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CONNECTIONS THAT INSPIRE

Inspiring the future all together

Integrated Report
2021

contenido

CONNECTIONS THAT INSPIRE

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CONEXIONES QUE INSPIRAN

Inspiring

connections

all together

1 • Message from ISA's CEO

Inspiring the future all together

César Augusto Ramírez Rojas
CEO in charge

Dear **shareholders:**

Having a sense of purpose rooted in the culture has become the main driver for the survival and evolution of organizations. Even more so during a year still marked by the effects of the pandemic and by adaptation to an ever-changing world, which continues to pose new challenges.

At ISA, having a clear purpose meant achieving excellence in results, transcending towards an increasingly deeper understanding of our relationship with the environment and its effects, and aligning each of our actions with the strategic determination to generate value that remains over time and that translates into progress, development, the construction of social networks, and quality of life.

We look forward to this year with commitment, optimism, and empathy. All our efforts are focused on repaying our shareholders, each and every one of our stakeholders, and all of society, who have been expecting our contribution. We were aware of what each step forward meant at this important historical moment, and of the trust placed in us.

Today, the results of ISA and its companies reflect an efficient management that has once again achieved outstanding results, tracing a solid path of business growth, ensuring their validity, and demonstrating an active management of the performance of our stock, within the framework of the best environmental, social, and governance practices worldwide.

With sustainability at the core of each of our actions, this year our ambitious, accurate management allowed us to make tangible progress in the transition to a low-carbon economy by developing projects that seek a cleaner energy matrix in the region, as well as by implementing initiatives that generate a significant positive social and environmental impact.

In this area, we can highlight milestones such as the awarding of the bid to build and operate the Kimal-Lo Aguirre line of more than 1,400 km, one of the most important transmission projects not only in Chile, but also on the continent. Likewise, in Brazil, the development of the first large-scale battery energy storage project in the country, where we also built the first digital substation, stands out. All of these projects, leveraged by innovation, aim at our great purpose of contributing to the energy transformation through the decarbonization of the energy matrix, transporting clean, environmentally responsible energy. Today, we can proudly say that 100% of the operations of our Electric Power Transmission and Telecommunications companies are net-zero carbon (scope 1 and 2). We are doing the same in the Road business unit, where ISA INTERVIAL Chile became the first company of ISA and of this business in the country to be carbon neutral. Also, our company in Chile received the Seal of Excellence from the Ministry of the Environment for its management of emissions.

Today, we can say that 100% of the operations of our energy and telecommunications companies are net carbon zero (scope 1 and 2).

In Colombia, the Ministry of Mines and Energy selected XM to carry out the third Renewable Energy Auction, where contracts were awarded for eleven new solar generation projects for a net effective capacity of 796.3 MW. XM was also able to export more than one million carbon credits from Colombian projects through its EcoRegistry and EcoTrade platforms.

Another important step for ISA and its companies and for this sector in general was the signing of the agreement that establishes the regulatory scheme principles for advancing in the Colombia-Panama energy interconnection project, which represents the integration of the Andean Community with Central America. This project will guarantee energy security for the region through a diversified, safe, reliable, and environmentally responsible energy supply.

Green bonds

USD 2,556 million

At ISA and its companies we make use of climate finance instruments to leverage the projects construction debt through which renewable energies are transmitted

At the same time, ISA began to take part in two country initiatives: Colombia Carbono Neutral (Carbon Neutral Colombia), the strategy of the Ministry of Environment and Sustainable Development; and the Carbon Neutral Electricity Sector Alliance, an initiative of the Ministry of Mines and Energy and eight companies in the energy sector.

But, at the operational level, not only our efforts to face the climate emergency stand out. At ISA and its companies, we use climate finance instruments to leverage the debt of building projects through which renewable energies are transmitted. In 2021, we entered the Chilean financial market with our first green bond, a milestone that represented the largest placement of a bond of this type in the history of the instrument in Latin America and the Caribbean (USD 1.2 million). This transaction also won the Deals of the Year Awards 2021, given by the renowned publication LatinFinance, as the best sustainable financial operation of 2021. In the green finance field, we remain an important leader in the region: to date, ISA companies have issued green bonds for more than USD 2,556 million.

Undoubtedly, another major commitment for climate change mitigation has been our Conexión Jaguar program, which this year extended its impact and frontiers by adding three new conservation areas in Colombia and Brazil, and its first project in Chile. These positive results led us to expand the initial goal of conservation activities from 400,000 hectares to 1 million hectares by 2030. Now, we also count on our strategic shareholder, Ecopetrol, as a new collaborator, with whom we will surely continue to consolidate our projected growth path. In fact, this year, Conexión Jaguar received the Bóscares Award from WWF Colombia, Acción Climática and Reforestemos for its actions in favor of forest conservation, as well as the Andesco award for the Best Environmental Setting in Utility Companies.

All these milestones stem from us being consistent with the pillars that support our corporate strategy and that make up the VIDA acronym: Verde (Green), Innovación (Innovation), Desarrollo (Development), and Articulación (Articulation). As confirmed by world-class opinion leaders, ISA is a major company that, besides being one of the greatest assets in the region, remains a recognized leader in sustainability practices and is a key ally of governments and academia to contribute to transforming the reality of the territories to face new challenges.

Other operational milestones that consolidate our sustainable value generation

In the Electric Power Transmission business unit, we formalized the purchase of 100% of the shares of Piratininga-Bandeirantes Transmissora de Energia (PBTE) through ISA CTEEP in Brazil. This transaction reaffirmed our relevant position in the state of São Paulo. Similarly, we energized the Aguapeí project six months early and became pioneers in the use of drones for line maintenance, which contributes to employee safety and system reliability.

In Colombia, we were awarded the construction and operation of the new Carrieles 230 kV substation and associated transmission lines in a public bidding process of the Unidad de Planeación Minero Energética (UPME). With this project, we will meet the growing energy demand and improve the reliability and safety of the service in the Southwest of Antioquia. On the other hand, through ISA INTERCOLOMBIA, we delivered the last line of the Interconexión Noroccidental electric power megaproject, which covers a total of 684 kilometers along 36 municipalities of Antioquia, Córdoba and Santander. This is an indispensable project for national energy security. Similarly, ISA TRANSELCA stood out for its management of electric power connection projects in Colombia, by multiplying by six the proposed investment goals in new businesses.

In the Roads business, in Colombia, we put into service 100% of Ruta Costera.

In Peru, ISA REP digitized its first substation in Socabaya Arequipa, and received the 2021 Innovation Award from the Regional Energy Integration Commission for the development of the startup Lisa (Lector Inalámbrico de Señales Analógicas -Wireless Analog Signal Reader-).

In the Road business unit, in Colombia, we commissioned 100% of Ruta Costera, a 146 kilometer corridor between the departments of Bolívar and Atlántico that benefits close to three million people in nine municipalities, which is of vital importance for the economic revival of the Caribbean Coast. Thanks to this transaction, in 2021, we were awarded the Infrastructure Investor Awards' Transport Deal of the Year.

In the Telecommunications and ICT business unit, through InterNexa, we achieved a consolidated performance of 103% in revenues and an increase in customers of 14%, compared with 2020. Last year, the company consolidated itself as a regional reference in this industry thanks to its human talent, coverage, the quality of its grid and platforms, and its strategy of diversification into other customer segments and portfolios.

On the path of profitable growth

This year's results reflect the strength and resilience of the business and a financial strategy based on the efficient management of Administration, Operation, and Maintenance (AOM) expenses and the profitability of our operations. ISA's net income amounted to COP 1.7 trillion, 19.1% lower than in 2020, with a net margin of 14.9%. The foregoing is due to the effects of the reprofiling of ISA INTERCHILE's debt and the modification of the income tax rate in Colombia, which will be explained at length in the report. Excluding the effect of these non-recurring events, ISA's accumulated income would be COP 2.1 trillion, with a growth of 1.4%. ROE, as of December, reached 11.6%; operating revenues were COP 11.2 trillion, representing an increase of 9.8%; and assets were COP 61.7 trillion, representing an increase of 13.8% with respect to 2020.

Accumulated net income
COP **1.7** billion

ROE
11.6%

Operating revenues
COP **11.2** billion

Assets
USD **61.7** billion

Bond in the international market
USD **330** million

Given the good results obtained by the company in 2020, this year we paid a dividend to our shareholders of 70% of the income achieved, the highest amount in the company's history (COP 1,303 per share). This is how we continue to honor the trust you have placed in us, making your investment more profitable every day, making the best decisions focused on maintaining our leadership, and remaining competitive and valid.

In financial terms, ISA's first and successful bond issuance in the international capital market, amounting to USD 330 million, also stood out. The transaction, oversubscribed by 4.3 x the amount offered, was listed on the Singapore Stock Exchange and had investors from the United States, Canada, Europe, Asia and Latin America, among others. The result of this transaction has affirmed the investors' trust in the company and its leadership in the capital markets.

Being the change we want to see in the world

At ISA, we maintain a regionally recognized leadership as one of the companies with the best and most avant-garde sustainability, corporate governance, ethics, and transparency practices. This has been affirmed by international opinion leaders as important as the Dow Jones Sustainability Index, which, for the seventh consecutive year, recognized us as one of the companies in the region with outstanding performance in environmental, social, and economic issues. We received a similar recognition when we were included, for the fifth year, in the Standard & Poor's Sustainability Year Book as one of the organizations with best practices in the energy utilities sector; this effort was also recognized with the FTSE4Good, which highlights publicly traded companies with the best global corporate investment standards. At the national level, ISA was once again among the top five companies in the Private Social Investment Index.

The regional market also recognized our management by naming us the second most "honorable company in the country" in the Institutional Investor's ranking. The company obtained outstanding ratings for its adequate "crisis management in the midst of the pandemic" and in the category of best social, environmental and corporate governance management.

This year highlights the habilitation of mobile center in Colombia, with which we were able to to carry more than 25,000 vaccines to hard-to-reach areas, doubling the proposed goal.

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

Sustainability Yearbook Member 2021 S&P Global

FTSE4Good

The National Association of Public Service and Communications Companies (Andesco) also recognized us, at its annual congress, with four sustainability awards for our outstanding business practices, including a special category on pandemic mitigation initiatives, which we won with our Todos Somos Uno (We Are All One) program.

Consistent with these recognitions, in 2021, we kept demonstrating our empathy and solidarity through actions aimed at mitigating the effects of the pandemic. To date, we have invested more than USD 5.3 million in different actions, especially the provision of mobile classrooms in Colombia this year, which allowed us to bring more than 25,000 vaccines to hard-to-reach areas, thus doubling the proposed goal. In the same vein, in Brazil, ISA CTEEP contributed to the donation of around BRL 3.2 million for the construction of the Butantan Institute's Vaccine Factory.

In this context, aware of the important role of companies in this transition to the new world order, and leveraged on our strategic pillars: Green, Innovation, Development, and Articulation, we are working on an economic revival initiative with three focuses: training for employability, energization, and entrepreneurship. For the last focus, we partnered with the start-up accelerator Rockstart to promote ten social and environmental projects in Latin America that were selected in an open call and which business model will generate a clear positive impact. Precisely, in the Innovation area, at our 9th edition of Jornadas del Conocimiento (Knowledge Events), ISA work teams presented 110 projects that would boost the development of current and new businesses within the framework of the best sustainability practices. Likewise, another topic of growing relevance is digital transformation, which, beyond generating efficiencies, we have adopted as a culture, and we recognize as one of the fundamental drivers to achieve the 2030 goals. Digital transformation is at the core of 69% of the business's strategic initiatives and, to date, we have over 360 digital agents and 160 artificial intelligence solutions that directly impact the optimization of our processes and help solve urgent issues on the global agenda.

Also, in the sustainability and social development area, one of the most important milestones of the year was undoubtedly the launch of our Conexiones para el Desarrollo (Connections for Development) program, in Colombia together with our partners Fundación Barco and the United Nations Development Program (UNDP), and in Chile with Fundación Chile and the Ministry of Education. This is an alliance to strengthen educational, community, and institutional capacities, which will lead to transformations in ISA's territories of influence in these two countries and, in the future, in Peru and Brazil. In Chile, we have implemented a pilot program in eight technical high schools of the Coquimbo region, where we improved the quality of education in the electricity and electronics fields, required by the energy industry. We also offered the first training course in Innovation and Entrepreneurship, which was attended by thirty high school principals and teachers. We also participated in the creation of the Energy Advisory Council.

In Colombia, in 2021, the Conexiones para el Desarrollo (Connections for Development) program launched its first project in seven municipalities of Atlántico and Bolívar, benefiting 31,000 people and 100% of the educational establishments. Another department in Colombia that benefited from our programs was La Guajira, where 81 Wayuu communities now have access to drinking water thanks to the public water tank module delivered by the national government supported by ISA INTERCOLOMBIA, within the framework of the Works for Taxes initiative.

This is a partnership to strengthen educational, community and institutional capacities, which will lead transformations in territories of ISA influence.

In 2021, we went beyond the regional scope by bringing our sustainability model and programs to two of the most important international scenarios worldwide: the COP26 held in Glasgow, and Expo Dubai, where we demonstrated our leadership in sustainability practices leveraged by innovation through projects that seek the mitigation of the climate emergency and the comprehensive development of the countries where we are present. It is worth noting that we offset the carbon footprint of the Colombia Pavilion in both events.

COP26 held in Glasgow, and Expo Dubai, where we demonstrated our leadership in sustainability practices leveraged by innovation.

At the local level, we developed Inspiring Boards, a regional ground-breaking space promoted by ISA for reflecting on environmental, social, and governance (ESG) criteria as a fundamental principle in the business decision making process by the Boards of Directors of the ISA´s companies in Latin America.

Talent, our biggest asset

All these important milestones and outstanding results would not have been possible without the immense talent and strong commitment of our more than 4,000 employees. They are what sets us apart, allowing us to maintain sustainable growth for more than five decades. For the company, the protection of their lives and those of their families and the integral development of each one of them continues to be a priority. This is why we have been working on practices that ensure our consolidation as one of the best companies to work for in the region. The efforts have paid off: in 2021 we scored 86% in the Work Climate Survey, maintaining our highest historical favorable rating, compared with 77% of the market at the regional level.

So, in 2021 we also aim to be a reference as a diverse and equitable company. For this reason, we are immensely proud that ISA, ISA INTERCOLOMBIA, ISA TRANSELCA and XM have obtained the Equipares Silver Seal for Labor Equity, for our firm commitment to the implementation of the Gender Equality Management System, granted by the Ministry of Labor and the United Nations Development Program (UNDP) in Colombia. The company's results were

The merger of ISA and Ecopetrol is a historic milestone not only in the history of the two companies, but also in the future of Colombia and the energy sector at the regional level.

exceptional as the average total female participation of the four companies reached 32.7%, while the average for the energy mining sector is 29% according to figures from the Colombian Association of Electric Power Generators (Acolgen). Also, the four companies are above the national average for female participation in senior positions, which is 24%.

Likewise, our human talent, a differentiating factor, has gone beyond work excellence to carry out impactful solidarity actions, such as the ISA Volunteer Program. In 2021, 280 employees and their families in Colombia, Peru, and Chile participated in five projects related to the care of the planet, knowledge and culture of the communities, among others, which were designed and carried out by the employees themselves.

New paths

The second half of the year was full of news that will define a new north for the company. In August, the closing of the transaction between the Ministry of Finance and Public Credit and Ecopetrol was announced, leaving the latter as owner of 51.4% of the Nation's shares in ISA. The merger of ISA and Ecopetrol is a historic milestone not only in the history of the two companies, but also in the future of Colombia and the energy sector at the regional level.

This milestone has motivated important decisions aimed at transparency and at continuing to strengthen good corporate governance, such as the adoption of nine commitments to continue strengthening XM's independence and neutrality as operator and administrator of the Colombian energy market. These commitments include the creation of XM's Board of Directors composed of 100% independent members, the officialization of the selection process for XM's future CEOs, and the adoption of neutrality and confidentiality of information policies, among others. One of the decisions that will also be made, eventually, will be the future of the project to sell 100% of ISA's shares in InterNexa.

The 2022 will be a year of big, interesting challenges for the consolidation of the largest energy group in Latin America, through which we will become stronger in order to increase our competitiveness and participate in large projects in the future. At the same time, we realize that this will be a relevant year for the region given the socio-political situations, but our commitments in the countries are long-term and we are convinced that, together with the governments, we will continue to promote the path of growth and development.

Therefore, at ISA, we will continue to work proactively and transcendently on the management of the climate emergency, the creation of progress, and the construction of social networks to create value and, with every act, renewing the trust of our shareholders, investors, allies, suppliers, communities, our human team, and all stakeholders, whom we thank for their trust and recognize as great allies and a source of inspiration to continue CREATING CONNECTIONS day by day.

Finally, on behalf of all ISA employees, I would like to express our most sincere gratitude to Bernardo Vargas Gibsone, who has served as CEO of the company until January 2022. We would like to thank him for these six and a half years of leadership and total dedication and commitment, during which he contributed significantly to the recognition of ISA as one of the most relevant companies at a regional level. We wish him the best in his future endeavors.

César Augusto Ramírez Rojas
ISA's Acting CEO

On behalf of all ISA employees, I would like to express our most sincere gratitude to Bernardo Vargas Gibsone, who served as CEO of the company until January 2022

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CONEXIONES QUE INSPIRAN

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2 • Report profile

Report profile

This report was prepared according to the methodology adopted by the International Integrated Reporting Council (IIRC) and the new standard of the Global Reporting Initiative (GRI), which is an essential requirement. GRI [102-54] Corresponds to the period between January 1 and December 31, 2021 and has an annual periodicity. GRI [102-50] For comparative purposes, reference should be made to the Integrated Management Report 2020, presented in March 2021. GRI [102-51] GRI [102-52]

The report addresses ISA and its business units' management results: Electric Power, Roads, and Telecommunications and ICT, according to the focuses declared in the ISA2030 Strategy: Sustainable Value. Said results are described according to ten material issues, which correspond to the environmental, social, and economic dimensions and may affect the generation of value in the Electric Power and Roads business units. Although the Telecommunications and ICT business unit was not part of this exercise, some relevant actions are reported for the fulfillment of the business objectives. At the same time, this report represents the Communication on Progress of the Global Compact of the United Nations (COP).

For the 2021 period, the materiality analysis covers ISA and its companies in the Electric Power Transmission business unit: ISA INTERCOLOMBIA, ISA REP, ISA CTEEP, ISA TRANSELCA, ISA INTERCHILE and XM, as well as ISA INTERVIAL, a company engaged in the Roads business unit, whose revenues together represent 68% of ISA's consolidated revenues. Regarding the Telecommunications and ICT business unit, the main results of its management are shown. Each of the companies have their respective management reports, which can be consulted on their websites. GRI [102-46]

The materiality analysis was conducted by the Chief Institutional Relations Officer, and the Integrated Management Report was prepared by the Chief Strategy and Institutional Relations Officers. Both processes were validated by the Board of Directors and Senior Management 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) and 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 consultation of the indicators reported, the table of GRI [GRI 102-55] indicators can be found in the annexes, which also includes the compliance with the Principles of the Global Compact.

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

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growth

all together

ecopetrol

This alliance is a historic milestone for both companies, who are committed to the region's energy security and transition on the path of sustainability.

[GRI 102-10] ISA joins the Ecopetrol Group to form Latin America's largest electric power company.

On August 20, 2021, the closing of the transaction between the Ministry of Finance and Public Credit and Ecopetrol was announced to the public, where the latter would own the 51.4% of the Nation's shares in ISA. Through relevant information published in the Financial Superintendence, both companies confirmed the satisfactory compliance with the closing conditions of the Interadministrative Agreement for the acquisition of 569,472,561 of ISA shares, which represent 100% of the Ministry's share participation in the company.

The transaction was closed for $14,236,814 million ($25,000 per share). The payment was made for the equivalent in U.S. dollars, USD 3,673 million, using the representative market rate in effect on the closing date.

This is how two of the most important companies in the region, ISA and the Ecopetrol Group, started on a path of growth and leadership opportunities in the American continent, thus contributing to the economic and social revival of a region with great potential.

This alliance is a historic milestone for both companies, who are committed to the region's energy security and transition on the path of sustainability, opening up the possibility of achieving synergies, boosting innovation, and adopting new technologies.

At ISA, we will remain committed to Colombia's energy future and leadership in Latin America by preserving the company's value, fulfilling our commitments to our stakeholders, and clearly and tangibly contributing to the positive transformation of the sectors in which we participate, to the creation of sustainable value, and to the construction of a better future for new generations.

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CONEXIONES QUE INSPIRAN

Inspiring planet all together

4 • Profile of ISA and its companies

Profile of ISA and its companies

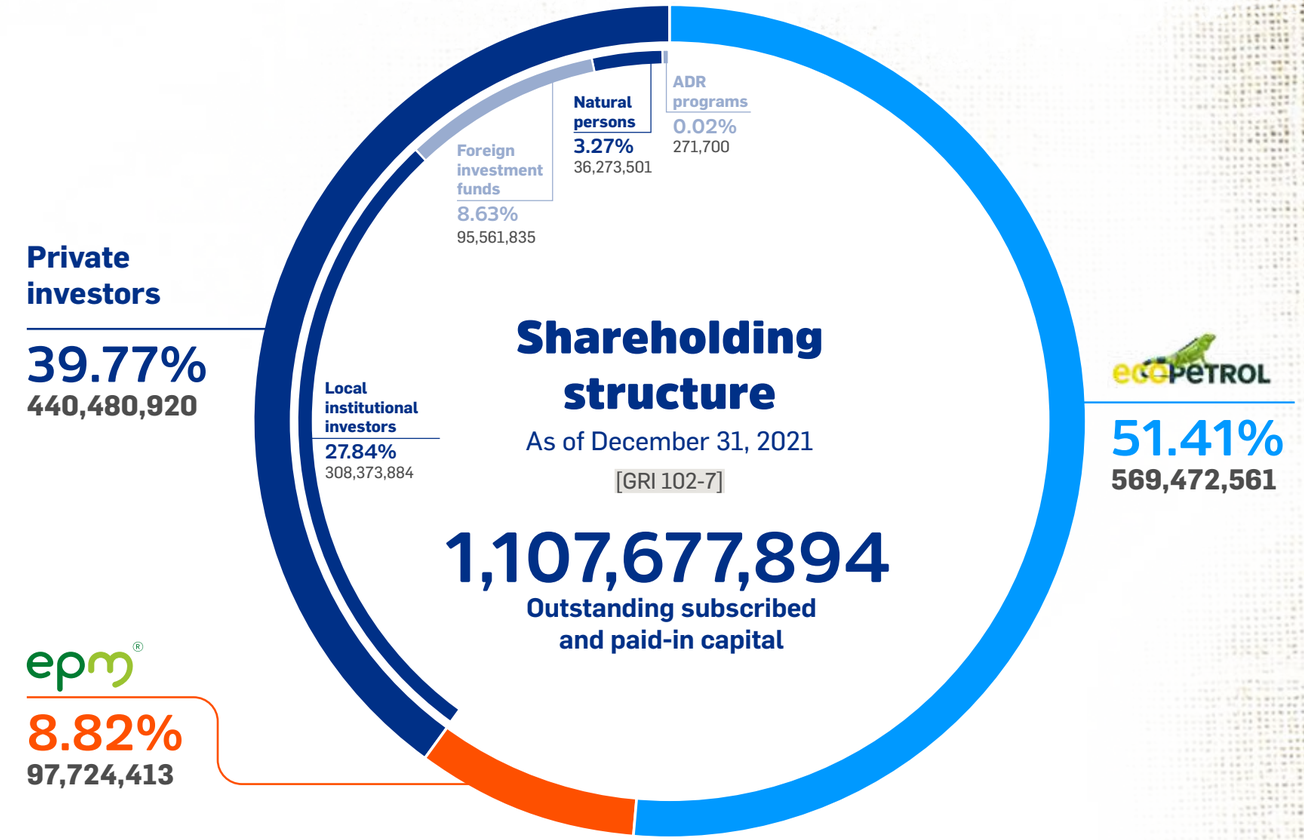
[GRI 102-2] [GRI 102-6] [GRI 102-7] [GRI 102-10]

ISA, a company of the Ecopetrol Group, is a multi-Latin company with more than 54 years of experience and trajectory that operates in the Electric Power Transmission, Roads, and 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 its 4,326 employees in its 47 companies.

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

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, and 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] [GRI 102-7]

ISA is a jointly owned utility company, incorporated as a joint-stock company, of commercial nature and national order, governed by Laws 142 and 143 of 1994, and domiciled in the city of Medellín (Colombia). Ecopetrol 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 American Depositary Receipt (ADRs) traded in the U.S. Over the Counter (OTC) market. All the shares that comprise the capital stock have 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.

In figures [GRI 102-7]

4,326 employees
26% women

ISA + **46** companies

Share participation
in **14** other companies

Operations in 6 countries in South and Central America

28%
women on the executive team

37%
employees on agreements and unions

Electric Power

48,330 km | **104,138** MVA
transmission infrastructure in operation

66,668 km | **132,832** MVA
including **ISA's share participation** in other companies

7,133 km | **14,007** MVA
transmission **infrastructure under construction**

XM Sumando energías — Coordination of the operation of the Colombian energy system, **74,117 GWh** of demand served, **17,762 MW** of effective net capacity

Roads

Highways
860 km
in operation

136 km
under **construction**

Telecommunications and ICT

56,387 Km
of fiber optics in **operation**

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA — Seven consecutive years

bvc Emisor ir — Six consecutive years

MILA — Four consecutive years

FTSE4Good

Sustainability Award Bronze Class 2021 S&P Global

Financial figures

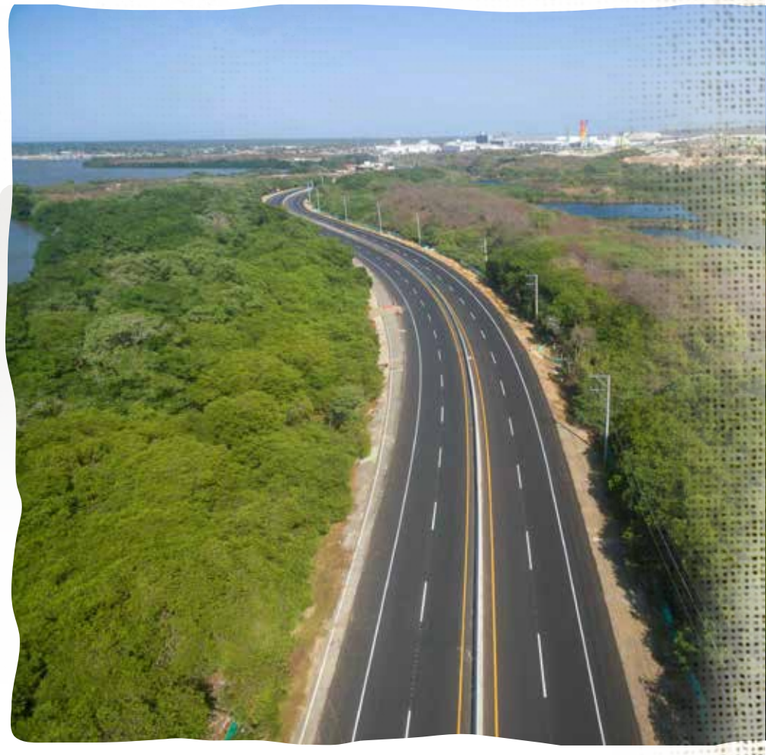
By assets

	Net income**	Ebitda	Assets
Electric Power*	8.7 ▸ 77.6%	5.8 ▸ 81.8%	48.2 ▸ 78.2%
Roads	2.1 ▸ 18.7%	1.1 ▸ 15.5%	12.1 ▸ 19.5%
Telecommunications and ICT	0.4 ▸ 3.7%	0.2 ▸ 2.7%	1.4 ▸ 2.3%
Total			

Note: Financial figures included in this report are expressed in COP trillions, unless another currency is specified.

* Includes XM.
** Includes revenues from the periodic tariff review in Brazil.

▸ % of participation



Separate

Net income

1.7

Variation 2021 vs 2020: -19.6%

Consolidated

Operating revenues	Ebitda	Assets	Ebitda margin	Net income	Liabilities
11.2	7.1	61.7	63.8%	1.7	39.6
9.8%	8.4%	13.8%	-1.2%	-19.1%	16.2%

Presence of ISA and its companies

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
- INTERNEXA

Bolivia

- ISA BOLIVIA

Central America

- INTERCONEXIÓN ELÉCTRICA COLOMBIA - PANAMÁ
- EPR
- REDCA

United States

- ATP*

Bermuda

LINEAR SYSTEMS RE**

*ATP, headquartered in the US, operates in Colombia, Peru, and Chile

** Reinsurer for policies material damage and all risk construction and vehicle for access the reinsurance market

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

*The concession contract ended in March 2021.

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 RIACHO GRANDE
- TAESA
- INTERNEXA
- INTERNEXA PARTICIPAÇÕES
- ISA INVESTIMENTOS E PARTICIPAÇÕES
- ISA CAPITAL DO BRASIL

Argentina

- INTERNEXA

- Electric Power
- Roads
- Telecommunications and ICT
- Other business units
- Investment vehicle

ESG DATA

[GRI 102-29]

Environmental

[GRI 305-5] [GRI 304-3]

Environmental investment ▲ 19%

$65,599 millones

Potential tons of CO_2e to be reduced by Conexión Jaguar program ▲ 179%

1,255,627

Tons of CO_2e offset ▲ 30%

47,888

48 ▲ 300%
habitats protected and restored

648 ▲ 18%
hectares protected

100% ▲ 43%
Electric power companies, INTERNEXA Colombia and ISA INTERVIAL net carbon in operations (scope 1 and 2)

0 = Without variation
Non-monetary fines or sanctions

11 4 en 2020
Monetary sanctions or fines (under USD 10,000)

0.43% ▲ 2%
SF_6 leaks with respect to existing inventory

Tons of CO_2 equivalent is the unit of measurement of the gases that cause global warming. **SF_6 sulfur hexafluoride,** artificial insulating gas indispensable for the correct operation of high-voltage equipment.

Tons of CO_2e by SF_6 leaks ▲ 7%

27,092

Social

[GRI 413-1]

Community investment ▼ -1%

$40,016 million

People benefited ▲ 46%

506,956

Local purchases ▲ 1%

91%

100%
Shareholder inquiries addressed

19
Strength suppliers
▲ 46%

100%
Complaints addressed by the Ethics Line

5.1 years ▼ -30%
Remuneration per meeting Average permanence time on the Board of Directors

0
Human rights violation cases
= Without variation

Governance

[GRI 102-18]

Board of directors = Without variation

9 members

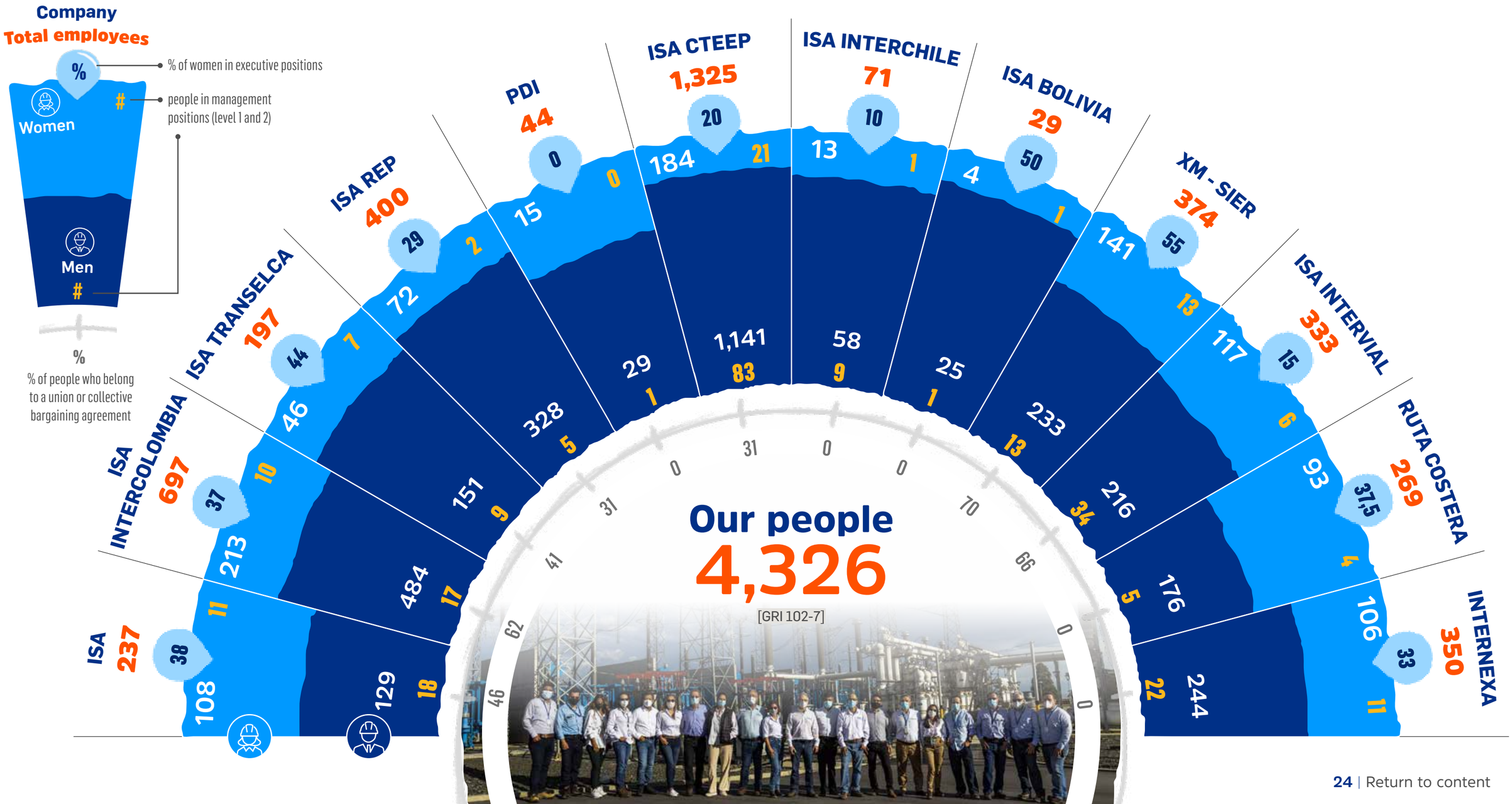
78%
Independent members
= Without variation

Remuneration per meeting ▲ 2%

$5,119,428

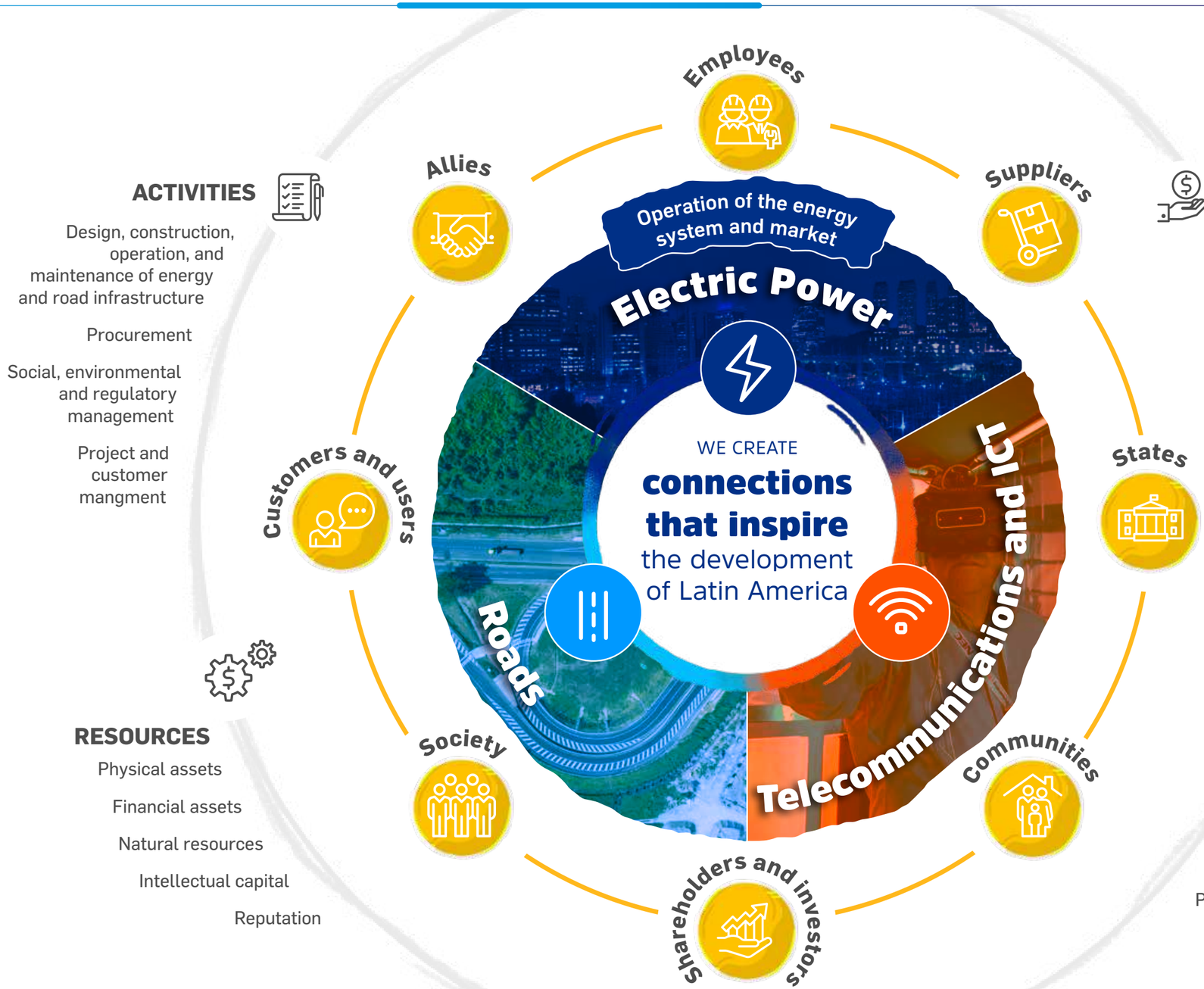
Women

22% ▲ 100%


Company
Total employees
% of women in executive positions
people in management positions (level 1 and 2)
Women
Men
%
% of people who belong to a union or collective bargaining agreement
ISA REP
400
29
2
72
328
5
151
9
484
17
129
18
ISA TRANSELCA
197
44
7
46
10
213
11
108
ISA INTERCOLOMBIA
697
37
ISA
237
38
PDI
44
0
0
15
29
1
ISA CTEEP
1,325
20
21
184
1,141
83
ISA INTERCHILE
71
10
1
13
58
9
25
1
ISA BOLIVIA
29
50
1
4
233
13
216
34
176
5
XM - SIER
374
55
13
141
117
ISA INTERVIAL
333
15
6
93
RUTA COSTERA
269
37,5
4
106
INTERNEXA
350
33
11
244
22
31
0
0
31
0
0
70
66
41
62
46
Our people
4,326
[GRI 102-7]

Business model

[GRI 102-9]



ACTIVITIES

Design, construction, operation, and maintenance of energy and road infrastructure

Procurement

Social, environmental and regulatory management

Project and customer mangment

RESOURCES

Physical assets

Financial assets

Natural resources

Intellectual capital

Reputation

REVENUES

Remuneration for investments and asset management

Remuneration from system operation and the Colombian energy market

Payment for the provision of Information and Communication Technology (ICT) services

RISKS

Legal and regulatory

Environment, society, and land

Business operation

Project design and construction

Market and competition

Political

Stakeholders

Electric Power

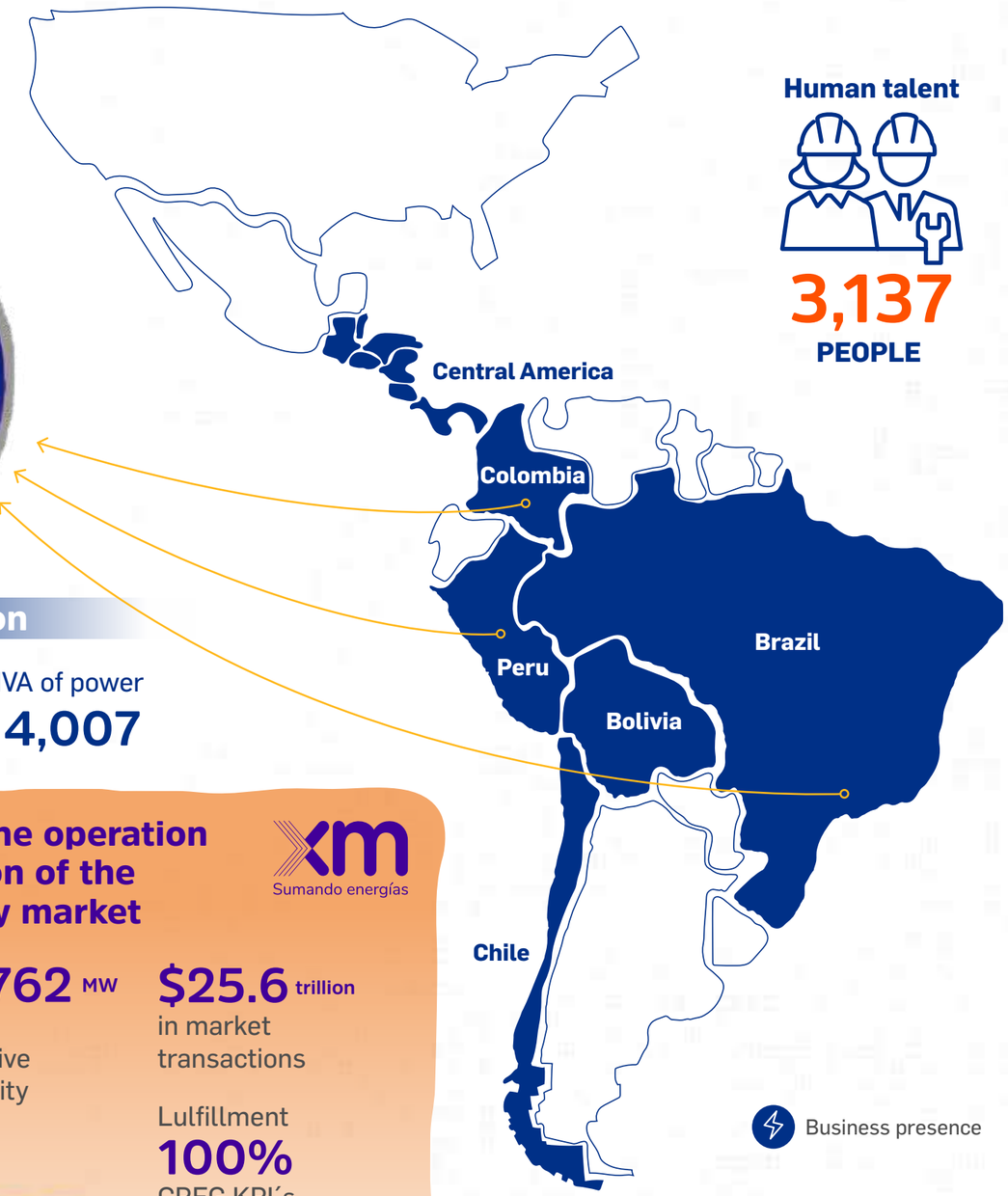
In operation

Km of circuit
48,330
66,668*

104,138 MVA
132,832*

Equivalent to one and a half laps around the planet earth.

Largest
electric power transporter in Colombia, Peru, and the State of São Paulo, Brazil



Human talent
3,137
PEOPLE

Colombia
- ISA INTERCOLOMBIA
- ISA TRANSELCA
- XM

Brazil
- ISA CTEEP
- IE RIACHO GRANDE
- 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
- TAESA

Peru
- ISA REP
- CONSORCIO TRANSMANTARO
- ISA PERÚ
- PROYECTOS DE INFRAESTRUCTURA DEL PERÚ

Chile
- ISA INTERCHILE

Bolivia
- ISA BOLIVIA

Central America
- INTERCONEXIÓN ELÉCTRICA COLOMBIA - PANAMÁ
- EPR

Under construction

Km of circuit
7,133

MVA of power
14,007

Coordination of the operation and administration of the Colombian energy market

Sumando energías

74,117 GWh
energy demand met

17,762 MW
net effective capacity

$25.6 trillion
in market transactions

Lulfillment
100%
CREG KPI´s

RESULTS

99.811%
Availability[1]

99.997%
Reliability[2]

* Including ISA's participation in other companies.

[1] Availability: is defined as the total time over a given period, during which the transmission system assets were in service.
[2] Reliability in the transmission system is defined as the degree of performance of the system elements that guarantee the supply of energy to the users within acceptable parameters and in the desired and in the desired quantity.

Electric Power Transmission

ISA is the largest electric power transporter in Latin America. The electric power transmission companies build, operate and maintain a high voltage transmission grid 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 has a share participation of 11.11% in Empresa Propietaria de la Red (EPR), which operates the Energy Interconnection System for the Countries of Central America (SIEPAC).

Through its companies, ISA transports 448,000 GWh annually along 48,330 km of high-voltage network circuits that cover the energy supply in the region. Also, ISA is building additional 7,133 km that will be put into service in the following years.

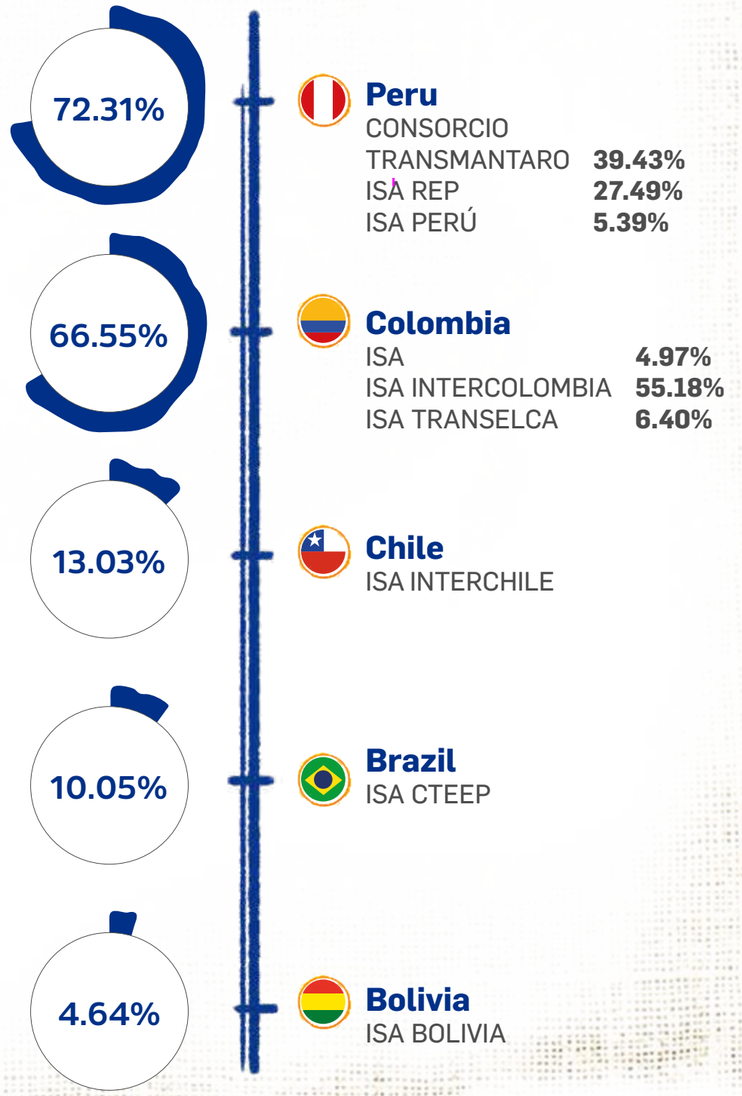
In countries where ISA is present, electric power transmission, as a strategic activity for the countries, is a regulated activity within the productive chain of the energy sector, which expansion is awarded to private investors through bidding processes. This is why legal and regulatory stability conditions in the countries directly affect business management.

Revenues associated with the provision of the transmission service are regulated and indexed to macroeconomic variables such as the COP/USD exchange rate, the Producer Price Index (IPP), the Consumer Price Index (IPC) or the corresponding indexes in the different countries. In addition, revenues are received from connections to the electric system, which are regulated through contracts signed with these users.

[GRI 102-2] [GRI 102-6] [GRI 103-2] Services provided by ISA's electric power transmission companies include:

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

Market share in the countries where ISA is present



César Augusto Ramírez Rojas
Chief Electric Power Transmission Officer

"The importance this decade has in reversing the growing trend of greenhouse gas emissions, which has made global warming a reality that threatens the sustainability of our planet, is unprecedented.

In view of this reality, the energy transition poses three fundamental challenges for electric power transmission, which at the same time represent enormous possibilities for the generation of sustainable value.

The **first challenge** is the expansion, strengthening, and modernization of our grids to meet the growing demand of an energy system in which conventional sources will be combined with new non-conventional renewable energy sources, and in which there are more active users for whom reliability, resilience, access, sustainability, and efficiency are increasingly relevant attributes, opening up the possibility of new businesses adjacent to transmission.

The **second challeng**e is the feasibility of integrating these new renewable sources with the transmission systems in a timely, efficient manner. And finally, the third challenge is the optimization of the use of available resources with a vision that transcends national borders, through regional integration.

In 2021 we materialized significant opportunities through these three challenges that, at the same time, allow us to make steady progress in reaching our 2030 goals. Through our infrastructure, with high reliability standards, we transmit the energy required in Bolivia, Brazil, Chile, Colombia and Peru, where we have also strengthened our grids by commissioning projects with investments of more than USD 700 million.

We ensured future growth with the allocation of more than USD 1 billion to continue strengthening and modernizing our infrastructure, making the connections of new renewable sources to the system viable. In addition, we made significant progress towards the materialization of the Colombia-Panama interconnection for 2025 and continued to promote integration among the countries of the region.

We are now facing the new challenges and opportunities of 2022 to continue on the path to fulfillment of our 2030 vision goals. We will continue to grow profitably, providing a reliable, efficient service to society and strengthening our capacity for adaptation and innovation to create sustainable value through the development of connections that inspire."

Sumando energías

For sixteen years, XM has articulated the Colombian energy sector so that the country has a reliable, affordable, and safe energy supply. XM is a company specialized in real-time systems management that executes the operation planning and coordination for resources of the National Interconnected System (SIN). Also, 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]

Real-Time Systems Management consists of the planning, design, optimization, commissioning, operation coordination, administration, or management of 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 electric power in the country and, based on demand estimates, it carries out the coordinated real-time operation of the generation plants and the grid in order to make power plants' generation continuously respond to consumers' demand in an affordable, reliable, and safe manner with quality standards.

XM, with resources from the company and human talent, contributes to the development of the country with Energy through Education (ExE) Plan, which will benefit a total of 24 students in 2021.

XM's participation in other sectors

Financial

- **Derivex:** Company that manages an electric power futures trading and registration system in Colombia, with a 40.44% participation.
- **Cámara de Riesgo Central de Contraparte (CRCC):** Entidad financiera que gestiona el riesgo de contraparte en las transacciones de instrumentos financieros derivados, con una participación de 7.70%.

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 benefits from the experience and strength in the 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:

Transactional platforms such as EcoRegistry, EcoTrade and EcoGox, developed in a partnership between XM and LatinCheckOut, whose objectives include contributing to sustainable development in Latin America through the implementation of blockchain technology to promote the decarbonization of companies' activities by means of carbon certificates issued by Colombian forestry agriculture projects and renewable energy consumption certificates.

María Nohemí Arboleda
CEO of XM

During 2021, as a result of joint work with the 286 agents of the energy sector and all the stakeholders of the Colombian energy ecosystem, we managed the operation of the National Interconnected System, meeting the reliability, safety, and cost efficiency criteria established in the regulation.

XM, as enabler of the transformation of the energy sector, has demonstrated its leadership through the update of the Flexibility Study, which affirms that the Colombian energy system is capable of effectively integrating Non-Conventional Renewable Energy Sources (FERNC) that are expected to enter the system in 2025. This will further strengthen the reliability in meeting the demand and will minimize the risk of power shortages during low water supply periods caused by climatic phenomena that may affect hydroelectric power plants, which are the largest source of generation in the country.

In addition, a Distributed Flexible Alternating Current Transmission System (DFACTS) was installed for the first time in the Colombian energy system, which improves the transmission capacity of the lines and reduces grid restrictions, making Colombia the first country in the region to install this technology.

We would like to mention that in 2021 we were appointed by the Ministry of Mines and Energy as the auctioneer of the third Renewable Energy Auction, in which long-term contracts for the supply of solar energy were awarded to nine generating companies and eleven new projects.

We were able to materialize XM's strategic commitment to generate sustainable value through actions such as the creation and participation in the first carbon neutral alliance of the country, led by the Ministry of Mines and Energy together with companies of the energy sector, and the use of the environmental platforms EcoRegistry, EcoGox and EcoTrade, based on 4.0 technologies, which contribute to the development of the Colombian carbon market.

In this context, EcoRegistry entered into a strategic collaboration agreement with the Santiago Climate Exchange, who operates in Chile and Latin America, which was signed at COP26 in Glasgow. Together with EcoTrade, the export of more than 1 million carbon credits thanks to Colombian projects was achieved. Also, one year after its launch, EcoGox was certified by the Center for Resource Solutions as a solution aligned with the best practices of renewable energy platforms and traceability systems in the world.

Finally, 2021 gave us valuable opportunities to understand reality from different perspectives and transform our ideas by demonstrating our ability to adapt. In 2022, we will continue to work committed so that we continue contributing our forward-looking approach to promote, hand in hand with innovation, digitization, and sustainability, the transition of a sector that transforms dreams into great realities."

Roads

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

In operation

860 Km
of roads

Under construction

136 Km
of roads

Results of the operation

146.3
million
vehicles in transit for the year

88%* compliance with ambulance service

92%* compliance with tow truck service

94%* compliance with patrol service

* Corresponds to the consolidated amount for concessionaires in Chile

97%*
favorable customer service

Trunk road toll posts

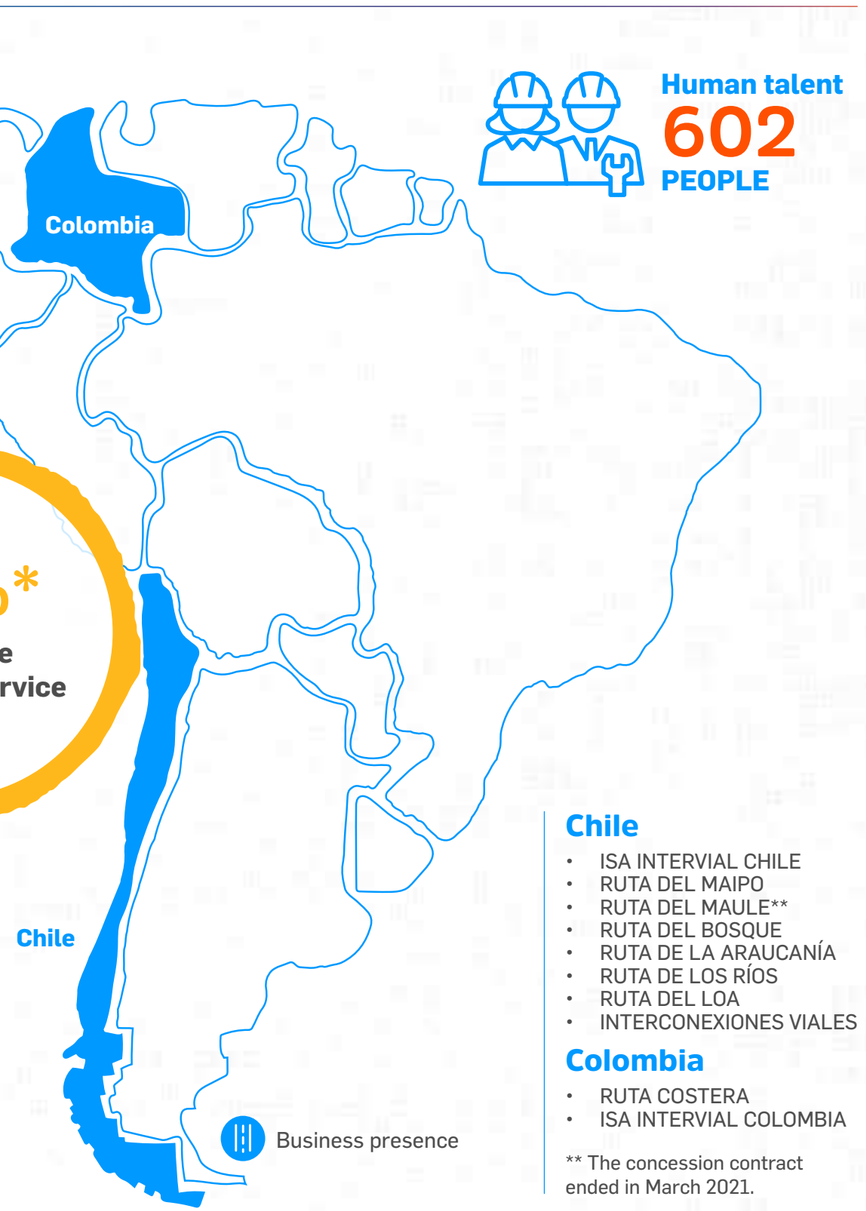
14 in operation | **1** under construction

Lateral road toll posts

68 in operation

Service areas

18 in operation | **1** under construction



Human talent
602
PEOPLE

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
- ISA INTERVIAL COLOMBIA

** The concession contract ended in March 2021.

Roads

ISA designs, builds, operates, and maintains road infrastructure that connects millions of people in Chile and Colombia; contributing to 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, ISA companies have experience and recognition in the sector for more than twenty years. Today, ISA Intervial Chile is the largest operator of interurban roads, with 714 km in operation and another 136 km under construction. The scope of its concession companies includes the tranches of Ruta 5 between Santiago and Talca, Chillán and Collipulli, Collipulli and Temuco, and Temuco to Río Bueno, through which more than 143 million vehicles transited in 2021.

During the year, ISA Intervial Chile made significant progress in the execution of the different projects in progress. In this way, a new stage of the Ruta 5 expansion was inaugurated in Ruta del Maipo, O'Higgins region, from the Peuco Junction to the Rancagua Bypass. There are a total of 12 kilometers in length that include new acceleration tracks, bridges, junctions, and footbridges, which will optimize the conditions of the main access road to the south of Chile.

In Colombia, Ruta Costera (formerly known as Concesión Costera Cartagena Barranquilla and Circunvalar de la Prosperidad) has 146 kilometers of roads in operation and connects two of the country's main cities: Cartagena and Barranquilla. This concession comprises the Gran Manglar Viaduct, located on Ciénaga de la Virgen, Cartagena, 5.4 km in length.

In addition, Ruta Costera commissioned the entire fourth generation Cartagena-Barranquilla and Circunvalar de la Prosperidad project during 2021. This milestone was the beginning of the operational stage of the concession, which will benefit almost three million direct users in nine municipalities of the departments of Bolívar and Atlántico.

"With the commissioning of the entire corridor, we contribute to the connectivity, competitiveness, and economic revival of the Caribbean Coast, being the path for the progress of the communities and millions of users who travel our Ruta Costera." Francisco Gnecco, CEO of Ruta Costera.

ISA, through its companies ISA Intervial and Interconexiones Viales, a company formed in alliance with Construcciones El Condor, will maintain its strategy of consolidation and growth of the Roads business unit, assessing the investment opportunities that may arise in the markets of interest.

Ernesto Carrasco Morales
Chief Roads Officer

During 2021 we kept working on our goal of consolidating and expanding the Roads business unit in Colombia and Chile, where we put into service important works that contribute to the connectivity and competitiveness of several regions in both countries. In addition, we continued to honor our commitment to guarantee, with high quality standards, the availability of the road infrastructure of our routes, essential for the connectivity of users and supply chains.

We have consolidated the Chief Roads Office, a key position to continue achieving the goals defined in the ISA2030 Strategy and to ratify our commitment to a business with great prospects for the future.

We face 2022 with high expectations, convinced that we will seize the opportunities for growth in road concessions in the region. In this sense, we will continue to explore and assess projects and acquisitions in the different countries of interest. We will continue to connect people beyond geographic points, with our seal of discipline, and committed to care for the planet and the human talent that sets us apart."

We have consolidated the Chief Roads Office, a key position to continue achieving the goals defined

Telecommunications and ICT

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

Services

10,648

Customers

1,049

7/24
service in the Network Operation Center (NOC) in Brazil and Colombia

Data accompanying the graphic:

More than 270 cities connected

56,387 km of fiber optics in operation

97.66%
Service level

Colombia
- INTERNEXA
- ATP*

Brazil
- INTERNEXA
- INTERNEXA PARTICIPAÇÕES

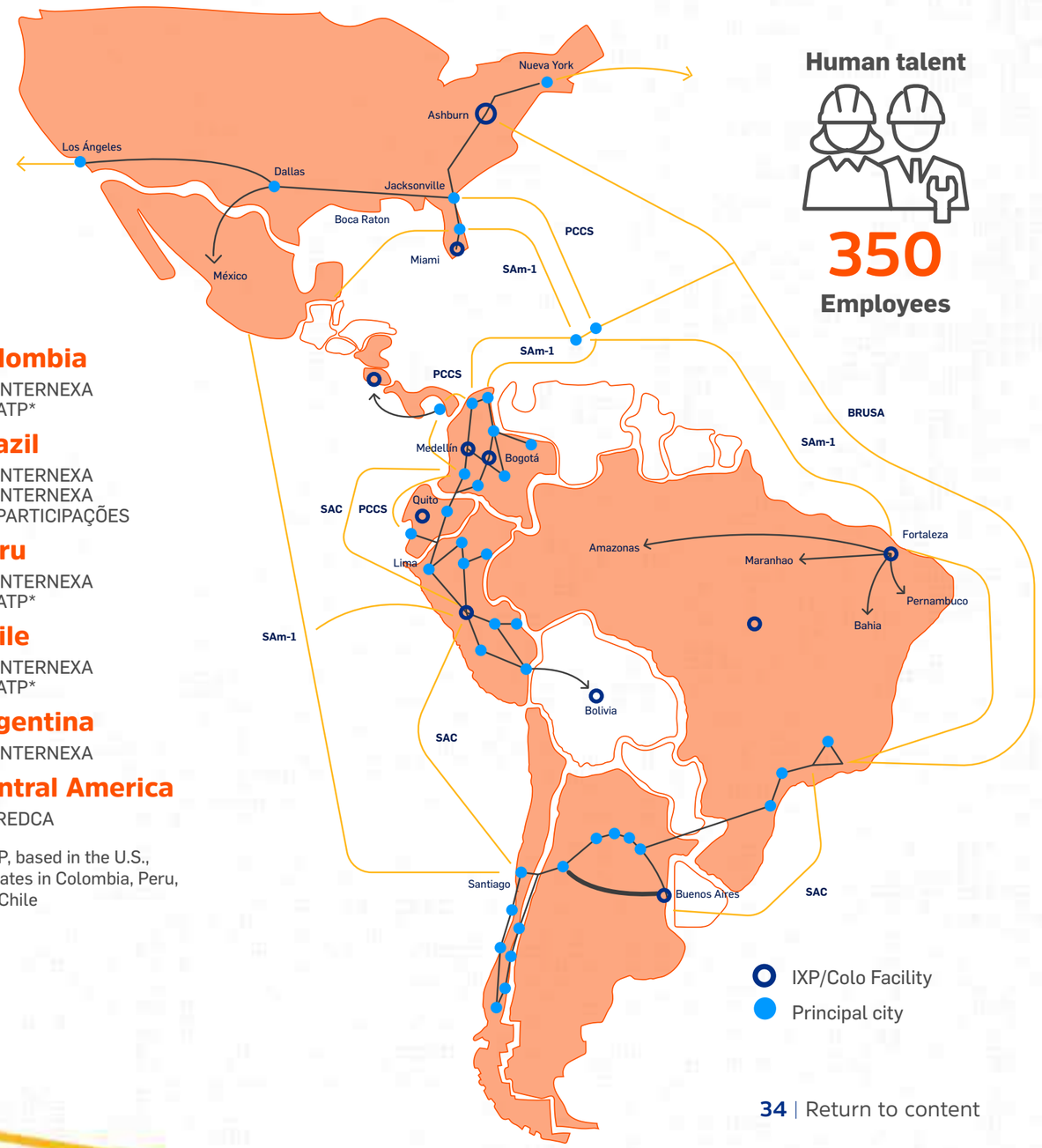
Peru
- INTERNEXA
- ATP*

Chile
- INTERNEXA
- ATP*

Argentina
- INTERNEXA

Central America
- REDCA

* ATP, based in the U.S., operates in Colombia, Peru, and Chile



Human talent

350
Employees

Telecommunications and ICT

InterNexa is an information technology and telecommunications company specialized in digital solutions, present in Colombia, Brazil, Peru, Chile, and Argentina. It specializes in developing and supplying innovative technological products and services to companies, governments, and operators, and OTT (Over The Top) adapted to the needs of each one.

