES	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 Río de Janeiro.	407	Probable
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇOES	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 TELECOMUNICAÇOES	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

Continue

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

Continue

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 TELECOMUNICAÇOES	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 INFREESTRUCTURA2014-124	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.

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

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.				

Continue

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

Continue

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

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: • Lot 8 of the Huasco plot, Freirina Commune, Atacama Region • Pan de Azúcar Lot, Martínez Country Property, Coquimbo Commune	USD	756.809.903	2.597.750	12-02-31
First-Degree Non-Possessory 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-Possessory 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: • ISOLUX Contract • Sociedad Eléctricas de Medellín Contract • Sociedad Siemens Contract • Sociedad Tensa Contract • Unión Eléctrica Contracta				
First-Degree Non-Possessory 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.				

Continue

TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	CURRENCY OF ORIGIN	AMOUNT IN ORIGINAL CURRENCY	BALANCE IN COP MM	END DATE
First-Degree Non-Possessory 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-Possessory 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

Continue

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

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

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

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)

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

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,

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.

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. 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.

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

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	Superintendence of Household Utilities
STN	Sistema de Transmisión Nacional (National Transmission System)
SUNAT	Superintendencia Nacional de Administración Tributaria (Peru) (National Superintendence 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

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: ➢ Understanding the process of estimating and determining the useful lives of property, plant and equipment. ➢ Evaluation of the methodology and the reasonableness of the assumptions used by Management in the estimation of useful lives of property, plant and equipment. ➢ Evaluation of the quality and integrity of the information used in the estimation. ➢ Evaluation of the assumptions used by the company, comparing them with other entities of the energy sector to evaluate consistency with the market. ➢ Analysis of quantitative and qualitative variables in determining the percentage of service life, maintenance costs, among others. ➢ Verification of the consistency of the assumptions used historically, and the actual depletion of the assets.

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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;

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- 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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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

Mi 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.

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- 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.° 34420 – T

Interconexión Eléctrica S.A. E.S.P. SEPARATE STATEMENT OF FINANCIAL POSITION

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

	NOTE	2020	2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	542.198	541.371
Financial assets	5	158.541	121.792
Loans receivable from related parties	8.1	6.346	181
Current taxes	18.2	68.105	41.135
Non-financial assets	6	12.676	7.798
TOTAL CURRENT ASSETS		**787.866**	712.277
NON-CURRENT ASSETS			
Restricted cash	7	8.529	11.029
Financial assets	5	18.346	17.475
Loans receivable from related parties	8.1	187.208	96.102
Non-financial assets	6	900	1.000
Investments in subsidiaries, associates, and joint ventures	9	11.435.299	11.224.367
Investments in financial instruments	9	12.524	12.524
Property, plant, and equipment - Net	10	7.186.883	6.667.921
Investment property - Net	11	7.761	7.848
Intangible assets - Net	12	156.725	157.983
Non-current taxes	18.2	1.023	1.405
TOTAL NON-CURRENT ASSETS		**19.015.198**	**18.197.654**
TOTAL ASSETS		**19.803.064**	**18.909.931**

Continue

	NOTE	2020	2019
SHAREHOLDERS' LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Financial liabilities	13	151.393	214.786
Current taxes	18.5	62.985	38.109
Accounts payable	14	111.643	110.314
Provisions	17	-	1.715
Employee benefits		14.041	11.689
Non-financial liabilities	20	3.570	3.798
TOTAL CURRENT LIABILITIES		**343.632**	**380.411**
NON-CURRENT LIABILITIES			
Financial liabilities	13	4.670.715	4.461.883
Deferred tax liability	18.4	850.437	860.525
Loans payable to related parties	8.1	329.546	321.299
Employee benefits	19	241.713	234.046
Non-financial liabilities	20	143.464	158.331
Accounts payable	14	13.377	12.490
Provisions	17	10.007	10.131
TOTAL NON-CURRENT LIABILITIES		**6.259.259**	**6.058.705**
TOTAL LIABILITIES		**6.602.891**	**6.439.116**
SHAREHOLDERS' EQUITY			
Subscribed and paid-in capital	21.1	36.916	36.916
Premium for placement of shares	21.4	1.428.128	1.428.128

Continue

	NOTE	2020	2019
Reserves	21.6	6.241.845	5.346.023
Income for the year		2.062.950	1.643.505
Accumulated income		3.236.320	3.236.320
Other comprehensive income		194.014	779.923
TOTAL SHAREHOLDERS' EQUITY		**13.200.173**	**12.470.815**
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		**19.803.064**	**18.909.931**

See notes accompanying the 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 of February 26, 2021 attached)
Designated by Ernst & Young Audit S.A.S. TR-530

Interconexión Eléctrica S.A. E.S.P. SEPARATE STATEMENT OF COMPREHENSIVE INCOME

Years ended as of December 31, 2020 and 2019 |
Amounts expressed in millions of Colombian pesos, except net income per share expressed in Colombian pesos.

	NOTE	2020	2019
Income from joint account agreement		975.322	894.155
Energy transmission services		246.402	247.481
Connection charges		2.372	2.313
Infrastructure projects		6.533	6.717
Telecommunications		418	1.618
Other revenues		8.438	7.484
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	22	**1.239.485**	**1.159.768**
Operating costs	23.1	243.061	233.377
GROSS INCOME		**996.424**	**926.391**
Administrative expenses	23.2	98.382	95.082
Revenues from net equity method	24	1.621.538	1.287.435
Other net revenues/(expenses)	24	(5.866)	16.167
NET INCOME FROM OPERATING ACTIVITIES		2.513.714	2.134.911
Net financial revenues/(expenses)	25	(296.835)	(326.176)
INCOME BEFORE TAXES		2.216.879	1.808.735
Income tax provision	18.3	153.929	165.230
INCOME FOR THE YEAR		**2.062.950**	**1.643.505**
NET INCOME PER SHARE	26	1.862,41	1.483,74

Continue

OTHER COMPREHENSIVE INCOME	2020	2019
Actuarial gains (losses) from defined benefit plans, net of taxes	(51.194)	(58.422)
Gains (losses) from cash hedging, net of taxes	(125.368)	(103.804)
Gains (losses) from exchange rate differences, net of taxes	(409.347)	(292.266)
OTHER COMPREHENSIVE INCOME	**(585.909)**	**(454.492)**
COMPREHENSIVE INCOME FOR THE YEAR	**1.477.041**	**1.189.013**

See notes accompanying the financial statements.

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Interconexión Eléctrica S.A. E.S.P. SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

			RESERVES								
	SUBSCRIBED AND PAID-IN CAPITAL	PREMIUM FOR PLACEMENT OF SHARES	LEGAL	TAX REGULATION	FOR EQUITY STRENGTHENING	FOR REHABILITATION AND REPLACEMENT OF STN ASSETS	TOTAL RESERVES	INCOME FOR THE YEAR	ACCUMULATED INCOME	OTRO RESULTADO INTEGRAL	TOTAL
NOTE					**21.6**						
BALANCE AS OF DECEMBER 31, 2018	36.916	1.428.128	18.458	898.802	3.473.612	37.434	4.428.306	1.529.155	3.236.320	1.234.415	11.893.240
Transfers approved by the General Shareholders' Meeting	-	-	-	-	917.717	-	917.717	(917.717)	-	-	-
Ordinary dividends at COP 552 per share, settled on 1.107.677.894 outstanding shares	-	-	-	-	-	-	-	(611.438)	-	-	(611.438)
Net income as of December 31, 2019	-	-	-	-	-	-	-	1.643.505	-	(454.492)	1.189.013
BALANCE AS OF DECEMBER 31, 2019	36.916	1.428.128	18.458	898.802	4.391.329	37.434	5.346.023	1.643.505	3.236.320	779.923	12.470.815
Transfers approved by the General Shareholders' Meeting	-	-	-	-	895.822	-	895.822	(895.822)	-	-	-
Ordinary dividends at COP 675 per share, settled on 1.107.677.894 outstanding shares	-	-	-	-	-	-	-	(747.683)	-	-	(747.683)
Net income as of December 31, 2020	-	-	-	-	-	-	-	2.062.950	-	(585.909)	1.477.041
BALANCE AS OF DECEMBER 31, 2020	36.916	1.428.128	18.458	898.802	5.287.151	37.434	6.241.845	2.062.950	3.236.320	194.014	13.200.173

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Interconexión Eléctrica S.A. E.S.P. SEPARATE CASH FLOW STATEMENT

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from sales of goods and services	249.091	243.152
Collections from contracts held for intermediation or to trade	976.941	889.864
Other collections from operating activities	4.046	4.721
Payments to suppliers for the provision of goods and services	41.099	82.124
Payments on behalf of employees	80.435	82.573
Other payments for operating activities	6.190	530
Interest paid	590	1.664
Interest received	22.871	19.293
Income tax paid	171.040	105.009
NET CASH FLOWS FROM OPERATING ACTIVITIES	**953.595**	885.130
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash flows used to gain control of subsidiaries or other businesses	-	90.943
Amounts from the sale of property, plant, and equipment	238	14.302
Purchase of property, plant, and equipment	701.539	562.102
Amounts from the sale of intangible assets	250	-
Purchase of intangible assets	1.926	27.751
Cash advances and loans granted to third parties	453.973	-
Collections from the reimbursement of advances and loans granted to third parties	381.011	50.875
Dividends received	741.823	615.946

Continue

Interest received	5.219	6.100
Other cash inflows (outflows)	8.267	3.501
NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES	**(20.630)**	9.928
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts from loans	599.998	455.071
Reimbursement of loans	449.637	317.486
Dividends paid	747.683	608.320
Interest paid	333.842	319.257
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(931.164)**	(789.992)
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE VARIATION	**1.801**	105.066
Effects of exchange rate variation on cash and cash equivalents	(974)	2.498
NET CASH AND CASH EQUIVALENTS	**827**	107.564
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**541.371**	433.807
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**542.198**	541.371

See notes accompanying the financial statements.

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Interconexión Eléctrica S.A. E.S.P. NOTES TO THE SEPARATE 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 Medellin, 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 stock company 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 Medellin, 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 assets, and the investment in shares, quotas or stakes, bonds, commercial papers, or fixed or variable rate instruments registered on 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

2. Basis of presentation

The following are the main policies and practices adopted by ISA:

2.1 Accounting principles

The company prepares its 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.

In addition, the organization, in compliance with laws, decrees and other regulations in force, applies the following exceptions established by the regulation body:

- Decree 2496 of 2015. This decree establishes the application of Article 35 of Law 222 of 1995, which dictates that investments in subsidiaries must be recognized in the separate financial statements by the equity method, in accordance with the provisions of IAS 28.
- Decree 2131 of 2016. This decree requires to disclose the calculation of pension liabilities according to parameters established in Decree 1625 of 2016 and, in the case of partial pension commutations, according to provisions of Decree 1833 of 2016, reporting the variables used and the differences with respect to the calculation made under the terms of the technical framework according to NCIF. (See Note 19.2).

The financial statements have been prepared based on the historical cost, except for derivative financial instruments and some financial assets, which were measured at fair value.

The separate financial statements as of December 31, 2020 were authorized for disclosure by the Board of Directors at meeting held on February 26, 2021.

2.2 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:

2.2.1 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 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.

The company applied this standard in advance, from 2019.

2.2.2 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 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."

2.2.3 IAS 19 – Employee benefits

Amendments to IAS 19 define the accounting treatment of any amendment, curtailing, or settlement of a plan that occurs during a financial year. Said amendments 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 under the plan 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.

2.2.4 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.

2.2.5 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.

ISA concludes 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.

2.3 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 company will adopt these standards on the date they become effective, according to the decrees issued by the local authorities.

2.3.1 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 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

2.3.2 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 relation-

ship 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 company is assessing the potential effect of this standard on its financial statements.

2.3.3 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:

- 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.

2.3.4 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.

2.3.5 Amendment to 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 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.

2.3.6 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 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.

2.3.7 Amendment to IFRS 1 - First-time adoption of international financial reporting standards

The amendment permits a subsidiary 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.

2.3.8 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.

2.3.9 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 IAS 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.

2.4 Main judgments and estimates

The preparation of the financial statements based on IFRS demands from the management the use of judgments, 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.

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, the best expectations regarding present and future events, and the best use of the information available on the date of issuance of these separate financial statements; current results could differ from these estimates but are adjusted once they are known.

The 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.

Cash Generating Units for ISA under the energy transmission service are the following:

a. **STN connection assets:** These are the assets owned by ISA to allow the connection of different types of users—generators, large consumers, and grid operators—to the STN. The remuneration of these assets is governed by connection contracts, which are signed under a scheme of bilateral negotiation, and through which connection charges are paid by users of this service. Thus, it is considered that the CGU at the level of STN connection assets corresponds to the group of assets involved in each connection contract.

b. **Non-bidding STN energy transmission assets (existing grid):** The remuneration of the energy transmission service for STN energy transmission assets is based on a regulated scheme through which the Energy and Gas Regulation Commission (CREG)

defines a single methodology for all assets that are part of the existing grid—not built under the free competition scheme defined by the Energy Mining Planning Unit (UPME)—. By applying the aforementioned methodology, which is defined in CREG Resolution 011 of 2009, the total value of existing grid assets at market prices for each energy transmission company is determined. From such value, the regulating entity establishes an individual resolution with the corresponding annual revenues, according to the remuneration methodology indicated. In this case, values —annual revenues from the existing grid and the existing grid value— on behalf of INTERCOLOMBIA, a company that represents ISA, are covered by CREG Resolution 177 of 2013, and those that modify or supplement it.

c. **Bidding STN energy transmission assets:** The remuneration of assets built under the scheme of free competition or bidding established by the Energy Mining Planning Unit (UPME) is based on the bid submitted by the bidder awarded with the execution of the project, which comprises a profile of 25 flows of expected annual revenues corresponding to the first 25 years of operation of the project, the particularities of the project, the risk perception of the bidder, the expected rate of return, and the costs and risks inherent to the time of submission of the bid, among others.

Projects are awarded independently and separately, so the regulator issues an official resolution to recognize the corresponding revenue profile of the transmission company awarded each project. This way, it is considered that each of the bidding projects is itself a CGU. It is worth noting that once 25 years of operation have been completed for a project awarded under the bidding mechanism, the project begins being remunerated under the methodology applicable to existing STN energy transmission assets, and therefore at that time, it would become part of the CGU corresponding to the existing grid or non-bidding assets.

- **Definition of hierarchy levels of financial instruments:** (see Note 3.9).
- **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 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 assumed 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 date of acquisition. 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 3.9).

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 life 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 company's management reviews these assumptions annually and adjusts them prospectively if any change is identified.
- **Provision for legal and administrative proceedings:** When estimating the loss contingency for legal proceedings pending against ISA, 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 judgment 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 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 ability 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.
- **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 that could differ from future real events, such as the calculation 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).

2.5 Foreign currency transactions and balances

The financial statements are expressed in Colombian pesos as it is the currency used in the primary economic environment of operation of the 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 the end of the year, foreign currency monetary assets and liabilities are restated, and exchange gains and losses resulting 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 at 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 financial statements as of December 31, 2020 and 2019, expressed in Colombian pesos, were the following:

Closing rates:

CURRENCY	CODE	2020	2019
US Dollar	USD	3.432,50	3.277,14
Euro	EUR	4.200,35	3.678,92
Peruvian Nuevo Sol	PEN	947,94	987,39
Bolivian Peso	BOB	493,18	470,85
Brazilian Real	BRL	660,52	813,04
Chilean Peso	CLP	4,83	4,38

Average rates for translating foreign companies' statements of comprehensive income balances for equity method purposes:

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

2.6 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 separate financial statements were the following:

3.1 Investments in subsidiaries, associates, and joint ventures

The company applies the equity method when restating investments in subsidiaries, joint ventures, and associates in its separate financial statements.

Subsidiaries are entities—including structured entities—over which the parent company exerts direct or indirect control.

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

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.

Accounting policies of subsidiaries, associates, and joint ventures of the Group are applied on a basis that is uniform with ISA'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 subsidiaries, joint ventures, and associates, according to the stake held by the company. The result for the period and the other comprehensive income of ISA includes results of entities in which the company holds stakes.

Dividends received from companies over which ISA exerts control, 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 Property, plant, and equipment

Property, plant, and equipment are valued at their acquisition cost—historical cost—or construction cost, less accumulated depreciation and 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 placed, 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.

➜ 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 company 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 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 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 the construction of a qualifying asset is shorter than expected, the company's management 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 company that 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 remaining useful lives

Every year, the company reviews the residual value, the depreciation method, and remaining lives 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.

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.

The following are the estimated useful lives of the assets or asset components for the periods ended December 31, 2020 and 2019:

TYPE OF ASSET / ASSET COMPONENT	USEFUL LIFE
Transmission lines	63
Buildings	100
Fiber optics	25
Machinery and equipment	15
Telecommunications equipment	15
Furniture, office equipment, laboratory equipment	10
Communications equipment	10
Transportation, traction, and lifting equipment	10
Supervision and Maneuvers Center Equipment	6
Computer equipment and accessories	5
SUBSTATION COMPONENTS	
Battery bank	15
Charger	15
SAS components	15
Condensers	25
SVC Condensers	25
Compensation control - series	15
SVC control	15
Converter	15
CT (Current Transformer)	39
Switch	40
Inverter	15
Lines –Grounding grid for S/E's	63
Lightning arresters	30
Diesel station	30
Telephone station	15
Power line carrier (PLC)	15
PT (Power Transformer)	39
Reactor	32
SVC reactors	30
Fault recorder	15
Protection relays	15
RTU (Remote Terminal Unit)	15
Fire Protection System (FPS)	20
Isolator	40
Sensors (Discharge Information System)	15
Mobile sub	25
Teleprotection	15
Power transformer	40
SVC thyristors valve	18
Voltage quality (VQ)	15

The company may perform individual technical analyses on the useful lives of the assets, thus determining a useful life longer or shorter than previously established in order to reflect the time in which the future economic benefits from the asset are expected to be received.

3.3 Investment property

Investment property is land or buildings—considered in whole or in part, or both—used by the company to obtain yields, surplus value, or both, instead of using them for rendering services or administrative work. Investment property generates cash flows which, to a large extent, are independent of cash flows generated by other assets

owned by the company. Land or buildings held for a non-determined future use are also classified as investment property.

Investment property is initially measured at cost, including the purchase price and any directly attributable disbursement—professional fees for legal services, taxes for property transfers, among others—. Subsequently, it is measured at cost less accumulated depreciation and impairment.

Investment property is depreciated linearly over its estimated useful life, regardless of its residual value. Useful lives in years are the following:

TYPE OF ASSET	USEFUL LIFE
Lands for investments	Not depreciated
Buildings for investments	100

Transfers are made to or from the investment property, only when there is a change in its use.

These are the transfers that could be generated:

- The company occupies an asset classified as investment property; in these cases, the asset is reclassified to property, plant, and equipment. The cost considered for its subsequent accounting is the carrying value on the date of change in use.
- Conducting an operating lease to a third party or to be used by the company. In these cases, the asset is reclassified as investment property and will be also accounted for based on its carrying value.

Investment property is derecognized at the time of sale or when no future economic benefits are expected. The gain or loss from derecognition of the investment property is calculated as the difference between the net revenues from sale, if any, and the carrying value of the asset. This effect is recognized in income for the period in which it was derecognized.

3.4 Other non-financial assets

These 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.

3.5 Intangible assets

An intangible asset is recognized when the conditions of being identifiable and separable are met, when the item generates future economic benefits, and when the company can control such benefits.

Intangible assets are initially recognized at their acquisition or production cost, and then valued at their cost net of their corresponding accumulated amortization and net of 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 gain or loss arising from the derecognition of an intangible asset, 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.

➔ 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. ISA has the possibility to either replace transmission lines when their useful lives end or use the right of easements acquired for any other service related to the transmission of energy 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 straight-line method during periods in which it is expected to receive benefits, according to feasibility studies for their recovery.

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

3.6 Impairment of assets

➔ Non-financial assets

ISA's activities in the Colombian energy sector are essentially two: the energy transmission service in the National Transmission System (Sistema de Transmisión Nacional, STN), commonly known as the STN service use, and access service for different users to such system, known as the connection service to the STN.

For its part, the STN use service is provided through two different schemes: scheme of existing usage, which refers to assets that were in service in 1999 including assets in pre-construction stage on that date and assets built under the regulatory expansion scheme; and scheme of use for public calls for bids, which refers to assets that are or have been built under the scheme of free competition defined by CREG in 1998 for the implementation of projects that are part of the transmission expansion plan.

The value of an asset is impaired when its carrying amount exceeds its recoverable amount; therefore, at the end of each period reported, or before if there is any indication of impairment, the company estimates the recoverable amount and compares it with the carrying amounts of its assets, including intangible assets with undefined useful lives, to determine whether there is an indication that these assets have suffered any impairment loss.

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

To determine the value in use of future cash flows, the company estimates revenues and expenses projections for a long-term horizon, which includes a relevant period of 30 years plus a continuity period, being aligned with CREG current regulations for use and connection activities, aiming at changing the remuneration framework for bidding assets which, as of the 26th year of operation, must be remunerated as existing.

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 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.

The amount of the expected loss must maintain the analysis of the following variables, which are based on information available of each of the counterparties about the historic performance of payment of their obligations, the geographic location of the counterparty, as well as guarantees offered by said counterparty to cover any eventual non-compliance with its obligations.

Generally, the expected loss can be expressed as follows:

		%		$		%
Expected loss	=	Probability of default	×	Exposed balance	×	Loss given default

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, at the end of each year, assesses whether there is an impairment of its investments in 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.

This way, the company analyzes the presence of impairment evidence and if there is an indication that an asset may be impaired the company conducts impairment tests estimating the recoverable amount, which is the highest amount between value in use and fair value, less sale costs.

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 exceeds its recoverable value, ISA first verifies the value impairment of the investee's assets in order to obtain impairment losses through the equity method. If this is not applicable, it reduces the carrying amount of the investment by the amount of the impairment losses and recognizes an expense in the income statement for the period.

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 impairment loss had been recognized in previous years. Such reversal will be recognized in the income statement.

3.7 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.

3.7.1 Leases when ISA is the lessee

ISA initially recognizes lease payments for underlying assets with low value and 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 measures its assets by the right of use by applying the cost model, which is amortized according to the term of the contract and expectations of use of the asset.

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, ISA uses the lessee's incremental borrowing rate, which is 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 modifications made to the lease, and to reflect fixed lease payments that have been revised.

3.7.2 Leases when ISA is the lessor

The company classifies each of its agreements as either an operating lease or a financial lease, depending on the nature of the transaction rather than the form of the contract. 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.

ISA initially recognizes 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 company policies.

However, ISA recognizes, in its 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 company recognizes the financial revenues over the lease term, applying 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; also, it implements the derecognition and impairment requirements of IFRS 9 to the net investment in said lease.

3.8 Financial instruments

Financial assets and liabilities are recognized when the company becomes a part of the contractual provisions of the instrument.

3.8.1 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 changes 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, from which the management has 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 for cash, goods, or services delivered to a debtor. Sale accounts receivable are recognized at the original invoice value, net of accumulated impairment losses, when all risks and benefits are transferred to the third party.

➜ Financial assets at fair value with 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 may choose at initial recognition and irrevocably, to disclose gains or losses from the 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 accumulated income.

➜ Cash and cash equivalents

Cash and cash equivalents presented in the statement of financial position of the company 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 ISA's cash management are included as a component of cash and cash equivalents for purposes of its cash flow statement. For the statement of financial position, the financial accounts that have the 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 generated from the company's normal activities.

➔ 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 substantially all the risks and benefits of the property are retained by ISA, the financial asset is still recognized in the statement of financial position for its total value.

3.8.2 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 establishes the classification of its financial liabilities at the initial recognition, which includes: financial liabilities at fair value with changes in income or at amortized cost.

➔ Financial liabilities at fair value with changes in income

They include 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 company 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.

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 or losses arising from variations in their fair values depends on the designation made of the derivative financial instruments.

ISA designates 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 hedge ratio and the objective and risk management strategy for undertaking the hedge; such documentation will include how the company will measure the effectiveness of the hedge 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 the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the hedged item attributable to the hedged risk is recognized in gains or losses in the item related to the hedged item.

The company interrupts the hedge accounting when: the hedge relation is revoked, the hedge instrument expires or is sold, finalized or exercised, or when the criteria for hedge accounting are 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 the changes in the fair value of derivates that is determined to be an effective cash flow hedge will be recognized in other comprehensive income and will be accumulated under the title of 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 company revokes 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.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset are reported net in the financial statements if, and only if, there is a legally enforceable right on the closing date, requiring to receive or pay 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.

3.9 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.

The 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 company uses 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 fair value recorded are observable, either directly or indirectly.
- Level III: internal valuation techniques, using variables estimated by the company, 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 or extinguished in any other way 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 counterparty 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.

3.10 Provisions

Provisions are recognized when the company 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 company 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 judgment and it is a matter of opinion.

When estimating the loss contingency for legal proceedings pending against the company, legal advisors analyze, among other things, the merits of the claims, the jurisprudence of the courts involved, and the current status of proceedings. The value is determined by using the methodology established by the National Agency for Legal Defense of the State in External Circular No. 00023 of December 11, 2015. This methodology consists of three steps: determining the value of claims, adjusting the value of claims, and calculating the risk of a decision adverse for the company.

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.

3.11 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.

3.11.1 Current tax

The current tax payable is based on tax gains recorded during the year. Tax gains differ from gains reported in the income statement due to revenue 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 management periodically evaluates positions taken in tax returns with respect to situations where tax laws are subject to interpretation. The company, when appropriate, creates provisions for the amounts it expects to pay to tax authorities.

3.11.2 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 tax basis. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and are related to income tax imposed 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.

3.12 Employee benefits

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

3.12.1 Post-employment benefits

➔ Defined contribution plans

The defined contribution plan is a post-employment benefit by which the company 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, and annual periodicity.

The liability recognized in the statement of financial position regarding defined benefit pension plans is the present value of the 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 terms 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 of time -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.

➔ Other post- employment obligations

ISA grants its 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 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.

3.12.2 Long-term benefits

The company grants its employees benefits associated with their length of service, such as seniority premium and five-year period payments (quinquennium).

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 the company. Any actuarial gain or loss is recognized in income for the corresponding period.

3.12.3 Short-term benefits

Obligations regarding employee short-term benefits are recognized as expenses as the related service is provided. Labor liabilities are adjusted at the end of each period, based on laws and labor agreements in force.

This benefit is recognized when a 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 when 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.

3.13 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. On the date of the statement of financial position, the company has no provisions for onerous contracts.

3.14 Recognition of revenues, costs, and expenses

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

3.14.1 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.

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 joint account agreement income

Revenues from the joint account agreement income are recognized based on the monthly settlement thereof, which is performed by ISA INTERCOLOMBIA, considering the distribution percentages contractually agreed.

➜ Revenues from energy transmission and other associated services

ISA, as provider of energy transmission and other related services, is 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 construction contracts

When the outcome of a construction contract can be estimated reliably, 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 receiving them 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 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 gains, less recognized losses, the surplus is shown as amounts owed to customers for the work 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 and interest

Revenues from dividends are recognized once shareholders' rights to receive the payment have been established –provided that the economic benefits will flow to the com-

pany and ordinary revenues can be measured reliably–. Dividends received from companies over which ISA exerts control, joint control or significant influence are recorded as a lower investment value.

Revenues from interest are recognized when it is probable that ISA 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 flows 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.

3.14.2 Operating costs and expenses

To record operating or production costs —type 7— and sales costs —type 6—, during 2020 and 2019, ISA applied costing methods and procedures established in appendix 2 of Resolution N° 20051300033635 of 2005 from the Superintendence of Household Utilities, which is still valid through Resolution 20161300013475 of May 19, 2016, an all its amendments and/or latter additions also issued by the Superintendence of Household Utilities.

The costing system is called “activity-based costing” (ABC), by which the products offered by each service or business are the result of a series of operational processes that interact sequentially, so in its structure or cost map, it is necessary to observe how operations or tasks gradually flow to include activities, the first ones to shape these processes and the last ones to provide a public service.

This system considers that the expenses incurred in each of the areas of administrative responsibility must be assigned to business units or services, according to the activities (support processes) developed by such areas.

3.15 Income 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 company owns no potentially dilutable common shares.

3.16 Distribution of dividends

The distribution of dividends to shareholders is recognized as a liability in the statement of financial position of the 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.

3.17 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 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.

ISA is listed on the Colombia Stock Exchange (Bolsa de Valores de Colombia).

3.18 Premium for placement of shares

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

3.19 Related parties

According to definitions of IAS 24 and the particularities of ISA, especially its shareholding structure, related parties are natural persons or entities related to ISA in any of these categories:

a. A person or their close relatives[1] are related to ISA if the person is a member of the key management[2] of ISA or its controlling entity (the Nation, ISA's only controlling entity).

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 —which means that each of them, whether a controlling entity, subsidiary, or subsidiary of the same controlling entity, are related—.
- **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 individually or jointly controlled by a person identified in (a), that is, by a member of the key management of ISA or the controlling entity (the Nation, ISA's only controlling entity).

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

Commercial transactions[3] between the companies of the Group and the members of

1 **Close relatives:** family members that are expected to influence, or could be influenced by that person in their dealings with the entity, including:
(a) spouse, domestic partner or person with equivalent sentimental relationship;
(b) relatives up to the third degree of consanguinity (parents, children, siblings, grandparents, grandchildren, uncles, and nieces);
(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 their spouse, domestic partner, or person with equivalent sentimental relationship.
(e) the dependents of that person or their spouse or domestic partner, or person with equivalent sentimental relationship.

2 **Key managers or directors:** persons with the authority to and in charge of directly or indirectly planning, managing, and controlling the activities of an entity, including any director or administrator (executive or not) of said entity. 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.

3 Related-party transactions 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) remuneration to ISA's Board of Directors, 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.

the Board of Directors, the Senior Management[4], 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.

In 2020, ISA established the procedure for the identification, assessment, approval, and disclosure of commercial transactions between ISA and its related parties pursuant to Corporate Guideline No. 77 for Related-Party Transactions, taking into account the guidelines on the matter established by the Organization for Economic Cooperation and Development (OECD), recommendations of the Code of Best Corporate Practices (Country Code) issued by the Financial Superintendence of Colombia, international accounting standards, transfer price standards, and ISA's Corporate Bylaws.

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

4 **ISA Senior Management:** composed of the CEO and board-level employees reporting directly to the CEO.

II. NOTES TO FINANCIAL INFORMATION

4. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2020 and 2019, as shown in the statement of cash flows, can be reconciled against the related items in the statement of financial position, as follows:

		2020	2019
Cash and banks	(1)	539.124	519.793
TOTAL CASH		**539.124**	519.793
TDs, bonds, and securities	(2)	797	21.425
Trusts		2.277	153
TOTAL CASH EQUIVALENTS		**3.074**	21.578
TOTAL CASH AND CASH EQUIVALENTS		**542.198**	**541.371**

(1) They include resources from current and savings accounts.

(2) At the end of 2020, Conexión Jaguar carbon credit refunds for COP 797 (2019: COP 0). In 2019, this balance included: a) several TDs for COP 5.028, maturing in less than three months. b) time deposits for COP 16.397.

5. Financial assets

The balance of this item as of December 31, 2020 and 2019 is composed of the following:

		2020		2019	
	NOTE	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Accounts receivable	5.1	158.541	18.346	116.284	17.475
Other financial assets		-	-	5.508	-
TOTAL		**158.541**	**18.346**	**121.792**	**17.475**

5.1 Accounts receivable

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Dividends and shares receivable	(1)	105.484	-	58.683	-
Customers and related parties	(2)	39.996	-	43.087	-
Joint accounts (related parties)	(3)	13.177	8.556	14.796	7.906
Loans to employees	(4)	2.286	9.790	2.015	9.569
Other debtors		6.637	-	6.738	-
Interest receivable		48	-	26	-
TOTAL ACCOUNTS RECEIVABLE		**167.628**	**18.346**	125.345	17.475
Less - Portfolio impairment	(5)	(9.087)	-	(9.061)	-
TOTAL ACCOUNTS RECEIVABLE - NET		**158.541**	**18.346**	**116.284**	**17.475**

(1) In 2020, account receivable from ISA Capital do Brasil for COP 105.484 (BRL 159,7 million) for dividends and interest on equity capital decreed by the company's Governing Board on December 18, 2020. In 2019, the account receivable from ISA Bolivia corresponded to the capital reduction for COP 34.292 (BOB 72.829.530) decreed at the Extraordinary General Shareholders' Meeting held on October 28, 2019, and the account receivable from ISA Capital do Brasil for COP 24.391 (BRL 30.000.000) for interest

on equity capital.