Currently, the company has an ecosystem of products, solutions, and partners focused on enabling the transformation of its customers' businesses. The solutions portfolio consists of connectivity services, a regional IP ecosystem, security, cloud and data center, managed services, IoT, and analytics to provide a comprehensive, innovative, and expert service.

Today, the company has a connectivity platform of more than 56,000 km of terrestrial and submarine fiber optics, with 99.98% availability. In 2021, it continued to position itself as one of the largest and most robust Internet providers in the region, connecting customers to more high-demand content through direct connections, which, according to the company CAIDA in its AS (Autonomous Systems) ranking, placed InterNexa in the 29th position among more than 70,000 AS registered worldwide and among the top three of Latin America.

InterNexa has Thunder as its local cloud platform in Colombia and Peru, which provides computing, storage, backup, and recovery capabilities over a Datacenter ecosystem, a perimeter shield, and advanced security and managed services.

Additionally, the company has a regional data center strategy in Colombia (Bogota-Medellin), Peru (Lima), Brazil (Rio de Janeiro) and Chile (Santiago), under the highest international standards, allowing it to expand its offer to continuity and contingency services under the Disaster Recovery model. All of the above combined with the cloud Thunder, with escalated management from the DOC (Datacenter Operation Center), SOC (Security Operation Center) and NOC (Network Operation Center) under the ISO 27001 International Security Certification (Colombia) and best practices for the rest of the region.

Jaime Alberto Peláez Espinosa
CEO of INTERNEXA

Unlearn to keep learning. This was probably the biggest challenge of 2021, a year that confirmed that there is a 'new normal' and that we would be wrong if we did not seize the opportunities offered by virtuality and combine them with the practices and strategies of the past that are still valid to guarantee business continuity and to connect more and better. The past two years have taught us lessons and gave us a valuable opportunity to test our flexibility, adaptability, and resilience.

In 2021 we reaffirmed that, to be the allies that our customers need for their business, we not only have to be present, but also understand their interests, understand their world, meet their requirements, and be there for them at the right time. So, unlearning to keep learning has implied changing the concept of customer service and understanding that the most important thing is not the way in which the communication relationship is established, but what is communicated, as well as providing a satisfactory solution to the customer's needs.

Unlearning to keep learning also meant leaving aside the concept of digital transformation and starting to talk about business transformation, which better represents the comprehensive change required by organizations today to survive and achieve superior performance in the contemporary world, accompanied by new actions in culture, leadership, and the way we relate to each other.

This year we demonstrated to our customers that we are more than just a telecommunications and information technology provider: we are their ally and part of their work team. Together, we always make things happen."

Unlearning to keep learning has implied changing the concept of customer service and understanding that the most important thing is not the way in which the communication relationship is established, but what is communicated, as well as providing a satisfactory solution to the customer's needs.

Procurement [GRI 102-7]

Equipment for high voltage electrical substations

Copper, oil, metals

USD **72.8** million*

▶ ABB, Efacec, GE, Hyosung, Siemens

Galvanized metal structure

Steel and zinc

USD **23.12** million*

▶ KEC and Kalpataru

Cable conductors

Aluminum

USD **23.89** million*

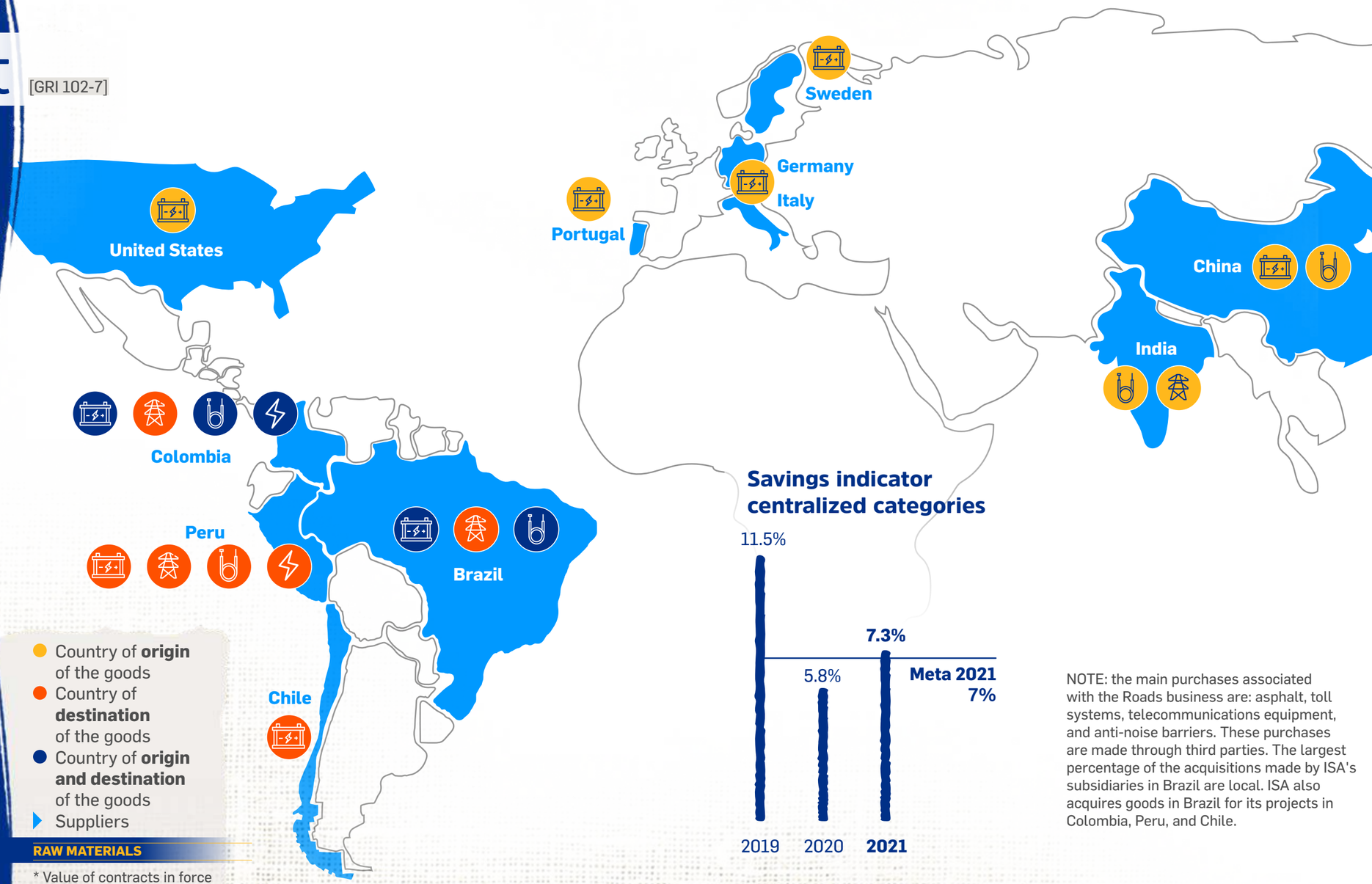
▶ Henan Tong-da, Sterlite, Prysmian

Secondary systems

Engineering, electrical goods, supervision service

USD **5.9** million*

▶ Siemens and HMV



- Country of **origin** of the goods
- Country of **destination** of the goods
- Country of **origin and destination** of the goods
- ▶ Suppliers

RAW MATERIALS

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

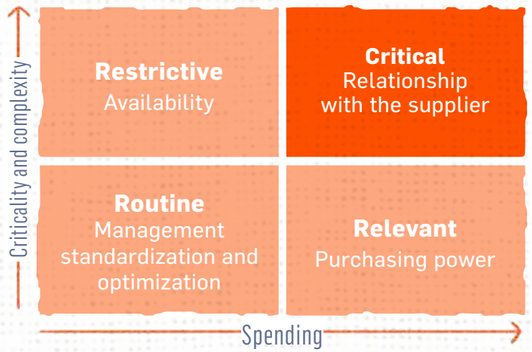
Savings indicator centralized categories

NOTE: the main purchases associated with the Roads business are: asphalt, toll systems, telecommunications equipment, and anti-noise barriers. These purchases are made through third parties. The largest percentage of the acquisitions made by ISA's subsidiaries in Brazil are local. ISA also acquires goods in Brazil for its projects in Colombia, Peru, and Chile.

Procurement model

Consolidated purchasing plan

STRATEGIC MATRIX
categories according to their depth



Critical suppliers: they supply goods/services of categories located in this quadrant, which represent the highest level of spending, as well as the highest market complexity and business criticality

Human competencies

Corporate guidelines

Strategic supplier management

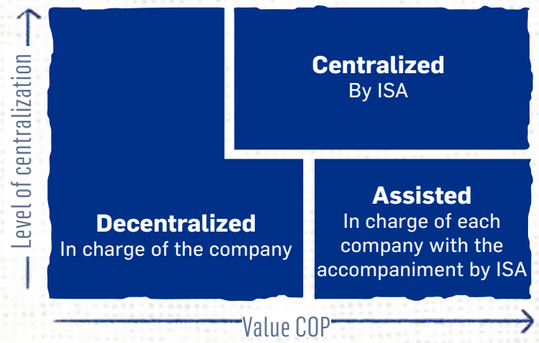
ENABLERS

What? | Who? | With what focus? | Who?

INNOVATION AND IMPROVEMENT

SEGMENTATION MATRIX
Business categories

CENTER OF SERVICES
In charge of cross-purchase



They are managed by the areas of procurement areas of ISA and its companies in according to the distribution of the segmentation matrix.

STRATEGIC SOURCING OF PURCHASES

1. Build the project
2. Understand the category
3. Design strategy
4. Execute procurement
5. Manage contracts

Lessons learned

Best practices

Relevant milestones

March

ISA CEETP

Aguapeí Electrical Interconnection

enters into operation six months ahead of schedule, benefiting the Araçatuba and Presidente Prudente region in the state of São Paulo.

Investment USD **70.49** million

June

The Ministry of Mines and Energy of Colombia and the National Energy Secretariat of Panama

signed an agreement

that contains the definitions on which the regulatory harmonization scheme for the development and operation of the interconnection between the two countries must be based.

July

ISA INTERCOLOMBIA

energizes Interconexión Noroccidental (Ituango) of

684 km

2 new and 4 expanded substations

a mega-project for the reliability of Colombia's energy system.

Investment USD **408.57** million

Investment USD **35.44** million

Consorcio Transmantaro

energizes the connection of the Quellaveco mine.

37.5 km

line

a new substation and expansion of an existing substation.

ISA

is awarded the project to build, operate, and maintain

the Carrieles

230 kV

substation and associated lines. It will meet demand growth and improve service reliability and safety in Southwestern Antioquia.

August

Investment USD **57.12** million

ISA INTERCHILE

energizes the series compensation of the **Nueva Pan de Azúcar - Polpaico**

2×500 kV

September

Investment USD 21.4 million

ISA CTEEP's
Lorena substation enters into operation,

the first digital substation

in the basic grid of the National Interconnected System in Brazil, which doubles the power supply in the Vale do Paraíba region, in the state of São Paulo.

November

ISA CTEEP
is awarded the first large-scale battery energy storage project in the Brazilian transmission system.

30 MW
installed capacity will be

2 horas
with a storage capacity

4,000 m²
area

benefitting around
2 million
people

December

Investment USD 36.82 million

ISA REP energizes the lines built for the

modernization project of the Talara refinery

owned by Petroperu.

ISA, **as part of the Yallique consortium,** was awarded the

Kimal-Lo Aguirre project

to build and operate one of the most important high-voltage electric power transmission projects on the continent, with an extension

1,415 km

Its technology will help make progress in the decarbonization of Chile's energy matrix.

RUTA COSTERA puts 100% of the 4G Cartagena-Barranquilla and Circunvalar de la Prosperidad. 146 kilometers will be made available to improve access to the two cities with the greatest urban and tourist development in the Caribbean Region in Colombia.

Investment COP 1.64 trillion

Investment USD 60 million

ISA INTERVIAL
inaugurates the

third stage of the expansion

to three lanes on Ruta 5, from the Peuco Junction to the Rancagua Bypass.

Recognitions

January

ISA is included in Russell's FTSE4Good index.

FTSE4Good

February

ISA received the bronze medal

Sustainability Award
Bronze Class 2021

S&P Global

from S&P's Sustainability YearBook as one of the world's most sustainable companies in the energy utilities sector.

XM receives the Technology Transfer Award 2020

TECHNOLOGY TRANSFER AWARDS

the first institution in the Colombian energy sector to receive it.

Infrastructure Investor

recognizes

Ruta Costera
Costera as the business of the year, transport category, in Latin America.

ACIEM

ISA INTERCOLOMBIA
receives the ACIEM Maintenance Engineering Award for its work "Viaje hacia la transformación digital del proceso de toma de decisiones de renovación de activos" ("Journey towards the digital transformation of the asset renewal decision making process").

March

merco RESPONSABILIDAD Y GOBIERNO CORPORATIVO

recognizes **ISA** as one of the thirty companies in Colombia with the highest social commitment in the context of the pandemic.

April

ISA INTERVIAL is recognized for the good practices applied to its human talent in the context of COVID-19, by the

FUNDACIÓN CARLOS VIAL ESPANTOSO

KPMG + UPC Universidad Peruana de Ciencias Aplicadas

recognized **ISA REP** as Innovation Expert, the highest category of the Innovation Maturity Index.

June

ISA ranks 30 positions higher in the Merco Talento business reputation monitor.

merco TALENTO

July

ISA REP is recognized by

PERÚ SOSTENIBLE

as a "Socially Responsible Company"

PERÚ Ministerio de Energía y Minas

recognized its "Responsible Business Conduct."

ISA is among the five companies with best practices according to the

ÍNDICE DE INVERSIÓN SOCIAL PRIVADA IISP

of the firm Jaime Arteaga & Asociados in alliance with Semana Sostenible.

August

ISA is among the winners of the

Institutional Investor

ranking for its adequate "crisis management in the midst of the COVID-19 pandemic" and "best social, environmental, and corporate governance management."

XM is recognized by the

SENADO DE LA REPÚBLICA DE COLOMBIA

for its work in benefit of the country's energy sector.

In the 100 Open Startups, **ISA CTEEP** is among the 100 companies that most practice open innovation in Brazil.

September

16° Andesco Awards

ISA

is recognized as the "Best Work Environment in Utility Companies" for its **Otras Miradas** (Other Insights) program, which promotes diversity and inclusion

well as the **"Best Environmental Setting in Utility Companies"** for its **Conexión Jaguar** (Jaguar Connection) program.

ISA is also recognized for its best COVID-19 pandemic mitigation practices with its **Todos Somos Uno** (We Are All One) humanitarian aid program.

In the Andesco Sustainability Award 2021, XM is eliminated from the competition for exceeding expectations in the small utility companies category.

October

merco EMPRESAS Y LÍDERES

ISA reaches the **22nd** position in Merco Empresas Colombia 2021.
Bernardo Vargas ranked **15th** in Merco Líderes.

María Nohemí Arboleda, CEO of **XM,** was recognized by the WIN. A.wards- Women in Energy.

Women In Energy WIN AWARDS

ISA and ISA REP received the CIER Innovation Award 2021, which recognizes innovation projects at corporate and/or academic level developed by employees of companies operating in different segments of the energy sector.

ISA received the award for best innovation platform

ISA REP was recognized for its LISA project.

November

equipares

ISA
ISA INTERCOLOMBIA
ISA TRANSELCA
XM
receive the EQUIPARES Silver Seal for Labor Equity from the Ministry of Labor and the UNDP.

The Metropolitan Area of the Aburrá Valley recognized **ISA INTERCOLOMBIA** as **Sustainable Mobility Ambassador** for its good practices in this field.

Área Metropolitana Valle de Aburrá

Ministerio del Medio Ambiente

ISA INTERVIAL
received the Seal of Excellence from the Ministry of the Environment for its management of CO_2 emissions.

ISA enters the Dow Jones Sustainability Index for the seventh consecutive year

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

index for the fifth consecutive year

MILA

Los Bóscares

WWF Colombia, Acción Climática, and Reforestamos recognized **Conexión Jaguar** with the Bóscares award for its business practices in the care of forests and communities in their territories.

MinTIC Ministerio de Tecnologías de la Información y las Comunicaciones

The Ministry of Information and Communication Technologies (MINTIC) awarded **ISA INTERCOLOMBIA** first place in the DS4A program for building the most innovative artificial intelligence solution, a line output detection model for atmospheric discharges.

Integrated management systems

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

New certifications were obtained in 2021

ISA TRANSELCA
Received certification PTC-2020-0002 in **Asset Management**, by PMM Enterprise Certification.

ISA INTERVIAL
Was certified in ISO14001 for **Ruta de La Araucanía and Ruta de Los Ríos.**

Ruta del Maipo, Ruta del Bosque, Ruta de La Araucanía, and Ruta de Los Ríos were certified for Road Safety.

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA and XM
received the Silver Seal (gender equity).

	ISO 9001	ISO 14001	ISO 45001	ISO 27001	ISO 55001	ISO 39001	EQUIPARES*
ISA	✓						✓
ISA REP	✓	✓	✓		✓		
ISA INTERCOLOMBIA	✓	✓	✓	✓	✓		✓
ISA CTEEP		✓					
ISA TRANSELCA	✓	✓	✓		✓		✓
ISA BOLIVIA	✓	✓	✓		✓		
PDI	✓						
ISA INTERVIAL	✓**	✓				✓	
INTERNEXA	✓		✓	✓			
XM				✓			✓

* Gender Equality Management System, developed by the Ministry of Labor and the United Nations Development Programme in Colombia (UNDP).
** ISA INTERVIAL y sociedades concesionarias.

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.

20
meetings held during the year

78%
independent members

Remuneration of
$5,119,428
per session

97.22%
attendance

80%
minimum attendance rate goal

Board of Directors

[GRI 102-18] [GRI 102-22] [GRI 102-23]

Corporate Governance Report

ISA shareholding participation in its companies

Corporate Governance, Sustainability, and Risk Committee

Business Committee

Corporate Audit Committee

Organizational Talent Committee

Independent

Santiago Montenegro Trujillo

Chairman of the Board

Nomination: Pensions and Severance Funds

- **Chairman of the Business Committee**

Felipe Bayón Pardo

Nomination: Ecopetrol S.A.

Jaime Caballero Uribe

Nomination: Ecopetrol S.A.

Ana Fernanda Maiguashca

Nomination: Ecopetrol S.A.

- **Chairman of the Organizational Talent Committee**

Andrés Felipe Mejía

Nomination: Ecopetrol S.A.

- **Chairman of the Audit Committee**

Jesús Aristizábal Guevara

Nomination: Ecopetrol S.A.

- **Chairman of the Corporate Governance, Sustainability, and Risk Committee**

Rutty Paola Ortiz Jara

Nomination: Empresas Públicas de Medellín

Camilo Zea Gómez

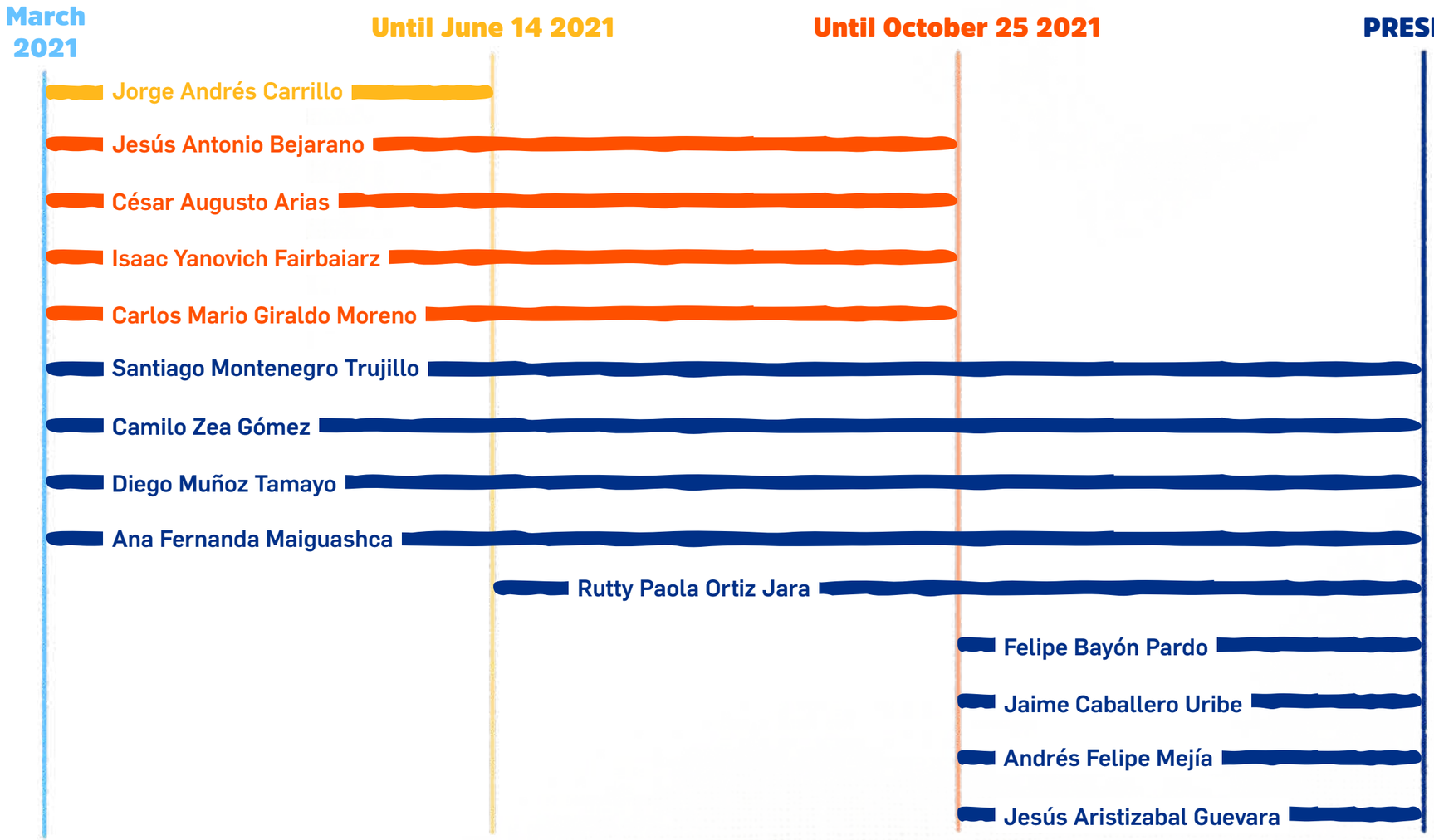
Nomination: Pensions and Severance Funds

Diego Muñoz Tamayo

Nomination: Pensions and Severance Funds

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.

Changes in the Board of Directors, period 2021



In the 2021 period, the composition of the Board of Directors underwent several changes, for the following reasons: Jorge Andrés Carrillo, nominated by Empresas Públicas de Medellín (EPM), was appointed as president of that company; as this situation resulted in a conflict of interest, a new appointment was required, and Rutty Paola Ortiz Jara was appointed as EPM's representative. In the last quarter of the year, the Ecopetrol Group purchased the shares held by the State, which meant a new change in the composition of the Board, with four new members: Felipe Bayón Pardo, Jaime Caballero Uribe, Andrés Felipe Mejía, and Jesús Aristizábal Guevara.

Administration [GRI 102-18]

Bernardo Vargas Gibsone
CEO*

César Augusto Ramírez Rojas
Chief Electric Power Transmission Officer

Olga Patricia Castaño Díaz
Chief Strategy 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 Information Technology Officer

Carlos Ignacio Mesa Medina
Chief Corporate Audit Officer

Jaime Alberto Peláez Espinosa
CEO of INTERNEXA

* Held the general managment until January 2022

Ethics GRI [102-7] [102-16] [102-17]

Action framework

The Ecopetrol Group, by acquiring ISA, who shares the conviction of ethics in its activities and in the relationship with its stakeholders, aligns the principles and behaviors that will allow having a philosophy of articulated action. As a result, the Code of Ethics and Conduct of ISA and its companies was modified and approved by the company's Board of Directors on November 22.

ISA adheres to the guidelines established by Ecopetrol to comply with the FCPA (Foreign Corrupt Practices Act), since it is a subsidiary of Ecopetrol, who is listed on the New York Stock Exchange.

As a result of these changes, the essence of the principles, now called responsibility, respect and integrity, is maintained, and the permanent commitment to life is reflected in this code.

This code is applicable to administrators[1], employees, and third parties with whom the company interacts; therefore, its disclosure and application is essential.

In order to strengthen suppliers' commitment to ethics and led by the Procurement department, the Supplier Code of Conduct was established

Some internal regulations related to the prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction were updated to incorporate regulatory requirements and best practices. In this sense, due diligence procedures for counterparties were strengthened by defining a corporate guide that establishes the guidelines and procedures, accompanied by technological tools that facilitate their implementation.

In order to strengthen suppliers' commitment to ethics and led by the Procurement department, the Supplier Code of Conduct was established, which focuses on the management of labor conditions, human rights, the environment, ethics and transparency, and the prevention of money laundering and the financing of terrorism.

[1] Board members/Board of Directors/councils and company executives.

Update of the Compliance risk

Considering the importance of permanently reviewing and updating the risk categories, the Compliance risk category was reviewed for ISA and its companies during the year, adjusting its description and risk events. The financing of the proliferation of weapons of mass destruction, protection of personal data, unfair administration, and other risk events were added, considering the business context and legal obligations in each of the countries.

Culture

Aligned with the strengthening of ethics as an installed capacity of ISA and its companies, different ethics outreach and training activities were carried out, which also support other capabilities such as digital transformation. The most important topics are:

Conversations with Barbara Ubaldi - Head of the Digital Government and Data Unit at the OECD, and Maja de Vibe - VP Sustainability, Governance and Compliance at StatKraft

Training on topics related to corruption, conflicts of interest, protection of personal data, prevention of money laundering, etc.

Meetings with suppliers, coffee with employees, Compliance week, reinforcement in social networks and internal media

For new personnel, E-learning on ethics continues to be a part of the induction process to align the knowledge of those joining the organization

Policies and procedures

For ISA and its companies, the conflict of interest declaration scheme is maintained, both at the time of personnel entry each year or when a conflict of interest occurs. The report on the annual conflict of interest declaration showed 98% compliance. The reported doubts or conflicts of interest have been addressed.

INTERNEXA

Strengthened its efforts to prevent ML/FT/FPWMD risks (money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction) by updating risks and controls to incorporate the applicable regulatory requirements.

Ruta Costera

Adopted the Ethics and Compliance Corporate Program.

ISA INTERCHILE

Completed the diagnosis and design stage of compliance with Law 20.393, moving on to the implementation phase of the Crime Prevention Model approved by the Board of Directors.

ISA INTERVIAL

Implemented, for all concession companies, a predictive model for fraud in the manual toll collection process.

Voluntary actions

XM held the Ninth Ethics Forum of the Colombian Energy Sector, which purpose is to continue fostering a space for thought, action, and commitment around ethics. This event was attended by 300 people and was an ideal opportunity for the legal representatives of the 35 companies to sign the renewal of the Collective Action for Ethics commitments, as a symbolic act that reiterates our commitment to ethics and transparency both in the sector and in the country.

As part of the strategy to reinforce our commitment to ethics, expanding the agenda to ESG (environmental, social and governance), ISA CTEEP is now a signatory of the Business Pact for Integrity and against Corruption. Additionally, the company joined the Ethos Institute's Business Movement for Integrity, Transparency, and Fight against Corruption. In 2021, an independent assessment concluded that ISA CTEEP has a high level of maturity regarding data protection privacy and governance practices.

In XM, the coordination of the Collective Action on Ethics and Transparency in the Energy Sector, together with the National Operation Center (CNO), stands out. 35 companies are members who work together on the construction of good practices. ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM are members of this Collective Action.

ISA's participating companies were also involved in initiatives such as: RITA (Inter-Institutional Transparency and Anti-Corruption Network) of the Transparency Secretariat of the Presidency of the Republic and "Towards Integrity" of the UN Office on Drugs and Crime (UNODC), Integrity APP, initiatives that address anti-corruption from different work meetings.

ISA INTERVIAL participated in the Barómetro de Valores y Ética Empresarial (Business Values and Ethics Barometer), held by the Fundación Generación Empresarial (FGE) to measure the culture of ethics and compliance in organizations, and was recognized for its commitment to integrity. In addition, ISA INTERVIAL and its Concession Companies recertified the Corporate Integrity and Ethics Model - Law 20.393 - Compliance, by including two new companies, Ruta del LOA and ISA Inversiones Costera Chile Spa, complying with the requirements suggested by Law 20.393 and meeting the highest standards of implementation suggested by the OECD. This certification will be valid until December 15, 2022.

Consistent with the principles of respect and commitment to life of the Code of Ethics and Conduct, which require the company to guarantee the defense and promotion of human rights and prevent discrimination, training and due diligence for responsible business conduct were performed according to the guidelines issued by the Organization for Economic Cooperation and Development (OECD) and the Guiding Principles on Business and Human Rights issued by the United Nations. Due diligence allowed to identify the connections between human rights and business in the value chain, as well as to recognize the most vulnerable in the management of the business.

Monitoring and reporting

[GRI 102-17]

Automated tools were implemented to strengthen the monitoring and reporting of compliance with the provisions of the Compliance program.

Regarding the management of whistleblowing channels, a total of 75 reports were processed during the period, none of which were related to corruption. To supplement these efforts, the Ethics Committee of each of the companies held meetings according to their guidelines.

To strengthen the use of these channels, different internal and external outreach and positioning strategies were implemented.

100%

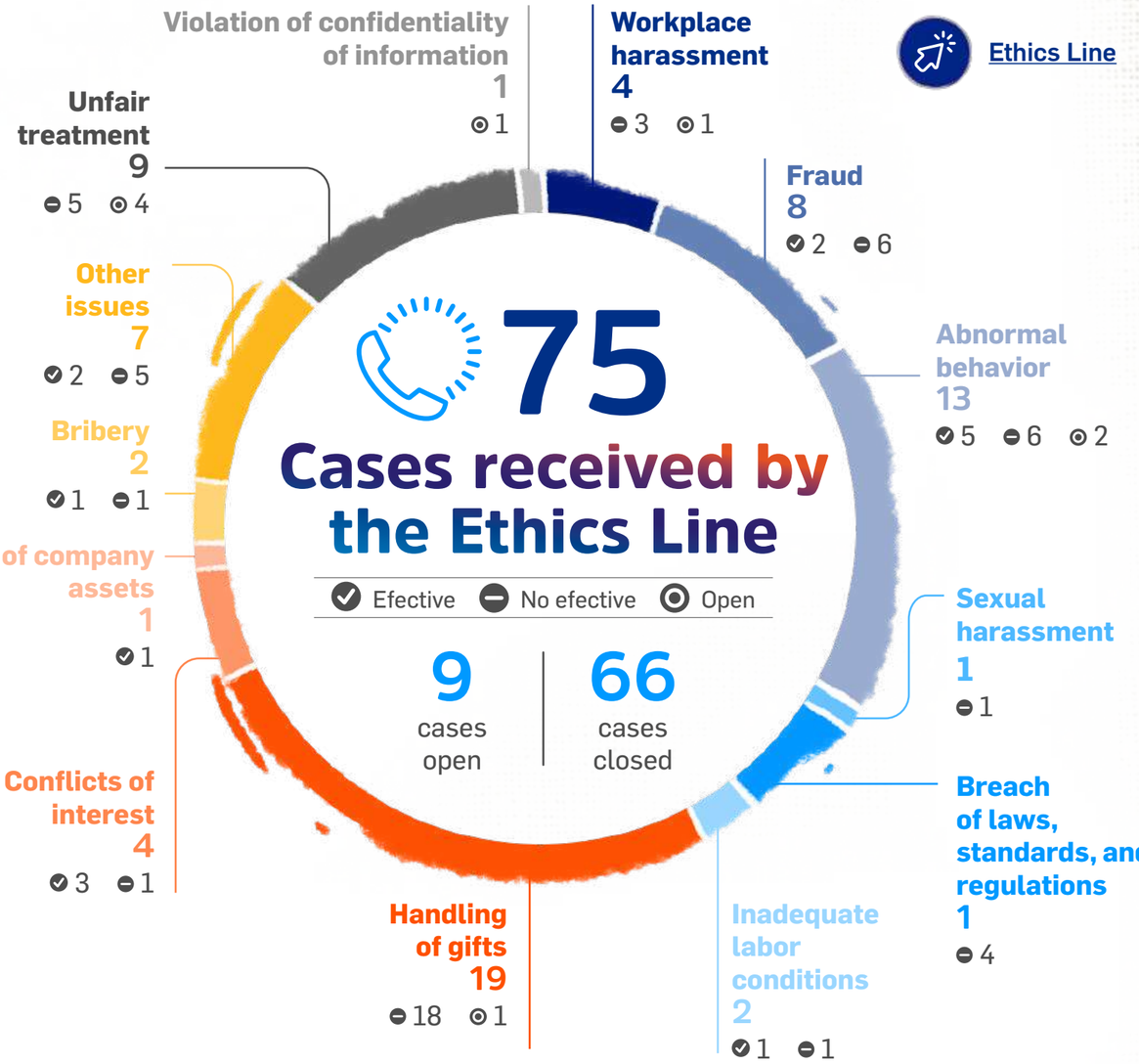
% complaints addressed by the Ethics Line

To 2019 | 2020 | **2021** it has:

- **0** cases of **human corruption**
- **0** cases of **human rights violations**
- **0** cases of **data protection and management**

Habeas data

- Number of confirmed cases of information misuse
- Number of cases reported



Improvement plans implemented

For all effective cases, the necessary corrective measures were implemented, as well as those to prevent the occurrence of similar events in the future. Feedback, reinforcement, and training actions were carried out, mainly in:

- Code of Ethics
- Anti-Corruption and Anti-Fraud Guidelines
- Declaration of conflict of interest

Regarding the cases of conflicts of interest, persons in charge of activities that generated conflicts of interest ceased to be involved in those activities.

Regarding fraud, both cases involved the falsification of a private document by a supplier. The respective administrative measures were applied within the contractual and legal framework. Regarding the case of bribery, in which a contractor's employee requested to alter purchasing information for his personal benefit in exchange for money, the action was reported and the supplier was asked to dismiss the employee; additionally, the supplier was provided with ethical reinforcement actions.

With the purpose of strengthen the use of these channels they took to different cape strategies of disclosure and positioning internal and external.

isa

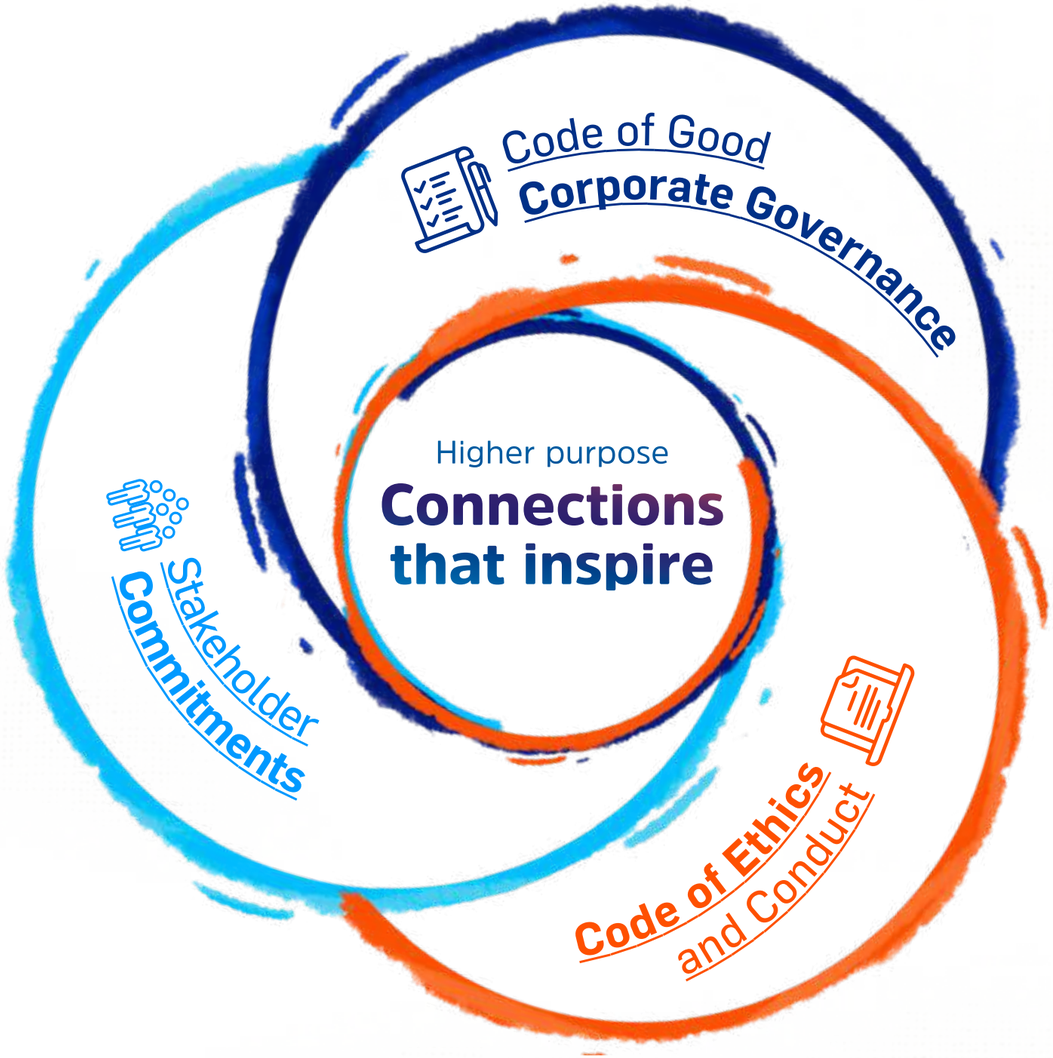
CONEXIONES QUE INSPIRAN

Inspiring projection all together

Action framework

Our higher purpose, CONNECTIONS THAT INSPIRE, and its Manifesto are the main expression of the behavior, actions, and beliefs of ISA's companies. These are supplemented by the Code of Ethics and Conduct, the Code of Good Corporate Governance, and the Stakeholder Commitments.

[GRI 102-16] [GRI 102-17]



ISA and its companies are recognized as key players in the development and progress of society, transcending obligations and helping build a legacy for future generations.

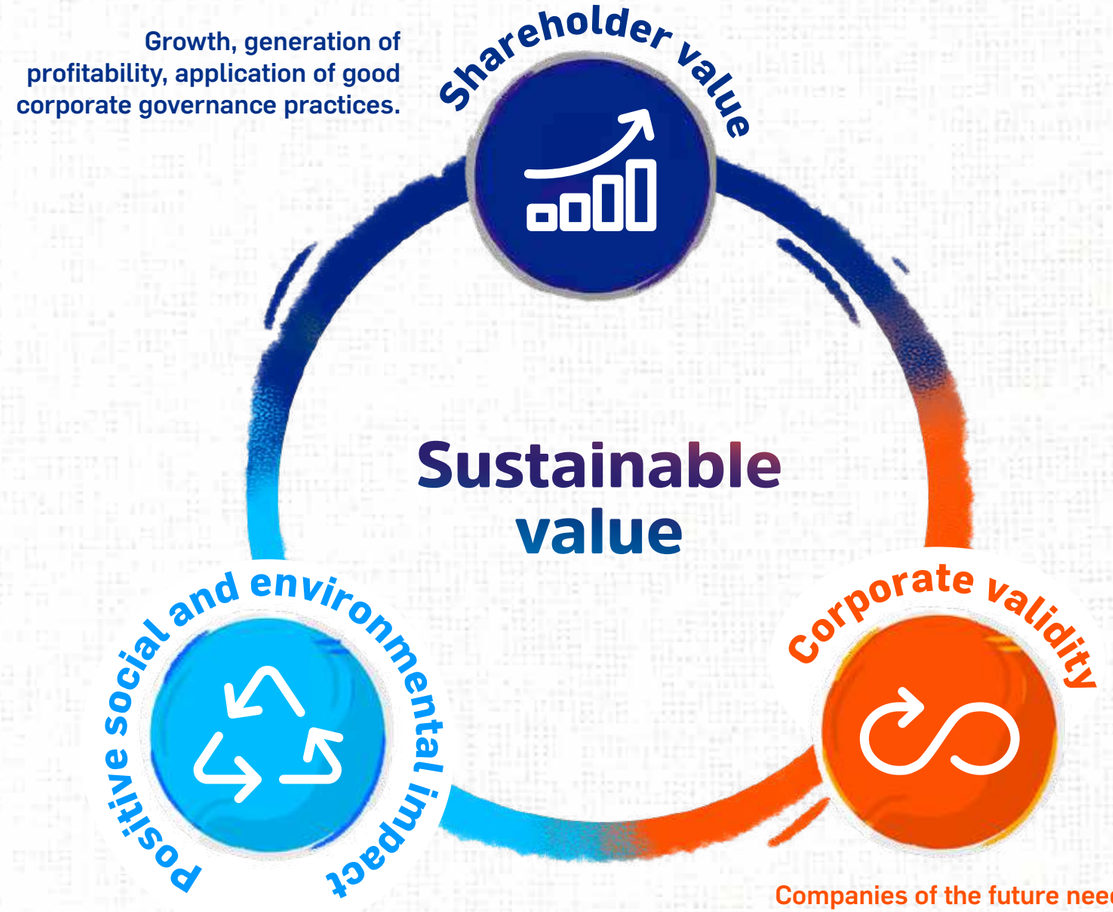
ISA and its companies share ethical behavior with the Ecopetrol Group. Therefore, the Code of Ethics and Conduct of ISA and its companies was adapted after the acquisition, so that there could be an articulated philosophy of action.

To align stakeholder expectations, considering the higher purpose and strategic choices, stakeholder definitions and commitments were updated according to these Codes.

ISA2030 Strategy - Sustainable Value

The ISA2030 strategy is focused on the creation of sustainable value:: it is the great commitment to create value over time, transcending the generation of purely financial value through the inclusion of social and environmental aspects, considering all the opportunities that the future brings as it is increasingly dynamic, collaborative, and digital, ensuring corporate validity.

[GRI 102-14] [GRI 102-26]



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

Significant contribution to the care of the planet and the achievement of the Sustainable Development Goals in the countries where ISA and its companies are present.

Companies of the future need to leverage value generation on innovation, digital transformation, alliances, and a group of high-performance employees.

Strategic choices

Current businesses

Electric Power Transmission

Core business

It includes sub transmission.

Roads

Platform development

- Alliances for growth
- Strengthening of existing capabilities

Telecommunications and ICT:

Rentabilización

- Strategic alliances
- InterNexa and ATP synergies
- Synergies in future businessess

Note: as part of the dynamic management of the portfolio, it was decided to sell the ISA shares in InterNexa.

Future business*

- **Services beyond the core business**
- **Transformational innovation**
- **Enhance current skills**
- **Vehicles:**
  - Open innovation ecosystem de innovación
  - Corporate entrepreneurship

* Businesses that transcend and seize the opportunities generated by current business trends and convergence.

New electric power businesses

- **Large-scale storage**
- **Distributed energy solutions**

XM

Sumando energías

Key role in the transformation of the energy sector in Colombia

New geographies

Electric Power Transmission

- **United States**
- **Panama**
- **Mexico**
- **Argentina**

Roads

- **Colombia**
- **Peru**

Business choices reflect a balanced portfolio, reconciling criteria of risk and profitability, vision and adjacency, and geographic diversification and business diversification.

Growth in each segment and geography will be achieved through organic and inorganic transactions, being more competitive thanks to an excellent formulation and execution of capex and opex, creating strategic alliances, generating a positive social and environmental impact, and an ambitious commitment to innovation and digitization.

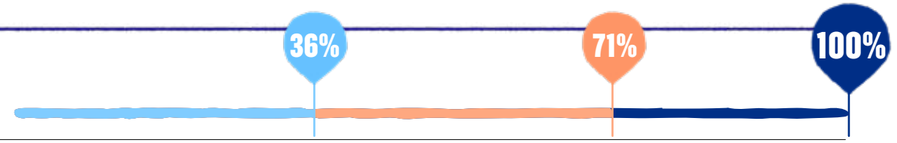
Targets

The ISA 2030 Sustainable Value strategy integrates objectives and targets to 2030. Intermediate targets have been defined to ensure the implementation of our choices, to maintain a long-term transcendence perspective, and to carry out the actions required to achieve future results in the short term.

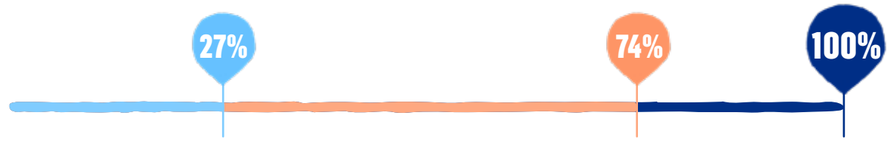
Targets to 2030

Shareholder value

70% in ebitda
Minimal increase compared with 2018

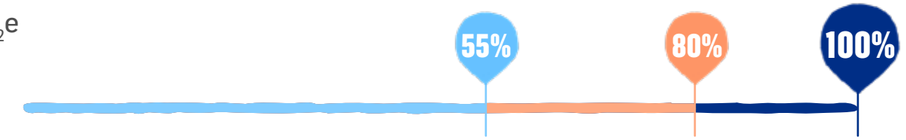


USD **10.500** million
Investment in businesses and current and new geographies



Positive social and environmental impact

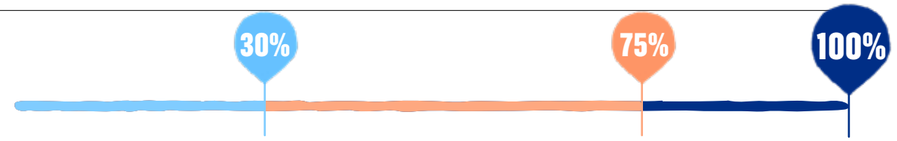
Reduction of 11 million tons of CO_2e
11 million
tons of CO_2e



Corporate validity

USD **2** billion
Investment in new electric power businesses

USD **150** million
Investment in entrepreneurship



2022
2026
2030

Fulfill the expected goal

The ISA2030 Strategy is based on four pillars that guide day-to-day actions and decisions, as well as the way ISA interacts internally and with the world.

V ERDE (GREEN)
- Minimize the environmental impacts of the business and promote positive environmental initiatives.

I NNOVACIÓN (INNOVATION):
- Take advantage of business opportunities derived from technological evolution and trends.

D ESARROLLO (DEVELOPMENT)
- Build capacities and leaders to face business challenges and promote the development of the territory and an entrepreneurship ecosystem.

A ARTICULACIÓN (ARTICULATION):
- Create strategic alliances to meet objectives.

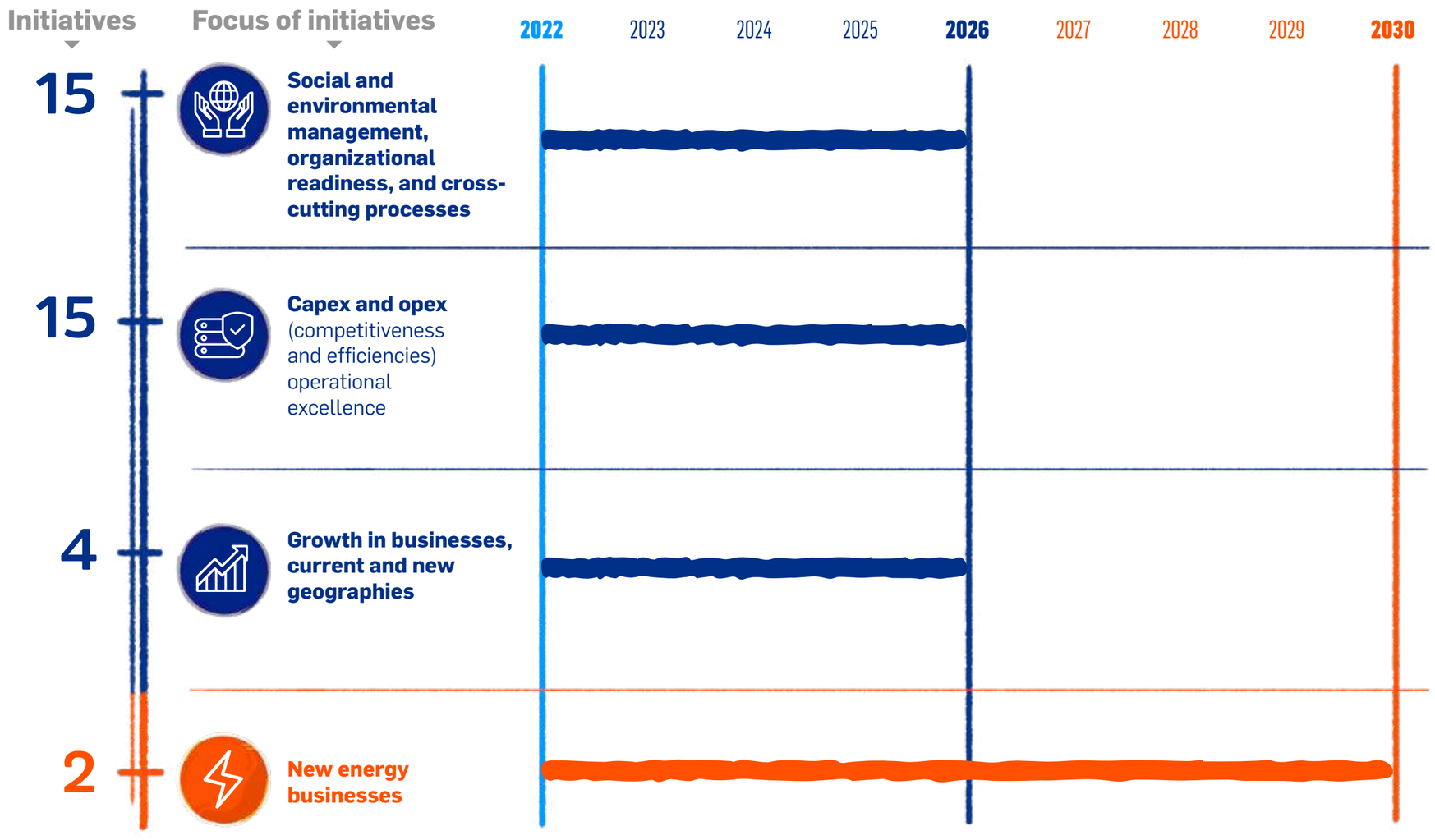
Strategic initiatives to mobilize objectives

As a tool for mobilizing the strategy, ISA companies are working on the execution of projects to get closer to their proposed objectives and targets. In this regard, during 2021, **36 initiatives** were implemented, supported by innovation and digitization to improve competitiveness, the growth of businesses and current and new geographies, social and environmental management, new energy businesses, organizational readiness, and other cross-cutting processes.

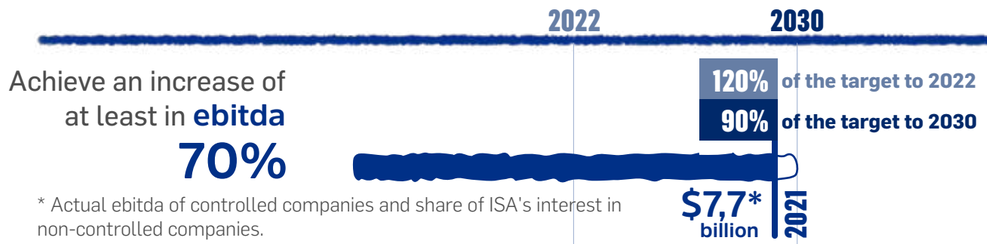
47%
of initiatives are leveraged on **innovation**

69%
of initiatives are leveraged on **digitization**

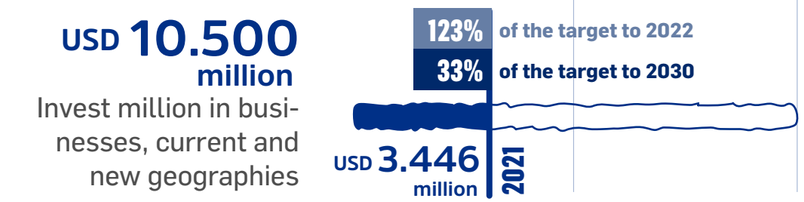
Strategic initiatives, according to their nature and scope, are being developed in several phases that comprise exploration, scaling, and consolidation.



Progress in the strategy

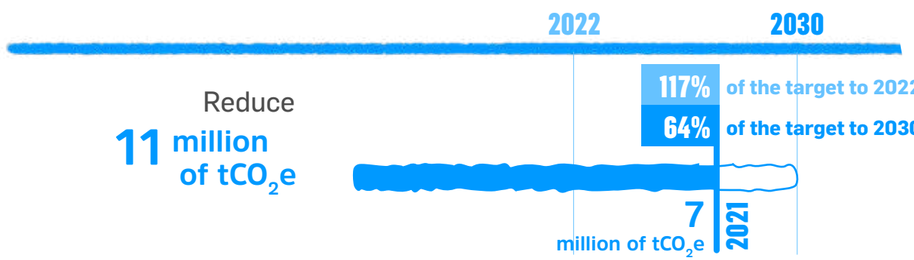


* Actual ebitda of controlled companies and share of ISA's interest in non-controlled companies.



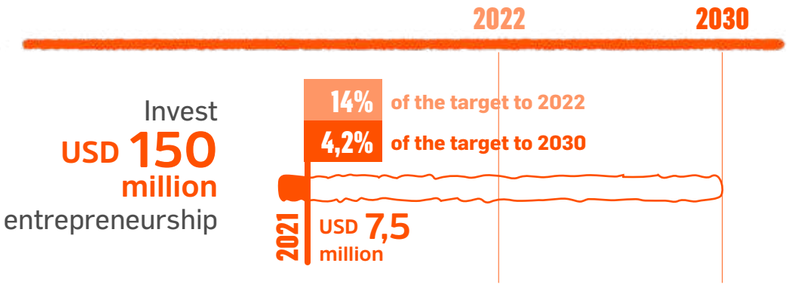
Note: the values budgeted in 2019 and 2020 were adjusted to include ISA CTEEP's reinforcements and expansions for these years.

USD **1.158** million budgeted in **2021** for new investments, in addition to USD 2.288 million in 2019 and 2020



7,032,860 tCO_2e through the Conexión Jaguar projects; and **8.184 tons of CO_2e** through reduction of impacts of the businesses.

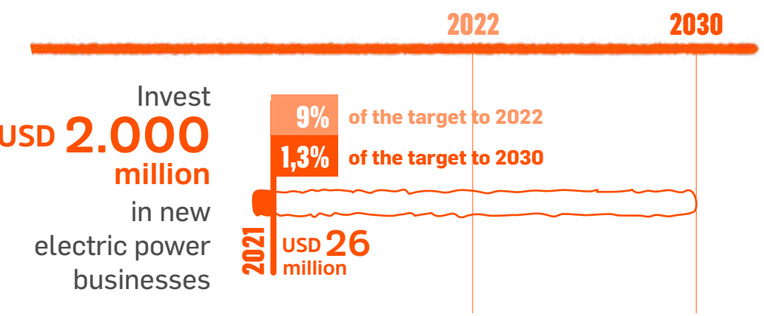
In 2021, **1.255.627** through the Conexión Jaguar projects and **5.312 tCO_2e** from improved eco-efficiency of operations.



USD 5,16 million in revenues in the year from new products and services

Formation of agile **inter-company innovation cells** to accelerate the impact on strategy emphases

Acceleration program developed together with Rockstart to support social impact ventures.



In Brazil, **ISA CTEEP will develop the first large-scale battery energy storage project in the Brazilian transmission system.** Its installed capacity will be 30 MW, with a storage capacity of 2 hours.

Environment

Business

Electric Power

Roads

Telecommunications and ICT

Country

Colombia

Peru

Chile

Brazil

Bolivia

Panama

Political

Presidential and Congress elections during 2022. An analysis is required to identify implications on the position and future reforms of the new presidents that may impact business.

The election of President Gabriel Boric (2022-2026) and the drafting of a new constitution in 2022 create a scenario of alternative political players with a vocation for structural reforms that can bring challenges and opportunities for business models.

Pedro Castillo was elected president under an anti-investment campaign; however, the controls exercised, mainly by Congress, have restricted the ability to carry out unorthodox reforms with the potential to affect market dynamics.

Economic

Increase in the number of competitors in offers

Acceleration of the energy transition could create new opportunities and requirements in the sectors where we are present: greater demand for connections to non-conventional renewables, electrification of transportation, and the emergence of new business models with disruptive technologies such as flexibility services and distributed energy solutions, among others.

Competitors with offers with more aggressive discount rates.

Increase of Chinese players in the region.

Rebound effect on the growth of economies after strong contraction due to the pandemic. Growth is expected to stabilize by 2022 and most economies are expected to reach pre-pandemic GDP levels.

Government investment and infrastructure agendas as a means of economic revival expand or maintain investment opportunities in the region.

Changes caused by the COVID-19 crisis triggered a great demand for connectivity and digital and remote solutions.

Signing of the agreement between the Ministry of Mines and Energy of Colombia and the National Energy Secretariat of Panama reflects the political intention to continue the interconnection project between the two countries.

Environmental

The pressure to increase climate efforts and commitments by states and large companies around the world at COP26, within the framework of greater social demands on the matter, generate greater challenges for organizations regarding aspects related to climate change mitigation.

Social

Increased demands for new forms of dialogue between public and private players in society.

The results of the management of ISA and its companies in 2021 reflect the good pace of our progress in achieving strategic aspirations and choices, especially at a time when the world, markets, and organizations continue to adapt to the "new normal;" implement prevention and vaccination programs to mitigate the effects of the pandemic; and focus their efforts on reactivating economies. Taking into account this context and the dynamics of the business, we will continue to address the uncertainty, restrictions, and changes derived from the main environmental signals in the short term, such as: [GRI 102-15]

ISA's strategic choices boost the energy transition and contribute to decarbonization and electrification. These choices, in the context of the Ecopetrol Group's strategy, allow us to join efforts, wills, and experience in demanding sectors of the economy, which require a positive contribution in the territories where we are present.

Comprehensive Risk Management

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

The Board of Directors and the Senior Management are strongly committed to risk management. In this way, through the Governance, Sustainability, and Risk Committee, they periodically monitor the relevant risks in ISA and its companies and annually review and approve the risk prioritization criteria, whereby they establish the appetite and tolerance for monitoring business and operations.

ISA and its companies' Comprehensive Risk Management (GIR in Spanish) seeks to preserve the integrity of corporate resources, and the continuity and sustainability of business units. For this, ISA and its companies systematically identify, analyze, evaluate, monitor, and communicate risks to which the companies are exposed, in order to minimize impacts on the financial and reputation resource, and benefit from opportunities that can come from them. Each of the organizations applies the risk cycle and creates a map containing identification, assessment, and management measures. This information is updated and consolidated on a quarterly basis.

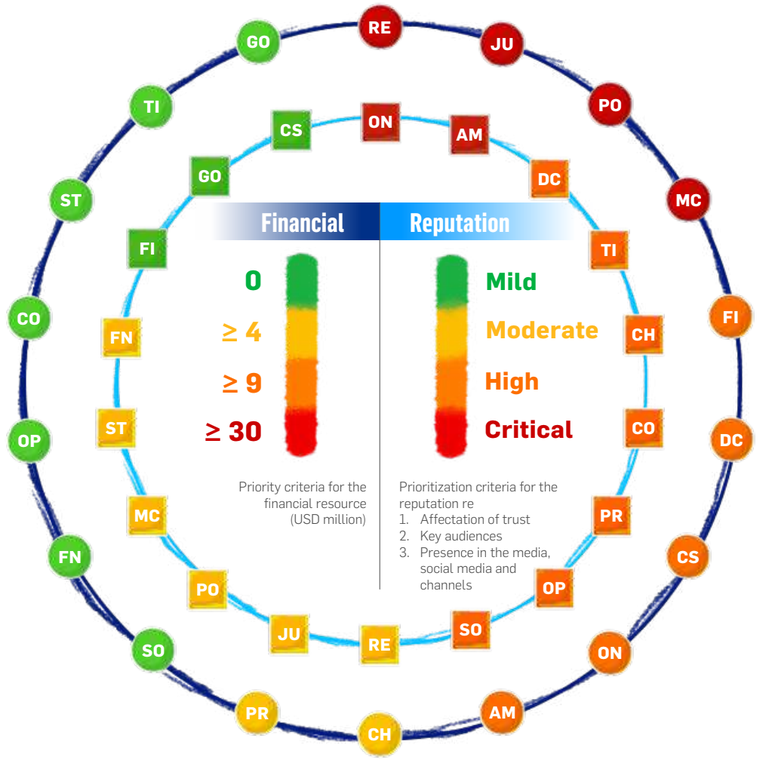
For 2021, management and the Board through the Governance, Sustainability, and Risk Committee, reviewed the quarterly monitoring of the consolidated risks of ISA and its companies and the most relevant changes in the risk map. Risks associated with regulatory, environmental, supply chain and compliance categories were also specifically assessed, and the nature and impacts of emerging risks were evaluated.

At the end of the period, the status of the consolidated risk map of ISA and its companies regarding the financial resource and the reputational resource in the eighteen categories defined for risk management is as follows:

Financial resource

Resources

◯ Financial ▢ Reputation



Financial		Reputation
	ECONOMIC	
RE	Regulatory	RE
JU	Legal	JU
PO	Political	PO
MC	Market, competition, mergers, and acquisitions	MC
FI	Market, liquidity, and credit	FI
GO	Governance	GO
	OPERATIONAL	
DC	Project design and construction	DC
CS	Supply Chain	CS
ON	Business operations	ON
TI	Cybersecurity and information technology	TI
CH	Human capital and labor relations	CH
ST	Occupational health and safety	ST
CO	Compliance	CO
	SOCIO-ENVIRONMENTAL	
AM	Environmental	AM
PR	Land ownership	PR
OP	Public order and public safety	OP
FN	Natural phenomena and extreme weather changes	FN
SO	Social	SO

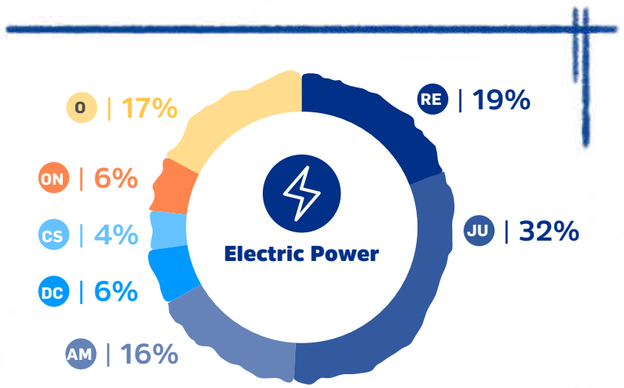
Relevant risks by business

[GRI 102-30]

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
- ON Business operation
- PR Land
- O Other



Prioritization criteria for the financial resource (USD millions)

By country

[GRI 102-15]

Risks relevant to the reputation resource

[GRI A- RI1] [GRI 102-30]

By business [GRI 102-15]

Risks

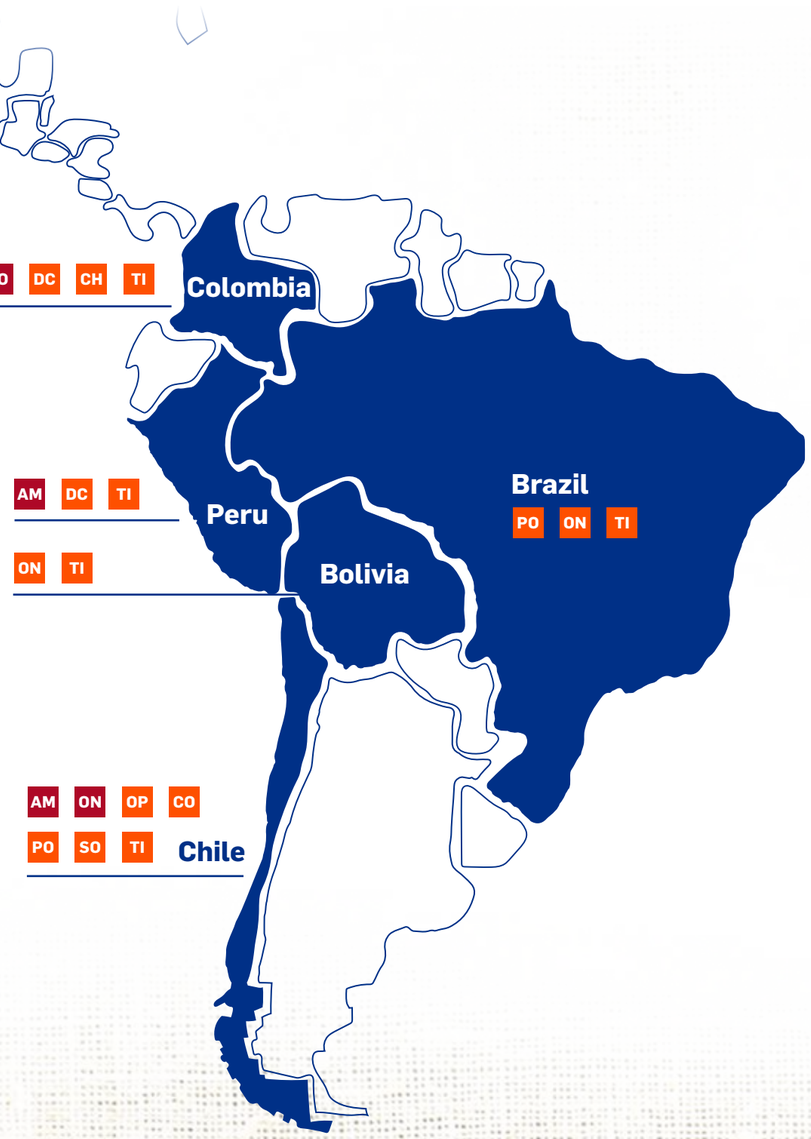
- ON Business operation
- SO Social
- DC Project design and construction
- CH Human capital and labor relations
- TI Cybersecurity and information technology
- AM Environmental
- OP Public order and public safety
- CO Compliance
- PO Political
- PR Land

Mild

Moderate

High

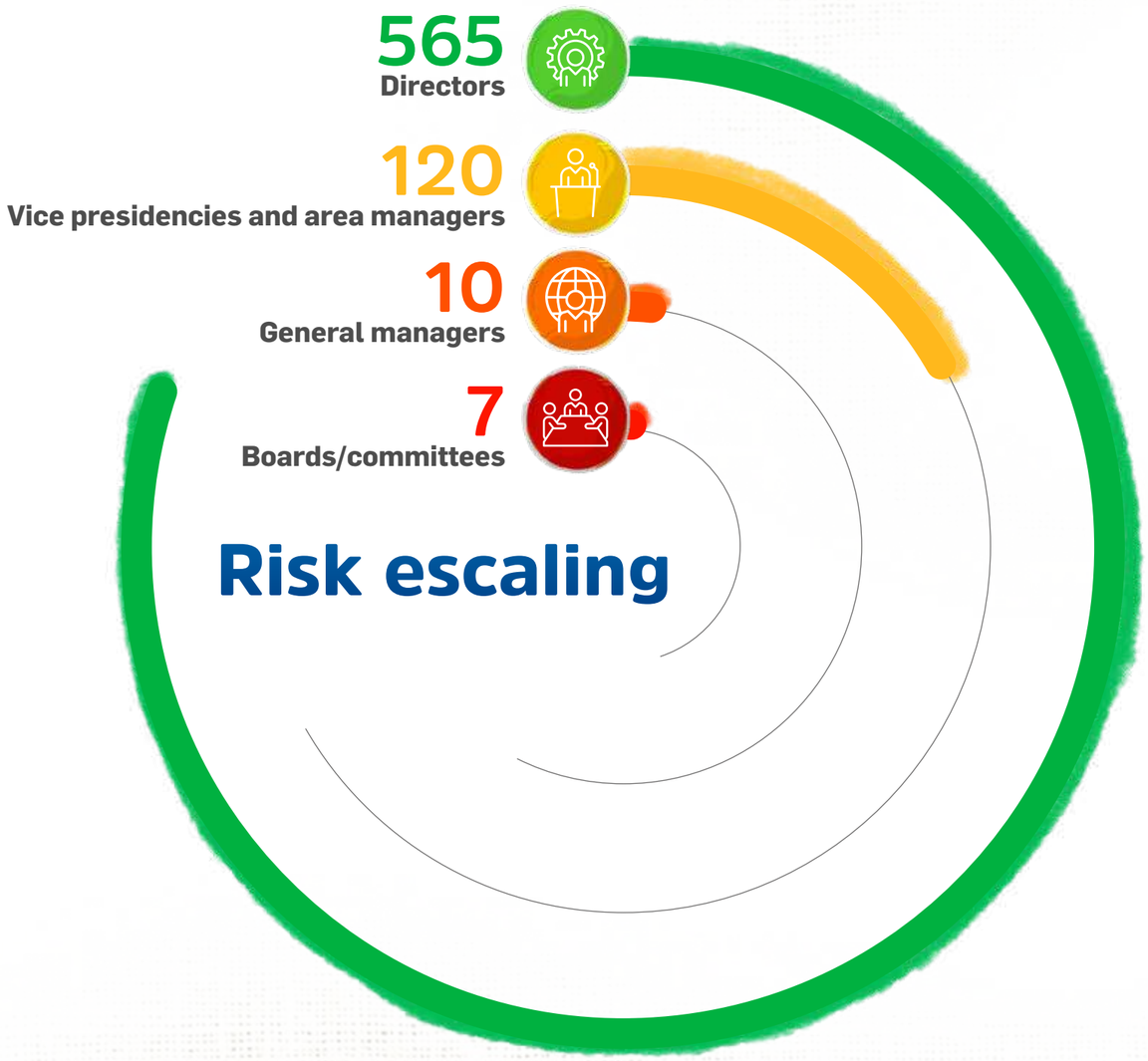
Critical



Prioritization criteria for the reputation resource:
1. Affectation of trust
2. Key audiences
3. Presence in the media, social media and channels

Risk monitoring and review

At ISA and its companies, risk management is based on the processes, from which uncertain events that might affect the company's results are identified and addressed. Therefore, each person that is responsible for the process, project, asset, contract, among others, is also directly responsible for its proper identification, assessment, prevention and mitigation. Risk monitoring is associated with the levels of responsibility in the organizational structure, going through the processes layer until reaching the highest positions in the companies, including their boards of directors. In addition, the audit department, in the performance of their functions, base their plan and development of their activities on the business risk analysis.



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risks identified and reported at ISA

Prioritized risk management

CATEGORY	COUNTRY	RISK 2021	ACTIONS	RESOURCE IMPACTED
RE Regulatory	Colombia	Change in the electric power transmission	• Direct work and work through unions before the regulatory authority, the Ministry of Mines and Energy and the Ministry of Finance; and comprehensive technical, regulatory, legal, and financial analyzes of the regulator's proposals • Leveraging asset management to make decisions according to cost, risk, and performance criteria in the definition of offset plans	Financial
MC Market, competition, mergers, and acquisitions	Colombia	Difficulty in venturing into new businesses or increasing market share in target businesses or markets	• Negotiation with regulators to reduce barriers and make new businesses viable, and organizational readiness to ensure that the teams are strengthened in regulatory management and other competencies • Leverage on innovation to develop new businesses and establish follow-up mechanisms to ensure the implementation of solutions and decision making • Specific actions to improve internal business competitiveness	Financial
JU Legal	Brazil	Tax events and pension liability at ISA CTEEP	• Submission of relevant appeals to the regulatory authorities • Documentation and backup • Management of trade associations • Judicial and extrajudicial proceedings • Collection procedures and ongoing monitoring of process evolution • Availability of a dedicated legal team	Financial
		Uncertainty about receiving the total or partial amount of the remuneration from the Basic Network of the Existing System (RBSE) of 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 procedures through the Associação Brasileira das Empresas de Transmissão de Energia (Abrate), in collective and individual actions	Financial

CATEGORY	COUNTRY	RISK 2021	ACTIONS	RESOURCE IMPACTED
MC Market, competition, mergers, and acquisitions		Uncertainty about new bids or new businesses	• Consolidation of synergies • Assessment of strategic alliance • Development of private initiatives • Engagement in *greenfield* y *brownfield*	Financial
AM Environmental	Chile	Environmental issues in project development	• Work with authorities • Sustainability strategy • Work with the community	Reputation
ON Business operation		Failure of critical assets	• Laboratory tests • Replacement of protective equipment • Contingency plans	Reputation
PO Political	Colombia Brazil Bolivia Chile	Deterioration in business conditions associated with political events	• Management through trade associations • Close monitoring of the regulatory agenda • Monitoring, management, and response to tax changes • Actions aimed at obtaining a social license to operate in the long term	Financial

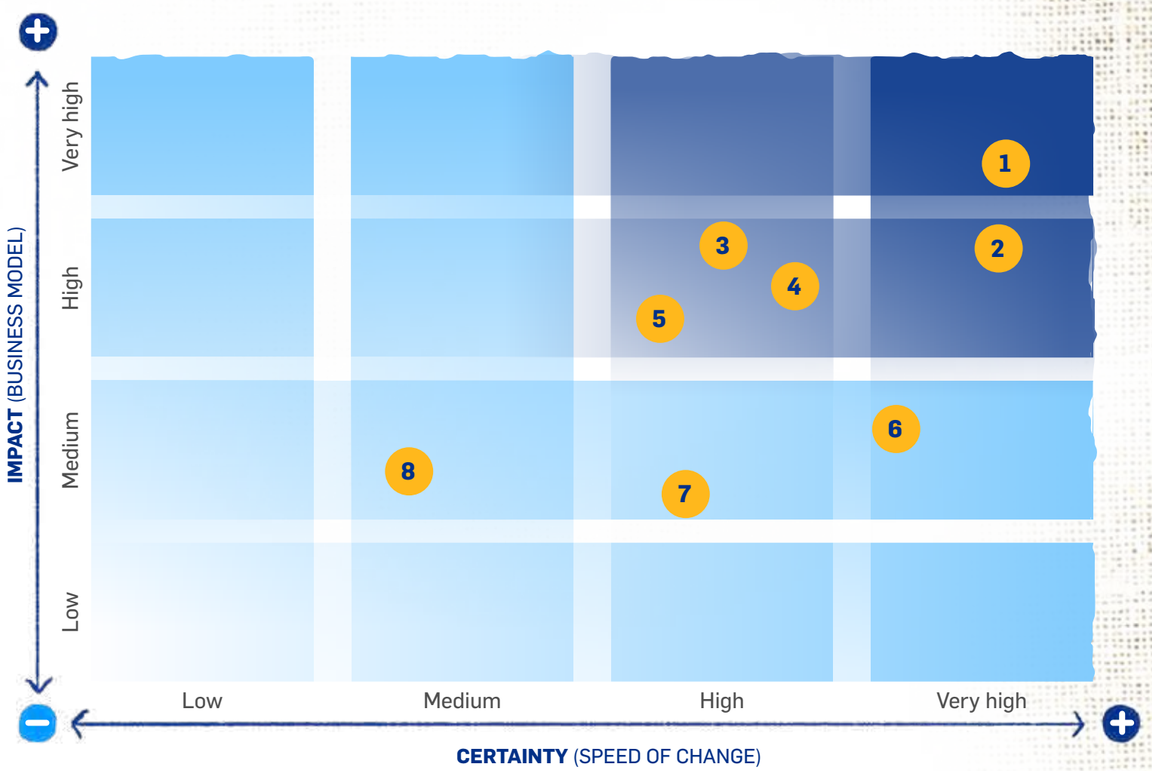
Materialized risks

BRAZIL
Fatal accidents involving contractors on projects

PERÚ
Impacting reputation, SF_6 leak

Emerging risks

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



1. Drastic changes in the region's government models and regulatory and legal uncertainty
2. Inability to promote and implement effective action against the climate crisis
3. Profound social unrest
4. Acceleration of the energy transition
5. Uncertainty and failure to adapt to disruptive technological advances
6. Cyber security
7. High volatility of the labor market
8. Infectious diseases of pandemic proportions

EMERGING RISKS	DESCRIPTION	IMPACT ON THE ORGANIZATION	ACTIONS
Drastic changes in the region's governance models and regulatory and legal uncertainty	Radical transformations in the countries' economic models, doctrines, ideological lines, public policy trends, and actions in the face of political and economic challenges, accelerated by a reduced economic activity and increased expenses to address the health crisis	• More restrictions to business development and growth, which requires strategy adjustments • Increased stakeholder demands, expectations, and dissatisfaction • Changes in tax stability	• Monitoring of the socio-political and regulatory environment in the region to develop an anticipated action plan with stakeholders • Diversification of the investment portfolio in segments, products, and geographies • Proactive engagement with respect to regulatory and stakeholder issues • Hedging and financial actions • Conexiones para el Desarrollo (Connections for Development) program
Deep social instability	Social unrest and loss of trust in democratic institutions, increasing inequality, increasing poverty and unemployment rates accelerated by the impacts of COVID-19 and the increased power of the community to organize for common causes that they consider legitimate	• More restrictions to business development • Increased stakeholder demands, expectations, and dissatisfaction	• Monitoring of the socio-political and regulatory environment in the region to develop an action plan with stakeholders • Proactive stakeholder engagement • Conexiones para el Desarrollo (Connections for Development) Program • Sustainability actions
Failure to promote and implement effective actions against the climate crisis	Extreme events caused by global warming (extreme heat, fires, windstorms and tornadoes, water shortages, prolonged drought), more frequent or intense El Niño and La Niña phenomena	• Damage to property and infrastructure. • Impact on service • Acceleration of climate finance • Opportunity for new environmentally friendly businesses	• Expansion of conservation programs (Conexión Jaguar) • Portfolio of forest offsets • Growth in green financial markets • Management and monitoring of critical areas and processes. • Innovation with impact
Accelerating energy transition	Tendency towards the development of renewable sources, green hydrogen, electrification, storage, and changes in consumption habits are accelerating the energy transition	• Alternative services to transmission that reduce the expected investment • New opportunities for investment and growth in the value chain • Increase in energy demand	• Proactive regulatory management • New electric power businesses (storage and distributed energy services) • Organizational preparedness • Innovation in products, services, materials, and processes

EMERGING RISKS	DESCRIPTION	IMPACT ON THE ORGANIZATION	ACTIONS
Uncertainty and failure to adapt to disruptive technological advances	Uncertainty on how quickly new technologies are being developed as well as their relationship with each other, with existing technologies, and with processes Technologies such as Artificial Intelligence (AI), Deep Learning, etc.	• Obsolescence of solutions • Technological dependence • Improved analytical processes, decision making capabilities, creation of new processes, and innovation in the business model	• Constant technological surveillance • Roadmap for faster and more secure platform and service evolution • Increase the knowledge of these new technologies and their application in the business • Alliances
Cyber security	Sophistication, diversification, and increase of cyber-attacks against the IT infrastructure. The Organizational Talent area is exploring the digital dependence of businesses, virtualization of work, acceleration and use of new technologies, and obsolescence of technological infrastructure in the face of new disruptive systems	• Unavailability of services • Impact on information • Impact on productivity and competitiveness	• Protection mechanisms, cybersecurity culture, and recovery plans • Monitoring and adoption of better practices according to security challenges
High labor market volatility	Shortage of critical human talent due to the competition to find qualified professionals in new technologies, the digitization of activities, the challenges of the new generations when accessing the labor market, and the challenges of inequality, new labor trends, education, economic development, and mental health	• Impact on business competitiveness and evolution due to the retention or attraction of qualified human talent • Operational inefficiencies • Wider geographic dispersion of talent	• Promotion of the corporate brand • Referrals • Knowledge management and critical knowledge mapping • Diversity and Inclusion Policy
Pandemic infectious diseases	Pandemics, endemics, or other health crises with added and prolonged effects	• Impact on the supply chain (services, equipment, and materials) • Project cost overruns and delays • Impact on the health of employees, their families, and contractors	• New procurement strategies with greater emphasis on local markets. • Support production in the countries, replace inputs • Corporate social responsibility regarding science, technology, and employment

isa

CONEXIONES QUE INSPIRAN

Inspiring
life
all together

Materiality analysis

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

ISA performs the materiality analysis to identify issues that are relevant to the achievement of its strategy and impact not only the business but also stakeholders. These issues are called "material issues."

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

- Influence of the issue on the fulfillment of the strategic goals
- Capacity to generate an impact on the corporate strategy (positive or negative)
- Performance of the company on each issue as perceived by key stakeholders

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

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

The validation process included in-depth interviews, debate sessions, and online surveys to all departments of the companies and their managers, and consultations with key stakeholders, board members, or governing bodies.

The placement of each issue in the matrix, according to its value in each axis, allows identifying the most important issues for both the company and the stakeholders. The materiality analysis identified 28 issues for the company and its stakeholders, grouped in 9 dimensions, which makes it a key tool for identifying the issues that are priorities for ISA in the management of its companies. Each material issue is reflected in the different value dimensions that compose the ISA2030 strategy: shareholder value, positive social and environmental impact, and corporate validity.

Technical data sheet

Measurement 2019

Methodology
Mixed (quantitative and qualitative)

People consulted
3,660

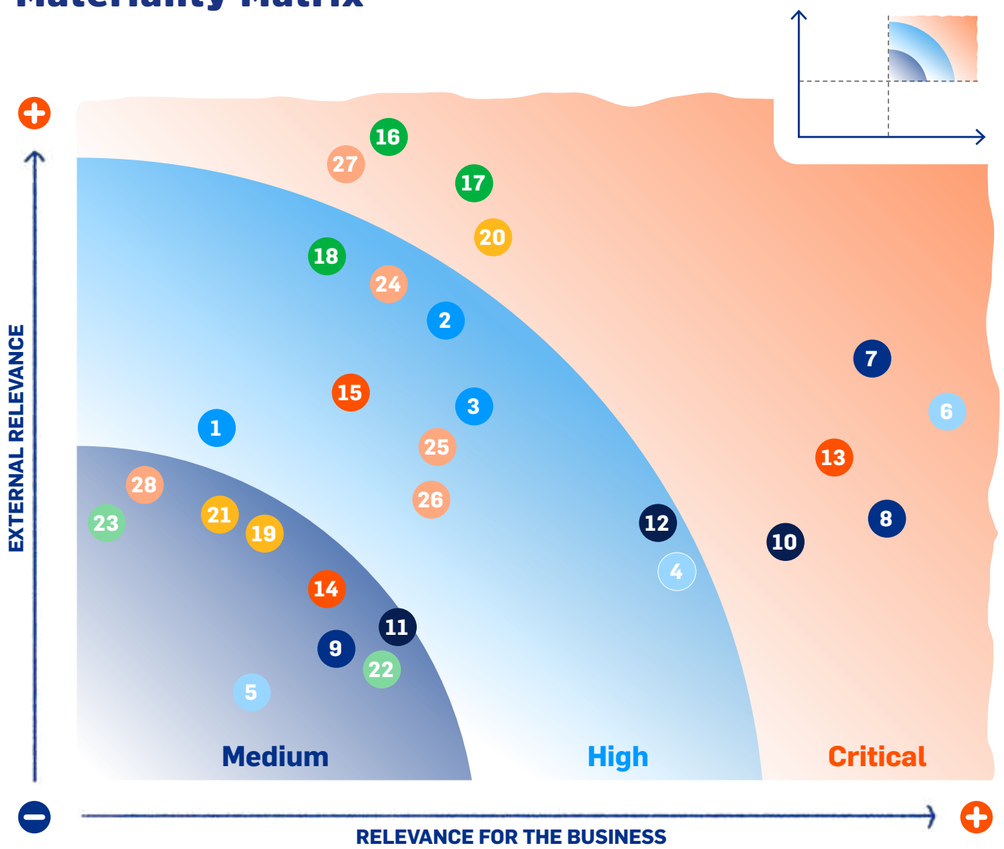
Companies
8

In-depth interviews
3,379

Debate sessions
43

Stakeholders
States, shareholders, suppliers, opinion leaders, media, trade associations, customers, communities, investors, NGO, allies, academia, innovation environments, society

Materiality Matrix



Critical relevance

- 6 Fulfillment of commitments
- 7 Capacity to meet financial and business objectives by taking advantage of opportunities and ensuring corporate validity
- 8 Appropriate growth strategy
- 13 Fulfilling the value proposition with rigor 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 related to activities
- 10 Identification, foresight, and adaptation to challenges and trends
- 27 Occupational health and safety for direct and indirect employees

High relevance

- 2 Ethical, honest, and transparent behavior
- 18 Strategy to mitigate and adapt to effects of climate change
- 12 Versatility in the definition of risk appetite and in its management regarding new business opportunities
- 24 Attractive, desirable employer
- 4 Influential, inspiring company with the ability to anticipate, adapt and transform the environment
- 3 Diverse corporate governance structure and composition responsive to strategy challenges
- 15 Security of infrastructures, information, and cybersecurity
- 26 Quality labor practices and respect for employees
- 1 Independence from the state and/or third parties
- 25 Ability to create highly qualified employees who learn and see themselves linked to the organization in the long term

Medium relevance

- 14 Reference in its standards and practices
- 28 Management of equity, 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 Innovation culture with flexibility and agility
- 22 Long-term alliances for the achievement of the objectives and enhancement of the parties' capabilities
- 9 Optimization of resources and capabilities for the generation of synergies between ISA and its companies
- 23 Third-party risk management
- 5 Inspirational, adaptive, influential, and transformative leaders

Good governance and integrity

Transformational leadership and influencing capacity

Strength and growth

Foresight and innovation

Excellence in the performance of its business

Attracting, developing, and taking care of the best talent

Commitment to socio-economic development

Strategic alliances for transformation

Proactive contribution to global environmental challenges

Scope of material issues

Critical relevance	Internal	External	SDG
6 Fulfillment of commitments	✓	✓	4 7 9 13
7 Capacity to meet financial and business objectives by taking advantage of opportunities and ensuring corporate validity	✓	✓	7 9 13
8 Appropriate growth strategy	✓	✓	7 9 13
13 Fulfilling the value proposition with rigor and excellence		✓	7 9 13
16 Leadership in initiatives to contribute to the protection of ecosystems and biodiversity	✓	✓	13 15 17
20 Closeness and dialogue with stakeholders, listening to their expectations	✓	✓	7 9 13 16 17
17 Management of environmental impacts related to activities	✓	✓	7 13 15
10 Identification, foresight, and adaptation to challenges and trends	✓	✓	7 13
27 Occupational health and safety for direct and indirect employees	✓	✓	7

High relevance

		Internal	External	SDG
2	Ethical, honest, and transparent behavior	✓	✓	16
18	Strategy to mitigate and adapt to effects of climate change	✓	✓	7 13 15 17
12	Versatility in the definition of risk appetite and in its management regarding new business opportunities	✓		7 9
24	Attractive, desirable employer	✓		
4	Influential, inspiring company with the ability to anticipate, adapt and transform the environment	✓	✓	7 9
3	Diverse corporate governance structure and composition responsive to strategy challenges	✓	✓	9 16
15	Security of infrastructures, information, and cybersecurity	✓	✓	7 9
26	Quality labor practices and respect for employees	✓		9
1	Independence from the state and/or third parties		✓	16
25	Ability to create highly qualified employees who learn and see themselves linked to the organization in the long term	✓		9

Mdium relevance

		Internal	External	SDG
14	Reference in its standards and practices	✓	✓	7 9 13
28	Management of equity, diversity, and inclusion	✓	✓	
21	Respect and promotion of human rights and management of social impacts	✓	✓	15 16
19	Contribution to sustainable development and transformation of territories, building a positive legacy for the regions	✓	✓	4 7 9 13 15 16
11	Innovation culture with flexibility and agility	✓		7 9
22	Long-term alliances for the achievement of the objectives and enhancement of the parties' capabilities	✓	✓	7 9 17
9	Optimization of resources and capabilities for the generation of synergies between ISA and its companies	✓		7 9
23	Third-party risk management	✓	✓	7 9 13
5	Inspirational, adaptive, influential, and transformative leaders	✓	✓	7 9 13

SHAREHOLDER VALUE

Strength and growth

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

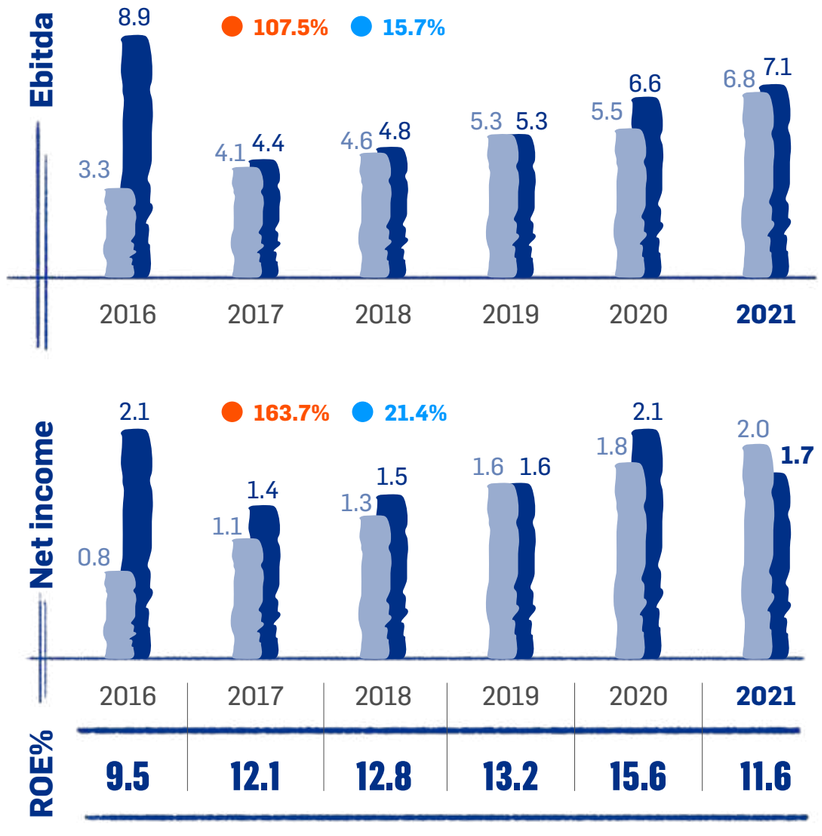
ISA remains committed to infrastructure development, maintaining its leadership in the region. The company consolidates its participation in the markets, maintaining the solvency of its companies. It takes advantage of growth opportunities, synergies, and adjacencies in its portfolio, as well as from the diversification and financing of its business model.

The management of this attribute allows the organization to make decisions with a long-term perspective and, in this way, continues to take advantage of opportunities to ensure its permanence over time.

Material issues prioritized as critical in relation to this dimension:

7 Ability to meet financial and business objectives by taking advantage of opportunities and ensuring corporate validity
A company that optimizes capital investment, taking advantage of opportunities to ensure its corporate validity, ensuring compliance with the objectives of the strategic business plan, and respecting the commitments acquired with its stakeholders.

8 Appropriate growth strategy
A company that grows with a balanced, diversified business portfolio in different geographic areas, strengthening and developing its organizational capabilities to create sustainable value.



* Excluding extraordinary events

Extraordinary events

2016
- First value adjustment of the Basic Network of the Existing System (RBSE) in ISA CTEEP, which went from BRL 1.4 to BRL 3.9 billion (base figures as of Dec/31/12).

2017
- Second value adjustment of the RBSE, which went from BRL 3.9 to BRL 4.1 billion (base figures as of Dec/31/12).
- ISA Capital do Brasil and ISA CTEEP optimized the payment of tax obligations through the tax amnesty known as the Special Tax Regularization Program (PERT), approved by the Brazilian government.

2018
- Recovery of the 2011 equity tax in ISA, lower tax expense due to the enforcement of Financing Law 1943/2018 and monthly update of tariffs for inflation in Brazil.

2020
- Periodic Tariff Review and adjustments to ISA CTEEP's RBSE.

2021
- The Brazilian Electricity Regulatory Agency (ANEEL) approved the recognition of the ke (cost of equity capital) on the ke of the RBSE of ISA CTEEP.
- Costs associated with the reprofiling of ISA INTERCHILE debt.
- Effect of the restatement of deferred taxes of companies

Projects in 2021

Business: Electric Power

COLOMBIA

ISA

Tender: Carrieles substation and associated transmission lines

Connection: Renewal of existing contract with Sierracol Energy Arauca LLC (Caño Limón, 230 kV - Caricare, 34.5 kV)

ISA TRANSELCA

Connection:
- Ternera substation
- Guayepo Solar Sabanalarga substation
- Alpha & Beta to Cuestecita substation
- Nabusímake

Expansion:
- Copey substation transformation
- Santa Marta Substation

CHILE

ISA as a participant in the Yallique Consortium

Tender: Construction of new HVDC Kimal - Lo Aguirre HVDC line

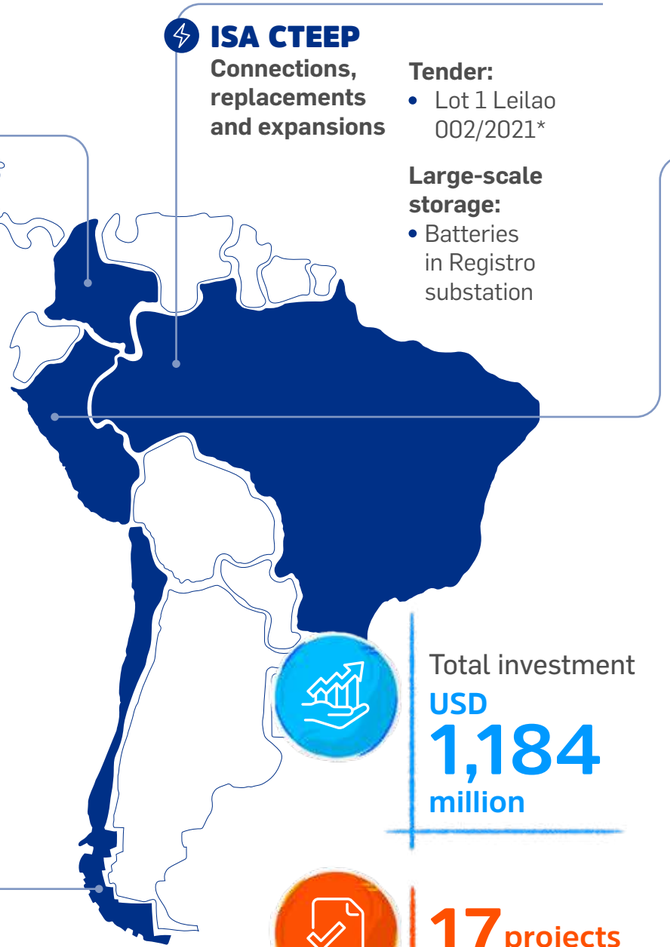
BRASIL

ISA CTEEP

Connections, replacements and expansions

Tender:
- Lot 1 Leilao 002/2021*

Large-scale storage:
- Batteries in Registro substation



Total investment
USD 1,184 million

17 projects
Colombia, Brazil, Chile, and Peru

PERÚ

CONSORCIO TRANSMANTARO

Tender:
- COSCO Shipping Ports Chancay Perú S.A.

Reinforcement 1:
- Voltage change from 220 to 500 kV of the Chilca-La Planice - Carabayllo transmission line

Reinforcement 2:
- La Planicie Substation expansion

The investment exceeds **USD 633 million** target by **183%**

- Total investment in 2021 amounts to USD 1,184 million, of which USD 1,158 million correspond to electric power transmission and USD 26 million to large-scale storage.
- This investment is comprised of 17 projects in Colombia, Brazil, Peru and Chile.
- In electric power transmission, international public bidding awards correspond to:
  - ISA, construction, operation, and maintenance of the new Carrieles 230 kV substation and associated transmission lines. The work is part of the Transmission - Generation Expansion Plan 2017-2031. The commissioning is scheduled for January 2025.
  - ISA, as part of the Yallique consortium formed by Transelec, ISA Inversiones Chile, and China Southern Power Grid International, will build and operate the Kimal - Lo Aguirre project, a bipolar HVDC transmission line with a capacity of 3,000 MW at 600 kV and extending over 1,415 km.
- Large-scale storage:
  - ANEEL approved ISA CTEEP's first lithium-ion battery storage project at the Registro substation, in the southern coastal area of São Paulo. The installed capacity will be 30 MW with a storage capacity of 2 hours, in an area of 4,000 m^2. This project will be complemented by additional grid reinforcements and will guarantee reliable service to meet the southern coast's peak demand of approximately 400 MW.

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

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

Excellence

GRI [103-1] GRI [103-2] GRI [103-3] ISA companies ensure compliance with their value proposition by applying world-class standards, making decisions effectively and efficiently, and taking into account the needs of their stakeholders. Also, they have mechanisms in place to ensure the safety and resilience of infrastructure and cybersecurity, which results in a timely response to contingencies.

Material issues prioritized as critical in relation to this dimension:

13 **Fulfilling the value proposition in an accurate, seamless manner**
Company that carries out its business activity considering the needs and expectations of stakeholders, delivering top-quality services as timely and effectively as possible.

POWER TRANSMISSION

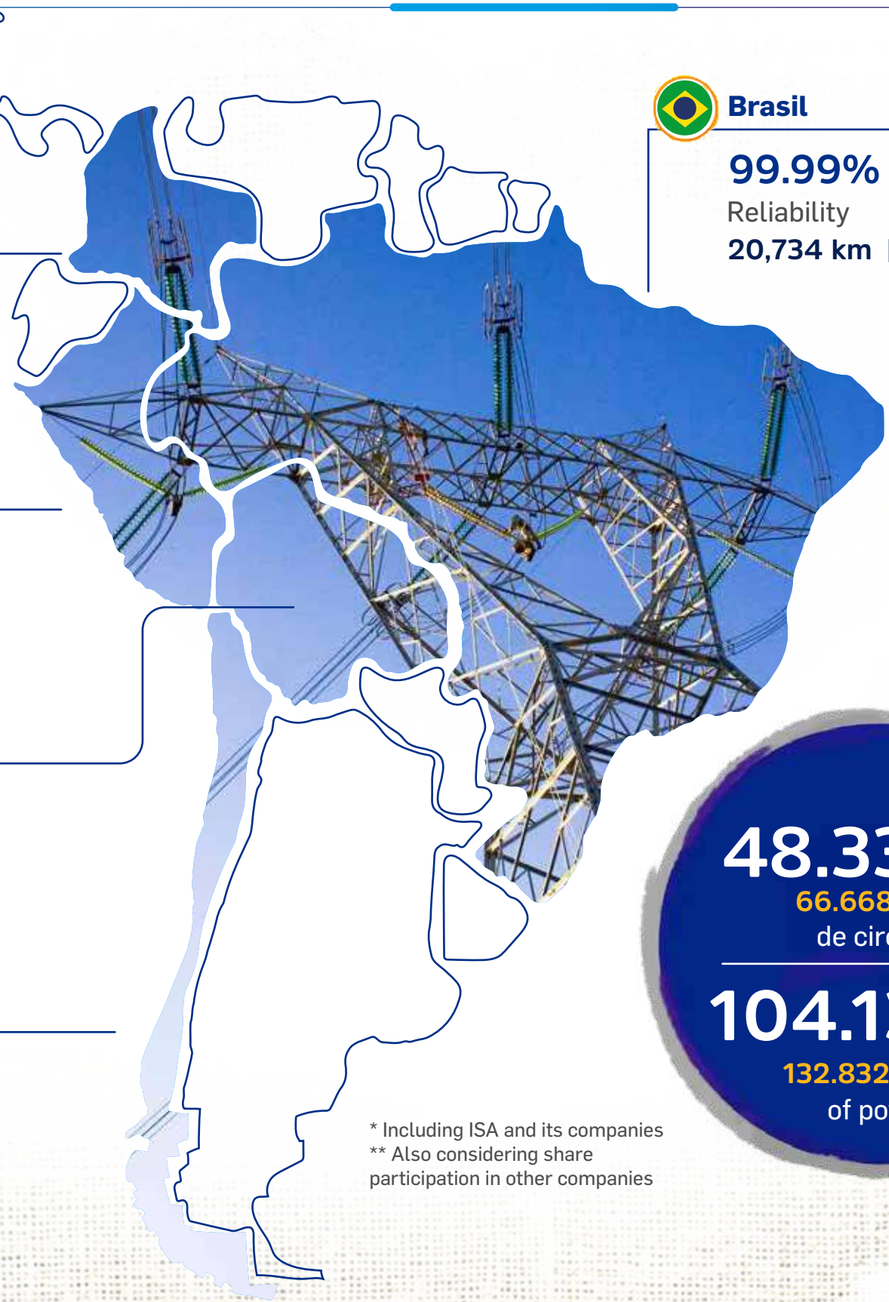
Colombia
99.99% Reliability | 99.88% Availability
13,226 km | 22,721 MVA

Perú
99.99% Reliability | 99.45% Availability
11,836 km | 13,240 MVA

Bolivia
100% Reliability | 99.63% Availability
587 km | 470 MVA

Chile
99.99% Reliability | 99.73% Availability
1,948 km | 5,850 MVA

Brasil
99.99% Reliability | 99.99% Availability
20,734 km | 61,857 MVA



48.330* km
66.668** km
de circuito

104.138* MVA
132.832** MVA
of power

* Including ISA and its companies
** Also considering share participation in other companies

ENERGY TRANSMISSION

In 2021, investments in Colombia, Brazil, Chile, and Peru entered into operation, corresponding to the following projects:

Colombia

Ituango substation transmission lines **500** y **230 kV**

El Bosque Line Conexión

Triple A: Connection: **34.5 kV** subterranean line and Tebsa and Triple A **34.5 kV** substations

Structural reinforcement of control building **fase 4**

Cerromatoso Substation diesel plant renovation **500/230 kV**

Perú

Petroperú connection at **Talara** subestation

Línea Moquegua – Papujune en **220 kV** y subestaciones asociadas

Brasil

IE Iguapeí

Energized reinforcements

Lorena Substation

Chile

Reactive compensation in **Nueva Pan de Azúcar - Polpaico**

Expansion of **Nueva Maitencillo** substations **Nueva Pan de Azúcar**

12 projects commissioned in 2021*

943 km of circuit

4,026 MVA transformation

Total **38** projects under execution by the end of 2021*

ISA made progress on the construction of projects by developing 8,076 km, of which 7,133 km will enter into operation in the next four years, which will allow ISA to meet, in a reliable manner, the demand growth and also connect important generation projects.

Started in previous years*

25 Projects under execution at the end of 2021

12,527 MVA transformation

5,620 KM of circuit

2,432 Approximate investment USD millions**

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

Started in the year*

13 Projects under execution at the end of 2021

1,380 MVA transformation

1,513 KM of circuit

1,222 Approximate investment USD millions**

* Including reinforcements, renovations, expansions, and projects awarded in 2021.

Sumando energías

74,117 GWh — **Energy** demand

17,762 MW — **Net effective** capacity

$25.6 trillion — **Market** transactions

100% — **Compliance** with CREG indicators

Supervision of the Colombian energy system

More than **66,000** — **Maneuvers** per year

Coordination of the operation of the Colombian energy system

Km of lines 28,964

Generators 95

National transmitters 16

Grid operators 31

Regional transmitters 7

Sellers 137

Communications links 29

Generation plants 234

ROAD INFRASTRUCTURE

In operation

	Length km	ROAD TOLL POSTS Trunk	ROAD TOLL POSTS Lateral	Service areas
Chile	**713.7**	**9**	**68**	**14**
Ruta del Maipo Santiago-Talca	237	3	39	4
Ruta del Bosque Chillán-Collipulli	161	2	16	3
Ruta de la Araucanía Collipulli-Temuco	144	2	8	3
Ruta de los Ríos Temuco-Río Bueno	171.7	2	5	4
Colombia				
Ruta Costera Cartagena - Barranquilla	146	5	N. A.	4

Under construction

Chile				
Ruta del Loa Carmen Alto-Calama	136	1	0	1

97%*
Favorable customer service

146.3 million
Vehicles on the road

88%* compliance with ambulance service

92%* compliance with tow truck service

94%* compliance with patrol service

* Corresponds to the consolidated amount for concessionaires in Chile.

The year's results confirm our commitment to customer service quality: on ISA INTERVIAL's roads, the customer service favorability index has increased by 3.2% and the road safety index registered a positive decrease of 2.65% in serious injury accidents or fatalities, both compared with 2020.

Projects under execution in 2021*

USD 208 million	USD 80 million	USD 80.2 million	USD 74.5 million	USD 323 million
Ruta del Maipo Extension to third lanes. Safety and service works	**Ruta del Bosque** Regulatory safety works	**Ruta de la Araucanía** Regulatory safety works	**Ruta de los Ríos** Regulatory safety works	**Ruta del Loa** Construction of double carriageway and others, Calama circular road

* The approximate investment value corresponds to the projected capex.

TELECOMMUNICATIONS AND ICT BUSINESS UNIT FIGURES

1,049 Customers

56,387 km **Fiber optics** in operation

10,648 Services

97.66%
Service level

Monetary value of significant fines for noncompliance with regulations concerning the provision of products and services [GRI 419-1]

	MONETARY VALUE (COP)			
COMPANY	2019	2020	2021	DESCRIPTION FOR THE PERIOD
ISA	N. A.	N. A.	N. A.	
ISA INTERCOLOMBIA	0	0	0	
ISA TRANSELCA	0	109,609,432	0	
ISA BOLIVIA	0	0	0	
ISA REP	66,711,771	3,888,378,65	0	
ISA INTERCHILE	28,322,486,115	268,846,605,207*	3,157,446,151	Fine imposed for power transmission failure occurred in January 2019. The fine was paid in August 2021 and is currently being litigated with the Superintendency of Electricity and Fuels (SEC) in the Santiago Court of Appeals
ISA CTEEP	0	0	0	
XM	0	0	1,181,083,800	Sanction imposed on XM by the SSPD by means of a Resolution, against which an Appeal for reconsideration
ISA INTERVIAL	940,401	N. D.	79,926,546	Delay in the construction deadline regarding the construction of anti-vandalism barriers in Ruta del Maule
TOTAL ACTIVO	**28,390,138,287**	**268,960,103,017**	**4,418,456,497**	

* The value reported in 2020 presents a restatement of the figure, due to the following: The Ministry of Energy fined and charged a guarantee to ISA INTERCHILE for the delay in the start-up of section 3 of the Cardones Polpaico transmission line. This fine was paid by the company on February 17, 2020 and is subject to arbitration between ISA and the Republic of Chile before the International Center for Settlement of Investment Disputes (ICSID), under the Chile-Colombia Free Trade Agreement. The total values corresponding to each year reported were adjusted to the last 2021 according to the annual final financial closure. [GRI 102-48]

CYBERSECURITY

At ISA and its companies, cybersecurity was consolidated as a structural pillar of digital transformation, which allowed it to make progress in the protection of its critical infrastructure and in the continuity of its businesses, and to safeguard the confidentiality, integrity, and availability of its strategic information.

Cybersecurity integrates with the Corporate Risk System, and the projects that make up the cybersecurity strategy are based on the risk analysis and appetite defined by this system. Accordingly, cyber vulnerability and critical information fraud have been listed as emerging risks.

The company has mechanisms in place for safe access to corporate networks, shared file servers, databases, and information systems from administrative offices, and security perimeters are carefully controlled.

Since the pandemic began, the company adopted the hybrid work model whereby employees connect from their home networks, over which no controls can be exercised. These circumstances extended the security perimeters to the homes of thousands of people and, as a result, the cyber risk levels increased, making it necessary to optimize the security conditions for remote access by employees, guaranteeing that they can continue working in a reliable manner, regardless of their location.

Main initiatives developed during the period:

Strengthen the cybersecurity governance model with the Board of Directors and the Chairman's Committee as key players for the materialization of cybersecurity actions..

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

Reinforce digital identity theft prevention campaigns and employee training, seeking to strengthen the culture of cybersecurity. Thanks to these initiatives, employees are considered the first line of defense against cyber risk.

Consolidate a Cybersecurity Excellence Center that brings together cybersecurity experts from the ISA companies and defines the cybersecurity strategy and roadmaps in a coordinated manner.

Implement a Security Operations Center (SOC) with advanced capabilities for predictive monitoring, security event correlation, threat intelligence and vulnerability management, covering the information technology infrastructure, and ready to monitor critical infrastructure across all businesses.

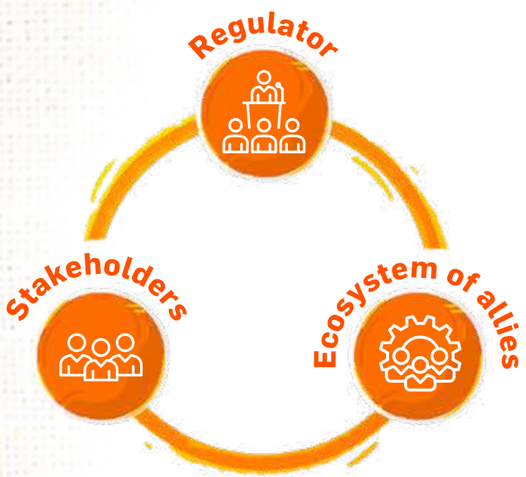
Strengthen authentication, digital identity protection, and remote access mechanisms for all employees.

Implement advanced email protection measures and activate a feature that allows the user to directly report any suspicious email so that response times to possible ransomware or phishing attacks can be improved.

Deploy tools to protect management equipment at substations and toll stations.

Use AI-based mechanisms for advanced monitoring and protection of networks and perimeters.

Member to ensure integrated vision at cybersecurity



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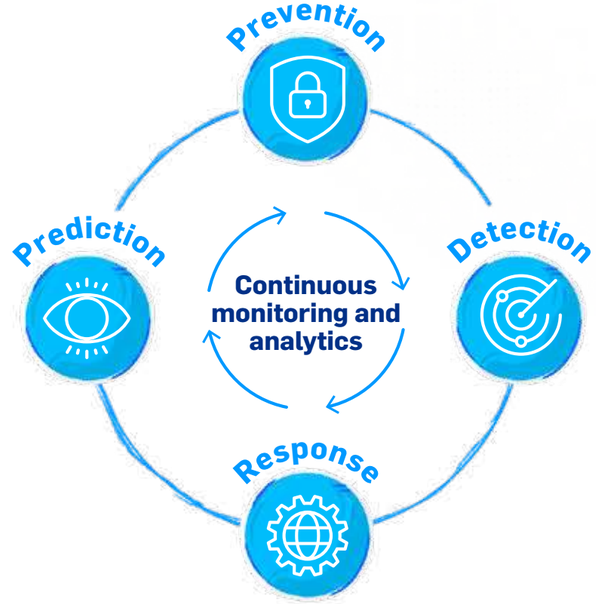
Process to manage cybersecurity risk and allowing business continuity



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Tools to ensure the implementation of the cybersecurity strategy

Strategy and governance
- Alignment between IT and operational security
- **Sponsorship:** Board of Directors, Corporate Governance, Sustainability and Risk Committee; Chairman, Vice Presidents.

Incident response
- Response mechanisms and risk coverage

Processes and infrastructure
- Operational network segmentation
- Implementation of predictive security solutions
- Secure remote access and mobile work
- Strengthening preventive security and digital identity

Responsibilities and employees
- Cyber risk education and culture

People will be definitely the first line of cyber defense, remote work will be consolidated, and mandatory protection measures that go beyond work stations will need to be extended. We also expect a higher number of attacks that are increasingly sophisticated, which will be monitored from the Cyber Security Operations Center.

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

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

Contribution to global environmental challenges

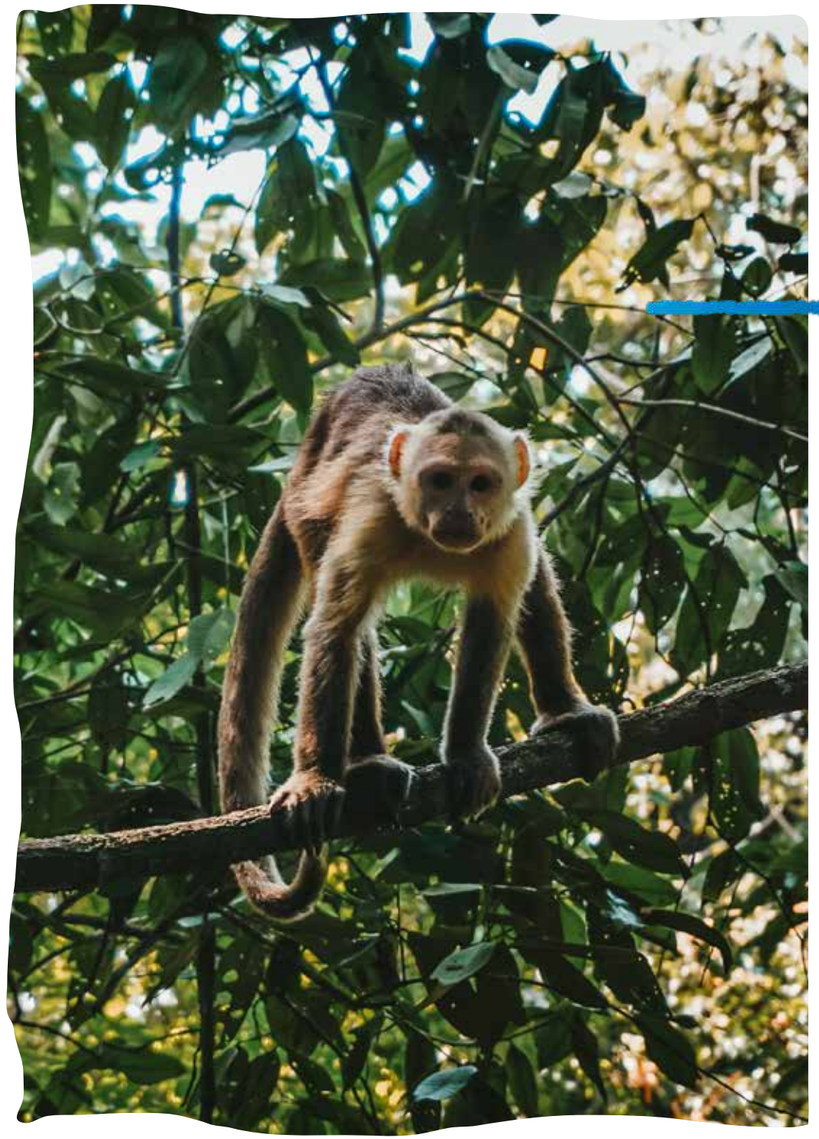
GRI [103-1] GRI [103-2] GRI [103-3] GRI [102-11] ISA and its companies are committed to excellence and leadership in the improvement of environmental conditions. In this regard, the management of business impacts has evolved towards a proactive, significant contribution to mitigate and adapt to climate change and to protect and conserve ecosystems and their biodiversity.

Material issues prioritized as critical in relation to this dimension:

16 Commitment to the protection of biodiversity
A company with a proactive involvement in the protection and conservation of natural resources, working to achieve a positive impact on biodiversity and inspiring others to adopt regenerative ecosystem practices and care for their species.

17 Management of environmental impacts:
A company that strives to minimize the environmental impact of its activities, maximizing eco-efficiency, and meeting or exceeding the associated environmental and legal requirements..

18 Climate change mitigation and adaptation:
A company that understands the risks and opportunities of climate change and integrates them into its business, joining efforts to mitigate and adapt to it, contributing positively to the global agenda focused on climate neutrality.

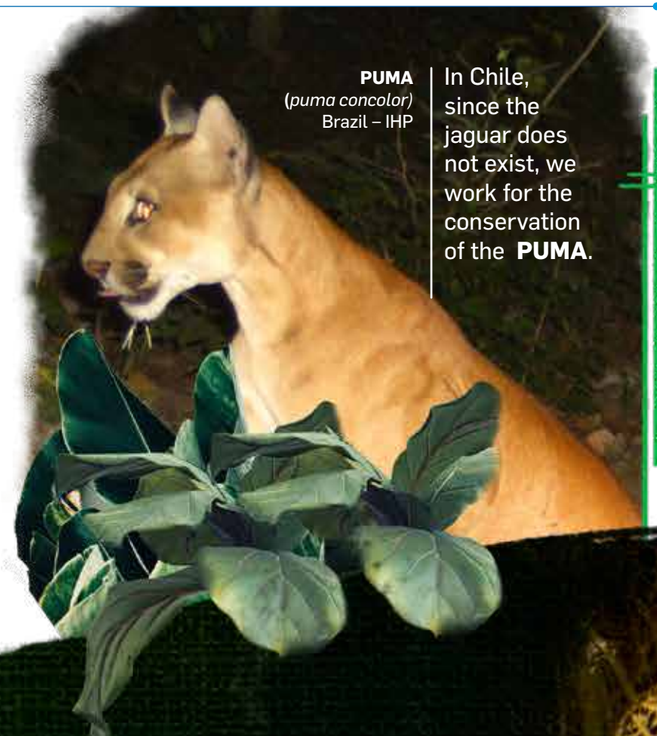


ISA companies ensure that their processes and operations are aligned with the search for sustainable development by complying with commitments acquired, applicable regulations, and corporate guidelines and standards. [GRI 103]
They also value, respect, and support the natural heritage, especially in areas that are important for biodiversity, according to provisions of 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]

CONEXIÓN JAGUAR | isa

Conexión Jaguar is a sustainability program developed by ISA and its companies, together with its technical partners South Pole and Panthera, to contribute to:

- **The reduction of Greenhouse Gas emissions** causing climate change
- **Biodiversity conservation and ecological connectivity** through jaguar corridors
- **Improvement of living conditions** f rural communities in the areas of influence of forestry projects
- **Raising awareness of environmental issues** through education, art, and culture



PUMA (*puma concolor*) Brazil – IHP

In Chile, since the jaguar does not exist, we work for the conservation of the **PUMA**.

MAIN AWARDS

Conexión Jaguar Program

Andesco Award
for Best Environmental Setting

Boscares Award
in the Forest and Climate Change Category

PROGRAM GOALS

HECTARES of the jaguar corridor protected
2030: 400,000
2021: 828,032

PROJECTS CERTIFIED in Latin America
2030: 20
2021: 9

CO_2 EMISSION REDUCTION potential
2030: 9 million
2021: 7,032,860

FAMILIES BENEFITED. Improvement of quality of life
2030: 300
2021: 322 million

JAGUAR (*panthera onca*) Brazil – IPH

PROJECTS

Hectares with conservation activities

CO_2 Emission reduction potential - tons

ISA's presence

Countries with projects

Jaguar Corridor

COLOMBIA

512,128 | 2,952,104

5 projects

- Santander
- Sierra Nevada de Santa Marta (Cesar, Magdalena and Guajira)
- Yondó
- Tierralta, Córdoba

FIRST PROJECT

CONEXIÓN JAGUAR CERTIFIED

in Colombia (Cimitarra) under the standards

- VCS
- CCBS of Verra

JAGUAR
(*panthera onca*)
Brazil – IHP

SUCCESSFUL SALE of

AMPA

project **credits** in the international market.

PERU

158,171 | 2,828,355

2 projects

- Alto Huayabamba
- Ucayali

BRAZIL

136,855 | 644,471

1 proyecto

ADDITION OF

60,000 hectares

to the Homen Pantaneiro project, called **Santa Teresa del Fundo**

CHILE

20,878 | 607,930

1 project

FIRST RELATED PROJECT

Nahuelbuta, Biobío

Allies

PANTHERA | south pole

Commitment to the protection of biodiversity

Integrated biodiversity management

*According to current regulations in each country

Strategy to avoid and reduce impacts on biodiversity

Design and construction methods to **minimize impacts on the environment and biodiversity**

Implementation of environmental management (PMA) and monitoring (PMS) programs

Biotic offsets - Nature-based solutions

Biotic Offsets Portfolio: strategy to formulate and implement cost-effective and sustainable offsets

Programs to contribute to the **recovery and protection of ecosystems and biodiversity**

Forest offsets

Commitment to no net loss of biodiversity

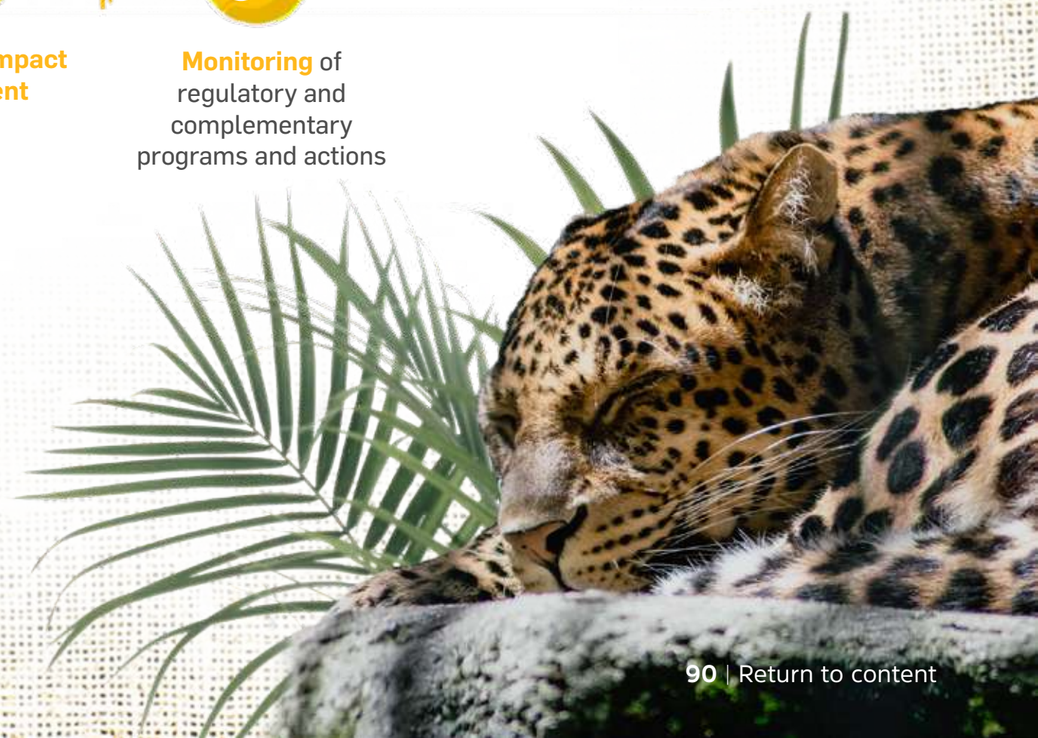
Biodiversity assessment and management

Biodiversity **impact assessment**

Monitoring of regulatory and complementary programs and actions

Contributions through the sustainability program

CONEXIÓN JAGUAR | isa



The company has a strategy in place to avoid and reduce impacts on biodiversity caused by the construction and operation of projects, contribute to biodiversity conservation, and minimize interventions, ecosystem fragmentation, and loss of habitat for wildlife. To achieve this, the following actions and programs are implemented:

- **Design alternatives to avoid or minimize the impact on strategic ecosystems** and biodiversity-rich areas, taking into account the exclusion areas recognized in current environmental regulations. To this end, an analysis of possible alternatives for project routes is carried out to ensure the least possible impact. This action is implemented in ISA INTERCOLOMBIA, ISA TRANSELCA, ISA CTEEP, and ISA REP.
- **From the moment the projects are designed,** an evaluation of the height of the structures (towers) that overlap with the ecosystems is proposed, the relevance and opportunity of building taller structures is assessed, and the mitigation of biotic intervention that results from this choice is analyzed in a cost-benefit evaluation, minimizing impacts on flora and fauna, especially land coverage. This action is implemented in ISA INTERCOLOMBIA, ISA TRANSELCA, ISA CTEEP, and ISA REP.
- **To reduce the impact on the vegetation cover and sensitive ecosystems,** alternative construction methods such as drone or helicoptering are applied to reduce tree pruning and felling. This construction method is applied in ISA INTERCOLOMBIA and ISA CTEEP projects.
- **Implementation of Environmental Management Programs (PMA) and Environmental Monitoring Programs (PMS)** during the construction and operation of the projects seeking to avoid, mitigate, and reduce the impact on fauna, flora, connectivity, and ecosystems of great value for biodiversity conservation. The following measures are implemented to rescue and repel fauna: rescue and relocation of endemic or endangered species, rescue of germplasm, rescue follow-up and monitoring, transfer and relocation of vascular epiphytes (orchids, bromeliads), ecological rehabilitation to mitigate the impact on non-vascular epiphytes (lichens, fungi), reforestation and revegetation, environmental education, and monitoring of the effectiveness of the measures during the construction and construction closure stages. These programs are implemented by ISA INTERCOLOMBIA, ISA REP, ISA INTERCHILE, and ISA CTEEP according to the current regulations of each country.
- **Bird monitoring and follow-up programs,** along with the installation of anti-collision devices in defined areas, according to current regulations, to mitigate bird collisions with the conductor cables. This installation is performed at ISA INTERCOLOMBIA and ISA INTERCHILE.

Main actions by company other than those of the Conexión Jaguar program

ISA INTERCOLOMBIA

Forest exploitation variable strips

The use of this methodology allows for a 33% reduction in the area of natural and semi-natural ecosystems and wooded pastures to be intervened, in projects that are in the design and construction stages and in the environmental licensing phase.

Biotic offsetting- commitment to no net loss of biodiversity

Implementation of the biotic offsetting strategy to ensure no net loss of biodiversity and to comply with national and regional conservation targets..

Portfolio of biotic offsetting alternatives

Early planning of offsetting obligations, combining conservation and restoration efforts, obtaining greater benefits in terms of ecological connectivity and ecosystem services for the benefit of the communities.

Biodiversity loss offsetting obligations, targets, and timelines

Identification of efficient, sustainable offsetting areas and mechanisms over time across 13,342 h. The offsetting plan was developed; in addition, seven plans are in the evaluation stage by the environmental authority, and six additional plans have been approved. These ensure that the offsetting proposals are ecologically equivalent to the areas intervened by each project, while implementing restoration and preservation actions that will remain in place until the no net loss of biodiversity objective is achieved.

#SembrarNosUne

Contribution to the national government's initiative to restore damaged ecosystems by planting 180 million trees throughout Colombia.

Alliances and conventions

- National Natural Parks: Articulate joint actions and strategies for the conservation and care of the protected areas in the national natural park system.
- Biocaribe: Join efforts between institutions and companies for the protection, restoration, connectivity, and sustainable development of the biodiversity of the Canal del Dique -Montes de María basin.
- Agreement between Banco de Hábitat de Bosque Seco de Antioquia, Terrasos S.A.S., and Contreebute S.A.S: Innovative model of environmental offset and rural development that is part of the Antioquia–Medellín–Ancón Sur transmission line project offset.
- Más Bosques: Characterization, formulation, implementation, and monitoring of biotic offsetting plans required by and agreed with the environmental authority to be carried out under the Payments for Environmental Services (PES) scheme.
- Alianza Unidos por el Planeta with WWF and the Antioquia Governorship: Collective impact vehicle to create value through strategic collaboration with the public, private, solidarity, academic, and community sectors to promote

social and environmental projects aimed at protecting ecosystems and the communities that inhabit them.