(2) Includes accounts receivable from: usage and connection revenues for COP 38.869 (2019: COP 41.982), project engineering and management services provided to affiliates ISA INTERCHILE and PROYECTOS DE INFRAESTRUCTURA DEL PERÚ (PDI) for COP 864 (2019: COP 854), and telecommunications and fiber optics services for COP 263 (2018: COP 251). For more information about accounts receivable from economic related parties, see Note 8.1.

(3) Account receivable from affiliate ISA INTERCOLOMBIA for income generated in the monthly settlement of the joint account agreement.

(4) Accounts receivable from employees for housing loans, purchase of vehicles, and other general-purpose loans, granted at interest rates of 4%-6% and terms of up to five years for vehicles and up to fifteen years for housing.

(5) The movement of credit losses expected during the life of the loan that has been recognized for trade accounts receivable and others, in accordance with IFRS 9, is as follows:

	EXPECTED CREDIT LOSSES			
	CUSTOMERS	QUOTA SHARES	OTHERS	TOTAL
BALANCE AS OF DECEMBER 31, 2018 UNDER IAS 9	7.718	535	848	9.101
Balances recovered	(1.031)	(19)	-	(1.050)
Change in the provision for expected losses	916	36	58	1.010
TOTAL IMPAIRMENT UNDER IFRS 9 AS OF DECEMBER 31, 2019	7.603	552	906	9.061
Balances recovered	(153)	(5)	(109)	(267)
Change in the provision for expected losses	121	45	127	293
TOTAL IMPAIRMENT UNDER IFRS 9 AS OF DECEMBER 31, 2020	**7.571**	**592**	**924**	**9.087**

- Accounts receivable from employees did not have a material impact after applying IFRS 9.
- As the company's credit loss historic experience does not show loss patterns significantly different for the various customer segments, the impairment from expected losses based on the maturity of the instruments is described below:

2020	0 TO 30	61 TO 90	121 TO 360	MORE THAN 360	TOTAL
Expected average credit loss rate	0,1%	0,0%	9,4%	86,8%	26,6%
Value at risk	21.010	-	1.294	9.619	31.923
Credit losses expected during credit life	24	-	122	8.350	8.496

2019	0 TO 30	61 TO 90	121 TO 360	MORE THAN 360	TOTAL
Expected average credit loss rate	0,4%	0,0%	57,6%	85,0%	22,4%
Value at risk	27.910	-	66	9.807	37.783
Credit losses expected during credit life	101	-	38	8.332	8.471

- Besides expected loss impairment, ISA recognizes the impairment for other accounts receivable for COP 590 (2019: COP 590).

As of December 31, 2020 and 2019, the analysis of trade receivables, overdue and unpaid, is as follows:

	2020	2019
CURRENT	**32.502**	27.618
OVERDUE		
Overdue > 1 and <= 90 days	435	8.448
Overdue > 91 and <=180 days	3	-
Overdue > 181 and <= 360 days	22	34
Overdue > 360 days	7.034	6.987
TOTAL OVERDUE	**7.494**	15.469
TOTAL ACCOUNTS RECEIVABLE FROM CUSTOMERS	**39.996**	**43.087**

There are no relevant restrictions to the disposal of accounts receivable.

6. Non-financial assets

These assets include prepaid expenses, advance travel payments, travel or service acquisition expenses, and deposits made.

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Prepaid expenses	(1)	12.100	-	7.180	-
Deposits delivered	(2)	576	900	618	1.000
TOTAL NON-FINANCIAL ASSETS		**12.676**	**900**	**7.798**	**1.000**

(1) Mainly includes insurance policies for: material damages, employee healthcare, civil liability, among others.

(2) The non-current portion corresponds to telecommunication services prepaid for 20 years to our affiliate INTERNEXA for COP 900 (2019: COP 1.000).

7. Restricted cash

	2020	2019
Restricted cash	8.529	11.029

Restricted cash includes trusts for the execution of FAER and FAZNI delegated management projects, and management trusts and payments created for projects of the Energy Mining Planning Unit (Unidad de Planeación Minero Energética, UPME), as well as resources to develop the Conexión Jaguar program.

8. 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.

8.1 Related-party balances and transactions

Below are the company's main related-party balances and transactions during 2020 and 2019:

	2020	2019
ACCOUNTS RECEIVABLE	**136.112**	91.098
ISA CAPITAL DO BRASIL	105.484	24.391
ISA INTERCOLOMBIA	21.752	22.697
ISA REP	5.843	5.585
ISA BOLIVIA	1.998	36.156

Continue

PROYECTOS DE INFRAESTRUCTURA DEL PERÚ		687	527
TRANSNEXA		281	269
ISA INTERCHILE		36	1.060
INTERNEXA		31	413
LOANS RECEIVABLE FROM RELATED PARTIES		**193.554**	96.283
ISA INVERSIONES CHILE	(1)	176.592	-
ISA INVERSIONES MAULE		-	96.283
ATP TOWER HOLDINGS	(2)	16.962	-
OTHER ASSETS		**900**	1.000
INTERNEXA		900	1.000
ACCOUNTS PAYABLE		**8.965**	11.272
ISA INTERCOLOMBIA		5.012	4.213
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ		2.054	1.178
INTERNEXA		1.608	5.001
ISA INTERCHILE		-	513
ISA INVERSIONES CHILE		-	260
ISA REP		131	1
SISTEMAS INTELIGENTES EN RED		98	98
XM		62	1
ISA TRANSELCA		-	7
LOANS PAYABLE TO RELATED PARTIES		**329.546**	321.299
ISA TRANSELCA	(3)	329.546	321.299
INCOME-RELATED TRANSACTIONS			
REVENUES		**1.002.069**	917.770
ISA INTERCOLOMBIA		975.322	894.155

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ISA INVERSIONES CHILE	11.374	-
ISA REP	6.327	5.617
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	4.490	5.732
ISA INVERSIONES MAULE	-	5.874
EMPRESA PROPIETARIA DE LA RED	-	2.890
ISA INTERCHILE	2.120	985
ISA BOLIVIA	2.111	1.866
INTERNEXA	316	651
ATP TOWER HOLDINGS	9	-
COSTS AND EXPENSES	**17.774**	20.300
ISA TRANSELCA	9.014	11.403
ISA INTERCOLOMBIA	5.452	5.162
XM	2.068	1.977
INTERNEXA	1.043	1.725
ISA REP	156	-
ISA INVERSIONES CHILE	41	-
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	-	33

(1) As of December 31, 2020, it includes a loan with a nominal balance of USD 47,7 million, fixed interest rate of 4,36%, maturing on February 12, 2021.

(2) Loan granted to ATP TOWER HOLDINGS maturing on December 29, 2021. The nominal balance is USD 4,9 million, 10% fixed interest rate.

(3) As of December 31, 2020 and 2019, ISA owed COP 329.546 (2019: COP 321.299) to ISA TRANSELCA. This balance comprises the following credits:

MATURITY DATE	2020		2019	
	NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
12-oct-22	60.798	83.091	60.798	80.932
12-oct-24	72.642	98.389	72.642	95.934
12-oct-24	12.537	16.980	12.537	16.557
12-oct-25	28.500	38.441	28.500	37.498
12-oct-25	12.500	16.859	12.500	16.446
26-dic-26	31.908	41.065	31.908	40.037
31-oct-27	26.000	34.721	26.000	33.895
TOTAL	**244.885**	**329.546**	**244.885**	**321.299**

The above loans bear a DTF (Colombian benchmark 90-day time deposit rate) annual effective interest as of December 31 of the previous year. In 2020, interest for COP 9.014 (2019: COP 11.403) was recognized.

Upon approval of the Policy on Related-Party Transactions, it was concluded that Empresas Públicas de Medellín is not a related party to ISA as it is not directly or jointly controlled by the Nation, who is ISA's sole controlling entity. The balance of transaction with this company in 2019 was as follows:

	2019
Accounts receivable	26
Accounts payable	36
Related-party transactions with results in revenues	34.930

8.2 Key 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.

ISA 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.

ISA's 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).

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 3.19).

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 staff

The remuneration received by the key staff of the Senior Management is the following:

	2020	2019
Remuneration	11.898	10.602
Short-term benefits	6.179	6.350
TOTAL	**18.077**	**16.952**

There are no guarantees granted in favor of Senior Management key staff.

There are no transactions other than remuneration transactions between the company and members of the Senior Management.

8.3 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 the company's subscribed and paid-in capital.

a. The Nation

There are no transactions other than dividends paid by ISA to the Ministry of Finance and Public Credit, 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 8.2, 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.

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

	MAIN ACTIVITY	PLACE AND CREATION OF OPERATIONS	SHAREHOLDING (%)		BALANCE	
			2020	2019	2020	2019
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES						
ISA TRANSELCA	Energy Transmission business unit	Colombia	99,999%	99,999%	946.563	953.580
INTERNEXA	Telecommunications and ICT business unit	Colombia	99,420%	99,420%	79.883	72.011
ISA INTERCOLOMBIA	Energy Transmission business unit	Colombia	99,997%	99,997%	87.498	92.335
XM	Energy Transmission business unit	Colombia	99,730%	99,730%	26.565	22.783
ISA INTERVIAL COLOMBIA	Road Concessions business unit	Colombia	100,000%	100,000%	573	583
SISTEMAS INTELIGENTES EN RED	Telecommunications and ICT business unit	Colombia	15,000%	15,000%	1.494	1.253
CONSORCIO TRANSMANTARO	Energy Transmission business unit	Perú	60,000%	60,000%	1.046.320	1.012.146
ISA REP	Energy Transmission business unit	Perú	30,000%	30,000%	175.475	190.047
ISA PERÚ	Energy Transmission business unit	Perú	45,146%	45,146%	62.931	62.301
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	Energy Transmission business unit	Perú	99,967%	99,967%	9.116	16.104
ISA CAPITAL DO BRASIL (1)	Energy Transmission business unit	Brasil	100,000%	100,000%	3.260.516	3.444.827
ISA INVESTIMENTOS E PARTICIPAÇÕES	Energy Transmission business unit	Brasil	99,899%	99,899%	725.928	750.702
ISA INVERSIONES CHILE (2)	Road Concessions business unit	Chile	100,000%	100,000%	3.588.164	2.009.199

Continue

ISA INVERSIONES MAULE (2)	Energy Transmission business unit	Chile	00,000%	100,000%	-	1.128.871
ISA INTERCHILE	Energy Transmission business unit	Chile	78,410%	78,410%	898.086	935.570
ISA BOLIVIA	Reinsurances	Bolivia	51,000%	51,000%	55.110	46.507
LINEAR SYSTEMS RE	Autonomous Equity	Bermudas	100,000%	100,000%	18.770	15.105
PA BETANIA	Patrimonio autónomo	Colombia	00,000%	100,000%	-	82
TOTAL INVESTMENTS IN SUBSIDIARIES (3)					**10.982.992**	**10.754.006**
INVESTMENTS IN JOINT VENTURES						
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ - PANAMÁ	Energy Transmission business unit	Panamá	50,000%	50,000%	1.140	4.996
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ - COLOMBIA	Energy Transmission business unit	Colombia	1,172%	1,172%	3	3
TOTAL INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (4)					**1.143**	**4.999**
INVESTMENTS IN ASSOCIATES						
ATP TOWER HOLDINGS	Telecommunications and ICT business unit	EE. UU.	24,695%	24,695%	451.164	465.362
TOTAL INVESTMENTS IN ASSOCIATES					**451.164**	**465.362**
TOTAL INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES					**11.435.299**	**11.224.367**
FINANCIAL INSTRUMENTS						
ELECTRICARIBE	Energy Transmission business unit	Colombia	0,481%	0,481%	-	-
EMPRESA PROPIETARIA DE LA RED	Energy Transmission business unit	Costa Rica	11,110%	11,110%	12.524	12.524
TOTAL FINANCIAL INSTRUMENTS (5)					**12.524**	**12.524**
TOTAL INVESTMENTS					**11.447.823**	**11.236.891**

(1) The investment in ISA CAPITAL DO BRASIL is affected by the account receivable recognized by the Government of the State of São Paulo on behalf of ISA CTEEP, which is associated with the provisions of Law 4819/58 for BRL 1.779 million (COP 1.175.056) (2019: BRL 1.576 million; COP 1.281.629).

The decrease in the investment in ISA Capital in 2020, when compared with 2019, is explained by the 18,8% revaluation of the closing exchange rate with respect to the BRL, which generated a negative exchange rate effect, and by the lower impact on equity given the actuarial update of ISA CTEEP's pension liability. These variations were partially offset by the recognition of two specific events at ISA CTEEP:

- 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: O&M and increase in remunerations of assets belonging to the Basic Network of the existing System (RBSE) through the regulatory WACC, which went 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.
- The incorporation of the construction margin in ISA CTEEP due to the enforcement of the statement issued by the Securities and Exchange Commission of Brazil (CVM) about the accounting treatment—as contractual assets—of concessions belonging to energy transmission companies in this country. In this regard, according to the progress of the works, construction costs are accounted for and the margin is added to record construction revenues.

(2) At the end of May 2020, ISA INVERSIONES MAULE LTDA. and ISA INVERSIONES CHILE LTDA. merged. The merging company was ISA INVERSIONES CHILE LTDA.

(3) Companies controlled by ISA.

(4) ISA controls these companies jointly, and it is expressly defined at the statutory level.

(5) ISA holds these investments to develop the strategic business mobilization plan in different countries. Electrificadora del Caribe S.A. E.S.P. is completely impaired. The cost of the investment is COP 12.113.

Except for the investment in Electrificadora del Caribe S.A. E.S.P, as of December 31, 2020 and 2019, there were no operational and/or economic indications that the recorded net value of the investments could not be recovered.

10. Property, plant, and equipment - Net

The net balance of property, plant, and equipment as of December 31, 2020 and 2019 comprises:

	2020	2019
PROPERTY, PLANT, AND EQUIPMENT IN OPERATION		
Grids, lines, and cables	9.218.801	9.161.041
Plants and ducts	4.866.528	4.527.652
Buildings	357.363	348.349
Lands	193.709	189.490
Machinery and equipment	49.429	51.624
Communication and computing equipment	28.029	25.657
Furniture, chattels, and office equipment	22.106	24.479
Transportation, traction, and lifting equipment	6.000	6.000
SUBTOTAL PROPERTY, PLANT, AND EQUIPMENT	**14.741.965**	14.334.292
Less accumulated depreciation	(9.543.615)	(9.506.644)
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**5.198.350**	**4.827.648**
Construction in progress	1.891.364	1.791.650
Machinery, plant, and equipment under assembly	97.169	48.153
Assets in transit	-	470
TOTAL PROPERTY, PLANT, AND EQUIPMENT - NET	**7.186.883**	**6.667.921**
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**7.171.937**	**6.654.466**
TOTAL ASSETS UNDER LEASE (1)	**14.946**	**13.455**

(1) These types of assets comprise assets acquired under a lease:

	2020	2019
Plants and ducts	7.786	7.786
Computer and communication equipment	5.601	5.646
Buildings	4.867	4.867
Lands	390	390
TOTAL	**18.644**	**18.689**
Less accumulated depreciation	3.698	5.234
TOTAL ASSETS UNDER LEASE	**14.946**	**13.455**

During 2020, interest for COP 19.208 (2019: COP 17.344) was capitalized, attributable to the acquisition and construction of qualifying assets.

ISA currently has combined material damage, terrorism, and consequential loss insurance policies to insure against losses and damage to its fixed assets, except for transmission towers and lines.

There are no restrictions, pledges, or guarantee deliveries regarding obligations on property, plant, and equipment.

As of December 31, 2020 and 2019, there were no operational and/or economic evidences indicating that the net recorded value of property, plant, and equipment could not be recovered.

➜ Movements of property, plant and equipment

		2018 BALANCE	ADDITIONS AND/OR TRANSFERS	SALES AND/ OR DERECOG-NITIONS	2019 DEPRE-CIATION EX-PENSES	2019 BALANCE	ADDITIONS AND/OR TRANSFERS	SALES AND/ OR DERECOG-NITIONS	2020 DEPRE-CIATION EX-PENSES	2020 BALANCE
Grids, lines, and cables	(1)	2.490.140	242.017	-	(63.264)	2.668.893	72.738	(3.916)	(66.518)	2.671.197
Plants and ducts	(1)	1.562.056	172.917	(939)	(94.322)	1.639.712	444.057	(1.287)	(94.239)	1.988.243
Buildings		282.645	11.473	(245)	(3.622)	290.251	9.014	-	(3.705)	295.560
Lands		185.488	4.002	-	-	189.490	4.219	-	-	193.709
Machinery and equipment		19.871	1.096	-	(2.179)	18.788	2.980	(2)	(2.244)	19.522
Communication and computing equipment		3.028	7.042	-	(1.990)	8.080	14.262	-	(4.458)	17.884
Furniture, chattels, and office equipment		11.009	798	-	(2.024)	9.783	2.070	-	(1.948)	9.905
Transportation, traction, and lifting equipment		2.972	-	-	(321)	2.651	-	-	(321)	2.330
Construction in progress	(2)	1.621.159	170.491	-	-	1.791.650	99.714	-	-	1.891.364
Machinery, plant, and equipment under assembly		32.245	16.162	(254)	-	48.153	49.016	-	-	97.169
Assets in transit	(3)	432	38	-	-	470	-	(470)	-	-
TOTAL		**6.211.045**	**626.036**	**(1.438)**	**(167.722)**	**6.667.921**	**698.070**	**(5.675)**	**(173.433)**	**7.186.883**

(1) In 2020, the following projects were activated:

- UPME 03-2014 - 230/500 kV Interconexión Noroccidental (partially), for COP 420.663
- UPME 01-2018- 500/230 kV - Ocaña Second Transformer, 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

(2) The balance of construction in progress as of December 31, 2020 mainly includes:

- UPME 03-2014 230/500 kV Northwestern Interconnection Project for COP 1.003.265 (2019: COP 1.240.271), which scope comprises 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 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.

(3) The assets in transit as of 2019 correspond to the supply of the asset “OPGW cable with fittings and accessories” for the Caribbean Coast 500 kV Interconnection Project, for USD 142.701.

11. Investment property - Net

	2020	2019
INVESTMENT PROPERTY		
Buildings		9.603
Lands		1.839
SUBTOTAL INVESTMENT PROPERTY	**11.442**	11.442
Less accumulated depreciation		(3.594)
TOTAL INVESTMENT PROPERTY	**7.761**	**7.848**

Investment property corresponds to blocks II and V of ISA’s headquarters, leased to its subsidiaries XM and INTERNEXA, respectively. Revenues, costs and expenses associated with the investment property are executed by ISA INTERCOLOMBIA, through the joint account agreement.

Investment property also includes the Manizales site.

➜ Movement of investment property

	2018 BALANCE	ADDITIONS AND/OR TRANSFERS	SALES AND/ OR DERECOG-NITIONS	2019 DEPRECIATION EXPENSES	2019 BALANCE	ADDITIONS AND/OR TRANSFERS	SALES AND/ OR DERECOG-NITIONS	2020 DEPRECIATION EXPENSES	2020 BALANCE
Buildings	6.097	-	-	(88)	6.009	-	-	(87)	5.922
Lands	1.839	-	-	-	1.839	-	-	-	1.839
TOTAL	**7.936**	**-**	**-**	**(88)**	**7.848**	**-**	**-**	**(87)**	**7.761**

As of December 31, 2020 and 2019, there are no contractual obligations for repairs, improvements, maintenance, acquisition, construction or development of investment properties that represent future obligations for the company.

12. Intangible assets - Net

	2020	2019
Easements	152.994	151.200
Software	20.247	20.247
Rights	10.731	11.635
Licenses	11.228	11.195
SUBTOTAL INTANGIBLES	**195.200**	**194.277**
Less intangible amortization	(38.475)	(36.294)
TOTAL INTANGIBLES	**156.725**	**157.983**

➜ Movement of intangible assets

		2018 BALANCE	ADDITIONS AND/OR TRANSFERS	SALES AND/ OR DERECOG-NITIONS	2019 AMORTIZATION EXPENSE	2019 BALANCE	ADDITIONS AND/ OR TRANSFERS	SALES AND/ OR DERECOG-NITIONS	2020 AMORTIZATION EXPENSE	2020 BALANCE
Easements	(1)	115.883	35.317	-	-	151.200	1.795	-	-	152.995
Software		6.660	1.924	-	(3.245)	5.339	-	-	(2.668)	2.671
Licenses		53	1.817	-	(488)	1.382	33	-	(566)	849
Rights		96	-	-	(34)	62	210	(48)	(14)	210
TOTAL		**122.692**	**39.058**	**-**	**(3.767)**	**157.983**	**2.038**	**(48)**	**(3.248)**	**156.725**

(1) Regarding additions and transfers made in 2020, the additions in easements due to easements imposition on UPME 06-2013 Sabanalarga – Caracolí – Flores 220 kV Interconnection for COP 1.534.

As of December 2020 and 2019, ISA's management stated that there are no operating and/or economic indications identified, revealing that the net carrying value of intangible assets with indefinite useful lives cannot be recovered.

13. Financial liabilities

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

	NOTE	2020 CURRENT	2020 NON-CURRENT	2019 CURRENT	2019 NON-CURRENT
FINANCIAL LIABILITIES					
Outstanding bonds	13.1	18.999	3.420.221	31.431	3.117.440
Financial liabilities	13.2	132.394	1.250.494	183.355	1.344.443
TOTAL		**151.393**	**4.670.715**	**214.786**	**4.461.883**

The financing obtained by the company has no guarantees granted nor restrictions on financial covenants. During the accounting period, the company has complied with the payment of principal and interest on its loans.

13.1 Outstanding bonds

FINANCING SOURCE	ORIGINAL CURRENCY	DATE OF ISSUANCE	DATE OF MATURITY	TERM (YEARS)	INTEREST RATE			2020 NOMINAL VALUE	2020 AMORTIZED COST VALUE	2019 NOMINAL VALUE	2019 AMORTIZED COST VALUE
Tranche 7 Series A Program	COP	1/12/2011	1/12/2023	12	IPC	+	4,47%	180.000	181.313	180.000	181.185
Tranche 7 Series B Program	COP	1/12/2011	1/12/2041	30	IPC	+	4,84%	120.000	120.905	120.000	120.777
Tranche 8 Series C9 Program	COP	22/05/2013	22/05/2022	9	IPC	+	2,84%	120.000	120.327	120.000	120.838
Tranche 8 Series C15 Program	COP	22/05/2013	22/05/2028	15	IPC	+	3,25%	100.000	100.286	100.000	100.775
Tranche 9 Series C10 Program	COP	7/05/2015	7/05/2025	10	IPC	+	3,80%	100.000	100.476	100.000	100.929
Tranche 9 Series C15 Program	COP	7/05/2015	7/05/2030	15	IPC	+	4,14%	120.000	120.564	120.000	121.136
Tranche 9 Series C20 Program	COP	7/05/2015	7/05/2035	20	IPC	+	4,34%	280.000	281.337	280.000	282.696
Tranche 10 Series C8 Program	COP	16/02/2016	16/02/2024	8	IPC	+	4,73%	115.000	115.349	115.000	115.797
Tranche 10 Series C12 Program	COP	16/02/2016	16/02/2028	12	IPC	+	5,05%	152.000	152.304	152.000	152.981
Tranche 10 Series C25 Program	COP	16/02/2016	16/02/2041	25	IPC	+	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	IPC	+	3,81%	196.300	197.537	196.300	198.820
Tranche 11 Series C25 Program	COP	18/04/2017	18/04/2042	25	IPC	+	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	IPC	+	3,75%	120.100	120.115	120.100	120.690
Tranche 12 Series C30 Program	COP	28/11/2017	28/11/2047	30	IPC	+	3,98%	229.820	229.821	229.820	230.955
Tranche 13 Series C9 Program	COP	25/07/2018	25/07/2027	9	IPC	+	3,49%	156.500	157.513	156.500	158.523
Tranche 13 Series C15 Program	COP	25/07/2018	25/07/2033	15	IPC	+	3,89%	142.063	143.048	142.063	143.991
Tranche 13 Series C25 Program	COP	25/07/2018	25/07/2043	25	IPC	+	4,07%	201.437	202.884	201.437	204.224
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	-	-
TOTAL								**3.420.221**	**3.439.220**	**3.120.000**	**3.148.871**

The following operations took place in 2020, which explain the outstanding bonds balance change:

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 510 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 projects, and UPME 05-2014 500 kV Costa Caribe Reinforcement.

Maturity of outstanding bonds:

Below is the maturity of outstanding bonds as of December 31, 2020:

MATURITIES		
Short-term		**18.999**
Long-term		**3.420.221**
2022	120.000	
2023	180.000	
2024	375.780	
2025 and after	2.744.441	
TOTAL		**3.439.220**

13.2 Financial liabilities

FINANCING SOURCE	ORIGINAL CURRENCY	STARTING DATE	DATE OF MATURITY	TERM (YEARS)	INTEREST RATE			2020		2019	
								NOMINAL VALUE	AMORTIZED COST VALUE	NOMINAL VALUE	AMORTIZED COST VALUE
Banco de Bogotá	COP	26/02/2015	26/02/2022	7	IPC	+	3,60%	66.730	67.923	111.216	114.128
BBVA	COP	23/02/2016	23/02/2023	7	IPC	+	2,99%	125.000	126.560	175.000	178.607
BBVA	COP	9/10/2017	9/10/2027	10	IPC	+	4,80%	43.750	44.160	50.000	50.996
Banco Davivienda	COP	9/10/2017	9/10/2027	10	IPC	+	4,80%	43.750	44.160	50.000	50.996
BBVA	COP	7/11/2017	7/11/2027	10	IPC	+	4,80%	78.750	79.028	90.000	91.111
Banco Davivienda	COP	7/11/2017	7/11/2027	10	IPC	+	4,80%	78.750	79.028	90.000	91.111
BBVA	COP	14/12/2017	14/12/2027	10	IPC	+	4,80%	-	-	60.000	60.194
Banco Davivienda	COP	14/12/2017	14/12/2027	10	IPC	+	4,80%	-	-	260.000	260.841
Bancolombia	COP	19/11/2019	19/11/2029	10	IBR (6M)	+	2,56%	150.000	149.936	150.000	151.151
Banco Davivienda	COP	19/11/2019	19/11/2031	12	IPC	+	4,65%	150.000	150.094	150.000	151.442
Banco Davivienda	COP	19/05/2020	19/11/2031	12	IPC	+	4,65%	150.000	150.189	-	-
Bancolombia	COP	19/05/2020	19/11/2029	10	IBR (6M)	+	2,56%	150.000	150.379	-	-
TOTAL DOMESTIC FINANCIAL LIABILITIES								**1.036.730**	**1.041.457**	1.186.216	1.200.577
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	170.779	163.857	163.689
TOTAL FOREIGN FINANCIAL LIABILITIES								**343.250**	**341.431**	327.714	327.221
TOTAL								**1.379.980**	**1.382.888**	**1.513.930**	**1.527.798**

The following operations took place in 2020, which explain the structure of financial liabilities:

- In February and August, payments were made for a total of COP 44.486,5 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 as follows: i) COP 11.250 corresponding to the loan with BBVA and ii) COP 11.250 corresponding to the loan with Banco Davivienda. Disbursements were received for COP 150.000 from Bancolombia and for COP 150.000 from Davivienda 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.

Maturity of financial liabilities

Below is the maturity of financial liabilities as of December 31, 2020:

MATURITIES		
Short-term		**132.394**
Long-term		**1.250.494**
2022	107.243	
2023	446.107	
2024	77.857	
2025 and after	619.287	
TOTAL		**1.382.888**

14. Accounts payable

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

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Suppliers and contractors	(1)	95.839	-	98.629	-
Creditors	(2)	13.645	-	10.151	-
Leases	(3)	2.159	11.736	1.534	10.697
Sales paid in advance		-	1.641	-	1.793
TOTAL		**111.643**	**13.377**	**110.314**	**12.490**

(1) Accounts payable to suppliers and contractors originate mainly from the purchase of goods and services for the development of operations of the Company. These liabilities do not bear interest and are paid according to the payment policies established by the company.

(2) Creditors include balances payable for: management of the affiliate ISA INTERCOLOMBIA, insurances, and accounts payable for social security contributions.

(3) Lease liabilities include the ones associated with substation, computer and communication equipment, buildings, and lands. Below is the movement of financial lease liabilities:

	2020	2019
INITIAL BALANCE	**12.231**	3.810
Additions	3.954	9.841
Interest	994	617
Exchange difference	(163)	46
Lease payments	(3.121)	(2.083)
FINAL BALANCE	**13.895**	**12.231**

Below is the analysis of maturities of lease liabilities:

	2020	2019
Less than one year	2.159	1.534
Between one and five years	7.754	5.517
More than five years	3.982	5.180
FINAL BALANCE	**13.895**	**12.231**

15. Risk management policy

Given the nature of its activities, ISA is exposed to financial risks mainly related to investments in foreign subsidiaries, entering financial liabilities, revenues indexed to macroeconomic variables, and the acquisition of goods and services abroad.

Therefore, a risk management methodology has been implemented, which together with ongoing monitoring of financial markets, seeks to minimize potential adverse effects on the financial information. ISA identifies, evaluates, and performs a comprehensive management of the financial risks the company could be exposed to, to minimize their impact on the financial results.

At ISA, the Strategy Chief Officer is the one responsible for the implementation and management of this system, who discloses such management to the Board of Directors of the organization. Below are the financial risks to which the Company is exposed:

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.

Sensitivity analyses listed below are made based on the balances of financial instruments with cut-off date as of December 31, 2020:

a. Interest rate risk and macroeconomic variables

This risk corresponds to unfavorable changes in the fair value or future cash flows of financial instruments with respect to expectations and is caused by the variation (volatility) of domestic and international interest rates and macroeconomic variables to which these flows are indexed, thus affecting their value. The purpose of the interest rate risk management is to find a balance in the revenues and debt structure which allows stabilizing the cost of the latter and minimizing the volatility in the income statement.

➜ Financial liabilities

ISA's debt structure is mostly indexed to interest rates and macroeconomic variables, as well as a portion of the debt is maintained at a fixed rate, as described below:

TYPE OF INTEREST RATE	2020
CPI	68,3%
Fixed interest rate	14,1%
DTF	5,9%
Libor 6 months	6,8%
IBR 6 months	4,9%

As of December 31, 2020, obligations indexed to the DTF mainly correspond to loans with local economic related parties. On the other hand, fixed rate obligations such as the ones indexed to the CPI and to Libor correspond to bank loans and issuance of corporate bonds.

Below are the effects before taxes in the statement of comprehensive income, compared with a reasonable variation in interest rates (to date it has not been necessary to hedge financial liabilities indexed at interest rate):

INCREASE / DECREASE OF BASIC POINTS	EFFECT ON INCOME STATEMENT BEFORE INCOME TAX
(+) 100	(50.541)
(-) 100	50.541

ISA currently maintains a natural hedge on debt financial instruments that are indexed to the CPI, as most of ISA's revenues come from its affiliate ISA INTERCOLOMBIA, which in turn are associated to a greater extent with the behavior of the Colombian producer price index (PPI) and to a lesser extent with the behavior of the American producer price index (PPI). These variables are related, which allows minimizing the impacts of the interest rate risk linked to macroeconomic variables.

➜ Financial instruments - Liquidity surplus

As of December 31, 2020, ISA does not maintain financial instruments –surplus liquidity– indexed to interest rates.

Since the financial instruments that may compose the surplus liquidity portfolio are acquired with the intention to maintain them until their maturity, these investments are not exposed to the interest rate risk (investments measured at amortized cost).

b. Exchange rate risk

ISA is exposed to exchange rate risk (US Dollar), given the translation effect of dividends received from companies abroad; revenues from projects awarded in UPME's public biddings, calculated in US dollars and paid in Colombian pesos; expenses related to service of debts incurred in US dollars; purchases of equipment; and/or execution of new projects, capitalizations to affiliates, and loans granted to related parties.

As of December 31, 2020, ISA maintained the following financial assets and liabilities (in thousands of US Dollars):

	2020
ASSETS	
Cash and cash equivalents	12,1
Economic related parties	54,5
Other financial assets	5,8
TOTAL ASSETS	**72,4**
LIABILITIES	
Financial liabilities	99,5
Accounts payable	5,6
TOTAL LIABILITIES	**105,1**
NET MONETARY POSITION	**(32,7)**

The effects on the income statement before taxes, compared to a reasonable variation in the foreign currency (US Dollar) exchange rate, keeping all other variables constant, are shown below:

DEVALUATION / REVALUATION	EFFECT ON INCOME STATEMENT BEFORE INCOME TAX
(+) 10%	(11.233)
(-) 10%	11.233

Mitigation measures

Market risk mitigation tools are the hedge operations carried out for financial risks, which aim to stabilize, over a time horizon, the financial statements and the cash flow against fluctuations in the risk factors.