- Universidad de Antioquia: Development of research, education, management, and outreach programs, projects, or activities related to electric power transmission projects and their complementary activities.

ISA TRANSELCA

EIn alliance with the District Administrative Department of Environmental Sustainability (DADSA), 1.500 plants were donated and planted in public spaces near the Troncal del Caribe road.

ISA REP

In order to identify the best design alternatives for the energy infrastructure, simulations of flight corridors, amount of excavations, and cutting and logging are carried out to minimize impacts on biodiversity.

Environmental management programs, flora and fauna

Communication actions for the adequate management of biodiversity during maintenance and operation of substations and transmission lines.

Alliances

Servicio Nacional Forestal y de Fauna Silvestre (SERFOR): Promote scientific research on biodiversity issues, focusing on forest species.

ISA and its companies are committed to excellence and leadership in the improvement of environmental conditions. In this regard, the management of business impacts has evolved towards a proactive, significant contribution to mitigate and adapt to climate change and to protect and conserve ecosystems and their biodiversity

ISA CTEEP

Forestry replacement program

Through which the impacts are offset seeking the greatest benefit in terms of biodiversity.

The total area of habitats conserved or preserved was 46.43 h during the year and the total area restored amounted to an additional 22.88 h.

Forest offsetting alliances associated with electric power transmission projects

- ICMBio
- CETESB
- IBAMA e Secretaria Municipal de Meio Ambiente de Curitiba
- IBAMA e ICMBio
- IDAF
- CETESB

- **SEMAD/SUPPRI:** Offsetting through the designation of a 22.60 h conservation area for seasonal semi-evergreen forest secondary vegetation in the medium stage of natural regeneration, and 16.85 h for forest restoration with native species. Offsetting of the Mata Atlântica Forest for the implementation of the Triângulo Mineiro Project; implementation of the forest offsetting project for the withdrawal of endangered species in 6,561 h of the Ecocerrado do Brasil Private Reserves of Natural Heritage (RPPN) located in the municipality of Araxá, and forest replacement due to the intervention in an APP to implement the Triângulo Mineiro Project.

ISA INTERCHILE

Management of management and monitoring programs; rescue and relocation of succulents and shrubs; tree and shrub repopulation; protection of wetlands, water bodies, and watercourses; soil protection; and forest fire prevention and fighting.

Biotic offsets - commitment to No Net Loss of Biodiversity

Implementation of the Biological Conservation Plan, which includes the actions required to achieve no net loss or even a net gain of biodiversity. The plan includes the reintroduction into the natural environment of 100,000 individuals of 32 endemic species of flora; seed collection in the field; seed conservation in a germplasm bank; germination, sowing, and growth tests; and transplanting to their natural environment.

Alliances

- Seed bank of the Instituto de Investigación Agropecuaria (INIA): Develop the care and conservation of seeds, as well as endemic species reproduction and nursery processes. Build and operate nurseries in the regions of Vicuña and La Cruz and in the municipality of Freirina (Atacama Region), which are covered by the Cardones-Polpaico project within the framework of the Biological Conservation Plan.
- Preparation of the book Conectados con nuestra naturaleza (Connected with our nature), which exposes the value of the La Campana-Peñuelas Biosphere Reserve.

Challenges of the protection and reversal of biodiversity loss

Challenges associated with the protection of biodiversity consider sustainable offsetting schemes to neutralize the loss of biodiversity and enhance positive impacts:

Plan cost-effective 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 conservation, which also comply with the requirements of the environmental authorities and improve the conditions of areas of ecological interest.

Make continuous improvements in the designs and selection of layouts to minimize environmental impacts, and develop actions to use water efficiently, decrease the pressure of water use in aquifers, and restore the soil.

Strengthen relationships with communities, authorities, and environmental institutions.

Have scientific information, protocols, and technical guides on the management, reproduction, and development of endemic and/or native species of flora in each of the countries, which is fundamental to determine the so-called complex species and move forward with offsetting plans.

ISA and its companies address these challenges through the biodiversity protection and impact management programs and actions described above.

In addition, the Conexión Jaguar program, as a complementary mechanism for biodiversity conservation, faces challenges associated with developing conservation and restoration forestry initiatives that meet the technical and financial criteria of the standards for their certification. Similarly, it requires cooperating partners and needs to generate synergies with other company processes, such as mandatory offsets and environmental education programs.

Management of environmental impacts

[GRI 102-11] [GRI 103-1] [GRI 103-2] [GRI 103-3]

ISA companies process the environmental permits and licenses required to develop their projects and operations, complying with the applicable legislation in each country where they are present and guaranteeing sustainable development, according to the corporate environmental policy and the environmental management model. This environmental management is performed throughout the life cycle of assets, through actions such as:

- Managing 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 due to the development of business operations.

ELECTRIC POWER TRANSPORT VALUE CHAIN

CREATION OF THE ASSET

Planning	Construction	Operate and maintain the assets
FOCUS OF MANAGEMENT		
• **Comprehensive assessment of environmental,** social, and land activities, aspects, impacts, and risks regarding capex and opex	• Development of **environmental studies** • **Citizen participation and prior consultation** • Execution of the **Environmental Management Plan** • **Provision of information** to communities, authorities, and other stakeholders	• Application of **Environmental Management Systems (SGA)** to ensure the management of risks and environmental impacts • When this is applicable: Implementation of the **asset renewal and final sale strategy** to avoid environmental and social liabilities
ENVIRONMENTAL, SOCIAL (including archeology) AND LAND PRACTICES		
Integrated management of environmental, social, and land risks Data analytics - Efficient and effective management measures		
• Analysis of environmental, social, land, and technical constraints **(ARPEX)** • Analysis of Environmental Constraints **(ARA)**	• Establishment of the **environmental licensing strategy** • Establishment of the a **land and social strategy**	• **Definition of the optimized layout** based on environmental, social, land, and technical criteria
	Design and implementation of **Environmental Impact Studies** (quality and opportunity) Compliance and Optimization of the **Environmental Management Plan** (includes mandatory social programs)	
	Monitoring and control of objectives (scope, time, cost, quality and risks) of environmental, social and land management	**Monitoring the environmental, social, and land cost, risk, and performance (CRD)** of assets under operation and maintenance
• Early relationships programs (when applicable)	• Identification of impacts on communities and social risks • Social initiatives aligned with Conexiones para el Desarrollo that contribute to the viability of the projects and the relationship with communities, seeking to generate capacities in the community ecosystem	
	• Actions to prevent encroachment and programs for coexistence with the line	

Continuous communication strategies with communities and stakeholders

Voluntary sustainability projects and programs (Conexión Jaguar, Conexiones para el Desarrollo)

Environmental and regulatory monitoring

Sustainable procurement management

Environmental Management System (ISO 14001, Eco-efficiency)

Integrated biodiversity management, integrated climate change management

Geographic tools, technology innovation, IT solutions

Alignment with external environmental and social initiatives and international standards

The main actions to prevent and mitigate environmental impacts that complement the legal commitments are presented:

▷ Action
● Cross-cutting

ISA INTERCOLOMBIA

- Strict monitoring of the implementation of the projects' Environmental Management Plans (EMP)

ISA TRANSELCA

- Inspections and audits of the Integrated Management System for contractors
- Implementation of the Socio-environmental Information Management System

ISA REP

- Implementation of the good environmental practices manual
- ISO 14001:2015 recertification
- Annual internal and external audit processes
- Monitoring of environmental regulations, with quarterly evaluations regarding implementation and compliance

ISA CTEEP

- Execution of environmental management programs: communication with neighboring communities, waste management, management for the use of the easement strip, vegetation management, prevention and mitigation of erosion processes and forest offsetting

ISA INTERCHILE

- Design and implementation of the environmental sanitation program to identify environmental deviations; periodic monitoring at the Board level

ISA INTERVIAL

- Joint work with the Ministry of Environment to measure carbon footprint
- Monitoring of the Environmental Management System according to ISO 14001 standard

Implementation of a green offices and substations initiative that includes the design, construction, and operation of substations, aiming at zero water collection and zero discharge

Sector synergies

Integrated Management System

Environmental licensing for projects in power transmission

Estado a diciembre 2021

ISA INTERCOLOMBIA

PROJECT NAME

Cerromatoso Chinú- Copey
Modifications to the active environmental license

Copey - Fundación - Cuestecitas
Presentation of the Environmental Impact Study (EIA)

Cuestecitas – Majayura 230 kV transmission line
Presentation of the Environmental Impact Study

Sabanalarga - Bolívar
Flores - El Río - Tebsa
License granted

La Loma - Sogamoso
Approval of the Environmental Diagnosis of Alternatives (DAA)

Substation Carrieles
Development of the DAA in progress

ISA REP

PROJECT NAME

YANA: Nueva Yanango - Nueva Húanuco
COYA: Mantaro – Nueva Yanango – Carapongo
License granted, in process of modificationss

Chincha Nazca
Development of the EIA

ISA CTEEP

PROJECT NAME

LT 230 kV Biguaçu - Ratones C1 e C2, e SE Ratones
Proyecto Triângulo Mineiro
Subestação 525/230/138 kV Caxias Norte
Installation license granted

LT 440 kV Ilha Solteira – Três Irmãos C2
Operating license in the process of being obtained

Línea de transmisión del Proyecto Minuano
LT 345 kV Viana II - João Neiva II e Subestação Viana II
Proyecto Riacho Grande (línea subterránea y subestación)
Operating license in the process of being obtained

To monitor compliance with targets regarding environmental permits and licenses, the following indicators were established:

Compliance with physical progress of projects

Higher than or equal to **95%**

ISA INTERCOLOMBIA
97.2%
2019: **106%** | 2020: **97.90%**

ISA TRANSELCA
101%
2019: **100%** | 2020: **104.60%**

ISA INTERCHILE
108.1%
2019: **103%** | 2020: **96.50%**

ISA REP
87.3%
2019: **82%** | 2020: **62.40%**

ISA CTEEP
98.7%
2019: **119%*** | 2020: **98.40%**

Electric power transmission companies, consolidated
96.1%
2019: **102%*** | 2020: **92%**

Days of delay in obtaining the environmental license

Complying with project licensing schedule

ISA INTERCOLOMBIA
681*
2019: **303** | 2020: **230.27**

ISA TRANSELCA
N. A.
2019: **N. A.** | 2020: **N. A.**

ISA INTERCHILE
N. A.
2019: **N. A.** | 2020: **N. A.**

ISA REP
0
2019: **51** | 2020: **227**

ISA CTEEP
0
2019: **163** | 2020: **0**

* Due to delays in the prior consultation process, opposition and delays by the environmental authorities.

The environmental management of ISA and its companies is based on compliance with legal environmental requirements and voluntary actions. However, its operations are subject to legal processes inherent to the nature of the business:

	Open sanctioning processes	Closed processes*
ISA INTERCOLOMBIA	32	
ISA TRANSELCA	5	
CONSORCIO TRANSMANTARO	4	5
ISA REP	5	4
ISA INTERCHILE	5 with Superintendencia de Medio Ambiente (SMA) 10 minor processes with Corporación Nacional Forestal (Conaf)	4
ISA BOLIVIA | ISA CTEEP	No case filed	

* Sanctioning under USD 10,000

Non-monetary sanctions for non-compliance with environmental regulations

EMPRESA	2018	2019	2020	2021
ISA INTERCOLOMBIA	0	0	1	0
ISA TRANSELCA	0	0	0	0
ISA REP	0	0	0	0
ISA BOLIVIA	0	0	0	0
ISA CTEEP	0	12	0	0
ISA INTERCHILE	0	3	0	0

Climate change mitigation and adaptation

The ISA2030 Strategy seeks to contribute in a decisive, proactive, and transcendent manner to addressing climate change through mitigation and through the promotion of initiatives that generate a positive impact, as well as the protection and conservation of ecosystems and their biodiversity.

ISA has a climate strategy aligned with government priorities to reach the Sustainable Development Goals, which includes joint State-society-business-academia-NGO actions. Likewise, this strategy is aligned with global trends and the recommendations of the Task Force on Climate - Related Financial Disclosures (TCFD).

Through this strategy, ISA seeks to reduce 11 million tons of CO_2e before 2030, according to the following distribution:

- **9 million tons of CO_2e** as a contribution to the decarbonization of energy matrices, with the Conexión Jaguar program.
- **2 million tons of CO_2e:**
  - Development of new electric power businesses.
  - Voluntary eco-efficiency actions for measuring, reducing, and offsetting greenhouse gases (GHG) produced by the operation of the business units, considering the effects of climate variability phenomena and climate change opportunities. A series of actions focused on mitigation and adaptation is being planned. The target established for 2030 is the reduction of 102,500 tCO_2e through the decrease of water and energy consumption and SF_6 leaks, waste disposal, and sustainable mobility.

CONEXIÓN JAGUAR | isa

The Conexión Jaguar sustainability program, through its forest restoration and conservation projects in Latin America, contributes to the reduction of CO_2 emissions.

The Conexión Jaguar program, for the current period, established a reduction potential target of 1,150,000 tCO_2e. Likewise, the CO_2e eco-efficiency actions target proposed for 2021 reduced 3,574 tCO_2, composed of:

- **Reduction of 1,937 tCO_2e** por medio de la gestión del gas SF_6
- **Reduction of 1,637 tCO_2e** through eco-efficiency practices (efficient use of water, energy, waste disposal, and teleworking). Reductions from sustainable mobility were not included in this year's target, given the pandemic contingency. However, ISA and its companies established a 1% reduction target for water and energy consumption and waste generation, using the average of three years as a baseline measurement (2015, 2016 and 2017).

SF_6 leakage management

ISA's business units, especially its core business unit (Electric Power Transmission) emit very low levels of CO_2 when compared with other sectors in the energy chain. This is because it does not require fossil fuels in its production processes on an industrial scale, nor does it have significant fixed sources of emissions, as is the case with the electric power generation segment. This results in lower inventories.

In this context, sulfur hexafluoride gas or SF_6 contributes to ISA's highest percentage of emissions, which Global Warming Potential (GWP) is 23,500 times higher than CO_2, which indicates its high contribution to global warming per unit emitted. At present, there is no substitute for this gas in the high-voltage systems operated by ISA and its companies. In terms of their direct GHG emissions (scope 1), more than 80% corresponds to leaks of the SF_6 installed in encapsulated substations (GIS) and in high-voltage switches.

Compliance with the SF_6 leakage target

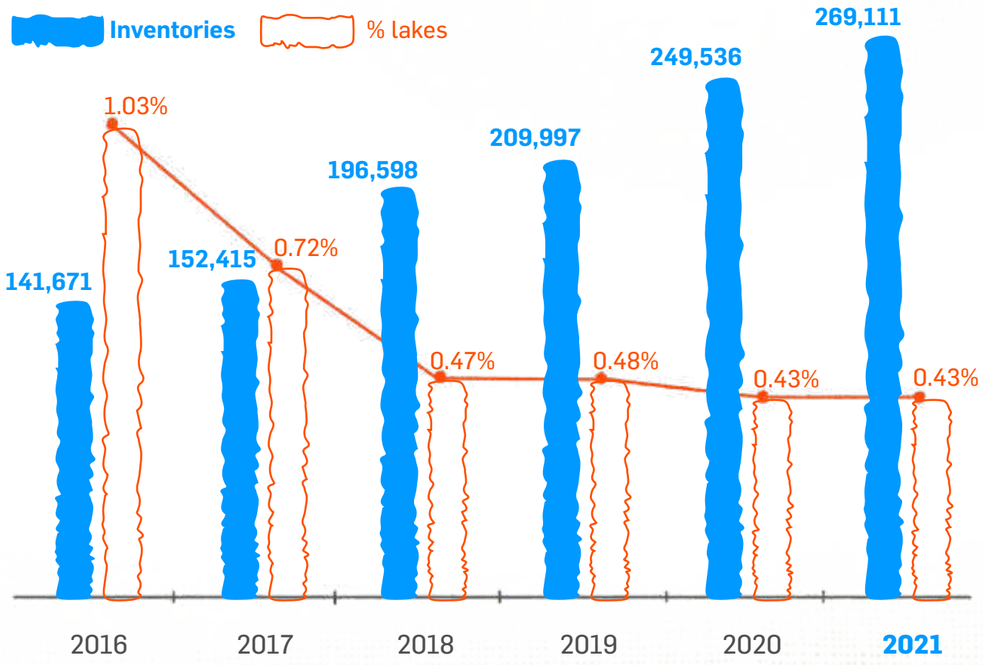
Compliance with the reduction of SF_6 leaks for the year was **373.66 tCO_2e**, equivalent to **19.3%** of the target. This result is explained by the following reasons:

- In 2021, ISA CTEEP leakage was 0.66% of the total installed SF_6 inventory, which is higher than the IEC standard of 0.5% leakage. It is worth noting that this company has the largest inventory of this gas. The challenge to conform to the IEC standard is due to the age of the equipment, and the technical complexity of leak elimination. For this company to be below the standard as of 2023, a leakage level of 0.56% was defined as a target for 2022.
- In 2020, ISA TRANSELCA's Termocartagena GIS substation experienced an unexpected SF_6 leakage caused by deterioration of a gasket due to the saline environment and leakage in a hart-to-reach bushing. Although the equipment manufacturer was unable to address this incident in a timely manner because the pandemic restricted the travel of technical specialists, the company implemented innovative SF_6 capture measures in 2021 that allowed it to decrease its leakage rate to 0.7% from 2020, which was 1.2%. Although it did not achieve the IEC standard, it did achieve a 79 kg reduction in SF_6 versus the previous year.
- If this situation had not occurred, the reduction would have been 1,930 tCO_2e at the consolidated level, for a compliance rate of 99.6%.

Analysis of SF_6 of 2021 compared with 2020:

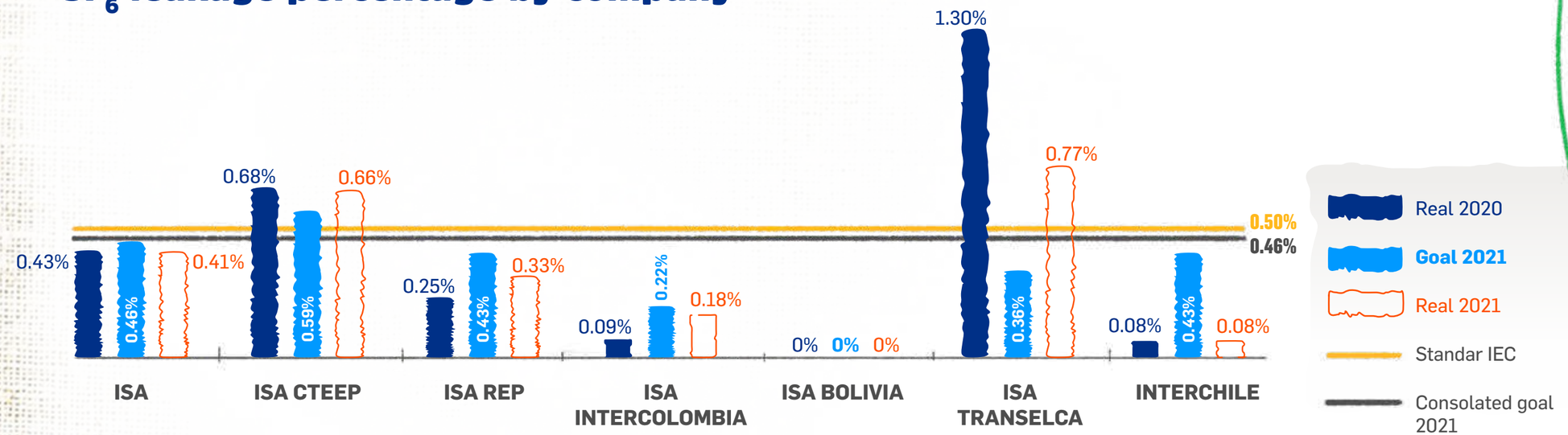
Regarding the analysis of the performance of ISA and its companies in 2021, ISA INTERCOLOMBIA, ISA REP, ISA INTERCHILE, ISA TRANSELCA, and ISA BOLIVIA managed to remain below the IEC standard of 0.5% leakage, with an increase in total net leakage with respect to 2020.

Installed inventory versus actual leakage



Since 2016, annual reduction targets of 10% have been established so that leakage levels are equal to or lower than 0.5% by 2020, as established by the International Electrotechnical Commission (IEC) standard. ISA and its companies have been achieving this goal since 2018. In the interest of continuous improvement, a more challenging target was set for 2030, which consists of a further 15% reduction for all electric power transmission companies.

SF_6 leakage percentage by company



The positive results associated with the management of SF_6 are due to the proper operation and maintenance of the equipment and the implementation of good practices such as:

- Analysis of improvement by recurrence of equipment failures, which allowed to anticipate 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
- Improvement of ISA TRANSELCA's innovation prototype developed to capture SF_6 before it is released into the atmosphere
- Acquisition of state-of-the-art SF_6 gas analyzers 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 2021 for SF_6 inventory, management, and monitoring
- Proper final disposal through certified companies

Colombia's electric power transmission companies participate in the sector's most important climate change mitigation scenarios: Carbon Neutral Electricity Sector Alliance, from the Ministry of Mines and Energy, and the Carbon Neutrality Program, from the Ministry of Environment and Sustainable Development. In 2021, ISA represented its companies at COP26, the most important global climate change scenario.

ISA INTERCHILE and ISA INTERVIAL participate in the Huella Chile program of the Ministry of the Environment. In 2021, the latter obtained the seal of quantification, reduction and, for the first time, the seal of excellence.

Actions associated with GHG

ISA INTERCOLOMBIA

- Potential CO_2 emission reduction in 2021 of: **430,900 tCO_2** with the Conexión Jaguar program
- Voluntary offsetting of **100%** of emissions from the operation and maintenance phase of the assets
- **20%** less emissions from vegetation clearing through the variable easement strips program
- Implementation of the **5 Eco Challenges for Sustainability** initiative (sustainable mobility, responsible consumption, connection with the territory, eco-efficiency, and ecological footprint)
- Solar microgrid that supports **14%** of the general energy consumption of the headquarters
- The remaining **86%** is supplied with I-REC certificates, avoiding 702 tCO_2 of energy consumption by 2031

ISA TRANSELCA

- Potential CO_2 emission reduction in 2021 of: **136,227 tCO_2** with the Conexión Jaguar program
- Implementation of the mobility program and the **Appimotion platform**
- Planting of **1,500** individual trees
- Replacing fuels in contractors' teams with **electric mobility**
- Implementation of the hybrid work model, avoiding the emission of **13 $tnCO_2e$**

ISA CTEEP

- Potential CO_2 emission reduction in 2021 of **241,710 tCO_2e** with the Conexión Jaguar program
- Monitoring of emission sources through the **environmental management system**
- Analysis of asset failure events in the face of climate variations with a **2030 projection**
- Biofuel use for the mobile fleet: **100% ethanol**

ISA INTERVIAL

- Potential CO_2 emission reduction in 2021 of **303,965 tCO_2** with the Conexión Jaguar program
- Seal of quantification, reduction, and excellence for the **Huella Chile program**

ISA INTERCHILE

- External verification of annual **GHG** inventories
- Participation in the national program **Huella Chile**

XM

- Participation in the first Carbon Neutral **Alliance led by the Ministry of Mines and Energy**
- National and international positioning of the **EcoRegistry, EcoTrade and EcoGox platforms**

INTERNEXA

- Development, operation, and commercialization of the **Cloud Thunder** platform, which avoids considerable emissions of tons of CO_2, thanks to the digitalization of servers

Management of greenhouse gases (GHG) other than SF_6

By 2021, a consolidated goal was established to reduce our own impacts by **1,637 tCO_2e**, taking into account eco-efficiency actions such as water and energy consumption, final waste disposal and sustainable mobility (corporate transportation, teleworking, use of bicycles and carpooling). For the latter, in 2021, in accordance with the measures taken for ISA and its companies to protect people in the framework of the pandemic, the target was set for emissions avoided by teleworking in the absence of commuting.

The results are positive, as the target was exceeded with a total of 4,939 tCO_2e avoided (see eco-efficiency).

For more information, see the inventory of consumption and greenhouse gas (GHG) emissions in Scope 1, 2 and 3.

Climate strategy

Eco-efficiency

Emission reduction results in tCO_2e by eco-efficiency

COMPANIES	Goal 2021 (toneladas CO_2e)	2021 results (toneladas CO_2e)	% compliance
ISA*	1,637	4,940	302
ISA INTERCOLOMBIA	365	881	241
ISA TRANSELCA	40	10	26
XM	44	221	503
INTERNEXA	71	370	519
ISA REP	85	1,018	1,192
ISA CTEEP	106	849	798
ISA INTERVIAL	852	1,517	178
ISA INTERCHILE**	12	-149	-1,201
ISA BOLIVIA	19	25	130

* The ISA target consolidates the total of the companies and its own reductions.
** The non-compliance is due to the increase in energy consumption.

During the year we achieved a reduction of 4,939 tCO_2e, associated with the improvement in eco-efficiency performance, which represents 302% of the proposed goal (1,637 tCO_2e).

Actions associated with eco-efficiency

In order to reduce impacts, eco-efficiency initiatives were strengthened, and new processes and activities were developed to achieve the goal set:

ISA INTERCOLOMBIA

GREEN SITES AND SUBSTATIONS PROJECT

Comprehensive water management:
- Use of rainwater
- Storm runoff in 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

Efficient energy management:
- Implementation of solar microgrid
- Renewable energy use certification I-REC
- Implementation of LED technology for lighting

Integral waste management:
- Composting systems for organic waste utilization

ISA TRANSELCA

Implementation of rainwater harvesting systems, atmospheric water generators and connection of water recirculation systems

Energy efficiency management through a pilot program to implement a solar energy microgrid at the Nueva Barranquilla substation

Training on good hazardous waste management for personnel in charge of substations

Inspections for Respel collection centers

ISA REP

Implementation of flow reducers in faucets in sanitary services

ISA BOLIVIA

LED technology for lighting

ISA INTERCHILE

Water storage systems

Corporate guide to good eco-efficiency practices in the workplace

ISA CTEEP

Increased use of drones for more precise inspections of assets and substations (less travel and less need for vegetation pruning)

Improved energy efficiency by switching to LED lights in substations

Implementation of information models that allow tracking of energy consumption and analysis of deviations

Reuse of water from air-conditioning equipment

Implementation of compost bins

Implementation of reusable cups and thermos flasks for people in some substations

INTERNEXA

Extending the useful life of equipment and enabled technologies to the maximum, avoiding rushed technological upgrades

Technological efficiency to deliver services at higher-capacity interfaces

Implementation of digital tools for the reduction of paper consumption

ISA INTERVIAL

Use of recycled asphalt on local roads and shoulders

Renewable energy supply for 1/3 of Ruta del Maipo's electricity consumption

Offsets made in 2021

ISA and its companies offset the net emissions of the GHG inventory, after applying the hierarchy of mitigating, reducing, and avoiding emissions through eco-efficiency actions.

COMPANY	Estimated tCO_2e	Offset tCO_2 emissions	% compensation	Observation
ISA	268	268	100	Scope 1 and 3 were offset; scope 2 was 100% renewable energy
XM	162	162	100	
INTERNEXA	213	213	100	
ISA CTEEP	21,000	21,000	100	Scope 1 and 2 offsetting (without considering energy losses)
ISA INTERCOLOMBIA	3,932	3,932	100	Offsetting for scope 1, 2 and for scope 3 according to prioritized categories
ISA REP	4,298	4,298	100	
ISA BOLIVIA	356	356	100	
ISA INTERCHILE	1,533	1,762	115	
Sistemas Inteligentes en Red (SIER)	54	54	100	
ISA TRANSELCA	5,677	5,504	100	Scope 1 and 2 offsetting Scope 3 was partially offset
ISA INTERVIAL	7,518	10,339	131	Scope 1 and 2 offsetting Scope 3 has an estimate of 24.823 tCO_2 from which 2.821 tCO_2 were offset from fuel emissions from roadside assistance vehicles, representing 11% of the estimate

- Climate strategy (adaptation component)
- Integrated biodiversity management of ISA and its companies
- Inventory of consumption and greenhouse gas emissions in Scopes 1, 2 and 3
- Task Force on Climate – Related Financial Disclosures (TCFD)

Green bonds

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

In 2020, ISA made its first green bond issue in the Colombian public market for a value of COP 299,997.6 million, allocating the resources to contribute to 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 and UPME 09-2016 Copey-Cuestecitas 500 kV and Copey-Fundación 220 kV Transmission Lines.

$299,997.6 million of resources raised at issuance and collected in an account for the exclusive use of the projects in question and 100% of the proceeds were released from the exclusive use account for reimbursement of costs related to the two eligible projects.

Progress of eligible projects (Sitawi Report)

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**
  96.30%
- **Physical assembly progress**
  88.36%
- **Physical transmission line progress**
  81.18%
- **Aerage total progress**
  88.61%

B. ESG project management

ENVIRONMENTAL

Biodiversity benefits and impact on strategic ecosystems:

Forest exploitation variable strips

- The use of PLS CADD: it optimizes the areas to be licensed and mitigates the demand for natural resources, reduces interventions in protected areas, areas with conservation initiatives, areas that are important for the conservation of birds or ecologically important ecosystems.
- Total easement area: 2,406.2 ha, intervention area of 676.6 ha, which considers an optimization or reduction of 71.8% in the area to be intervened.
- The project crosses 9 zones with these categories of importance for biodiversity, where the area to be intervened is 51.53 ha, of which, by 2020, 9.79 ha were intervened: 4.23 of natural coverage and 5.56 of other cover.
- 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.

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 habitat for wildlife.
- The cable laying progress for 2020 has been applied to 141 of the 806 total spans for the project.

Flight diverters

- These are devices installed on the guard cables to make them more visible and reduce bird collisions with them.
- Bird flight corridors were identified: installation of 6,884 flight diverters for 143 spans, totaling 67,125 m in length, representing installation on 18.2% of the transmission line length. In 2020, 80 diverters were installed on two spans covering 789 m of the line, for an activity progress of 1.1%.
- A complementary study is currently underway to identify new areas to further reduce the potential impact on local and migratory birds.

COMMUNITIES

Archaeological management

There are strategies related to the conservation and protection of the archaeological heritage in accordance with 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).
- The final archaeological report and the laboratory phase will be a contribution to research and cultural heritage that will complement the archaeological outlook of the region: chronology of the study area, relationships of affiliation and population analysis, diet and use of resources, ceramic material technology and use of space.
- Archaeological heritage management ensured the recovery and safeguarding of the cultural evidence found, in compliance with the new terms of reference issued by the Colombian Institute of Anthropology and History (ICANH) for preventive archaeology programs.
- Dissemination of archaeological activities through training, talks and workshops to disseminate information about the heritage and reinforce the identity and historical richness that are part of the cultural heritage of the populations in the areas of influence. This will be reinforced with the current management of the archaeological material recovered in the municipalities of Copey and Pueblo Nuevo.
- **Investment**
  COP 10,017,382,219

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**
  COP 50,550,000

SOCIO-ENVIRONMENTAL MANAGEMENT

Community Information and Participation Projects (PIPC, in Spanish)

- 379 progress meetings, providing clear, timely and accurate information to the communities and authorities, as well as the start of the project's closing PIPC.
- Presence of on-site social coordinators, who maintain and strengthen relationships with social stakeholders in the area of influence.

Environmental education to the communities

- Information was provided on farmers' markets, biohazard and hazardous waste, refrigeration techniques and forest compensation for biodiversity loss.
- Training was provided on solid waste management: new color code.
- Awareness was raised on the following topics: endangered, critically endangered, or endemic flora, firewood plots and efficient stoves.
- The rational use of energy and water, sustainable use of plastic, sustainable mobility and open burning were promoted.
- **Investment**
  COP 62,148,211

Development of communities

- Nearly 100 jobs were created with personnel from the region, with the support of the tools established in the Public Employment Service, which is part of Colombia's public employability policy.

Community Benefit Projects (PBC)

- A total of 179 projects are planned, of which 80 were concluded in 2021, for a total of 169 concluded and 95 closed.
- Prioritized and agreed initiatives: productive projects; construction or adaptation of road, community, and recreational infrastructure; solutions to utilities needs through the installation of solar kits; construction of deep wells or installation of water storage tanks.
- **Direct investment**
  COP 5,435,128,500
  Investment in management
  COP 2,003,199,498.94

UPME 09-2016 Copey-Cuestecitas 500 kV and Copey-Fundación 220 kV Transmission Lines

A. Environmental licenses status

- **Project stage:**
  Licensing (Evaluation of the Environmental Impact Assessment -EIA- by the National Environmental Licensing Authority -ANLA-).
- **Progress on environmental studies**
  100%
- **Progress on prior consultations**
  100%
  (16 protocolized consultations/16 communities)
- **Evaluation system**
  ANLA 07/28/2021 to 08/03/2021
- **ANLA verbal meeting**
  08/30/2021
- **EIA Filing**
  10/29/2021
- **Pending ANLA decision**

B. ESG project management

ENVIRONMENTAL

Biodiversity benefits and impact on strategic ecosystems:

- Flora: Use of variable forestry use strips focused on reducing logging intervention areas through software information processing, which gathers technical-environmental variables.
- Out of a total of 1,729.04 ha of easement or total area of intervention by the activities, the area affected by forest exploitation is defined as 1,168.20 ha, equivalent to 67.56% of the total area.
- Alternative methods for cable laying (DRONE): It avoids impacts on vegetation present in sensitive ecosystems, mitigates the impact and minimizes the fragmentation of ecosystems and loss of wildlife habitat.

COMMUNITIES

Archaeological management

- The Arhuaco Indigenous community participated and was present in order to establish what has been called a Dialogue of Knowledge (Diálogo de Saberes), which frequently enriches the interpretative approach given to the archaeological record, especially the burial sites of the El Copey substation.
- The preventive archaeology program, in its archaeological rescue execution phase, has found relevant evidence: out of 81,150,000 ceramic fragments, 14,256 are micro fragments.
  - Lithic: **1,366**
  - Complete vessels: **2**
  - Reconstructed vessels: **8**
  - Burials: **21**
- During the laboratory process, following the implementation of archaeological monitoring, precise data will be obtained on the cultural associations of the aforementioned findings, which will make it possible to relate the results obtained with some of the lifestyles of the communities in the area of influence.

Development of communities

- Prior consultations: Anticipated relationship with 16 ethnic communities certified by the Ministry of the Interior through two administrative acts, namely: certification 1276 of December 2018 and certification 0779 of November 2019.
- Staff hired for environmental studies: 63

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

Commitment to socioeconomic development GRI [103-1] GRI [103-2]

WE ARE ALL ONE

Philanthropic contributions 2021

$1,400 millions*

* $400 million to Universidad Nacional de Colombia (UNAL) to contribute to the study of COVID-19 variants and $1,000 million to the One Health Laboratory of UNAL for vaccination and immunization brigades.

HISTORICAL SOCIAL INVESTMENT BY LINE IN COP

Cifras en miles de millones de pesos

Education and coexistence

2021 **4,663**
2020: **6.8** | 2019: **39,710** | 2018: **12,252**

Community infrastructure

2021 **12,486**
2020: **4.7** | 2019: **8.4** | 2018: **18.7**

Local development and institutional strengthening

2021 **3,779**
2020: **2,759** | 2019: **10,585** | 2018: **5,767**

Project management (mandatory)

2021 **14,897**
2020: **18,540**

Connections for Development

2021 **2,264**
2020: **6,454** | 2019: **18,381** | 2018: **10,259**

Social promotion actions

2021 **1,926**
2020: **1,267**

Total

40,015

TOTAL SOCIAL INVESTMENT:

Social management + **Philanthropic contributions** = **$41,416**

Distribution of social investment	2019	2020	2021
Philanthropic contributions	0.11	27.84	**3.38**
Investment in communities	99.89	72.16	**96.62**
Commercial initiatives	0	0	**0**
TOTAL	**100**	**100**	**100**

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

ISA recognizes the importance of developing and maintaining long-term relationships with its communities and assumes this as a transversal commitment that impacts the life cycle of its assets. It is a relevant, effective, timely and transparent social management that allows:

- To generate value to the communities and society in the areas of interest of ISA and its companies, co-constructing development and contributing to its transformation with a long-term vision.
- To promote capacity building, empowerment, respect, and promotion of human rights to strengthen social stock.
- To improve the relationship to make projects and company operations viable, mitigating strategic risks, minimizing impacts, and strengthening reputation.

Material issues prioritized as critical in relation to this dimension:

19 **Contribution to sustainable development and transformation of territories, building a positive legacy for the regions**
A company that actively participates in the development processes of the regions, through alliances and synergies with key actors that share territories and purposes, focused on the transfer of capabilities and knowledge to improve the quality of life of people and the creation of opportunities.

20 **Closeness and dialogue with stakeholders, listening to their expectations**
A company that recognizes its stakeholders as relevant actors for the achievement of the business strategy and the positive transformation of the territory; therefore, it prioritizes communication, relationships, dialogue and listening to their expectations, in order to comply with the established promises and promote co-responsibility and the generation of trust.

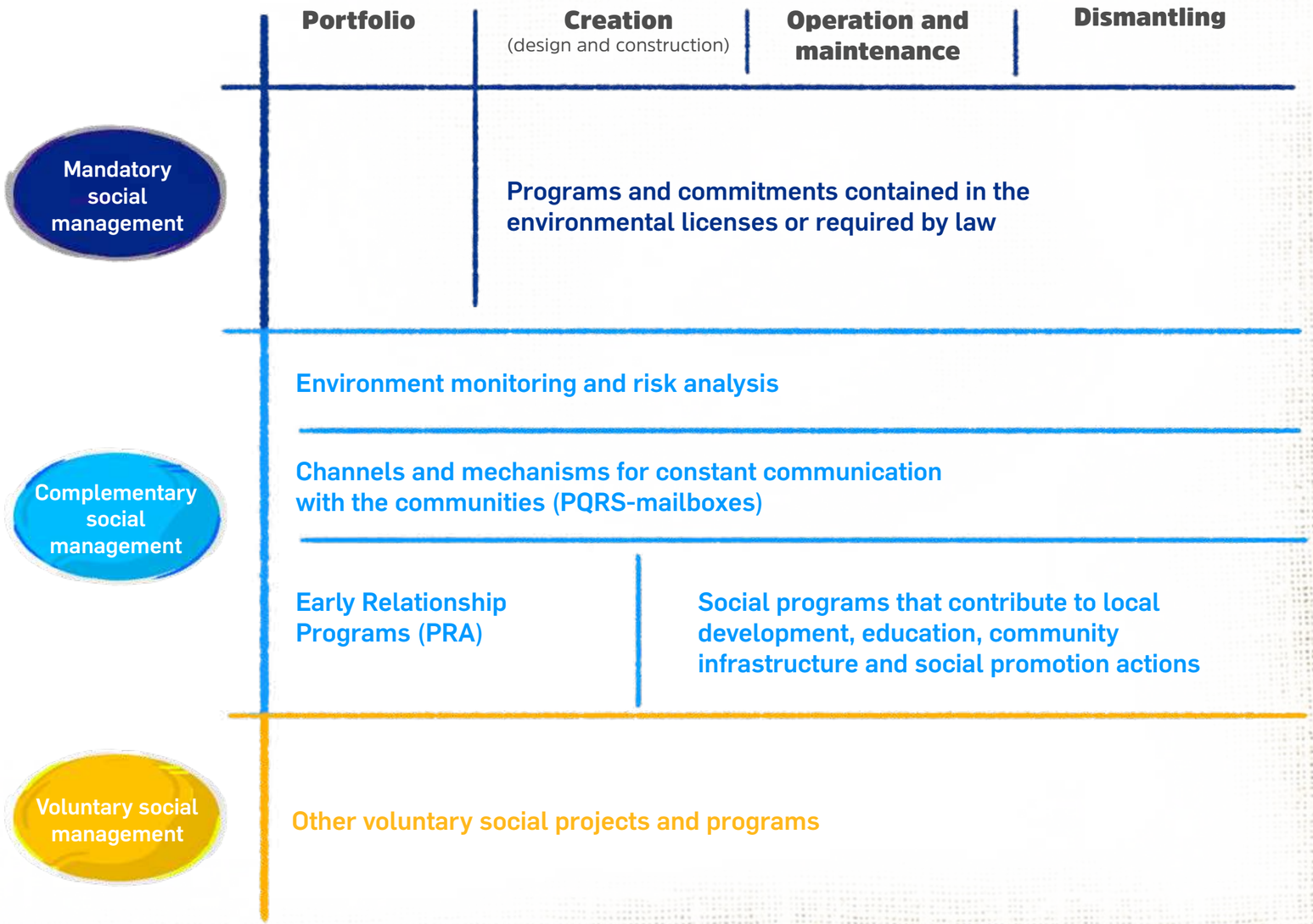
Generate value for communities and society in the areas of interest of ISA and its companies building development.

Community engagment in the asset life cycle

The design and implementation of the programs must ensure comprehensive risk and impact management throughout the life cycle of the assets. These programs or actions may be mandatory, complementary, or voluntary:

During 2021, ISA and its companies reviewed and updated the Social Management Model, a tool that allows:

- **To promote the creation and alignment of community relations and social investment practices.**
- **To ensure value generation to communities and society throughout the life cycle of the assets, thus complying with the Manifesto and ISA2030 Strategy.**
- **To strengthen one of the internal capabilities: social and environmental management.**



This model also reviews and establishes the principles, values and criteria for action that are promoted in the organization within the framework of the relationship and joint construction of social investment actions or programs with stakeholders:

Inclusion

To ensure participation and non-discrimination for collective consensus building.

Respect

- To respect and celebrate the social and cultural differences of communities and stakeholders.
- To understand the community as an ally and not as beneficiary or impacted groups.
- To establish differential and own relationship strategies with ethnic communities.

Complementarity

To generate and promote synergies and articulation among allies and actors in the territory in order to generate efficiencies and strengthen social capital.

Empowerment

To promote actions that do not generate dependence or harm through the creation, development, and transfer of capabilities. To recognize and strengthen the capacity of communities to lead their endogenous development processes and provide resources and tools to make this a reality.

Sustainability

To promote actions and programs with a long-term vision to generate shared value with the communities and society throughout the life cycle of the assets.

Systemic character

To understand the complexity of local social ecosystems from an integral vision.

Ethics and transparency

To promote actions within the framework of the law and to promote alignment with ISA's Code of Ethics and Conduct.

Design for impact

To ensure the design of high-impact actions and programs and joint dreams to materialize.

Proactive management and due diligence

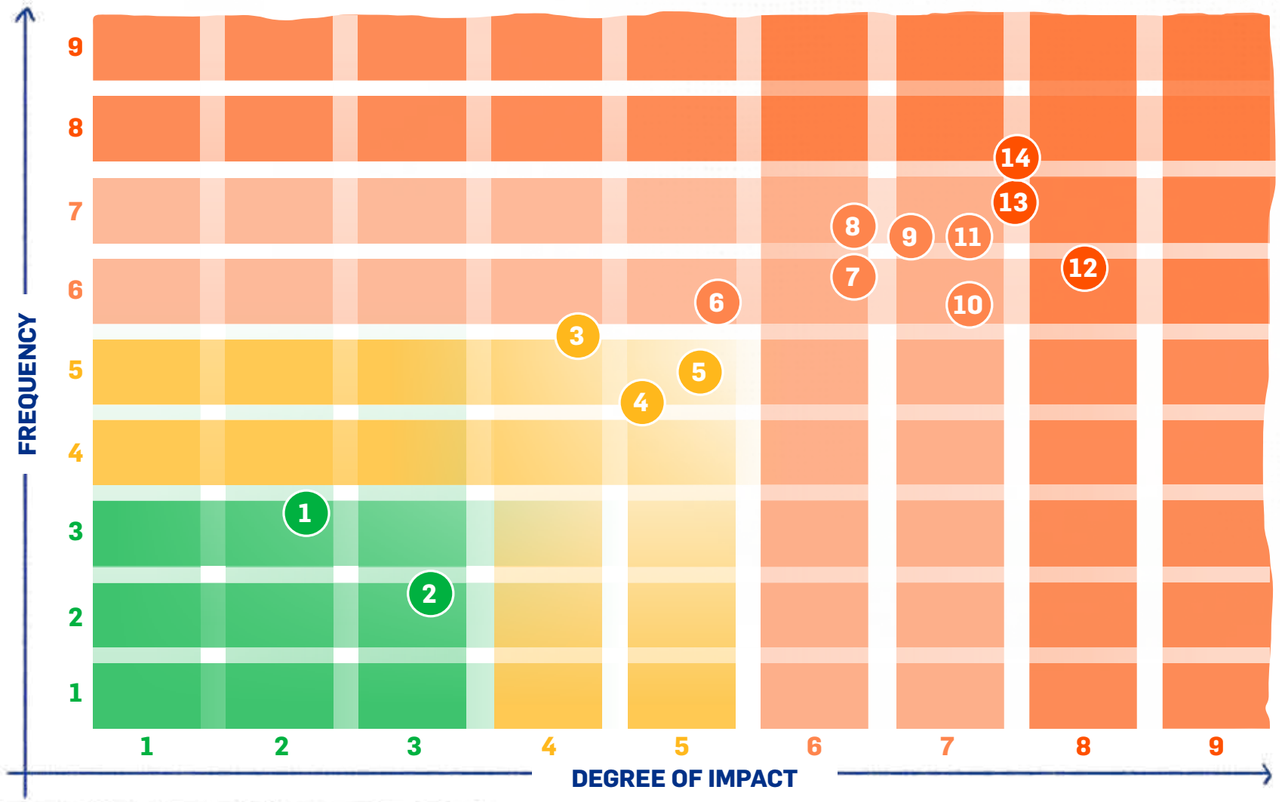
To act in a preventive and proactive manner, when possible, risks materialize, ensuring due diligence processes and implementing early warning systems.

Without replacing the role of the State

To seek and be allies and promoters of development, actively involve the participation of the State without replacing or assuming its role or its commitments to the communities or society.

The social management model is viable as long as it is integrated into a risk analysis. Social risk refers to events that could affect the commitments acquired by ISA and its companies with society; these may include manifestations of rejection by communities or other stakeholders due to the presence of businesses in a territory, actions by third parties that affect the infrastructure and limitations for the development of projects, among others.

During the period, the risk analysis showed the following situation:



1. Modification of air quality
2. Modification in the availability of water resources
3. Affecting cultural characteristics of ethnic or non-ethnic groups
4. Configuration of undesirable parallel economies (micro-trafficking, prostitution, common crime, etc.)
5. Alteration to road access/infrastructure or modification to urban mobility
6. Alteration to historical and archaeological heritage
7. Modification in the current use of the land (alteration to crops, economic use of the land)
8. Limitation to the right of ownership
9. Generation of radio interferences and electrical inductions
10. Increased risk of accidents
11. Modification of sound pressure levels (noise pollution)
12. Involuntary displacement of families or infrastructure (including community and private infrastructure)
13. Conflict generation/potentiation
14. Modification of landscape quality

Programs and measures that contribute directly to the prevention, mitigation or compensation of social impacts

In order to structure better solutions, programs and measures that contribute directly to the prevention, mitigation or compensation of impacts, social management is supported by several tools, actions and programs aimed at addressing, in a timely manner, social risks during the life cycle of the asset, thus contributing to obtaining the social license to build and operate 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 in three projects in Colombia, three in Peru, one in Chile and two in Brazil
Environment analysis	Analysis to identify risks and opportunities associated with social, political, and environmental realities in the area of influence of the infrastructure	Monthly reports, covering 100% of the countries where the company is present
Community Benefit Projects (PBC)	Initiatives agreed on with the community to provide populations with social infrastructure to support the environmental licensing process	179 projects in the area of influence of projects 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, Chile, and Brazil
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	• Ten meetings and harmonization rituals with Indigenous communities that contribute to creating bonds of mutual respect and trust • Initiating the implementation of Connections for Development with an early relationship approach in a project under construction in Colombia
Conexión Jaguar program	Sustainability program created for the conservation of biodiversity and mitigation of climate change	Two new projects: one in Colombia, one in Chile and an addition to the project Homen Pantaneiro in Brazil, called Fazenda Santa Teresa
Human rights promotion	Human rights training and promotion actions	• There were no cases of discrimination, restrictions on freedom of association, child exploitation or forced labor • Training in human rights: 48 hours that each one of the 2,575 people who participated
Complementary and voluntary social management	Programs aimed at creating long-term, trust relationships with communities, addressing social risk and mitigating social impacts	100% of the countries in which we operate have different programs that allow us to have a continuous presence in the territories
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 2021 environmental licenses and modifications were obtained for 8 projects
Community Information and Participation Processes (PIPC) in Colombia	Comprehensive strategy aimed at creating spaces for community participation in order to establish effective two-way communication channels	Nearly 587 agreements reached with local communities in more than 80 municipalities in Colombia

Considering the social management in the life cycle of the asset and the prioritization of social programs in highly complex municipalities for business viability, the social investment resources allocated must address the risks and impacts considered critical.

Critical municipalities with social investment (%)

Goal 2021 y 2022: **90%**

Country	Company	2019	2020	2021
Colombia	ISA INTERCOLOMBIA	86	99	**100**
	ISA TRANSELCA	100	80	**78**
Brazil	ISA CTEEP	N. D.	N. D.	**N. D.**
Peru	ISA REP	72	5	**51**
Chile	ISA INTERCHILE	100	100	**25**
	ISA INTERVIAL	80	80	**100**
TOTAL		**87.7**	**72.8**	**70.79**

Generation of a value to society of close to **$87,862 million** through social programs and projects, measured with the Social Return on Investment (SROI) methodology

Strengthening of geo-referenced software in Peru and Colombia, which allows for better monitoring of the social component of projects and lines in operation

Deepening relations with ethnic communities in Colombia through Connections for Development

Continuation of the humanitarian aid program Todos Somos Uno, with a focus on economic revival

Implementation of social management activities in **70.79%** of the critical territories

Launching of the Economic Revival Program for communities in Colombia

Philanthropic contributions are part of the humanitarian aid

WE ARE ALL ONE

TOTAL $1.4 billion

$400 million Donation to the **Universidad Nacional de Colombia** to contribute to the study of **COVID-19 variants.**

$1,000 million Donación to the **One Health Laboratory of the Universidad Nacional** for vaccination brigades and to contribute to immunization processes, e**specially in remote areas and populations.**

More than 25,000 vaccines were administered **more than doubling the goal,** and the program is being continued during the first months of 2022.

Economic revival initiative, within the framework of which, in 2021, work fronts, types of population and sectors were defined. In addition, **an agreement was signed with Rockstart,** an impact accelerator that supports ten startups with environmental and social impact.

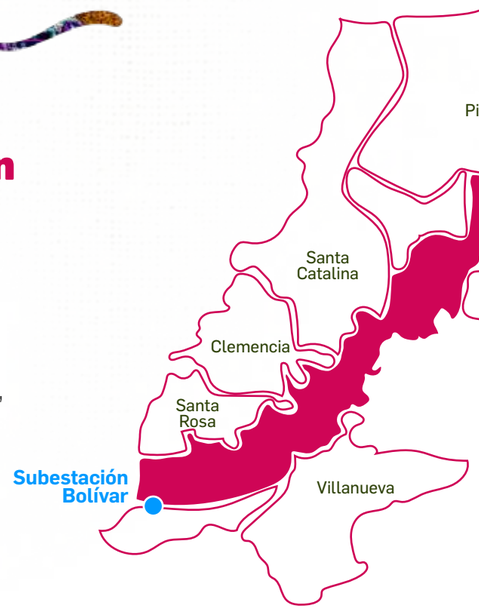
CONEXIONES PARA EL DESARROLLO | isa

This voluntary corporate program, which is linked to the development of business infrastructure and contributes to present and future generations, seeks to strengthen the capacities of the community ecosystem to create transformations in the territories of influence.

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

First project in Colombia

ISA INTERCOLOMBIA and partners defined the implementation of the Sabanalarga-Bolívar transmission line project, which seeks to connect two substations located in Northern Colombia and strengthen the network in the area



Allies

Fundación Barco | PNUD | Transformación educativa para la vida

- **More than 426** meetings and workshops with educational establishments in 7 municipalities
- Preparation of the **quality index** of each **educational establishment** and its improvement plan
- **71** social mapping **workshops**
- Preparation of the **quality index** of each **education secretariat** and its improvement plan
- **7 agendas** de desarrollo de largo plazo definidas para cada municipio
- In-depth diagnosis and improvement plan with each municipal administration
- **More than 98** workshops and sessions with community organizations and local administrations with more than 1,690 attendees.
- Promotion of gender equity public policies and support for youth councils

Actions for 2022

To execute the strategy of socialization of the development agendas that were built in a participatory manner.

To formulate, co-finance and implement more than **71 improvement projects** in each of the educational establishments.

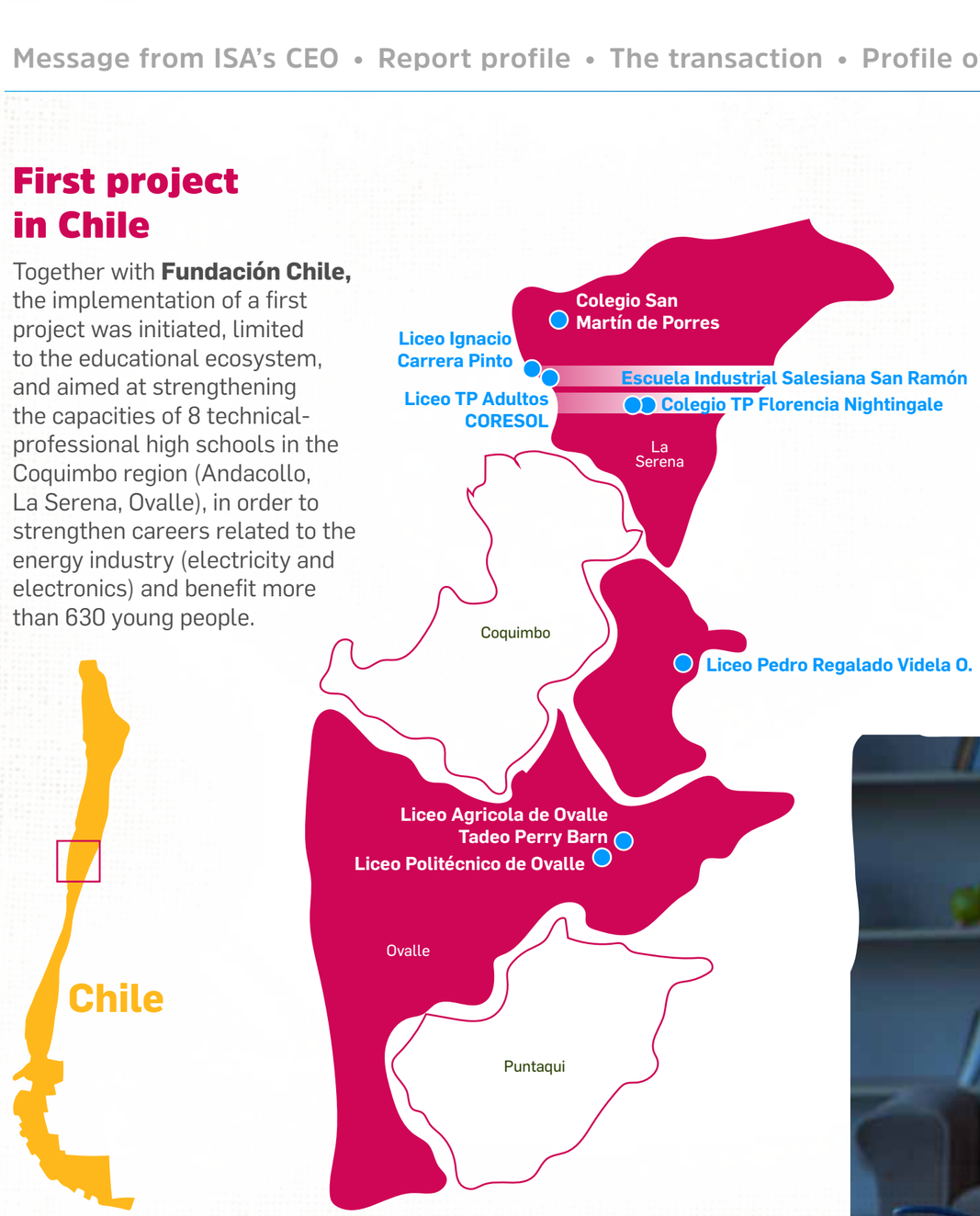
To formulate, co-finance and implement more than **20 entrepreneurship** and productive projects that benefit families.

To implement and co-finance more than **20 productive**, cultural and/or community infrastructure projects that strengthen community organizations and the inhabitants of the territorial units adjacent to ISA's infrastructure.

To implement and co-finance **7 territorial projects**, together with local administrations, which have direct benefits for the communities.

First project in Chile

Together with **Fundación Chile,** the implementation of a first project was initiated, limited to the educational ecosystem, and aimed at strengthening the capacities of 8 technical-professional high schools in the Coquimbo region (Andacollo, La Serena, Ovalle), in order to strengthen careers related to the energy industry (electricity and electronics) and benefit more than 630 young people.



- **Reading and characterization stage** completed
- **Publication and socialization** of conducted diagnosis with specialized public
- **16 sessions** of technical support to each high school establishment to strengthen their capacities
- First **10 hours** of training on innovation and entrepreneurship topics
- **Activation of the ecosystem:** articulation with other companies in the sector, guilds and associations, the Ministry of Energy and higher education institutions

Acciones para 2022

Continuation of the plan to strengthen high schools to improve their study programs and teaching tools

Continuation of training in innovation and entrepreneurship

Formulation of initiatives and innovative or entrepreneurial projects by young people that may compete for funds for their execution

Activation of the internship strategy to connect young people with a first job in companies in the sector

VOLUNTARIADO

ISA Y SUS EMPRESAS

At ISA we are convinced that our contributions to society and the planet must transcend all our social management projects, as we understand that there are many ways in which we can contribute as a company to the problems of our societies, even during these times. The ISA Volunteer Program seeks to connect our employees with actions of solidarity that have an impact on those who need it most.

Results 2021

Projects executed in: Colombia Brazil Peru Chile

Caring for the planet inspires us

Creating knowledge inspires us

Sharing experiences inspires us

Projects designed by employees		
1	3	1

Some **280 employee** volunteers donated more than 4,480 hours in Colombia, Peru, and Chile, in a particularly challenging year due to the pandemic

More than 95 million raised for different causes in Colombia and Brazil, donated by more than 180 employees

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 management model by formulating commitments with each one of them, aimed at generating value.

For ISA companies, stakeholders are people, organizations, and institutions with whom we build and share common interests and could be affected by the company's services or activities. The relationship between them and the 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, and constructive relations that respect human rights

Generate communication channels that provide information and ensure spaces for dialogue

Strengthen relationships based on trust and legitimacy

Provide information of public interest in a timely manner

Contribute to sustainable development and the well-being of society

Stakeholders

During the year, a change was made in the stakeholders group that allows:

- to align the vision of these groups with the ISA2030 Strategy,
- to affiliate all businesses to the commitments declared with the groups,
- to know and incorporate their expectations in a way that is more in line with their reality (synergy between materiality and reputation),
- to establish commitments that have a more direct impact on them

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STAKEHOLDER	COMMITMENT	MATERIAL INTEREST	STRATEGIC RESPONSE	INDICATORS	RELATIONSHIP MECHANISM
Employees	• To ensure freedom of association in ISA and its companies • To manage employee development and recognition • To ensure occupational health and safety • To promote equity and equal opportunities • To promote diversity and inclusion • To promote work-life balance	• Attracting, developing, and nurturing the best talent • Attractive and desirable employer • Capacity to develop highly qualified Employees who learn and project themselves linked to the organization • Quality work practices and respect for employees • Occupational health and safety for direct and indirect employees • Management of equity, diversity, and inclusion	• **Business sustainability** • Training programs • Health plans • Leadership program • Competitive labor conditions	• Organizational climate • Employees with 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
Suppliers	• Compliance with contractual commitments • Collaboration to generate mutual benefits with efficiency and competitiveness criteria • Joint development and strengthening based on transfer of capabilities • Fulfillment of environmental and social commitments in line with sustainability best practices • Promotion of sustainability standards	• **Foresight and innovation** • 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	• **Shareholder value** • Responsible provisioning practices • Management of ethics and Human Rights • Local purchases • Development programs • **Social and environmental impact** • Commitment and permanent training in OHS	• Employee-contractor accident frequency index	• Annual meeting • Performance evaluation • Field and plant visits
Allies	• To add capabilities to generate mutual benefits or benefits of general interest • To jointly build and exploit opportunities and manage risks • To consolidate joint best practices • To boost results	• **Strategic alliances for transformation** • Long-term alliances for achieving goals and enhancing the capabilities of the parties	• **Shareholder value** • **Social and environmental impact** • High-impact programs • Investment in entrepreneurship • **Business sustainability**		• ITo incorporate strategic partners • Alliances for the development of social and environmental programs • Alliances to improve competitiveness and capability building

STAKEHOLDER	COMMITMENT	MATERIAL INTEREST	STRATEGIC RESPONSE	INDICATORS	RELATIONSHIP MECHANISM
States	• To respect and promote the rule of law • To contribute to the construction of an environment that promotes transparency and clear rules • To promote a proactive and coordinated leadership, as an active agent of transformations and the construction of public policies, contributing to the development of sectors and countries, improving people's quality of life	• **Good governance** • Independence from the state and/or third parties • Ethical, comprehensive, and transparent behavior • Diverse governance structure and composition, which responds to the challenges of the strategy	• **Shareholder value** • Promotion and provision of high-quality utilities • Ethical management and anti-corruption practices	• Net income • Ebitda	• Participation spaces to promote public policies • Spaces for union participation • Consultations
Shareholders and investors	• To create sustainable value with profitability, efficiency, competitiveness, and growth • To seize opportunities and ensure business sustainability • Governance and risk control • Public and transparent information	• **Good governance** • **Strength and growth** • Ability to meet financial and business objectives by taking advantage of opportunities and ensuring business sustainability • Appropriate growth strategy	• **Shareholder value** • Leadership and commitment of the Board of Directors • Good governance practices • Payment of dividends	• Net income • Ebitda	• General Shareholders' Meeting • Shareholder Attention Office • Webcast • Quarterly reports • Meetings and visits • Support hotline • E-mail • ISA Shareholder Chat
Society	• Proactive contribution to socioeconomic development and the solution of global environmental challenges • Collective construction of best practices • To promote open conversations	• **Proactive contribution to global environmental challenges** • Strategy for mitigation and adaptation to the effects of climate change • **Commitment to socio-economic development** • Contribution to sustainable development and transformation of territories, building a positive legacy for the regions	• **Social and environmental impact** • Compensation of CO_2 emissions • Promotion of SDG (7 Access to energy, 13 Climate change, 15 Ecosystems) • Conexión Jaguar program • Todos Somos Uno program	• CO_2e reduction	• Surveys • Conversations

STAKEHOLDER	COMMITMENT	MATERIAL INTEREST	STRATEGIC RESPONSE	INDICATORS	RELATIONSHIP MECHANISM
The community	• Closeness, dialogue, listening to their expectations and collaborative construction • Development of territorial alliances • Respect and promotion of human rights • To create positive social and environmental impacts • Contribution to sustainable development and transformation of territories	• **Proactive contribution to global environmental challenges** • Leadership in initiatives to contribute to the protection of ecosystems and biodiversity • Strategy for mitigation and adaptation to the effects of climate change • **Commitment to socio-economic development** • Contribution to sustainable development and transformation of territories, building a positive legacy for the regions • Closeness 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 • Connections for Development program • Todos Somos Uno program	• CO_2e reduction	• Training workshops • Information and awareness meetings • Relationship rounds • Radio programs • Agreement closing surveys • Meetings with the community
Customers and users	• Fulfillment of the value proposition • Maintain standards of rigor and excellence • Infrastructure and information security and cybersecurity • Effective solutions to new market opportunities	• **Excellence in compliance with activities** • Fulfilling the value proposition with rigor and excellence • 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 grid • Road safety	• Compliance with service standards: • Unsupplied unscheduled electric power • Physical progress transmission projects • Road safety index • Physical progress of road projects • Compliance with service levels Telecommunications and ICT • Compliance with CREG indicators	**IN THE COMPANIES** • Annual meeting • Bulletin • Visits • Satisfaction evaluation • Client mailbox

Main matters of meeting and dialogue

First corporate meeting of suppliers

Dialogue topics
- Articulation with suppliers in the ISA 2030 Strategy
- Strategic supplier management model with sustainability
- Supplier Code of Conduct
- Diversity and inclusion
- The New Reality of Supply Chains, a talk by Professor Yossi Sheffi, Director of the Center for Transportation and Logistics at the Massachusetts Institute of Technology (MIT)

Reflections:
- Working together to meet future challenges
- Diversity as an innovation strategy
- Suppliers as an extended enterprise
- Sustainability management as a lever for growth
- Alignment with the Code of Ethics and Conduct as the hallmark of getting things right

404 people connected

279 attendees

202 companies attending

Meeting with communities

CONEXIONES PARA EL DESARROLLO | isa

The aim is to create two-way relationship channels, mutual knowledge and trusting relationships with all community stakeholders.

426 meetings and workshops with schools

71
- **Social mapping** workshops in each school
- **Quality indexes** for each school and its improvement plan

7
- Quality indexes of each Education Secretariat and its improvement plan
- long-term development agendas in each municipality
- Municipal capacity indexes and improvement plan
- Municipal workshops for identification and formulation of projects of territorial or regional interest

84 **workshops** community organizations with 1,690 attendees

14 **workshops** with local administrations

Support for the design of **gender equity public policies**

Support and training for **Youth Councils**

Expectations
Focus on capacity building and community empowerment
- Formulate, co-finance and implement:
  - More than **71 improvement projects** in each school
  - More than **20 entrepreneurship** projects with families
  - More than **20 productive,** cultural and/or community infrastructure projects to strengthen community organizations and residents
  - **7 territorial projects,** together with local administrations, which have direct benefits for the communities

Program conference

CONEXIÓN JAGUAR | isa

The meeting sought to identify and manage the risks and opportunities for the program arising from the latest developments in the global climate change and biodiversity agenda.

Main actions to strengthen the alliance:

- Afforestation and reforestation projects, design of implementation activities for carbon credit issuance
- Blue carbon pilot programs
- Agricultural projects
- Biodiversity monitoring work
- Growth in new countries of common interest
- Institutional and regulatory management of program risks/ opportunities in the countries
- Leveraging emerging markets for biodiversity and Nature-Based Solutions (NBS)
- Synergies for REDD+ projects with donor resources

Main stakeholder dialogue meetings

ISA INTERCOLOMBIA

The relationship strategy called "In Connection with our Stakeholders" was strengthened, focusing on transparency and trust-building as the basis for identifying and prioritizing expectations, developing integrated work plans, and improving organizational responsiveness.

This agenda was developed, starting with the annual accountability exercise, and maintaining closeness through 14 spaces in which 900 people participated directly, through virtual platforms, overcoming the barriers of in-person gatherings caused by the COVID-19 pandemic.

- Prioritized stakeholders: workers, communities, customers, suppliers
- Events held: 14
- Line of conversation: public value - sustainable value
- Formats: social networks, streaming platforms, Teams rooms, conferences, conversations, videos, chat interactions
- Total participation: 900 people live and 859 deferred reproductions

As a result of these dialogues, we learned about their expectations regarding the following needs:

- To promote forest offsets to be carried out in the areas of influence of harvesting, supporting the development of the main ecological structures.
- To support local ventures focused on overcoming global environmental challenges and preserving rural cultures that care for the forest.
- To have a greater commitment and preference for clean energy transmission.
- To maintain spaces for sectoral, regional and community dialogue to identify expectations and share business actions in the territories and manage regional interests.
- To strengthen the communication strategy on environmental, social, and business impacts and actions in the territories.
- To hire local labor and support local employability processes and the supply of products and services.

- To support local development initiatives, with the participation of communities and CABs as executors.
- To promote and invest in economic revival in the territories.
- To strengthen cybersecurity capabilities of allied entities.

ISA TRANSELCA

A corporate meeting was held with suppliers in order to maintain the relationship through the communication of updated and relevant information for the company and to manage risks associated with the lack of information and understanding of issues related to purchasing processes. The event was attended by 49 people from 46 of the company's suppliers.

With the State, meetings were held to share topics such as:

- Sustainability
- Environmental sustainability
- Conexión Jaguar program
- Carbon-neutral power sector
- Social Management
- Connections for Development program
- Coexistence with infrastructure
- Assets with environmental license

ISA REP

Communities: Talking to Communities (Charlando con Comunidades) Program, to gather the perceptions of 100 communities annually and report on health, safety, environmental and citizen participation measures and/or activities.

Suppliers: Unlike in previous years, when the dialogue was carried out through the Competitive Business Program, this stakeholder group gained special relevance within Mission 5 "Sustainability and Articulation"; this is how the closing of gaps in the corporate model between the Procurement and Sustainability areas was worked on.

Stakeholders' main expectations of the company's management are as follows:

- Deficiency in the performance of the activity
- Ethical and/or integrity breaches, good governance
- Environmental malpractices
- Poor safety practices (including biosecurity)
- Violations of human rights

ISA INTERCHILE

The map of stakeholders and their interrelationships was updated to analyze the impact of each one of them in the territory and their position in relation to the company, with the objective of providing feedback to the social management and strategic relationship plan, in order to facilitate the different opportunities for dialogue that the company develops with the communities.

Despite the restrictions imposed by the pandemic, face-to-face and virtual spaces were created:

- Discussion session "Education-Business: challenges of professional technical training for the energy transition".
- 1st meeting "Challenge of Dialogue, associativity and shared value for the energy sector", hosted by the Ministry of Energy.
- Webinars, working groups that have made it possible to gather the expectations and needs of different stakeholders in the territories.
- Dialogues in the territory to build and design programs with a high impact on development and cultural relevance, such as the Diaguita Culture Rescue and Dissemination program. This program contemplates working with Diaguitas Indigenous communities in the municipalities of Vallenar and Freirina, in the Atacama Region, in which their oral and cultural traditions and their territorial environment will be presented, highlighting their worldview at the local, regional, and national levels.

ISA INTERVIAL

The actions were aimed at continuing with services in the face of the health emergency, complemented by the implementation of the sustainability programs Connections for Growth and Connections for Development, which seek to respond to the expectations of our stakeholders associated with economic development, as well as those of the territories in our areas of influence.

As a result of these conversations, territorial development actions are generated in alliance with Plades, Fundación para el Desarrollo Sustentable de Frutillar (Foundation for the Sustainable Development of Frutillar), which is a public-private initiative that arises from the community and seeks to raise the quality of life of its inhabitants, transforming the city of Frutillar into an example of urban and sustainable progress, a model that is intended to be exported to the communities in the areas of influence, through the program Connections for Development.

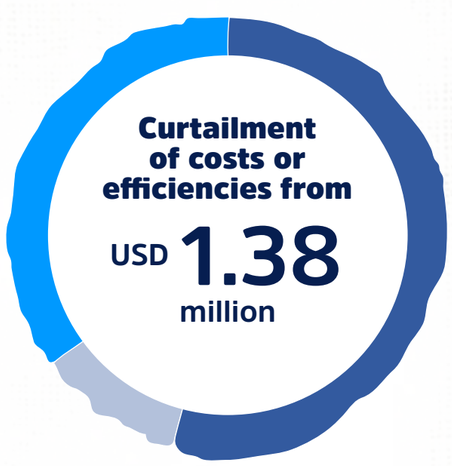
CORPORATE VALIDITY

Foresight and innovation

[GRI 103-1] [GRI 103-2] [GRI 103-3] ISA and its companies promote disruptive and incremental innovation, relying on flexibility and agility in decision making and action, to identify and anticipate the challenges and opportunities of the environment. In this way, value is generated in current businesses and new business models are developed that respond to strategic aspirations, taking into account the level of risk they assume. They also foster a culture focused on sustainable innovation that ensures a positive impact on society and the environment.

Material issues prioritized as critical in relation to this dimension:

10 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 business sustainability.



	Investment	Revenue or sales	Curtailment of costs or efficiencies from
ISA	2.53	0	0
ISA INTERCOLOMBIA	1.05	0	0.75
ISA TRANSELCA	0.75	0	0
ISA REP	0.10	0.01	0.15
ISA CTEEP	4.23	0	0.48
XM	8.54	0.5	0
INTERVIAL	0.38	0	0
INTERNEXA	0.85	4.54	0
SIER	0.43	0.11	0

Figures represent USD million

Trends - Foresight

The businesses in which ISA and its companies participate are exposed to challenges, emerging risks and global trends that transform the world and its dynamics. The ISA2030 Strategy incorporates a forward-looking approach considering these implications and integrates its own experience and that of experts in the businesses that ISA manages, to generate new or transform existing business models.

Optimization of energy resources
- Regional electrical integration
- Energy efficiency

Customization
- Services consumed on-demand
- Blockchain
- Decentralized human resources

More active social participation
- Consumidores y sociedad más activos
- Comportamiento y respuesta a la demanda

Hyperconnectivity
- IoT
- 5G
- Cyber attacks

Digital transformation
- Automation the infraestructure operation
- Integration of Big Data and artificial intelligent
- Data- driven decisions
- Virtualization
- Intelligence transportation systems

Decarbonization
- Decarbonization and renewables
- Storage and distributed services
- Electrification of transportation

Demographic transformation
- Urban and suburban densification

Ethics and transparency
- Reputational crisis

Market adaptation
- Incentive-based regulation
- Incentives for traffic regulation

Innovation

ISA faces the challenges of a world in full digital transformation, hyperconnected and automated, with more active consumers and citizens who prefer green solutions and increasingly competitive markets, in which new segments emerge that modify traditional value chains and blur boundaries between sectors, as reflected in the trends indicated above.

These challenges are central to the 2030 strategy, as well as to the new Innovation System of ISA and its companies, which has been adapted precisely to meet the challenges of the future. The innovation of ISA and its companies is focused on:

- Ensuring the **competitiveness of existing businesses**
- Developing **new adjacent energy businesses**
- Exploit **new business opportunities** in areas of convergence between current businesses

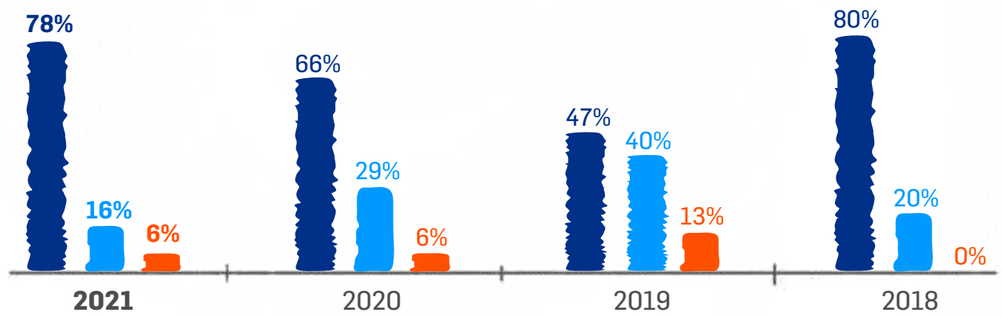
To ensure the competitiveness of current businesses (electric power transmission, road concessions and telecommunications and ICT)

To develop new adjacent energy businesses

Leverage new business opportunities in areas of convergence of existing businesses

In line with these strategic focuses, ISA took on the challenge of diversifying its portfolio of innovation projects to gradually incorporate initiatives beyond its traditional businesses, in order to capture value from new segments and complement its current value chain.

Distance to the core % de participación en el portafolio



During 2021, the portfolio managed 42 ideas and 53 projects, as follows:

2021 was a year of significant achievements in the consolidation and materialization of the strategic focuses of innovation in ISA and its companies. The most relevant advances by objective were:

Competitiveness of current businesses

Electric Power

Digitalization of asset inspection
Implementation and use of sensors incorporated in drones, development of software with the use of artificial intelligence and a new concept of processes and systems in the operation and maintenance of towers and components of electric power transmission lines. Advanced analytics and artificial intelligence were also implemented to manage and reduce failures in assets that generate SF_6 gases.

Remote virtual assistance
Solución para el diagnóstico de la anomalía o el requerimiento de asistencia y encontrar una solución de manera remota, optimizando así los desplazamientos hacia las subestaciones y reduciendo la emisión de CO_2 por uso de transportes.

LISA
Plug and play device that can be connected to sensors on assets and transmit signals remotely and immediately, optimizing asset management, reducing unexpected failures, and lowering inspection costs. There are three versions of LISA at different stages, depending on the case: LISA GSM in commercial phase in external customers, LISA substations and LISA lines operating in one of the companies to be later tested and used in others.

Optimization of transmission line design
An accurate and dynamic calculation model was designed and built integrating the use of digital twins, artificial intelligence, and detailed asset parameterization that, together with information on climatic conditions, constraints and assumptions and the combination of different variables, allows optimizing the electrical, mechanical, and civil characteristics of the transmission lines at the design stage. This solution generated significant benefits when tested in the design of a project in Colombia.

Optimization of work control
Tracking and monitoring the construction of infrastructure projects through high-resolution digital techniques, use of drones and artificial intelligence to avoid and mitigate potential risks, improve the management of electrical infrastructure projects under construction and take care of the personnel on site. In 2021, a proof of concept was carried out in a project in Colombia.

LISA plug and play device.

Roads

Automation of more than 10% of collection transactions derequiring human validation, making current routes profitable and future routes viable with free flow.

Waze Vision
Real-time visualization and management panel for incidents reported in the Waze application within the ISA INTERVIAL concession area. During 2021, this technology was integrated with ServiceNow and Google, allowing to visualize congestion points and generate alerts for road safety.

Telecommunications and ICT

Digitalization of the billing process to provide a better customer experience and enable a more automated process, gaining responsiveness, efficiency, and timeliness.

New unified information model that supports best practices in human resource management, talent analytics and employee self-service.

Customer-centric service platform for the Multifunctional Service Center, which allows traceability from the beginning to the final delivery of the service and its management.

ISA's Casa Digital (Digital House) was launched, a redesigned website, more interactive, modern, usable, and adaptable to mobile devices, which allows taking advantage of the opportunities for digital communication and interaction in social networks.

New electric power businesses

ISA CTEEP
Won the first large-scale energy storage project in Brazil. This technology contributes to advances in decarbonization, decentralization and digitalization, reduces operating costs and system expansion, increases the integration of economic energy sources, and can be used to reinforce the electricity system.

ISA CTEEP
other ISA companies and an ecosystem startup conducted a study to explore the distributed energy resources market and develop a business model to provide aggregation services to small generators and complementary services to the electricity system.

Illustration of the large-scale storage project in Brazil.

New business opportunities in areas of convergence of current businesses

EcoRep: ISA REP
Began testing a new traceability platform associated with circular economy systems to generate added value in the reuse and recycling of materials.

EcoRegistry
XM platform based on blockchain technology, for the issuance, tracking and withdrawal of carbon credits, contributing to climate change mitigation. During the year, 78 projects were linked, allowing to remove more than 11 million tons of CO_2 through carbon credits from buyers in Colombia, Argentina, Canada, China, Spain, and Italy.

EcoGox: XM
has a blockchain-based platform that offers end-user renewable energy certification and registration services. In 2021, 21 projects were registered, which certified more than 258 million kWh.

Appimotion
Flexible solution developed by SIER for sustainable business mobility. More than 26,000 trips were managed through this platform, which prevented the emission of 405 tons of CO_2. This service was extended to international markets, such as Romania.

ISA
First place in the Premio CIER Innovación 2021 (CIER Innovation 2021 Award) in the innovation platform category

ISA REP
First place with LISA (Lector Inalámbrico de Señales Analógicas —Wireless Analog Signal Reader—) in the CIER Innovation 2021 Award, digitalization category

KPMG UPC

Recognized as **Innovation Expert,** the highest category of the Innovation Maturity Index, IMI

Premio FISE a la Innovación 2021

XM
Honorable Mention for EcoGox in the Premio FISE a la Innovación 2021— FISE Innovation Award 2021—, in the successful business category

Progress and achievements have been possible thanks to the articulation of different organizational capabilities such as digitalization, cultural management, and implementation strategies. In 2021, actions were implemented to give continuity to the materialization of the new innovation system:

- Formation of interdisciplinary, multicultural groups and use of diverse tools and types of work, called agile innovation cells
- Structuring and operation of different innovation vehicles
- R+D+i financing schemes
- Development of special programs, such as the impact innovation program
- Building a broad network of allies to capture value from the global innovation and entrepreneurship ecosystem

Open innovation

31 new challenges to the ecosystem

90 prioritized

562 ideas received

34 in development and execution

Impact innovation program

3 work fronts

- Access to public utilities
- Climate change
- Reduction of infrastructure impacts

CORPORATE VALIDITY

Transformational leadership and influencing capacity

GRI [103-1] GRI [103-2] GRI [102-12] GRI [102-13] GRI [103-3] ISA and its companies take on current and future challenges that transform the environment, with proactivity, anticipation, responsibility, and closeness, with leaders who contribute to the achievement of objectives and fulfill the commitments declared by the company with stakeholders, accrediting an exemplary track record.

Material issue prioritized as critical in relation to this dimension:

6 **Fulfillment of commitments**
Company that transcends through the generation of sustainable value and articulates with global initiatives for the transformation of the sectors to which it belongs and positively impacts the environment and society with proactive leadership.

Regulatory management

ISA and its companies establish actions aimed at generating adequate conditions for the operation of its businesses through an effective relationship with governments, and to be a relevant actor in the construction of public policies, anticipating and adapting to the regulatory environment. This relationship ensures that matters such as safety, reliability and access are guaranteed within the regulatory frameworks, as well as the inclusion of topics related to the sustainability of the environment and the business.

During the year, ISA companies participated in different sectoral committees, some of them of a technical nature and others of a guild nature; spaces were created in which new proposals on regulations that support the development of the businesses in the countries where they are present were analyzed and managed.

Colombia

- Direct and sectorial participation for the construction of elements and proposals related called Misión de la Transformación Energética —Mission for Energy Transformation— (MTE), by virtue of which the Ministry of Mines and Energy structured a proposal to modernize the institutional and regulatory framework that facilitates the energy transformation through the incorporation of new agents, technologies and transactional schemes in the energy markets. In this regard, in 2021, approaches and proposals were presented for the definition of the roadmap for the implementation of the MTE recommendations.
- Participation in the sectorial discussion of the bill 365 of 2020, which gave rise to Law 2099 of 2021, which establishes provisions for the energy transition, the dynamization of the energy market, the economic revival of the country and other provisions. This Law enabled national transmitters to participate in the calls for bids for the Regional Transmission Systems (STR).
- Proposal and revision of the Preliminary Expansion Plan for 2020-2034 and adopted by Resolution 40279 of 2021.

- Management with the CREG, directly and sectorially, on the review of the remuneration and quality of service schemes for the transmission activity for the next regulatory period:

Transmission asset investment costs

Methodology for the determination of the fee for regulated activities

Proposal of economic signals to make the reconfiguration of the STN—National Transmission System—substations and the repowering of lines and substations feasible, to meet the needs of system growth and the connection of new generation projects, and to incorporate new technologies into the system

Inclusion of unrecognized accounts in the AOM and an indexation scheme the real variation of AOM costs and expenses

Review of the study for the update of the Construction Units and Unit Costs for transmission

- The Company participated in the "Large public consultation on infrastructure sharing for the deployment of networks and the massification of telecommunications services", carried out by the Communications Regulatory Commission (CRC). As a result, comments and proposals were submitted, aimed at continuing to consolidate this massification through the sharing of the electricity system infrastructure, with criteria and measures that guarantee safety and efficiency.

- Together with the Advisory Committee for Transmission Planning (CAPT), the company participated in the review of the procedure for the allocation of transmission capacity in the National Interconnected System (SIN), which was defined later through Resolution CREG 075 of 2021, which is expected to strengthen the incursion of new generation projects into the networks, including those based on non-conventional renewable sources, contributing to the decarbonization of the electricity sector.

- Direct, sectoral joint work with the Commission for the Regulation of Energy and Gas (CREG) to address energy transmission relevant topics:

Work plan and actions for the reduction of restrictions originated during maintenance of transmission assets

Proposed modification of the provisions on the participation of national transmitters in the selection processes for the expansion of the Regional Transmission System (STR)

Proposed quality of service standards for Battery Energy Storage Systems

Peru

During the period, ISA REP, together with the sectorial groups, participated in the development of the reports, contributing knowledge and experience in the process.

- The Multisectoral Commission for the Reform of the Electric Subsector (CRSE) and the Ministry of Energy and Mines delivered and presented the partial and final results of the consultancy hired to prepare the conceptual framework for the reform of the electric sector, as part of the preparation of the Libro Blanco —White Book—, which aims to achieve the modernization of the Peruvian electric system in a way that allows the orderly migration from the traditional system to a more modern one, through the use of disruptive technologies, such as smart grids and the incorporation of non-conventional renewable energies. Through Resolution No. 003-2021-EM, the Commission's term was extended in order to continue with the preparation of the regulatory proposal, until the presentation of the White Book by the Multisectoral Commission to the competent authority.
- Publication of Supreme Decree 018-2021-EM, which seeks to reactivate the execution of pending electric power transmission projects of the Complementary Transmission System, corresponding to the Transmission Investment Plans (PIT) for the periods 2013-2017, 2017-2021 and 2021-2025. This process consists of the reallocation of projects through the expression of interest mechanism, which will allow transmission concessionaires to submit their bids in a simplified bidding scheme, whose first call for bids is scheduled for 2022.
- The Energy and Mining Investment Regulator (Osinergmin) established some concepts regarding tariff regulation:

Approved the percentages to determine the Standard Annual Cost of Operation and Maintenance of Transmission Facilities for the period from May 1, 2021, to April 30, 2027, applicable to the calculation of tariffs for new projects of the Complementary Transmission System under the mechanism of the Electric Concessions Law

Fixed the tariffs for the Secondary and Complementary Transmission Systems, which will be in effect during the period May 2021 - April 2025

- Osinergmin and the Ministry of Energy and Mines issued several regulatory modifications and formulated draft regulations for the opinion of the agents:

Regulation that develops the institutional framework that governs the regulatory quality improvement process and establishes general guidelines for the application of the regulatory impact analysis

Standards related to supervision, methodological guidelines for the calculation of the base fine and classification of infractions

Modification of technical procedures of Economic Operation Committee of the National Interconnected System (COES)

Draft procedure for dealing with electrical risk situations

Chile

In 2021, sectoral discussions revolved around the accelerated decarbonization of the country's energy matrix, the role of transmission and storage systems as vehicles of the energy transition, the awarding of the Kimal - Lo Aguirre project and the extension of the Basic Services Law published in the framework of the pandemic.

Some of the most relevant milestones that occurred during the period and where ISA INTERCHILE expressed interest and participated in the discussions were:

- The Ministry of Energy published the Regulation of Transmission Systems and Transmission Planning, which clarifies the incorporation of energy storage systems in the planning of transmission investments, fully enabling transmission companies to compete in bidding processes for this type of works.
- The first transmission asset valuation process concluded, following the publication of the New Transmission Law of 2016, the values that will govern for the 2020-2023 quadrennium and which are directed by the National Energy Commission. The process establishes an efficient valuation for the Legacy Assets, which cover ISA INTERCHILE's Encuentro-Lagunas Second Circuit Expansion and Nueva Cardones Substation Expansion Busbars projects. The process presented complexities, with serious delays in the tariff exercise and discussions about the quality of the efficient valuation exercise carried out, which is why discrepancies were presented to the Panel of Experts on the results of the tariff process by 23 transmission companies in the country, given an average reduction of 20% of the investment value of the valuated transmission assets. The Panel of Experts is expected to deliver its opinion in January 2022 and the final tariff decree is expected to be officialized in the second half of 2022.
- In December 2021, the Ministry of Energy submitted to Parliament two bills of relevance for the country's energy transition:

Project that promotes renewable energies in the national energy matrix, in addition to promoting the production and use of green hydrogen in the country

Bill that promotes storage and electromobility, which releases barriers encountered that affected the massive incorporation of these elements in the system

ISA INTERCHILE has played a relevant role in the development of this Association, mainly through its regulatory/legal, technical and sustainability committees.

Brazil

The change in the payment profile of the financial liabilities associated with the transmission assets of the Basic Network of the Existing System (RBSE) is highlighted. The measure announced by ANEEL aims to mitigate the costs for electricity consumers in the 2021 readjustments, keeping tariff increases for distributors below double digits.

ANEEL published Ratification Resolution No. 2,851, dated April 22, 2021, which amends Ratification Resolution No. 2,714, dated June 30, 2020, which ratifies the result of the 2018 periodic review of the Allowed Annual Revenue (RAP), associated with Concession Contract No. 059/2001, in charge of ISA CTEEP. On that occasion, ANEEL decided to recognize the main requests for reconsideration issued by the company.

Regarding sectorial issues, a public consultation was held to define the methodology for calculating the X Factor and the business efficiency gain for the transmission segment. ISA CTEEP participated in the discussions and in the development of a technical work to mitigate possible risks transmission sector, together with the Brazilian Association of Electric Power Transmission Companies (Abrate).

Additionally, ANEEL decided, in 2021, to open the second phase of the Public Consultation No. 30/2020 to discuss the Regulatory Impact Analysis (AIR) report on the evaluation and improvement of the regulations associated with the reinforcements, and improvements in the electric power transmission facilities, as well as the proposals for regulatory improvements:

- Establishing an explicit definition of major and minor reinforcements and improvements
- Total decoupling of large and small reinforcements, which would be authorized separately
- A new regulatory concept of improvements, based on the logic of investment accounting, differentiating them from operation and maintenance activities

ISA and its companies establish actions aimed at generating adequate conditions for the operation of its businesses through an effective relationship with governments, and to be a relevant actor in the construction of public policies, anticipating and adapting to the regulatory environment.

Colombia - Panama Interconnection Project (ICP)

The countries of the region have been progressively consolidating a process of energy integration with the aim of boosting competitiveness and efficiency and, in this way, contributing to their economic and sustainable growth. With this objective in mind, policies and projects that guarantee the continent's energy security through a diversified, safe, reliable and environmentally friendly energy supply are promoted.

As a milestone in the process of making the project viable, in July 2021 the Ministries Agreement was signed, which defines the requirements, bases, principles, scope and general guidelines on which the harmonization scheme for the development and operation of the interconnection must be based, having as a fundamental premise that the project will be made viable as a connection asset in charge of ICP, but that it will incorporate economic mechanisms that will allow achieving its financial viability. In addition, the Agreement establishes the commitment of the countries to expedite the issuance of environmental, technical and construction permits.

Based on the authorizations obtained from the Indigenous communities, under the vision of the environmentally sustainable corridor, since 2019 the Environmental and Social Impact Assessment (ESIA) and the Field Design Study of the Project have been underway in Panama, which are being developed in stages, in a coordinated manner. In October 2021, the National Environmental Licensing Authority (ANLA) in Colombia approved the Environmental Diagnosis of Alternatives (DAA), which defines the project corridor in this country, enabling the start of the execution of both the ESIA and the field design, whose activities are being developed according to the established work plan.

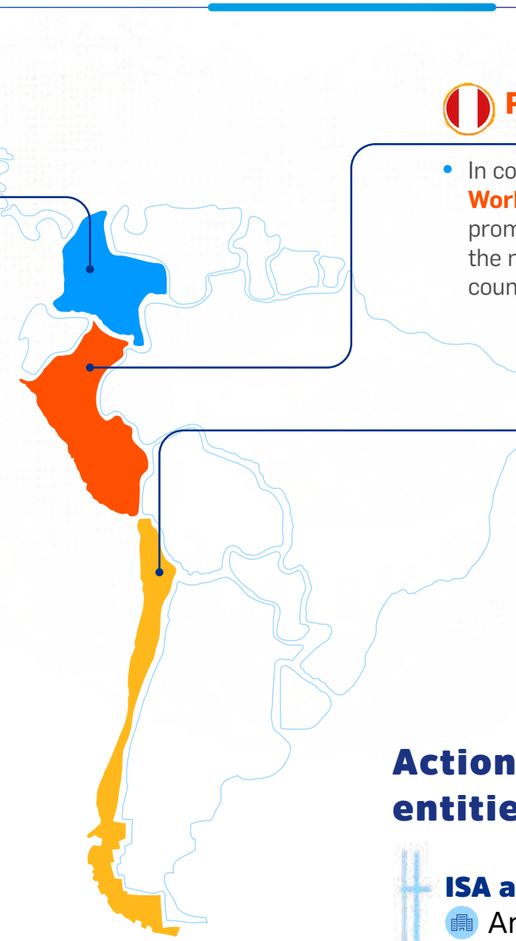
Management of trade associations

ISA and its companies have a stakeholder relations strategy, in which the trade associations play a relevant role as the company's connection with the business, sector and country dialogues. In turn, the objective of participation in these spaces is to contribute to the construction of public policy, participate and lead conversations for the transformation of the sectors for the benefit of society and create collaborative networks that allow alignment with the priorities of the countries.

Today, ISA and its companies actively participate in more than 100 relationship spaces in the countries where it operates, with defined work teams, spokespersons, and consolidated agendas. These spaces do not have among their objectives to finance or promote political parties, their representatives, or candidates, nor do they sponsor congresses or activities aimed at political propaganda.

COLOMBIA

- Based on the leadership positions in the trade associations, **the Energy Transition roadmap was consolidated** to successfully pass the Energy Transition Law in a proactive and constructive manner with the sector.
- **ISA led the Colombian chapter of the Colombia-Chile Business Council**, which proposed a sustainability agenda focusing on carbon neutrality and the promotion of carbon markets in the region.
- **ISA and its companies in Colombia joined the Carbon Neutral Electricity Sector Alliance with specific targets for 2050,** which were also raised in the COP26 conversation as the core of the fulfillment of several of the SDGs.
- ISA also adhered **to the Colombia Carbon Neutral initiative of the Ministry of Environment and Sustainable Development** and to the actions aimed at its 2050 climate strategy.
- **Participation in ExpoDubai2020** was coordinated, where ISA's contribution to sustainability, climate change mitigation and innovation was included in the event's agenda.



PERU

- In conjunction with Colombia, **the Works for Taxes mechanism** was promoted as an option for developing the most remote communities in the countries.

CHILE

- **The transmission trade association was consolidated** and discussions on energy transition and decarbonization of the energy matrix were promoted.

Actions with sector entities

ISA and its companies in Colombia
Andesco
COP $87,500,000

ISA CTEEP
Abrate
COP $40,000,000

Entity

Currency equivalence:
1 USD = COP 3,981.16

Institutional commitments

[GRI 102-12] Focused on the generation of sustainable value, the ISA2030 Strategy responds to the global challenges considered in the United Nations 2030 Agenda, contributing to the goals through concrete actions framed in the following prioritized Sustainable Development Goals (SDGs).

Creation of opportunities for capabilities development and to enhance employability and entrepreneurship, through the Connections for Development program

Improving the quality of education through actions aimed at educational institutions and their environment

Professional studies support program

Energization and development of the communities where we operate

Promotion of innovation and development for new energy solutions

Strong commitment to innovation in ISA's different businesses and offering solutions to economic and environmental challenges, such as increasing energy efficiency

Implementation of the economic revival program, ISA's contribution to the challenges regarding employability and the development of small businesses, women, and the rural population

Connections for Development program in Chile and Colombia to strengthen community ecosystem capacities and generate transformations in the territories of influence

Actions to reduce 11 million tons of CO_2e to the planet:

- Emissions reduction through investments in equipment modernization and eco-efficiency practices, process improvements, and sustainable mobility
- Climate change mitigation through the actions of the Conexión Jaguar Program, which seeks to contribute positively to environmental conservation by supporting forest restoration and conservation projects

ISA's declaration of its commitment to the protection of ecosystems through its forest offset programs, agreements, and partnerships to the protection of sensitive ecosystems

Contribution to the goals of the National Development Plan in Colombia through the planting and maintenance of more than 1 million trees (2018-2022)

Conexión Jaguar Program, which seeks the conservation of biodiversity and the connectivity of the jaguar's natural habitats

ISA's declaration of its commitment to the promotion and protection of human rights, as well as ethical and transparent behavior

Ethics and Compliance Corporate Program, by means of which compliance with regulations related to fraud, corruption, bribery, money laundering and terrorist financing risks that may affect corporate resources, the reputation and sustainability

Code of Ethics and Conduct

Good **corporate governance** practices

Partnership management for the contribution to facing the COVID-19 pandemic, promotion of biodiversity, innovation, the Conexión Jaguar program, Connections for Development and Economic Revival

Global Compact of the United Nations

In the eighth edition of the Global Compact Chair, "The Decade of Action and Restoration", ISA and ISA INTERCOLOMBIA, together with other Colombian companies, shared best practices in:

- Fulfillment of the 2030 Agenda
- Human rights management
- Alliances and articulation
- Gender diversity
- Public value
- Conscious capitalism
- Climate change
- ESG risks
- Peace and implementation of the peace agreements

Red Prodepaz

Continued support was offered to La Red Prodepaz, which advanced towards the construction of a peaceful nation based on local and regional development and peace dynamics and processes. ISA, as a supporting entity, facilitated:

- Strategic relations and partnerships for reconciliation and peace building
- Participation in the construction of public policies for the strengthening of the territory and peace

Business alliance for sustainability

At ISA, together with Grupo Éxito, Bavaria, Movistar, Postobón, Enel, Ecopetrol, Terpel, Grupo Sura, Grupo Nutresa, Grupo Argos and Grupo Bancolombia, we are aware of our role as economic agents and social actors in Colombia and we are convinced that the greatest positive impact we generate on society, the environment and the economy comes from our businesses when we act in an ethical, conscious, responsible and sustainable manner, and we account for this in a public and transparent manner.

With the value we create for more than 45 million customers and users, 203,000 employees, 126,000 suppliers, 374,000 investors, close to 20% of Colombia's GDP and, indirectly, the entire Colombian society, we understand more than ever how interconnected we are, how vulnerable we are and the importance of working together. That is the reason why we joined efforts more than a year ago to work together in our commitment to the sustainable development of Colombia, seeking to move towards a more prosperous economy oriented towards the fulfillment of the 2030 Agenda and the commitments of the Paris Agreement.

The Global Compact Chair alliance has contributed close to COP 138 million in human capital training on sustainability matters, benefiting more than 23,000 people.

ISA and its companies offset 100% of their greenhouse gas emissions in Scopes 1 and 2 and a percentage of Scope 3 through carbon credits, which represented 47,888 tCO_2e.

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA and XM are part of Acción Colectiva del Sector Eléctrico (Collective Action of the Electricity Sector) to promote a Comprehensive Anti-corruption System.

Memberships and subscriptions [GRI 102-13]

COMPANY	ENTITY	CATEGORY	FIGURES IN COP		
			2019	2020	**2021**
ISA	Asociación Colombiana de Relaciones de Trabajo	Trade association	1,130,763	1,182,778	**1,182,778**
	Asociación de servicios públicos y telecomunicaciones	Trade association	101,974,000	108,092,000	**114,000,000**
	Asociación Nacional de Comercio Exterior	Trade association	12,720,000	N. A.	**0**
	Asociación Nacional de Empresarios de Colombia	Trade association	207,192,000	232,754,700	**213,247,859**
	Asociación usuarios de SAP - Colombia	Trade association	6,898,713	3,024,000	**0**
	Asociación usuarios de SAP - ASUGAmericas	Trade association	0	0	**0**
	Asociación usuarios de SAP - Iberoamérica	Trade association	0	0	**0**
	Cámara Colombiana de Infraestructura	Trade association	46,620,240	48,391,200	**49,359,024**
	Cámara de Comercio Colombo Brasilera	Trade association	0	N. A.	**0**
	Cámara de Comercio e Industria Colombo Chilena	Trade association	8,004,399	8,308,566	**0**
	Cámara de Integración Colombo Peruana	Trade association	0	N. A.	**0**
	Corporación Reconciliación Colombia	ONG	20,702,913	21,945,075	**35,100,000**
	Comité Colombiano de la Comisión de Integración Energética Regional	Thin tank	17,122,000	0	**0**
	Consejo Mundial de Energía Colombia	Thin tank	15,803,000	17,772,000	**17,350,200**
	Fundación para el Progreso de Antioquia	Trade association	39,000,000	40,950,000	**65,900,000**
	Red Local del Pacto Global Colombia	Alliance	14,857,100	15,500,000	**0**
	Pacto Global de las Naciones Unidas	Alliance	23,000,000	23,650,000	**0**
	Red de Líderes empresariales contra el cambio climático	Alliance	6,045,699	4,638,564	**0**
	Comité Nacional CIGRÉ Colombia	Thin tank	4,406,897	4,326,000	**8,925,000**
	International Council on Large Electric Systems	Thin tank	0	0	**0**
	Institute of Electrical and Electronics Engineers	Thin tank	169,795,423	220,666,735	**240,385,592**
	Colombia Inteligente	Alliance	0	0	**0**
	Corporación Centro de Investigación y Desarrollo del Sector Eléctrico	Thin tank	0	87,780,300	**90,000,000**
	Red de Programas Regionales de Desarrollo y Paz	Alliance	0	0	**0**
	Clúster Energía Sostenible	Alliance	0	0	**0**

COMPANY	ENTITY	CATEGORY	FIGURES IN COP 2019	2020	2021
ISA	Comisión de Integración Energética Regional	Thin tank	0	0	**0**
	Comité Universidad - Empresa - Estado	Alliance	0	0	**0**
	Corporación Ruta N	Alliance	0	0	**0**
	Corporación Centro de Ciencia y Tecnología de Antioquia	Trade association	0	0	**0**
	Endeavor & Brightidea	Alliance			**120,000,000**
	MIT	Alliance			**276,866,899**
	CB Insights	Thin tank			**27,132,000**
	Membresia EPRI 2021-2022	Thin tank			**0**
	Corporación Centro de Innovación Ventures	Alliance	82,811,600	71,400,000	**0**
ISA INTERCOLOMBIA	Asociación Nacional de Empresas de Servicios Públicos y Comunicaciones	Trade association	18,006,000	19,083,000	**25,000,000**
	Comité Colombiano de la Comisión de Integración Energética Regional	Thin tank	29,600,000	29,000,000	**29,000,000**
	Red Local del Pacto Global Colombia	Alliance	15,500,000	15,500,000	**15,500,000**
	Pacto Global de las Naciones Unidas	Alliance	0	0	**0**
	Comité Nacional CIGRÉ Colombia	Thin tank	4,406,897	4,326,000	**4,326,000**
	Comité Minero Energético de seguridad y DDHH	Trade association	49,973,249	51,872,232	**45,000,000**
	Grupo Pares		N. A.	N. A.	**N. A.**
	Grupo del sur		N. A.	N. A.	**N. A.**
	Instituto de Auditores Internos	Thin tank	0	0	**N. A.**
	Centro de Innovación y Desarrollo Tecnológico del Sector Eléctrico	Thin tank	12,000,000	15,000,000	**15,000,000**
	Asociación usuarios de SAP - Colombia	Trade association	3,248,000	0	**N. A.**
	Risk Management Society	Thin tank	2,019,468	2,220,537	**2,601,950**
	Mesa ANDI Mas La Guajira	Trade association	0	49,000,000	**50,000,000**
	Asociación Colombiana de Relaciones de Trabajo	Trade association	0	0	**1,201,005**
	Cámara de Industria Digital y Servicios de la ANDI	Trade association	0	2,476,259	**14,000,000**
	Comisión de Integración Energética Regional	Thin tank	0	78,092,490	**84,063,000**

COMPANY	ENTITY	CATEGORY	FIGURES IN COP 2019	2020	2021
ISA TRANSELCA	Agencia de Promoción de Inversiones de Barranquilla - ProBarranquilla	Trade association	24,392,060	25,095,000	**25,095,000**
	Asociación de Empresas de Servicios Públicos	Trade association	42,536,692	46,544,000	**25,823,024**
	Asociación Nacional de Empresarios de Colombia - Apell	Trade association	0	6,057,243	**6,172,330**
	Cámara de Comercio Colombo Americana - capítulo Barranquilla	Trade association	3,226,080	3,368,000	**3,368,000**
	Comité Colombiano de la Comisión de Integración Energética Regional	Thin tank	14,372,600	15,300,000	**15,900,000**
	Consejo Colombiano de Seguridad	Trade association	2,170,780	0	**2,907,760**
	Consejo Internacional de Grandes Sistemas Eléctricos Colombia	Thin tank	4,407,000	4,326,000	**4,326,000**
	Corporación Centro de Investigación y Desarrollo del Sector Eléctrico	Thin tank	8,390,793	8,709,643	**8,709,643**
	Atlanticonnect (Innovación)	Thin tank			**14,280,001**
	ISACA Information Systems Audit and Control Association	Thin tank			**2,907,760**
	Fundación Cívico Social Pro Cartagena	Trade association	15,410,761	15,996,369	**16,253,911**
XM	Asociación de Empresas de Servicios Públicos	Trade association	16,610,000	17,608,000	
	Asociación Mundial de Operadores de Mercados de Energía y Gas	Trade association	2,536,400	3,291,619	
	Colombia Inteligente	Thin tank	14,280,000	15,000,000	**15,800,000**
	Comisión de Integración Energética Regional	Thin tank	0	0	
	Comité Colombiano de la Comisión de Integración Energética Regional	Thin tank	16,600,000	15,300,000	
	Corporación Centro de Investigación y Desarrollo del Sector Eléctrico	Thin tank	4,968,696	5,266,818	
	Institute of Electrical and Electronics Engineers	Thin tank	0	0	
	International Council on Large Electric Systems	Thin tank	4,200,000	4,326,000	
	International Council on Large Electric Systems Colombia	Thin tank	4,406,897	4,326,000	**4,326,000**
	The risk management society	Thin tank	2,177,515	15,000,000	**2,362,828**
ISA CTEEP	ASSOCIAÇÃO BRASILEIRA DOS CONCESSIONÁRIOS DE ENERGIA (ABCE)	Trade association	23,708,389	21,186,690	**22,833,339**
	ASSOCIAÇÃO BRASILEIRA DE INFRAESTRUTURA (ABDIB)	Trade association	73,125,257	61,097,668	**77,333,644**
	ASSOCIAÇÃO BRASILEIRA DE GERÊNCIA DE RISCOS (ABGR)	Trade association	2,195,221	1,783,391	**0**
	ASSOCIAÇÃO BRASILEIRA DOS CONTADORES DO SETOR DE ENERGIA ELETRICA (ABRACONEE)	Trade association	10,244,365	8,322,493	**0**

COMPANY	ENTITY	CATEGORY	FIGURES IN COP 2019	2020	2021
ISA CTEEP	ASSOCIAÇÃO BRASILEIRA DAS COMPANHIAS ABERTAS (ABRASCA)	Trade association	14,634,808	13,078,204	**17,121,840**
	ASSOCIAÇÃO BRASILEIRA DAS EMPRESAS DE TRANSMISSÃO DE ENERGIA (ABRATE)	Trade association	130,304,459	106,186,056	**169,668,331**
	INSTITUTO ACENDE BRASIL	Thin tank	190,419,176	155,036,158	**0**
	Centro de investigación en Energía (CEPEL)	Thin tank	81,304,488	66,051,533	**71,341,000**
	Comité Brasileño de la Comisión de Integración Energética Regional (BRACIER)	Thin tank	18,566,693	25,641,998	**27,695,290**
	Comité Nacional Brasileiro de Produção e Transmissão de Energia Elétrica	Thin tank	3,512,354	2,961,090	**3,980,828**
	Conselho Regional de Engenharia e Arquitetura - São Paulo	Thin tank	3,437,424	2,595,832	**3,115,233**
	Sindicato das Industrias de Energia no estado de São Paulo	Trade association	88,579,882	74,577,683	**14,125,518**
	Pacto Global de las Naciones Unidas	Alliance	16,260,898	13,210,307	**18,056,407**
	Instituto Brasileiro de Governança Corporativa (IBGC)	Thin tank	22,196,125	24,872,365	**26,864,167**
	Associação de Intercâmbio Sociocultural e empresarial Brasil-Colômbia	Trade association	0	33,025,767	**35,670,500**
	Associação Brasileira de Comunicação Empresarial	Trade association	0	6,824,444	**7,370,952**
ISA BOLIVIA	Comité Boliviano de la Comisión de Integración Energética Regional	Thin tank	16,385,700	17,162,500	**19,905,948**
ISA REP	Patronato Perú 2021	Alliance	16,475,212	17,309,528	**18,027,900**
	Sociedad Nacional de Minería, Petróleo y Energía	Trade association	91,308,407	88,470,920	**115,438,653**
	Comité Peruano de la CIER	Thin tank	14,589,495	14,136,114	**14,722,785**
	Alianza de empresas que promueven y financian Obras por Impuestos –ALOXI–	Trade association	10,917,309	10,578,045	**11,017,050**
	Consejo Empresarial Colombiano	Trade association	6,550,386	6,346,827	**7,812,090**
	Comité CIGRE	Thin tank	3,930,231	3,808,096	**3,966,138**
	AMCHAM	Trade association	1,984,965	1,923,281	**2,003,100**
	Aperhu	Trade association	396,993	384,656	**401**
	Club de la Energía	Trade association	4,962,413	0	**0**
	Kunan	Alliance			**20,031,000**
	Pacto Global de las Naciones Unidas	Alliance			**10,015,500**
	Nexos +1	Alliance			**12,018,600**

COMPANY	ENTITY	CATEGORY	FIGURES IN COP 2019	2020	2021
ISA INTERCHILE	Empresas Electricas A.G.	Trade association	0	0	**N. A.**
	Asociación Gremial de Transmisoras de Chile (Transmisoras AG)	Trade association			**50,447,123**
	Sociedad de Fomento Fabril (SOFOFA)	Trade association	0	0	**32,601,008**
	Corporación Empresarial para el Desarrollo de Til-Til (PROTITIL)	Trade association	59,949,857	67,023,792	**14,244,457**
	Cámara Regional de Comercio y la Producción de Valparaíso (CRCP)	Trade association	17,844,613	19,684,085	**4,185,588**
	Consejo Internacional de Grandes Redes Eléctricas (CIGRE)	Thin tank	2,626,122	4,828,050	**1,000,000**
	Corporación Industrial para el Desarrollo Regional de la Región de Coquimbo	Trade association	21,884,350	24,140,250	**5,000,000**
	World Energy Council (WEC Chile)	Thin tank	21,884,350	24,140,250	**5,817,436**
	Asociación Chilena de Energías Renovables y Almacenamiento (ACERA AG)	Trade association	0	67,788,487	**11,026,319**
	Cámara de Comercio Chileno Colombiana (CCCC)	Trade association	0	6,209,138	**1,316,947**
	Pacto Global de las Naciones Unidas (PACTO GLOBAL)	Alliance			**4,249,417**
	Programa Territorial Integrado de Energía Región de Atacama (PTI Energia Atacama)	Trade association			**5,000,000**
	United Way	Alliance			**3,860,280**
ISA INTERVIAL	Cámara chilena de la construcción	Trade association	8,027,358	8,027,358	**8,027,358**
	COPSA- Concesiones	Trade association	9,476,146	94,761,468	**94,761,468**
	Cámara de comercio chileno colombiana	Trade association	1,054,368	1,054,368	**1,054,368**
	ACCION EMPRESAS	Trade association	0	7,000,000	**7,000,000**
INTERNEXA	Asociación de Empresas de Servicios Públicos (ANDESCO)	Trade association	0	40,000,000	**34,352,000**
	CCIT O&M NAP PRINCIPAL + ALTERNO + GNAP 2018	Thin tank			**127,077,400**
	Cámara de Comercio de Estados Unidos en Argentina	Trade association	-	120,720	**0**
	AMCHAM	Trade association	0	3,632,834	**0**
	Cámara de Comercio Colombo Chilena	Trade association	0	8,208	**7,173,000**
	Cámara de Comercio de Santiago	Trade association	0	6,759	**0**
	Cámara de infraestructura digital	Trade association			**6,376,000**
TOTAL			**2,082,262,450**	**2,527,464,540**	**1,978,012,781**

CORPORATE VALIDITY

Development and care of human talent

GRI [103-1] GRI [103-2] GRI [103-3] Human talent management at ISA and its companies is framed within a work model that prioritizes the leader-employee relationship as the center where the true development of people takes place.

Material issues prioritized as critical in relation to this dimension:

25 Talent development
A company that promotes the commitment of its human capital, strengthens their knowledge, favors their well-being and integral development, and recognizes their performance, thus increasing their capacity to contribute to the achievement of the strategy.

26 Quality of life
Compañía que respeta los derechos laborales y cuida a su talento humano, garantizando la existencia de prácticas de calidad y el equilibrio entre las responsabilidades profesionales y la vida personal.

27 Occupational Safety and Health
A company that manages the safety and health of its own and indirect employees through the promotion of healthy work environments, the implementation of safe practices, the development of a self-care culture and the prevention of risks related to safety and health.

Talent development

GRI [404-3] The purpose and vision of knowledge management in ISA and its companies seeks to identify critical knowledge to achieve high levels of competitiveness and excellence in business development. This is achieved through a constant knowledge surveillance and continuous referencing.

In order to strengthen the knowledge, as well as the skills and capabilities of human talent so that they become great strengths in the future of the company to fulfill the strategy, actions are developed related to the identification and updating of critical knowledge and the development of training programs (virtual, in-person or blended) with the organization's own experts and external experts.

Likewise, participation in international forums and updating events is promoted; there is a subscription for employees to knowledge portals such as GetAbstract, CEB Gartner, Massachusetts Institute of Technology (MIT), LinkedIn Learning, among others, and we intervene in the development of skills that leverage organizational capabilities, such as leadership, innovation, digital transformation, and adaptability.

Leadership center

It allows to develop in leaders and key personnel the skills defined in the ISA Leadership Brand, to leverage the achievement of the Strategy.

USD 0.2 million
Investment

4.59
Level of satisfaction

7,475
Training hours

3%
of training hours

14%
of programs executed in this center

Excellence center

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

USD 1.3 millions
Investment

4.53
Level of satisfaction

75,380
Training hours

31%
of training hours

22%
of programs executed in this center

Care and human capital development

During 2021, progress was made towards the consolidation of the learning and knowledge strategy on the three defined fronts:

Development center

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

USD 1 million
Investment

4.59
Level of satisfaction

163,739
Training hours

66%
of training hours

64%
of programs executed in this center

Overall average satisfaction with training events across all companies

4.6/5.0

Total investment in training

USD 2.5 millions

Total training hours

246,594

Women

Hours of training
68,793

Average training
67.44 hours per each woman

Men

Hours of training
177,801

Average training
56.62 hours per each man

Job openings filled with internal talent
108 **18%** Equivalent percentage

Value of contracts USD

2019	2020	2021
995	2,061	3,830

Leadership center

This center had an evolution: **six criteria were defined** in order to strengthen the leadership style of the organization

Simple **Co-constructed** **Observable** **Aspirational** **Dynamic** **Unique**

Leaders with a purpose

Main changes incorporated in the leadership brand:

- Puts people at the core
- Connects with the global context
- Incorporates empathy and caring for others
- Leverages cultural transformation
- Exceeds goals by achieving results with others, being agile and making consistent decisions

Leaders meeting

Five virtual meetings were held with leaders from all the companies, with the participation of internal and external speakers.

230 participants

Featured speakers

- **Dave Ulrich** author, speaker, management coach and business consultant.
- **Eduardo Braun** leadership and culture expert, speaker, author, and Conference Chair of the Global Peter Drucker Forum.

In addition, around 20 personalized mentoring sessions were held for leaders to accompany them in the incorporation and development of the leadership brand.

20 participants

Excellence center

Development of the Legacy program

Initiative developed with XM, consists of capturing the company's most important knowledge and making it available to people on topics such as:

- **Restoration,** substations and maneuvers
- **Integration** of energy sources
- **Design and development** of non-conventional renewable markets
- **Cybersecurity**

18 participants

30 internal teachers

Business Friday Program

This initiative, developed together with XM, consists of opening a virtual space for the transfer of knowledge on relevant business topics for the entire organization:

- System flexibility **study**
- **Ecosystem,** policy, regulation, and markets
- **Citizen Developer**
- **The arithmetic** of the wholesale energy market
- Applied **analytics** for real-time monitoring of the National Interconnected System (SIN)

21 sessions
100 people per session

1,918 participants

Specialized technical training

Determined according to training plans by area. During the year, special emphasis was placed on the training plans of the Operation and Maintenance Management, aimed at developing capabilities such as operational excellence and digital transformation. Specialization programs in advanced analytics and training in cybersecurity, reliability in power systems, state estimator and electromagnetic transients were carried out.

2,814 participants

SIG+ Training

Maintains a culture of safety, health, environmental preservation, and asset management.

1,128 participants

Specialized OSH training

According to the roles required in the field, people were prepared with specialized training to take care of personal and operational safety. This is done through qualifications in work at height, work supervisors, live-line working, Control Center operators, as well as certification in crane and rigger handling. Training in confined spaces and in the safe handling of power tools was also provided.

1,685 participants

Human factors training in operation safety for the Control Center

The operation from the Control Center, as a critical process, must effectively manage the risks that can have a negative impact on its safety and reliability, considering potential impacts associated with fatigue. It provides tools to improve the quality of life at home and at work, by adequately managing alertness and recovery levels and understanding the management of risks associated with fatigue in the operation.

249 participants

Real Life Learning

Simulation program through virtual reality to represent failure scenarios where employees live the experience of analyzing particular cases without exposing them to the real risk of the situation.

83 participants

Development center

Bilingualism

An accredited and transversal program for all companies in which any employee has access to face-to-face classes and conversation clubs.

255 participants

77 Portuguese | **178** English

12,265 Training hours

MBA Program with Westfield

This program is designed for employees to broaden their business horizons by driving continuous improvement and innovative dynamics in the organization and through the development of the necessary skills to structure and communicate sustainable business models and how to manage them.

54 participants

28 Graduated | **26** Still in training

ISA's Talent Seedbed

Talent attraction, selection and development program that allows the company to face changes, both due to the technical demands represented by the loss of critical talent, as well as environmental conditions that require new capabilities.

19 participants

4.65 Level of satisfaction

32 Training hours

Digital Experience Center

Engine to accelerate the appropriation of data and emerging technologies with digital value capture, empowering a collaborative network of employees and strengthening their capabilities to create tangible solutions, experiences, and products with impact.

600 participants

750 participants in formal courses and diploma courses

1,500 E-learning courses

More than 20,000 training hours

Cybersecurity, advanced analytics and artificial intelligence and robotics:

750 participants — Formal courses and diploma courses

1,500 participants — E-learning courses

More than 20,000 Training hours

Virtual learning platforms

- **LinkedIn Learning:** It has multiple online classes and training courses focused on the development of the necessary skills for the organization: operational excellence, networking, digital transformation, innovation, and adaptability.
- **Knowmad:** Open courses with live teachers, available to all human resources, focused on the development of innovation capabilities and digital transformation.
- **Development Guidelines:** A mobile application was designed and implemented based on the 70/20/10 development model, so that employees can access different content in books, videos, and podcasts.
- **Getabstract:** Platforms with summaries of business books.

1,486
Number of participants

6
courses were held

10,646
Hours of training

Organizational capabilities training path:

- **Digital transformation:** 5 training actions on cybersecurity matters, e-learning strategies, and basic concepts

369
participants

4.5/5.0
Average Satisfaction

768
Hours of training

- **Adaptability**

284
participants

4.7/5.0
Average Satisfaction

240
Hours of training

- **Innovation:** 2 diploma courses

217
participants

4.7/5.0
Average Satisfaction

520
Hours of training

- **Corporate entrepreneurship and innovation management training programs**

281
participants

- **Other innovation training activities**

14
participants

Training programs with greater impact on core business activity

DEVELOPMENT PROGRAM	BENEFITS FOR THE BUSINESS	QUANTITATIVE IMPACTS	% EMPLOYEES (FTE)
Leaders meetings	Strengthening and positioning of Leadership Brand to face present and future challenges of the company: • Incorporation and development of the Leadership Brand • Development of organizational capabilities • Common and aligned language • Leaders with a clear purpose in line with the Strategy and Manifesto	• 5 virtual meetings with leaders from all companies • 20 specialized mentorships • Participation of 270 leaders • Increased the Leadership Index by two points, from 87 in 2020 to 89 in 2021	• 270 leaders
Training path #Talent Seedbed	Strategy for the early attraction of high potential talent, which stimulates the creation of knowledge, reduces generational turnover times, and strengthens the employer brand: • Responding to generational turnover: about 1,148 employees with business-critical knowledge to retire by 2030 • Training from different processes of the business areas, in order to strengthen skills and obtain the necessary knowledge to perform in any of the companies • Each participant has a mentor, who is in charge of accompanying his or her personal and professional development • Knowledge in core business needs: Electrical, mechanical, industrial, systems and civil engineering • Use and application of leadership tools • Organizational capacity building to prepare the leaders of the future	• Participation of 50 professionals in cohorts 1 and 2 • 66% of participants have been hired in positions prioritized for generational turnover	• 20 professionals • 8 women to contribute to the formation of STEM positions within the company

Other actions for improvement and building of capabilities

Mobilizing programs for change and culture:

Reverse Mentoring

Promotes the adoption of new technologies by encouraging the organization's leaders to learn digital knowledge through interaction with referential, intergenerational, and multicultural talents, breaking hierarchical barriers. This program has also increased productivity through the use of technological tools, provides additional professional experience and enhances leadership in the participants.

26%
of the leaders participated

92%
developed interest in exploring new technologies

94%
value horizontal organization and intercompany work

90%
consider that they have strengthened their digital transformation capacity

Connections with You recognition program

It promotes the development of organizational capabilities and strategic initiatives, strengthens the culture, contributes to a good working environment, and increases commitment to achieving results. The program has a technological platform in which leaders and employees from all companies made more than 5.900 recognitions to colleagues for their outstanding behavior.

Number of acknowldgments for abilities

5,943
Total of acknowledgments

1,880
Networking

1,670
Operational excellence

849
Adaptability

577
Innovation and entrepreneurship

492
Digital transformation

475
Co-responsibility

Knowledge and Innovation Days

Ninth version of this biennial event that seeks to share experiences and new ideas to contribute to the achievement of strategic objectives through research and innovation.

561 authors, co-authors, judges, and speakers

25 technical conferences

109 knowledge works

1,926 people registered, four times the number of people who participated in the on-site event

7 **ideas for solutions to internal innovation challenges to solve:**
- New uses of infrastructure
- Asset management in highly corrosive environments
- Optimization of biomass calculation
- Optimizing designs and contractive methods
- Use of alternative materials, reduction of network downtime
- Minimizing the environmental impact of SF_6 use

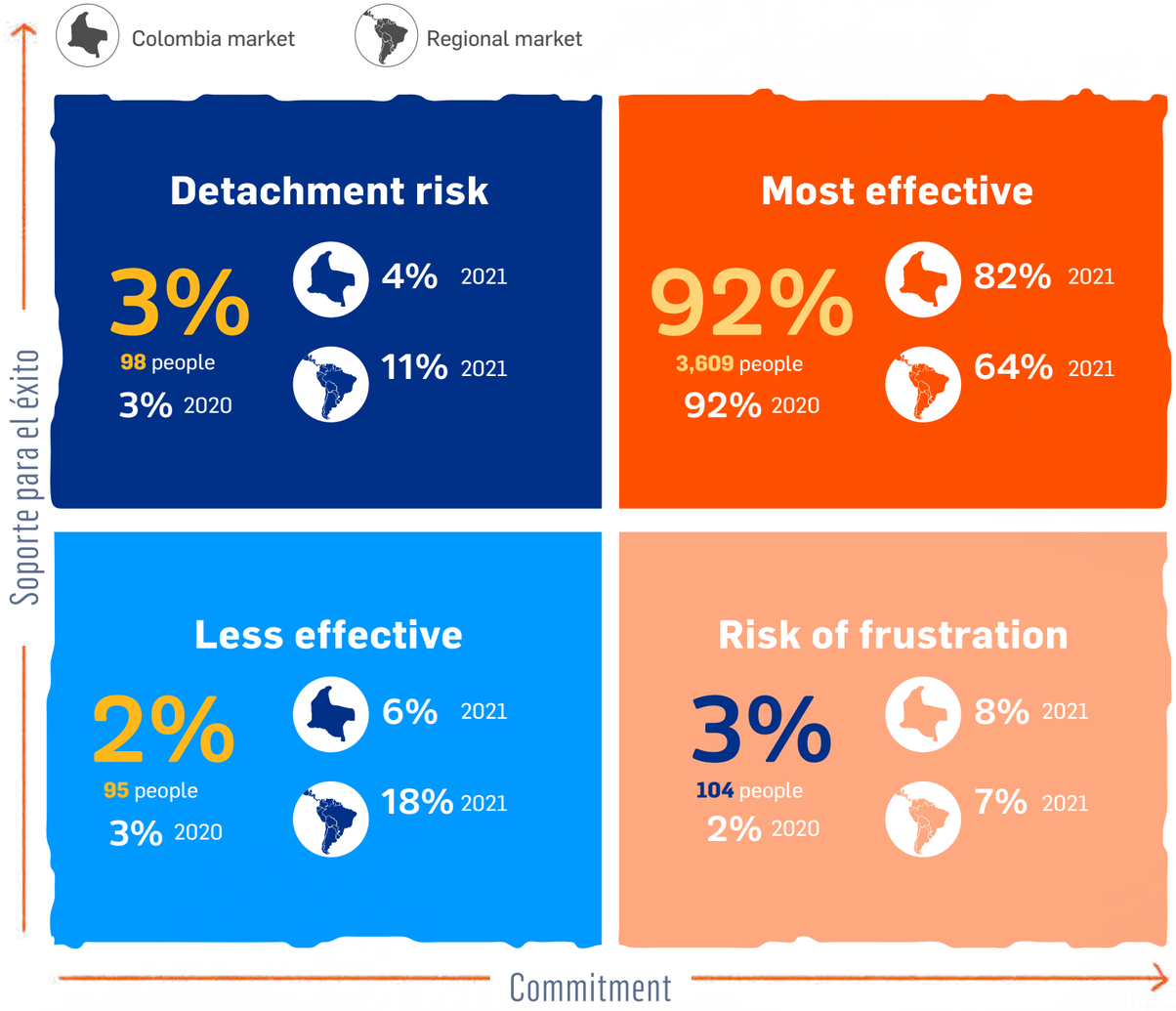
Quality of life

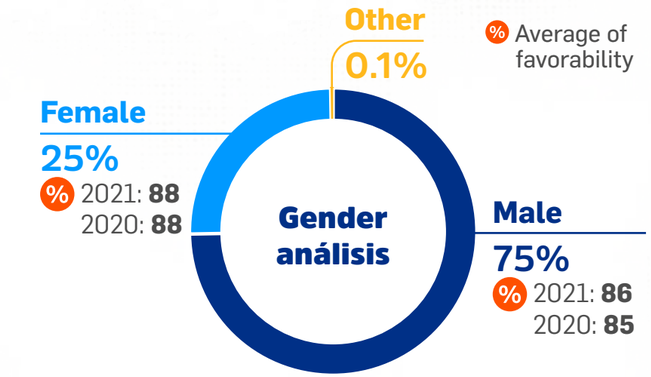
ISA and its companies implement actions to promote quality work practices, valuing the talent´s care and respect.