Thus, once the existence of exposure to a risk market is identified with certainty, the use of natural or synthetic hedges is chosen. The closing is carried out through ISA's treasury department, following corporate guidelines that establish a hedging, non-speculation criterion.

As part of the market risk hedges –exchange rate, interest rate, price– ISA can carry out standard derivative operations –e.g., futures contracts for commodities– and non-standard derivative operations, such as forwards, swaps, and options in installments, in line with the best conditions of each market, which qualify as financial hedging instruments to be registered in the financial statements.

As of December 31, 2020, ISA does not maintain any hedge operation for foreign exchange risk.

15.1 Credit and counterparty risk

The credit and counterparty risk are defined as the contractual default, arrears or doubtful collection with respect to obligations incurred by the company' customers, as well as by counterparties of financial instruments acquired or used, which would result in financial losses.

a. Credit risk (customers):

For ISA, this risk refers to arrears or doubtful recovery of the portfolio by agents who pay usage fees for the STN (National Transmission System), customers connected to the STN, economic related parties, dark fiber customers, and other related services.

The main measures taken to manage this risk are:

- Mechanisms and instruments defined in the regulation to cover payments made by agents in the Wholesale Energy Market –guarantees, notes, and prepayments, as well as the supply limitation scheme–, which include those corresponding to usage fees for the STN service, settled and managed by XM, under the contract of mandate defined in the regulation for this effect
- Withdrawal fee clauses included in STN connection agreements
- Management of collections
- Analysis of financial statements of new customers connecting to the STN

b. Credit risk (surplus liquidity):

In bank deposits and financial investments, including the procurement of derivative instruments, credit and counterparty risk is mitigated by choosing institutions widely recognized in the market, with risk ratings performed by locally or internationally approved agencies; additionally, a counterparty quota is assessed for these transactions through an allocation model that keeps both quantitative –financial indicators– and qualitative (risk ratings) variables, which is reviewed quarterly.

Furthermore, issuer concentration policies are maintained both at individual and economic group levels, which allow decreasing the exposure to credit risk. Such policies are monitored regularly to ensure their effective implementation.

As of December 2020, ISA received the following risk rating due to its surplus liquidity:

SURPLUS LIQUIDITY BY LOCAL RISK RATING		
Rate	**Balance in COP millions**	**Share (%)**
AAA	523.101	100
TOTAL	**523.101**	**100**

SURPLUS LIQUIDITY BY (INTERNATIONAL RATING)		
Rate	**Balance in COP millions**	**Share (%)**
A+	26.027	100
TOTAL	**26.027**	**100**

15.2 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 carries out constant monitoring of the short-term cash flow, which allows identifying liquidity needs during the periods analyzed. Furthermore, liquidity indicators are used, such as the monthly and accumulated liquidity coverage ratio, which is calculated periodically. These ratios aim to verify whether the company's current and non-current cash flow revenues cover its outflows.

Likewise, ISA 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.

Below is a description of the future maturity profile expected for the company's financial liabilities:

AS OF DECEMBER 31, 2020	0 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financial liabilities and bonds	66.777	84.616	1.798.496	2.872.219	4.822.108
Principal	47.244	82.243	1.798.496	2.872.219	4.800.202
Interest (1)	19.533	2.373	-	-	21.906
Accounts payable to related parties (2)	-	-	294.826	34.720	329.546
Accounts payable	111.643	-	-	13.377	125.020
TOTAL	**178.420**	**84.616**	**2.093.322**	**2.920.316**	**5.276.674**

(1) Pago de intereses proyectados en el tiempo.

(2) Cuentas por pagar a vinculados económicos en créditos tomados con compañías del Grupo.

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 shown in the following table, based on the categories of financial assets, compared with their current and non-current carrying value included in the financial statements:

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

FINANCIAL ASSETS	NOTE	2020		2019	
		AMORTIZED COST	AT FAIR VALUE	AMORTIZED COST	AT FAIR VALUE
Cash	4	-	539.124	-	519.793
TDs, bonds, and securities	4	797	-	21.425	-
Trusts	4	-	2.277	-	153
Accounts receivable	5.1	158.541	-	116.284	-
Investments over 90 days	5.2	-	-	5.508	-
Loans receivable from related parties		6.346	-	181	-
TOTAL CURRENT		**165.684**	**541.401**	143.398	519.946
Restricted cash	7	-	8.529	-	11.029
Accounts receivable	5.1	18.346	-	17.475	-
Loans receivable from related parties		187.208	-	96.102	-
Investments in financial instruments	9	-	12.524	-	12.524
TOTAL NON-CURRENT		**205.554**	**21.053**	113.577	23.553
TOTAL		**371.238**	**562.454**	**256.975**	**543.499**

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 the current and non-current carrying value included in the financial statements.

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	13	151.393	-	214.786	-
Accounts payable	14	111.643	-	110.314	-
TOTAL CURRENT		**263.036**	**-**	325.100	**-**
Financial liabilities	13	4.670.715	-	4.461.883	-
Accounts payable to related parties	8.1	329.546	-	321.299	-
Accounts payable	14	13.377	-	12.490	-
TOTAL NON-CURRENT		5.013.638	-	4.795.672	**-**
TOTAL		**5.276.674**	**-**	**5.120.772**	**-**

a. 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 3.9 Fair value measurement.

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

FINANCIAL INSTRUMENTS AT FAIR VALUE	2020		FAIR VALUE MEASURED AT THE END OF PERIOD		
	CURRENT	NON-CURRENT	LEVEL I	LEVEL II (1)	LEVEL III
FINANCIAL ASSETS					
Cash	539.124	-	539.124	-	-
Trusts	2.277	-	2.277	-	-
Restricted cash	-	8.529	8.529	-	-
Investments in financial instruments	-	12.524	-	12.524	-
TOTAL	**541.401**	**21.053**	**549.930**	**12.524**	**-**

FINANCIAL INSTRUMENTS AT FAIR VALUE	2019		FAIR VALUE MEASURED AT THE END OF PERIOD		
	CURRENT	NON-CURRENT	LEVEL I	LEVEL II (1)	LEVEL III
FINANCIAL ASSETS					
Cash	519.793	-	519.793	-	-
Trusts	153	-	153	-	-
Restricted cash	-	11.029	11.029	-	-
Investments in financial instruments	-	12.524	-	12.524	-
TOTAL	**519.946**	**23.553**	**530.975**	**12.524**	**-**

(1) Fair values have been classified at Level II, based on input data of valuation techniques used. (See Note 3.9 Fair value measurement).

17. Provisions

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

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Other provisions	(1)	-	6.548	-	6.548
Disputes and claims	(2)	-	3.459	1.715	3.583
TOTAL PROVISIONS		**-**	**10.007**	**1.715**	**10.131**

(1) Compromisos requeridos para la obtención de las licencias ambientales con diversas corporaciones autónomas regionales.

(2) Pasivos estimados por procesos judiciales en contra de la compañía que se encuentran catalogados como probables. El detalle de la provisión por litigios y demandas es el siguiente:

TYPE OF PROCEEDING	2020		2019	
	#	BALANCE	#	BALANCE
Administrative	2	2.352	3	4.142
Labor	2	1.107	3	1.156
TOTAL	**4**	**3.459**	**6**	**5.298**

The provision estimate for litigations and claims complies with the methodology of valuation established in Resolution No. 353, issued in November 2016, by the National Agency for Legal Defense of the State. This methodology consists of determining the value of claims, adjusting the real value of claims, and calculating the registration value by applying what is established in the Resolution.

The movement of provisions is as follows:

	DISPUTES AND CLAIMS	OTHER PROVISIONS
FINAL BALANCE AS OF DECEMBER 31, 2019	5.298	6.548
Provisions in the period	(114)	-
Usage in the period	(1.725)	-
FINAL BALANCE AS OF DECEMBER 31, 2020	**3.459**	**6.548**

17.1 Disputes and claims

ISA is 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 company. Likewise, on its own behalf, it has instituted legal actions required for the defense of its interests.

The following information shows the probable and eventual processes against and in favor of the company:

PROBABILITY OF WINNING OR LOSING	#	BALANCE
Likely against	4	3.459
Eventual against	58	35.844
Eventual in favor	31	28.749
Likely against – Civil (1)	550	45.489

(1) In compliance with the concept issued by the General Accounting Office in 2018, the provisions related to imposed easement processes are recognized only at the time of payment.

The main legal proceedings the company is currently carrying out are:

Proceedings as defendant

TYPE AND INSTANCE	PLAINTIFF	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
Administrative. First instance. Case number 05001233100020060325200	Empresas Públicas de Medellín E.S.P. (EPM)	Plaintiff seeks to declare Interconexión Eléctrica S.A. E.S.P., liable for unjust enrichment.	1.712	Probable
Labor. Second instance. Case number 68001310500220120032300	Jorge Eliécer Reyes Plata	Plaintiff seeks a declaration stating that between him and Interconexión Eléctrica S.A. E.S.P. there was a labor relation, ended without justifiable reason.	736	Probable
Administrative. First instance. Case number 05001233100019980397100	Gómez Cajiao y Asociados S.A.	Plaintiff seeks the absolute nullity of administrative act and auditing and consulting contract, on the grounds that such contract was awarded to an entity other than the one the plaintiff represents, and 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
Labor. First instance. Case number. 11001310500620070101400	José Norman Pedraza Casas	Reestablishment of the constitutional right for his employer to cover old age, disability, and death risks.	371	Probable
Labor. Reversal. Case number 05001310501220140113800	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 between ISA and SINTRAISA in favor of the plaintiffs.	3.618	Probable
Labor. Reversal. Case number 05001310500620140113500	Alonso de Jesús Buriticá Álvaro Fabra Celis Henry Betancur Ríos Jaime Ospitia Obregón José Aníbal Albarracín Ardila	Declaring ISA to recognize extralegal retirement pension subscribed with SINTRAISA.	3.164	Eventual

Proceedings as plaintiff

TYPE AND INSTANCE	DEFENDANT	DESCRIPTION OF THE PROCEEDING	ESTIMATED VALUE	PROBABILITY
Administrative. First instance. Case number 25000233600020180090601	Chamber of Representatives DIAN Senate	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

18. Taxes

18.1 General aspects of the income tax

The current tax legislation applicable to the company establishes 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).
- 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 tax year 2017, an anti-deferral regime for passive income obtained abroad by Colombian residents started 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. In the regime of entities controlled from abroad, it is established as a presumption that when 80% or more of the affiliate's revenues are active (operating) income, it will be understood that the total income is active and, consequently, it will not be necessary to attribute any portion of passive income of the entity controlled abroad.
- As of the 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. With respect to formed assets, the discount may only be considered from the moment the asset is activated and depreciation begins.
- The Financing Law of 2018, and later, the Economic Growth Law of 2019, created a regime of Colombian Holding Companies (CHC) for companies which main activities include securities holding, investment in shares or stakes abroad, and investment management. Decentralized entities, like ISA, are understood to be included in the

CHC regime. In application of this regime, 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.

To determine the income tax, it is necessary to consider the following situations:

a. 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 twenty-year period. 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 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.

b. 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 2020 and 2019, the value of income obtained in countries members of the Andean Community of Nations (Peru, Ecuador, and Bolivia) is included as exempt income. This value results from subtracting the corresponding costs and deductions from the revenues generated by the exempted activity.

c. 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.

18.2 Tax assets

Tax assets as of December are:

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Other assets from taxes and contributions	(1)	68.105	1.023	41.135	1.405
TOTAL		**68.105**	**1.023**	**41.135**	**1.405**

(1) This item includes advances on deferred withholding tax that will be offset in subsequent periods, the industry and commerce positive balance resulting in some of the municipalities in which the company is a taxpayer, the amount of VAT discounted on fixed assets referred to in Articles 258-1 and 258-2 of the Tax Statute that will be discounted in subsequent periods, and the amount of other tax discounts applicable in future periods.

18.3 Reconciliation of income tax expense

The reconciliation between the income tax expense and the product of the accounting income, multiplied by the local tax rate of the company, is as follows:

	2020	2019
Net gains before income tax	2.216.879	1.808.735
Statutory income tax rate in Colombia	32%	33%
Income tax expense at local rate	709.401	596.883
INCREASE (DECREASE) IN THE TAX PROVISION RESULTING FROM:		
Application of fixed asset benefit	(70.007)	(62.057)
Non-deductible expenses	6.268	2.004
Taxable dividends, CAN dividends, and ECE income	165.007	169.396
Equity method	(518.892)	(424.854)
Exempted income	(143.965)	(154.797)
Tax in other jurisdictions	35.641	40.531

Continue

Current and deferred rates difference	(29.524)	(1.876)
INCOME TAX EXPENSE	**153.929**	165.230
INCOME TAX EFFECTIVE RATE	**6,94%**	**9,14%**

The reconciliation between the income tax expense and the product of the accounting income, clearing the impact of the equity method, multiplied by the local tax rate of the company, is as follows:

	2020	2019
Net gains before income tax	2.216.879	1.808.735
Equity method	(1.621.538)	(1.287.435)
Net gains before income tax excluding equity method	595.341	521.300
Income tax rate in Colombia	32%	33%
Income tax expense at local rate	190.509	172.029
INCREASE (DECREASE) IN THE TAX PROVISION RESULTING FROM:		
Application of fixed asset benefit	(70.007)	(62.057)
Non-deductible expenses	6.268	2.004
Taxable dividends, CAN dividends, ECE income	165.007	169.396
Exempted income	(143.965)	(154.797)
Lower tax paid in other jurisdictions	35.641	40.531
Current and deferred rates difference	(29.524)	(1.876)
INCOME TAX EXPENSE	**153.929**	165.230
INCOME TAX EFFECTIVE RATE	**25,86%**	**31,70%**

The amount of income tax in the income statement for the period corresponds to the recognition of the current tax on the income for the year in Colombia, the national tax amount withheld abroad that cannot be accredited, tax adjustments of the previous year, and the change in deferred tax, as follows:

	2020	2019
THE INCOME TAX EXPENSE CONSISTS OF:		

Current income tax expense	154.356	109.178
Expenses for taxes paid in other jurisdictions	35.642	40.531
Deferred income tax expense	(7.672)	13.936
Income tax adjustment for previous years	(28.397)	1.585
INCOME TAX EXPENSE	**153.929**	**165.230**

➜ **Income tax effective rate vs. nominal rate**

Income tax effective rate

	2020			2019		
Income tax provision	153.929	=	6,94%	165.230	=	9,14%
Income before taxes	2.216.879			1.808.735		

Income tax effective rate deducting the impact of the equity method

The equity method found in income is no basis for determining the income tax. To determine this tax, dividends actually received in the year that are taxable under current tax regulations are considered. This makes the effective rate of the company to be distorted. The following is the calculation of the effective tax rate, excluding the impact of the equity method included in the income statement.

	2020			2019		
Income tax provision	153.929	=	25,86%	165.230	=	31,70%
Income before tax excluding the equity method	595.341			521.300		

The effective rate, excluding the impact of the equity method for 2020 was 35,85% compared with a nominal rate of 32%, while for 2019, the effective rate was 31,70% compared with a nominal rate of 33%, mainly explained by:

- The application of the deduction for investment in productive actual fixed assets reduces the payment of income tax. For 2020, this means a reduction of 12% of the effective rate compared with the nominal rate. For 2019, this item reduced the rate by 12%.
- The non-deductibility of expenses, and other differences in accounting and tax treatments, generates a rate increase of 1%. For 2019, the effect on the rate was 0,5%.
- The impact of the inclusion of dividends received during the year, combined with the application of the exempted income by executing operations in the Andean

Community of Nations (CAN) and the exempted income by applying the regime for Colombian Holding Companies (CHC), caused a tax increase by 4%, in 2020. For 2019, it represented 3% in the effective rate.

- The amount of taxes paid abroad that cannot be held as tax credit in income tax, generated an increase by 6% in the effective rate for 2020, and by 8% in 2019.
- During 2020 a recovery of income tax provision of the previous year was recognized, representing a decrease by 4% in the effective rate for this year.

18.4 Deferred tax

The company's deferred tax is related to the following:

- In property, plant, and equipment, by differences in the recognition of the deemed cost, inflation adjustments for tax purposes, 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.

Below is the detailed balance of the company's net deferred tax:

	2020		2019	
	BEGINNING OF THE PERIOD	END OF THE PERIOD	BEGINNING OF THE PERIOD	END OF THE PERIOD
DEFERRED TAX ASSETS				
Labor liabilities	33.226	35.755	30.923	33.226
Intangibles and other assets	5.601	5.883	6.998	5.601
Accounts payable	3.659	4.158	1.186	3.659
Estimated liabilities and provisions	3.272	6.068	2.486	3.272
TOTAL DEFERRED TAX ASSETS	**45.758**	**51.864**	41.593	45.758
DEFERRED TAX LIABILITY				
Property, plant, and equipment	(903.114)	(905.823)	(880.031)	(903.114)
Accounts receivable	(2.926)	145	(4.040)	(2.926)
Financial liabilities	(243)	3.377	(5.738)	(243)
TOTAL PASIVO POR IMPUESTOS DIFERIDOS	**(906.283)**	**(902.301)**	(889.809)	(906.283)
TOTAL DEFERRED TAX LIABILITIES	**(860.525)**	**(850.437)**	**(848.216)**	**(860.525)**

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

	2020	2019
DEFERRED TAX VARIATION		
Beginning of the period (net)	(860.525)	(848.216)
End of the period (net)	(850.437)	(860.525)
VARIATION FOR THE PERIOD	**(10.088)**	12.309
DETAIL OF THE DEFERRED TAX VARIATION		
Variation recognized in income	(7.672)	13.937
Variation recognized in other comprehensive income	(2.416)	(1.628)
TOTAL DEFERRED TAX VARIATIONS	**(10.088)**	**12.309**

The company has permanent investments that contain accounting and tax differences resulting from the application of the equity method for accounting purposes and their

fiscal cost. No deferred taxes have been calculated on these differences, as there is no expectation of realization. The non-recognized deferred tax would be determined by applying the rate at which capital gains would be taxed depending on the country where the investment is located, to the differences between the carrying cost and the tax cost of the investment.

The company does not have any tax losses nor presumptive income surplus outstanding for future tax calculations, and therefore it has not recognized any deferred tax amount for this item.

18.5 Tax liabilities

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Income tax	(1)	41.097	-	20.507	-
Other tax liabilities	(2)	21.888	-	17.602	-
TOTAL OTHER TAX LIABILITIES		**62.985**	**-**	**38.109**	**-**

(1) The current income tax provision is determined by the estimated income tax for the year, reduced by the application of tax discounts such as the discount for industry and commerce tax paid, the discount for investments in technological development and innovation, and the discount for VAT on acquisition of fixed assets referred to in Article 258-1 of the Tax Statute, among others, and the application of withholding taxes paid during the year and advances paid in tax returns for the previous year.

	2020		2019	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Current income tax	154.356	-	111.172	-
Discounts, withholdings, and advances	(113.259)	-	(90.665)	-
TOTAL CURRENT INCOME TAX PROVISION	**41.097**	**-**	**20.507**	**-**

(2) Tax liabilities comprise the following balances: withholding and self-withholding at source payable, sales tax of the last two months of the year, withholding at source from industry and commerce tax, withholding of Universidad National's stamp, withholding corresponding to Public Works Contribution and the contributions pending payment. These amounts are paid in the next year.

18.6 Total taxes 2020

ISA contributed during 2020 with COP 190.408 in total taxes, of which COP 8.198 are recognized by the regulator. The following table shows the amounts the company disclosed in its 2020 financial statements as costs/expenses for the year.

2020 TAXES	NATIONAL GOVERNMENT	DEPARTMENTAL AND MUNICIPAL GOVERNMENTS	SECTOR CONTRIBUTIONS	REGULATION, SURVEILLANCE AND CONTROL ENTITIES	TOTAL TAXES, FEES AND CONTRIBUTIONS
Income tax	153.929	-	-	-	153.929
Industry and commerce tax	-	4.301	-	-	4.301
Financial transaction tax	9.364	-	-	-	9.364
Street lighting tax	-	1.566	-	-	1.566
Real estate tax	-	3.160	-	-	3.160
Other municipal taxes (1)	-	1.714	-	-	1.714
SUBTOTAL TAXES	163.293	10.741	-	-	174.034
SSPD and CREG contributions	-	-	4.606	-	4.606

Continue

Fiscalization fee - Comptroller's Office of the Republic	-	-	-	3.570	3.570
SUBTOTAL CONTRIBUTIONS	-	-	4.606	3.570	8.176
Energy Mining Planning Unit (UPME)	-	-	-	8.198	8.198
SUBTOTAL RECOGNIZED CONTRIBUTIONS	-	-	-	8.198	8.198
TOTAL TAXES	**163.293**	**10.741**	**4.606**	**11.768**	**190.408**

(1) Other municipal taxes include tax on notices and billboards, Fire Department surtax, vehicle tax, stamps, surtax on disaster prevention, and environmental surtax.

19. Employee benefits

ISA grants its current and retired employees some benefits. These benefits include: Post-employment contributions for pensions, medical plan benefits, education assistance, and seniority benefits.

The structure of non-current employee benefits as of 31 December 2020 and 2019 is the following:

	NOTE	2020	2019
POST-EMPLOYMENT BENEFITS			
Retirement pensions	19.1	143.192	138.249
Health plans, prepaid medical assistance	19.3	83.700	83.420
Education assistance	19.4	12.147	9.991
LONG-TERM BENEFITS			
Quinquennium and seniority premium	19.5	2.674	2.386
TOTAL NON-CURRENT EMPLOYEE BENEFITS		**241.713**	**234.046**

19.1 Retirement pensions

ISA, according to collective and individual labor agreements, must pay retirement pensions to employees who meet certain requirements of age and length of service. The Social Security Institute (ISS) (today Colpensiones), and pension management companies assume the major portion of this obligation, complying with legal requirements.

The present value of the pension obligation as of December 31, 2020 and 2019 was determined based on actuarial studies in accordance with IAS 19, using the actuarial valuation method. The projected credit unit is used to determine the present value of the defined benefit obligation and, when appropriate, the cost of services and the cost of past services.

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 with respect to previous years, benefits are linearly attributed from the date on which the service provided by the employee entitles him to such benefit, until the date on which subsequent services entitle him to additional amounts that are not significant for the benefit, according to the plan.

The primary actuarial assumptions used in the valuation are:

VARIABLES	2020	2019
Discount rate	6,6%	7,1%
Future salary increase	4,5%	4,0%
Future pension increase	3,5%	3,5%
Inflation rate	3,5%	3,5%
Minimum wage increase	4,0%	N/A
Rate of return on assets	N/A	N/A
Mortality rate	2008 valid rentiers	2008 valid rentiers
Number of people covered by the pension plan	403	405
Number of people covered by the contribution plan	-	-

19.2 Local pension liability

The results of the calculation of the mathematical reserve for retirement pensions payable by ISA as of December 31, 2020, considering local regulations, are shown below:

GROUP	2020		2019	
	NUMBER OF PEOPLE	VALUE OF MATHEMATICAL RESERVE	NUMBER OF PEOPLE	VALUE OF MATHEMATICAL RESERVE
Pension liability increase	3	1.768	4	2.091
Retired employees with shared pension	319	94.203	319	92.466
Beneficiary employees in charge of the Company	4	546	7	3.217
Employees retired by the company and waiting for the ISS (Colpensiones)	2	350	2	351
Beneficiary employees shared with the ISS (Colpensiones)	70	20.060	67	20.090
Active employees with requirements met with the Company and ISS (Colpensiones)	1	1.656	1	1.666
Employees voluntarily retired, affiliated to the ISS (Colpensiones)	2	890	2	951
Employees with temporary rents, shared with the ISS (Colpensiones)	1	368	2	525
Disability pension (replacement) shared with the ISS (Colpensiones)	1	266	1	258
PENSION LIABILITY	**403**	**120.107**	**405**	**121.615**

	2020	2019
Local pension liability	120.107	121.615
NCIF pension liability	(143.192)	(138.249)
DIFFERENCE	**(23.085)**	**(16.634)**

The main actuarial assumptions used in the valuation are:

VARIABLES	2020
Technical interest real rate	4,80%
Salary increase rate	3,64%
Pension increase rate	3,64%
Inflation rate	3,64%
Mortality rate	Rentistas válidos 2008
Number of people covered by the pension plan	403

19.3 Health, prepaid medicine, and medical assistance plans

ISA will pay the following percentages on premiums for health plans corresponding to prepaid medical assistance and hospitalization policy:

- 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) current minimum legal monthly wages (SMLMV), eighty percent (80%) of the premium value.
- For wages and pensions above five point five (5,5) current minimum legal monthly wages (SMLMV), seventy percent (70%) of the premium value.

ISA recognizes 1,70 SMLMV as medical assistance benefit. This benefit is granted to the employee and his beneficiaries.

The main actuarial assumptions used in the valuation are:

VARIABLES	2020	2019
Discount rate	6,80%	7,20%
Minimum wage increase	4,50%	4,00%
Initial increase rate for benefit cost	4,50%	5,34%
Final increase rate for benefit cost	4,50%	4,50%
Rate of return on assets	N/A	N/A
Mortality rate	2008 valid rentiers	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%
Number of people covered by the medical assistance plan	1.017	1.026

19.4 Education assistance

Employees are entitled to the recognition of the education assistance, as well as children of active employees and pensioned employees, who are younger than 18 years old, and who are between 18 and 25 years old, provided they are single and are not working.

The values to recognize will be stipulated in the collective agreements in effect:

EDUCATIONAL LEVEL	AMOUNT TO BE RECOGNIZED FOR EACH PERIOD FOR BENEFICIARIES OF THE COLLECTIVE LABOR AGREEMENT
Preschool, kindergarten, primary and secondary school for each child	4,5 SMLMV (annual)
Technology, professional technician, and specialization in technology for each child	2,25 SMLMV (per semester)
Children with learning disabilities, of any age	4,5 SMLMV (annual)

The main actuarial assumptions considered for the valuation are:

VARIABLES	2020	2019
Discount rate	7,2%	7,5%
Minimum wage increase	4,5%	4,0%
Rate of return on assets	N/A	N/A
Mortality rate	2008 valid rentiers	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%
Number of people covered by education plan	178	195

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

	PENSIÓN	MEDICAL ASSIS-TANCE PLAN	EDUCATION ASSISTANCE	TOTAL
BALANCE AS OF DECEMBER 31, 2019	138.249	83.421	9.990	231.660
Cost of services for the current period	-	667	316	983
Interest expense/revenue	9.476	5.832	737	16.045
Actuarial (gains)/losses from experience	(3.373)	(1.982)	256	(5.099)
Actuarial (gains)/losses from financial assumptions	6.926	4.298	1.401	12.625
Actuarial (gains)/losses from change in demographic assumptions	-	(3.696)	(226)	(3.922)
Benefits directly paid by the company	(8.086)	(4.840)	(327)	(13.253)
BALANCE AS OF DECEMBER 31, 2020	**143.192**	**83.700**	**12.147**	**239.039**

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	PENSION	MEDICAL	EDUCATION
CHANGE IN DISCOUNT RATE			
Discount rate increase by +1%	(13.258)	(8.716)	(1.603)
Discount rate decrease by -1%	15.737	10.605	1.564
CHANGE IN BENEFIT INCREASE			
Increase in benefit increase by +1%	-	-	2.130
Decrease in benefit increase by -1%	-	-	(1.705)
CHANGE IN MEDICAL TREND			
Increase in medical trend by +1%	-	9.097	-
Decrease in medical trend by -1%	-	(7.544)	-
OBLIGATION BASE	**143.192**	**83.700**	**12.147**
DURATION OF THE PLAN	**10,7**	**12,1**	**15,9**

The analysis of sensitivity estimates the effect on the post-employment benefit obligation as a result of reasonably possible changes in key assumptions used on each reporting date.

In 2020, COP 1.188 was recorded in other comprehensive income for defined benefit plans, net of taxes.

19.5 Quinquennium and seniority premium

The following are the long-term benefits:

- Quinquennium: The benefit is provided for every five years of service in the company. It consists of paying a fixed amount when the employee reaches a five-year length of service.
- 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 in which each year of service is reached. The benefit begins to be paid when the employee reaches five years working for the company.

The main actuarial assumptions used in the valuation of these benefits are:

VARIABLES	2020	2019
Discount rate	5,90%	6,70%
Minimum wage increase	4,50%	4,50%
Rate of return on assets	N/A	N/A
Mortality rate	2008 valid rentiers	2008 valid rentiers
Turnover rate	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%	"2003 SOA Pension Plan Turnover Study" with an adjustment factor at 50%
Number of people covered by seniority premium and quinquennium	108	111

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

	SENIORITY PREMIUM AND QUINQUENNIUM
BALANCE AS OF DECEMBER 31, 2019	2.386
Cost of services for the current period	280
Interest expense/revenue	146
Actuarial (gains)/losses from experience	217
Actuarial (gains)/losses from financial assumptions	160
Actuarial (gains)/losses from change in demographic assumptions	(112)
Benefits directly paid by the company	(403)
BALANCE AS OF DECEMBER 31, 2020	**2.674**

The quantitative analysis of sensitivity regarding a change in a key assumption would generate the following effect on the net obligation from long-term benefits:

ASSUMPTIONS	SENIORITY PREMIUM AND QUINQUENNIUM
CHANGE IN DISCOUNT RATE	
Discount rate increase by +1%	2.495
Discount rate decrease by -1%	2.879
CHANGE IN SALARY INCREASE	
Increase in salary increase by +1%	2.885
Decrease in salary increase by -1%	2.486
OBLIGATION BASE	**2.674**
DURATION OF THE PLAN	**7,6**

The sensitivity analysis estimates the effect on the long-term benefit obligation as a result of reasonably possible changes in key assumptions used on each reporting date.

20. Non-financial liabilities

		2020		2019	
		CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Deferred revenues and credits	(1)	-	143.464	-	158.331
Revenues received in advance		3.071	-	3.287	-
Collections in favor of third parties		499	-	511	-
TOTAL NON-FINANCIAL LIABILITIES		**3.570**	**143.464**	**3.798**	**158.331**

(1) Deferred revenues from the National Transmission System (STN) for COP 140.639 (2019: COP 155.799), from UPME bidding assets; deferred revenues from construction services for infrastructure projects, COP 2.049 (2019: COP 1.568), and from infrastructure use rights, for COP 776 (2019: COP 964).

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	COP MILLION	% STAKE (1)
STATE INVESTORS			
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
SUBTOTAL	**667.196.974**	**21.884**	**60,2339**
PRIVATE CAPITAL INVESTORS			
Fondo de Pensiones Obligatorias Porvenir Moderado	92.193.288	3.024	8,3231

Continue

2020			
SHAREHOLDERS	NUMBER OF SHARES	COP MILLION	% STAKE (1)
Fondo de Pensiones Obligatorias Protección Moderado	63.707.822	2.090	5,7515
Fondo Bursátil Ishares Colcap	32.861.575	1.078	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 Proteccion 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
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
SUBTOTAL	440.480.920	14.447	39,7661
TOTAL OUTSTANDING SUBSCRIBED CAPITAL	**1.107.677.894**	**36.331**	**100,0000**
Own shares reacquired (2)	17.820.122	585	
TOTAL SUBSCRIBED AND PAID-IN CAPITAL	**1.125.498.016**	**36.916**	

2019			
SHAREHOLDER	NUMBER OF SHARES	COP MILLION	% STAKE (1)
STATE INVESTORS			
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
SUBTOTAL	667.196.974	21.884	60,2339
PRIVATE CAPITAL INVESTORS			
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
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 Proteccion 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

Continue

2019			
SHAREHOLDER	NUMBER OF SHARES	COP MILLION	% STAKE (1)
The Bank of Nova Scotia	2.433.716	80	0,2197
Other shareholders	148.804.420	4.880	13,4339
SUBTOTAL	440.480.920	14.447	39,7661
TOTAL OUTSTANDING SUBSCRIBED CAPITAL	**1.107.677.894**	**36.331**	**100,0000**
Own shares reacquired (2)	17.820.122	585	
TOTAL SUBSCRIBED AND PAID-IN CAPITAL	**1.125.498.016**	**36.916**	

(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 3.18).

21.5 Dividends

Dividends declared in 2020 and 2019, on income of the previous year, are detailed below:

	2020	2019
Net income of the 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 PAYMENT	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
2017	Extraordinary	12-Jul-18	138
2017	Ordinary	4-Dec-18	133
2017	Extraordinary	4-Dec-18	138

ATTRIBUTED TO THE PERIOD	TYPE OF DIVIDEND	DATE OF PAYMENT	COP PER SHARE
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
TOTAL		**6.241.845**	**5.346.023**

(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

		2020	2019
Joint account	(1)	975.322	894.155
Energy transmission services	(2)	246.402	247.481
Technology transfer		8.438	7.484
Construction services for infrastructure projects		6.533	6.717
Connection to the STN		2.372	2.313
Telecommunications and ICT		418	1.618
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS		**1.239.485**	**1.159.768**

(1) Since 2014, ISA INTERCOLOMBIA, ISA's affiliate, is responsible for the representation of energy assets and therefore it receives most of the revenues from the Existing Grid, UPME, and connection to the STN. Periodically and with the settlement of the joint account agreement, ISA, as inactive partner, receives 95% of the income, as revenue from the joint account agreement.

(2) They correspond to the remuneration from services provided by the company for energy transmission (use of the STN). The increase in these revenues compared to 2019 is due to more months of remuneration for biddings not transferred to ISA INTERCOLOMBIA.

UPME	BEGINNING OF REMUNERATION	2020	2019
UPME 03-14 Ituango and Medellín 500 kV Substation and associated lines.	1/09/2018	167.008	139.674
UPME 05-14 Cerromatoso - Chinú - Copey 500 kV Line	1/10/2018	55.552	46.422
UPME-03-16 Design, construction, operation and maintenance of the San Antonio 230 kV Substation and associated lines.	1/07/2018	(3)	31.144
UPME-07-13 Montería 230 kV and associated transmission lines.	1/12/2016	-	14.507
STN revenues deferred from UPME bidding assets	N/A	15.159	15.159

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UPME-08-17 Design, supply procurement, construction, operation and maintenance of the 500/230 kV 450 MVA transformer, in Sogamoso Substation.	1/12/2019	366	295
UPME 01-17 Design, supply procurement, construction, operation and maintenance of a 220 kV transformation bay at El Bosque Substation, in the department of Bolivar	1/01/2019	-	280
UPME 09-16 Nueva Cuestecitas 500 kV Substation and Copey-Nueva Cuestecitas associated transmission lines	1/12/2020	5.454	-
UPME 01-18 Ocaña 230 kV, and Ocaña 500 kV transmission bay	1/08/2020	2.866	-
TOTAL		**246.402**	**247.481**

Assets associated to previous UPME calls for bids are transferred to ISA INTERCOLOMBIA after their entry into service. Once this happens, they become part of the revenues settled via joint account agreement.

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

23. Operating costs and expenses

23.1 Operating costs

Los costos de operación por los años terminados al 31 de diciembre se detallan a continuación:

		2020	2019
Contributions and taxes	(1)	29.370	27.400
Personnel costs	(2)	22.834	24.988
Insurances		8.954	6.268
Studies		3.781	4.272
Maintenance of intangibles		3.988	2.091
Fees		4.016	2.666

Continue

Environmental - Social		1.638	1.716
Others		1.343	1.253
TOTAL OPERATING COSTS BEFORE DEPRECIATION AND AMORTIZATION		**75.924**	70.654
Depreciations	(3)	167.017	162.160
Amortizations		120	563
TOTAL DEPRECIATION AND AMORTIZATION		**167.137**	162.723
TOTAL OPERATING COSTS		**243.061**	**233.377**

(1) Contributions and taxes consist mainly of: UPME contribution COP 8.198 (2019: COP 8.405); tax on financial transactions COP 9.364 (2019: COP 8.284); contribution to the Superintendence of Household Utilities COP 754 (2019: COP 3.106); property tax COP 1.746 (2019: COP 1.721), and industry and commerce tax COP 2.471 (2019: COP 2.528).

(2) Personnel expenses include all short-term, long-term, and post-employment benefits.

(3) The depreciation expense in December 2020 compared to December 2019 increased mainly due to the entry into operation of the UPME 03-2014 Project, carried out on 30/03/2020 and 23/12/2020.

23.2 Administrative expenses

Administrative expenses for the years ended December 31 are detailed below:

		2020	2019
Personnel expenses	(1)	46.002	45.112
Fees	(2)	12.900	13.935
Studies and projects	(3)	9.225	8.699
Contributions and taxes		7.110	4.518
Advertising, printed material, and publications		5.174	4.230
Maintenance of intangibles		2.122	3.051
Environmental - Social		1.749	2.433
Others		4.512	3.894
TOTAL ADMINISTRATIVE EXPENSES BEFORE DEPRECIATIONS, AMORTIZATIONS AND PROVISIONS		**88.794**	85.872
Depreciations		6.503	5.650
Provisions		(43)	356
Amortizations		3.128	3.204
TOTAL DEPRECIATIONS, AMORTIZATIONS AND PROVISIONS		**9.588**	9.210
TOTAL ADMINISTRATIVE EXPENSES		**98.382**	**95.082**

(1) Personnel expenses include all short-term, long-term, and post-employment benefits.

(2) It includes fees regarding legal, technical, administrative, and financial consultancy, as well as Statutory Auditor and Board of Directors' fees.

(3) The increase in this expense in 2020 is mainly due to studies for projects of the Roads Business Unit.

24. 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
Revenues from sale of property, plant and equipment		-	14.048
Indemnities		2.968	2.777
Recoveries		133	847
Others		483	206
Leases		-	2
TOTAL OTHER REVENUES		**3.584**	17.880
Loss from sale / derecognition of assets	(1)	4.967	1.183
Other expenses		4.483	530
TOTAL OTHER EXPENSES		**9.450**	1.713
OTHER NET REVENUES/(EXPENSES)		**(5.866)**	16.167
REVENUES FROM EQUITY METHOD		**1.653.283**	1.324.688
EXPENSES FROM EQUITY METHOD		**31.745**	37.253
NET EQUITY METHOD REVENUES/(EXPENSES)	(2)	**1.621.538**	**1.287.435**

(1) This mainly corresponds to line components that were renovated through the Asset Optimization Program (POA) for COP 3.677.

(2) The net effect of the equity method resulted in higher income, explained by the following events:

- Periodic tariff review and Basic Network of the Existing System (RBSE) updates of ISA CTEEP (See Note 9, paragraph 1).
- The incorporation of the construction margin in ISA CTEEP and its companies, 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.
- Efficient management of AOM costs and expenses (see Note 9, paragraph 1).

- The incorporation to ISA Group of Costera Cartagena Barranquilla Concession and ORAZUL ENERGY Group in Peru.
- The entry into operation of transmission projects in Brazil, Peru, and Chile.

25. Net financial

The detail of financial revenues and expenses as of December 31, 2020 and 2019 is as follows:

		2020	2019
Return on other assets	(1)	15.730	9.546
On financial assets	(2)	12.089	6.606
Returns from monetary readjustment		6.379	4.941
Valuation of investments		307	4.521
Dividends	(3)	3.579	2.890
Commercial discounts, conditioned, and agreements		1.526	1.904
TOTAL FINANCIAL REVENUES		**39.610**	30.408
On bonds	(4)	198.759	225.739
On public credit financial liabilities	(5)	95.503	84.969
Actuarial calculation		16.192	15.970
Loans		9.014	11.403
Commissions and other bank expenses		1.651	8.870
Other interest		1.584	2.414
Miscellaneous		484	1.343
Management of issuance of securities		1.615	1.550
TOTAL FINANCIAL EXPENSES		**324.802**	352.258
Accounts payable		(1.954)	3.170

Continue

Cash		(974)	2.498
Debtors		(10.949)	1.009
Loans		18.144	(848)
Financial liabilities	(6)	(15.910)	(10.155)
TOTAL NET EXCHANGE DIFFERENCE REVENUE / (EXPENSE)		**(11.643)**	(4.326)
TOTAL NET FINANCIAL REVENUE / (EXPENSE)		**(296.835)**	**(326.176)**

(1) Interest income recognized on bank deposits and trust returns.

(2) This item mainly includes interest generated on the ISA Inversiones Chile loan in USD for COP 11.374 (2019: COP 5.874). The balance of this loan as of December 31, 2020 was COP 176.592 (USD 51,5 million).

(3) Dividends decreed by EMPRESA PROPIETARIA DE LA RED (EPR) on April 16, 2020, at the Ordinary General Shareholders' Meeting, where the distribution of income generated during 2019 was approved.

(4) Interest on bonds and financial liabilities at the rates and for the periods described in Note 13.1.

(5) Increase in interest expenses is due to the new obligations incurred in 2020, which can be seen in detail in Notes 13.1 and 13.2.

(6) Exchange rate effect of financial liabilities in US dollars, which as of December 31, 2020 amounted to USD 99,5 million (2019: USD 99,9 million).

26. 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. The determination of the net income per share is as follows:

	2020	2019
Net income for the period	2.062.950	1.643.505
Average of outstanding shares for the period	1.107.677.894	1.107.677.894
Net income per share (expressed in COP)	1.862,41	1.483,74

27. Guarantees and commitments in effect

At the end of 2020, the following guarantees are in force to comply with the obligations acquired by the company.

GUARANTEES PROVIDED TO AFFILIATES						
TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	BALANCE ORIGINAL CURRENCY	BALANCE IN COP	END DATE
Bank	XM - UPME	Guarantee the operational start-up of the UPME 03-2014 project. Ituango.	COP	153.996	153.996	1/09/2021
Bank	XM - UPME	Guarantee the operational start-up of the UPME 05-2014 project. CeCo-Costa Caribe.	COP	77.803	77.803	15/12/2021
Bank	XM - UPME	Guarantee the operational start-up of the UPME 09-2016 project. Cuestecitas.	COP	71.132	71.132	2/03/2021

Continue

GUARANTEES PROVIDED TO AFFILIATES						
TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	BALANCE ORIGINAL CURRENCY	BALANCE IN COP	END DATE
Bank	XM - UPME	Guarantee the operational start-up of the UPME 07-2017 project. Sabanalarga - Bolívar	COP	29.910	29.910	12/12/2021
Bank	XM - UPME	Guarantee the operational start-up of the UPME 01-2018 project. Ocaña.	COP	10.060	10.060	23/06/2021
Bank	XM - UPME	Guarantee the operational start-up of the UPME 06-2018 project. El Río.	COP	23.811	23.811	5/03/2021
Bank	XM - UPME	Guarantee the operational start-up of the UPME 04-2019 project. La Loma-Sogamoso.	COP	75.897	75.897	19/03/2021
Bank	Ministry of Energy of Chile	PLEX 7 - Guarantee the effective execution of the project and payment of fines for new works "1X750 MVA 500/220 KV New Autotransformers Bank in Nueva Cardones, Nueva Maitencillo, and Nueva Pan de Azúcar Substations."	USD	5.801.520	19.914	5/08/2021
Bank	Ministry of Energy of Chile	PLEX 7 - Guarantee the execution term of Relevant Milestone No.5, entry into operation of "1X750 MVA 500/220 KV New Autotransformers Bank in Nueva Cardones, Nueva Maitencillo, and Nueva Pan de Azúcar Substations."	USD	1.450.380	4.978	7/04/2021
Bank	Ministry of Energy of Chile	PLEX 7 - Guarantee the compliance of the operation of "1X750 MVA 500/220 KV New Autotransformers Bank in Nueva Cardones, Nueva Maitencillo, and Nueva Pan de Azúcar Substations."	USD	2.175.570	7.468	21/11/2021
Bank	San Roque Municipality	Guarantee compliance with conditions of settlement of public lighting tax.	COP	122	122	31/07/2021

Continue

GUARANTEES PROVIDED TO AFFILIATES						
TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	BALANCE ORIGINAL CURRENCY	BALANCE IN COP	END DATE
Bank	Albania Municipality	Guarantee compliance with conditions of settlement of public lighting tax.	COP	657	657	15/12/2021
Bank	Los Palmitos Municipality	Guarantee compliance with conditions of settlement of public lighting tax.	COP	1955	1.955	15/12/2021
Bank	Palestina Municipality	Guarantee compliance with conditions of settlement of public lighting tax.	COP	121	121	31/01/2021
Bank	Kalpataru Power	Guarantee compliance with payment for import of energy transmission cables.	USD	1.703.494	5.847	28/03/2021
Bank	Sterlite Power Transmission Limited.	Guarantee compliance with payment for import of energy transmission cables.	USD	4.409.542	15.136	26/03/2021

Also, the counter guarantees granted by ISA to endorse the financing contracts of the Empresa Propietaria de la Red (EPR) and ISA Interchile are listed.

GUARANTEES PROVIDED TO AFFILIATES						
TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	BALANCE ORIGINAL CURRENCY	BALANCE IN COP	END DATE
JOINT AND SEVERAL GUARANTEE	BCIE	EMPRESA PROPIETARIA DE LA RED- EPR. Bond indenture between EPR and BCIE of up to USD 44.500.000 to finance the SIEPAC Project.	USD	20.085.712	68.944	29/06/2027

Continue

GUARANTEES PROVIDED TO AFFILIATES						
TYPE OF GUARANTEE	BENEFICIARY	PURPOSE	ORIGINAL CURRENCY	BALANCE ORIGINAL CURRENCY	BALANCE IN COP	END DATE
PLEDGE OF SHARES	Creditors Senior Loan	INTERCHILE Guarantee compliance with payment obligations acquired by Interchile in the Construction Financing Contract.	USD	662.855.750	2.275.252	12/02/2031
	Creditors VAT loan	INTERCHILE Guarantee compliance with payment obligations acquired by Interchile in the Amendment to the Construction Financing Contract of projects PLEX 6, PLEX 7, PLEX 8 (T4).	USD	94.000.000	322.655	12/02/2031

28. 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 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,

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

- 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.

29. Subsequent events

On January 1, 2021, ISA PERÚ had a multiple merge with ETESELVA, ETENORTE, ORAZUL ENERGY GROUP and ORAZUL ENERGY TRANSMISION. Through this merge, the company will transfer to the merged entity the debt incurred to acquire the business.

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".

At the cutoff date and the elaboration of financial statements, no events or additional 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.

TABLE OF REFERENCE FOR ACRONYMS

$:	Colombian Peso
BCIE:	Banco Centroamericano de Integración Económica (Central American Bank of Economic Integration)
BOB:	Bolivian Peso
BRL:	Brazilian Real
CAN:	Comunidad Andina de Naciones (Andean Community of Nations)
CDT:	Certificado de Depósito a Término (Term Deposit Certificate)
CHC:	Colombian Holding Companies
CINIIF (IFRIC):	Comité de Interpretaciones de Normas Internacionales de Información Financiera (International Financial Reporting Interpretations Committee)
CLP:	Chilean Peso
COP:	Colombian Peso
CREG:	Energy and Gas Regulatory Commission (Commission for the Regulation of Energy and Gas)
CSM:	Centro de Supervisión y Maniobras (Supervision and Maneuvers Center)
DECEVAL:	Depósito Central de Valores (Central Securities Depository)
DTF:	Depósito a Término Fijo (Fixed-Term Deposit)
E.A.	Effective Annual Rate
E.S.P:	Depósito Central de Valores (Central Securities Depository)
ECE:	Empresas Controladas del Exterior (Companies Controlled Abroad)
EUR:	Euro
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)
IASB:	International Accounting Standards Board
IPC (CPI):	Índice de Precios al Consumidor (Consumer Price Index)
PPI:	Precios al Productor Colombiano (Colombian Producer Price Index)
ISS:	Instituto de Seguros Sociales (Social Security Institute)
IVA (VAT):	Impuesto al Valor Agregado (Value Added Tax)
MHCP:	Ministerio de Hacienda y Crédito Público (Ministry of Finance and Public Credit)
NCIF:	Accounting and Financial Reporting Standards accepted in Colombia
NIIF (IFRS):	Normas Internacionales de Información Financiera (International Financial Reporting Standards)
PEN:	Nuevo Sol
ROA:	Return on Assets
S.A.:	Sociedad Anónima (Limited Liability Company)
S.A.C.:	Sociedad Anónima Cerrada (Close Stock-held Company)
S.A.S:	Sistema Automatización de Subestaciones (Substation Automatization System)
SIC:	Interpretations Committee
SIEPAC:	Sistema de Interconexión Eléctrica de los Países de América Central (Electric Interconnection System for Central American Countries)
SMLMV:	Salarios Mínimos Legales Mensuales Vigentes (Legal Minimum Monthly Wage in Force)
SSPD:	Superintendence of Household Utilities
STN:	Sistema de Transmisión Nacional (National Transmission System)
SVC:	Static Varistor Compensator
UGE (CGU):	Unidades Generadoras de Efectivo (Cash Generating Units)
UPME:	Unidad de Planeación Minero Energética (Energy Mining Planning Unit)
USD:	US Dollar
UVR:	Unidad de Valor Real (Real Value Unit)
UVT:	Unidad de Valor Tributario (Tax Value Unit)

Statutory auditors' report on the separate financial statements

Building a better working world

Statutory Auditor's Report

To the shareholders:
Interconexión Eléctrica S.A. E.S.P.

Opinion

I have audited the attached separate financial statements of Interconexión Eléctrica S.A. E.S.P., which include the separate statement of financial position as of December 31, 2020, and the corresponding separate 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 separate financial statements, taken from the accounting records, present fairly, in all material respects, the financial position of the Company as of December 31, 2020, the results of its operations and the 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 9 of the separate 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 separate 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 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 separate financial statements. These matters were addressed in the context of my audit of the 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 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 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 financial statements.

Key Audit Matter Estimation of the useful life of property, plant, and equipment	Audit response
Property plant and equipment in ISA amounts to $ 7,186,883 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 3.2 to the accompanying financial statements.	Our audit procedures included, among others: ➢ Understanding the process of estimating and determining the useful lives of property, plant and equipment. ➢ Evaluation of the methodology and the reasonableness of the assumptions used by Management in the estimation of useful lives of property, plant and equipment. ➢ Evaluation of the quality and integrity of the information used in the estimation. ➢ Evaluation of the assumptions used by the company, comparing them with other entities of the energy sector to evaluate consistency with the market. ➢ Analysis of quantitative and qualitative variables in determining the percentage of service life, maintenance costs, among others. ➢ Verification of the consistency of the assumptions used historically, and the actual depletion of the assets.

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Concession Asset Measurement
CTEEP Brazil

As disclosed in note 9, 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;

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- 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 Financial Statements

Management is responsible for the preparation and correct presentation of the separate 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 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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In preparing the separate 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 its financial information process.

Auditor's Responsibilities in the Audit of the Financial Statements

Mi responsibility is to obtain reasonable assurance about whether the separate 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 separate 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 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 Company'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 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 financial statements, including disclosures, and whether the financial statements fairly represent the underlying transactions and events so that a reasonable presentation is achieved.

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.

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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 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 separate 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. As of December 31, 2019, that are part of the comparative information of the accompanying separate 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.

Other Legal and Regulatory Requirements

Based on the scope of my audit, I am not aware of situations indicating that the Company has not complied with the following obligations: 1) keep the minute books, the shareholders' register and the accounting records according to the legal accounting technique; 2) carry out its operations in accordance with the by-laws and the decisions of the Shareholders' and the Board of Directors' meetings, and the rules related with the integral social security and; 3) retain correspondence and accounting vouchers.

Additionally, there is agreement between the accompanying financial statements and the accounting information included in the management report prepared by the Company´s management, which includes management´s representation on the free circulation of invoices with endorsement issued by vendors or suppliers.

In accordance with the requirements of Article 1.2.1.2 Decree 2420 2015, I issued a separate report on February 26, 2021.

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
February 26, 2021

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Certification of 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 company's separate financial statements 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:

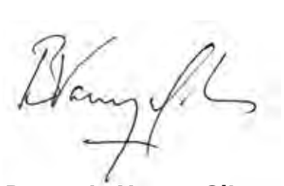
a. The events, transactions, and operations have been recognized and realized during the years ended on those dates.

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 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
Legal Representative

John Bayron Arango Vargas
Chief Accounting Officer
Professional I.D. Card 34420-T

SPECIAL REPORT ON TRANSACTIONS WITH AFFILIATES AND SUBSIDIARIES

(Amounts expressed in millions, both in pesos and in the original foreign currency)

In accordance with provisions of Law 222 of 1995, Article 29, a special report is submitted before the General Shareholders' Meeting on the economic relations between ISA and its affiliates and subsidiaries during 2020, which are managed and coordinated by the group's parent company, ISA.

Commercial transactions between the affiliates and the subsidiaries of ISA during 2020, comply with the provisions of Law 1607 of 2012, Law 1819 of 2016, and Decree 1625 of 2016 on transfer pricing.

The main transactions between ISA and the subsidiaries correspond to:

- Delivery of dividends
- Capitalizations
- Project management
- Provision of operation and maintenance services
- Leasing of facilities and venues for the operation
- Provision of installation services and assembly of information systems
- Money loans

It is worth mentioning that the following situations have not arisen between ISA and its companies for the period:

- Offset free services
- Loans without interest or any consideration by the borrower
- Loans involving an obligation to the borrower that does not correspond to the essence or nature of the loan agreement
- Loans with interest rates different than those normally paid or charged to third parties
- Operations which characteristics differ from those with third parties

ISA makes efforts to ensure that commercial transactions carried out with its affiliates or subsidiaries generate benefits and meet strategic objectives, respecting the rights of all shareholders and creditors of the group's companies.

Commercial transactions take place under market conditions and prices, i.e., under the terms and conditions that would apply to unrelated third parties, honoring the transparency principles of the Code of Good Corporate Governance, and in accordance with the Corporate Bylaws and applicable accounting, tax, and commercial standards.

Regarding the equity in affiliates and subsidiaries, ISA updates its investments in subsidiaries by applying the equity method, upon approval of accounting standards and practices and conversion of its financial statements into Colombian pesos, using the US dollar as primary currency for investments in foreign currency.

The financial information of ISA and its companies is consolidated by the global integration method, by which all significant balances and transactions between ISA and its subsidiaries are eliminated, and the corresponding minority interest corresponding to equity and results for the period is recognized and disclosed in the consolidated financial statements.

Balances with affiliates and subsidiaries are disclosed in the financial statements of ISA according to the regulations in force. See Note 8.1. Balances and related-party transactions.

The following decisions made during 2020, regarding capitalizations and distribution of dividends, are highlighted:

ISA TRANSELCA

At the Ordinary General Shareholders' Meeting held on March 20, 2020, the distribution of dividends was decreed for COP 170.619. ISA was allocated the amount of COP 170.617.

ISA PERÚ

At Mandatory Annual Shareholders' Meeting held on May 13, 2020, the distribution of dividends was decreed for USD 10. ISA was allocated the amount of USD 4,5.

ISA REP

At Mandatory Annual Shareholders' Meeting held on May 13, 2020, the distribution of dividends was decreed for USD 70. ISA was allocated the amount of USD 21.

CONSORCIO TRANSMANTARO

At Mandatory Annual Shareholders' Meeting held on May 13, 2020, the distribution of dividends was decreed for USD 65. ISA was allocated the amount of USD 39.

ISA BOLIVIA

At Mandatory Annual Shareholders' Meeting held on March 18, 2020, the distribution of dividends was decreed for BOB 46. ISA was allocated the amount of BOB 23,6.

ISA INTERCOLOMBIA

On March 20, 2020, the General Shareholders' Meeting approved the distribution of profits for COP 29.648. ISA was allocated the amount of COP 29.648.

ISA CAPITAL DO BRASIL

On April 16, 2020, the Governing Board of ISA CAPITAL, in an extraordinary meeting *ad referendum* at the General Shareholder's Meeting, according to Article 35 of Corporate Bylaws, approved to distribute interest on equity capital to ISA for BRL 47,7, based on the accumulated result at the end of March 2020.

On July 10, 2020, the Governing Board of ISA CAPITAL, in an extraordinary meeting *ad referendum* at the General Shareholder's Meeting, according to Article 35 of Corporate Bylaws, approved the distribution of dividends to ISA for BRL 35,8, based on the accumulated result as of May 31, 2020.

On November 10, 2020, the Governing Board of ISA CAPITAL, in an extraordinary meeting *ad referendum* at the General Shareholder's Meeting, according to Article 35 of Corporate Bylaws, approved the distribution of dividends to ISA for BRL 123,2, based on the accumulated result as of September 30, 2020.

On December 18, 2020, the Governing Board of ISA CAPITAL, in an extraordinary meeting *ad referendum* at the General Shareholder's Meeting, according to Article 35 of Corporate Bylaws, approved to distribute interest on equity capital to ISA for BRL 142 and dividends for BRL 39, based on the accumulated result as of November 30, 2020.

ISA Investimentos e Participações

On September 28, 2020, the Governing Board of ISA Investimentos, in an extraordinary meeting, according to Article 37 of Corporate Bylaws, approved the distribution of dividends to ISA for BRL 19,9, and interest on equity capital for BRL 6,7, based on the accumulated result at the end of the first semester of 2020.

On December 11, 2020, the Governing Board of ISA Investimentos, in an extraordinary meeting, according to Article 37 of Corporate Bylaws, approved the distribution of dividends to ISA for BRL 63,3, and interest on equity capital (*Juros sobre capital propio*) for BRL 15, based on the accumulated result at the end of November 2020.

PROYECTOS DE INFRAESTRUCTURA DEL PERÚ (PDI)

On March 19, 2020 the Mandatory Annual Meeting approved the distribution of dividends for USD 3, 99,97% of which corresponds to ISA.

XM

At the Ordinary General Shareholders' Meeting held on March 25, 2020, the distribution of dividends was decreed for COP 8.003. ISA was allocated the amount of COP 7.981.

SISTEMAS INTELIGENTES DE RED

At the Ordinary General Shareholders' Meeting held on March 19, 2020, the distribution of dividends was decreed for COP 5.000. ISA was allocated the amount of COP 750.

EMPRESA PROPIETARIA DE LA RED (EPR)

At the Ordinary Shareholder's Meeting held on April 16, 2020, the distribution of profits was approved. ISA was allocated the amount of USD 0,9.

In addition, the following decisions made during 2020, regarding acquisitions and loans, are highlighted:

COSTERA CARTAGENA BARRANQUILLA CONCESSION

In October, 2020, ISA, through its subsidiary ISA INTERVIAL CHILE, acquired 100% of the shares of Costera Cartagena Barranquilla Concession. The companies were purchased for COP 531.454 million.

ORAZUL ENERGY GROUP

On August, 2020, through its subsidiary ISA Perú, ISA acquired 100% of shares of Orazul Energy Group, owner of ETENORTE and ETESELVA. The companies were purchased for USD 158,5.

ISA INVERSIONES CHILE

At the end of May 2020 ISA Inversiones Maule Ltda., and ISA INVERSIONES CHILE LTDA. merged. The merging company was ISA INVERSIONES CHILE LTDA.

In February 2020, ISA made a disbursement of a loan to ISA INVERSIONES CHILE for USD 47,7.

In October 2020, ISA INVERSIONES CHILE made capital payments to the loan it has with ISA, for USD 27,5.

The final balance of the account receivable of ISA with ISA INVERSIONES CHILE is USD 51,5.

ISA did not make capital payments to its affiliates in 2020.

In 2020, ISA constantly made decisions to serve the interest of or by influence of any of its affiliates or subsidiaries; and none of these ceased to make decisions to serve the interest of or by influence of ISA. Decisions have been made in the best interest of each of the companies that are part of the corporate group and its shareholders.

REPORT OF THE BOARD OF DIRECTORS

ARTICLE 466 OF THE COMMERCE CODE

DECEMBER 31, 2020

(Amounts expressed in millions, both in Colombian pesos and dollars).

Dear Shareholders:

According to the legal and statutory provisions, we submit for your consideration the report for 2020, which includes, in addition to the financial statements as of December 31, 2020, compared with those of 2019, the reports referred to in Article 446 of the Commerce Code and 29 of Law 222 of 1995.

I. REPORTS

1. Depreciation and amortization:

See the detail of losses and gains as of December 31, 2020 in the Management Report presented by the CEO.

Below is the description of depreciations and amortizations:

	2020
Depreciations	173.520
Amortizations	3.248
TOTAL	**176.768**

2. Dividends

To approve the profit distribution project for the 2020 period, the Board of Directors of Interconexión Eléctrica S.A. E.S.P. (ISA) has proposed to declare an ordinary dividend of COP 744 per share, equivalent to 40% of net income (consistent with our historical performance) and an extraordinary dividend of COP 559 per share, equivalent to 30% of net income. Therefore, the total dividend is COP 1.303 per share, corresponding to the 1.107.677.894 outstanding ordinary shares.

3. Economic and financial situation

See the analysis of the economic and financial situation of ISA in the Management Report presented by the CEO.

4. Remuneration to Senior Management

ISA's Senior Management is composed of the CEO and board-level employees reporting directly to the CEO.

The remuneration received by the key staff of the Senior Management is the following:

	2020
Remuneration	11.898
Short-term benefits	6.179
TOTAL	**18.077**

Payments related to fees, travel expenses, and representation expenses are directly covered by the company, represented by third parties providing goods and services.

5. Remuneration in favor of advisors or consultants

During 2020, the following payments were made to advisors or consultants, as fees:

	2020
Statutory Auditor	1.215
External and internal audits	244
Legal, financial, and administrative advisory	9.667
Technical advisory	4.444
TOTAL	**15.570**

6. Transfers of money and other assets

In 2020, no transfers of money or other goods were made free of charge or under a similar modality in favor of natural or legal persons.

7. Advertising and publicity expenses

Advertising and publicity expenses as of the year ended December 31, 2020, are detailed below:

	2020
Institutional advertising and publicity	2.800
Target advertising and publicity	83
TOTAL ADVERTISING AND PUBLICITY EXPENSES	**2.884**

8. Net monetary position

As of December 31, 2020, ISA held the following assets and liabilities in foreign currency expressed in millions of equivalent US dollars.

	2020
ASSETS	
Cash and cash equivalents	12,1
Economic related Parties	54,5
Other financial assets	5,8
TOTAL ASSETS	**72,4**
LIABILITIES	
Financial liabilities	99,5
Accounts payable	5,6
TOTAL LIABILITIES	**105,1**
NET MONETARY POSITION	**(32,7)**

9. Investments

As of December 31, 2020, ISA had investments in the following national and foreign companies:

MAIN ACTIVITY		PLACE AND CREATION OF OPERATIONS	SHAREHOLDING (%)	BALANCES
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES				
ISA TRANSELCA	Energy Transmission Business Unit	Colombia	99,999%	946.563
INTERNEXA	Telecommunications and ICT Business Unit	Colombia	99,420%	79.883
ISA INTERCOLOMBIA	Energy Transmission Business Unit	Colombia	99,997%	87.498
XM	Energy Transmission Business Unit	Colombia	99,730%	26.565
ISA INTERVIAL COLOMBIA	Road Concessions Business Unit	Colombia	100,000%	573
SISTEMAS INTELIGENTES EN RED	Telecommunications and ICT Business Unit	Colombia	15,000%	1.494
CONSORCIO TRANSMANTARO	Energy Transmission Business Unit	Peru	60,000%	1.046.320
ISA REP	Energy Transmission Business Unit	Peru	30,000%	175.475
ISA PERÚ	Energy Transmission Business Unit	Peru	45,146%	62.931
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	Energy Transmission Business Unit	Peru	99,967%	9.116
ISA CAPITAL DO BRASIL	Energy Transmission Business Unit	Brazil	100,000%	3.260.516
ISA INVESTIMENTOS E PARTICIPAÇÕES	Energy Transmission Business Unit	Brazil	99,899%	725.928
ISA INVERSIONES CHILE	Road Concessions Business Unit	Chile	100,000%	3.588.164
ISA INTERCHILE	Energy Transmission Business Unit	Chile	78,410%	898.086
ISA BOLIVIA	Energy Transmission Business Unit	Bolivia	51,000%	55.110
LINEAR SYSTEMS RE	Reinsurances	Bermuda	100,000%	18.770
TOTAL INVESTMENTS IN SUBSIDIARIES				**10.982.992**

Continue

INVESTMENTS IN JOINTLY CONTROLLED ENTITIES				
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ S.A.	Energy Transmission Business Unit	Panama	50,000%	1.140
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMÁ S.A.S. E.S.P.	Energy Transmission Business Unit	Colombia	1,172%	3
Total investments in jointly controlled entities				**1.143**
INVESTMENTS IN ASSOCIATES				
ATP Tower Holdings LLC	Telecommunications and ICT Business Unit	U.S.A.	24,695%	451.164
TOTAL INVESTMENTS IN ASSOCIATES				**451.164**
TOTAL INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES				**11.435.299**
FINANCIAL INSTRUMENTS				
ELECTRICARIBE	Energy Transmission Business Unit	Colombia	0,481%	-
EMPRESA PROPIETARIA DE LA RED S.A. (EPR)	Energy Transmission Business Unit	Costa Rica	11,110%	12.524
TOTAL FINANCIAL INSTRUMENTS				**12.524**
TOTAL INVESTMENTS				**11.447.823**

10. STATEMENTS

In accordance with Law 1314 of 2009 and Decree 2784 of 2012 and its amendments, it is confirmed that the information and statements related to the financial statements have been duly verified and obtained from the company's accounting books, which also include all internal controls allowing a timely and clear disclosure, which contain no material deficiencies that affect the financial situation of the company.