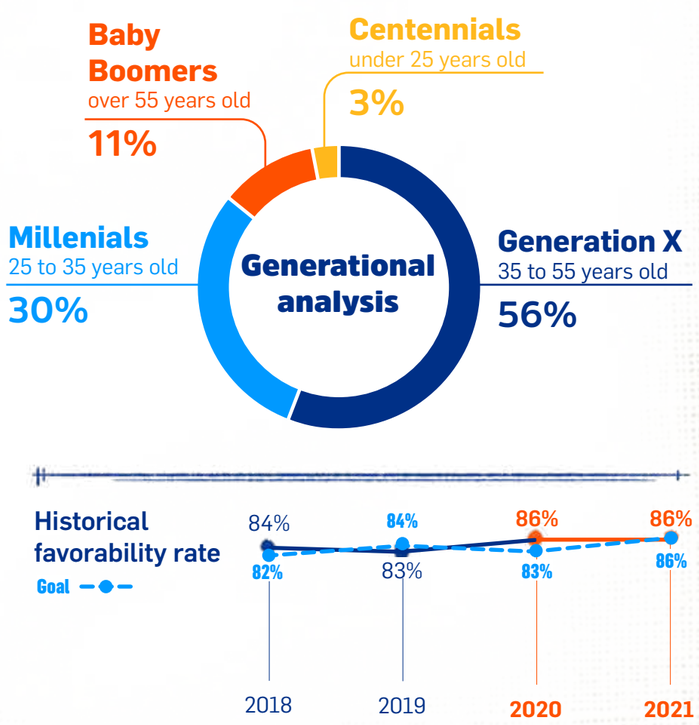
Organizational climate

ISA continues to consolidate itself as an organization with a work environment that is considered an intangible asset by maintaining employees' perception of the work environment as a clear strength. The result shows a favorability of 86%, which indicates that the 2020 level was maintained, being the highest achieved in the history of ISA and its companies. In addition, it is nine points above the regional market, which, for 2021, had a favorability of 77%.

Effectiveness matrix ISA and its companies







Leadership Index

As a result of the update of the Leadership Brand, a new baseline was established, which showed a favorability level of 89%, ratifying that the evolution and consolidation of the leadership of ISA and its companies has been a fundamental aspect in the transformation of the organization and the achievement of results.

Employee Net Promoter Score (eNPS)

From the question "How highly would you recommend this company?", we found that 67% of employees have answers equivalent to the 9-10 range; therefore, they are considered promoters. Only 7% have responses equivalent to 0 to 6, considering them detractors. As a result, the eNPS for ISA and its companies is 60, a rating that is in a range between 50 and 75, which means that it is in a Quality Zone, i.e., the company has more neutrals and promoters than detractors.

Diversity and inclusion analysis

Adjustments were made to the methodology in order to obtain a clear view of the aspects of the organizational climate that favor or limit diversity and inclusion in ISA and its companies. It was identified that there is no representative difference between the perception of favorability of men (86%) and women (88%), which means that ISA and its companies have a favorable work environment that fosters conditions for gender diversity and inclusion.

Compensation, performance, and succession

A portal was designed in which people can enter and learn in depth about each of the benefits offered by the company; additionally, they can ask questions related to payroll or the Compensation System.

Compensation

An improvement was made to the methodology of increases based on merit or performances, including variables such as the Salary Segregation Index and the Leadership Index which, together with the other previously defined variables, band positioning, performance, and criticality of the positions, allow us to ensure objectivity and guarantee equal opportunities for all employees.

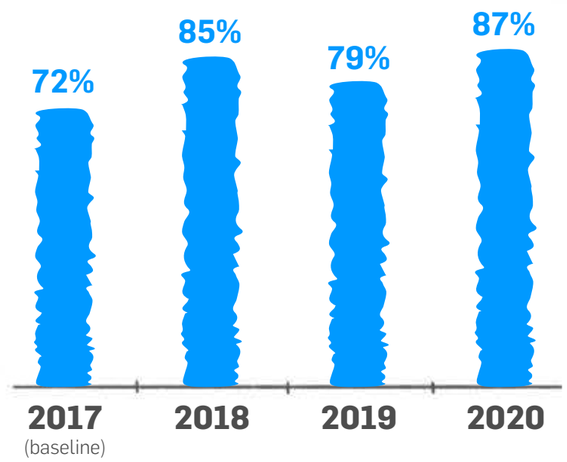
The total compensation of ISA and its companies has the following components that are integrated to ensure the attraction, motivation, and retention of talent in line with our compensation principles:

- **Fixed:** What you receive for your work
- **Variable:** What you receive for meeting goals
- **Benefits:** Whatever contributes to the quality of life of the employee and family
- **Emotional salary:** What drives motivation
- **Company expenses:** What makes the work possible

Performance Management

It is the fundamental mechanism to achieve alignment, agreements, and clarity in the individual and collective contribution of each employee to the achievement of the strategy. It is also the natural setting for the development of skills, knowledge, and aptitudes, through exposure to challenges that are agreed upon in each employee's performance plan.

Achieving 90% of employees with superior performance by 2030 is one of ISA's strategic indicators.



The result for 2021 is obtained in the first half of 2022

Succession planning and potential assessment

Its purpose is to contribute to the sustainability of the business of ISA and its companies, through the identification, development, and preparation of the most competent employees with the greatest potential to assume critical positions in the organization in the coming years. For the evaluation of this potential, the test is carried out with the firm KornFerry.

- At the end of the succession cycle, in October 2021, 4,057 people work in ISA and its companies (not including Ruta Costera), of which 849 people (21%) are pensionable in 2030. (33% of the total number of managers and 45% of the total number of persons in critical positions).
- The 4,057 people hold 1,174 positions, and, of these, 259 positions were identified as critical: 171 managerial and 88 non-managerial.
- Of the 259 positions, 86% have an identified successor, an increase of 22% over the previous year (64%).
- A total of 279 successors have been identified (210 with measured potential, 69 in the process of measurement).
- 57% of all critical position openings have been filled with internal talent, generating development and mobility opportunities for 41 employees, an increase of 9% over the previous year.

Occupational health and safety

GRI [403-9] For ISA and its companies, it is important to protect and preserve the health and safety of workers, regardless of the type of contractual relationship, ensuring safe working environments, self-care, and the application of good prevention practices. The non-negotiable commitment to safety is expressed in the Occupational Health and Safety Policy, which seeks safe working environments and healthy lifestyles.

There are two main indicators that contain, in turn, the occupational health and safety goals, which are part of the integrated management chart and variable compensation: to reduce the accident frequency rate among our own workers and contractors. Responsibilities for occupational health and safety are contained, in general, in the role guide, job descriptions and in the documents that make up the Occupational Safety and Health Management System.

There is a continuous improvement process for this system in order to manage the occupational risks found in the workplaces and to consider the implementation of activities aimed at protecting the safety and health of all workers. Continuous improvement is maintained through OSH management systems certified under the ISO 45001:2018 standard and complies with the stipulations of the legislation of each of the countries where the company has operations.

The occupational health and safety plan is implemented and monitored annually, and financial, human, logistical and administrative resources are guaranteed. The company has strategic partners to address actions for health care and promotion and health policy.

Employee participation is promoted through mechanisms such as:

- APP Repórtate
- Joint Occupational Health and Safety Committee
- Coexistence Committee
- Road Safety Committee
- Collective agreement working groups
- Ethics Line
- All these are also complaint and claims mechanisms

ISA and its companies have programs for the promotion and culture of occupational health extensive to suppliers; these initiatives are developed to reduce accidents, which is the main objective of occupational health and safety management. Some of the these are "Conectados con la vida", "Misión cuidarnos", "REPórtate", among others.

Continuous improvement actions with contractors, with the objective of caring for the life and health of people:

- Audits of contractors on projects
- HSQE qualification process for high-risk activity contractors
- Implementation of criteria for preselection of contractors and subcontractors, and service level agreements on accident rates and occupational health and safety management during the execution of contracts
- Evaluation of contractors' performance in occupational safety and health and environmental management
- Structuring of training for the standardization of criteria for compliance with OSH requirements through the school of the electricity sector
- Supplier meeting and recognition activity for those with best OSH practice.

Main programs

- Electrical Risk Program: Reduction of accidents, control of electric arc risk.
- Comprehensive health management program: Psychosocial risk prevention, healthy lifestyles, prevention of musculoskeletal disorders, under the SÚMATE strategy and the Trankis program.
- Work at height program: Periodic training is maintained at different levels of training, control of access systems and protection elements for working at heights.
- Incident - accident management (near misses and unsafe conditions).
- High risk tasks (heights, high temperatures and confined spaces) and work permits.
- Management of road safety strategic plan.

Maipo Road

Main actions carried out during 2021

- Safety culture diagnosis was performed, and an advanced maturity level was obtained
- Epidemiological surveillance program for COVID-19 and biosafety protocols, framed in a corporate strategy and led by the Crisis Committees of each company
- Vaccination of the population with a coverage of more than 90%
- Implementation of biosafety protocols, adequacy of ergonomic and biosecure physical facilities
- Implementation of vaccination points against COVID-19 only for own employees and contractors with the company´s own resources
- WebCast for training and education of personnel against COVID-19. After the pause caused by the pandemic, activities were reactivated for medical assessment of team members, operating engineers, and executive check-ups for managers

The management performed is evaluated periodically through the monitoring of process, structure and results indicators, internal and external audits of the Management System, annual self-assessment of the Occupational Safety and Health Management System, inspections of the Integrated Management Systems, follow-up by Copasst, review by senior management, control of indicators for medical absences and common illnesses, among others.

Todos Somos Uno programn vaccination campaign

Accident management

During 2021, occupational risk exposure presented an increase of 21.97% with 8.1 million additional man-hours of work compared to 2020. The integrated accident frequency rate (own personnel and contractors), with respect to the same period, decreased by 2.86%. Throughout the year, the number of work-related accidents per 1,000,000 hours worked has been lower.

Man hours worked | Total accidents | Frecuency index

		Integrated frequency index (own personnel and contractors)	Frequency index in own workers	Contractor worker frequency index
2021	Man hours worked	**44,550,560[1]**	**8,333,099**	**36,217,461**
	Total accidents	**378**	**31**	**347**
	Frecuency index	**8.48[2]**	**3.72[3]**	**9.58[3]**
2020	Man hours worked	36,526,796[1]	8,070,437	28,456,359
	Total accidents	319	25	294
	Frecuency index	8.73[2]	3.10[3]	10.33[3]
2019	Man hours worked	36,033,784[1]	7,603,326	28,430,458
	Total accidents	457	40	417
	Frecuency index	12.68[2]	5.26[3]	14.67[3]

[1] Does not include Costera.
[2] FI= (occupational accidents of the period/man-hours of exposure during the period)*1.000.000. Considers all work-related accidents, including those that did not result in lost time due to injuries.
FI= (occupational accidents of the period/man-hours of exposure during the period)*1.000.000. Considers all work-related accidents, including those that did not result in lost time due to injuries.

Main causes of workplace accidents

- Same-level fall
- Hit by or against objects
- Lifting of loads/ prolonged postures
- Overexertion
- Bites
- Injuries
- Bruises

Measures taken

- Awareness campaigns
- Corrective measures in the field
- Workers briefing
- Feedback to personnel
- Works or task training
- Monitoring in the field

- During 2021 there were three fatal accidents involving ISA CTEEP contractors. The first accident occurred during the assembly of the section switch of one of the 138 kV transmission lines; the second during the preparation for the transport of a backhoe; and the third during the disconnection of a structure jumper on the transmission line.
- Intervention measures implemented in accordance with the guidelines; an immediate action plan was implemented:
  - Restructure and implement training related to ISA CTEEP's internal procedures for contractors.
  - Review grounding guide for substation equipment assembly activities.
  - Redesign the contractor safety integration process.
  - Perform audit routines for contractor companies.

isa

CONEXIONES QUE INSPIRAN

Inspiring **results** all together

7 • Financial results

SHAREHOLDER VALUE

Accumulated consolidated results report

Las cifras están expresadas en pesos colombianos (COP). Se especificarán otras monedas cuando haya lugar a ello.

ISA's consolidated net income at year-end 2021 was $1.7 trillion. This result strengthens ISA's purpose of growing in a profitable and sustainable manner, capturing efficiencies to permanently improve its performance and competitiveness.

In 2021, business actions were implemented, and very relevant events occurred, which consolidated an increasingly balanced portfolio in terms of risk and profitability, which leveraged the ISA2030 Strategy, maximizing the value generation for stakeholders, which is the fundamental purpose of the company.

Among the most significant events was the arrival of the Ecopetrol Group, which opens up great potential and allows the birth of one of the largest energy infrastructure companies in the region, enabling synergies to strengthen competitiveness and create interesting opportunities for growth and leadership on the continent. The purchase transaction of 51.4% of ISA's shares, owned by the Ministry of Finance and Public Credit, carried out on August 20, 2021, consolidates Ecopetrol as the majority shareholder of ISA.

During 2021, it was also announced the intention to sell 100% of the shares that ISA has in InterNexa, a project that allows to manage the portfolio, enabling the best balance between risk and benefit for shareholders and also allows InterNexa to have access to a partner that provides greater opportunities for growth and consolidation of its business, in a highly dynamic telecommunications and ICT market.

On January 12, 2021, the share price reached a historic peak of $29,250. Subsequently, when it became known that transaction for the purchase of ISA by Ecopetrol would take place through an inter-administrative agreement and not through a public offering, the share fell back and stood, at the close of 2021, at a simple average price of $22,821 per share, as certified by the Colombian Stock Exchange (the simple average share value for 2020 was $19,771). At the end of the year, and beginning from January 1, 2021, the value of ISA's shares depreciated by 12.8% compared to the value at the end of 2020, while the Colcap depreciated by 1.9%.

Consolidated net income

$1.7 trillion

Historical maximum value of action

$29,250

On the other hand, in order to implement efficient financing structures and optimize the cost of debt, it is important to note that ISA and its companies were active participants in the capital markets. ISA INTERCHILE issued its first green bond structured under 144A/Reg. S, for an amount of USD 1,200 million with a term of 35 years and a coupon of 4.5% the highest of this type in the region. This transaction was recognized by LatinFinance as "the best sustainable financial operation of 2021". The issuance allowed to re-profile the existing debt of the Cardones-Polpaico project, reducing the financial cost and increasing the average life of the loan, in order to achieve a better match with the life of the asset and the change in the company's risk profile due to its entry into operation. In addition to the above achievements, this operation also sought to optimize ISA INTERCHILE's capital structure, increasing shareholder return by approximately 100 basis points.

ISA successfully closed its first bond issuance in the international capital market for USD 330 million, with investors from the United States, Canada, Europe, Asia, and Latin America. The issuance had a total term of 12 years and an interest rate of 3.825% and was oversubscribed by 4.3 times the amount offered. The resources were used for internal and external debt replacement.

The year also saw important debt transactions in other companies, which will be detailed below.

In connection with the strategy of profitable growth through acquisitions, ISA ratified its commitment to the development of Brazil through the strengthening of its electricity infrastructure by acquiring all the shares of the company Piratininga-Bandeirantes Transmissora de Energia (PBTE) for $1 trillion (BRL 1,571 million), which consists of a 30-kilometer underground transmission line connecting two ISA CTEEP substations (Bandeirantes and Piratininga 2) in the city of São Paulo. With this new acquisition, which implied an increase in assets of $1.8 trillion, debt of $244,809 million and future annual revenues of approximately $128,000 million, ISA reaffirms its relevant position in the state of São Paulo. In addition, in 2021, the acquisitions made at the end of 2020 are successfully integrated into its operations for the first time for the full year: Ruta Costera and ORAZUL ENERGY GROUP.

Regarding investments in greenfield projects, it is noteworthy that the company ISA CTEEP energized two of its projects, IE AGUAPEÍ and IE ITAPURA, in 2021, with a capex efficiency of 40% and 50% and 6 and 18 months ahead of schedule, respectively.

By purchasing the entire of the shares of the company Piratininga bandeirantes Transmissora de Energia (PBTE), the assets are increased in

$1.8 billion

Consolidated income statement

In consolidated figures, operating revenues reached $11.2 trillion, 9.8% more than in 2020. Ebitda amounted to $7.1 trillion, up 8.4% compared to the previous year, with an ebitda margin of 63.8% and 76.1% excluding construction.

At year-end, AOM totaled $2.2 trillion, 9.6% more than in the same period of 2020, as a result of financial discipline and rigorous and efficient management of administration, operation, and maintenance (AOM) costs and expenses. This growth of 9.6% contrasts positively with the increase in operating revenues (13.2%). ISA and its companies continue to implement initiatives aimed at controlling AOM expenses with emphasis on A, monitoring productivity indicators and designing a cost model based on the life cycle of the asset.

ISA's consolidated net income was $1.7 trillion, 19.1% less than in 2020. The net margin was 14.9% and ROE reached more than double digits at 11.6%. The decrease compared to 2020 is explained by two non-recurring events, which were recorded in September 2021 and impacted net income: first, the reprofiling of ISA INTERCHILE's debt, due to the recognition of the costs associated with the successful placement in the international market of the largest structured green bond in the region for USD 1,200 million, which sought to refinance existing debt to optimize the financial cost and achieve a better match with the life of the asset, with a negative impact on ISA's net income of$276,903 million. The second was the restatement of the deferred tax of ISA's Colombian companies, due to the modification of the income tax rate in Colombia from 30% to 35%, as a result of the Tax Reform, which had a negative effect on results of $146,179 million. Excluding the effect of these two non-recurring events, ISA's accumulated profit would be $2.1 trillion, with a growth of 1.4%, when compared to that obtained in 2020.

As a result of the natural hedge strategy implemented by ISA, which seeks to take the debt of each company in the same currency in which revenues are received, the effect of exchange rate variations on net income was mitigated, presenting a negative impact of only $16,124 million (-1%).

The detail of the consolidated results of 2021 is presented below:

[3] Includes income from the periodic tariff review in Brazil.

	2021	2020	Variation %
COP millions			
Construction revenues	**2,137,316**	2,194,300	(2.6)
Construction costs	**1,884,720**	1,628,854	15.7
Construction ebitda	**252,596**	**565,446**	**(55.3)**
Operating revenues	**9,024,225**	7,973,526	13.2
AOM	**2,153,988**	1,965,513	9.6
Operating ebitda	**6,870,237**	**6,008,013**	**14.4**
Operating revenues	**11,161,541**	10,167,826	9.8
Construction and AOM costs	**4,038,708**	3,594,367	12.4
Total ebitda	**7,122,833**	**6,573,459**	**8.4**
Operating income	**6,644,111**	**6,211,329**	**7.0**
Net income	**1,665,536**	**2,059,191**	**(19.1)**
Margins			
Operating ebitda	**76.1%**	75.3%	0.8
Total ebitda	**63.8%**	64.6%	(0.8)
Operational	**59.5%**	61.1%	(1.6)
Net	**14.9%**	20.3%	(5.4)

Subestação Cabreúva

As previously indicated, operating revenues reached $11.2 trillion, 9.8% higher than in 2020. The energy transportation business contributed 77.6% of revenues, equivalent to $8.7 trillion, 6.5% more than in 2020. Growth was driven by the entry into operation, at the end of 2020 and during 2021, of the Expansion No. 20, Moquegua-Papujune Connection (Quellaveco) and Talara Connection (Petroperu) projects in Peru; the second bank of transformers in the Cardones, Maitencillo and Pan de Azúcar substations, reactive compensation of Nueva Pan de Azúcar-Polpaico transmission line and expansion of Nueva Maitencillo and Nuevo Pan de Azúcar substations in Chile; AGUAPEÍ and ITAPURA and the energization of 111 reinforcements, in Brazil; the Triple A connection and the incorporation of UPME 03-14 calls, Interconexión Noroccidental 230/500kV Project and the second transformer in the Ocaña substation, in Colombia. It was also driven by higher revenues from the UPME-09-16 second reinforcement of the Copey-Cuestecitas and Copey-Fundación transmission lines, which began its remuneration cycle in January 2021.

In 2021, the effect of macroeconomic variables in Colombia and Brazil contributed positively to the results, mainly in Brazil, where higher operating revenues of $830,705 were recorded, derived from a higher IPCA.

Also, in Brazil, the Brazilian Electricity Regulatory Agency (ANEEL) approved the recognition of ke (cost of equity) over ke and the reprofiling of the financial component of the RBSE: the latter to offset the increase in energy tariffs in the 2021/2022 and 2022/2023 cycles, preserving the economic value for ISA CTEEP. The positive impact of ke recognition over ke was $313,481 million in operating income and ebitda, and $74,107 million in net income.

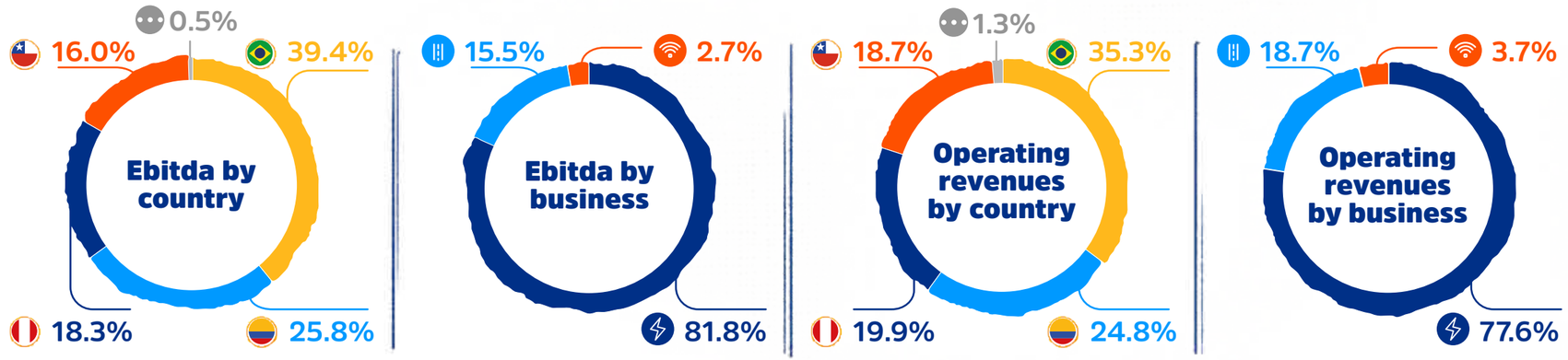
The Roads business unit consolidated its entry into Colombia through an optimal integration of Ruta Costera, a company acquired at the end of 2020, which contributed new revenues of $253,707 million. During 2021, there were higher revenues due to an increase in construction activity, higher yields on contract assets, due to a good

traffic performance that led to an update of projections, and higher revenues associated with maintenance in concessions and toll management in Chile, which offset the termination of the Ruta del Maule contract, which ended its exploitation period in March 2021.

The Telecommunications and ICT business obtained revenues of $414,714 million, 9.4% more than in 2020 ($35,701 million), mainly due to higher sales of connectivity services, given the increase in internet consumption, sales of capacities and other telecommunications services in Colombia and Peru, and the growth in the customer base of the OTT (Over The Top Operators) segment in Colombia.

Ebitda amounted to $7.1 trillion, an 8.4% increase over the previous year. The ebitda margin was 63.8%, and 76.1% excluding construction. Ebitda was positively impacted by the efficient management of costs and expenses (AOM) and the revenue performance described above.

The composition of operating revenues and ebitda by country and business is as follows:



Operating income increased 7% ($432,782 million) to $6.6 trillion. The operating margin went from 61.1% to 59.5% in 2021. Excluding construction, the margin remained at 70.8% at the end of the year.

Net financial expenses were $2.3 trillion, 69.9% higher than in the same period of the previous year, mainly due to:

- Higher interest expenses of $753,180 million, due to inflationary pressures in the region, in particular the higher IPCA in Brazil, and to the increase in debt that supports the growth of ISA and its companies, and
- a higher exchange difference expense of $207,078 million, mainly due to the re-profiling of the debt in ISA INTERCHILE, which implied recognizing in the results of the period the costs associated with the refinancing, the most relevant being the unwinding of the interest rate derivative of the previous debt $379,319 million).

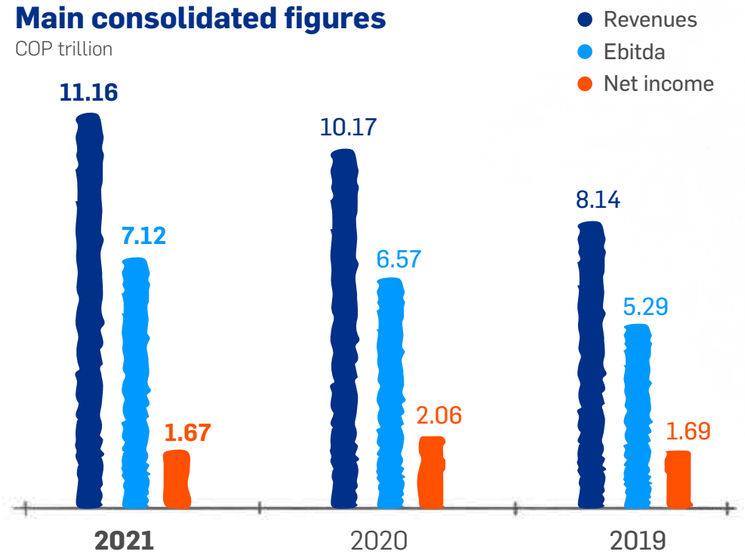
[4] Include revenues from the periodic tariff review in Brazil.

On the other hand, income tax expense was $1.1 trillion, 3% higher ($32,036 million) compared to the same period of the previous year, mainly explained by a higher deferred tax expense in Ruta Costera due to the updating of the contractual asset, plus the change in the income tax rate from 30% to 35% as of 2022 for companies in Colombia. The above, partially offset by the favorable effect on deferred taxes resulting from the reprofiling of debt in ISA INTERCHILE, which implied recognizing in income the costs associated with the refinancing, especially the payment of the derivatives associated with the debt.

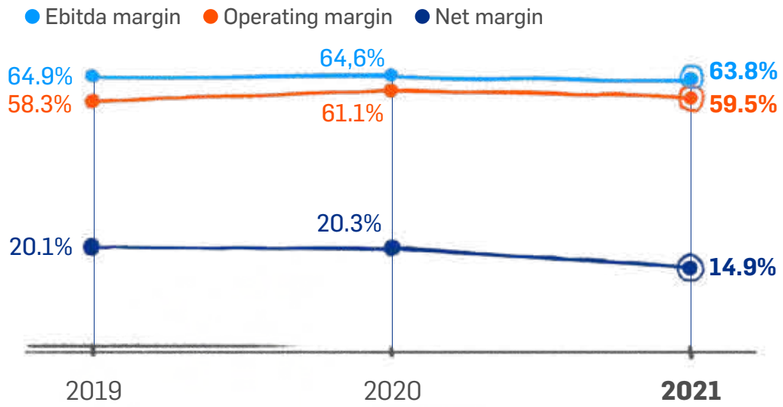
The performance of the main consolidated figures for the last three years is presented below:

Main consolidated figures

COP trillion

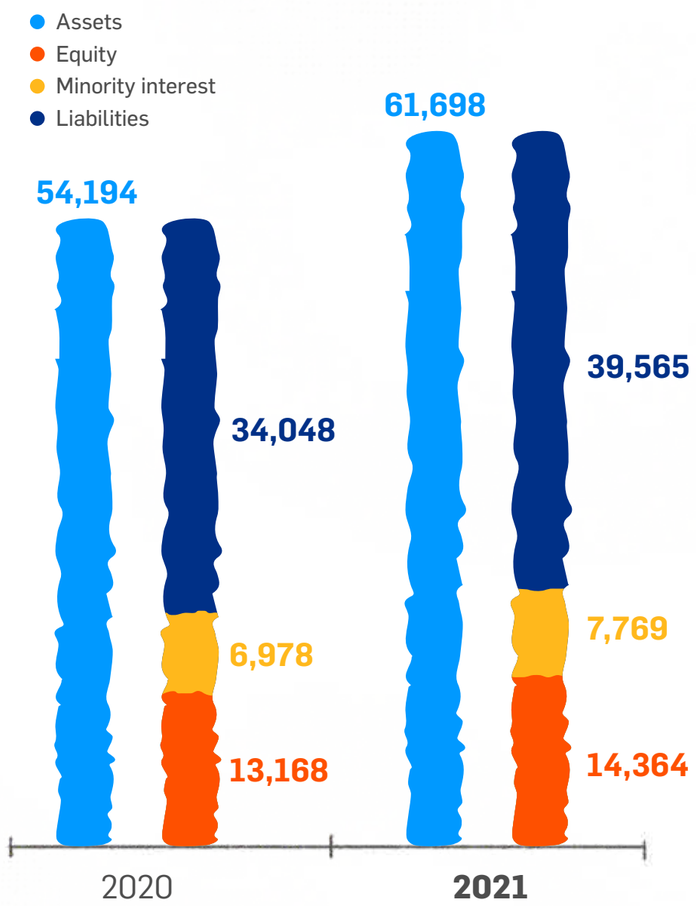


Consolidated financial indicators



Consolidated balance sheet

COP billions



Consolidated assets totaled $61.7 trillion, up 13.8% ($7.5 trillion) versus the same period of the previous year, as a result of the company's growth through new projects in Colombia, Peru, Chile and Brazil and the consolidation of PBTE. The exchange rate effect increased assets by $3.2 trillion, given the 8% devaluation of the closing rate of the COP against the BRL, 16% devaluation against the USD, and the 2.4% revaluation of the COP against the CLP.

The consolidated financial debt amounted to $28.1 trillion, 23.4% higher than in 2020. The Debt/Ebitda indicator closed at 4.06 x, complying with levels required to maintain the current credit rating.

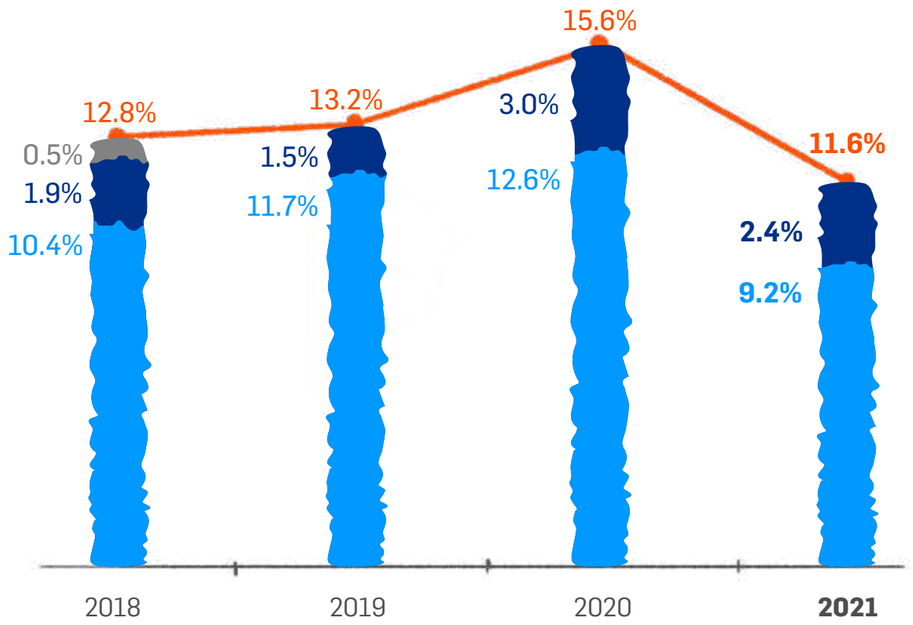
Consolidated liabilities totaled $39.6 trillion, up 16.2% ($5.5 trillion) compared to December 2020. The variation is explained by the consolidation of the liabilities of PBTE and the increase in financing needs to meet ISA and its companies' growth. The exchange rate effect increased liabilities by $1.8 trillion.

Minority interest totaled $7.8 trillion, 11.3% more ($790,720 million) compared to December 2020, due to a higher income and a higher translation effect from Brazil, as a result of the devaluation of the COP against the BRL and the USD.

ISA's consolidated equity reached $14.4 trillion, 9.1% more ($1.2 trillion) compared to December 2020. The variation was the net result of higher earnings, partially offset by a positive translation effect and the dividends declared at the 2021 General Shareholders' Meeting.

ROE reached 11.6%, compared to 15.6% for 2020. The following graph details the behavior of ROE excluding extraordinary events occurring in the period from 2018 to 2021 associated with the RBSE. In 2021, ROE was affected by non-recurring events due to the reprofiling of ISA INTERCHILE's debt and the restatement of the deferred tax of ISA's Colombian companies. Excluding these non-recurring events, ROE in 2021 would be 14.6%.

ROE

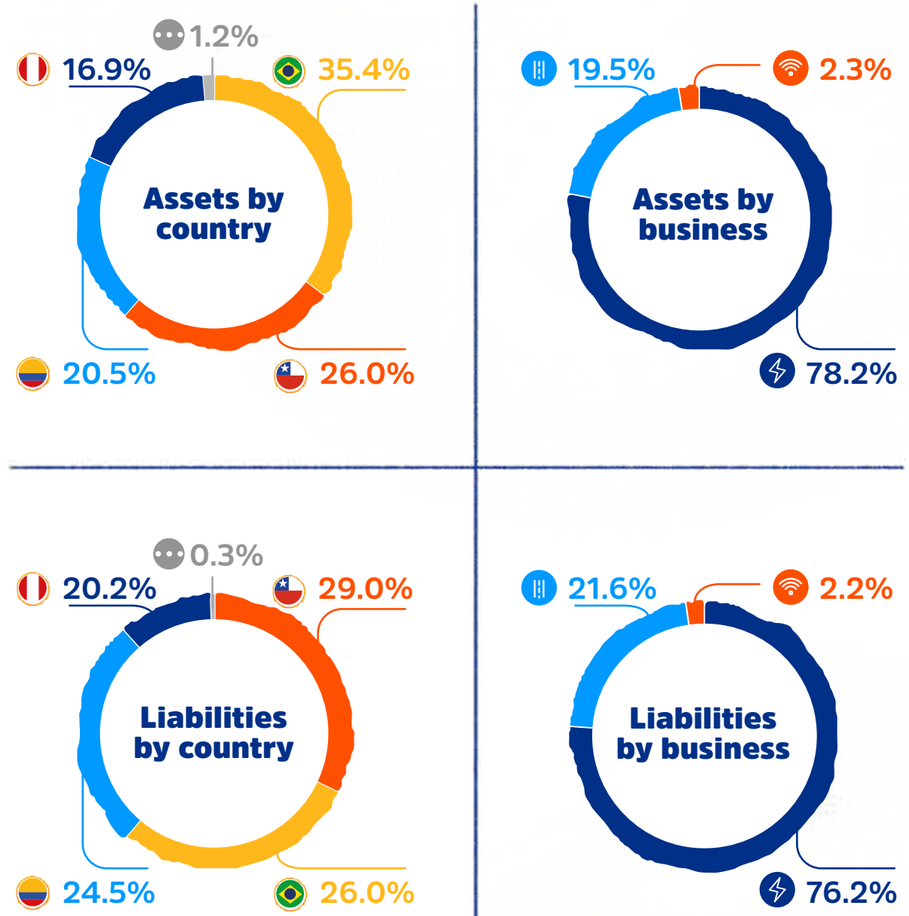


- ROE %
- % ROE excluding extraordinary events
- 6 additional months of inflation adjustment in Brazil

Extraordinary events:

- Financial restatement and the following adjustments to the value of the RBSE: In 2020, update due to periodic rate tariff review: higher base of remuneration assets defined by ANEEL, update of Ke by IPCA and increasing of remuneration via WACC to 7.71%. In 2021, the recognition of the Ke of the RBSE Ke.

Details of the share of assets and liabilities, by country and by business, are presented below:



Consolidated financial liabilities and bonds

Values expressed in millions of Colombian pesos

Financial liabilities come from the financing sources used by ISA and its companies in the capital and banking market. The resources raised have been used in the implementation of investment plans and in meeting cash flow needs, taking into consideration the guidelines of the strategic plan, the opportunities offered by the markets and the financial products that best meet the needs of ISA and its companies, and the characteristics of the assets.

The year closed with total consolidated debt of $28.1 trillion, up 23.4% from 2020, which ended at $22.8 trillion.

Disbursements and principal payments of the different obligations are presented in the following consolidated net debt movements by country.

Cifras en COP millones

The most relevant debt movements in each of the companies are presented below. For information purposes, values in local currency have been converted into Colombian pesos using an average annual exchange rate.

In Chile, INTERCHILE issued USD 1,200 million, of green bonds under Rule 144A Reg/S, with a term of 35 years at a fixed rate of 4.50%. These resources were used to prepay senior debt for USD 745 million, to repay the debt with ISA Inversiones Chile for USD 78.4 million, and to terminate the interest rate derivative for USD 71 million, among other items.

Ruta del Loa made an issuance in the local market for UF 885,500 (equivalent to COP 135,281) for payments and refinancing of the Senior Financing Agreement signed by the concessionaire with Banco Santander Chile, EuroAmerica S.A. and Confuturo S.A.,as original creditors. It also made disbursements from Banco Santander Chile, Compañía de Seguros EuroAmerica and Compañía de Seguros Confuturo, for UF 635,500 (equivalent to COP 97,087), and CLP 1,952 million (COP 9,622) to Banco Santander Chile, and made payments to these same entities, for UF 885,500 (COP 135,281), and to Banco Santander Chile, for CLP 4,070 million (COP 20,063).

INTERVIAL accessed the banking market through Itaú Corpbanca and Scotiabank and made two disbursements of CLP 88,518 million (COP 436,348) and CLP 59,143 million (COP 291,544), respectively. These resources were used to prepay debt and for cash flow. In addition, it repaid a loan with Scotiabank for UF 4 million (COP 611,092).

Ruta de la Araucanía had a very active period in disbursements from Itaú Corpbanca, Banco Estado, Banco de Chile, for CLP 6,052 million (COP 29,833), destined to finance CAdR5; as new indebtedness, it received disbursements for CLP 17,743 million (COP 87,464), applied to cash flow, and also made payments agreed on in its commitment plan.

Ruta de los Ríos made payments to Banco BICE, Banco Security and Banco BCI for UF 494,641 (COP 75,568) and received disbursements from BICE and BCI for a total of UF 6,744 for cash flow (COP 1,030). Ruta del Maipo paid the 144 A bonds, for USD 47.8 million, and received a disbursement for UF 298,146 (COP 45,549) of the Series D Bonds. Ruta del Bosque made the total payment of the Series A Bonds, for UF 322,635 (COP 49,290). INTERNEXA CHILE made payments to Scotiabank for CLP 445 million (COP 2,194) and to Banco BCI for CLP 1,647 million (COP 8,119), for COVID-19 relief and long-term loans, and made a disbursement of CLP 2,000 million from Banco BCI for cash flow (COP 9,859).

In Colombia, ISA made its first external public debt bond issuance in the international capital market for USD 330 million, positioning it in that market, diversifying its sources of financing and taking advantage of its attractiveness in terms of liquidity, depth, and diversification. The proceeds were used for an internal and external debt replacement operation. Through this operation, ISA reduced the exposure of the debt portfolio in CPI and increased the participation of USD debt, taking advantage of international bonds as a hedging instrument for the company's investment portfolio in USD. It was also possible to increase the average life of the ISA portfolio by 2 years —from 9.4 years to 11.4 years— and to lower ISA's cost of financing in pesos by 31 basis points. This operation confirms that the local and international capital markets (bonds) are one of the company's main allies for leveraging its growth strategy.

For its part, ISA TRANSELCA cancelled bonds for $80,000 million and advanced a substitution operation and new indebtedness with BBVA bank for $228,550 million. INTERNEXA met the payment schedule established with creditors for $44,665 million and received new disbursements from Banco Davivienda for $50,000 million for its investment plan.

In Brazil, ISA CTEEP remained active in the capital market to cover its investment plan and cash needs. Thus, the company:

- Made the 10th issue of green Debentures for BRL 672.5 million (equivalent to COP 466,992), with a term of 23 years, for investments in the Minuano (Evrecy), Três Lagoas (Tibagi) and Triângulo Mineiro (IEMG) projects.
- Issued Promissory Notes for BRL 1,200 million (COP 833,294), with a 3-year term, for debt refinancing and company investments, mainly reinforcements and improvements.

Bond issuance in the international capital market

USD 330 million

Increase the average life of the ISA portfolio

2 years

Lower ISA's cost of financing in pesos

31 basis points

- Launched the issuance of Series 1, with a 10-year term, and Series 2, with an 18-year term, corresponding to the 11th issue of green Debentures for BRL 668.8 million (COP 464,423) and BRL 281.2 million (COP 195,269), respectively, for investments in the projects IEMG, Evrecy, IE Aguapeí, IE Itapura, IE Itaquerê, IE Itaunas, IE Tibagi, IE Biguaçu, PBTE, IE Aimorés, IE Paraguaçu; and
- Cancelled the Debentures 4th Issuance, for BRL 180.8 million (COP 125,550)

ISA CTEEP's companies, such as Interligação Elétrica de Minas Gerais-IEMG, Interligação Elétrica Norte e Nordeste-IENNE, Interligação Elétrica Sul-IESUL, made payments for a total of BRL 27.4 million (equivalent to COP 19.027). The companies Interligação Elétrica Pinheiros S.A., Interligação Elétrica Serra do Japi not only made payments totaling BRL 12.8 million (COP 8,888), but also received disbursements totaling BRL 4 million (COP$2,778).

ISA Investimentos e Participações made the total payment of the Debentures 4ª Emissão (Tranche1).

Green bonds
USD
2,556
million

On the other hand, INTERNEXA BRASIL received disbursements of BRL 24 million (COP 16,666) for capex financing and made payments of BRL 14.4 million (COP 10,000).

In Peru, Consorcio Transmantaro received disbursements of USD 40 million from the banking market for its investment plan. ISA REP made payments of USD 15 million and received disbursements of USD 40 million for cash flow. ISA PERÚ made prepayments of USD 78.3 million and contracted PEN 249 million (equivalent to COP$240,222), a portion of which was earmarked for the aforementioned prepayment, in addition to complying with its normal payment flow.

As can be seen, the graph of debt movements at the end of the year includes the exchange rate effect, which represents 6.69% of total movements, without generating effects on cash flow.

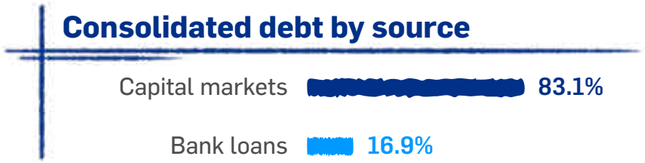
In 2021, the commitment of ISA and its companies to the development of projects that generate sustainable environmental and social impact is highlighted. Additionally, transmission projects strongly support the energy transition, connecting renewable energies and taking them to the large consumption centers, thus contributing to the fulfillment of the decarbonization goals of each country in they have presence.

Accordingly, debt strategies seek the possibility of financing such projects through the green bond market. It is important to emphasize that these bonds have been certified by recognized specialized companies, such as Sustainalytics, Sitawi, S&P and Moody's. At year-end, ISA and its companies have a balance of USD 2,556 million in green bonds in the capital market, representing 36.2% of the consolidated debt portfolio.

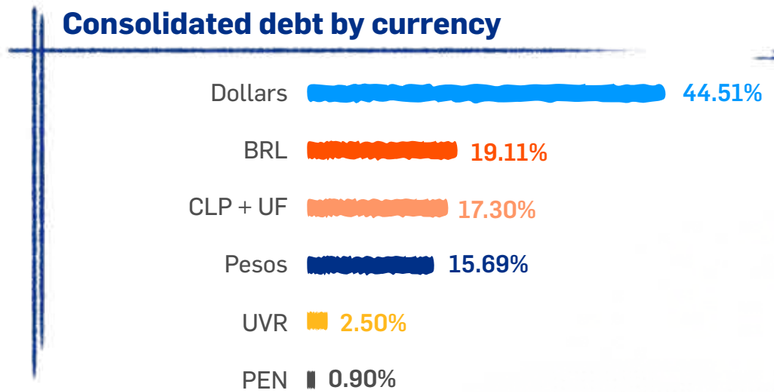
Note 15 to the consolidated financial statements presents further details of the debt movements of ISA and its companies in 2021.

ISA and its companies, in their financing analysis, consider schemes that provide natural hedges against exchange rate risk; for this reason, they seek to contract debt in the same currency as the income of each company and even try to ensure that these instruments have the same indexation of their income, terms in line with the income horizon of the projects receiving financing, given that most are remunerated in the long term, as shown in the following graphs:

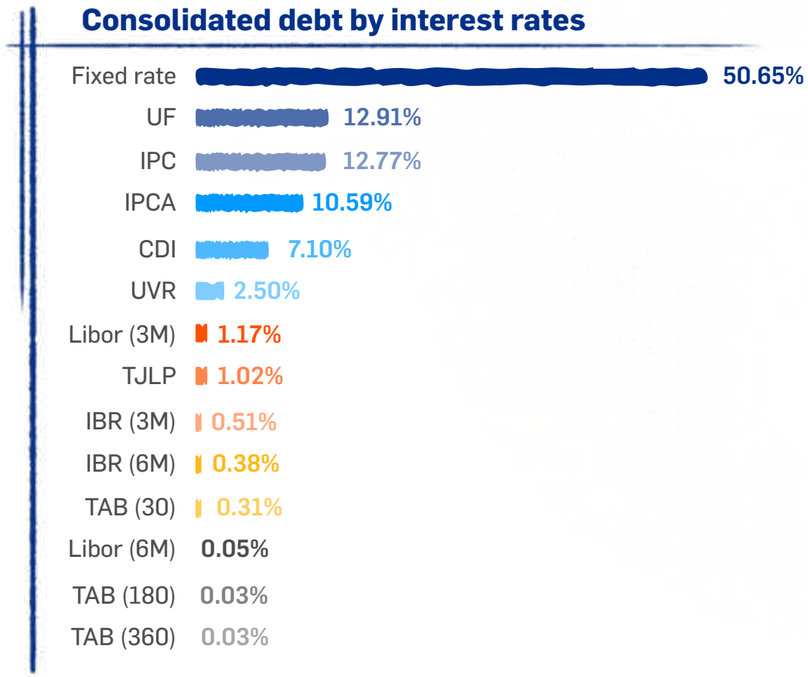
Consolidated debt by source



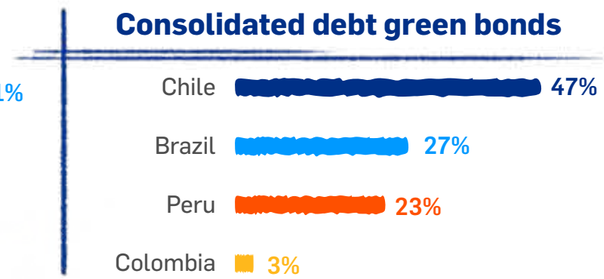
Consolidated debt by currency



Consolidated debt by interest rates



Consolidated debt green bonds



[1] Notche: represents a level of risk rating on the scale of issue credit rating.

Credit risk ratings

ISA's ratings reflect the company's low risk profile, a characteristic of its core electric power transmission business. The ratings also consider the solid geographic and business diversification, which, together with the high predictability of operating cash flow (CFO), translates into a strong financial profile. ISA's ratings also reflect the company's adequate liquidity and growth strategy.

In Colombia, the Program on Issuance and Placement of Securities of ISA's Internal Public Debt has maintained the highest credit risk rating of AAA for bonds and F1+ (col) for commercial papers granted by Fitch Ratings Colombia. Likewise, Moody's and Fitch Ratings, international rating agencies, ratified the rating assigned to ISA at the end of 2021, one notch above the investment grade level in the international rating, and granted this same rating to the first international bond issue carried out in November 2021, for USD 330 million.

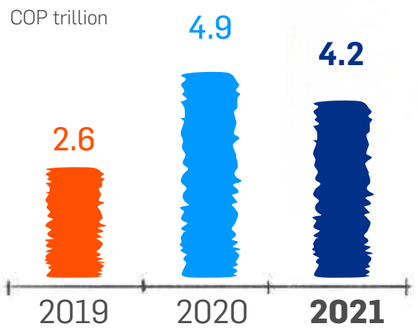
The corporate risk and local and international bond issue ratings, granted by the most recognized national and international agencies to ISA and its companies in 2021, ratify the financial strength and soundness of each one of them.

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

ISA COMPANIES	Risk rating agencies	Moody's	Fitch Ratings	Feller Rate	Apoyo & Asociados	PCR Pacific Credit Rating	Moody's Local	Humphreys
ISA	Corporate	Baa2 (Stable) Sep. 2021	BBB (Stable) Jul. 2021					
	Local bond issuance		AAA (Stable) Apr. 2021					
	Commercial papers		F1+ Apr. 2021					
	Internal bond issuance	Baa2 (Stable) Nov. 2021	BBB (Stable) Nov. 2021					
ISA TRANSELCA	Local bond issuance		AAA (Stable) Mar. 2021					
ISA CTEEP	Corporate		AAA (Stable) Aug. 2021					
	Bond issuance		AAA (Stable) Ago. 2021					
CONSORCIO TRANSMANTARO	International bond issuance	Baa3 (Stable) Feb. 2021	BBB (Stable) Jun. 2021					
ISA REP	Bond issuance				AAA (Stable) May. 2021		AAA (Stable) May. 2021	
RUTA DEL MAIPO	Bond issuance	Baa3 (Stable) Sep. 2020	BBB-(Stable) Aug. 2021	A+ Jun. 2021				A+ Jun. 2021
RUTA DEL BOSQUE	Bond issuance	Baa3 (Stable) Oct. 2020	A+ Aug. 2021	A (Stable) Jun. 2021				
RUTA DEL LOA	Bond issuance			A (Stable) Jan. 2021				A (Stable) Jan. 2021

Invesments*

In 2021, ISA and its companies invested $4,195,084 million, in accordance with their growth plans.



* Capex is included in the country where investment is made

In Colombia, investments of $748,307 million were made, of which $557,978 million were allocated to the construction of energy transmission projects at ISA, $56,719 million to the renewal of assets and projects under construction at ISA TRANSELCA, $50,669 million to technological developments in XM and SIER, $45,653 million to network capacity expansions and acquisition of equipment for the delivery of services to customers in INTERNEXA, and $37,288 million to the execution of works and expenditures for environmental management and acquisition of land in Ruta Costera.

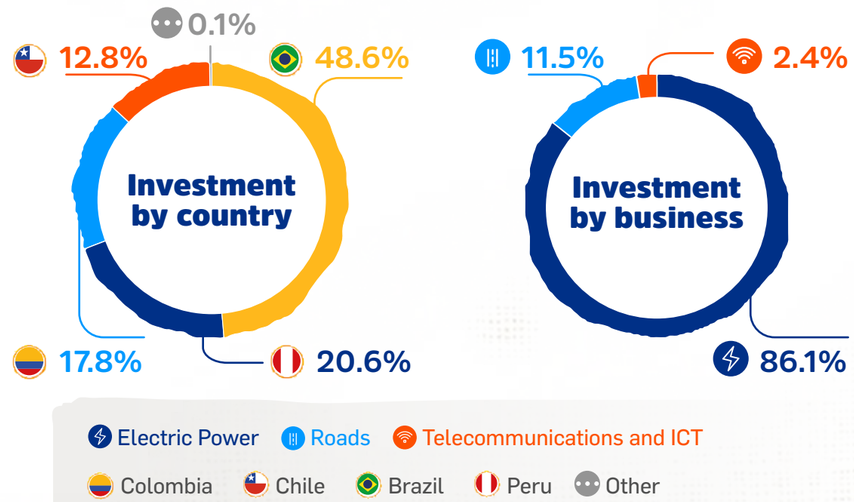
In Brazil, ISA CTEEP invested $1,561,955 million, of which $1,029,987 million was used to acquire 100% of the shares of the company PBTE. In addition, the company carried out reinforcements and improvements and made capital contributions to the companies in which it has stakes. In addition, ISA CTEEP's subsidiaries invested $449,032 million in the construction and expansion of their networks and substations.

On the other hand, INTERNEXA Brazil invested $28,950 million to expand connectivity, equipment, and associated networks.

In Peru, CONSORCIO TRANSMANTARO invested $763,668 million for the execution of electric power transmission projects awarded by the Peruvian government and customer connections. ISA REP and ISA PERU invested $76,887 million and $4,738 million, respectively, in the expansion of their electricity grids. INTERNEXA Peru invested $17,287 million to extend its fiber optics network.

In Chile, ISA INTERCHILE invested $87,588 million in the expansion of its electric power transmission network. The road concession companies made investments of $444,579 million, executed by Ruta del Maipo, for the works of Third Lanes of Tranche 3, on Ruta de la Araucanía, Ruta de los Ríos and Ruta del Bosque for the development of regulatory safety works, and progress in the construction of works on Ruta del Loa. INTERNEXA Chile spent $6,114 million on expanding connectivity.

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



SHAREHOLDER VALUE

Separate financial statements

Separate income statement

	2021	2020	Variation %
COP millions			
Operating revenues	**1,391,901**	1,239,485	12.3
Ebitda	**1,208,580**	1,074,828	12.4
Operating income	**2,350,614**	2,513,714	6.5
Net income	**1,658,959**	2,062,950	19.6
Margins			
Ebitda	**86.8%**	86.7%	
Net**	**60.5%**	72.1%	

* ISA's separate net income differs from consolidated net income by $6,577 million due to the amortization of intangible assets generated in business combinations and the adjustment of the PPA financial asset generated in the purchase of Ruta Costera.
** Operational revenues include the results from the equity method.

ISA's net income ended at $1.7 trillion and ebitda increased by 12.4% to $ 1.2 trillion.

The growth in ebitda is mainly associated with higher revenues received from new projects that started their commercial remuneration, mainly the UPME-09-16 second reinforcement of the Copey-Cuestecitas and Copey-Fundación transmission lines, which started the remuneration cycle in January 2021. In 2021, extraordinary revenues were recognized for the tax recovery on equity taxes, corresponding to 2011, for $1,124 million and the refund of the second installment of the wealth tax and complementary tax normalization tax for 2015, for $5,443 million.

Adequate management of administrative, operating and maintenance (AOM) costs and expenses also explains the growth in ebitda.

Operating income amounted to $2.4 trillion. This includes the results of companies where ISA has control, shared control, or significant influence, for $1.3 trillion, and considers the entry into operation of electric power transmission projects, the consolidation of Orazul Energy Group in Peru and Ruta Costera in Colombia, and the increase in the construction activity of concessions in Peru, Brazil, and Chile.

Operating income decreased by 6.5% compared to 2020, mainly due to two non-recurring events: the reprofiling of ISA INTERCHILE's debt and the restatement of deferred taxes of the Colombian companies, mentioned previously in the explanation of consolidated results, with an impact of $281,304. Excluding this effect, operating income would have been $2.6 trillion, up 4.7%.

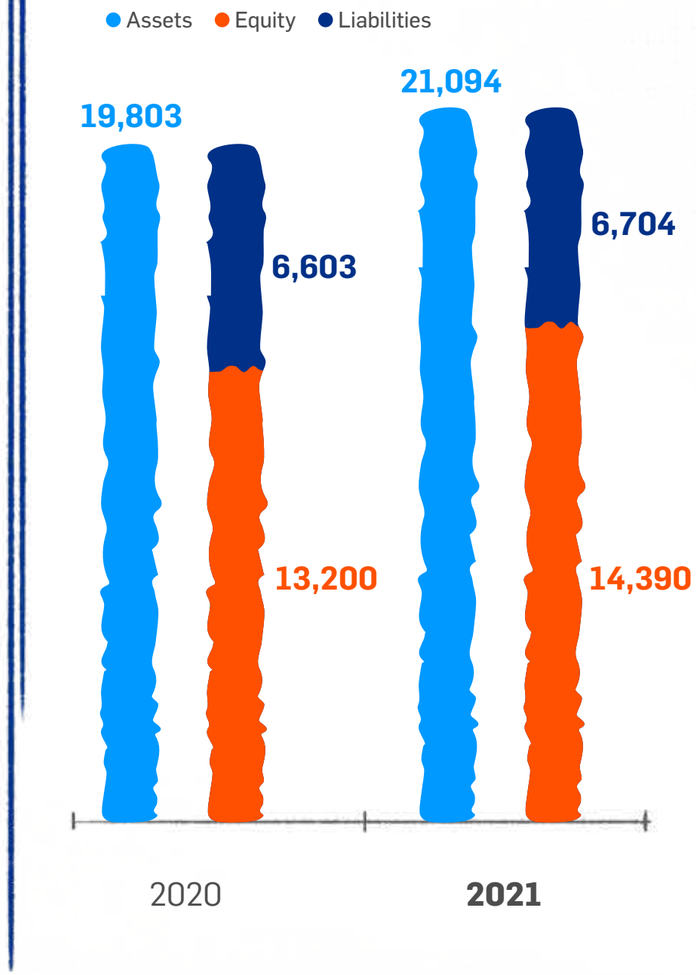
Net financial expense was $330,523 million, 11.3% more than in 2020, due to lower yields on investments and loans to economic related parties ending in 2020 and higher foreign exchange exposure.

In terms of taxes, it is important to highlight that the company contributed total taxes of $389,562 million in 2021. Income tax expense increased 134.6% compared to 2020, due to higher taxable income and adjustment to the deferred tax due to the change in the rate from 30% to 35% and higher tax expense paid abroad for dividends received.

ISA's separate net income decreased by 19.6% with respect to 2020, due to the non-recurring events explained above, without which net income would be $2.1 trillion, an increase of 0.9% with respect to 2020.

Separate balance sheet

Figures in COP billions



ISA's assets amounted to $21 trillion, 6.5% more than in December 2020. The variation is mainly due to cash surpluses from higher dividends received during the year and the company's growth through the acquisition and consolidation of PBTE, Orazul Energy Group and Ruta Costera results and higher results from ISA companies.

Financial debt amounted to $4,7 trillion, remaining constant compared to 2020. We highlight the refinancing of debt through the issuance of bonds in the international capital market, which will be explained in the meeting on ISA's financial obligations and bonds.

Liabilities were $6.7 trillion, 1.5% higher than at the end of 2020, especially due to the recognition of the higher deferred tax due to the rate change from 30% to 35%.

ISA's equity reached $14.3 trillion, 9% more than in 2020. The variation was the net result of higher earnings and a positive translation effect from investments, offset by the dividends declared at the 2021 General Shareholders' Meeting.

ISA's financial liabilities and bonds

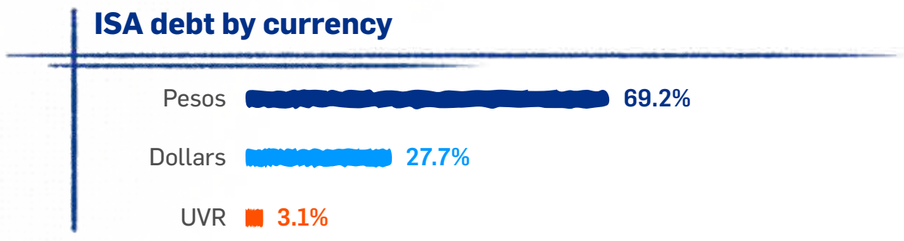
As of December 31, 2021, financial debt recorded a balance of $4.7 trillion, 1.2% less than in 2020 ($4.8 trillion).

ISA made its first external public debt bond issuance in the international capital market for USD 330 million, positioning it in that market, diversifying its sources of financing and taking advantage of its attractiveness in terms of liquidity, depth, and diversification. The proceeds were used for an internal and external debt replacement operation.

This operation reduced the exposure of the debt portfolio in CPI and increased the participation of debt in dollars, taking advantage of international bonds as a hedging instrument for the company's investment portfolio in dollars. This operation ratifies that the local and international capital market (bonds) is one of our main allies to leverage ISA's growth strategy.

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

ISA debt by currency



ISA 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, 2021, 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 on litigation and claims against the Company is contained in Note 23.1 to ISA's separate financial statements.

Share performance

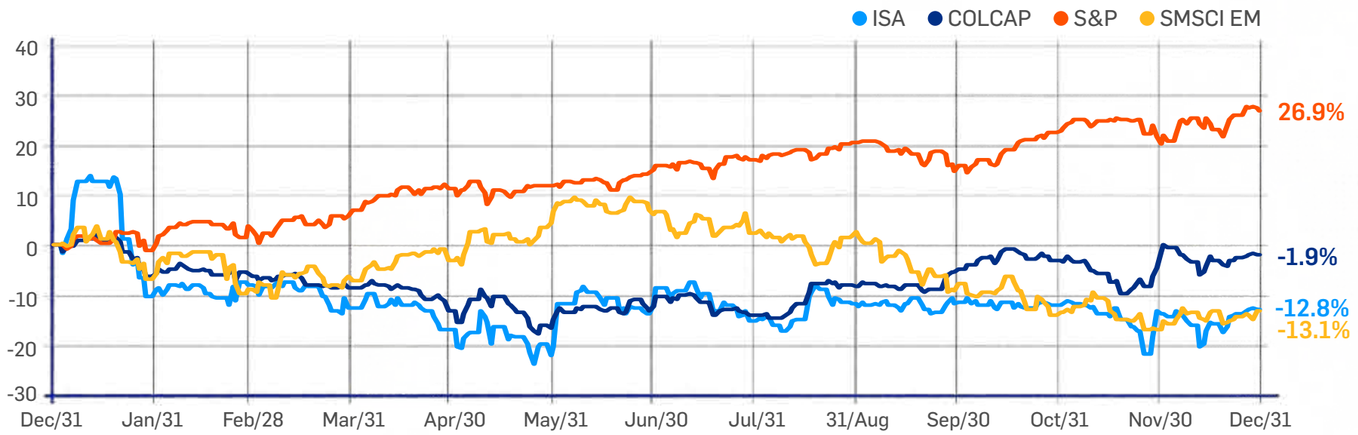
In the wake of the COVID-19 pandemic in the world, the beginning of 2021 saw an environment of increased risk aversion, as a consequence of the restrictive measures adopted by different governments, which were focused on reducing the rate of contagion. However, monetary stimulus by the different central banks, together with a significant progress in the global vaccination processes, favored the equity markets.

Towards the middle of the year, the local environment was framed by the loss of Colombia's investment grade rating, after Standard & Poor's downgraded the country's credit rating from BBB- to BB+. In addition, a significant increase in COVID-19 cases and the development of the National Strike marches increased volatility in the local market. Regarding the international environment, the delivery of better-than-expected macroeconomic data, accompanied by inflation above expectations, led monetary authorities to consider the discussion around the gradual decrease of monetary stimulus and the possibility of future interest rate increases.

In the third quarter of the year, despite fears about the liquidity crisis generated by the Asian real estate giant, Evergrande, and its possible effects on the global market, the Federal Reserve continued with its plans to reduce monetary stimulus, following good macroeconomic data, adding that this process would begin in November. These announcements negatively affected the performance of world stock markets.

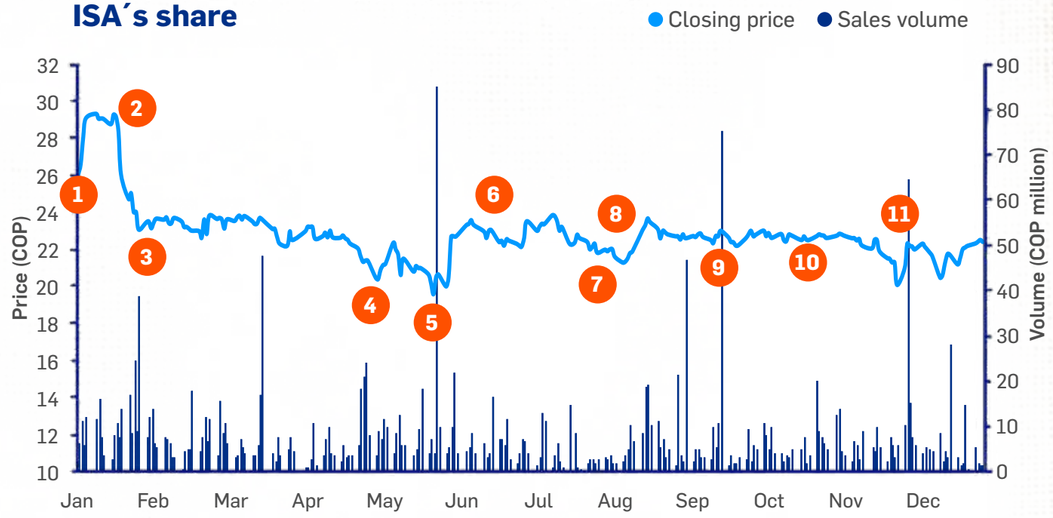
Lastly, the last quarter of the year was characterized by an inflationary environment worldwide, generated by restrictions in supply chains and an increase in energy costs and fuel prices. Announcements about the Fed's stimulus reductions for 2022, together with fears about the negative effects that the Omicron variant could generate, put downward pressure on the markets. However, in the local market companies' results were well above expectations, which, together with the takeover bids by the Gillinski Group on some companies listed on the BVC, strongly boosted local equity assets.