Intellectual property and copyright certification

Medellín, March 4, 2021

The undersigned legal representative and the chief technology and information officer for Interconexión Eléctrica S.A. E.S.P., pursuant to the established in Article 1st of Law 603 of 2000, certify:

1. That the Company complies with intellectual property and copyright laws and that the software it uses is legal and has paid for the rights to use it, whether through acquisitions, licenses, subscriptions or assignments.

2. That the Company´s Chief Technology and Information Office holds inventory of the software used, and it takes control of its installation depending on the type of licensing acquired or licensed by subscription.

3. Pursuant to the Company's policies and institutional guidelines, employees are obliged to comply with the laws for intellectual property and copyrights.

Bernardo Vargas Gibsone
Legal Representative

Olga Lucía López Marín
Chief Technology and Information Officer

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Annexes

GRI CONTENT [GRI 102-55]

N°	INDICATOR	Page or response	External assurance
	ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Outline of the company	X
102-2	Activities, brands, products, and services	Outline of the company Electric Power Business Unit Roads Business Unit Telecommunications and ICT Business Unit	X
102-3	Location of headquarters	Outline of the company	X
102-4	Location of operations	Outline of the company Presence of the ISA Group	X
102-5	Ownership and legal form	Outline of the company	X
102-6	Markets served	Outline of the company Electric Power Business Unit Roads Business Unit Telecommunications and ICT Business Unit	X
102-7	Scale of the organization	Outline of the company Our People Electric Power Business Unit Roads Business Unit Telecommunications and ICT Business Unit	X
102-8	Information on employees and other workers	Outline of the company Our People	X
102-9	Supply chain	Outline of the company Procurement Procurement model	X
102-10	Significant changes to the organization and its supply chain	No significant changes	X
102-11	Precautionary principle or approach	Contribution to global environmental challenges	X
102-12	External initiatives	Institutional commmintmentst	
	STRATEGY AND RISK MANAGEMENT		
102-14	Statement from senior decision-makers	ISA2030 Strategy – Sustainable Value	X
102-15	Key impacts, risks, and opportunities	Comprehensive risk management	
A-RI1	Strategic risks	Relevant risks	
A-RI2	Emerging risks	Emerging risks	

N°	INDICATOR	Page or response	External assurance
	GOVERNANCE		
102-18	Governance structure	Good governance and integrity	X
102-20	Executive-level responsibility for economic, environmental, and social topics	Board and Corporate Governance, Sustainability, and Risk Committee	
102-21	Consulting stakeholders on economic, environmental, and social topics	Dialogue with stakeholders	
102-22	Composition of the highest governance body and its committees	Good governance and integrity Board of Directors Management	
102-23	Chairman of the highest governance body	Good governance and integrity Board of Directors	
102-24	Nominating and selecting the highest governance body	The Board of Directors is approved at the General Shareholders' Meeting. For the purposes of nominating the candidates to the Board of Directors, reasonable balance and diversity within the Board will be considered to ensure proper performance. In this regard, it will be considered that candidates are not involved in any legal disqualifications and incompatibilities, and that they have sufficient competences, experience, educational background, independent judgement, knowledge, qualities, skills, and availability to be candidates to the Board.	
102-25	Conflicts of interest	Good Corporate Governance Report Section: Good Governance and Integrity (Board of Directors and Ethics)	
102-26	Role of highest governance body in setting purpose, values, and strategy	ISA2030 Strategy – Sustainable Value	
102-28	Evaluating the highest governance body's performance	Good Corporate Governance Report Additional: Information on evaluation processes of the Board of Directors and Senior Management and summary of the results	
102-30	Effectiveness of risk management processes	Good Corporate Governance Report Additional: Management Structure (Board and Governance Committee, Audit Committee) Also, Risk Management System chapter	
102-31	Review of economic, environmental, and social topics	Good Corporate Governance Report Additional: Management Structure (Board and Governance Committee)	
102-32	Highest governance body's role in sustainability reporting	Report profile	
102-35	Remuneration policies	Good governance and integrity Board of Directors Annex: Remuneration Table	
	STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Dialogues with stakeholders Stakeholders	X
102-42	Identifying and selecting stakeholders	Dialogues with stakeholders Stakeholders	X

N°	INDICATOR	Page or response	External assurance
	STAKEHOLDER ENGAGEMENT		
102-43	Approach to stakeholder engagement	Dialogues with stakeholders Stakeholders	
102-44	Key topics and concerns raised	Dialogues with stakeholders Main opportunities for meeting and dialogue	
	REPORTING PRACTICE		
102-46	Defining report content and topic boundaries	Report profile	X
102-47	List of material topics	Materiality analysis	
102-48	Restatements of information	No restatements	X
102-49	Changes in reporting	No significant changes	X
102-50	Reporting period	Report profile	X
102-51	Date of most recent report	Report profile	X
102-52	Reporting cycle	Report profile	X
102-53	Contact point for questions regarding the report	Report profile	X
102-54	Claims of reporting in accordance with the GRI Standards	Report profile	X
102-55	GRI content index	GRI CONTENT INDEX [GRI 102-55]	X
102-56	External assurance	Independent review report	X
	GOOD GOVERNANCE AND INTEGRITY		
GRI 102-16	Values, principles, standards, and norms of behavior	ISA2030 Strategy – Sustainable Value	X
GRI 102-17	Mechanisms for advice and concerns about ethics	Ethics	
GRI 102-34	Nature and total number of critical concerns	Ethics	
GRI 205-1	Operations assessed for risks related to corruption	Ethics Annex: [GRI 205-3] Table Confirmed incidents of corruption and actions taken	X
GRI 205-2	Communication and training about anti-corruption policies and procedures	Ethics Annex: [GRI 205-3] Table Confirmed incidents of corruption and actions taken	X
GRI 205-3	Confirmed incidents of corruption and actions taken	Ethics Annex: [GRI 205-3] Table Confirmed incidents of corruption and actions taken	X
Internal	Management of information (habeas data)	Ethics Annex: Management of information (habeas data) table	X

N°	INDICATOR	Page or response	External assurance
		STRENGTH AND GROWTH	
Internal	Revenues	Strength and growth	
Internal	EBITDA	Strength and growth	
Internal	Investments	Strength and growth	
Internal	Assets	Strength and growth	
		EXCELLENCE	
Internal	Reliability	Excellence	
Internal	Availability	Excellence	
Internal	Km of circuit	Excellence	
Internal	MVA of installed capacity	Excellence	
Internal	Energy demand	Excellence	
Internal	Net effective capacity	Excellence	
Internal	Favorable customer service	Excellence	
		FORESIGHT AND INNOVATION	
Internal	Total R&D Spending	Foresight and innovation Annex: Investment in innovation table	
Internal	Management of innovation	Foresight and innovation	
		TRANSFORMATIONAL LEADERSHIP AND INFLUENCE CAPACITY	
GRI 102-13	Membership of associations	Associations to which ISA and its companies belong	
GRI 201-1	Direct economic value generated and distributed	Annex: [GRI 201-1] Direct economic value generated and distributed	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Excellence Monetary value of significant fines for noncompliance with regulations concerning the provision of services	
		CONTRIBUTION TO GLOBAL ENVIRONMENTAL CHALLENGES	
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Annex: [GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Annex: [GRI 304-2] Significant impacts of activities, products, and services on biodiversity	X
GRI 304-3	Habitats protected or restored	Annex: [GRI 304-3] Habitats protected or restored	X

N°	INDICATOR	Page or response	External assurance
CONTRIBUTION TO GLOBAL ENVIRONMENTAL CHALLENGES			
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Contribution to global environmental challenges	
Internal	Biodiversity exposure and assessment	Contribution to global environmental challenges Commitment to the protection of biodiversity	
Internal	Actions taken for biodiversity protection	Contribution to global environmental challenges Commitment to the protection of biodiversity	
Internal	Commitment to biodiversity	Contribution to global environmental challenges Commitment to the protection of biodiversity	X
Internal	Environmental license backlog days	Contribution to global environmental challenges Environmental impact management (Environmental licensing of projects)	
307-1	Non-compliance with environmental laws and regulations	Contribution to global environmental challenges Management of environmental impacts (Legal proceedings inherent to the businesses) (Non-monetary sanctions for non-compliance with environmental regulations)	X
Internal	Investments in environmental programs for project licensing	Outline of the company ESG data	X
GRI 305-1	Direct greenhouse gas (GHG) emissions (scope 1)	Climate strategy	
GRI 305-2	Energy indirect (scope 2) GHG emissions	Climate strategy	
GRI 305-3	Other indirect GHG emissions (scope 3)	Climate strategy	
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate strategy	
GRI 302-1	Energy consumption within the organization	Climate strategy	
GRI 303-1	Water extraction by source	Climate strategy	
GRI 306-2	Waste by type and disposal method	Climate strategy	
GRI 306-1	Water discharge by quality and destination	Climate strategy	
COMMITMENT TO SOCIO-ECONOMIC DEVELOPMENT			
Internal	Social investment, people and organizations benefited	Socioeconomic development Social investment	
Internal	Social investment in critical municipalities	Socioeconomic development Social management presence in critical municipalities	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Annex: [GRI 408-1] Child labor	
GRI 409-1	Forced or compulsory labor	Annex: [GRI 409-1] Forced or compulsory labor	
GRI 410-1	Security practices	Annex: [GRI 410-1] Security practices	

N°	INDICATOR	Page or response	External assurance
GRI 411-1	Rights of indigenous peoples	Annex: [GRI 411-1] Rights of indigenous peoples	
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Annex: [GRI 413-1] Operations with local community engagement, impact assessments, and development programs	
GRI 412-2	Employee training on human rights policies or procedures	Annex: [GRI 412-1] Human rights assessment	
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Annex: [GRI 412-1] Human rights assessment	
Internal	Number of events related to human rights violations	Ethics Annex: Human rights violation cases	
HUMAN CAPITAL DEVELOPMENT AND CARE			
GRI 401-1	New employee hires and employee turnover	Annex: [GRI 401-1] Employment: new employee hires and employee turnover	
Internal	Organizational climate result	Human capital development and care Quality of life	
GRI 404-1	Average hours of training per year per employee	Human capital development and care Talent development Annex: [GRI 404-1] Training and education	
GRI 404-3	[GRI 404-3] Percentage of employees receiving regular performance and career development reviews	Annex: [GRI 404-3] Percentage of employees receiving regular performance and career development reviews	
Internal	Internal openings	Human capital development and care Talent development	
GRI 403-2	Occupational health and safety: type of accidents and rates of accidents, occupational diseases, lost days, absenteeism, and total number of work-related fatalities or caused by occupational diseases	Human capital development and care Occupational safety and health	
GRI 403-9	Work-related injuries	Annex: [GRI 403-9] Work-related injuries	X
GRI 405-2	Ratio of basic salary and remuneration of women to men	Annex: [GRI 405] Diversity and equal opportunity	
GRI 406-1	Incidents of discrimination and corrective actions taken	Annex: [GRI 406-1] Incidents of discrimination and corrective actions taken	

Good governance and integrity

Fraud and anti-corruption

[GRI 205-1] Operations assessed for risks related to corruption

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	ISA INTERVIAL
Number of operations: Total	2	7	14	1	1	1	1	1	5	9

[GRI 205-2] Communication and training about anti-corruption policies and procedures

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	ISA INTERVIAL
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100	100	100	100	100	100	100	100	100	100
Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to	100	100	100	100	100	100	100	100	100	100
Percentage of governance body members that have received training on anti-corruption	100	100	69	100	100	100	100	100	50	100
Percentage of employees that have received training on anti-corruption	100	91	78	100	100	100	100	56	100	100

Communication and training about anti-corruption policies and procedures to suppliers

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	ISA INTERVIAL
Percentage of suppliers that the organization's ethics, compliance, and anti-corruption policies and procedures have been communicated to	100	100	100	57	100	40	100	100	100	100
Percentage of suppliers that have received training on anti-corruption	64	64	N. D.	0	0	0	100	0	0	100

[GRI 205-3] Incidents of corruption and actions taken																												
	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			XM			INTERNEXA			ISA INTERVIAL		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total number of confirmed incidents of corruption	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Management of information (habeas data)									
	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	ISA INTERVIAL
Number of information mismanagement cases confirmed	0	0	0	0	0	0	0	0	0	0
Number of cases reported	0	0	0	0	0	0	0	0	0	0

[GRI 205-3] Incidents of corruption and actions taken																												
	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			XM			INTERNEXA			ISA INTERVIAL		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Number of events related to human rights violations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Supplementary information on the material issue: Economic impact

[GRI201-1] Direct economic value generated and distributed (COP millions)	Electric Power									Roads	Telecommunications
Items	**ISA + ISA INTERCOLOMBIA(*)**	**CTEEP**	**CONSORCIO TRANSMANTARO**	**ISA INTERCHILE**	**ISA REP**	**XM**	**ISA BOLIVIA**	**ISA TRANSELCA**	**ISA PERU**	**INTERVIAL**	**INTERNEXA**
	Colombia	**Brazil**	**Peru**	**Chile**	**Peru**	**Colombia**	**Bolivia**	**Colombia**	**Peru**	**Chile and Colombia**	**Colombia, Chile, Brazil, Peru, and Argentina**
Net operating revenues (**)	-	-	-	-	-	-	-	-	-	-	-
Revenues from financial investments		-	-	-	-	-	-	-	-		
Revenues from sale of property, plant, and equipment and intangible assets											
Direct economic value generated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating costs	3.007.630	4.214.397	1.082.833	185.190	537.574	130.498	62.039	224.749	54.748	1.613.305	284.670
Salaries, social benefits, and employee benefits	115.083	603.644	160.670	56.542	68.781	9.017	3.425	104.151	10.810	42.126	34.708
Dividends paid to shareholders	-	-	-	-	-	16	-	-	-	141	-
Financial costs with capital providers	3.302.115	4.832.198	1.451.190	348.942	763.404	181.455	78.515	375.587	79.269	1.698.701	443.077
Taxes and contributions granted to the government	197.504	(9.262.675)	643.925	22.646	147.973	34.115	6.661	51.884	13.436	809.621	151.741
Community investments	195.761	198.143	447	14.538	87.822	49.495	4.942	40.218	194	60.896	72.473
Distributed economic value	**6.818.093**	**585.707**	**3.339.065**	**627.858**	**1.605.554**	**404.596**	**155.582**	**796.589**	**158.457**	**4.224.790**	**986.669**
Retained economic value	**(6.818.093)**	**(585.707)**	**(3.339.065)**	**(627.858)**	**(1.605.554)**	**(404.596)**	**(155.582)**	**(796.589)**	**(158.457)**	**(4.224.790)**	**(986.669)**
Provisions, depreciations, and repayments	179.402	14.157	207.687	107.210	157.049	41.924	13.051	46.687	13.711	43.129	123.699
Reserves	(6.997.495)	(599.864)	(3.546.752)	(735.068)	(1.762.603)	(446.520)	(168.633)	(843.276)	(172.168)	(4.267.919)	(1.110.368)

(*) ISA and ISA INTERCOLOMBIA provide energy transmission services in Colombia through a joint account agreement, therefore they are integrated.
(**) ISA's net operating revenues comprise results of companies fully controlled or jointly controlled by ISA, or companies where ISA exerts significant influence, given its parent status.

Third-party risk management

[GRI 204-1] Procurement practices / Local currency															
	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ		
	2018	2019	2020	2018	2019	2020	72%	81%	2020	2018	2019	2020	2018	2019	2020
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)	89%	83.87%	93,51%	99,89%	100%	99,04%	16.197.334	16.199.492	86%	93%	66%	72%	94%	97%	88%
Value of local purchases COP	84.980.804	127.269.969	420.416.256.504	8.758.488	41.670.236	241.743.516.172	22.391.919	19.759.150	57.406.741.853	275.286	1.476.973	1.909.457	130.047.981	541.401.226	60.273.012
Total purchases COP	95.253.227	151.618.918	449.596.003.069	8.767.975	41.679.359	244.096.124.257	32.671.961	22.391.919	66.694.908.720	296.288	2.253.253	2.649.042	121.848.319	555.598.270	68.224.056
The organization's geographical definition of "local"	Colombia			Colombia			Colombia			Bolivia			Perú		
Locations with significant operations: where the business was developed	Colombia			Colombia			Colombia			Bolivia			Perú		

[GRI 204-1] Procurement practices / Local currency													
	ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM			INTERNEXA
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2020
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)	99,6%	97%	80%	99,53%	99,72%	99,81%	99,70%	99,85%	99,64%	49,8%	93,9%	99,5%	96,0%

[GRI 204-1] Procurement practices / Local currency													
	ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM			INTERNEXA
Value of local purchases COP	43.391.967	10.463.376	10.340.950	109.971.454	81.046.518	1.106.090.090,36	64.018.251	83.991.382	83.008.835	3.584.913	11.874.836	43.087.105.211	77.222.756.364,00
Total purchases COP	43.547.759	10.781.372	12.956.595	110.495.884	81.277.511	1.108.192.114,00	61.209.615	84.478.101	83.310.456	7.192.278	12.640.763	43.308.548.161	80.450.937.974,00
The organization's geographical definition of "local"	Chile			Brazil			Chile			Colombia			Colombia
Locations with significant operations: where the Business was developed.	Chile			Brazil			Chile			Colombia			Colombia

[GRI 308-1] New suppliers that were screened using environmental criteria																					
	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ			ISA INTERCHILE					
	2018		2019		2020		2018		2019		2020		2018		2019		2020		2018		2019		2020	
Percentage of new suppliers that were screened and selected using environmental criteria	78 / 4	5%	182 / 10	5,49%	188 / 17	9,0%	79 / 5	6%	185 / 14	8%	176 / 13	7,4%	280 / 45	16%	150 / 34	23%	52 / 41	79,00%	0 / 0	0%	83 / 1	1%	82 / 1	1%	73 / 23	32%	79 / 21	27%	75 / 21	28%	ND / ND	ND	88 / 4	5%	104 / 5	5%

[GRI 308-1] New suppliers that were screened using environmental criteria																								
		ISA CTEEP					XM						ISA INTERVIAL						INTERNEXA					
		2018		2019		2020		2019			2020			2019			2020			2020				
Percentage of new suppliers that were screened and selected using environmental criteria	5%	222 / 62	28%	143 / 33	23%	231 / 191	71,00%	0 / 0	0% A significant part of XM's purchases corresponds to professional services, which do not imply the risk of generating environmental impacts		0 / 0	0% A significant part of XM's purchases corresponds to professional services, which do not imply the risk of generating environmental impacts		NA (*) / NA (*)	NA (*) (*) Intervial does not carry out a prior or subsequent assessment of environmental criteria in its contracts.		NA (*) / NA (*)	NA (*) (*) Intervial does not carry out a prior or subsequent assessment of environmental criteria in its contracts.		0 / 0	A significant part of INTERNEXA's purchases correspond to professional services or the purchase of goods that do not imply the risk of generating environmental impacts			

[GRI 308-2] Negative environmental impacts in the supply chain and actions taken

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Number of suppliers assessed for environmental impacts	44	57	68	33	159	57	45	57	41	9	1	1	23	21	21
Number of suppliers identified as having significant actual and potential negative environmental impacts	44	57	68	33	159	57	45	57	41	9	1	1	23	21	21
Significant actual and potential negative environmental impacts identified in the supply chain		Breach of environmental legal requirements			Breach of environmental legal requirements			Based on the services requested by TRANSELCA S.A E.S.P to its suppliers, these were identified as potential risks: 1. Spills of chemical and/or dangerous substances during the transport of equipment and use in the organization's headquarters 2. Improper storage, removal, and disposal of hazardous waste 3. Improper storage and handling of chemicals and their containers			- Alteration of water and soil conditions - Destabilization of soils - Potential contamination of water and soil			- Spills of chemical products - Atmospheric emissions due to traffic - Alterations of the landscape due to the use of non-vehicular access - Hazardous solid waste generation	
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon because of assessment	0		0	3	0	1	2	2	0	0	0	0	1	0	4

[GRI 308-2] Negative environmental impacts in the supply chain and actions taken															
	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon because of assessment	0%	0%	0%	0,09%	0,00%	1,75%	0%	0%	0%	0%	0%	0%	4%	0%	19%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated because of assessment, and why	0	0%	0%	0	0	1,75%	0	0%	0%	0	0	0	0%	0	0

(*) Intervial does not carry out a prior or subsequent assessment of environmental criteria in contracting.

[GRI 308-2] Negative environmental impacts in the supply chain and actions taken											
	ISA INTERCHILE			ISA CTEEP			XM		ISA INTERVIAL		INTERNEXA
	2018	2019	2020	2018	2019	2020	2019	2020	2019	2020	2020
Number of suppliers assessed for environmental impacts		11	5	239	267	198	0	0	NA (*)	NA (*)	0
Number of suppliers identified as having significant actual and potential negative environmental impacts		11	0	239	267	198	0	0	NA (*)	NA (*)	0
Significant actual and potential negative environmental impacts in the supply chain		Unauthorized logging of protected species or damage to fauna (impact on flora, fauna, vegetation)	Soil damage, improper waste disposal, logging of unauthorized species, fauna damage, heritage damage, improper social intervention		Soil degradation; soil pollution; improper waste disposal; deforestation; and breach of legal obligations	Degradação do solo; Contaminação do solo; Eliminação inadequada de resíduos; Desmatamento e Violação de obrigações legais	A significant part of XM's purchases corresponds to professional services, which do not imply the risk of generating environmental impacts	A significant part of XM's purchases corresponds to professional services, which do not imply the risk of generating environmental impacts	NA (*)	NA (*)	A significant part of INTERNEXA's purchases correspond to professional services or the purchase of goods that do not imply the risk of generating environmental impacts

[GRI 308-2] Negative environmental impacts in the supply chain and actions taken

	ISA INTERCHILE			ISA CTEEP			XM		ISA INTERVIAL		INTERNEXA
	2018	2019	2020	2018	2019	2020	2019	2020	2019	2020	2020
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon because of assessment	NA	0	0	0	0	0	0	0	NA (*)	NA (*)	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon because of assessment	NA	0	0	0	0	0	0	0	NA (*)	NA (*)	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated because of assessment, and why	NA	0	0	0	0	0	0	0	NA (*)	NA (*)	0

(*) Intervial does not carry out a prior or subsequent evaluation of environmental criteria in contracting.

[GRI 414-1] New suppliers that were screened using social criteria

	ISA						ISA INTERCOLOMBIA						ISA TRANSELCA						ISA BOLIVIA						ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ					
	2018		2019		2020		2018		2019		2020		2018		2019		2020		2018		2019		2020		2018		2019		2020	
Percentage of new suppliers that were screened and selected using social criteria	78	21%	182	18,68%	188	14,36%	79	15%	185	24,86%	176	15,91%	280	16%	150	23%	52	79,00%	24	37%	83	%	82	1%	73	32%	79	27%	75	28%
	16		34		27		12		46		28		45		34		41		9		1		1		23		21		21	

[GRI 414-1] New suppliers that were screened using social criteria

	ISA INTERCHILE						ISA CTEEP						XM				ISA INTERVIAL				INTERNEXA	
	2018		2019		2020		2018		2019		2020		2019		2020		2019		2020		2020	
Percentage of new suppliers that were screened using social criteria	ND	ND	88	7%	104	0%	178	40%	143	23%	231	72,29%	1	100%	1	100%	89	100% (**)	128	100% (**)	113	100,00%
	ND		6		0		71		33		167		1		1		89		128		113	

[GRI 414-2] Training on Human Rights procedures and policies

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Number of suppliers assessed for social impacts	100	149	136	59	126	118	47	57	41	9	1	1	23	21	21
Number of suppliers identified as having actual and potential significant negative social impacts	100	149	136	59	126	118	47	57	41	9	1	1	23	21	21

[GRI 414-2] Training on Human Rights procedures and policies

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Significant actual and potential negative social impacts identified in the supply chain		Breach of legal requirements regarding occupational health and safety			Breach of legal requirements regarding occupational health and safety			Based on the services requested by TRANSELCA S.A E.S.P to its suppliers, these were identified as potential risks: 1. Risk of falling from heights from Equipment in substations and lines 2. Road accidents due to the displacement in the different locations (mechanical conditions of the vehicle, weather conditions, state of the roads, driver's competence, among others) 3. Electrical risk due to the electrical installations and alternating current/direct current equipment. Step voltage, induction, energized equipment, non-isolated tools and/or faulty isolation, lack of equipment grounding, tower and yard equipment structures, among others 4. Safety conditions: mechanical, biomechanical, and chemical risk, trappings with hand and power tools and equipment, gutter covers, cabinet doors, door handles handling of chemical products for maintenance of equipment in substations and lines movements with loads, body positions, and rotation of wrists and hands 5. Public risk due to the geographical location of the sites (robberies, criminal groups) Groups outside the law			Breach of legal requirements regarding occupational health and safety - COVID-19 spread among the personnel - Working at heights - Electric contact - Hit by and against - Falling objects				- Failure to respect human rights in their area of influence - Forced or coerced labor - Child labor or hiring minors - Discrimination (ethnicity, gender, religion, among others) - Failure to enforce measures against corruption, extortion, and bribery - Failure to respect stakeholders	
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon because of assessment	0%	8,82%	0,70%	0,07%	2,17%	2,50%	4%	3,50%	9,756%	0	0	0	22%	0	5%

[GRI 414-2] Training on Human Rights procedures and policies															
	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP/ CONSORCIO TRANSMANTARO / ISA PERÚ		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated because of assessment, and why	0	0%	0%	0	0%	0%	0	0	0	0	0	0	0	0	0%

[GRI 414-2] Training on Human Rights procedures and policies											
	ISA INTERCHILE			ISA CTEEP			XM		ISA INTERVIAL		INTERNEXA
	2018	2019	2020	2018	2019	2020	2019	2020	2019	2020	2020
Number of suppliers assessed for social impacts	N.D	13	0	239	267	202	1	2	411	483	35
Number of suppliers identified as having actual and potential significant negative social impacts	N.D	13	0	239	267	202	1	2	411	483	35

[GRI 414-2] Training on Human Rights procedures and policies

	ISA INTERCHILE			ISA CTEEP			XM		ISA INTERVIAL		INTERNEXA
	2018	2019	2020	2018	2019	2020	2019	2020	2019	2020	2020
Significant actual and potential negative social impacts identified in the supply chain	NA	Work at height Electrical risk Non-compliance with labor obligations	Non-compliance with labor obligations; non-payments to local suppliers (subcontracts), irregularities		Compliance with legislation; (Personal Protection Equipment -PPE, Collective Protection Equipment - CPE, working conditions, working days, occupational safety, training “NR-10”, health exams). Risk of transmission line closure due to wrong procedure, causing variable plot	Atenção à legislação; (Epi’s, Epc’s, Condições de trabalho, jornada de trabalho, segurança do trabalho, treinamentos “NR-10”, exames de saúde). Risco de fechamento de linhas de transmissão devido a procedimento incorreto, causando plotagem variável	A significant portion of XM’s purchases correspond to professional services, which do not represent a risk of social impacts related to occupational health and safety	Breach of legal requirements regarding occupational health and safety	Work on the road and parkway	Work on the road and parkway	Breach of legal requirements regarding occupational health and safety
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon because of assessment	N.D	0%	0%	5,63%	0	0,43%	0%	0,00%	0%	0%	2,86%
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated because of assessment, and why	N.D	0	0%	0	0	0%	0	0%	0%	0%	0%

Compliance with supplier evaluation indicator		2018	2019	2020	Target
	Compliance %				
Average score obtained by suppliers evaluated for quality, opportuneness, HSE, ethics, and anti-fraud practices	ISA	75	87,6	80,9*	Target value greater than or equal to 85%
	ISA INTERCOLOMBIA	75	87,6	80,9*	
	ISA TRANSELCA	90	82,5	86,4	
	ISA REP	43	86,7	86,8	
	PDI	NA	100	100,0	
	ISA BOLIVIA	NA	NA	NA	
	ISA CTEEP	100	82,3	71,1	
	ISA INTERCHILE	NA	54,5	100,0	
	ISA INTERVIAL	NA	47	100,0	
	XM	NA	NA	98,8	
	INTERNEXA	NA	NA	98,6	

* In 2020, due to the COVID-19 situation, the supplier performance evaluation had to be postponed as it was impossible to send the results letter physically, so DocuSign had to be implemented. After this process improvement, it was observed that the indicator improved, but the target was not reached.

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA INTERCOLOMBIA			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	**2019**	**Positive / negative aspects Actions implemented for management 2019**	**2020**	**Positive / negative aspects Actions implemented for management 2020**
Geographical location*	• Copey Cuestecitas - Copey Fundación Transmission Line: Departments of Cesar and La Guajira, municipalities of Bosconia, El Copey, Valledupar, La Paz, San Diego, Albania, El Molino, San Juan del Cesar, Urumita, and Villanueva • Balsillas - Noroeste 230 kV Transmission Line: Department of Cundinamarca, municipalities of Funza and Tenjo • Bolívar - Sabanalarga 220 kV Transmission Line: Department of Atlántico, municipality of Luruaco • Guatiguará - Tasajero 230 kV Transmission Line: Department of Santander, municipality of Piedecuesta • Los Palos - Tasajero 230 kV Transmission Line: Departments of Valle del Cauca and Santander, municipalities of Yotoco and Suratá • Noroeste - Purnio 230 kV Transmission Line: Departments of Cundinamarca and Bolívar, municipalities of Funza, Tenjo, and Cartagena • Jamondino - S. Bernardino 230 kV Transmission Line: Department of Cauca, Municipality of Mercaderes • 500/230 kV Interconexión Noroeste- AMA: Department of Antioquia, Municipalities of Ituango, Toledo, Sabanalarga, Liborina, Buriticá, Santa Fe de Antioquia, and Ebéjico • 500/230 kV Interconexión Noroccidental - ANCE: Departments of Antioquia, Córdoba and Santander, municipalities of Briseño, Ituango, Montelibano, San José de Uré, Betulia, Cimitarra, Puerto Parra, Simacota, San Vicente de Chucurí, and Barrancabermeja • 500/230 kV Interconexión Noroccidental - ANPO: Department of Antioquia, municipalities of Briseño, Ituango, and Toledo • Costa Caribe 500 kV Reinforcement: Departments of Cesar and Bolívar, municipalities of El Copey and Córdoba	Below is a list of the negative impacts identified in the environmental impact study for this type of area: - Modification of vegetation - Modification of ecosystems connectivity - Intervention of protected areas ACTIONS The project layout seeks to draw the line across intervened areas. This zoning shall be compatible with project construction and operation activities; implementation of construction methods that minimize the impacts on these areas, with helicopter and drone laying, as well as bringing materials by cableway. Actions planned for management of protected areas include variable strips for forest exploitation, which allow reducing as much as possible the cutting down or removal of vegetation, optimizing and minimizing the potential impact of the project on this type of special management areas. During the operation stage, in vulnerable environmental areas, specific activities associated with the maintenance of vegetation in the easement strip are carried out, applying silvicultural management measures to avoid unnecessary removal of vegetation.	AMA, construction: Antioquia/ Liborina, Buriticá, Santa Fe de Antioquia, and Ebéjico ANCE, construction: Briceño, Ituango, Montelibano and San José de Uré POSO, construction: Santander/San Vicente de Chucurí and Betulia CECO, construction: Department of Cesar, Municipality of El Copey	AMA: Negative impacts: Modification of vegetation, modification of ecosystems connectivity, and intervention of protected areas. Positive impacts: From the design stage, the layout of transmission lines avoided, as much as possible, crossing the areas with the highest environmental relevance. Forest reserve declassification was not required for access to project construction sites as existing access routes were used. Implementation of alternative construction methods (controlled cable laying and davit installation - helicopters and drones). Design and construction of higher towers to avoid affecting forest reserve declassification areas, and optimization of forest exploitation strips that minimize the impact on ecosystems. A piece of land in the project's area of influence and within this protected area is being analyzed for offsetting the forest reserve declassification area. COMMENTS: It is important to note that the project carried out the respective forest reserve declassification permit process (granted by CORANTIOQUIA by means of AGREEMENT No. 180-ACU1703-490 of March 28, 2017) for the exploitation areas located in this reserve, in the municipalities of Liborina, Buriticá, Santa Fe de Antioquia, and Ebéjico. During 2020, project interventions on this protected area have been carried out on authorized areas and only as strictly necessary for the construction of tower sites and cable laying (0.37 ha intervened), where there was already a high degree of alteration and fragmentation, and there were anthropized coverages such as pastures and forest mosaics. ANCE: Negative impacts: Modification of vegetation, modification of ecosystems connectivity, and intervention of areas with great biodiversity value. Positive impacts: From the design stage, the layout of transmission lines avoided, as much as possible, crossing the areas with the highest environmental relevance. Declassification of forest reserve areas was not required for access to project construction sites as existing access routes were used. Implementation of alternative construction methods (controlled cable laying and davit installation - helicopters and drones). Design and construction of higher towers to avoid affecting forest reserve declassification areas, and optimization of forest exploitation strips that minimize the impact on ecosystems. Comments: Protection Areas (Absolute Protection and Threat by mass removal in areas of high slopes). Source: GDB of the Environmental Impact Study (EIA)- Soil Protection. (pending calculation of the real-definitive intervention area at the end of the construction stage). In 2020, 0,50 ha were affected, of which 0,42 ha correspond to natural coverages. POSO and CECO: the same positive and negative impacts are assessed

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA INTERCOLOMBIA			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	**2019**	**Positive / negative aspects Actions implemented for management 2019**	**2020**	**Positive / negative aspects Actions implemented for management 2020**
Position with respect to the protected area (in the area, close to the area, or with plots in the protected area), or area of high biodiversity value outside the protected area	• Copey Cuestecitas - Copey Fundación Transmission Line: the transmission line crosses Bosque Seco Tropical IAvH and Reserva de la Biosfera Sierra Nevada de Santa Marta • Balsillas - Noroeste 230 kV Transmission Line: the transmission line crosses Humedales de Guali, Tres Esquinas, and Lagunas del Funzhe • Bolívar - Sabanalarga 220 kV Transmission Line: The transmission line crosses Parque Natural Regional Los Rosales • Guatiguará - Tasajero 230 kV Transmission Line: The transmission line crosses Parque Natural Regional Bosques Andinos Humedos El Rasgon • Los Palos - Tasajero 230 kV Transmission Line: The transmission line crosses Parque Natural Regional Santurban • Noroeste - Purnio 230 kV Transmission Line: The transmission line crosses Humedales de Guali, Tres Esquinas, Lagunas del Funzhe, and Manglar del Caribe • Jamondino - S. Bernardino 230 kV Transmission Line: The transmission line crosses Bosque Seco del Patía • 500/230 kV Interconexión Noroccidental - AMA: The interconnection crosses Reserva de los Recursos Naturales de la Zona Ribereña del Río Cauca and Bosque Seco Tropical • 500/230 kV Interconexión Noroccidental - ANCE: The interconnection crosses Reserva de los Recursos Naturales de la Zona Ribereña del Río Cauca, AICA Serrania de Yariguies and Humedales del Magdalena Medio Santandereano • 500/230 kV Interconexión Noroccidental - ANPO: The interconnection crosses Reserva de los Recursos Naturales de la Zona Ribereña del Río Cauca • 500 kV Refuerzo Costa Caribe: The reinforcement crosses Reserva de la bioesfera Sierra Nevada de Santa Marta and Bosque Seco Tropical IAvH		All projects are located in protected areas	

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA INTERCOLOMBIA			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	2019	Positive / negative aspects Actions implemented for management 2019	2020	Positive / negative aspects Actions implemented for management 2020
Type of operation (office, manufacturing, production, or extraction)	• Copey Cuestecitas - Copey Fundación Transmission Line: Licensing phase (Environmental Impact Study -EIA-) • Balsillas - Noroeste 230 kV Transmission Line: Operation stage • Bolivar - Sabanalarga 220 kV Transmission Line: Operation stage • Guatiguará - Tasajero 230 kV Transmission Line: Operation stage • Los Palos - Tasajero 230 kV Transmission Line: Operation stage • Noroeste - Purnio 230 kV Transmission Line: Operation stage • Jamondino - S. Bernardino 230 kV Transmission Line: Operation stage • 500/230 kV Interconexión Noroccidental - AMA: Construction stage • 500/230 kV Interconexión Noroccidental - ANCE: Construction stage • 500/230 kV Interconexión Noroccidental - ANPO: Construction stage • Costa Caribe 500 kV Reinforcement: Construction stage		AMA, construction: Antioquia/ Liborina, Buriticá, Santa Fe de Antioquia, and Ebéjico ANCE, construction: Briceño, Ituango, Montelibano and San José de Uré POSO, construction: Santander/San Vicente de Chucurí and Betulia CECO, construction: Department of Cesar, Municipality of El Copey	
Surface of affected areas	• Copey Cuestecitas - Copey Fundación Transmission Line: 615.48 ha • Balsillas - Noroeste 230 kV Transmission Line: 2.83 ha • Bolívar - Sabanalarga 220 kV Transmission Line: 6.39 Ha • Guatiguará - Tasajero 230 kV Transmission Line: 10.34 ha • Los Palos - Tasajero 230 kV Transmission Line: 8.47 ha • Noroeste - Purnio 230 kV Transmission Line: 3.58 ha • Jamondino - S. Bernardino 230 kV Transmission Line: 73.80 ha • 500/230 kV Interconexión Noroccidental - AMA 95.53 Ha • 500/230 kV Interconexión Noroccidental - ANCE 364.14 ha • 500/230 kV Interconexión Noroccidental - ANPO: 23.48 ha • Costa Caribe 500 kV Reinforcement: 39.10 ha		AMA, construction: Antioquia/ Liborina, Buriticá, Santa Fe de Antioquia, and Ebéjico (0.37 ha) ANCE, construction: Briceño, Ituango, Montelibano, and San José de Uré (0.50 ha) POSO, construction: Santander/San Vicente de Chucurí and Betulia (2.71 ha) CECO, construction: Department of Cesar, Municipality of El Copey (5.23) TOTAL: 8.80	

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA INTERCOLOMBIA			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	**2019**	**Positive / negative aspects Actions implemented for management 2019**	**2020**	**Positive / negative aspects Actions implemented for management 2020**
Biodiversity value, characterized by appearing on protected lists (such as categories of the UICN's protected areas management, the Ramsar Convention, and national laws).	• Copey Cuestecitas - Copey Fundación Transmission Line: Reserva de la Biosfera Sierra Nevada de Santa Marta • Balsillas - Noroeste 230 kV Transmission Line: Humedales de Guali, Tres Esquinas, and Lagunas del Funzhe, Regional Integrated Management Districts • Bolívar - Sabanalarga 220 kV Transmission Line: Parque Natural Regional Los Rosales • Guatiguará - Tasajero 230 kV Transmission Line: Parque Natural Regional Bosques Andinos Húmedos el Rasgón • Los Palos - Tasajero 230 kV Transmission Line: Parque Natural Regional Santurban • Noroeste - Purnio 230 kV Transmission Line: Humedales de Guali, Tres Esquinas, and Lagunas del Funzhe, Regional Integrated Management Districts and Manglar del Caribe • Jamondino - S. Bernardino 230 kV Transmission Line: Bosques Secos del Patía, New area • Interconexión Noroccidental 500/230 kV - AMA: Reserva de los Recursos Naturales de la Zona Ribereña del Río Cauca and Bosque Seco Tropical • 500/230 kV Interconexión Noroccidental – ANCE: Reserva de los Recursos Naturales de la Zona Ribereña del Río Cauca, AICA Serrania de Yariguies and Humedales del Magdalena Medio Santandereano • 500/230 kV Interconexión Noroccidental - ANPO: Reserva de los Recursos Naturales de la Zona Ribereña del Río Cauca • Costa Caribe 500 kV Reinforcement: Reserva de la Bioesfera Sierra Nevada de Santa Marta and Bosque Seco Tropical IAvH		AMA, construction: Antioquia/ Liborina, Buriticá, Santa Fe de Antioquia, and Ebéjico. Reserva de los Recursos Naturales de La Zona Ribereña del Río Cauca (Declared by CORANTIOQUIA Board of Directors Agreement No. 017 of 1996) ANCE, construction: Briceño, Ituango, Montelibano, and San José de Uré, Protection Areas (Absolute Protection and threat by mass removal in areas of high slopes). POSO, construction: Santander/San Vicente de Chucurí and Betulia Important Bird Conservation Area- AICA Serrania de Yariguies CECO, construction: Department of Cesar, Municipality of El Copey, Reserva de la Biosfera Sierra Nevada de Santa Marta, Bosque seco Tropical	

*The geographical location of the entire project is indicated. The presence of the project in protected habitats only occurs in specific areas

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA REP			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	**2019 data**	**Positive / negative aspects Actions implemented for management 2019**	**2020 data**	**Positive / negative aspects Actions implemented for management 2020**
Geographical location*	• Coto de Caza El Angolo • Reserva Nacional Lomas de Lachay • Zona de Reserva Lomas de Ancón • Reserva Nacional de Salinas y Aguada Blanca • Reserva Paisajística Nor Yauyos Cochas	Positive aspects: Monitoring and conservation programs for endangered species of flora and fauna were implemented, and an annual increase in populations of approximately 2% was observed when compared with the previous year	• Coto de Caza El Angolo • Reserva Nacional Lomas de Lachay • Zona de Reserva Lomas de Ancón • Reserva Nacional de Salinas y Aguada Blanca • Reserva Paisajística Nor Yauyos Cochas	Positive aspects: Monitoring and conservation programs for endangered flora and fauna species were implemented, and an annual increase in populations of approximately 2% was observed when compared with the previous year
Position with respect to the protected area (in the area, next to the area, or with plots in the protected area), or area of high biodiversity value outside the protected area	In all cases within the area		In all cases within the area	
Type of operation (office, manufacturing, production, or extraction)	Transmission Line		Transmission line	
Surface of affected areas	• Coto de Caza El Angolo (5 Km - 220 kV Line) • Reserva Nacional Lomas de Lachay (1.52 Km - 220 kV Line) • Zona de Reserva Lomas de Ancón (7.1 Km - 220 kV Line) • Reserva Nacional de Salinas y Aguada Blanca (25 Km - 220 kV Line) • Reserva Paisajística Nor Yauyos Cochas (26.6 Km - 220 kV Line)		• Coto de Caza El Angolo (5 Km - 220 kV Line) • Reserva Nacional Lomas de Lachay (1.52 Km - 220 kV Line) • Zona de Reserva Lomas de Ancón (7.1 Km - 220 kV Line) • Reserva Nacional de Salinas y Aguada Blanca (25 Km - 220 kV Line) • Reserva Paisajística Nor Yauyos Cochas (26.6 Km - 220 kV Line)	
Biodiversity value, characterized by appearing on protected lists (such as categories of the UICN's protected areas management, the Ramsar Convention, and national laws).	High value in all cases		High value in all cases	

*The geographical location of the entire project is indicated. The presence of the project in protected habitats only occurs in specific areas

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA INTERCHILE			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	**2019 data**	**Positive / negative aspects Actions implemented for management 2019**	**2020 data**	**Positive / negative aspects Actions implemented for management 2020**
Geographical location*	• Tarapacá region • Atacama region • Coquimbo region • Valparaiso region • Metropolitan region		• Atacama region • Coquimbo region • Valparaiso region • Metropolitan region	
Position with respect to the protected area (in the area, close to the area, or with plots in the protected area), or area of high biodiversity value outside the protected area	Desert Bloom Area: in the priority area Punta Teatino - Caleta de Hornos: in the priority area Cerro Santa Ines and Costa de Pichidangui: 600 meters from the priority area Los Molles- Pichidangui: in the priority area Reserva de la Biosfera La Campana-Peñuela: crosses the transition area. El Roble: in the priority area.		Desert Bloom Area: in the priority area Punta Teatino - Caleta de Hornos: in the priority area Cerro Santa Ines and Costa de Pichidangui: 600 meters from the priority area Los Molles- Pichidangui: in the priority area Reserva de la Biosfera La Campana-Peñuela: crosses the transition area El Roble: in the priority area	Environmental impacts identified in the environmental assessment process, mitigation and compensation measures identified in the Environmental Assessment Decision (RCA) and in implementation process
Type of operation (office, manufacturing, production, or extraction)	Electric transmission line; electric substation		Electric transmission line; electric substation	
Surface of affected areas	Desert Bloom Zone: 107,65 ha Punta Teatino - Caleta de Hornos: 12,68 ha Los Molles- Pichidangui: N/I Reserva de la Biosfera La Campana-Peñuela: N/I El Roble: 22,13 ha		Desert Bloom Area: 107,65 ha Punta Teatino - Caleta de Hornos: 12,68 ha Los Molles- Pichidangui: N/I Reserva de la Biosfera La Campana-Peñuela: N/I El Roble: 22,13 ha	The project includes revegetation of areas with 100.000 individuals belonging to the 22 affected species, which are in the process of being nursed and then planted in their natural habitat. The project completed construction in 2019
Biodiversity value, characterized by appearing on protected lists (such as categories of the UICN's protected areas management, the Ramsar Convention, and national laws).	Priority sites for conservation; Biosphere reserve; Forest reserve		Priority sites for conservation; biosphere reserve	Environmental education program developed for the Biosphere Reserve

*The geographical location of the entire project is indicated. The presence of the project in protected habitats only occurs in specific areas

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA INTERCHILE			
For each operational site located in or close to protected areas or areas of high biodiversity value, report:	**2019 data**	**Positive / negative aspects Actions implemented for management 2019**	**2020 data**	**Positive / negative aspects Actions implemented for management 2020**
Geographical location*	Tarapacá region Atacama region Coquimbo region Valparaiso region Metropolitan region		Atacama region Coquimbo region Valparaiso region Metropolitan region	
Position with respect to the protected area (in the area, close to the area, or with plots in the protected area), or area of high biodiversity value outside the protected area	Desert Bloom Area: in the priority area Punta Teatino - Caleta de Hornos: in the priority area Cerro Santa Ines and Costa de Pichidangui: 600 meters from the priority area Los Molles- Pichidangui: in the priority area Reserva de la Biosfera La Campana-Peñuela: crosses the transition area El Roble: in the priority area		Desert Bloom Area: in the priority area Punta Teatino - Caleta de Hornos: in the priority area Cerro Santa Ines and Costa de Pichidangui: 600 meters from the priority area Los Molles- Pichidangui: in the priority area Reserva de la Biosfera La Campana-Peñuela: crosses the transition area El Roble: in the priority area	Environmental impacts identified in the environmental assessment process, mitigation and compensation measures identified in the Environmental Assessment Decision (RCA) and in implementation process
Type of operation (office, manufacturing, production, or extraction)	Electric Transmission Line; Electric Substation		Electric Transmission Line; Electric Substation	
Surface of affected areas	Desert Bloom Area: 107,65 ha Punta Teatino - Caleta de Hornos: 12,68 ha Los Molles- Pichidangui: N/I Reserva de la Biosfera La Campana-Peñuela: N/I El Roble: 22,13 ha		Desert Bloom Area: 107,65 ha Punta Teatino - Caleta de Hornos: 12,68 ha Los Molles- Pichidangui: N/I Reserva de la Biosfera La Campana-Peñuela: N/I El Roble: 22,13 ha	The project includes revegetation of areas with 100.000 individuals belonging to the 22 affected species, which are in the process of being nursed and then planted in their natural habitat. The project completed construction in 2019
Biodiversity value, characterized by appearing on protected lists (such as categories of the UICN's protected areas management, the Ramsar Convention, and national laws).	Priority sites for conservation; biosphere reserve, forest reserve		Priority sites for conservation; biosphere reserve	Environmental education program developed for the biosphere reserve

*The geographical location of the entire project is indicated. The presence of the project in protected habitats only occurs in specific areas

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
	ISA TRANSELCA			
For each operational site located within or close to protected areas or areas of high biodiversity value, report:	**2019 data**	**Positive / negative aspects Actions implemented for management 2019**	**2020 data**	**Positive / negative aspects Actions implemented for management 2020**
Geographical location*	Santa Marta - Termoguajira Line Tower 106 (11°14'26.6 "N 73°41'7.3"W) to Tower 131 (11°14'21.8" N 73°33'56.90"W)	Support from the National Parks Agency for easement maintenance activities that involve the removal of trees that do not meet the minimum safety distances required by the RETIE, in order to ensure that logging activities have the minimum impact on the environment	Santa Marta - Termoguajira Line Tower 106 (11°14'26.6 "N 73°41'7.3"W) to Tower 131 (11°14'21.8" N 73°33'56.90"W)	Support from the National Parks Agency for easement maintenance activities that involve the removal of trees that do not meet the minimum safety distances required by the RETIE, to ensure that logging activities have the minimum impact on the environment.
Position related to the protected area (in the area, close to the area, or with plots in the protected area), or area of high biodiversity value outside the protected area.	In the area (Parque Nacional Natural Sierra Nevada de Santa Marta)		In the area (Parque Nacional Natural Sierra Nevada de Santa Marta)	
Type of operation (office, manufacturing, production, or extraction)	Production		Production	
Surface of affected areas	0.416 Km^2 (41.6 ha)		0.416 Km^2 (41.6 ha)	
Biodiversity value, characterized by appearing in protected lists (such as categories of the UICN's protected areas management, the Ramsar Convention, and national laws)	Category II		Category II	

*The geographical location of the entire project is included. The presence of the project in protected habitats only occurs in specific areas

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas						
	ISA CTEEP				ISA INTERVIAL	
For each operational site located within or close to protected areas or areas of high biodiversity value, report:	**2019 data**	**Positive / negative aspects Actions implemented for management 2019**	**2020 data**	**Positive / negative aspects Actions implemented for management 2020**	**2020 data**	**Positive / negative aspects Actions implemented for management 2020**
Geographical location*	Brazil		Brazil		No concession goes through a protected area. Concessions are usually located near the mountain range, the nearest concessions being within approximately 50 km. An official link showing a protected area map such as parks, reserves, natural monuments, nature sanctuaries, etc. is attached	
Position related to the protected area (in the area, close to the area, or with plots in the protected area), or area of high biodiversity value outside the protected area.	Within protected areas		Within protected areas, including Integral Protection and Sustainable Use Conservation Units.			
Type of operation (office, manufacturing, production, or extraction)	Lines and substations		Lines and substations			
Surface of affected areas	1475,91		ISA CTEEP TL 10.202,87 ha; SS 122,85 ha			
Biodiversity value, characterized by appearing in protected lists (such as categories of the UICN's protected areas management, the Ramsar Convention, and national laws).	We conclude that all areas of IUCN are considered to be classified		Regarding the impact on fauna and flora, we follow recommendations or regulations issued by the Entities that belong to environmental bodies in charge of assessing said impact, and the licensing or environmental entity might belong to a different sector (municipalities, the nation, or the government) as the case may be			

*The geographical location of the entire project is included. The presence of the project in protected habitats only occurs in specific areas

[GRI 304-2] Significant impacts of activities, products, and services on biodiversity					
	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA	
The nature of significant direct and indirect impacts on biodiversity in relation to one or more of the following aspects:					
		2019	2020	2019	2020
Reduction of species		None of the activities that are part of projects under construction or operation results in reduction of species. It is worth mentioning that projects execute interventions on individuals of susceptible species with the corresponding authorization granted by the environmental authority, which impacts the number of individuals, but not the number of species. However, offset measures are implemented regarding these individuals to benefit the survival of the species.	2020: None of the activities that are part of projects under construction or operation results in reduction of species. It is worth mentioning that projects execute interventions on individuals of susceptible species with the corresponding authorization granted by the environmental authority, which impacts the number of individuals, but not the number of species. However, offset measures are implemented regarding these individuals to benefit the survival of the species.	NA	NA
Habitat transformation		NA	2020: Habitat transformation is mainly due to vegetation intervention inside the easement strip during the project construction stage. To minimize this impact, during the transmission line layout, an ecosystem connectivity analysis is performed to identify the degree of territory fragmentation before executing the project, identify core areas that could be affected by the line, and prioritize the layout through anthropic coverages to reduce potential impacts on connectivity and the habitat of species. In addition, during the construction stage, alternative laying methods and silvicultural management are implemented in order to reduce forest exploitation and thus the transformation of habitats.	NA	NA
Changes in the ecological processes outside the natural variation range (such as salinity or changes in phreatic level)		Interventions due to projects do not generate changes in ecological processes outside the natural variation range.	2020: Interventions due to projects do not generate changes in ecological processes outside the natural variation range.	Removal of 291 trees located in the easement area of the Ternium project. As an offsetting measure, 858 trees will be planted in 2020.	To comply with obligations derived from tree pruning permits, in 2020 the maintenance time established by the environmental authority (C.R.A.) was completed for a total of 4.893 trees offset.

[GRI 304-2] Significant impacts of activities, products, and services on biodiversity						
	ISA REP		ISA INTERCHILE		ISA BOLIVIA	
The nature of significant direct and indirect impacts on biodiversity in relation to one or more of the following aspects:						
	2019	2020	2019	2020	2019	2020
Reduction of species	Not perceived	2020: not perceived	Loss of vegetation in protected areas and priority sites for conservation; elimination of flora individuals under conservation category; loss of vegetation; loss of native forest; loss of individuals or populations of xerophyte species	Loss of vegetation in protected areas and priority sites for conservation; elimination of flora individuals under conservation category; loss of vegetation; loss of native forest; loss of individuals or populations of xerophyte species	NA	NA
Habitat transformation	The ecosystem has not been disrupted	The ecosystem has not been disrupted	No	No	NA	NA
Changes in the ecological processes outside the natural variation range (such as salinity or changes in phreatic level)	No changes in the ecosystem easements of the intervened habitats have been observed	No changes in the ecosystem easements of the intervened habitats have been observed	Irreversible soil degradation	No	NA	NA

[GRI 304-2] Significant impacts of activities, products, and services on biodiversity			
	ISA CTEEP		ISA INTERVIAL
The nature of significant direct and indirect impacts on biodiversity in relation to one or more of the following aspects:			
	2019	2020	2020
Reduction of species	The operation and maintenance activities carried out do not significantly impact biodiversity; however, they are occasional due to the need to clean up the strip and/or selective logging of trees to guarantee and secure the operations.	2020: The operation and maintenance activities carried out do not significantly impact biodiversity; however, they are occasional due to the need to manage vegetation to guarantee and secure the operations.	The main damage of road concessions at this point is that ring roads impact natural animal routes. Naturally, animals try to cross the highway, which results in animals ran over on the roads (dogs, horses, pumas, etc.).
Habitat transformation	The operation and maintenance activities carried out do not significantly impact biodiversity; however, they are occasional due to the need to clean up the strip and/or selective logging of trees to guarantee and secure the operations.	The operation and maintenance activities carried out do not significantly impact biodiversity; however, they are occasional due to the need to manage vegetation to guarantee and secure the operations.	
Changes in the ecological processes outside the natural variation range (such as salinity or changes in phreatic level)	The operation and maintenance activities carried out do not significantly impact biodiversity; however, they are occasional due to the need to clean up the strip and/or selective logging of trees to guarantee and secure the operations.	The operation and maintenance activities carried out do not significantly impact biodiversity; however, they are occasional due to the need to manage vegetation to guarantee and secure the operations.	

Significant direct and indirect positive and negative impacts in relation to the following:					
		ISA INTERCOLOMBIA		ISA TRANSELCA	
	2020	2019	2020	2019	2020
Species affected		The main activity causing this impact is cutting down vegetation or logging trees. Variable strips for forest exploitation are implemented to optimize and reduce the potential impact of the project on vegetation	739	For the laying of the 34.5 kV transmission line of the TERNIUM Connection Project, 291 trees of several species were removed, all of which are listed in the Forest Exploitation Permit granted by the environmental authority (CRA) (Resolution 264 of 2019)	
Expansion of areas that have suffered impacts		• Interconexión Noroccidental 500/230 kV - AMA 15.28 ha • Interconexión Noroccidental 500/230 kV - ANCE 100,12 ha • Interconexión Noroccidental 500/230 kV - POSO: 42.30 ha • Interconexión Noroccidental 500/230 kV - ANPO: 5.44 ha • Costa Caribe 500 kV Interconnection - Cerromatoso - Chinú - Copey Transmission Line: 4.65 ha • Chinú 500 kV Substation Expansion: 2.27 ha • Montería - Urabá 230 kV Transmission Line: 6.20 ha • Bolívar - Copey - Ocaña - Primavera single circuit 500 kV Transmission Line and associated works - Ocaña Expansion: 0.29 ha • San Antonio 230 kV Substation and associated transmission lines: 4.81 ha • O&M Network Centro de Tranmisión Noroccidente: 17.51 ha • O&M Network Centro de Tranmisión Centro: 4.01 ha • O&M Network Centro de Tranmisión Suroccidente: 1.72 ha • O&M Network Centro de Tranmisión Oriente: 1.76 ha • TOTAL CONSTRUCTION AND OPERATION: 206.36 ha	121.05 ha	Ternium Project: Sabanalarga - Ponedera 34.5 kV Transmission Line: 11,3 ha	No projects impacting biodiversity were developed during 2020. However, during the operation and maintenance of transmission line easement areas, pruning permits remained valid to maintain the security distances established by the RETIE.
Duration of impacts		All impacts on biodiversity are permanent during the useful life of assets because they are caused by easement maintenance activities or by the construction of substations	Permanent	During the life of the project (20 years)	
Reversibility or irreversibility of impacts		Impacts on biodiversity are irreversible during the useful life of assets	Irreversible	Reversible	

Significant direct and indirect positive and negative impacts in relation to the following:				
	ISA REP		ISA INTERCHILE	
	2019	2020	2019	2020
Species affected	No species have been affected	No species have been affected	32 species (294.227 specimens)	0. In 2020, no transmission projects affecting areas were carried out
Length of areas that have suffered impacts	• Coto de Caza El Angolo (5 Km - 220 kV Line) • Reserva Nacional Lomas de Lachay (1.52 Km - 220 kV Line) • Zona de Reserva Lomas de Ancón (7.1 Km - 220 kV Line) • Reserva Nacional de Salinas y Aguada Blanca (25 Km - 220 kV Line) • Reserva Paisajística Nor Yauyos Cochas (26.6 Km - 220 kV Line)	• Coto de Caza El Angolo (5 Km - 220 kV Line) • Reserva Nacional Lomas de Lachay (1.52 Km - 220 kV Line) • Zona de Reserva Lomas de Ancón (7.1 Km - 220 kV Line) • Reserva Nacional de Salinas y Aguada Blanca (25 Km - 220 kV Line) • Reserva Paisajística Nor Yauyos Cochas (26.6 Km - 220 kV Line)	P001 Cardones - Maitencillo - Pan de Azúcar -Polpaico 2X500 kV Line: 592,5 ha.	NA
Duration of impacts	Physical, biological, and socio-cultural impacts: Temporary (construction only) Visual Impact: Permanent	Physical, biological and socio-cultural impacts: Temporary (construction only) Visual Impact: Permanent	Construction stage	NA
Reversibility or irreversibility of impacts	Reversible	Reversible	Loss of xerophyte vegetation: Irreversible Loss of vegetation in protected areas and/or sites crucial for conservation: Irreversible Elimination of flora individuals under conservation category: Irreversible Loss of native vegetation: Irreversible	To recover species affected by vegetation cutting during the construction phase, in the RCA, the project contemplates revegetation for an equivalent number of individuals on intervened areas. Three (3) plant nurseries in the Atacama, Coquimbo, and Metropolitan region are at the production stage. They will be planted in May 2022-2025.

Significant direct and indirect positive and negative impacts in relation to the following:					
	ISA BOLIVIA		ISA CTEEP		ISA INTERVIAL
	2019	2020	2019	2020	2020
Species affected	NA	NA	Casearia sylvestris Handroanthus chrysotrichus Psidium guajava Tabebuia spp	Piptadenia gonoacantha (Pau Jacaré)	Any animal that may enter the roads (dogs, foxes, horses, cows, pumas, etc.).
Length of areas that have suffered impacts	NA	NA	0.005 ha, related to the removal of 5 isolated native specimens in Xavantes Bandeirantes 345 kV Transmission Line.	0,01 ha referente a supressão de 1 indivíduo arbóreo na SE Taubaté	There are certain points of the road where a higher number of animals are being ran over
Duration of impacts	NA	NA	REQUEST	Permanent impact	Permanent
Reversibility or irreversibility of impacts	NA	NA	Irreversible, but it is offset	Irreversible impact, but subject to offset.	Reversible (animal corridor), not as feasible

[GRI 304-3] Habitats protected or restored			
	ISA	ISA INTERCOLOMBIA	
		2019	2020
Habitat name		• Puerto Libertador - Montelíbano 110 kV Transmission Line: pastures of tropical rainforest • Connection of Cartago substation to San Marcos - Virginia 230 kV Circuit: La Moravia land • Sochagota - Guatiguará 230 kV Transmission Line • Banadía - Samoré Line • Cerromatoso Substation Expansion • Alférez - San Bernardino 230 kV Transmission Line • Sochagota Substation • El Bosque Transmission Line connection: dry forest and mangrove in San Juan Nepomuceno and Cartagena de Indias • Bolívar - Copey - Ocaña - Primavera 500 kV Transmission Line: El Paraíso land • Cerromatoso Substation • Páez - San Bernardino 230 kV Transmission Line • Páez - San Bernardino 230 kV Transmission Line • Comuneros - Campo 22 Transmission Line and Cira Infantas Substation • Primavera - Ocaña • La Reforma Substation • Forest exploitation area of Cerromatoso Substation • Puerto Libertador - Montelíbano 110 kV Transmission Line • La Enea - San Felipe Transmission Line • Bacatá - Primavera 500 kV Transmission Line	2020: Monitoring and maintenance: • Interconexión Noroccidental 500/230 kV - POSO: Lifting of ban in Santander/Cimitarra, tropical forest - tropical rainforest, 0.081 ha. Status at the end of the period: Maintenance and monitoring. Not verified by a third party. Type of action: Restoration. Standards, methodologies, and assumptions used: Replacement, after forest exploitation, of banned species. DGL Regional Resolution No. 000547 of July 4, 2007 (CAS). 50 Cariniana pyriformis individuals have been placed in the area destined for replacement, Reserva de la Sociedad Civil Finca Agroecologica El Paraíso. • 500/230 kV Interconexión Noroccidental - PORCE III SUBSTATION: Lifting of ban in Antioquia, unspecified tropical forest, 0.96 ha. Status at the end of the period: Maintenance and monitoring. Not verified by a third party. Type of action: Restoration. Methodology: Replacement, after forest exploitation, of banned species. MASDE National Resolution No. 313 of March 10, 2017. Comments: 556 individuals have been placed in the area destined for replacement, distributed as follows: 204 Cyathea caracasana individuals, 200 Cyathea divergens individuals, and 152 Cyathea horrida individuals. • San Antonio 230 kV Substation and associated transmission lines: Lifting of ban in Boyacá/Paipa, bush / scrubland, 3.18 ha. Status at the end of the period: Monitoring and maintenance. Third parties: ANLA has not followed up. Action: Restoration/Enrichment. Methodology: Compliance with the obligations according to Resolution No. 2031 of October 4, 2017. Department of Forests, Biodiversity, and Ecosystem Services of the Ministry of Environment and Sustainable Development (MADS in Spanish). Third-party collaboration: Water recharge zone of the El Rejalgar de la Vereda aqueduct. If this case, they provided the areas for carrying out offset activities. • UPME 09-2015 Connection of the Cartago Substation to the San Marcos – Virginia 230 kV Circuit, La Moravia Land, Municipality of Ansermanuevo to La Argelia, pastures, 0.06 ha. Final status: Maintenance and monitoring. Follow-up by the corporation. Reforestation. • Sochagota – Guatiguará 230 kV TL- 1 Municipality of El Jordan, pastures, 1.02 ha. Final status: Maintenance and monitoring. Follow-up by ANLA. Reforestation. • Banadía - Samoré Line: Municipality of Saravena, 2.4003 ha. Final status: Maintenance and monitoring. Follow-up by Corporinoquia corporation. Reforestation. • Cerromatoso Substation Expansion, Municipality of Montelibano, pastures, 0.27 ha. Maintenance and monitoring. Follow-up by CVS. Reforestation. • Cerromatoso Substation Expansion, Municipality of Montelibano, pastures, 2.38 ha. Maintenance and monitoring. Follow-up by CVS. Reforestation.