The most representative index of the American market, the S&P 500, presented a valuation of 26.9% in 2021, while the Morgan Stanley Capital International Emerging Markets (MSCI EM) Latin America index, composed of companies from countries such as Brazil, Colombia, Mexico, Chile, and Peru, had a performance of -13.1%, negatively affected by political uncertainty and a generalized fiscal deterioration after the effects of the pandemic. For its part, the Colombian index, MSCI COLCAP, closed the year with a movement in line with other emerging Latin American countries, falling 1.9% in 2021.



On the other hand, ISA's shares reached an all-time high of $29,250 on January 12, 2021, following the Colombian government's announcement to sell its stake in the company. However, the signing of an inter-administrative contract by Ecopetrol to acquire 51.4% of ISA eliminated the possibility of a Public Offering of Shares (OPA), which generated a downward movement in the asset, which remained so during the year. Despite very positive and resilient results during the pandemic, ISA closed the year with a downward movement of 12.8%, after a valuation of more than 30% in 2020.

On the other hand, the expectations regarding ISA's new strategic direction and the effects that the —at that time— potential transaction with Ecopetrol would bring, generated important changes in the behavior of ISA's stock, distancing it from the company's fundamentals. In addition, the political situation in Peru and, to a lesser extent, in Chile, were constant concerns for investors, given the exposure in these countries. Thus, ISA closed with a devaluation of 12.8% in 2021, after having been the stock with the highest valuation in the Colombian Stock Exchange during 2020.

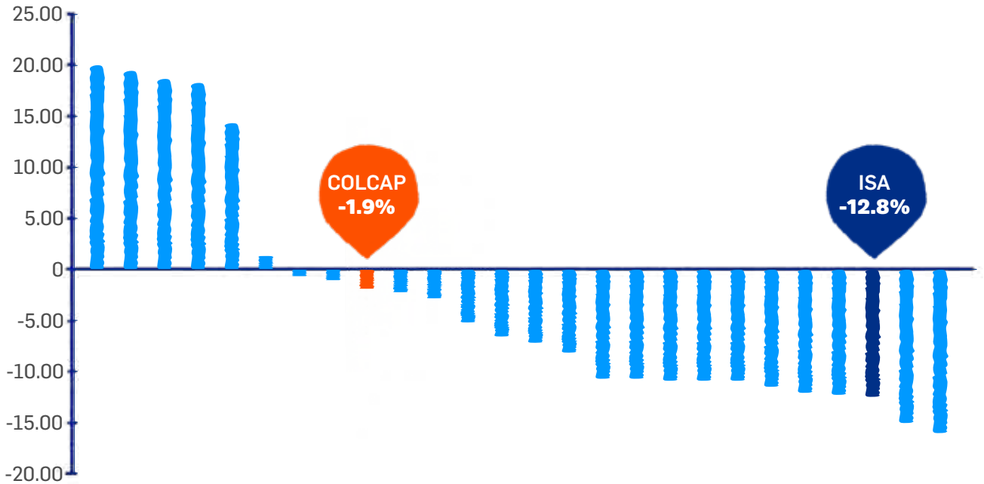


Events

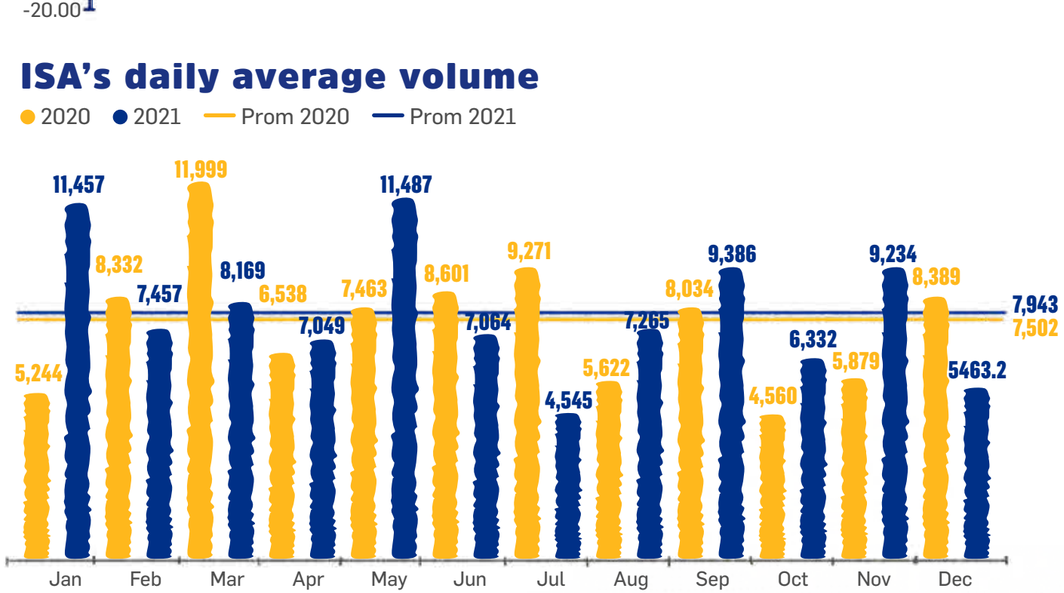
1. Announcement of the Government's intention to sell stake in ISA
2. The share reaches a new historical price, $29,250
3. Ecopetrol presents an offer not binding for the acquisition of ISA's shares. The goverment, announced that there would be no public tender offer
4. Strong selling trend of foreign
5. S&P downgrades Colombia and loses degree of investment
6. Fitch downgrades Colombia at 'BB+'
7. Subscription Contract inter-administrative, where Ecopetrol acquires 51.4% of ISA
8. Transfer of short-term layoffs long term and better results financial with respect as expected
9. Ecopetrol reports closure of the transaction by which acquires 51.4% of ISA
10. The public tender offer bid for Nutresa promotes to the Colombian market
11. MSCI Quarterly Rebalance Colcap generating flows buyers in ISA stock

Annual variation chart

Var, (%) 2021 | Issuers COLCAP



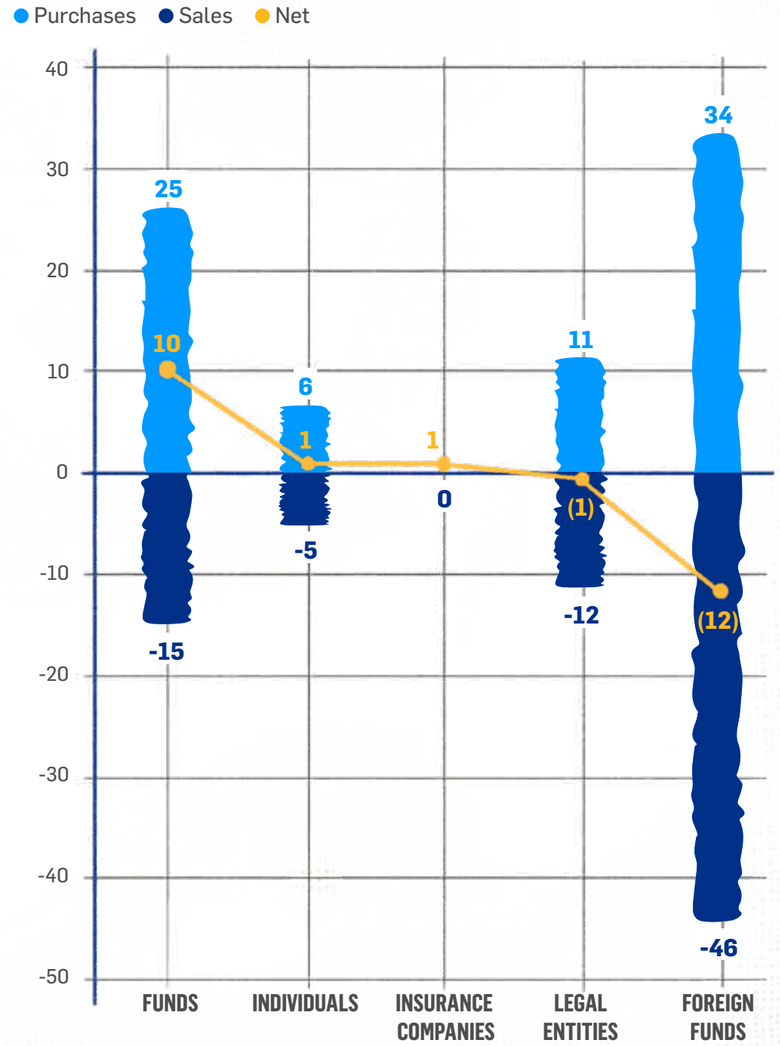
ISA's daily average volume



The average daily volume traded by ISA in 2021 was $7,943 million, 6% higher than the average of the previous year. This is the result of increased interest from local investors, especially pension funds, mutual funds, securities funds, and employee funds. In addition, the speculative movement by some agents, in view of the possibility of a takeover bid (OPA) for the sale of the Ministry of Finance's stake, increased the share's liquidity at the beginning of 2021.

In 2021, the largest buyers were pension funds, mutual funds, securities funds and employee funds, individuals, and insurance companies. Foreign funds and legal entities were net sellers during the year.

Share trading (millions of shares)



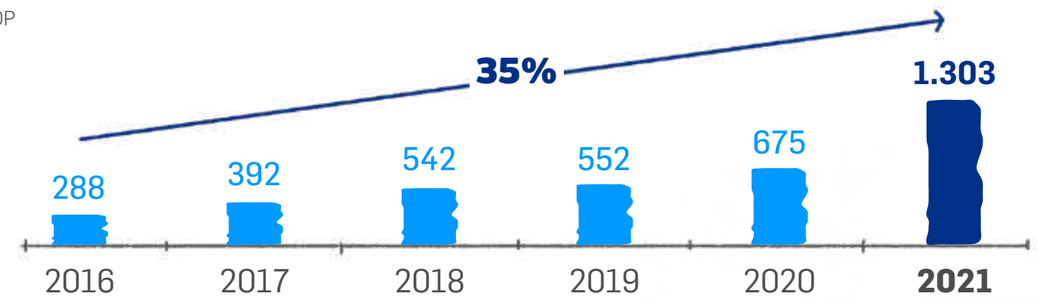
Dividends

The General Shareholders' Meeting, held on March 26, 2021, approved to distribute profits to its shareholders for $1,443,304 million, the highest amount paid so far, which is equivalent to 70% of net income (40% due to ISA's dividend practice and an additional 30% resulting from incremental dividends received by the companies). These higher company increases were mainly due to the one-time event that occurred in ISA CTEEP (recognition of the Cost of Capital on RBSE assets and the periodic tariff review), which resulted in additional revenues of close to $1 trillion. The dividend distributed by ISA maintains its trend, with an annualized growth for the 2016-2021 period of 35%, well above inflation in Colombia and the behavior of other investment alternatives available in the market.

The payment was made in two equal installments of $651.5 per share on July 22 and December 14, 2021.

Dividends

COP



Stock market information

NUMBER OF OUTSTANDING SHARES 1,107,677,894

39.77% Free - float (%)	26,304 No, of shareholders	32.8 Nominal value ($)	22,400 Closing price ($)
1,504 UPA: Income per share ($)	744 Ordinary dividen per share	559 Ordinary dividend per share	1,303 Total dividen per share
24,811,985 Market capitalization ($ millions)	7,943 Daily average traded ($ millions)	HIGH Marketability	

Índices

10.21% COLCAP interest	10.48% COLEQTY interest

FINANCIAL RATIOS

15.07% PER: Price/Income	1.73 Tobin's Q Ratio: Price/Carrying value (times)	7.84 EV/Ebitda (times)	5.82% Dividend Yield*

* Annual dividend yield over the closing share price,

Interconexión Eléctrica S.A. E.S.P. and subsidiaries

Consolidated statements of financial position | As of december 31, 2021 and 2020.

Amounts expressed in millions of Colombian pesos.

	NOTE	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**4,686,462**	3,781,713
Concessions, trade receivables and other accounts receivables	7	**4,441,494**	4,084,421
Other financial assets	8 and 31	**818,879**	1,086,663
Current tax assets	18	**271,444**	260,466
Inventories	9	**125,392**	100,645
Other non-financial assets	10	**326,432**	394,877
Total current assets		**10,670,103**	**9,708,785**
NON-CURRENT ASSETS			
Restricted cash	6	**138,688**	217,646
Non-current tax assets	18	**5,274**	5,156
Investments in associates and joint ventures	11	**3,719,877**	3,124,526
Concessions, trade receivables and other accounts receivables	7	**23,421,322**	18,863,129
Other financial assets	8 and 31	**31,770**	17,250
Inventories	9	**65,599**	64,521
Property, plant, and equipment	12	**12,973,393**	12,179,180
Intangibles	13	**10,246,813**	8,277,346
Other non-financial assets	10	**168,915**	128,094
Deferred tax assets	18	**256,432**	1,608,436
Total non-current assets		**51,028,083**	**44,485,284**
TOTAL ASSETS		**61,698,186**	**54,194,069**

Continue

	NOTE	2021	2020
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities	15 and 31	**2,866,267**	1,266,015
Accounts payable	16 and 31	**949,140**	996,635
Employee benefits	17	**140,154**	120,979
Current tax liabilities	18	**369,353**	376,021
Provisions	19	**154,089**	368,985
Non-financial liabilities	20	**491,046**	274,406
Total current liabilities		**4,970,049**	**3,403,041**
NON-CURRENT LIABILITIES			
Financial liabilities	15 and 31	**25,074,175**	21,202,820
Accounts payable	16 and 31	**215,467**	222,268
Non-current tax liabilities	18	**1,208,927**	869,716
Employee benefits	17	**769,153**	781,100
Provisions	19	**337,270**	247,877
Non-financial liabilities	20	**1,347,113**	1,541,354
Deferred tax liabilities	18	**5,643,037**	5,779,700
Total non-current liabilities		**34,595,142**	**30,644,835**
TOTAL LIABILITIES		**39,565,191**	**34,047,876**
EQUITY			
Subscribed and paid-in capital	21	**36,916**	36,916
Additional paid-in capital	21	**1,428,128**	1,428,128
Reserves	21	**6,861,491**	6,241,845

Continue

	NOTE	2021	2020
Retained earnings		**3,203,921**	3,207,681
Net profit for the year		**1,665,536**	2,059,191
Other comprehensive income		**1,167,865**	194,014
Equity attributable to equity holders of the parent		**14,363,857**	**13,167,775**
Non-controlling interests		**7,769,138**	6,978,418
Total equity		**22,132,995**	**20,146,193**
TOTAL EQUITY AND LIABILITIES		**61,698,186**	**54,194,069**

See notes accompanying to consolidated financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

John Bayron Arango Vargas
Chief Accounting Officer
P.C. N.°. 34420 – T
(See certification attached)

Martín Bernardo Chocontá Meléndez
Statutory Auditor
P.C. N.° 32517–T
Designated by Deloitte & Touche Ltda.
(See my report attached of February 25, 2022)

Interconexión Eléctrica S.A. E.S.P. and subsidiaries

Consolidated statements of profit and loss and other comprehensive income | Years ended as of December 31, 2021 and 2020.

Amounts expressed in millions of Colombian pesos, except for basic and diluted earnings per share, expressed in Colombian pesos.

	NOTE	2021	2020
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Energy transmission services		**6,575,625**	4,915,021
Road concessions		**1,443,674**	1,120,376
Constructions services		**2,137,316**	2,194,300
Information and telecommunication technologies		**414,314**	379,168
Connection charges		**284,053**	260,201
CND-MEM Dispatch and coordination		**120,075**	101,969
MEM Services (STN, SIC, SDI)		**47,061**	53,754
Other revenues		**94,820**	86,058
Revenues from contracts with customers	**22, 23 and 29**	**11,116,938**	**9,110,847**
Operating costs	24	**(4,336,708)**	(3,864,858)
Gross profit		**6,780,230**	**5,245,989**
Administrative expenses	24	**(732,053)**	(726,339)
Effect of periodic tariff review	25	**44,603**	1,056,979
Equity method of associates and joint ventures	26	**556,717**	519,366
Other operating (expenses) income	26	**(5,386)**	115,334
Operating income		**6,644,111**	**6,211,329**
Financial results	27	**(2,333,130)**	(1,372,872)
Profit before taxes		**4,310,981**	**4,838,457**

Continue

	NOTE	2021	2020
Income tax expense	18	**(1,106,268)**	(1,074,232)
Net profit for the year		**3,204,713**	**3,764,225**
Non-controlling interest		**(1,539,177)**	(1,705,034)
Net profit for the year attributable to owners of parent		**1,665,536**	**2,059,191**
Net profit attributable to:			
Owners of parent		**1,665,536**	2,059,191
Non-controlling interest		**1,539,177**	1,705,034
NET PROFIT FOR THE YEAR		**3,204,713**	**3,764,225**
Remeasurement gains (losses) from defined benefit plans, net of taxes		**35,624**	(51,194)
Items that will not be reclassified to profit or loss		**35,624**	**(51,194)**
Unrealized gains (losses) from cash-flow hedges, net of taxes		**210,294**	(125,368)
Foreign currency translation losses, net of taxes		**(20,524)**	(3,797,001)
Items that may be reclassified to profit or loss		**189,770**	**(3,922,369)**
OTHER COMPREHENSIVE INCOME		**225,394**	**(3,973,563)**
Total comprehensive income attributable to:			
Owners of parent		**2,639,387**	1,473,282
Non-controlling interest		**790,720**	(1,682,620)
TOTAL COMPREHENSIVE INCOME		**3,430,107**	**(209,338)**

Continue

	NOTE	2021	2020
Basic and diluted earnings per share:			
Basic and diluted earnings per share attributable to equity holders of the parent	21	**1,504**	1,859

See notes accompanying to consolidated financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

John Bayron Arango Vargas
Chief Accounting Officer
P.C. N.°. 34420 – T
(See certification attached)

Martín Bernardo Chocontá Meléndez
Statutory Auditor
P.C. N.° 32517–T
Designated by Deloitte & Touche Ltda.
(See my report attached of February 25, 2022)

Interconexión Eléctrica S.A. E.S.P. and subsidiaries

Consolidated statements of cash flow | Years ended as of December 31, 2021 and 2020.

Amounts expressed in millions of Colombian pesos.

	NOTE	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from trade receivables		**9,160,996**	7,887,505
Payments to suppliers for the provision of goods and services		**(3,160,994)**	(3,042,266)
Payments to and on behalf of employees		**(929,635)**	(916,637)
Other payments for operating activities, net		**(652,420)**	(296,050)
Net cash flows from operating activities		**4,417,947**	**3,632,552**
Income taxes paid		**(695,453)**	(907,181)
Other cash (outflows) inflows		**(34,064)**	189,310
NET CASH FLOWS FROM OPERATING ACTIVITIES		**3,688,430**	**2,914,681**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Cash flow used to obtain control of subsidiaries	32	**(985,373)**	(1,105,308)
Purchase of intangible assets		**(872,239)**	(672,148)
Purchase of properties, plant, and equipment		**(761,360)**	(2,310,583)
Collections from the reimbursement of advances and loans		**450,235**	99,541
Dividends received		**227,834**	108,922
Interest received		**111,683**	47,168
Acquisition of interest in joint ventures		**(72,697)**	(146,304)
Other charges (payments) for acquire or sale of equity or debt instruments		**7,103**	(16,320)
Cash advances and loans granted to third parties		**399**	(484,131)
Amounts from the sale of property, plant, and equipment		**182**	434
Amounts from the sale of intangible assets		**14**	250

Continue

	NOTE	2021	2020
Payments from derivative contracts, net		-	(22,074)
Other cash inflows		**516,658**	45,778
NET CASH USED IN INVESTMENT ACTIVITIES		**(1,377,561)**	**(4,454,775)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**10,381,251**	4,926,611
Repayment of loans and borrowings		**(6,815,541)**	(2,553,392)
Dividends paid		**(3,042,426)**	(1,252,876)
Interest paid		**(1,050,519)**	(1,132,889)
Repayment of lease liabilities		**(89,442)**	(71,040)
Payments from financial derivatives, net		**(31,404)**	-
Other cash outflows		**(36,402)**	(193,013)
NET CASH USED IN FINANCING ACTIVITIES		**(684,483)**	**(276,599)**
Cash and cash equivalents, excluding exchange effect		**1,626,386**	**(1,816,693)**
Effects of exchange rate variation on cash and cash equivalents		**(721,637)**	3,111,205
Net cash and cash equivalents		**904,749**	**1,294,512**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**3,781,713**	**2,487,201**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**4,686,462**	**3,781,713**

See notes accompanying to consolidated financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

John Bayron Arango Vargas
Chief Accounting Officer
P.C. N.°. 34420 – T
(See certification attached)

Martín Bernardo Chocontá Meléndez
Statutory Auditor
P.C. N.° 32517–T
Designated by Deloitte & Touche Ltda.
(See my report attached of February 25, 2022)

Interconexión Eléctrica S.A. E.S.P. and subsidiaries

Consolidated statements of changes in shareholders' equity | Years ended as of December 31, 2021 and 2020

Amounts expressed in millions of Colombian pesos, except the value of dividends per share expressed in Colombian pesos.

			RESERVES								
	Subscribed and paid-in capital	Additional paid-in capital	Legal	By tax regulation	For equity strengthening	For rehabilitation and replacement of STN assets	Total reserves	Retained earnings and net profit for the year	Other comprehensive income	Non-controlling interest	Total
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**
Reserve appropriation	-	-	-	-	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)**
Foreign currency translation	-	-	-	-	-	-	-	-	(409,347)	(3,387,654)	**(3,797,001)**
Other items of other comprehensive income	-	-	-	-	-	-	-	-	(176,562)	-	**(176,562)**
Net profit for the year	-	-	-	-	-	-	-	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**
Reserve appropriation	-	-	-	-	619,646	-	619,646	(619,646)	-	-	-
Ordinary and extraordinary dividends at COP 744 and COP 559 per share, respectively, and per share settled on 1,107,677,894 outstanding shares	-	-	-	-	-	-	-	(1,443,305)	-	-	**(1,443,305)**
Foreign currency translation	-	-	-	-	-	-	-	-	727,933	(748,457)	**(20,524)**
Other items of other comprehensive income	-	-	-	-	-	-	-	-	245,918	-	**245,918**
Net profit for the year	-	-	-	-	-	-	-	1,665,536	-	1,539,177	**3,204,713**
Balance as of December 31, 2021	**36,916**	**1,428,128**	**18,458**	**898,802**	**5,906,797**	**37,434**	**6,861,491**	**4,869,457**	**1,167,865**	**7,769,138**	**22,132,995**

See notes accompanying to consolidated financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

John Bayron Arango Vargas
Chief Accounting Officer
P.C. N.°. 34420 – T
(See certification attached)

Martín Bernardo Chocontá Meléndez
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(See my report attached of February 25, 2022)

INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020 | Amounts expressed in millions of Colombian pesos, excluding nominal value shares and earnings per share.

1. General information

Interconexión Eléctrica S.A. E.S.P. ("ISA"), 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 Bogotá 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 stock company of commercial and national nature, linked to the Ministry of Mines and Electricity, 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.

ISA, the parent company, is a utilities company listed on the Colombia Stock Exchange, with headquarters in Medellin, Republic of Colombia. ISA is part of Grupo Empresarial Ecopetrol, whose parent company is Ecopetrol S.A., with headquarters in Bogotá, Colombia.

Headquarters are in Medellín, South 12th Street # 18-168.

The principal activities of ISA and its subsidiaries are:

- 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.

- Design, construction, operation, and maintenance of road infrastructure.
- The management of ISA's companies is exercised through the definition of strategic, organizational, technical, and financial guidelines, among others.

As of December 31, 2021, and 2020, ISA's companies had the following employees. 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.

2021	Management and Trusted Personnel		Otros		Total	
	N.º people	Value	N.º people	Value	N.º people	Value
ISA Intercolombia	486	76,560	211	27,931	697	104,491
ISA CTEEP	104	23,136	1,220	72,286	1,324	95,422
ISA REP	250	56,393	152	22,605	402	78,998
ISA	223	57,355	14	1,343	237	58,698
XM	293	50,113	1	79	294	50,192
Internexa	200	37,181	14	906	214	38,087
ISA Transelca	17	6,118	180	26,818	197	32,936
ISA Intervial Chile	26	15,538	72	10,960	98	26,498
ISA Interchile	10	6,600	60	12,435	70	19,035
Ruta del Maipo	11	4,565	137	13,405	148	17,970
Ruta Costera	43	2,719	292	5,190	335	7,909
Internexa Brasil Operadora de Telecomunicações	5	985	78	6,598	83	7,583
Internexa Perú	39	7,465	-	-	39	7,465

Continue

2021	Management and Trusted Personnel		Otros		Total	
	N.º people	Value	N.º people	Value	N.º people	Value
Proyectos De Infraestructura Del Perú	19	3,208	32	2,488	51	5,696
Internexa Chile	1	4,857	17	-	18	4,857
Sistemas Inteligentes en Red	6	1,419	75	2,919	81	4,338
ISA Bolivia	2	612	27	2,574	29	3,186
Ruta del Bosque	2	604	31	2,283	33	2,887
Ruta de La Araucanía	1	414	26	2,072	27	2,486
Ruta de Los Ríos	-	-	25	1,933	25	1,933
Internexa Argentina	1	484	7	1,358	8	1,842
Ruta del Maule	2	293	39	913	41	1,206
Ruta del Loa	1	684	0	-	1	684
Total	**1,742**	**357,303**	**2,710**	**217,096**	**4,452**	**574,399**

2020	Management and Trusted Personnel		Others		Total	
	N° people	Value	N° people	Value	N° people	Value
ISA CTEEP	105	23,170	1,287	72,420	1,392	95,590
ISA Intercolombia	413	69,424	215	25,797	628	95,221
ISA REP	224	51,923	160	25,734	384	77,657
ISA	209	50,109	17	1,610	226	51,719
XM	278	45,930	1	112	279	46,042
Internexa	187	33,486	14	937	201	34,423

Continue

2020	Management and Trusted Personnel		Others		Total	
	N° people	Value	N° people	Value	N° people	Value
ISA Transelca	16	5,643	187	27,103	203	32,746
ISA Intervial Chile	27	11,621	71	19,055	98	30,676
Ruta del Maipo	13	3,812	139	16,093	152	19,905
ISA Interchile	10	5,671	53	9,035	63	14,706
Internexa Perú	36	10,384	-	-	36	10,384
Internexa Brasil Operadora de Telecomunicações	6	1,562	90	6,633	96	8,195
Ruta Costera	43	2,719	292	5,190	335	7,909
Proyectos De Infraestructura Del Perú	22	2,899	29	2,498	51	5,397
Ruta del Maule	2	928	39	3,517	41	4,445
Internexa Chile	16	4,154	-	-	16	4,154
Ruta del Bosque	1	928	32	2,166	33	3,094
Ruta de La Araucanía	1	933	29	1,937	30	2,870
Ruta de Los Ríos	1	933	27	1,702	28	2,635
Sistemas Inteligentes en Red	6	751	55	1,699	61	2,450
Internexa Argentina	2	721	8	1,471	10	2,192
ISA Bolivia	2	470	26	1,006	28	1,476
Ruta del Loa	1	621	-	-	1	621
Total	**1,621**	**328,792**	**2,771**	**225,715**	**4,392**	**554,507**

2. Consolidation principles

2.1 Compliance statement

ISA prepares its consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia ("NCIF"), in accordance with Law 1314 of 2009, which are compiled and updated through Decree 938 of 2021, Decree 1432 of 2020 and previous modifications and other legal provisions applicable to entities supervised and/or controlled by the Financial Superintendency of Colombia and General Accounting Office ("Contaduría General de la Nación"). The Accounting and Financial Reporting Standards Accepted in Colombia are based on the International Financial Reporting Standards (IFRS), together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB), in force as of December 31, 2018.

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 22, 2022.

2.2 Basis of preparation

The consolidated financial statements, which are presented in millions of Colombian pesos, have been prepared on a historical cost basis, which is generally based on the fair value of the consideration given in exchange for goods and services, except for derivative financial instruments, debt and equity financial assets that have been measured at fair value, and assets acquired and liabilities assumed in business combinations that are measured at fair value. ISA and its companies have prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.3 Consolidation principles

The consolidated financial statements include the financial statements of ISA and its subsidiaries, including structured entities that are controlled by ISA, joint ventures and associates as of December 31, 2021 and 2020. Subsidiaries are entities over which ISA exerts direct or indirect control, joint ventures over which joint control is exercised and associates over which significant influence is exercised.

Structured entities are established through 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 Y FUNDO DE INVESTIMENTO BARRA BONITA RENDA FIXA REFERENCIADO through the subsidiary ISA CTEEP.

Subsidiaries

ISA controls an entity when it exerts control over it (through existing rights that grant it the authority to direct the entity's relevant activities); when it is exposed to or has rights to variable returns from its involvement with the entity and it has the ability to affect those returns through its power over the same. This occurs when ISA has less than the majority of the voting rights over an investee but still has the power over the investee to direct the entity's relevant activities unilaterally.

ISA considers all relevant facts and circumstances when evaluating whether it controls an investee, including: (i) the percentage of voting rights, and the participation and

dispersion of percentages of voting rights held by others; (ii) potential voting rights held by ISA and others; (iii) rights arising from contractual agreements; and (iv) any additional facts or circumstances indicating that ISA has, or lacks, the current ability to direct relevant activities when decision-making is needed, including voting patterns in previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the ISA's control commences over the subsidiary, until the date on which control ceases. On the date that ISA has control of a subsidiary, it applies the business combination policies.

All intercompany assets and liabilities, revenues, expenses, and cash flows related to ISA and its companies' intercompany transactions are eliminated in consolidation. Non-controlling interest represents the portion of the income, other comprehensive income and net assets in subsidiaries that are not attributable to ISA's shareholders.

Investments in subsidiaries are recorded based on the financial statements as of the reporting date, under the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF) and are translated into Colombian pesos in accordance with IAS 21, based on their functional currency and using the US dollar as the reference currency. The results and financial position of subsidiaries that use a functional currency different from the presentation currency are translated to the presentation currency using the current exchange rates certified by Banco de la República in Colombia or by the official banks of the main countries in which ISA and its companies carry out transactions, as follows:

- Assets and liabilities are translated into Colombian pesos at the closing rate, which corresponds to the Representative Market Rate on the balance sheet date.
- 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 stated 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) from conversion exchange differences (attributed to the non-controlling interest, as appropriate).

Investments in associates and joint ventures

ISA and its companies classify as joint ventures the investments in which they exercise control jointly with one or more participants by virtue of a contractual agreement, which grants them rights over the net assets of the business and which exists only when the decisions about the activities relevant to the business require unanimity, and classifies as associates, investments, other than subsidiaries, in which ISA has the power to exercise significant influence on financial and operating policy decisions.

ISA and its companies account for their investments in associates and joint ventures by the equity method, after reconciling the accounting policies of the associate and joint venture with the accounting policies of ISA and its companies. Under this method, the investment is initially recorded at cost and is subsequently adjusted for changes

in the net assets of the associate and joint venture, in the proportion that corresponds to ISA and its companies, from the time they exercise significant influence and joint control until the date on which such influence or joint control ceases to exist, less any impairment in value. Goodwill related to the associate or joint venture is part of the carrying value of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss and the consolidated other comprehensive income reflects the ISA and its companies' participation in the results of the operations after tax and other comprehensive income of the associate or joint venture. Any changes in other comprehensive income of these associates are presented as part of other comprehensive income. Also, when a change has been directly recognized in the equity of the associate or joint venture, ISA and its companies recognize its participation in any changes, from time to time, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between ISA and its companies and the associate or joint venture are eliminated proportionally to the participation in the associate or joint venture.

At each reporting date, ISA and its companies assess whether there is an indication that an investment in an associate or joint venture may be impaired. If any, ISA, and its companies, before recognizing impairment, test for impairment at the level of the investee's assets, in order to recognize impairment losses through the equity method. If N. A., it calculates impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognizes any impairment loss in the "equity method" line of the consolidated income statement. If ISA and its companies' share of losses exceeds the carrying amount of an associate or joint venture, the carrying amount is reduced to zero and the recognition of additional losses is discontinued, except to the extent that ISA and its companies have incurred obligations with respect to the associate or joint venture.

ISA and its companies, in order to determine the recoverable value of its investments in subsidiaries, associates and joint ventures, consider the entire entity as a whole as a CGU. The value in use of these investments is determined by discounting the expected cash flows at the weighted cost of debt and equity, reflecting the time value of money and the risk associated with the business. The fair value is determined by using the valuation technique that is most appropriate and consistent with the market conditions of the company.

ISA and its companies reverse any impairment loss previously recognized on these investments when the service potential increases, either by sale or use. The reversal is limited to the extent that its carrying amount does not exceed its recoverable amount nor the carrying amount that would have been determined had no impairment loss been recognized in prior periods. The reversal is recognized in the consolidated income statement.

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.

On 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.

3. Adoption of International Financial Reporting Standards (IFRS)

3.1 IFRS incorporated in Colombia and implemented at the date of preparation of the consolidated financial statements

3.1.1 Application of standards implemented in Colombia as of January 1, 2021

There are no standards issued by the IASB incorporated by Decree in Colombia that have been implemented since January 1, 2021.

3.1.2 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. The adoption of these standards and interpretations did not have a material impact on the consolidated financial statements.

3.1.2.1 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 and its companies conducted a practical analysis of IFRIC 23, which determines 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 relevant taxation authority 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.

3.1.2.2 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."

3.1.2.3 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 year. These 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.

3.1.2.4 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.

3.1.2.5 Conceptual framework

It contains definitions of concepts related to:

- Measurement: including factors considered when selecting measurement basis.
- 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.

3.1.2.6 Amendment to IFRS 16 Rent Reductions Related to COVID-19

By Decree 1432 of November 2020, this amendment was adopted which provides practical relief to lessees in accounting for leases occurring as a direct consequence of COVID-19 by introducing a practical expedient to IFRS 16. This expedient allows a lessee not to assess whether a COVID-19 related lease is a modification of a lease. A lessee making this election will account for any change in lease payments resulting from the COVID-19 related lease concession in the same manner as it would account for the change under IFRS 16 if it were not a lease modification. ISA and its companies did not choose to apply the practical expedient proposed in the amendment.

3.2 IFRS issued by the IASB with application from January 1, 2023

3.2.1 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.

ISA and its companies are assessing the potential effect of this standard on its financial statements.

3.2.2 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. ISA and its companies are currently assessing the impact the amendments will have.

3.2.3 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.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on ISA and its companies.

3.2.4 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. ISA and its companies will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

3.2.5 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

3.2.6 Annual amendments to IFRS 2018-2020 standards

These include the amendment to four standards.

- *Amendment to IFRS 1 – First-time Adoption of International Financial Reporting Standards*

The amendment permits a subsidiaries company that applies paragraph D16 (a) of IFRS 1 to measure cumulative translation differences 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. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted."

- *Amendment to IFRS 9 – Financial instruments: 10 % Test for Derecognition of Financial Liabilities*

The amendment 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.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on ISA and its companies.

- *Modification to IFRS 16 Leases*

The amendments eliminate the figure of reimbursement for improvements to leases. There is no set start date yet.

- *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.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

3.3 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 N. A. in Colombia on the date of these financial statements are disclosed below. ISA and its companies will adopt these standards on the date they become effective, according to the decrees issued by the local authorities. The company anticipates that the adoption of these IASB standards and interpretations, not yet in force in Colombia, will not have a material impact on the financial statements.

3.3.1 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 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.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, and comparative figures are required. Earlier application is permitted, considering that the entity also applies IFRS 9 and IFRS 15 on or before the date on which it first applies IFRS 17.

3.3.2 Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of accounting policies

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies. The amendment replaces the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material when it is considered that, in conjunction with other information included in an entity's financial statements, it may influence the decision-making of the primary users of general-purpose financial statements.

The supporting paragraphs in IAS 1 are amended to clarify the disclosure of accounting policies that relate to immaterial transactions, other events or conditions that are themselves material. To support these amendments, the IASB has developed guidance and examples to explain and demonstrate the application of the "4 steps of the materiality process" described in IFRS Practice Statement 2.

The amendments to IAS 1 will be effective for annual periods beginning on January 1, 2021, with an option for early application and are applied prospectively. The amendments to the IFRS Practice Statement 2 disclosures do not contain an effective date or transition requirements.

3.3.3 Amendments to IAS 8 Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was eliminated. However, the IASB retained the concept of changes in an accounting estimate in the standard with the following clarifications:

- A change in an accounting estimate is the result of new information obtained, new developments or more experience. By its very nature, a change in an accounting estimate is not related to prior periods nor is it a correction of an error.
- The effects on an accounting estimate of a change in an input or measurement technique are changes in accounting estimates unless they result from the correction of prior period errors.

The amendments will be effective for annual periods beginning on January 1, 2023, for changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period with an option for early application.

3.3.4 Amendments to IAS 12 Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction

The amendments introduced an additional exception to the initial recognition exemption. In the amendments, an entity does not apply the initial recognition exception for transactions that give rise to taxable and deductible temporary differences.

Depending on the applicable tax law, taxable and deductible temporary differences may occur on initial recognition of an asset and a liability in a transaction that is not a business combination and does not affect accounting and taxable income.

Following the amendments to IAS 12, an entity is required to recognize deferred tax assets and liabilities, with the recognition of any deferred tax assets being subject to the recoverability criterion.

The amendments apply to transactions occurring on or after the earliest comparative period presented. Additionally, at the beginning of the first comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable income is available against the deductible temporary difference) and a deferred tax liability for all taxable and temporary deductions associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration, and similar liabilities corresponding to amounts recognized as part of asset-related costs
- The cumulative effect at the beginning of the application of the amendments as an adjustment to the opening balances of retained earnings (or some other component of equity, as appropriate) as of that date.

The amendments will be effective for annual periods beginning on January 1, 2023, with an option for early application.

3.3.5 Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 deal with situations in which there is a sale or contribution of assets between an investor and its associate or joint venture.

Specifically, the amendments establish that the gain or loss resulting from the loss of control of a subsidiary that does not have a business, in a transaction with an associate or a joint venture accounted for by the equity method, is recognized in the financial statements of the controlling entity only to the extent of the unrelated investors interests in that associate or joint venture.

Similarly, the gain or loss on the remeasurement to fair value of the retained investment in the former subsidiary (which has become an associate or joint venture accounted for by the equity method) is recognized in the financial statements of the controlling entity only to the extent of the unrelated investors' interest in the new associate or joint venture.

IASB has not yet established the effective date of application of the amendments; however, early application is permitted.

4. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements based on the Accounting and Financial Reporting Standards accepted in Colombia requires that management use judgments, estimates, and assumptions that affect the reported amounts for revenues, expenses, assets and liabilities, and its disclosures, including contingent liabilities. Uncertainty in these judgements and estimates could result in material adjustments in the carrying value of assets or liabilities in future periods. Management expects that variations, if any, would have no significant effect on the consolidated financial statements.

The determination if an information is material is a matter of judgment and depends on the facts and circumstances involved. These estimates are based on management's experience and its best estimate regarding present and future events, and on the best use of the information available on the date of issuance of these consolidated financial statements. Actual results may differ from these estimates but are adjusted once they are known.

In applying the accounting policies of ISA and its companies, management has exercised the following judgements that have the most significant effects on the amounts recognized in the financial statements:

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 the identification of an asset's CGU on the basis of independent cash inflows generated by the asset.

Disbursements incurred for concessions recognized as intangible assets, financial assets, or as contract asset under 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.

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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash-flow (DCF) model and the projections of expected future cash flows that do not include restructuring activities that ISA and its companies are not yet committed to or significant future investments that will enhance the performance of the assets being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by ISA and its companies.

Estimation of assets and liabilities at fair value in a business combination

At the acquisition date, ISA and its companies estimated the fair value of acquired assets and assumed liabilities based on the requirements of IFRS 3. Fair value of non-financial assets included in a business combination is determined in reference to the expected cash-flows that the asset will generate based on assumptions consistent with or available to other market participants.

Useful lives values of property, plant, and equipment

The estimation of useful lives of property, plant, and equipment components involves judgments and assumptions that could be affected if circumstances change. ISA and its companies review these assumptions annually and adjust them prospectively if any adjustments are 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

ISA and its companies are subject to claims relating to regulatory and arbitration proceedings, tax assessments and other claims arising in the normal course of business. Management evaluates these claims based on their nature, the likelihood that they materialize, and the amounts involved, to decide on the amounts recognized and/or disclosed in the financial statements.

This analysis, which may require considerable judgment, includes the assessment of current legal proceedings brought against ISA and its companies and claims not yet initiated. A provision is recognized when ISA and its companies have a present obligation derived from a past event, it is likely that an outflow of resources of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of such obligation can be made.

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, management is required to evaluate the probability that the company generates taxable income 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 ISA and its companies' ability to realize the net deferred taxable assets recognized on the statement of financial position.

Additionally, future changes in tax laws could limit the capacity of ISA and its companies 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

ISA and its companies have contractual obligations under its concession agreements in Peru to provide for major replacement and maintenance activities that are required

under the contracts. Provision amounts are based on qualitative and quantitative analysis performed by ISA and its companies' maintenance area and an estimate of disbursements for major maintenance and replacements that considers the current market prices of the components to be replaced at the time the provision is recognized. The provision amounts are recognized based on the present value of the estimated future cash outflows, based on a risk-free discount rate.

Traffic projections for concessions

ISA and its companies' compensation for the services provided under the concession contracts for certain Chilean concessions accounted for under the financial asset model in IFRC 12 (RUTA DEL MAIPO, RUTA DEL MAULE, RUTA DEL BOSQUE, RUTA DE LA ARAUCANÍA and RUTA DEL LOA) is determined through the estimated Present Value of Revenues (VPI) which is based on traffic studies performed by an independent entity based on GDP projections and other variables according to the concession.

Employee benefits

The present 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 by ISA and its companies 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.

Time of recognition and valuation of contract assets

All concessions of the Brazilian companies are classified within the contract asset model, in accordance with IFRS 15. Management evaluates the time of recognition of concession assets based on the economic characteristics of each concession contract. The contract asset arises to the extent that the concessionaire fulfills the obligation to construct and implement the transmission infrastructure, recognizing revenues over the life of the project with the receipt of the cash flow conditioned to the satisfaction of the operation and maintenance performance obligation.

Monthly, as infrastructure is operated and maintained, the portion of the contract asset that is equivalent to the consideration of that month to meet the construction obligation becomes a financial asset, that will be collected over time. Contractual assets are recorded as an offsetting entry to infrastructure revenues, which are recognized in proportion to the expenses incurred. The indemnifiable portion of the contractual asset, existing in some contract modalities, is identified when the implementation of the infrastructure is completed.

The value of the contractual assets consists of the present value of future cash flows. The future cash flows are estimated at the beginning of the concession, or at its extension, and measurement assumptions are revalued in the Periodic Tariff Review (Revisión Tarifaria Periódica -RTP-).

Cash flows are defined based on the Allowed Annual Revenue (RAP), which is the consideration received by concessionaires for providing the public transmission service to users. These payments amortize the infrastructure transmission investments, and investments that are not amortized (reversed assets) generate the right to compensation by the grantor at the end of the agreement, according to the type of concession. Cash flows are: (i) remunerated at the implicit rate representing the financial component of the business established at the beginning of each project, which varies between 6.13% and 9.92% annually, and (ii) updated by IPCA (Broad Consumer Price Index)/ IGPM (General Market Price Index).

5. Summary of significant accounting policies

The accounting policies have been applied consistently by all subsidiaries, joint ventures and associates of ISA and its companies for all periods presented in the consolidated financial statements.

5.1 Foreign currency transactions and balances

The consolidated financial statements are presented in Colombian Pesos, which is the ISA's functional currency. For each entity, its functional currency is determined based of the main economic environment where it operates.

The statements of profit or loss and cash flows of subsidiaries with functional currencies different from the ISA's functional currency are translated at the exchange rates on the dates of the transaction or based on the monthly average exchange rate. Assets and liabilities are translated at the closing rate, and other equity items are translated at exchange rates at the time of the transaction. All resulting exchange differences are recognized in other comprehensive income. On disposal of all or significant part of a foreign operation, the cumulative translation adjustment related to the foreign operation is reclassified to profit or loss.

Transactions in foreign currencies are initially recorded by ISA and its companies at their respective functional currency spot rates at the transactions date. Monetary items denominated in foreign currencies are translated at the functional currency spot rates prevailing at the reporting date. Differences arising on settlement or translation or monetary items are recognized in profit or loss, in financial results, net, except those resulting from cash flow hedges, which are recognized in other comprehensive income within equity. When the hedged item affects the financial results, exchange differences accumulated in equity are reclassified to profit or loss as part of operating results.

Non–monetary items measured at fair value that are denominated in a foreign currency are translated using the exchange rates prevailing on the date when the fair value is determined. The gain or loss arising on translation of non–monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

5.2 Classification of balances as current and non-current

ISA and its companies present its current and non-current assets and its current and non-current liabilities as separate categories in its statement of financial position.

ISA and its companies classify an asset as current when:

- the entity expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

ISA and its companies classify a liability as current when:

- the entity expects to settle the liability in its normal operating cycle.
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- the entity does not have unconditional rights to defer settlement of the liability for at least 12 months after the reporting period.

ISA and its companies classify all other assets and liabilities as non-current.

5.3 Business combinations and goodwill

ISA and its companies recognize business combinations using the acquisition method. Identifiable assets acquired and liabilities assumed are initially measured at fair value on the acquisition date, subject to certain exceptions. In business combinations achieved in stages, the interest previously held by ISA and its companies in the acquiree is measured at fair value on the acquisition date, and any resulting gain or loss is recognized in the consolidated income statement.

On the acquisition date, which is the date on which ISA and its companies obtain control of the acquiree, the acquirer will separately recognize the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree, and any goodwill or bargain purchase resulting from the acquisition. The costs related to the acquisition are accounted for directly in results.

Goodwill is recognized as an asset and is initially measured at cost, as the difference between (i) the fair value of the consideration transferred, the value of the non-controlling interest and in a business combination achieved in stages, the fair value on the acquisition date of the previous interest held by ISA and its companies in the acquiree and (ii) the net value on the acquisition date of the identifiable assets acquired and liabilities incurred. After initial recognition goodwill is measured at cost less any accumulated impairment loss, which cannot be reversed in subsequent periods according to IAS 36. Goodwill is not amortized but tested for impairment annually, or when there are indications of impairment. Impairment losses are accounted for in the consolidated statement of income, in the "administrative expenses" line.

In the event that the net value of the identifiable assets acquired, and liabilities assumed exceeds the sum of the fair value of the consideration transferred, the value of the non-controlling interest and the fair value of the previous interest held by ISA and its

companies in the acquiree, a gain on acquisition is recorded directly in the consolidated income statement.

When the initial accounting for a business combination is determined on a provisional basis, any adjustments to the provisional values assigned to the identifiable assets and liabilities are made within the measurement period, which may not exceed one year from the acquisition date and affect the value of goodwill.

When a business combination agreement includes an adjustment to the value of the combination that is contingent on future events, the fair value of the contingent consideration is included in the consideration transferred on the acquisition date. Subsequent changes, outside the measurement period, in the fair value of the contingent consideration are recognized in the consolidated income statement, unless such consideration is classified as equity, in which case it is not remeasured, and the settlement is accounted for in equity.

5.4 Inventories

Consumable inventories (spares and supplies) are recognized as inventory and then charged to expense, maintenance, or project to the extent that such items are consumed.

The cost of other inventories is determined based on the weighted average cost method, which includes acquisition costs that include import costs and non-recoverable taxes (deducting commercial discounts, rebates and other similar items), transformation, and other costs incurred to bring inventory to their current location and condition, such as transportation costs. Annually, inventories are recorded at the lower of cost and net realizable value.

5.5 Property, plant, and equipment

Property, plant, and equipment is recognized by significant components and is measured at acquisition or construction cost, less depreciation and accumulated impairment losses, if any. Cost also includes:

- 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 estimate of costs related to dismantling, removal and environmental rehabilitation of areas affected by the construction of ISA and its companies' assets.

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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Land is not depreciated because it has an indefinite useful life. The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed by ISA and its companies at each financial year end and adjusted prospectively, if appropriate. The useful life by class of property, plant and equipment is:

	Useful life
Transmission lines	63 years
Buildings	100 years
Fiber optics	25 years
Machinery and equipment	15 years
Telecommunications equipment	15 years
Furniture, office equipment, laboratory equipment	10 years
Communications equipment	10 years
Transportation, traction, and lifting equipment	10 years
Supervision and Maneuvers Center Equipment	6 years
Computer equipment and accessories	5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Property, plant and equipment also includes assets acquired for environmental and safety purposes, major spare parts and permanent maintenance equipment that ISA and its companies expect to use for more than one year, and property, plant and equipment under construction and assembly for administration, production, supply or undefined purposes; such assets are classified in the appropriate categories of property, plant and equipment when they are ready for their intended use, and depreciation begins when they are in the location and condition necessary to operate as intended.

Borrowing costs related to the acquisition or construction of a property, plant and equipment that requires a substantial period of time to get ready for its intended use are capitalized as part of the cost of such asset when it is probable that future economic benefits associated with the item will flow to ISA and its companies and costs can be measured reliably. Other borrowing costs are recognized as finance costs. Projects that have been suspended but that ISA and its companies intend to continue to pursue their development in the future, are not considered qualifying assets for the purpose of capitalization of borrowing costs.

ISA and its companies measure interest costs depending on whether they arise from specific loans (those taken for the exclusive purpose of building a qualifying asset) or from generic loans. This interest on earmarked loans is capitalized directly to the

cost of the asset minus any return earned on the temporary investment of the funds, considering that activities to prepare the asset for use have commenced. Interest on generic loans is determined based on a weighted average capitalization rate of generic loans outstanding during the period, excluding specific loans.

ISA and its companies derecognize an item of property, plant, and equipment upon disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the derecognition of property, plant and equipment is determined as the difference between the selling price, net of any costs directly related to the sale and the carrying amount of the asset and is recognized in the consolidated income statement.

ISA and its companies include right-of-use assets arising from lease contracts when they act as lessees, in accordance with IFRS 16 in the property, plant and equipment line.

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 ISA and its companies expect 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.

5.6 Other non-financial assets

Includes advances to third-party service providers for the purchase of information and telecommunication technology services that are amortized during the periods in which services are received by ISA and its companies. Prepaid expenses mainly include insurance premiums, recognized in income on a straight-line basis through the contractual term.

5.7 Intangible assets, other than service concession agreements

ISA and its companies recognize an intangible asset when it is identifiable and separable, the item generates future economic benefits, and when ISA and its companies are 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, 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 the proceeds obtained from the sale and the carrying amount of the asset, is recognized in income when the asset is derecognized.

Amortization of intangible assets is calculated using the straight-line method over the useful life of the asset. Easements have indefinite useful lives and are not amortized.

Residual values, useful lives, and amortization methods are reviewed by ISA and its companies 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 ISA and its companies for construction, operation, and maintenance of the transmission lines. Such intangible assets are permanent rights with an indefinite term of use and although the transmission lines to which these easements are related do have a finite useful life, the rights do not expire and ISA and its companies can either replace the transmission lines when their useful lives end, or to use such rights for any other service related to electricity transmission and telecommunications. Easements have an indefinite useful life, so they are not amortized and are reviewed annually for impairment.

Software and licenses

Software is amortized using 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.

Research and development disbursements

Disbursements for project studies and research are treated as expenses when incurred. ISA and its companies recognize internally generated intangibles in its development phase, when it meets the following criteria: (i) it is technically feasible to complete the development of the asset so that it can be available for use or sale, (ii) ISA and its companies have the intention to complete the asset and the ability to use or sell it, (ii) it is considered probable that the asset will generate future economic benefits, (iv) ISA and its companies have the technical, financial or other resources to complete its development and (v)the cost of the asset can be measured reliably. ISA and its companies measure these assets at cost, which is the aggregate of expenditures incurred from the time the asset meets the above conditions until it is available for use, less accumulated depreciation, and impairment losses. Development expenditures incurred prior to the fulfillment of the conditions are recognized in retained earnings in the period in which they are incurred.

ISA and its companies derecognize an intangible asset upon disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the derecognition of the intangible asset is determined as the difference between the selling price, net of any costs directly related to the sale, and the carrying amount of the asset, and is recognized in the consolidated income statement.

5.8 Concessions

ISA and its companies operate electricity transmission concessions in Colombia, Peru, Chile, Bolivia and Brazil and road concessions in Colombia and Chile under public service concession arrangements where the grantor controls or regulates the services to be provided by the concessionaire, to whom the services are provided and at what price.

Concessions that meet the above criteria and where ISA and its companies have an obligation to return the assets to the grantor or the grantor retains any residual

interest over the infrastructure at the end of the concession term are accounted for under IFRIC 12 – Service concession arrangements. These include electricity concessions in Peru (except Orazul), Bolivia and Brazil and road concessions in Colombia and Chile. Additionally, it includes the operation and maintenance services (O and M) of electricity transmission services in Brazil. Assets that were constructed to operate concessions where the grantor has no residual interest over the infrastructure and ISA and its companies have no obligation to return the assets are accounted for under IAS 16. These include electricity concessions in Colombia and the Orazul concession in Peru. In these companies, the construction of the infrastructure is a service provided to the grantor, different from the operation and maintenance service. Service revenues are measured and accounted for in accordance with IFRS 15 and IFRS 9, depending on the asset model.

ISA and its companies periodically perform impairment tests of the assets related to the concession, at the CGU level, which is the concession contract with its corresponding extensions, if any, or when events or circumstances occur that indicate that the book value exceeds the recoverable value of the assets. Any impairment is recognized in the consolidated income statement.

IFRIC 12 – Services concession arrangements

Financial asset model

Concessions where ISA and its companies have a contractual right to receive money or other financial asset from the grantor in exchange for the services provided under the concession agreements and the grantor has little or no power to avoid payment under the arrangements are accounted for under the financial asset model. 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:

Concessions where ISA and its companies do not have a contractual right to receive money or other financial asset from the grantor but has the right to charge users in exchange for the services provided are accounted for under the intangible asset model. The costs incurred by ISA and its companies to construct the concession infrastructure are recognized as intangible assets which are amortized using the straight-line over the concession term, charged to the consolidated results. Revenues from construction or improvement services are recognized based on the stage of completion of construction, based on the costs actually incurred, including the construction margin.

Operating and maintenance costs related to the concession are recognized in income as incurred after the concession infrastructure is ready for its intended use and ISA and its companies receive from the grantor the right to charge a fee for the services. Revenue is recognized based on services delivered and the fee established under the concession agreements.

The concessions in Peru (except Orazul) include a contractual obligation to perform replacements and major maintenance based on conditions established by the grantor which are accounted for as a 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.

IFRS 15 Revenue from ordinary activities from contracts with customers

Contract asset model:

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. 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 contractual assets of ISA and its companies is measured by the present value of the future cash flows, that include current allowable compensation. The future cash flows are estimated at the beginning of the concession, or at its extension, and measurement requirements are revalued in the Periodic Tariff Review.

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 implicit 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.

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.

In the concession arrangement, the income of services is 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 the construction that, for certain concessions of ISA and its companies, was negotiated in terms of the operation.

5.9 Impairment of non-financial assets

ISA and its companies assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, ISA and its companies estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and an impairment loss is recognized in consolidated results.

When an impairment loss is recorded, future amortization expenses are calculated on the basis of the adjusted recoverable amount. Impairment losses may be recovered only if the reversal is related to a change in estimations used after impairment loss was recognized in previous periods. These recoveries do not exceed the carrying amount of the assets net of depreciation or amortization that would have been determined if such impairment had not been recognized.

Goodwill is tested for impairment annually in the last quarter and when circumstances indicate that the carrying value may be impaired. Goodwill is assigned to each CGU based on the synergies expected from the business combination. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

5.10 Leases

At the beginning of a contract, ISA and its companies assess whether a contract is, or contains, a lease. This situation arises if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control an identified asset, the regulations of IFRS 16 are used.

ISA and its companies as lessee

On the commencement date of the lease, ISA and its companies recognize lease liabilities that represent their obligation to make lease payments and right-of-use assets representing the right to use the underlying asset during the lease term. The lease term is the non-cancelable period of the lease plus any period covered by extension options, considering that ISA and its companies are certain to exercise them. ISA and its companies elected to use the recognition exemptions for leases that, at the inception date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases) and leases for which the underlying asset is of low value (low-value assets). ISA and its companies recognize these leases of low-value, short-term assets as a lease expense on a straight-line basis over the term of the agreement.

ISA and its companies recognize right-of-use assets on the lease commencement date (i.e., the date on which the underlying asset is available for use) as part of property,

plant, and equipment. Right-of-use assets are initially measured at cost, which includes the initial measurement of the lease liability, lease payments made on or before the commencement date, less lease incentives received, initial direct costs incurred and, where applicable, an estimate of the costs to be incurred to dismantle and remove the asset or restore the site on which the asset is located to the condition required by the terms of the lease. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation, and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are amortized on a straight-line basis over the lease term. Right-of-use assets are subject to impairment assessments.

At the lease inception date, ISA and its subsidiaries recognize lease liabilities at the present value of the lease payments to be made during the lease term, which include fixed payments less any incentive receivable, variable payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Variable payments that do not depend on an index or rate are recognized as expenses in the period in which an event or condition indicates that the payment will occur.

To calculate the present value of the lease payments, ISA and its companies use the incremental borrowing rate on the lease commencement date. After this date, the value of lease liabilities is increased to reflect the accrual of interest, reduced by lease payments made and remeasured when events occur such as: a) changes in the lease term, b) changes in lease payments, and c) a change in the valuation of an option to purchase the underlying asset. The value of the remeasurement of the obligation is recognized as an adjustment to the right-of-use asset.

Interest expense on the lease liability and depreciation expense on the right-of-use asset, which is determined by the straight-line method over the term of the lease, are recognized separately in the consolidated income statement.

ISA and its companies as lessors

Leases in which ISA and its companies do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operational. Rental income is recognized in the statement of income on a straight-line basis over the lease terms. The initial direct costs incurred when negotiating and contracting an operating lease are included in the value of the leased asset and are accounted for in income on a straight-line basis over the term of the contract.

Leases in which ISA and its companies transfer substantially all the risks and benefits inherent to the ownership of an asset are classified as financial. 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.

Subsequently, ISA and its companies recognize financial income over the term of the contract, applying a rate that reflects a constant rate of return on the net financial

investment, and reduces the lease payments from the gross investment. The account receivable is subject to impairment assessment in accordance with IFRS 9.

5.11 Financial assets and liabilities

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which ISA and its companies have applied the practical expedient, ISA and its companies initially measure a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which ISA and its companies have applied the practical expedient are measured at the transaction price determined under IFRS 15.

ISA and its companies classify its financial assets in the following categories:

a. **Financial assets measured at fair value through profit or loss:** Financial assets are held for trading and financial assets designated at the time of the initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired to be sold or repurchased in the short term. These instruments are measured at fair value with their changes recognized in the consolidated results.
b. **Financial assets at amortized cost:** This category is the most relevant to ISA and its companies. The financial assets at amortized cost include trade receivables, other receivables, loans to associates, and loans to employees.

Loans and receivables are non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables, including trade and other receivables, are measured initially at fair value and then at amortized cost using the effective interest rate method, minus impairment.

Loans to employees are initially recorded using the present value of the future cash flows, discounted at the current market rate for similar loans. If the interest rate is less than the current market rate, fair value will be less than the amount of the loan. This difference is recorded as a benefit to employees.

ISA and its companies measure financial assets at amortized cost if both of the following conditions are met:

- The asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment analysis. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

ISA and its companies derecognize a financial asset only upon the expiration of the contractual rights to the cash flows of the asset or, when it has transferred its

rights to receive such cash flows or has assumed the obligation to pay the cash flows received in full without material delay to a third party and (a) it has transferred substantially all the risks and benefits inherent in the ownership of the financial asset or (b) it has neither transferred nor retained substantially all the risks and benefits of the asset, but has transferred control of the asset. When ISA and its companies do neither transfer nor retain substantially all the risks and benefits of the asset or transfer control of the asset, ISA and its companies continue to recognize the transferred asset, to the extent of its continuing participation, and it also recognizes the associated liability.

c. **Financial assets at fair value through other comprehensive income:** Include equity investments that are not held for trading purposes and irrevocably designate to measure them at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognized in other comprehensive income until the derecognition of the investment.

Impairment of financial assets

ISA and its companies measure expected credit losses on their trade receivables on a collective basis by applying the simplified IFRS 9 model, which establishes that an allowance for expected credit losses is recognized for possible events of default during the life of the financial instrument. ISA and its companies update the value of losses on each balance sheet date to reflect changes in credit risk since initial recognition, and in the calculation the model considers variables such as the historical payment behavior of the obligations, the geographical location of the debtor and the guarantees that the counterparty has presented to cover any default on its obligations. Generally, the expected loss can be expressed as follows:

$$\text{Expected loss} = \text{Probability of default} \div \times \text{Exposure at default} \$ \times \text{Loss given default} \div$$

Where:

- Probability of default: Probability that, in a period of twelve (12) months, debtors of a certain obligation or portfolio cause a default.
- Exposure at default: The exposure at default of the asset is the current balance of capital, interest, and other accounts receivable of the obligations or the portfolio analyzed.
- 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.

ISA and its companies consider an event of default to have occurred when the debtor is in breach of financial covenants or when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including ISA and its companies, in full.

De–recognition of financial assets

ISA and its companies derecognize a financial asset only upon the expiration of the contractual rights to the cash flows of the asset or when it has transferred substantially all the risks and benefits inherent in the ownership of the financial asset. If ISA and its

companies do not transfer or substantially retain all the risks and benefits of ownership and continue to control the transferred asset, the retained interest in the asset and an associated liability is recognized for the amounts to be paid. If ISA and its companies retain substantially all the risks and benefits of ownership of a transferred financial asset, the financial asset continues to be recognized and a loan guaranteed by the income received is also recognized.

On derecognition of a financial asset measured at amortized cost, the difference between the carrying value of the asset and the sum of the consideration received and receivable is recognized in profit or loss. In addition, upon derecognition of an investment in a debt instrument classified at fair value through other comprehensive income, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument designated at fair value through other comprehensive income, the cumulative gain or loss in other comprehensive income is not reclassified to profit or loss but transferred to retained earnings.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and held in banks and temporary investments with original maturity of less than 90 days, considering that they are not subject to a significant risk of changes in value. Bank overdrafts payable on demand and that are an integral part of the ISA'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 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.

Financial liabilities

Financial liabilities correspond to the financing obtained by ISA and its companies through bank credit facilities and bonds, accounts payable to suppliers and creditors.

Bonds and bank credit facilities are initially recognized at their fair value, net of directly attributable transactions cost. After initial recognition, interest–bearing credit facilities and bonds are subsequently measured at amortized cost, using the effective interest rate (EIR) method. The effective interest method amortization is included as a financial expense in the statement of profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. Accounts payable to suppliers and creditors are short–term financial liabilities recorded at nominal value since it does not significantly differ from fair value.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled, or expires. When an existing financial liability has been replaced

by another from the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de–recognition of the original liability and recognized as a new liability. The difference between the respective carrying amounts is recognized in the statement of profit or loss.

ISA and its companies do not have financial liabilities at fair value through profit or loss, except for financial derivatives.

Derivative financial instruments and hedging operations

Financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivatives, which do not qualify or are not designated as hedge accounting, are recognized as gains or losses in the statement of profit or loss. Changes in the fair value of derivatives under hedge accounting are recognized as gains or losses in the consolidated income statement, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss, and the fair value of derivatives used as hedging instruments for a hedge of a net investment in a foreign operation are recognized in other comprehensive income and then reclassified to income upon disposal of the foreign business.