[GRI 304-3] Habitats protected or restored			
	ISA	ISA INTERCOLOMBIA	
		2019	2020
Geographical location		• Puerto Libertador - Montelíbano 110 kV Transmission Line: Municipalities of Montelíbano and Puerto Libertador • Connection of Cartago Substation to San Marcos - Virginia 230 kV Circuit: Municipality of Ansermanuevo • Sochagota - Guatiguará 230 kV Transmission Line: Municipality of El Jordán • Banadía - Samoré Line: Municipality of Saravena • Cerromatoso Substation Expansion: Municipality of Montelíbano • Alférez - San Bernardino 230 kV Transmission Line: Municipality of Santander de Quilichao • Sochagota Substation: Municipality of Paipa • El Bosque Transmission Line connection: Municipalities of San Juan Nepomuceno and Cartagena de Indias • Bolívar - Copey - Ocaña - Primavera 500 kV Transmission Line: Departments of Norte de Santander, Cesar, and Bolívar • Comuneros Substation: Municipality of Barrancabermeja • Páez - San Bernardino 230 kV Transmission Line: Municipality of Morales • Bacatá - Primavera 500 kV Transmission Line: Municipality of Yacopí • Comuneros - Campo 22 Transmission Line and Cira Infantas Substation: Municipality of Barrancabermeja • Primavera - Ocaña: Municipality of Cimitarra • La Reforma Substation: Municipality of Villavicencio • Forest exploitation area of Cerromatoso Substation: Municipality of Montelíbano • Puerto Libertador - Montelíbano 110 kV Transmission Line: Municipalities of Montelíbano and Puerto Libertador • La Enea - San Felipe Transmission Line: Municipality of Herveo • Bacatá - Primavera 500 kV Transmission Line	• Alférez – San Bernardino 230 kV TL, Municipality of Santander de Quilichao, Cauca, pastures, 0.54 ha. Establishment, maintenance and monitoring Follow-up by CRC corporation. Reforestation • Sochagotá Substation, Municipality of Paipa, pastures, 0.1 ha. Establishment, maintenance and monitoring. Follow-up by Corpoboyaca. Reforestation • El Bosque TL Connection: San Juan de Nepomuceno; dry forest, tropical forest - tropical dry forest, 29.53 ha. Maintenance and monitoring. Follow-up by ANLA, Reforestation • El Bosque TL Connection: Restoration of mangrove area in the Municipality of Cartagena, mangroves, 7 ha. Maintenance and monitoring. Follow-up by ANLA, Reforestation • Bolívar – Copey – Ocaña – Primavera 500 Kv TL, Municipality of Cimitarra, El Paraiso land, pastures, 69.6 ha. Maintenance and monitoring. Follow-up by ANLA, Reforestation • Cerromatoso Substation, a well belonging to the Municipality of Montelibano, pastures, 0.24 ha. Maintenance and monitoring. Follow-up by the corporation, Reforestation • Bacata – Primavera 500 kV TL, Municipality of Yacopi, others (low and high secondary vegetation), 158.56 ha. Maintenance and monitoring. Follow-up by ANLA. Restoration/Conservation • Comuneros TL- Campo 22, Municipality of Barrancabermeja (15 ha), pastures, 15 ha. Maintenance and monitoring. Follow-up by ANLA. Reforestation • Cira Infantas Substation, Municipality of Cimitarra (45 ha), pastures, 45 ha, Maintenance and monitoring. Follow-up by ANLA. Reforestation • Primavera – Ocaña, Municipality of Cimitarra. El Paraiso land, pastures. 10 ha. Maintenance and monitoring. Follow-up by ANLA. Reforestation • La Reforma Substation, Municipality of Villavicencio, pastures, 2 ha. Maintenance and monitoring. Follow-up by CORMACARENA. Reforestation • Forest exploitation area of Cerromatoso Substation- GECELCA Montelibano, Cordoba, pastures, 1 ha. Maintenance and monitoring. Follow-up by CVS Corporation. Reforestation • Puerto Libertador - Montelíbano 110 kV Connection - GECELCA Montelíbano and Puerto Libertador, Cordoba, pastures, 11.32 ha. Maintenance and monitoring. Follow-up by CVS corporation. Reforestation

[GRI 304-3] Habitats protected or restored			
	ISA	ISA INTERCOLOMBIA	
		2019	2020
Habitat area restored or protected		• Puerto Libertador - Montelíbano 110 kV Transmission Line: 4,6 ha • Connection of Cartago Substation to San Marcos - Virginia 230 kV Circuit: 0,06 ha • Sochagota - Guatiguará 230 kV Transmission Line: 1,02 ha • Banadía - Samoré Line: 2,40 ha • Cerromatoso Substation expansion: 2,37 ha • Alférez - San Bernardino 230 kV Transmission Line: 0,54 ha • Sochagota Substation: 0,26 ha • El Bosque Transmission Line Connection: 36,53 ha • Bolívar - Copey - Ocaña - Primavera 500 kV Transmission Line: 69,60 ha • Comuneros Substation: 0,05 ha • Páez - San Bernardino 230 kV Transmission Line: 0,09 ha • Bacatá - Primavera 500 kV Transmission Line: 158,56 ha • Comuneros - Campo 22 Transmission Line and Cira Infantas Substation: 70 ha • Primavera - Ocaña: 10 ha • La Reforma Substation: 2 ha • Forest Exploitation area of Cerromatoso Substation: 1 ha • Puerto Libertador - Montelíbano 110 kV Transmission Line: 11.32 ha • La Enea - San Felipe Transmission Line: 0.06 ha • Bacatá - Primavera 500 kV Transmission Line: 15.39 ha	• La Enea – San Felipe Herveo – Tolima TL, pastures, 0.06 ha. Establishment, maintenance and monitoring. Follow-up by Cortolima Corporation. Restoration • Bacata – Primavera 500 kV TL, San Francisco, pastures, 10.7 ha. Conservation (Land Acquisition). Follow-up by ANLA. Restoration/Conservation • Bacata – Primavera 500 kV TL, Supatá, pastures, 1.8 ha. Conservation (Land Acquisition). Follow-up by ANLA. Restoration/Conservation • Bacata – Primavera 500 kV TL, El Rosal, pastures, 8 ha. Conservation (Land Acquisition). Follow-up by ANLA. Restoration/Conservation • Alferez – San Bernardino Cajibio, Cauca, pastures, 2.5 ha. Establishment. Monitoring by CRC. Reforestation • Chinú Substation, Cordobá, pastures, 0.0594 ha. Establishment. Follow-up by ANLA. Reforestation • Chinú Substation, Cordobá, pastures, 0.117 ha. Establishment. Follow-up by CVS, Reforestation • Cartago – San Marcos Buga, Valle del Cauca, others (semi-permanent and permanent crops), 0.1827 ha. Establishment. Follow-up by CVC. Reforestation • Chinú Substation, Cordobá, pastures, 3.8 ha. Establishment, maintenance and monitoring. Not applicable (Community). Reforestation • Sogamoso Barrancabermeja, Santander, pastures, 0.0486 ha. Establishment. Follow-up by CAS. Reforestation • Sogamoso Betulia Santander (District of Putana), pastures, 0.45 ha. Establishment, maintenance, and monitoring. Follow-up by CAS. Reforestation • Casa de Maquinas - Jaguas San Rafael, Antioquia, ha, payment of COP 345.740. Follow-up by CORNARE. Compensation for Environmental Services payments • Esmeralda – San Carlos Caramanta, Antioquia, pastures, 0.027 ha. Establishment. Delivery to owners. Restoration TOTAL ha: 387.986 Total areas: 34

[GRI 304-3] Habitats protected or restored			
	ISA	ISA INTERCOLOMBIA	
		2019	2020
Conditions of the area at the end of the period (compared with baseline)		• Puerto Libertador - Montelíbano 110 kV Transmission Line: Installation and maintenance of 2.881 individuals with native fruit species of the region • Connection of Cartago substation to San Marcos - Virginia 230 kV circuit: Planting and maintenance of 23 individuals • Sochagota - Guatiguará 230 kV Transmission Line: 5 maintenance processes conducted on 1.138 individuals • Banadía - Samoré line: Maintenance of 2.667 individuals • Cerromatoso Substation Expansion: Planting and monitoring of 1.950 individuals • Alférez - San Bernardino 230 kV Transmission Line: Installation and maintenance of 600 individuals • Sochagota Substation: Planting and maintenance of 654 individuals • El Bosque Connection Transmission Line: Maintenance of 18.998 individuals • Bolívar - Copey - Ocaña - Primavera 500 kV Transmission Line: Maintenance of 64.150 individuals • Comuneros Substation: Installation of 50 individuals in an agroforestry area and environmental workshop • Páez - San Bernardino 230 kV Transmission Line: Planting and maintenance of 100 individuals • Bacatá - Primavera 500 kV Transmission Line: Planting and maintenance of 53.334 individuals • Primavera - Ocaña • La Reforma Substation • Forest Exploitation area of Cerromatoso Substation • Puerto Libertador - Montelíbano 110 kV Transmission Line • La Enea - San Felipe Transmission Line • Bacatá - Primavera 500 kV Transmission Line	
Verification by third parties		All protected or restored habitats are verified by third parties. In most cases, these are carried out by the corresponding environmental authorities (Regional Autonomous Corporations or National Agency of Environmental Licenses)	

[GRI 304-3] Habitats protected or restored			
	ISA	ISA INTERCOLOMBIA	
		2019	2020
Type of action		• Puerto Libertador - Montelíbano 110 kV Transmission Line: Restoration • Connection of Cartago Substation to San Marcos - Virginia 230 kV Circuit: Restoration and conservation • Sochagota - Guatiguará 230 kV Transmission Line: Restoration • Banadía - Samoré Line: Restoration • Cerromatoso Substation Expansion: Restoration • Alférez - San Bernardino 230 kV Transmission Line: Restoration • Sochagota Substation: Restoration • El Bosque Transmission Line Connection: Restoration • Bolívar - Copey - Ocaña - Primavera 500 kV Transmission Line: Restoration • Comuneros Substation: Restoration • Páez - San Bernardino 230 kV Transmission Line: Restoration • Bacatá - Primavera 500 kV Transmission Line: Restoration and conservation • Comuneros - Campo 22 Transmission Line and Cira Infantas Substation: Restoration • Primavera - Ocaña: Restoration • La Reforma Substation: Restoration • Forest exploitation area of Cerromatoso Substation: Restoration • Puerto Libertador - Montelíbano 110 kV Transmission Line: Restoration • La Enea - San Felipe TL: Restoration • Bacatá - Primavera 500 kV Transmission Line: Restoration and conservation	
There is collaboration with third parties		• Puerto Libertador - Montelíbano 110 kV Transmission Line: Reforestation in private plots close to the AID (Direct Area of Influence) of Puerto Libertador - Montelíbano 110 kV Connection Line project. • Cerromatoso Substation Expansion: A part of reforestation is being performed in a private plot	

[GRI 304-3] Habitats protected or restored						
	ISA TRANSELCA		ISA REP		ISA INTERCHILE	
	2019	2020	2019	2020	2019	2020
Habitat name	NA	NA	• Coto de Caza El Angolo: Dry forest • Reserva Nacional Lomas de Lachay: Coastal desert • Zona de Reserva Lomas de Ancón: Desert and coastal hills • Reserva Nacional de Salinas y Aguada Blanca: High Andean plain • Reserva Paisajística Nor Yauyos Cochas: High Andean mountains	No removal of vegetation coverage was carried out	Desert Bloom (ephemeral shrubland) Bello del Norte preservation forest Lúcumo preservation forest	As there are no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019
Geographical location	NA	NA	• Coto de Caza El Angolo- Tumbes - Lima • Reserva Nacional Lomas de Lachay - Lima • Zona de Reserva Lomas de Ancón - Lima • Reserva Nacional de Salinas y Aguada Blanca - Arequipa • Reserva Paisajística Nor Yauyos Cochas - Lima and Junín	No removal of vegetation coverage was carried out	Desert Bloom: Atacama Region Belloto del Norte habitat: Valparaiso Region Lúcumo habitat: Coquimbo Region	As there are no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019
Habitat area restored or protected	NA	NA	• Coto de Caza El Angolo (5 Km - 220 kV Line) • Reserva Nacional Lomas de Lachay (1.52 Km - 220 kV Line) • Zona de Reserva Lomas de Ancón (7.1 Km - 220 kV Line) • Reserva Nacional de Salinas y Aguada Blanca (25 Km - 220 kV Line) • Reserva Paisajística Nor Yauyos Cochas (26.6 Km - 220 kV Line)	No removal of vegetation coverage was carried out	Desert Bloom: Atacama Region Belloto del Norte habitat: Valparaiso Region Lúcumo habitat: Coquimbo Region	As there are no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019
Conditions of the area at the end of the period (compared with baseline)	NA	NA	Protected in good condition	No removal of vegetation coverage was carried out	NA	As there are no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019

[GRI 304-3] Habitats protected or restored						
	ISA TRANSELCA		ISA REP		ISA INTERCHILE	
	2019	2020	2019	2020	2019	2020
Verification by third parties	NA	NA	SNMPE	No removal of vegetation coverage was carried out	Yes (Corporación Nacional Forestal CONAF; Superintendencia del Medio Ambiente SMA)	As there were no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019
Type of action	NA	NA	Protection and conservation	No removal of vegetation coverage was carried out	Conservation / Protection	As there were no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019
There is collaboration with third parties	NA	NA	NGO	No removal of vegetation coverage was carried out	No	As there were no new projects in 2020, no protection or restoration processes were carried out. Restoration will take place from 2022 by the project that ended in 2019

[GRI 304-3] Habitats protected or restored					
	ISA BOLIVIA		ISA CTEEP		ISA INTERVIAL
	2019	2020	2019	2020	2020
Habitat name	NA	No offsets in the operation and maintenance phase	• Area Bank in Mogi das Cruzes • Area Bank in Bertioga • Xavantes - Bandeirantes 345 kV TL • Mogi Mirim - Santo Angelo c1 440 kV TL	• Area Bank in Mogi das Cruzes • Area Bank in Bertioga • Taubaté Substation • Taubaté – Paraibuna – Caraguatatuba 138 kV TL • Taubaté – Paraibuna – Caraguatatuba 138 kV TL	NA
Geographical location	NA		• Area Bank in Mogi das Cruzes Mogi das Cruzes, State of São Paulo, Brazil • Area Bank in Bertioga: Biritiba-Mirim, State of São Paulo, Brazil • Xavantes - Bandeirantes 345 kV TL: São Paulo, State of São Paulo, Brazil • Mogi Mirim - Santo Angelo c1 440 kV TL: Jardim Conceição, Campinas - SP, Brazil	• Area Bank in Mogi das Cruzes -23,71924952 / -46,19481388 • Area Bank in Bertioga -23,71910293 / -46,10013362 • Taubaté Substation -23,064250/-45,585333 • Taubaté – Paraibuna – Caraguatatuba 138 kV TL -23,376917/-45,873233 • Taubaté – Paraibuna – Caraguatatuba 138 kV TL -22,90473/-45,86111	NA
Habitat area restored or protected	NA		• Area Bank in Mogi das Cruzes 14,27 ha • Area Bank in Bertioga 32,16 ha • Xavantes - Bandeirantes 345 kV TL: 0,01 ha • Mogi Mirim - Santo Angelo c1 440 kV TL: 0,00 ha	• Area Bank in Mogi das Cruzes 14.27 • Area Bank in Bertioga 32.16 • Taubaté Substation 0.01 • Taubaté – Paraibuna – Caraguatatuba 138 kV TL 13.28 • Taubaté – Paraibuna – Caraguatatuba 138 kV TL 4.32	NA
Conditions of the area at the end of the period (compared with baseline)	NA		• Area Bank in Mogi das Cruzes: term of responsibility for the preservation • Area Bank in Bertioga: Term of responsibility for the preservation of r • Xavantes - Bandeirantes 345 kV TL: legal reserve record in excess of percentage • Mogi Mirim - Santo Angelo c1 440 kV TL: donation of seedlings to the nursery	• Area Bank in Mogi das Cruzes Conservation term of the legal reserve • Area Bank in Bertioga: Conservation term of the legal reserve • Taubaté Substation: Donation of seedlings to the Municipality of Taubaté • Taubaté – Paraibuna – Caraguatatuba 138 kV TL: planting in the Santa Branca forest • Taubaté – Paraibuna – Caraguatatuba 138 kV TL: planting in Monteiro Lobato	NA
Verification by third parties	NA		• Area Bank in Mogi das Cruzes: no • Area Bank in Bertioga: no • Xavantes - Bandeirantes 345 kV TL: no • Mogi Mirim - Santo Angelo c1 440 kV TL: no	no	NA
Type of action	NA		• Area Bank in Mogi das Cruzes: Protection and conservation. • Area Bank in Bertioga: Protection and conservation. • Xavantes - Bandeirantes 345 kV TL: protection and conservation. • Mogi Mirim - Santo Angelo c1 440 kV TL: protection and conservation.	• Area Bank in Mogi das Cruzes Protection / Conservation • Area Bank in Bertioga: Protection / Conservation • Taubaté Substation: impacted • Taubaté – Paraibuna – Caraguatatuba 138 kV TL: restored • Taubaté – Paraibuna – Caraguatatuba 138 kV TL: restored	NA
There is collaboration with third parties	NA		• Area Bank in Mogi das Cruzes: No • Area Bank in Bertioga: No • Xavantes - Bandeirantes 345 kV TL: No • Mogi Mirim - Santo Angelo c1 440 kV TL: No	• Area Bank in Mogi das Cruzes: No • Area Bank in Bertioga: No • Taubaté Substation: No • Taubaté – Paraibuna – Caraguatatuba 138 kV TL: Yes • Taubaté – Paraibuna – Caraguatatuba 138 kV TL: Yes	NA

[GRI 304-4] Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations

	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA		ISA REP		ISA INTERCHILE		ISA BOLIVIA		ISA CTEEP		ISA INTERVIAL
Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the company operations, by level of extinction risk														
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2020
Critically endangered		Flora: 5 Fauna: 2	Flora: 1 Fauna: 4	2	2	0		0	Flora: 0	2	2	0	0	NA
Endangered		Flora: 17 Fauna: 3	Flora: 12 Fauna: 3	1	1	1		2	Flora: 2	5	5	0	0	NA
Vulnerable		Flora: 18 Fauna: 6	Flora: 15 Fauna: 8			3		13	Flora: 13	23	23	0	0	NA
Near threatened		Flora: 6 Fauna: 9	Flora: 9 Fauna: 10			7	• 01 (Zorritos – Machala TL) • 01 (West Chiclayo – Guadalupe TL) • 02 (Pomacocha – Carhuamayo TL)	10	Flora: 10	19	19	0	0	NA
Least concern		Flora: 246 Fauna: 317	Flora: 275 Fauna: 349			2	• 25 (Callalli – Santuario TL) • 26 (Zapallal – Huacho TL) • 01 (Zorritos – Machala TL) • 05 /Chilca – Zapallal 500 KV TL and Planicie-Zapallal 220 KV TL) • 08 (Amarilis Substation and associated transmission lines) • 13 (West Chiclayo – Guadalupe TL) • 10 (Pomacocha – Carhuamayo TL)	7	Flora: 7	0	0	0	0	NA

Respect and promotion of human rights and management of social impacts

(GRI 409-1) Forced or compulsory labor

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Operations and suppliers at significant risk for incidents of forced or compulsory labor in terms of type of operation	0	0	0	29 suppliers	31 suppliers, (74 contracts) Civil works service Assembly of lines and substations Maintenance of lines, in the construction stage of projects, have potential risk	28 suppliers, (47 contracts) Civil works service Assembly of lines and substations Maintenance of lines, in the construction stage of projects, have potential risk	0	0	0	0	0	0	0	ND	0	NA	ND	0	ND	64	72,29	0	ND	ND	0	0	0
Operations and suppliers at significant risk for incidents of forced or compulsory labor in terms of countries or geographic areas	All operations associated with the transport of energy implement HSE controls and monitor their respective risk matrixes, allowing control and monitoring of work situations that may use forced labor.																										
	0	0	0	0	0	Colombia	0	0	0	0	0	0	0	ND	0	NA	ND	0	ND	0	72,29	ND	ND	ND	0	0	0
Measures taken intended to contribute to the elimination of all forms of forced or compulsory labor	ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, ISA REP, and ISA CTEEP, and ISA INTERCHILE have not identified risks related to child labor or forced labor during their own operations or those outsourced. There was no risk of forced labor at the company or at the contractors' headquarters, in the construction and operational processes. Contractual minutes for purchases made in the different countries include the respect of the law of countries of origin and delivery of the product. It specifies the prohibition of child labor and forced labor, and the countries must comply with the provisions of ISA's Code of Ethics. - ISA INTERCOLOMBIA: INTERCOLOMBIA is a signatory of the Global Compact and has measures for assurance and control of labor rights with full respect for Human Rights. Contractual minutes of its direct employees comply with Colombian laws and international standards. Also, the company establishes contractual requirements for its suppliers, in conformity with Colombian labor law and the standards declared, and it monitors such requirements.																					ND			The service provided by the company and the services it hires are not vulnerable to or have risks of forced labor		

[GRI 408-1] Child labor

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Operations and suppliers considered to have significant risk for incidents of child labor	0	0	0	29	31 suppliers, (74 contracts) civil works service assembly of lines and substations maintenance of lines, in the construction stage of projects, have potential risk in Colombia	28 suppliers, (47 contracts) civil works service assembly of lines and substations maintenance of lines, in the construction stage of projects, have potential risk	0	0	0	0	0	0	0	ND	0	ND	ND	0	ND	64	72,29	ND	ND	ND	NA	NA	NA
Operations and suppliers considered to have significant risk for incidents of young workers exposed to hazardous work	0	0	0			28 suppliers, (47 contracts) civil works service assembly of lines and substations maintenance of lines, in the construction stage of projects, have potential risk	0	0	0	0	0	0	0	ND	0	ND	ND	0	ND	64	72,29	ND	ND	ND	NA	NA	NA
Operations and suppliers at significant risk for incidents of child labor either in terms of type of operation (such as manufacturing plant) and supplier	0	0	0	0		28 suppliers, (47 contracts) civil works service assembly of lines and substations maintenance of lines, in the construction stage of projects, have potential risk	0	0	0	0	0	0	0	ND	0	ND	ND	0	ND	64	72,29	ND	ND	ND	NA	NA	NA
Operations and suppliers at significant risk for incidents of child labor in terms of countries or geographic locations with operations and suppliers considered at risk	0	0	0	29		Colombia	0	0	0	0	0	0	0	ND	0	ND	ND	0	ND	64	72,29	ND	ND	ND	NA	NA	NA

[GRI 410-1] Security practices

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. (OSH - risk of life, labor conditions, payment of wages)	100	100	100	100	100	100%	100	100%	100%	0	0	0	ND	ND	0	ND	ND	NA	0	100	38	ND	ND	ND	ND	100	100
Whether training requirements also apply to third-party organizations providing security personnel	SI	SI	SI	SI	SI	SI	SI	SI	SI	ND	ND	ND	ND	ND	0	ND	ND	SI	NO	NO	SI	ND	ND	ND	ND	SI	100

[GRI 411-1] Rights of indigenous peoples

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total number of identified incidents of violations involving rights of indigenous peoples	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	ND	ND	0	0	0	0	ND	ND	ND	NA	NA	NA

[GRI 412-2] Human rights assessment

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			ISA INTERVIAL			XM		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total number of operations that have been subject to assessments of human rights or assessment of impacts on human rights by country	2	2	2	49	41	50	18	18	18	1	1	ND	4	ND	0	ND	ND	0	0	1	1	ND	ND	ND	0	0	0
% of operations that have been subject to human rights assessments	100	100	100	100	84	100%	100	100	100	100	100	ND	100	ND	0	ND	ND	0	0	100	100	ND	ND	ND	0	0	0
Total number of hours in the reporting period devoted to training on human rights policies or procedures that are relevant to operations	182	184	25	115	1,545	10	0	0	3	0	0	ND	0	ND	0	ND	ND	240	0	10	2	ND	ND	ND	228	162	NA
Percentage of employees trained in human rights policies or procedures that are relevant to operations	40	43	11	5,7	0,74	15	0	0	29	0	0	ND	0	ND	0	ND	ND	3	0	0	100	ND	ND	ND	79	66	NA

[GRI 413-1] Operations with local community engagement, impact assessments, and development programs

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL
Number of current environmental impact assessments (specify project's name)	NA	451	During 2020, because of the voltage level of developed projects, it was not necessary to process an environmental license or perform an environmental impact assessment. Also, as there was no impact on natural resources, environmental permits were not processed. However, for Triple A connection project, a social management program is being executed together with a volunteer community benefit project with Primero de Mayo and El Ferry communities	NA	Mantaro-Nueva Yanango-Carapongo 500 KV transmission line and associated substations Nueva Yanango – Nueva Huánuco 500 kV transmission line and associated substations.	0	1 (138 kV Taubaté – Paraibuna – Caraguatatuba TL)	NA	NA
Main subjects of the results of environmental and social impacts assessments	NA	*Limitation to the right of ownership, access deterioration, hiring of local labor and goods and services, additional social investments for AID (Direct Area of Influence). Property management (easement and improvement payment), inconveniences caused to the community, forest exploitation, plantation damages		NA	Water resources, biodiversity, air, and soil quality	0	Principais impactos levantados: intervenção em Unidade de Conservação e em comunidade indígena/ quilombola; risco de processos erosivos; inferferências na fauna e na flora.		
Local community development programs consulted with local communities	NA	449	During the reporting period, the company did not develop projects that implied obtaining an environmental license and consequently the structuring of consultation with communities. However, in compliance with the Corporate Environmental Policy, community development programs have been developed with communities in El Ferry and Primero de Mayo neighborhoods located in the area of influence of the underground connection 34,5 kV project between S/E TEBSA and TRIPLE A. Some activities performed in these communities include employment generation and training strategies for community action boards of El Ferry and Primero de Mayo	NA	1	0	Não foi realizada consulta pública no ano de 2020. Entretanto, foi desenvolvido o Programa de Comunicação Social junto às comunidades lindeiras aos empreendimentos.		

[GRI 413-1] Operations with local community engagement, impact assessments, and development programs

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL
Number of consultation processes with local communities that include vulnerable groups (specify which is the vulnerable group)	NA	Consultation processes: Consultation processes with ethnic and farming communities: 27 Held meetings: 1,531 Participants: 31,829 persons As follows: 18 consultation processes with ethnic communities, within the framework of prior consultation (regarding COCU and SABO projects): 16 executed and 2 under development. Details: • 18 ethnic communities: 10 community councils of Afro-Colombian communities; 8 indigenous groups: 4 groups of La Sierra, 4 Wayuu communities • 212 meetings • 11,723 attendants • 9 consultation processes with farming communities within the PIPC (community information and participation processes) framework (regarding 9 projects). • 1,319 meetings and gatherings in 107 municipalities • 20,106 attendants	During the reporting period, the company did not develop projects that implied obtaining an environmental license and consequently the structuring of consultation with communities. It is relevant to mention that the projects executed by the company were not developed in areas where vulnerable groups were present.	NA	Most consultation processes for both EIA (environmental impact studies) were performed in 2019. 2020: 2 public hearings and 1 informative workshop	0	0		
Which are the formal processes of claims and/or complaints in local communities	NA	• Support hotline • Intercolombia mailbox • Certified mail • Email • Community information and participation program. Field social management	• RYS • Community information and participation program • Ethics Line • Webpage	NA	0	Direct line with relations team	Fale Conosco (site ISA CTEEP)		Ethics Line

Own indicator												
Social management												
	ISA			**ISA INTERCOLOMBIA**			**ISA TRANSELCA**			**ISA BOLIVIA**		
	2018	**2019**	**2020 USD**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
Total social investment (USD)	243.173,00	278.901,73	335.970,05	9.184.053,00	9.770.156,69	6.289.774,46	105.338,00	88.984,36	252.734,00	412.100,00	432.812,51	196.778,00
Total people benefited (number)	15.000	24.293	9761	229.102	226.319	182073	131.724	120.685	118412	5.000	5.000	5000
Organizations benefited (number)	100	121	73	854	1.081	1.223	225	108	147	76	76	14

Own indicator												
Social management												
	ISA REP			**ISA INTERCHILE**			**ISA CTEEP**			**ISA INTERVIAL**		
	2018	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**	**2018**	**2019**	**2020**
Total social investment (USD)	223.295,00	10.371.263,83	1.711.959,00	212.044,00	256.096,73	295100,00	4.082.301,00	2.008.198,52	2.689.626,00	741079	327.216,15	56.263,00
Total people benefited (number)	134.724	76.142	2088	2.457	N. D.	4714,00	8094		12695	N. D.	5000	13100
Organizations benefited (number)	50	5	33	28	N. D.	84	105	13	17	N. D.	150	2

CONSOLIDATED SOCIAL INVESTMENT FIGURES								
COMPANY	**USD 2018**	**USD 2019**	**USD 2020**	**Variation 2019 – 2020 (%)**	**Local currency**	**Value LC 2020**	**TC to COP**	**COP 2020**
ISA	246,173	278,902	335,970	20.46	COP	1,153,217,180	3,432.50	1,153,217,180
ISA INTERCOLOMBIA	9,184,053	9,770,157	6,289,774	-35.62	COP	21,589,650,849	3,432.50	21,589,650,849.38
ISA TRANSELCA	105,338	88,984	252,734	184.02	COP	867,510,250	3,432.50	867,510,250
INTERNEXA	-	-	-	-	COP	-	3,432.50	-
XM	-	-	1,534	-	COP	5,266,812	3,432.50	5,266,812
ISA REP	223,295	10,371,264	1,137,001	-89.04	PEN	4,058,438	961.64	3,902,757,583

CONSOLIDATED SOCIAL INVESTMENT FIGURES								
COMPANY	USD 2018	USD 2019	USD 2020	Variation 2019 – 2020 (%)	Local currency	Value LC 2020	TC to COP	COP 2020
ISA CTEEP	4,082,301	2,008,199	2,689,626	33.93%	BRL	13,977,177	660.52	9,232,139,679
ISA BOLIVIA	412,099	432,813	196,778	-54.54%	BOB	1,369,572	493.18	675,438,945
ISA INTERCHILE	212,044	256,097	295,100	15.23%	CLP	209,801,235	4.83	1,012,930,853
ISA INTERVIAL CHILE	741,079	327,216	56,263	-82.81%	CLP	40,000,000	4.83	193,122,000
TOTAL	15,206,382.18	23,533,630.51	11,254,780.52	-52.18%		23,884,851,512.66		38,632,034,150

IN-KIND DONORS			
COMPANY	Value LC 2020	TC to COP	Value USD 2020
ISA	-	3432,5	-
ISA INTERCOLOMBIA	5.349.551.456,00	3432,5	1.558.500,06
ISA TRANSELCA	2.995.628.426,07	3432,5	872.724,96
INTERNEXA	-	3432,5	-
XM	-	3432,5	-
ISA REP	6.427.910,00	961,640	6.684,32
ISA CTEEP	-	660,515	-
ISA BOLIVIA	8.144.434,83	493,175	16.514,28
ISA INTERCHILE	58.153.102,00	4,828	12.044.842,53
ISA INTERVIAL CHILE	-	4,828	-
TOTAL	8.417.905.328,90		14.499.266,15

Attractive and desirable employer

[GRI 102-7] Scale of the organization														
	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	PDI	ISA INTERCHILE	ISA CTEEP	XM	SIER	INTERNEXA	ISA INTERVIAL	COSTERA	Total
Total number of persons working at the company	226	628	203	28	365	47	63	1392	279	61	342	383	335	4352
Total number of women	100	175	49	6	57	17	12	190	94	27	101	131	104	1071
Total number of men	126	453	154	22	287	30	51	1202	185	34	241	252	231	3281
Total number of women in management positions (level 1 and 2)	9	6	7	1	8	0	1	24	9	0	11	2	3	81
Total number of men in management positions (level 1 and 2)	16	17	9	1	13	1	9	81	11	1	25	8	4	196
Total executive employees	25	23	16	2	21	1	10	105	20	1	36	10	7	277
25% female directors	36	26,1	43,8	50	38,1	0	10	22,9	45	0	30,6	20	42,9	29,2
Number of persons who belong to a trade union or collective agreement	116	403	92	0	139	0	0	444	201	0	0	265	N. D.	1662
% of employees who belong to a trade union or collective agreement	51,3	64,2	45,3	0	38	0	0	31,9	72	0	0	69,2	N. D.	38,2

Breakdown by generation												
	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	PDI	ISA INTERCHILE	ISA CTEEP	XM	SIER	INTERNEXA	ISA INTERVIAL
Generation Z (2000-today)	0	0	0	0	0	0	0	0	0	0	0	0
Millennials (1981-2000)	88	251	72	17	156	25	40	685	173	50	174	179
Generation X (1965-1980)	114	258	79	10	135	19	22	610	85	11	159	174
Boomers (1946-1964)	24	119	51	1	75	3	1	97	21	0	9	29
Silent generation (< 1945)	0	0	1	0	0	0	0	0	0	0	0	1

Breakdown by disability												
	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	PDI	ISA INTERCHILE	ISA CTEEP	XM	SIER	INTERNEXA	ISA INTERVIAL
Number of persons with a disability	2	6	1	0	1	0	0	46	0	0	0	0
% of total plant with a disability	0,9	1,0	0,5	0,0	0,3	0,0	0,0	3,3	0,0	0,0	0,0	0,0

[GRI 102-8] Information on employees and other workers																				
	ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP		ISA INTERCHILE		ISA CTEEP		XM		ISA INTERVIAL		INTERNEXA	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Total number of employees by permanent labor contract	96	121	163	436	45	141	5	22	54	275	12	51	188	1201	86	168	130	251	97	231
Total number of employees by fixed-term labor contract	4	5	12	17	4	13	1	0	13	42	0	3	2	1	8	17	1	1	1	6

[GRI 401-1] Employment: new employee hires and employee turnover										
		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Total number of new employee hires during the reporting period		25	74	12	2	21	11	144	57	41	58
Total rate of new employee hires during the reporting period	New employee hires/ total employees	8,41%	11,78%	5,91%	7,14%	5,75%	17,46%	10,34%	20,43%	10,70%	16,96%
Total number of employee withdrawal during the reporting period		11	36	10	3	40	14	202	19	27	37
Total number of voluntary employee withdrawal (resignation) during the reporting period		8	24	3	3	38	11	51	14	11	15

[GRI 401-1] Employment: new employee hires and employee turnover

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Total number of non-voluntary withdrawals (dismissals and termination of contracts) during the reporting period		3	12	7	0	2	3	79	5	26	22
Total rate of employee turnover during the reporting period Formula: Withdrawals / (0.5 * (Initial plant + Final plant))	Women withdrawal	8	9	1	1	5	2	36	7	10	13
	Initial plant – Women	98	157	49	6	67	11	190	84	129	98
	Final plant – Women	100	175	49	6	65	12	190	94	131	101
	Women turnover	8%	5%	2%	17%	8%	17%	19%	8%	8%	13%
	Men withdrawal	3	22	8	2	35	3	94	12	27	24
	Initial plant – Women	119	438	150	23	320	46	1198	158	240	228
	Final plant – Women	126	453	154	22	300	51	1202	185	242	241
	Men turnover	2%	5%	5%	9%	11%	6%	8%	7%	11%	10%
	Total withdrawals	11	31	9	3	40	5	130	19	37	37
	Initial plant	217	595	199	29	387	57	1388	242	369	315
	Final plant	226	628	203	28	365	63	1392	279	383	342
	Group turnover	5%	5%	4%	11%	11%	8%	9%	7%	10%	11%
Number of employees who had mobility during the reporting period		5	0	0	2	20	11	101	4	2	9

Total ISA Group turnover – Women	10%	
Total ISA Group turnover – Men	8%	
Group turnover	8%	

Maternity/paternity leaves											
		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Total number of employees who used maternity/ paternity leaves	Women	2	1	3	1	2	1	4	3	5	1
	Men	3	13	21	1	7	0	0	5	0	9
Total number of employees returning to work after the end of their maternity/paternity leaves during the reporting period	Women	2	1	3	0	1	0	8	3	1	1
	Men	3	13	21	1	7	0	0	5	0	4
Total number of employees returning to work after the end of their maternity/paternity leaves and that continued working 12 months after their return	Women	2	1	3	0	0	0	6	3	0	1
	Men	3	13	21	1	12	0	0	5	0	9
Return to work rate and retention of employees who used maternity/paternity leaves	Women	100%	100%	100%	100%	100%	100%	67%	100%	100%	100%
	Men	100%	100%	100%	100%	100%	100%	0	100%	0	100%

Organizational climate result										
	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Organizational climate result	89	86	89	90	89	75	83	86	89	88
Goal 2019	85	82	84	88	88	70	83	85	86	82

Capacity to educate highly qualified workers who learn and see themselves linked to the organization in the long term.

[GRI 404-1] Training and education

		ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP		
Average hours of training that the organization's employees have undertaken during the reporting period		Women	Men	Total average	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average
		68,0	59,0	68,9	353,5	1029,6	47,8	59,362	52,176	53,9	57,5	54,8	8	35,6	62,13	71,2
Hours of training that the organization's employees have undertaken during the reporting period, by employee category	Total training hours of level 1 staff: CEOs, managers, chief officers	529,3	394,3	923,6	0	512,5	393,0	178,73	320,04	498,77	NA	NA	NA	0	33,5	33,5
	Total training hours of level 2 staff: directors and chiefs	149,3	1318,7	1468,0	538,25	1440,6	1937,7	505,09	129,6	634,69	44	33,72	77,72	351	594,1	945,1
	Total training hours of level 3 staff: specialists, analysts, technicians, and assistants	5430,5	7744,7	13175,2	8042,65	19.472,2	22243,0	2224,9	7585,41	9810,31	70,89	75,89	146,78	2779,6	22238	25017,6

[GRI 404-1] Training and education

		ISA CTEEP			XM			ISA INTERVIAL			ISA INTERCHILE			INTERNEXA		
Average hours of training that the organization's employees have undertaken during the reporting period		Women	Men	Total average	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average
		31,4	48,7	46,4	18,0	11,0	12,9	35,0	32,0	56,5	57,0	53,0	43,2	53,0	54,0	27,5
Hours of training that the organization's employees have undertaken during the reporting period, by employee category	Total training hours of level 1 staff: CEOs, managers, chief officers	29	30	59	140	105	245	226	596	822	8	160	168	15	205	220
	Total training hours of level 2 staff: directors and chiefs	222	2304,5	2526,5	146	97	243	399,9	1325,48	1725,38	0	123	123	371	481	853
	Total training hours of level 3 staff: specialists, analysts, technicians, and assistants	5123	54461,5	62111	1360	1764	3124	7458,2	11634,36	19092,56	680	1754	2434	2105	6229	8334

[GRI 404-3] Percentage of employees receiving regular performance and career development reviews

		ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP		ISA INTERCHILE		ISA CTEEP		XM		ISA INTERVIAL		INTERNEXA	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	Total number of women with performance assessment	84	100	172	98	47	95,9	5	100	64	100	9	100	176	100	88	100	100	83,3	83	100
	Total number of men with performance assessment	105	100	445	98	138	89,6	22	100	277	94	42	82	1143	100	165	100	206	90,8	198	100
	Total number of level 1 and level 2 employees with performance assessment: CEOs, managers, chief officers, and directors	20	100	22	100	16	100	2	100	21	100	6	100	103	100	21	100	66	93,0	33	100
	Total number of employees with level 3 performance assessment	169	100	607	98	169	90	25	100	320	94	45	100	1216	100	232	100	240	87,0	248	100

Internal job opportunities

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
% of new positions held by internal candidates	32	7	21	0	14	0	27	15	16	2

Management of equity, diversity and inclusion

[GRI 405-2] Diversity and equal opportunity											
		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Percentage of individuals within the organization's governance bodies in each of the following categories	Total level 1 women: CEOs, managers, and chief officers	5	3	1	1	1	1	15	3	2	2 (14)
	Total level 1 men: CEOs, managers, and chief officers	6	16	6	1	5	7	66	2	8	12 (76)
Ratio of basic salary and remuneration of women to men for each employee category, by location with significant operations	Level 1 (CEO or general manager not included)	90,7	0	9 more	96	87	0	90	110	85,00	0,9
	Level 2	75,1	0	0	83	121	120	94	110	89,00	0,91
	Level 3	91,7	9,60	23 more	127	107	0	107	97	91,00	1,06

Compensation											
		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
CEO/General Manager	% fixed compensation	56	78,85	69,00	0	65	50	57,54	68	59	68
	% variable long-term compensation	14	9,86	11,00	0	7	15	3,67	11	10	11
	% variable short-term compensation	28	6,57	16,00	0	11	25	26,83	17	30	17
	% benefits	3	4,72	5,00	0	17	10	11,96	4	1	4

Compensation											
		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Level 1	% fixed compensation	64	79,22	69,00	87	70	50	58,85	70	73	75
	% variable long-term compensation	11	9,90	6,00	0	0	15	2,12	5	2	6
	% variable short-term compensation	20	3,30	16,00	12	14	25	19,54	18	24	19
	% benefits	4	7,58	10,00	1	17	10	19,5	7	1	0
Level 2	% fixed compensation	70	77,60	68	92	70	60	77,16	70	75	75
	% variable long-term compensation	6	9,70	5	0	0	0	2,33	5	0	6
	% variable short-term compensation	18	3,23	14	6	12	30	11,22	17	22	19
	% benefits	7	9,46	13	2	18	10	9,28	8	3	
Level 3	% fixed compensation	78	82,12	71	90	65	60	65,26	79	82	80
	% variable long-term compensation	0	4,67	0	0	0	0	0	0	0	0
	% variable short-term compensation	8	0,00	5	6	6	30	7,36	7	12	20
	% benefits	14	13,21	24	4	29	10	27,37	14	6	10

Note: this information should always be presented in percentage terms, not in currency

[GRI 406-1] Incidents of discrimination and corrective actions taken																				
	ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP		ISA INTERCHILE		ISA CTEEP		XM		ISA INTERVIAL		INTERNEXA	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Number of incidents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corrective measures and actions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

[Impact] Occupational health and safety: impact of fatalities, diseases, accidents, and diseases affecting employees and contractors																			
EMPLOYEES	**ISA**		**ISA INTERCOLOMBIA**		**ISA TRANSELCA**		**ISA BOLIVIA**		**ISA REP**		**ISA INTERCHILE**		**ISA CTEEP**		**XM**		**ISA INTERVIAL**		**INTERNEXA**	
	2019	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
Number of employee injuries with short absence (less than 5 days)	1	1	13	10	2	2	0	0	0	0	1	0	7	4	0	0	1	0	2	0
Number of employee injuries with long absence (more than 5 days)	3	1	4	1	1	1	0	0	0	0	1	0	4	3	0	0	0	2	0	1

EMPLOYEES																				
Number of third-party injuries with short absence (less than 5 days)	0	0	113	107	14	6	0	0	1	4	3	3	16	19	1	1	26	19	10	3
Number of third-party injuries with long absence (more than 5 days)	0	0	155	71	6	4	0	0	3	8	10	0	9	8	0	1	36	38	3	6

[GRI 403-9] Work-related injuries										
Description	**ISA**	**ISA INTERCOLOMBIA**	**ISA TRANSELCA**	**ISA BOLIVIA**	**ISA REP**	**ISA INTERCHILE**	**ISA CTEEP**	**XM**	**ISA INTERVIAL**	**INTERNEXA**
Employees – Number and rate of fatalities resulting from an injury due to a work-related accident	0	0	0	0	0	0	0	0	0	0
Employees – Number and rate of fatalities resulting from an injury due to a work-related accident	0	0	0	0	0	0	0	0	0	0
Employees – Number and rate of injuries due to a work-related accident with serious consequences (not including fatalities)	0	0	0	0	0	0	0	0	0	0
Employees – Number and rate of injuries due to a work-related accident with serious consequences (not including fatalities)	0	0	0	0	0	0	0	0	0	0

[GRI 403-9] Work-related injuries										
Description	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Employees – Number and rate of recordable injuries resulting from a work-related accident	2	11	3	0	0	0	7	0	2	0
Employees – Number and rate of recordable injuries resulting from a work-related accident	4,2	8,1	6,4	-	-	-	2,8	-	3,18	-
Employees – Main types of injuries due to a work-related accident	Falls on the same level	Electrical risk Falls from height						Falls on the same level	Falls on the same level	Falls on the same level Falls from height
Employees – Number of worked hours	477.082,1	1.365.458,3	472.415	69.897,80	967.947,8	131.580	2.498.836,53	555.130	785.790	700.055
Contractors – Number and rate of fatalities resulting from an injury due to a work-related accident	ISA does not have contractors	0	0	0	0	0	1	0	0	0
Contractors – Number and rate of fatalities resulting from an injury due to a work-related accident	ISA does not have contractors	0	0	0	0	0	319	0	0	0
Contractors – Number and rate of injuries due to a work-related accident with serious consequences (not including fatalities)	ISA does not have contractors	0	0	0	0	0	-	0	0	0

[GRI 403-9] Work-related injuries										
Description	**ISA**	**ISA INTERCOLOMBIA**	**ISA TRANSELCA**	**ISA BOLIVIA**	**ISA REP**	**ISA INTERCHILE**	**ISA CTEEP**	**XM**	**ISA INTERVIAL**	**INTERNEXA**
Contractors – Number and rate of injuries due to a work-related accident with serious consequences (not including fatalities)	ISA does not have contractors	0	0	0	0	0	0	0	0	0
Contractors – Number and rate of recordable injuries resulting from a work-related accident	ISA does not have contractors	178	10	0	12	3	28	2	57	4
Contractors – Number and rate of recordable injuries resulting from a work-related accident	ISA does not have contractors	16,13	10.374	-	3.198,28	3,93	8.937,69	9,32	7,22	6.608,33
Contractors – Main types of injuries due to a work-related accident	ISA does not have contractors									
Contractors – Number of worked hours	ISA does not have contractors	11.033.305,6	963,927	67.102	3.752.022	763.592	3.132,800	214.656	7.892.825	605,30
How are work risks that might cause an injury with serious consequences due to a work-related accident determined?	Enabling of work life reincorporation, work adaptation of a person with an absence of more than 6 months, there is a procedure in place for occupational health assessment, worksite inspection and assessment by therapists. All high-risk activities use GTC45 hazard identification and risk assessment, control mitigation for occupational risks. The main identified risks are work at height and electrical risk, work in confined spaces and landslides.									
Which one of those hazards have caused or contributed to injuries due to a work-related accident with serious consequences during the reporting period?	None									

[GRI 403-9] Work-related injuries										
Description	**ISA**	**ISA INTERCOLOMBIA**	**ISA TRANSELCA**	**ISA BOLIVIA**	**ISA REP**	**ISA INTERCHILE**	**ISA CTEEP**	**XM**	**ISA INTERVIAL**	**INTERNEXA**
Which are the taken or projected measures to eliminate such hazards and minimize risks through control hierarchy?	Fatal accident in ISA CTEEP Intervention measures applied according to the Group's guidelines Occupational Health and Safety									
Specify the taken or projected measures to eliminate other work-related hazards and minimize risks through control hierarchy	Occupational Health and Safety									
Specify if the rates have been calculated per 200 000 or per 1 000 000 worked hours	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000
Specify if any employee has been excluded from this content, including the type of employee and the reason for exclusion	There are no exclusions in the company's employees									
Types of accidents, Accident Frequency Rate (TFA), Incidence Rate of Occupational Diseases (TIEP), Lost Day Rate (TDP), Absence Rate (TAL), and work-related fatalities or occupational diseases, for all employees, with a breakdown by sex	TFA Women, TFA = 4.72 Men, TFA = 4.14 TIEP Women, TIEP = 0 Men, TIEP = 0 TDP Women, TDP = 11.2% Men, TDP = 0% TAL Women, TAL = 0.24% Men, TAL = 0.19% Fatalities caused by work-related or occupational accidents: 0	TFA= 16.1 Women, TFA = 5.22 Men, TFA = 9.15 TIEP Women, TIEP = 0 Men, TIEP = 0 TDP Women, TDP = 3.66 Men TDP = 4.07 TAL Women, TAL = 1.37 Men, TAL = 1.54 Fatalities caused by work-related or occupational accidents: 0	Men: TFA = 1.256 TIEP=0 TDP = 0.0379 TAL = 1.256 Women TFA =0 TIEP=0 TDP = 0 TAL = 2.822	0	TFA Women: 0 Men: 0 TIEP Women: 0 Men: 0 TDP Women: 0 Men: 0 TAL Women: 0 Men: 1.8 Fatalities caused by work-related accident or disease: Women: 0 Men: 0	TFA =0 TIEP=0 TAL = 1,20 Fatalities caused by work-related accident or occupational disease = 0	Homens: TFA = 3,26; TIEP = 0; TDP = 32,57; TAL = 1,11; 0. Mulheres: TFA: 0,00; TIEP: 0; TDP: 0,00; TAL = 2,17; 0.			2020 (TFA) M = 0 W = 0.28 TIEP M=0 W=0

[GRI 403-9] Work-related injuries										
Description	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Types of accidents, Accident Frequency Rate (TFA), work-related fatalities, or occupational diseases for all staff (excluding employees), whose work or workplace are subject to control by the organization, with a breakdown by sex	NA	TFA= 16.1 Women, TFA = 19.14 Men, TFA = 4.07	TFA= 2.30 During 2020, the Accident Frequency Rate was: 2.34 ((10 AT / 434 employees) * 100); that is, there are approximately 3 accidents of contractors for every 100 workers in a 1-year period	0	Type of accidents: *Struck-by *Caught-between TFA: Women: 0 Men: 3.17 Work-related fatalities or occupational diseases (excluding employees): Women: 0 Men: 0	TFA= 3.9	TFA= 8.9	2 contractor's personnel accidents: - Struck-by - Overexertion TFA= 9.31	TFA=7.22	2020 (TFA M= 1,14 W= 0,23 TIEP M=0 W=0 "

Investment and innovation

	Unit	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA	SIER	TOTAL
Total investment in innovation	USD million	2,96	0,75	0,37	0,14	2,73	5,16	0,43	0,19	0,10	12,8
Number of positions (FTEs) for innovation	FTEs	17,22	12,4	5,9	3,0	5,5	18,3	3,6	6,0	8,0	62,7
Total revenues	USD million	66,9	389,0	77,6	393,3	721,3	46,0	306,4	110,4	5,3	2.116
Percentage of revenues or sales spent on innovation	% of revenues or sales	4,42	0,19	0,48	0,04	0,38	11,20	0,14	0,17	1,94	0,6
From the total investment on innovation, how much was spent in new business models or entrepreneurship (according to strategic guidelines)	USD million	0,00	0,00	0,04	0,03	0,33	0,29	0,00	0,00	0,07	0,75
Revenues or sales from innovation	USD million	0,00	0,00	0,00	0,00	0,00	0,37	0,00	2,05	0,12	2,55
Cost reduction or efficiencies from innovation	USD million	0,00	0,77	0,00	0,28	0,87	0,00	0,00	0,00	0,00	1,93
List the entities from which support was received for innovation in your company	List all in force	NA	NA	NA	Innóvate Perú	NA	NA	NA	NA	NA	
RATES TO USD		3.432,5	3.432,5	3.432,5	3.432,5	3.432,5	3.432,5	3.432,5	3.432,5	3.432,5	

Innovation management

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA	SIER
Number of innovation committees	1	1	1	1	1	1	1,0	1,0	1
Number of projects	11	16	8	11	12	12	10,0	3,0	5
Number of patents approved	0	0	0	0	0	0	0,0	1,0	0
Number of alliances	2	5	3	20	24	15	5,0	3,0	2
Number of projects recognized by Colciencias or equivalent entity in countries other than Colombia	11	4	3	1	12	3	0,0	0,0	1
Number of innovation projects executed with ecosystem stakeholders	11	3	3	2	15	1	10,0	3,0	3
List mechanisms or assets (confidentiality agreement, invention patents, trade secret, software registration, copyright, etc.) in force, used by your company to protect intellectual property	Confidentiality agreement		*SAP orders *Software registration copyright contract *Confidentiality agreements	Confidentiality agreement, patents	12 patentes, 18 termos de cooperação técnico-científico, 18 NDAs assinado, 3 registros de software	Trademark Confidentiality agreements	Confidentiality agreements Memorandum of understanding	Confidentiality agreements (suppliers and allies) Memorandum of understanding Exploring an income model for BioT	Confidentiality agreement Copyright Software registration

AFFILIATE	Product: describe in the box if it is a new product or significant improvement of an existing product	Service: describe in the box if it is a new service or significant improvement of an existing service	Level of novelty: specify if it is new to the company, new to the national market or new to the international market	Entrepreneurship: indicate if a new, independent partnership was created (Yes / No)	Indicate the innovation approach of the practice	Brief summary of innovation or entrepreneurship	Efficiencies achieved (e.g. efficiencies, cost reductions, improvement of standards, client satisfaction, equivalent CO2, fewer accidents, etc.). Describe the project impact	Indicate the reduction of costs and benefits (economic) in USD million	Describe how this approach to innovation leads to improved management	Describe other positive impacts
ISA INTERCOLOMBIA	Improvement	Significant improvement of an existing service	New to the company	No	Other approach, please specify	O&M transformation process incorporating the Asset Performance Management PHASE 2 (APM) concept into the system to achieve operational and performance efficiencies throughout the asset lifecycle. This is a process innovation project related to the transformation and implementation of the current O&M process for electric assets, incorporating the use and application of advanced analytics techniques and statistical modeling to process information and achieve the integration, connection, and aggregation of information for decision making with a holistic, asset-centered outlook. In addition, it would be achieved: Reductions of response times to customers (given that data analytics will allow for a faster decision making regarding the maintenance of assets). Reduction of environmental impacts, as the improvement of the asset management makes the equipment last longer, and so there is no need to change or write them off as frequently (waste decrease). Reduction of operating costs for the provision of services (data analytics reduces O&M process times, so that service provision costs would be reduced).	Reduction of service provision costs by approximately 5 M USD ° Efficiency achievements in the rate of return of investment ° Reduction of risk events ° Reduction of system failures	5 M USD	The process innovation of this project is focused on the transformation of the O&M process through the incorporation of the Asset Performance Management (APM) concept, therefore achieving a significant improvement in the activities, tools and capabilities involved in such process, making it into a better version of itself in terms of efficiency. This project increases the company's capabilities, as it optimizes the O&M response by decreasing the risk of assets' failure, decreasing the cost overrun in O&M of assets, decreasing unplanned repairs, reaching operational and performance efficiencies throughout the asset lifecycle. The asset management maturity reached by the company has stimulated the value generation for ISA Group throughout cost optimization, risk, and asset performance, which requires to transform the traditional maintenance towards non-interruptive predictive maintenance considered as intelligent maintenance, through the integration, connection, and aggregation of information for decision making with a holistic, asset-centered outlook.	Efficiencies and optimization of asset management will be achieved for the company group, in a particular manner and adjusted to its needs. Additionally, the necessary architecture for collecting the supplementary information will be defined, which is required for the analysis carried out in the different tools that are part of the system.

AFFILIATE	Product: describe in the box if it is a new product or significant improvement of an existing product	Service: describe in the box if it is a new service or significant improvement of an existing service	Level of novelty: specify if it is new to the company, new to the national market or new to the international market	Entrepreneurship: indicate if a new, independent partnership was created (Yes / No)	Indicate the innovation approach of the practice	Brief summary of innovation or entrepreneurship	Efficiencies achieved (e.g. efficiencies, cost reductions, improvement of standards, client satisfaction, equivalent CO2, fewer accidents, etc.). Describe the project impact	Indicate the reduction of costs and benefits (economic) in USD million	Describe how this approach to innovation leads to improved management	Describe other positive impacts
ISA TRANSELCA	Improvement	Significant improvement of an existing service	New to the company	No	R&D Collaborations with external business partners	It performs SF6 in line storage that under different conditions would go to the environment when leaks occur in switches or SF6-insulated substations, creating a significant impact	* We are in the design stage, and therefore we do not formally have reductions in the environmental impact; however, during the prototype development, we were able to recover 26KG of SF6, in a leak of the TermoCartagena 66KV SF6-insulated substation.	* With the project's implementation, we expect the reduction of the environmental impact due to SF6 leaks, by 50%.	This project is related to the SAMP and the company group manifesto, "If we recognize that our planet is fragile and needs our care, there is connection."	The objective of the project is to protect our planet, avoiding that SF6 goes to the atmosphere (SF6 is a very powerful gas that produces a greenhouse effect 23.500 times higher than carbon dioxide CO2)

AFFILIATE	Product: describe in the box if it is a new product or significant improvement of an existing product	Service: describe in the box if it is a new service or significant improvement of an existing service	Level of novelty: specify if it is new to the company, new to the national market or new to the international market	Entrepreneurship: indicate if a new, independent partnership was created (Yes / No)	Indicate the innovation approach of the practice	Brief summary of innovation or entrepreneurship	Efficiencies achieved (e.g. efficiencies, cost reductions, improvement of standards, client satisfaction, equivalent CO2, fewer accidents, etc.). Describe the project impact	Indicate the reduction of costs and benefits (economic) in USD million	Describe how this approach to innovation leads to improved management	Describe other positive impacts
ISA TRANSELCA	Product	New service	New to the company	No	R&D Collaborations with external business partners	Pilot project Distributed Energy Solutions sports facilities Nueva Barranquilla substation	* Self-generation of 78% of the current demand in the sports facilities of the Nueva Barranquilla substation * A theoretical-practical program was developed for TRANSELCA employees to develop capabilities and competences in the new Distributed Energy Services business throughout its lifecycle: creation (design and offer), operation, maintenance and renewal or dismantling of assets, and also in legal and regulatory matters of the business * 32 officers attended from the following companies of the TRANSELCA – INTERCOLOMBIA and ISA group	With the implementation of this project, the following emissions are decreased 25,3tCO2/9.7 MW/year generated	* Project directly aligned with the 2030 Strategy * It decreases the currently invoiced value for the current energy service * Increase of capabilities of technical personnel of the company group	* First pilot lab of DES (Distributed Energy Services) in the company group

AFFILIATE	Product: describe in the box if it is a new product or significant improvement of an existing product	Service: describe in the box if it is a new service or significant improvement of an existing service	Level of novelty: specify if it is new to the company, new to the national market or new to the international market	Entrepreneurship: indicate if a new, independent partnership was created (Yes / No)	Indicate the innovation approach of the practice	Brief summary of innovation or entrepreneurship	Efficiencies achieved (e.g. efficiencies, cost reductions, improvement of standards, client satisfaction, equivalent CO2, fewer accidents, etc.). Describe the project impact	Indicate the reduction of costs and benefits (economic) in USD million	Describe how this approach to innovation leads to improved management	Describe other positive impacts
ISA REP	Product		New to the national market	No	R&D collaborations with external business partners	TEREO: Implementation of bio-digestors in communities close to the Yana-Coya Project, to improve the relationships with them, comply with the execution times and find new income sources for those families	Generation of new income for families included	Revenue USD$ 1.2 thousand / month	Creates new economic capacity in the families included	Project generated in alliance with KUNAN (platform for social, sustainable entrepreneurship)
ISA CTEEP	Product	GISA – Sistema GIS de ISA CTEEP	Novo para o mercado nacional	No	R&D collaborations with external business partners	Sistema de georreferenciamento com algoritmos de detecção de mudança no uso do solo para alertas de ocupação irregular, com integração de base de dados de ativos, fundiários, jurídico, ambientais, sociais, dentre outras.	Digitalização dos banco de dados de ativos e patrimonial com integração de sistema de change detection que dispara alarmes a partir da integração de dados e algoritmos de IA	0,7	Otimização no proceso de inspeção e gestão patrimonial e sócio-ambiental das faixas de servidão.	Maior sustentabilidade Maior segurança no sistema elétrico Maior segurança para as comunidades.
ISA CTEEP	Product	Mira +, novo serviço para inspeção digital de Linhas de Transmissão	Novo para o mercado internacional	Yes	R&D collaborations with external business partners	Sistema integrado para digitalização da atividade de inspeçao de ativos de transmissão de energía elétrica	Redução em mais de 80% do tempo necessário para realização da inspeção detalhada de Torres de Transmissão no caso piloto da aplicação da tecnología. Com aumento na confiabilidade do proceso.	0,17	Transformação digital da inspeção de ativos de LTs	Maior sustentabilidade Maior segurança no sistema elétrico Maior segurança para as comunidades

AFFILIATE	Product: describe in the box if it is a new product or significant improvement of an existing product	Service: describe in the box if it is a new service or significant improvement of an existing service	Level of novelty: specify if it is new to the company, new to the national market or new to the international market	Entrepreneurship: indicate if a new, independent partnership was created (Yes / No)	Indicate the innovation approach of the practice	Brief summary of innovation or entrepreneurship	Efficiencies achieved (e.g. efficiencies, cost reductions, improvement of standards, client satisfaction, equivalent CO2, fewer accidents, etc.). Describe the project impact	Indicate the reduction of costs and benefits (economic) in USD million	Describe how this approach to innovation leads to improved management	Describe other positive impacts
SIER	Product	New service	New to the international market	No	R&D Collaborations with external business partners	Development of an advanced solution for predictive maintenance for railroad infrastructure, including the analysis of variables acquired in real time and climate variables	The purpose of the project is to improve the maintenance of railroad infrastructure, supported on data, achieving both the cost reduction associated with this process and the decrease of accidents caused by late maintenance. Expand the railway network coverage, as operations do not need to be stopped for auscultation and maintenance tasks	2.62 (projected as of 2027)	It allows for establishing relationships with ecosystem stakeholders. This project is being developed with an international allied company, AZVI Group of Spain, which will also allow to access global markets with our innovations	Revenue diversification

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Independent Limited Assurance Report to Directorate of Interconexión Eléctrica S.A.

We were engaged by the Management of **Interconexión Eléctrica S.A.,** from now on **ISA,** to provide limited assurance on the non-financial information contained in the Sustainability Report for the year ended December 31, 2020 of **ISA** ("the Report"). The information reviewed is circumscribed to the content referenced in the GRI index report and detailed in **Annex 1**

Management's responsibilities

Management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), as detailed in disclosure GRI 102-54 where the self-declared "in accordance" compliance option is mentioned.

Management is also responsible for the information and the affirmations contained therein; of the determination of **ISA's** objectives, in relation to the performance and presentation of information on sustainable development, including the identification of stakeholders and material topics; and the adequate establishment and maintenance of the control and performance management systems from which the reported information is obtained.

This responsibility also includes designing, implementing and maintaining the internal control necessary to allow the preparation of sustainability assured parameters and indicators free of material errors due to fraud or error.

The Management is also responsible for preventing and detecting fraud and for identifying and ensuring that Company complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the Report are properly trained, and the information systems are updated.

KPMG responsibilities

Our responsibility is to express a limited assurance conclusion about the preparation and presentation of the sustainability parameters included in the Sustainability Report of **ISA.**

Our work has been done in accordance with International Standard on Assurance Engagements (ISAE) 3000, other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

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KPMG applies International Standard on Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, confidentiality and professional behavior and competence. Based on the above, we confirm that we have carried out this assignment for **ISA** independently and free of conflict of interest.

ISAE 3000 and ISAE 3410 require that we plan and perform our work in such a way that we obtain limited security on whether the parameters and indicators of sustainability are free of material errors.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Limited assurance of parameters and sustainability indicators

A limited assurance engagement on a Sustainability Report consists of making inquiries, primarily of persons responsible for the preparation of the information presented in the report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries with the management to gain an understanding of the process carried out by **ISA**, for determining the material topics, as well as the participation of the stakeholders in this process.
- Verification of consistency of the information that responds to the General Disclosures of the GRI 102 standard with the systems or internal documentation.
- Interviews with senior management and relevant staff of the company, on the application of policies and the strategy in terms of sustainability, governance, ethic and integrity.
- Interviews with relevant staff of **ISA** at corporate and business unit level responsible for the preparation of parameters and indicators subject to limited assurance.

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- Comparison the Limited Assurance Sustainability Parameters to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Sustainability Report.
- Analysis of the processes of collection and internal control of the quantitative data in the report, regarding the reliability of the information, using analytical procedures and review tests based on sampling.
- Reading of the Limited Assurance Sustainability Parameters and Indicators presented in the Report to determine if they are in line with our general knowledge and experience in relation to the sustainability performance of **ISA.**
- Verification that the financial information reflected in the report has been extracted from the annual accounts of **ISA**, audited by independent third parties.
- Analysis of the coherence between the principles and elements of the international framework for integrated reports of the International Integrated Reporting Council, and the information included in the Integrated Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Limited Assurance Sustainability Parameters.

Purpose of our Report

In accordance with the terms of our engagement, this assurance report has been prepared for **ISA** with the purpose of assisting to Management in determining if the sustainability parameters and indicators subject to limited assurance are prepared and presented in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards).

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against KPMG other than **ISA** for any purpose or in any other context. Any party other than **ISA** who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than **ISA** for our work, for this independent limited assurance report, or for the conclusions we have reached.

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Our report is released to **ISA** on the basis that it shall not be copied, referred to or disclosed, in whole (save for **ISA** own internal purposes) or in part, without our prior written consent.

Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions that we express below:

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Integrated Report of **ISA** for the year ended December 31, 2020 is not presented, in all material respects, in accordance with the GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) as detailed in content GRI 102-54, which includes the reliability of the data, the adequacy of the information presented and the absence of significant deviations and omissions.

A summary of our findings and recommendations have been communicated to the management of **ISA** in a separated document.

Fabián Echeverría Junco
T.P 62.943 – T
Partner
KPMG Advisory, Tax & Legal S.A.S.
March 26th, 2020

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Annex 1: reviewed contents of the report

Material topic for Grupo ISA	Standard GRI	Assured Standards/ indicators
NA	GRI 102	102-1 to 102-14, 102-16, 102-18, 102-40, 102-43 to 102-46 and 102-48 to 102-56
Good Governance	GRI 205	205-1, 205-2, 205-3
	Propio	Information management (Habeas data)
Transformational leadership and influence capacity	GRI 201	201-1
	GRI 419	419-1
Contribution to global environmental challenges	GRI 304	304-2, 304-3
	GRI 307	307-1
	Propio	Commitment to biodiversity, investment in environmental programs for project licensing
Commitment to socio- economic development	GRI 412	412-2
	Propio	Social investment, benefited people and organizations, social investment in critical municipalities, Percentage of critical municipalities with the presence of social actions, territorial coverage of social management, number of events of violation of Human Rights
Attraction, development, and care of the best talent	GRI 403	403-9
	GRI 404	404-1
	GRI 405	405-2
	Propio	Organizational climate result

Directory of ISA and its companies

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