Embedded derivatives in the host contract are accounted for as separate derivatives at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with their changes recognized in profit or loss.

At the inception of the hedge, ISA and its companies document the hedging ratio and the objective and risk management strategy for undertaking the hedge; such documentation will include how ISA and its companies 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. Hedge accounting is discontinued when: the hedging relationship is revoked, the hedging instrument expires or is sold, is terminated, or exercised, or when the criteria for hedge accounting are no longer met.

For purposes of hedge accounting, hedges are classified as:

- Fair value hedges: hedges of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk and that could affect profit or loss.

  ISA and its companies recognize changes in the fair value of derivatives under this type of hedge in the consolidated income statement, in the same line of the income statement where changes in the fair value of the hedged asset or liability attributable to the hedged risk are recognized.

- Cash flow hedges: hedges of the exposure to variability in cash flows attributable to a particular risk associated with all, or a component of, a recognized asset or liability or a highly probable forecast transaction, and that could affect profit or loss.

  ISA and its companies recognize the effective portion of the changes in the fair value of the derivative in the consolidated other comprehensive income and any ineffective portion immediately in the consolidated income statement, in the line "other gains and losses". Amounts accumulated in other comprehensive income are reclassified to profit or loss when the hedged transaction affects profit or loss; however, if the hedged transaction results in the recognition of a non-financial item, the value accumulated in equity is reclassified as part of the carrying value of the hedged asset or liability.

  If the hedging instrument expires or is sold, cancelled, or exercised without replacement or refinancing, or if its designation as a hedge is revoked or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognized in other comprehensive income remains in equity until the forecast transaction occurs, at which time it is reclassified to profit or loss. When the forecast transaction initially hedged is no longer expected to occur, the amounts of other comprehensive income are immediately reclassified to consolidated profit or loss.

- Hedges of a net investment in a foreign operation: Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges.

  Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On the disposal of a foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

  Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges.

Offsetting of financial assets and liabilities

ISA and its companies offset their financial assets and liabilities in the consolidated statement of financial position only if the following two criteria are met: (i) there exists, at the current time, a legally enforceable right to offset the recognized securities, and (ii) and there is an intention to settle the securities on a net basis, or to realize the asset and settle the liability simultaneously.

5.12 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, ISA and its 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 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 participants 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 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.

5.13 Non-current assets held for sale and disposal groups

ISA and its companies measure non-current assets (and disposal groups) classified as held for sale at the lower of carrying value and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying value will be recovered through sale rather than through continuing use. This condition is considered met only when the sale is highly probable and the asset (or group of assets) is available for immediate sale in its present condition and management is committed to the sale, which must be completed no later than one year from the date of classification of the asset as held for sale.

When ISA and its companies are committed to a sale plan that involves the loss of control in a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale

when the criteria described above are met, regardless of whether a non-controlling interest in its former subsidiary will be retained after the sale.

When ISA and its companies are committed to a sale plan that involves the disposal of an investment (or a portion of an investment) in an associate or joint venture, the use of the equity method is discontinued for the investment or the portion of the investment that is classified as held for sale. Any retained interest of an investment in an associate or a joint venture that has not been classified as held for sale continues to be recognized through the equity method.

5.14 Provisions

Provisions are recognized when ISA and its companies have 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).

ISA and its companies recognize as a provision the present obligations arising from an onerous contract when the unavoidable costs of meeting the obligations of the contract exceed the economic benefits expected to be received under it. As of the date of the statement of financial position, ISA and its companies have no provisions for onerous contracts.

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 is a key management judgment 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.

5.15 Income tax

Income tax expense for the period comprises current and deferred income tax. Tax assets and liabilities are measured at the amounts expected to be recovered from or paid to tax authorities and the income tax expense is recognized in income, except when it is related to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income, o when it arises from the initial registration of a business combination.

The tax rates and tax laws used to compute the tax amounts are those that are enacted or substantively enacted at the reporting date in the countries where ISA and its companies operate and generate taxable income.

The current tax payable is based on taxable income generated in the year. Taxable income differs from profit before taxes in the income statement due to permanent differences related to income or expense items that are taxable or deductible, and due to temporary differences related to income or expense items that are taxable or deductible in future years. The current tax liability is calculated by using tax rates in force at the end of the period. ISA and its companies periodically evaluate positions taken in tax returns with respect to situations in which tax laws are subject to interpretation and, when appropriate, recognize provisions for the amounts they expect to pay to tax authorities.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities included in the statement of financial position and the corresponding tax bases used for determining taxable income. Deferred tax assets are recognized for all the deductible temporary differences, including tax losses, to the extent it is more likely than not that there is expected future 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.

ISA and its companies offset deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority for the same taxable entity , and it is intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

5.16 Employee benefits

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

ISA and its companies recognize short-term employee benefits when they have a 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 measured by the amount expected to be paid within the next year after the cut-off, and it is recognized as expenses as the related service is provided. At the end of each accounting period, the value of the liability is adjusted based on the legal provisions and current labor agreements.

ISA and its companies grant their employees benefits associated with their time of service, such as quinquennium (seniority premium and five-year period payments). Annually, ISA and its companies measure the long-term benefits by using the projected unit credit method, based on independent actuarial valuations. Any actuarial gain or loss

is recognized in consolidated results. When applicable, the fair value of plan assets is deducted from the present value of the long-term benefit obligation.

ISA and its companies classify post-employment benefits in defined contribution plans and defined benefit plans. The defined contribution plan is a post-employment benefit by which ISA and its companies pay fixed contributions to a pension fund, and by which they have 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.

Annually, ISA and its companies measure the defined benefit plans, the obligation, and the cost of such benefits by using the projected unit credit method, based on independent actuarial valuations. 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.

Plan assets correspond to the set of assets destined by ISA and its companies, by virtue of the legal provisions in effect or by own initiative to comply with pension obligations or other post-employment benefits. In some subsidiaries, this minimum reserve amounts should correspond to the pension liability supported by the actuarial estimate.

Annually, ISA and its companies measure employee termination benefits, which, in essence, are post-employment benefits, using the projected unit credit method, with actuarial valuations. The new measurement, which includes actuarial gains and losses, it is recognized in other comprehensive income in the period in which it occurs. The rest of the termination benefits are recognized as expenses in the period in which they are incurred.

5.17 Recognition of revenues, costs, and expenses

Revenues, costs, and expenses are recorded on an accrual basis.

ISA and its companies recognize revenues from ordinary activities for the transfer of goods or services to customers in exchange for an amount that reflects the consideration to which ISA and its companies expect to receive in exchange 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 electricity transmission and other associated services

Revenues from electricity transmission services are recorded when performance obligations are met based on the underlying conditions in the contracts which includes the requirements established by the electricity market regulators in the countries in which the companies operate. This is generally achieved when the performance obligations agreed with the regulatory entities are met, considering the execution period and service quality standards established under the contracts.

The parent company ISA and its subsidiaries ISA INTERCOLOMBIA, ISA TRANSELCA and XM are providers of the energy transmission and other related services and are regulated by the Gas and Energy Regulatory Commission -Comisión de Regulación de Energía y Gas (CREG)-.

Revenues from concession arrangements

ISA and its companies measure the income from concession agreements accounted for according to IFRIC 12 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.

- ISA and its companies recognize the income and costs from project construction services in consolidated results, according to the completion percentage method for those projects on the date of statement of financial position. Some companies 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.
- ISA and its companies recognize revenues from operation and maintenance services to third-party facilities in consolidated results, as the service is delivered, based on the performance obligations established in the contracts.
- ISA and its companies that recognize 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.

Dividend and interest income

ISA and its companies recognize dividend income from investments in financial instruments when it obtains the right to receive payment, considering that it is probable that payment will be received and the income can be measured reliably, in consolidated results, in the net financial results line.

ISA and its companies recognize interest income when it is probable that they will receive economic benefits associated with the transaction. Interest income is recognized on an accrual 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 on initial recognition.

Costs and expenses are recorded at historical cost and are recognized as they are incurred, regardless of the date on which the payment was made and in the period in which they are known.

5.18 Basic and diluted earnings per share

ISA and its companies calculate basic earnings per share by dividing the profit attributable to ISA's controlling shareholders by the weighted average number of common shares outstanding during the year, which excludes common shares acquired and those held in treasury.

Diluted earnings per share is calculated by adjusting the average number of common shares outstanding to simulate the conversion of all dilutable potential common shares. ISA and its companies do not own any potentially dilutable common shares.

5.19 Capital stock, additional paid-in capital, and distribution of dividends

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. Additional paid-in capital corresponds to the difference between the amounts paid for the shares issued and their nominal value.

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 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.

5.20 Related parties

ISA and its companies consider as related parties those natural or legal persons in which it exercises control, joint control, or significant influence, is a member of the key management personnel of ISA or its controlling company (or a close relative of the member) or is an entity controlled or jointly controlled by a member of the key management personnel. That is, investments in subsidiaries, associates (and their subsidiaries) and joint ventures (and their subsidiaries) of the company, key management personnel of ISA and the company's controlling shareholder.

Key management personnel are considered to be the people who have the authority and responsibility for planning, directing, and controlling the activities of ISA and its companies, directly or indirectly, including any director or administrator (whether executive or non-executive). It includes the members of ISA's Board of Directors, the members of ISA's senior management, which is comprised of ISA's CEO and the first level management employees who report directly to the CEO, and the directors with the power to make decisions with high financial impact.

Commercial transactions[1] between the companies and the members of the Board of Directors, the Senior Management 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.

1 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.

5.21 Information by business segment

ISA and its subsidiaries present the information related to its business segments in its consolidated financial statements in accordance with IFRS 8. An operating segment is a component of ISA and its companies that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the highest decision-making authority in operating matters to decide on the resources to be allocated to the segment, evaluate its performance and for which discrete financial information is available.

The operations are performed through three business segments: 1) Electric Power, 2) Road Concessions and 3) Telecommunications and Information Technology. Segments are determined based on management objectives and corporate strategic plans, considering that these businesses: (a) are engaged in different commercial activities, which generate sales revenue and incur costs and expenses; (b) the operational results are revised regularly by ISA's Governance that makes operational decisions to allocate resources to the various segments and assess their performance; and (c) there is differentiated financial information available. Internal transfers represent sales to inter–company segments and are recorded and presented at market prices.

5.22 Other liabilities and deferred revenue

Other liabilities are recognized at the amounts payable according to the underlying commitments, including the effect of amortized cost when payment obligations are fulfilled in the long-term. Deferred revenue is recognized based on the amounts received, reflecting the obligation assumed to deliver services in the future, and is recognized as revenues in the statement of comprehensive income as the performance obligations are met.

5.23 Offsetting of balances and transactions

ISA and its companies, as a general rule in the consolidated financial statements, do not offset assets and liabilities, nor income and expenses, except in those cases in which offsetting is required or permitted by any standard and this presentation reflects the essence of the transaction.

Revenues and expenses arising from transactions that, contractually or by law, provide for the possibility of offsetting and it is intended and feasible to settle on a net basis or to realize the asset and settle the liability simultaneously are presented net in the consolidated income statement.

6. Cash and cash equivalents

	2021	2020
Cash and banks	1,894,582	918,038
Total cash	**1,894,582**	**918,038**

Continue

	2021	2020
Fixed income investments [1]	2,260,290	2,433,644
Marketable securities [2]	531,590	430,031
Total cash equivalents	**2,791,880**	**2,863,675**
Total cash and cash equivalents	**4,686,462**	**3,781,713**

(1) Includes term deposits with a maturity of less than 90 days from the investment date.

(2) Includes highly liquid marketable securities that are readily convertible to cash.

6.1 Restricted cash and cash equivalents

	2021	2020
Current, included in cash and equivalent balances [1]	1,039,024	855,808
Non-current [2]	138,688	217,646
Total restricted cash and cash equivalents	**1,177,712**	**1,073,454**

(1) It includes restrictions on the use of cash and cash equivalents of the Chilean subsidiaries of the Roads Business. This value is determined based on the financing contracts and is maintained mainly to guarantee the debt service, continuity, and operating capacity of the subsidiaries in the current period. These restrictions do not affect the availability of cash and cash equivalents, considering that they comply with the conditions indicated in the credit agreements.

(2) Long-term restricted cash mainly includes securities held by ISA INTERCHILE, amounting to COP 92,751 (2020: COP 177,835), for obligations acquired in the issuance of the bond under 144A/Reg. S, (in 2020, for syndicated loans held by the subsidiary), which establish certain restrictions and limitations on the use of resources; ISA, for COP 13,120 (2020: COP 8,529), associated with the trusts constituted for the execution of the FAER, FAZNI projects and administration and payment trusts constituted for the projects of the Mining and Energy Planning Unit (UPME), and the resources to develop the Conexión Jaguar program, and INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE, for COP 12,791 (2020: COP 11,383), related to a guarantee granted to Banco de Nordeste do Brasil (BNB) until the cancellation of the debt with the bank.

6.2 Resource Management by XM

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 are:

	2021	2020
Cash and cash equivalents [1]	586,928	590,482
Total assets	**586,928**	**590,482**
Collections in favor of agents	(586,920)	(590,472)
GMF Reserve [2]	(8)	(10)
Total liabilities	**(586,928)**	**(590,482)**

(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.

7. Concessions, trade receivables and other accounts receivables

	2021	2020
Contract assets (Note 23)	15,239,958	11,059,003
Financial asset concessions (Note 23)	9,390,205	9,245,840
Accounts receivable from the State of São Paulo [1]	1,772,101	1,516,050
Trade receivables	850,847	761,953
Lease receivables (Note 14)	568,496	468,351
Other receivables	323,616	201,082
VAT receivable (MOP) [2]	73,977	51,175
Dividends receivables	55,459	9,468
Loans to employees [3]	53,172	46,588
Loans and accounts receivables from related parties (Note 28)	448	17,365
	28,328,279	**23,376,875**
Impairment allowance	(465,463)	(429,325)
Total concessions, trade receivables and other accounts receivables	**27,862,816**	**22,947,550**
Current	4,441,494	4,084,421
Non-current	23,421,322	18,863,129

(1) Accounts receivable of ISA CTEEP to the State of São Paulo for labor benefits regulated by Law 4819 of 1958. This retirement supplementation plan governed by State Law 4819/58 provides for the creation of a State Social Assistance Fund for employees admitted until May 1974. The company reiterates the understanding of its legal department and its external legal advisors that the expenses derived from State Law 4819/58 and its respective regulations are the full responsibility of SEFAZ-SP (São Paulo State Treasury Department); therefore, it considers that it is likely to receive these amounts. Management monitors progress and developments related to the legal aspect of the matter and continually evaluates the potential impact on its financial statements. The gross value of these accounts receivables is COP 1,772,101 (2020: COP 1,516,050), and the impairment allowance for expected losses established, included in line "impairment allowance", is COP 368,299 (2020: COP 340,994), for a total net book value of COP 1,403,802 (2020: COP 1,175,056).

(2) Account receivable with 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 invoicing MOP through the construction and/or exploitation services.

(3) Loans to employees mainly comprise loans granted for acquisition of housing, vehicles, and education.

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

The movement in Brazil's contractual and financial assets are as follows:

	2021	2020
Contract asset opening balance	11,059,003	11,804,443
Initial balance of Brazil's financial assets	118,788	115,634
Initial balance	**11,177,791**	**11,920,077**
Infrastructure revenues	798,758	812,275
Efficiency gain from infrastructure implementation	98,738	109,443
Remuneration of concession assets	2,685,810	1,320,572
Operating and maintenance revenues	784,732	766,202
Revenues from Periodic Tariff Review (RTP)	40,628	1,153,535
Business combinations (Note 32.1)	1,371,229	-
Billing and other items	(2,687,392)	(2,544,111)
Currency translation effect	1,063,487	(2,360,202)
Final balance	**15,333,781**	**11,177,791**
Contract asset final balance	15,239,958	11,059,003
Final balance of Brazil's financial assets	93,823	118,788
Total	**15,333,781**	**11,177,791**

The movement of the impairment allowance for expected credit losses is as follows:

	2021	2020
Initial balance	**(429,325)**	**(504,597)**
Impairment allowance of year charged to profit or loss	(19,097)	(9,852)
Portfolio write-off	806	2,602
Recovery of impairment allowance	4,964	5,652
Foreign currency translation	(28,785)	76,870
Other changes	5,974	-
Final balance	**(465,463)**	**(429,325)**

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

As of December 31, 2021, and 2020, the current and overdue portions of concessions, trade receivables and other accounts receivables is as follows:

	2021	2020
Current	**26,375,681**	**21,778,678**
Overdue between 1 and 90 days	110,630	134,771
Overdue between 91 and 180 days	37,387	45,298
Overdue between 181 and 360 days	93,480	84,163
Overdue between 1 and 3 years	246,863	211,353
Overdue between 3 and 5 years	185,397	236,581
Overdue above 5 year	1,278,841	886,031
Total overdue [1]	**1,952,598**	**1,598,197**
Total accounts receivables	**28,328,279**	**23,376,875**

(1) It includes unimpaired past due portfolio, mainly from accounts receivable from the to the State of São Paulo for labor benefits regulated by Law 4819 of 1958.

8. Other financial assets

	2021	2020
Rights on trusts and mutual funds	585,958	644,999
Term Deposit Certificates over 90 days and other fixed income securities (1)	234,204	441,664
Equity investments	17,468	17,102
Derivatives (2)	13,019	148
Total other financial assets	**850,649**	**1,103,913**
Current	818,879	1,086,663
Non-current	31,770	17,250

(1) The decrease corresponds mainly to the maturities of the TDs of the companies of the Roads Business in Chile. The resources were used for cash flow needs to meet investment, operating and shareholder payment obligations.

(2) It includes USD/BRL exchange rate forward transactions to mitigate the foreign exchange risk from obligations undertaken in dollars with suppliers of the IE Jaguar 07 project.

9. Inventories

Inventories balance comprise the following:

	2021	2020
Materials for provision of services (1)	196,159	166,911
Inventory in transit	-	1,246
	196,159	**168,157**
Impairment allowance	(5,168)	(2,991)
Total inventories	**190,991**	**165,166**
Current	125,392	100,645
Non-current	65,599	64,521

(1) Inventories for delivering electricity services and project construction services to ensure continuity and allow compliance with system availability indicators.

The following is the movement of the impairment allowance for inventories:

	2021	2020
Initial balance	**(2,991)**	**(2,811)**
Expense for impairment allowance of inventories	(2,262)	(385)
Inventories write-off	-	13
Business combination	-	(73)
Foreign currency translation	(289)	88
Recovery of impairment allowance	408	177
Other changes	(34)	-
Final balance	**(5,168)**	**(2,991)**

As of December 31, 2021 and 2020 there are no pledges on inventories.

10. Other non-financial assets

Balances as of December 31 comprise the following:

	2021	2020
Advances for the purchase of goods and services (1)	226,622	292,264
Prepaid expenses (2)	169,914	107,160
Judicial deposits (3)	37,898	32,362
Other (4)	60,913	91,185
Total other non-financial assets	**495,347**	**522,971**
Current	326,432	394,877
Non-current	168,915	128,094

(1) Advances granted to suppliers to purchase supplies and equipment to be used in company projects.

(2) Prepaid expenses related to insurance, fees, travel expenses, among others.

(3) Mainly includes legal deposits related to labor, tax, and regulatory contingencies.

(4) As of December 31, 2020, mainly includes rights received from the government that ISA and its companies can use to compensate future taxes payable. Such rights were received as payment resulting from an expropriation of a plot of land that will be used in a urban development project, and the gain resulting from the difference between the cost reflected in the accounting records and the rights received was recognized in Other operating income (expenses).

11. Investments in associates and joint ventures

Entity	Main Activity	Location	Ownership (%)			
			2021	2020	2021	2020
INVESTMENTS WITH JOINT CONTROL						
Interligação Elétrica do Madeira [1]	Electricity Transmission	Brazil	51.00	51.00	1,277,434	1,089,928
Transmissora Aliança de Energia Elétrica	Electricity Transmission	Brazil	14.88	14.88	922,255	783,833
Interligação Elétrica Paraguaçu	Electricity Transmission	Brazil	50.00	50.00	324,908	253,652
Interligação Elétrica Garanhuns [1]	Electricity Transmission	Brazil	51.00	51.00	306,741	249,515
Interligação Elétrica Aimorés	Electricity Transmission	Brazil	50.00	50.00	215,588	168,019
Interligação Elétrica Ivaí	Electricity Transmission	Brazil	50.00	50.00	229,194	126,636
Interconexión Eléctrica Colombia Panamá–Panamá	Electricity Transmission	Panama	50.00	50.00	7,287	1,140
Derivex	Derivatives	Colombia	40.46	40.35	353	581
Parques del Río	Road concessions	Colombia	33.00	33.00	44	55
Interconexión Eléctrica Colombia Panamá–Colombia	Electricity Transmission	Colombia	1.17	1.17	3	3
Transnexa [2]	Telecommunications Transmission	Ecuador	50.00	50.00	-	-
Total investments with joint control					**3,283,807**	**2,673,362**
INVESTMENTS IN ASSOCIATES						
ATP Tower Holdings	Telecommunications Transmission	United States	24.69	24.69	436,070	451,164
Total investments in associates					**436,070**	**451,164**
Total investments in associates and joint ventures					**3,719,877**	**3,124,526**

(1) Investment held under Joint Venture agreements by CTEEP.

(2) TRANSNEXA is currently undergoing a liquidation process; the investment is 100% impaired.

11.1 Financial information on investments in associates and joint ventures

Statement of financial position	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Cash and cash equivalents
2021					
Transmissora Aliança de Energia Elétrica	1,233,296	8,985,539	711,592	4,633,422	128,256
Interligação Elétrica do Madeira	593,389	4,432,664	325,049	2,196,231	207,703
ATP Tower Holding	426,171	3,254,079	43,741	1,870,692	307,236
Interligação Elétrica Ivaí	168,164	2,279,601	58,766	1,930,611	143,237
Interligação Elétrica Garanhuns	97,295	805,162	56,905	244,099	2,480
Interligação Elétrica Paraguaçu	13,380	858,507	9,226	212,845	158
Interligação Elétrica Aimorés	22,466	549,245	3,716	136,819	132
Total significant entities	**2,554,161**	**21,164,797**	**1,208,995**	**11,224,719**	**789,202**
Non-significant entities	15,410	3,031	381	2,213	15,316
Total	**2,569,571**	**21,167,828**	**1,209,376**	**11,226,932**	**804,518**
2020					
Transmissora Aliança de Energia Elétrica	1,262,053	7,026,001	408,655	4,022,859	439,203
Interligação Elétrica do Madeira	562,720	3,831,078	254,024	2,004,885	241,292
ATP Tower Holding	242,890	3,122,824	184,567	1,354,210	151,496
Interligação Elétrica Ivaí	689,885	1,053,577	139,562	1,351,004	686,641
Interligação Elétrica Garanhuns	74,784	682,136	36,100	222,498	9,640
Interligação Elétrica Paraguaçu	9,553	680,137	13,778	169,111	9,337
Interligação Elétrica Aimorés	10,785	443,117	10,597	107,676	10,573
Total significant entities	**2,852,670**	**16,838,870**	**1,047,283**	**9,232,243**	**1,548,182**
Non-significant entities	11,203	10,256	2,353	-	10,459
Total	**2,863,873**	**16,849,126**	**1,049,636**	**9,232,243**	**1,558,641**

Comprehensive income statement	Revenues	Comprehensive income / (loss)	Depreciation and amortization expenses	Interest expense	Tax expense (benefit)
2021					
Transmissora Aliança de Energia Elétrica	30,142	1,537,229	15,076	208,933	155,280
Interligação Elétrica do Madeira	639,356	379,667	3,708	129,094	112,574
ATP Tower Holding	334,517	(77,196)	219,663	117,398	8,016
Interligação Elétrica Ivaí	948,556	179,913	72	205,276	92,656
Interligação Elétrica Garanhuns	129,182	91,682	408	7,538	13,464
Interligação Elétrica Paraguaçu	108,429	33,693	103	58	17,390
Interligação Elétrica Aimorés	61,670	25,790	79	53	13,338
Total significant entities	**2,251,852**	**2,170,778**	**239,109**	**668,350**	**412,718**
Non-significant entities	108	(25,338)	17	106	-
Total	**2,251,960**	**2,145,440**	**239,126**	**668,456**	**412,718**
2020					
Transmissora Aliança de Energia Elétrica	32,042	1,566,410	15,714	177,499	198,479
Interligação Elétrica do Madeira	498,100	116,884	3,835	196,986	(8)
ATP Tower Holding	263,213	(110,686)	183,533	89,327	4,671
Interligação Elétrica Ivaí	937,147	176,019	70	113,229	71,867
Interligação Elétrica Garanhuns	93,210	24,170	17,709	73	9,696
Interligação Elétrica Paraguaçu	367,051	218,863	82	-	59,101
Interligação Elétrica Aimorés	262,421	137,260	65	-	40,132
Total significant entities	**2,453,184**	**2,128,920**	**221,008**	**577,114**	**383,938**
Non-significant entities	98	8,789	17	141	891
Total	**2,453,282**	**2,137,709**	**221,025**	**577,255**	**384,829**

12. Property, plant, and equipment

	2021	2020
PROPERTY, PLANT, AND EQUIPMENT IN OPERATION		
Grids, lines, and cables	14,128,433	12,913,087
Plants and ducts	7,160,494	6,723,088
Buildings	625,723	609,701
Lands	256,603	255,010
Machinery and equipment	648,997	593,592
Communication and computing equipment	257,646	208,523
Transportation, traction, and lifting equipment	84,462	68,104
Furniture, chattels, and office equipment	54,276	50,586
	23,216,634	**21,421,691**
Accumulated depreciation	(11,663,305)	(11,548,867)
Impairment allowance	-	(20)
Total property, plant, and equipment in operation	**11,553,329**	**9,872,804**
Construction in progress and machinery, plant	1,420,064	2,306,376
and equipment under assembly	-	-
Total net property, plant, and equipment	**12,973,393**	**12,179,180**
Property, plant, and equipment	12,767,328	11,954,611
Right-of-use assets (Note 14)	206,065	224,569

12.1 Reconciliation of the beginning and ending balances of property, plant, and equipment

	Initial balance	Additions and transfers	Business combination[1]	Sales and de-recognitions	Depreciation	Foreign currency translation	Final balance
2021							
Grids, lines, and cables [2]	5,497,091	1,143,838	-	(8,840)	(195,318)	406,578	6,843,349
Plants and ducts [3]	3,354,090	298,015	18,095	(6,130)	(174,569)	172,918	3,662,419
Buildings	475,180	19,628	-	(14,049)	(32,198)	10,845	459,406
Lands	255,011	417	-	(150)	-	1,325	256,603
Machinery and equipment	158,164	40,574	-	(4)	(30,158)	7,811	176,387
Communication and computing equipment	90,485	47,341	-	(2,148)	(33,515)	7,941	110,104
Transportation, traction, and lifting equipment	22,297	15,780	-	(927)	(13,074)	1,682	25,758
Furniture, chattels, and office equipment	20,486	2,145	-	(14)	(4,017)	703	19,303
Construction in progress [4]	2,306,376	(911,551)	-	(4)	-	25,243	1,420,064
Total	**12,179,180**	**656,187**	**18,095**	**(32,266)**	**(482,849)**	**635,046**	**12,973,393**
2020							
Grids, lines, and cables	5,362,508	140,394	77,930	(5,808)	(188,392)	110,459	5,497,091
Plants and ducts	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
Construction in progress	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) It corresponds to the adjustments of the acquisition of Orazul, see Note 32.

(2) It Includes, mainly, additions in transmission lines due to the entry into operation of UPME 03-2014 - 230/500 kV Northwestern Interconnection Project, whose scope included the design, supply, civil works, assembly and commissioning of the Antioquia and Medellin substations, substation expansion and associated 547 km of 500 kV transmission lines. Entry into service date: July 2021.

(3) It mainly includes additions in Interchile, for COP 222,983, for the start-up of the reactive compensation project in the Nueva Pan de Azúcar - Polpaico 2x500 kV transmission line and additions for the start-up of the Nueva Maitencillo 220 kV substation and Nueva Pan de Azúcar 220 kV substation expansion project, for COP 25,986.

(4) It includes mainly the following ISA projects:

- UPME 03-2014- 230/500kV Northwestern Interconnection Project, for COP 1,601 (2020: COP 1,003,265). This project is scheduled to start operations in July 2021.
- Costa Caribe 500 kV Interconnection, for COP 524,746 (2020: COP 428,582), whose scope includes design, supply, civil works, assembly, and commissioning of the Cerromatoso-Chinú-Copey 500 kV -352 km transmission lines and the substations expansions. Expected date for entry into service: January 2022
- UPME 09-2016 Copey - Cuestecitas 500 kV and Copey - Fundación 220 kV for COP 288,651 (2020: COP 257,219), 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: May 2023.
- UPME 06-2018- El Rio 220 kV new substation, and associated transmission lines, for COP 142,065 (2020: COP 60,334), whose scope contemplates design, procurement, construction, testing and commissioning of the 220 kV El Rio New Substation, and associated transmission lines. Expected entry into service date: June 2022.
- UPME 07-2017 Sabanalarga - Bolívar, 500 kV, for COP 99,872 (2020: COP 28,074), whose scope contemplates the design, acquisition, construction, testing and commissioning of the Sabanalarga -Bolívar, 500 kV transmission line and the Bolívar substation 500/220 kV -450MV second transformer. Expected entry into service date: June 2022.
- UPME 04-2019 La Loma - Sogamoso 500 kV Transmission Line, for COP 48,889 (2020: COP 29,192), whose scope includes design, procurement of supplies, construction, testing and commissioning of a 500 kV single circuit transmission line from La Loma 500 kV Substation to Sogamoso 500 kV Substation line bay in both Substations and two-line reactive compensation modules 141 MVAr each. Expected date for entry into service: December 2023.
- Copey - Cuestecitas 500kV Second Circuit, for COP 29,556 (2020: COP 13,210), whose scope contemplates the procurement of supplies, construction, testing and commissioning of the Cuestecitas-Copey, 500kV second circuit, which will be installed in the double circuit structure of the Cuestecitas-Copey transmission line being built under the UPME 09-2016 call. Expected entry into service date: August 2022.

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, 2021, and 2020, there are no operating and/or economic factors that could indicate that the net book value of property, plant, and equipment cannot be recovered.

13. Intangibles

	2021	2020
Concessions (1)	11,879,030	9,141,009
Goodwill and brands (2)	1,271,743	1,097,921
Rights (3)	1,019,570	1,235,054
Easements (4)	653,669	538,707
Software	235,243	193,640
Licenses	107,268	79,555
Others	49,779	46,088
	15,216,302	**12,331,974**
Accumulated amortization	(4,969,489)	(4,054,628)
Total intangibles	**10,246,813**	**8,277,346**
Intangibles	10,246,273	8,276,944
Right-of-use assets (Note 14)	540	402

(1) It corresponds mainly to concessions in Peru, Bolivia, and Colombia, which are treated as intangible assets according to their characteristics. (See Note 23). Net book value of concession contracts is COP 7,923,575 (2020: COP 7,923,575).

(2) It mainly includes goodwill recognized in ISA CTEEP, for COP 560,666 (2020: COP 476,019); ISA Capital do Brasil, for COP 321,219 (2020: COP 297,471); ISA Peru, for COP 111,856 (2020: COP 46,185); ISA, for COP 243,255, for both periods; Intervial Chile S.A., for COP 29,379 (2020: COP 30,095), and Internexa Brasil Operadora de Telecomunicações, for COP 5,296 (2020: COP 4,896).

(3) It mainly includes the rights to use infrastructure and intangible assets recognized through business combinations in Brazil and Peru.

(4) Easements correspond to rights acquired by ISA and its companies in order to implement its operating assets, mainly the transmission lines. These assets are acquired in perpetuity and the right remains over time.

13.1 Reconciliation of the beginning and ending balances of intangibles

	Initial balance	Additions and transfers	Business combination[1]	Sales and de-recognitions	Amortizations	Foreign currency translation	Final balance
2021							
Concessions and rights [2]	7,329,515	774,624	263,269	(402)	(351,196)	1,038,023	9,053,833
Goodwill and brands	268,284	-	55,091	-	(4,773)	55,617	374,219
Easements [3]	538,707	54,995	-	-	-	59,967	653,669
Software	104,283	38,386	-	(7)	(26,290)	1,440	117,812
Licenses	18,288	23,986	-	(32)	(11,281)	1,072	32,033
Others	18,269	-	-	(167)	(4,086)	1,231	15,247
Total	**8,277,346**	**891,991**	**318,360**	**(608)**	**(397,626)**	**1,157,350**	**10,246,813**
2020							
Concessions and rights [2]	6,170,898	673,748	610,012	(1,987)	(339,480)	216,324	7,329,515
Goodwill and brands	229,049	-	50,561	-	(4,773)	(6,553)	268,284
Easements	520,189	1,906	-	-	-	16,612	538,707
Software	95,271	46,546	-	(21,530)	(15,863)	(141)	104,283
Licenses	14,207	11,402	-	(35)	(6,485)	(801)	18,288
Others	26,790	34	-	-	(3,572)	(4,983)	18,269
Total	**7,056,404**	**733,636**	**660,573**	**(23,552)**	**(370,173)**	**220,458**	**8,277,346**

(1) Goodwill and rights-of-use recognized in the purchase of Orazul group and PBTE, see Note 32.

(2) Acquisitions, mainly in Consorcio TRANSMANTARO, for COP 666,756 (2020: COP 208,449), associated with the investment in the YANA and COYA projects, and investments in the Chincha, Nazca, Chilca-La Planicie-Zapallal Reinforcement 1, and Chilca-La Planicie-Zapallal Reinforcement 2 projects.

(3) The variation corresponds mainly to the acquisition of easements for the Porce III-Sogamoso 500 kV transmission line, for COP 17,766; Antioquia-Cerromatoso 500 kV transmission line, for COP 16,969; Antioquia-Porce III 500 kV transmission line, for COP 8,531; Antioquia-Medellín 500 kV transmission line, for COP 8,297; Medellín-Ancón Sur EPM 230 kV transmission line, for COP 2,672, among others.

14. Right-of-use assets, accounts receivable and lease liabilities

14.1 ISA and its companies as lessees

ISA and its companies have leases of real estate, networks and lines, land, vehicles, substation components and computer and communications equipment used in their operations.

Property and land leases have an average lease term of six to ten years; substation components, eight years; networks and lines, four years; vehicles, five years; and computer equipment, three years.

In general, leases are adjusted for inflation. ISA and its companies apply the exceptions for the recognition of leases of underlying assets of low value and lease term equal to or less than twelve months.

The carrying amount of right-of-use assets at the end of the period was COP 206,605 (2020: COP 224,3971) and movements during the period are included in Notes 12 and 13.

	2021	2020
Right-of-use assets, property, plant, and equipment	206,065	224,569
Right-of-use assets, intangibles	540	402
Total right-of-use assets	**206,605**	**224,971**

The carrying amounts and movements of lease liabilities and the amounts recognized in the consolidated income statement for leases are detailed below:

	2021	2020
Initial balance	**227,204**	**226,285**
Additions	72,952	86,234
Business combination	-	1,440
Withdrawals	(21,274)	(20,424)
Interest	13,827	14,131
Foreign currency translation	15,011	(9,422)
Lease payments	(89,442)	(71,040)
Other changes	1,327	-
Final balance	**219,605**	**227,204**
Analysis of maturity of lease liabilities		
Less than one year	57,669	56,208
Between one and five years	102,974	98,378
More than five years	58,962	72,618
Total	**219,605**	**227,204**

	2021	2020
Depreciation expenses of leased assets	(66,686)	(61,929)
Interest expense of lease liabilities	(13,827)	(14,131)
Short-term lease and low value lease expenses and variable lease payments	(10,598)	(13,016)
Total net amount recognized in the consolidated income statement	**(91,111)**	**(89,076)**
Cash flows from lease payments	**89,442**	**71,040**

14.2 ISA and its companies as lessors

ISA and its companies have operating leases for electrical infrastructure, dark fiber, buildings, machinery, telecommunications equipment, and land. These leases have remaining terms ranging from one to twelve years. Generally, lease payments are updated according to market indices. Assets under operating leases are insured and have no repurchase agreements or residual value guarantees.

Leasing income recognized during the year amounts to $16,851 (2020: $12,361).

The minimum future collections from operating leases are:

	2021	2020
Less than one year	8,885	13,076
Between one and five years	45,679	49,688
More than five years	39,267	34,002
Total	**93,831**	**96,766**

ISA and its companies have finance lease agreements of electricity infrastructure with an average term of 12 years. Usually, lease payments are updated according to the market indexes. Assets under finance leases are insured and have no repurchase agreements or residual value guarantees.

The future minimum lease payments and its movements are as follows:

	2021	2020
Initial balance	**468,351**	**348,775**
Additions	38,554	113,142
Withdrawals	(5,533)	-
Interest	50,427	45,437
Payments received from lessee	(59,651)	(48,544)
Foreign currency translation	76,348	9,541
Final balance	**568,496**	**468,351**
Minimum lease payments		
Less than one year	67,609	48,247
Between one and five years	198,113	145,771
More than five years	884,924	641,337
Total minimum lease payments	**1,150,646**	**835,355**
Less: non-accumulated financial revenue (or not accrued)	(582,150)	(367,004)
Current value of minimum lease payments	**568,496**	**468,351**

15. Financial liabilities

	2021	2020
Bonds (15.1)	23,056,837	14,036,582
Banks loans (15.2)	4,735,461	7,988,950
Derivatives (15.3)	148,144	443,303
Total financial liabilities	**27,940,442**	**22,468,835**
Current	2,866,267	1,266,015
Non-current	25,074,175	21,202,820

During the year, ISA and its companies have complied with the payment of principal and interest on their liabilities.

15.1 Bonds

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate	2021 Nominal value	2021 Amortized cost value	2020 Nominal value	2020 Amortized cost value
COLOMBIA									
Tranche 7 Series A Program	COP	1/12/2011	1/12/2023	12	CPI + 4.47%	180,002	181,116	180,000	181,313
Tranche 7 Series B Program	COP	1/12/2011	1/12/2041	30	CPI + 4.84%	120,002	120,771	120,000	120,905
Tranche 8 Series C9 Program	COP	22/05/2013	22/05/2022	9	CPI + 2.84%	120,002	121,157	120,000	120,327
Tranche 8 Series C15 Program	COP	22/05/2013	22/05/2028	15	CPI + 3.25%	100,001	101,101	100,000	100,286
Tranche 9 Series C10 Program	COP	7/05/2015	7/05/2025	10	CPI + 3.80%	100,001	101,322	100,000	100,476
Tranche 9 Series C15 Program	COP	7/05/2015	7/05/2030	15	CPI + 4.14%	120,002	121,570	120,000	120,564
Tranche 9 Series C20 Program	COP	7/05/2015	7/05/2035	20	CPI + 4.34%	280,004	283,659	280,000	281,337
Tranche 10 Series C8 Program	COP	16/02/2016	16/02/2024	8	CPI + 4.73%	115,001	116,370	115,000	115,349

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Nominal value	2020 Amortized cost value
Tranche 10 Series C12 Program	COP	16/02/2016	16/02/2028	12	CPI	+	5.05%	152,002	153,615	152,000	152,304
Tranche 10 Series C25 Program	COP	16/02/2016	16/02/2041	25	CPI	+	5.38%	133,002	134,098	133,000	132,990
Tranche 11 Series A7 Program	COP	18/04/2017	18/04/2024	7	Fixed Rate		6.75%	260,783	264,111	260,780	264,078
Tranche 11 Series C15 Program	COP	18/04/2017	18/04/2032	15	CPI	+	3.81%	196,302	199,458	196,300	197,537
Tranche 11 Series C25 Program	COP	18/04/2017	18/04/2042	25	CPI	+	4.00%	242,923	246,816	242,920	244,474
Tranche 12 Series A8 Program	COP	28/11/2017	28/11/2025	8	Fixed Rate		6.99%	150,082	150,904	150,080	150,884
Tranche 12 Series C14 Program	COP	28/11/2017	28/11/2031	14	CPI	+	3.75%	120,102	121,114	120,100	120,115
Tranche 12 Series C30 Program	COP	28/11/2017	28/11/2047	30	CPI	+	3.98%	229,823	231,703	229,820	229,821
Tranche 13 Series C9 Program	COP	25/07/2018	25/07/2027	9	CPI	+	3.49%	156,502	159,031	156,500	157,513
Tranche 13 Series C15 Program	COP	25/07/2018	25/07/2033	15	CPI	+	3.89%	142,065	144,416	142,063	143,048
Tranche 13 Series C25 Program	COP	25/07/2018	25/07/2043	25	CPI	+	4.07%	201,440	204,817	201,437	202,884
Tranche 14 Series A9 Program	COP	13/08/2020	13/08/2029	9	Fixed Rate	+	6.33%	160,002	161,067	160,000	161,054
Tranche 14 Series G20 Program	UVR	13/08/2020	13/08/2040	20	Fixed Rate	+	3.67%	147,134	148,960	140,221	141,961
Tranche 1 Program [1]	USD	26/11/2021	26/11/2033	12	Fixed Rate	+	3.83%	1,313,799	1,311,881	-	-
Total ISA								**4,740,976**	**4,779,057**	**3,420,221**	**3,439,220**
Series A Bond	USD	8/07/2016	15/01/2034	18	Fixed Rate		6.75%	600,359	563,826	517,621	480,536
Series B Bond	UVR	8/07/2016	15/01/2034	18	Fixed Rate		6.25%	392,168	321,166	373,748	301,095
Total Ruta Costera								**992,527**	**884,992**	**891,369**	**781,631**
Third issue Series A10 [2]	COP	11/10/2011	11/10/2021	10	IPC	+	4.20%	-	-	80,000	81,140
Third issue Series A15	COP	11/10/2011	11/10/2026	15	IPC	+	4.48%	100,000	101,894	100,000	101,551
Total Transelca								**100,000**	**101,894**	**180,000**	**182,691**
Colombia								**5,833,503**	**5,765,943**	**4,491,590**	**4,403,542**

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate		2021 Nominal value	2021 Amortized cost value	2020 Nominal value	2020 Amortized cost value
PERÚ										
2P 20th Issue (Series A)	USD	20/01/2011	19/01/2026	15	Fixed Rate	6,50%	151,284	153,061	130,634	131,693
3P 4th Issue (Series A)	USD	19/10/2012	19/04/2031	19	Fixed Rate	5,88%	159,246	160,800	137,510	138,384
3P 1st Issue (Series A)	PEN	7/11/2012	8/11/2022	10	Fixed Rate	5,38%	103,883	104,701	98,869	100,064
Swap fair value	USD						59,657	59,657	42,347	42,282
3P 1st Issue (Series B)	PEN	7/02/2013	7/02/2023	10	Fixed Rate	5,13%	77,114	78,007	73,393	74,698
Swap fair value	USD						46,676	46,676	34,509	34,457
3P 7.th Issue (Series A) (3)	USD	14/07/2014	14/07/2021	7	Fixed Rate	3,75%	-	-	11,459	11,635
Total ISA REP							**597,860**	**602,902**	**528,721**	**533,213**
International 144A Bonds	USD	7/05/2013	7/05/2023	10	Fixed Rate	4,38%	1,791,522	1,798,010	1,544,625	1,547,536
International 144A Bonds	USD	16/04/2019	16/04/2034	15	Fixed Rate	4,70%	2,388,696	2,518,910	2,059,500	2,179,366
Total Consorcio Transmantaro							**4,180,218**	**4,316,920**	**3,604,125**	**3,726,902**
Perú							**4,778,078**	**4,919,822**	**4,132,846**	**4,260,115**
BRAZIL										
Debentures 4ª Emissão	BRL	15/07/2016	15/07/2021	5	IPCA	+ 6.04%	-	-	113,964	116,555
Debentures 5ª Emissão	BRL	30/03/2017	15/02/2024	7	IPCA	+ 5.04%	270,245	277,108	225,758	232,825
Debentures 7ª Emissão	BRL	2/05/2018	15/04/2025	7	IPCA	+ 4.70%	542,708	540,132	454,002	450,462
Debentures 8ª Emissão	BRL	15/12/2019	15/12/2029	10	IPCA	+ 3.50%	337,249	324,870	281,377	268,851
Debentures 9ª Emissão (Series 1)	BRL	7/12/2020	15/11/2028	8	CDI	+ 2.83%	570,724	574,516	528,412	525,605
Debentures 9ª Emissão (Series 2)	BRL	7/12/2020	15/05/2044	23	IPCA	+ 5.30%	611,622	592,277	529,753	505,656

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate		2021 Nominal value	2021 Amortized cost value	2020 Nominal value	2020 Amortized cost value
Debentures 10.ª Emissão	BRL	11/02/2021	15/07/2044	23	IPCA +	5.07%	523,287	514,426	-	-
Nota Promissória	BRL	7/05/2021	6/05/2024	3	CDI +	1.25%	856,087	892,015	-	-
Debentures 11.ª Emissão (Series 1)	BRL	28/10/2021	15/10/2031	10	IPCA +	5.77%	484,985	471,470	-	-
Debentures 11.ª Emissão (Series 2)	BRL	28/10/2021	15/10/2039	18	IPCA +	5.86%	203,880	193,113	-	-
Total ISA CTEEP (4)							**4,400,787**	**4,379,927**	**2,133,266**	**2,099,954**
Tranche 1 (5)	BRL	12/06/2017	12/06/2022	5	CDI +	1.68%	-	-	67,042	67,598
Total ISA Investimentos							**-**	**-**	**67,042**	**67,598**
Brazil							**4,400,787**	**4,379,927**	**2,200,308**	**2,167,552**
CHILE										
144A Bond	USD	29/08/2001	15/06/2022	21	Fixed Rate	7.37%	47,570	47,608	205,117	204,781
Swap fair value	USD						11,042	11,042	81,115	81,112
Series C Bond	UF	1/08/2018	15/06/2025	7	Fixed Rate	4.85%	847,201	792,563	814,046	742,048
Series D Bond	UF	1/08/2018	15/12/2030	12	Fixed Rate	3.20%	1,404,481	1,264,373	1,307,673	1,157,541
Series E Bond	UF	7/08/2018	15/12/2024	6	Fixed Rate	2.30%	146,069	147,375	140,353	142,267
Series F Bond	UF	20/06/2019	15/12/2030	11	Fixed Rate	2.30%	738,697	788,260	709,788	764,462
Total Ruta del Maipo (6)							**3,195,060**	**3,051,221**	**3,258,092**	**3,092,211**
Series A Bond (7)	UF	21/03/2001	15/03/2021	20	Fixed Rate	6.30%	-	-	45,283	48,300
Series B Bond	UF	30/10/2006	15/06/2022	16	Fixed Rate	3.40%	232,350	234,238	223,258	222,713
Total Ruta del Bosque							**232,350**	**234,238**	**268,541**	**271,013**
Series A Bond (8)	UF	5/02/2021	30/06/2050	29	Fixed Rate	3.9%	129,344	106,076	-	-
Total Ruta del LOA							**129,344**	**106,076**	**-**	**-**

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate		2021 Nominal value	2021 Amortized cost value	2020 Nominal value	2020 Amortized cost value
144a Reg/s Bond [9]	USD	26/07/2021	30/06/2056	35	Fixed Rate	4.5%	4,777,392	4,716,985	-	-
Total Interchile							**4,777,392**	**4,716,985**	**-**	**-**
Chile							**8,334,146**	**8,108,520**	**3,526,633**	**3,363,224**
Total bonds and derivatives							**23,346,514**	**23,174,212**	**14,351,377**	**14,194,433**
Bonds								23,056,837		14,036,582
Derivatives								117,375		157,851

(1) In November, ISA successfully closed its first external public debt bond issuance in the international capital market, for USD 330 million, listed on the Singapore Stock Exchange. The issuance has a total term of 12 years and an interest rate of 3.825%. The resources were used to carry out an internal and external debt replacement operation, which consisted of replacing the current nominal value of loans with Banco de Bogotá (COP 22,243 million), BBVA Colombia (COP 180 billion), Davivienda (COP 405 billion), Bancolombia (COP 300 billion) and The Bank of Nova Scotia for USD 100 million.

(2) In October, Transelca made the total payment of Tranche I of the 3rd Internal Public Debt Bond Issuance, for COP 80 billion.

(3) In January and July, ISA REP made the total payment of the Seventh Issue (Series A) Bonds of the Third Corporate Bond Program, for USD 3,3 million.

(4) Between February and October, ISA CTEEP captured resources from the capital market, from the 10th issue of green Debentures, for BRL 672,5 billion, for investments in the Minuano (Evrecy), Três Lagoas (Tibagi) and Triângulo Mineiro (IEMG) projects; Promissory Notes, for BRL 1,2 billion, earmarked for refinancing debt and investments of the subsidiary, mainly reinforcements and improvements; issuance of series 1 and 2 of the 11th issue of green Debentures, for BRL 668,8 million and 281,2 million, respectively, earmarked for investments in the IEMG, Evrecy, IE Aguapeí, IE Itapura, IE Itaquerê, IE Itaúnes, IE Tibagi, IE Tibagi, IE Biguaçu, PBTE, IE Aimorés, IE Paraguaçu projects. In July it paid the 4th Debentures Issue, for BRL 180,8 million.

(5) In June and December, ISA Investimentos made the total payment of Tranche I for BRL 101,5 million.

(6) In June and December, Ruta del Maipo made payments on the 144A bonds for USD 47,8 million. In June and December, the Company obtained disbursements on the Series D bonds for UF 298.146. The resources were allocated to cash flow.

(7) In March, Ruta del Bosque paid in full the Series A Bonds for UF 322.635.

(8) In February, Ruta del Loa obtained a disbursement of UF 885,500 for the issuance of Local Bonds Series A, destined to payments and refinancing of the Senior Financing Agreement, subscribed by the concessionaire with Banco Santander-Chile, EuroAmerica S.A. and Confuturo S.A., as original creditors.

(9) In July, Interchile issued a green bond (144A Reg/S) in the international capital market for USD 1,2 billion. The resources were used to prepay senior debt for USD 745 million, prepay and terminate debt hedging operations for USD 71 million, pay a debt recognition operation with ISA Inversiones Chile for USD 78,4 million, pay taxes, commissions and fund the reserve account, among others.

15.2 Bank Loans

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
COLOMBIA											
Banco de Bogotá	COP	26/02/2015	26/02/2022	7	CPI	+	3.60%	-	-	66,730	67,923
BBVA	COP	23/02/2016	23/02/2023	7	CPI	+	2.99%	-	-	125,000	126,560
BBVA	COP	9/10/2017	9/10/2027	10	CPI	+	4.80%	-	-	43,750	44,160
Banco Davivienda	COP	9/10/2017	9/10/2027	10	CPI	+	4.80%	-	-	43,750	44,160
BBVA	COP	7/11/2017	7/11/2027	10	CPI	+	4.80%	-	-	78,750	79,028
Banco Davivienda	COP	7/11/2017	7/11/2027	10	CPI	+	4.80%	-	-	78,750	79,028
Bancolombia	COP	19/11/2019	19/11/2029	10	IBR (6M)	+	2.56%	-	-	150,000	149,936
Banco Davivienda	COP	19/11/2019	19/11/2031	12	CPI	+	4.65%	-	-	150,000	150,094
Banco Davivienda	COP	19/05/2020	19/11/2031	12	CPI	+	4.65%	-	-	150,000	150,189
Bancolombia	COP	19/05/2020	19/11/2029	10	IBR (6M)	+	2.56%	-	-	150,000	150,379
Total national obligations								**-**	**-**	**1,036,730**	**1,041,457**
Scotiabank	USD	27/12/2018	27/12/2023	5	LIBOR (6M)	+	1.20%	-	-	171,625	170,652
Scotiabank	USD	26/02/2019	27/12/2023	5	LIBOR (6M)	+	1.20%	-	-	171,625	170,777
Total foreign obligations								**-**	**-**	**343,250**	**341,429**
Total ISA								**-**	**-**	**1,379,980**	**1,382,886**
Banco Popular	COP	8/06/2017	8/06/2024	7	IBR (3M)	+	3.00%	8,717	8,756	12,203	12,159
Banco Popular	COP	10/08/2017	10/08/2024	7	IBR (3M)	+	3.00%	23,863	24,079	31,817	31,801
Banco Popular	COP	26/12/2017	26/12/2024	7	IBR (3M)	+	3.00%	7,472	7,733	9,962	10,018
Bancolombia	COP	11/05/2018	11/11/2028	11	IBR (6M)	+	2.20%	59,467	59,876	59,467	59,493

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
Bancolombia	COP	2/11/2018	2/11/2028	10	IBR (6M)	+	2.20%	23,000	23,116	23,000	23,045
Bancolombia	COP	19/02/2019	19/02/2029	10	IBR (6M)	+	2.20%	5,519	5,594	5,530	5,572
Davivienda	COP	23/05/2019	23/05/2029	10	IBR (6M)	+	3.30%	9,000	9,114	9,000	9,007
Davivienda	COP	1/08/2019	23/05/2029	10	IBR (6M)	+	3.30%	9,000	9,111	9,000	9,004
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 (6M)	+	1.65%	-	-	10,000	10,017
Davivienda	COP	15/04/2020	15/04/2030	10	IBR (3M)	+	3.19%	10,000	10,121	10,000	10,080
Banco Popular	COP	26/05/2020	26/05/2027	7	IBR (3M)	+	4.85%	12,000	12,102	12,000	12,060
Banco Davivienda	COP	14/09/2020	14/09/2030	10	IBR (3M)	+	3.45%	3,800	3,820	3,800	3,808
Banco Davivienda	COP	25/11/2020	25/11/2030	10	IBR (3M)	+	3.45%	8,000	8,036	8,000	8,019
Banco Davivienda	COP	18/12/2020	14/09/2030	10	IBR (3M)	+	3.45%	8,200	8,237	8,200	8,215
Banco Popular	COP	21/12/2020	26/05/2027	6	IBR (3M)	+	4.85%	6,000	6,059	6,000	6,012
Banco Davivienda	COP	16/06/2020	16/03/2031	11	IBR (3M)	+	3.99%	7,000	7,035	-	-
Banco Davivienda	COP	7/10/2021	16/06/2031	10	IBR (3M)	+	3.99%	7,000	7,028	-	-
Banco Davivienda	COP	11/11/2021	16/06/2031	10	IBR (3M)	+	3.99%	16,000	16,052	-	-
Banco Davivienda	COP	29/11/2021	16/06/2031	10	IBR (3M)	+	3.99%	20,000	20,062	-	-
Total Internexa								**244,038**	**245,931**	**221,479**	**221,813**
Bancolombia	COP	21/12/2016	15/01/2028	11	CPI	+	7.50%	250,000	251,397	250,000	249,995
Banco de Bogotá	COP	21/12/2016	15/01/2034	17	CPI	+	9.00%	150,000	150,695	150,000	150,617
Banco de Occidente	COP	21/12/2016	15/01/2034	17	CPI	+	9.00%	150,000	150,711	150,000	150,645
Ashmore-CAF	COP	21/12/2016	15/01/2034	17	Fixed Rate		7.40%	161,904	160,519	154,300	152,578

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
FDN	COP	5/07/2018	8/07/2035	17	IBR (3M)	+	8.20%	4,651	4,864	8,224	8,771
Total Ruta Costera								**716,555**	**718,186**	**712,524**	**712,606**
Banco de Bogotá	COP	12/02/2019	12/02/2026	7	CPI	+	4.25%	-	-	82,500	83,010
Banco de Bogotá	COP	12/02/2019	12/02/2026	7	CPI	+	4.25%	-	-	5,500	5,540
Banco Davivienda	COP	27/02/2019	27/02/2029	10	IBR (3M)	+	4.05%	-	-	47,250	47,304
Banco de Occidente	COP	6/03/2019	6/03/2026	7	CPI	+	4.25%	-	-	22,800	22,855
Banco BBVA	COP	27/10/2021	27/10/2031	10	CPI	+	3.05%	158,050	160,252	-	-
Banco BBVA	COP	7/10/2021	7/10/2028	7	CPI	+	2.50%	70,500	71,630	-	-
Total Transelca								**228,550**	**231,882**	**158,050**	**158,709**
Colombia								**1,189,143**	**1,195,999**	**2,472,033**	**2,476,014**
PERÚ											
Scotiabank	USD	20/09/2019	13/09/2025	6	Fixed Rate		3.10%	278,681	280,429	240,275	240,275
Banco de Crédito de Perú	USD	9/04/2021	6/10/2021	0	Fixed Rate		3.75%	-	-	51,487	52,884
Banco de Crédito de Perú	USD	15/06/2021	15/06/2022	1	Fixed Rate		1.08%	159,246	160,195	-	-
Scotiabank	USD	15/06/2021	15/06/2022	1	Fixed Rate		2.10%	39,812	40,256	-	-
Total ISA REP								**477,739**	**480,880**	**291,762**	**293,159**
Banco de Crédito de Perú	USD	15/06/2021	15/06/2022	1	Fixed Rate		1.08%	159,246	160,195	-	-
Scotibank	USD	15/06/2021	15/06/2022	1	Fixed Rate		2.10%	39,812	40,272	-	-
Total Consorcio Transmantaro								**199,058**	**200,467**	**-**	**-**
Interbank	USD	17/12/2019	25/12/2025	6	Fixed Rate		3.80%	-	-	45,821	45,529

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
Bank of Nova Scotia	USD	24/08/2020	24/08/2022	2	Libor (3M)	+	1.25%	328,446	327,477	542,335	539,662
Scotiabank	PEN	24/11/2021	24/02/2022	0	Fixed Rate		7.15%	248,643	249,681	-	-
Total ISA Perú								**577,089**	**577,158**	**588,156**	**585,191**
Banco de Crédito de Perú	USD	19/04/2021	10/10/2022	1	Fixed Rate		2.23%	4,400	4,400	-	-
Total PDI								**4,400**	**4,400**	**-**	**-**
Interbank	USD	5/02/2016	28/07/2024	8	Libor(6M)	+	2.25%	13,795	13,858	15,557	15,623
Interbank	PEN	8/05/2020	8/05/2023	3	Fixed Rate		0.98%	4,611	4,970	6,744	6,919
Total Internexa Perú								**18,406**	**18,828**	**22,301**	**22,542**
Perú								**1,276,692**	**1,281,733**	**902,219**	**900,892**
BRAZIL											
ELECTROBRAS	BRL	8/01/1990	15/11/2021	32	Fixed Rate		8.00%	-	2	11	13
BNDES III (FINEM)	BRL	29/01/2014	15/03/2029	15	TJLP	+	1.80%	99,351	99,448	104,673	105,060
BNDES III (PSI)	BRL	29/01/2014	15/01/2024	10	Fixed Rate		3.50%	15,176	15,175	20,796	20,776
BNDES III (Social)	BRL	29/01/2014	15/03/2029	15	TJLP	+	0.00%	826	15	870	15
BNDES IV	BRL	8/08/2017	15/03/2032	15	TJLP	+	2.62%	142,416	142,332	144,722	144,572
BNDES IV (Social)	BRL	29/04/2020	15/03/2032	12	TJLP	+	0.00%	846	19	859	19
CCB (Bradesco)	BRL	30/04/2020	20/04/2022	2	CDI	+	2.45%	463,714	472,183	429,335	431,526
Total ISA CTEEP								**722,329**	**729,174**	**701,266**	**701,981**
BNDES (FINEM)	BRL	27/03/2009	15/04/2023	14	TJLP	+	2.39%	-	-	7,798	8,140
Total IE Minas Gerais								**-**	**-**	**7,798**	**8,140**

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate		2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
BNDES (PSI)	BRL	28/01/2011	15/01/2021	10	Fixed Rate	5.50%	-	-	501	553
BNDES (FINEM)	BRL	28/01/2011	15/05/2026	15	TJLP +	2.62%	11,293	11,279	11,461	12,909
BNDES (PSI)	BRL	12/09/2013	17/04/2023	10	Fixed Rate	3.50%	1,720	1,720	2,748	2,791
BNDES (FINEM)	BRL	12/09/2013	15/02/2028	14	TJLP +	2.06%	2,407	2,408	2,419	2,598
Total IE Pinheiros							**15,420**	**15,407**	**17,129**	**18,851**
BNDES (FINEM)	BRL	18/11/2011	15/05/2026	14	TJLP +	1.95%	12,140	12,151	12,790	13,792
BNDES (FINEM)	BRL	18/11/2011	15/05/2026	14	TJLP +	1.55%	10,493	10,502	11,072	11,918
Total IE Japi							**22,633**	**22,653**	**23,862**	**25,710**
Banco do Nordeste	BRL	19/05/2010	19/05/2030	20	Fixed Rate	8.50%	96,290	96,599	97,562	97,872
Total IE Norte e Nordeste							**96,290**	**96,599**	**97,562**	**97,872**
BNDES	BRL	21/12/2010	15/05/2025	14	TJLP +	2.58%	1,855	1,861	3,914	3,924
BNDES	BRL	21/12/2010	15/01/2021	10	Fixed Rate	5.50%	-	-	1,834	1,837
BNDES	BRL	28/07/2013	15/02/2028	15	TJLP +	2.58%	3,636	3,648	2,220	2,227
BNDES	BRL	28/07/2013	15/04/2023	10	Fixed Rate	3.00%	1,132	1,134	61	62
Total IE Sul							**6,623**	**6,643**	**8,029**	**8,050**
Banco Santander	BRL	21/11/2016	7/02/2022	5	CDI +	4.50%	7,919	8,257	7,332	7,429
Banco Safra	BRL	17/11/2017	17/11/2022	5	CDI +	2.30%	7,134	7,161	13,210	13,229
Banco ABC	BRL	4/01/2018	6/03/2023	5	CDI +	3.91%	3,893	4,237	3,604	3,621
Banco ABC	BRL	25/06/2018	6/03/2023	5	CDI +	3.41%	6,941	6,990	7,230	7,245
Banco Safra	BRL	10/05/2019	10/05/2024	5	CDI +	2.50%	8,620	8,675	9,908	9,931
Itaú	BRL	6/03/2020	12/08/2024	4	CDI +	3.15%	22,223	23,050	20,575	20,978

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
China Construction Bank	BRL	3/04/2020	26/12/2022	3	CDI	+	4.28%	21,402	21,438	19,815	19,828
Banco ABC	BRL	23/11/2020	23/11/2023	3	CDI	+	3.90%	3,938	3,945	3,963	3,987
Banco BOCOM	BRL	26/11/2020	27/11/2023	3	CDI	+	3.10%	5,612	5,650	5,285	5,310
China Construction Bank	BRL	11/03/2021	2/03/2022	1	CDI	+	4.28%	14,268	14,372	-	-
Banco Safra	BRL	18/08/2021	18/02/2022	1	CDI	+	4.59%	2,854	2,864	-	-
Total Internexa Brasil								**104,804**	**106,639**	**90,922**	**91,558**
Brazil								**968,099**	**977,115**	**946,568**	**952,162**
CHILE											
Scotiabank	CLP	28/01/2015	28/07/2022	8	TAB (180)	+	1.40%	6,298	6,344	8,600	8,637
BCI	CLP	8/03/2017	4/03/2022	5	TAB (180)	+	1.50%	2,985	3,054	9,173	9,231
BCI	CLP	25/05/2020	25/04/2024	4	Fixed Rate		0.29%	2,213	2,214	3,183	3,184
BCI	CLP	25/05/2020	25/04/2024	4	Fixed Rate		0.32%	2,233	2,234	3,206	3,206
BCI	CLP	4/03/2021	2/03/2026		Fixed Rate		4.86%	9,426	9,872	-	-
Total Internexa Brasil								**23,155**	**23,718**	**24,162**	**24,258**
Banco de Chile Tramo B1	UF	15/03/2017	15/03/2024	7	Fixed Rate	+	1.15%	69,457	107,970	36,593	137,222
Banco de Chile Tramo B2	UF	15/09/2012	15/09/2023	11	Fixed Rate	+	1.00%	37,700	-	17,037	
Banco de Chile Tramo C1	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	35,099	
Banco de Chile Tramo C2	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	28,192	
Banco de Chile Tramo D1	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	12,870	
Banco de Chile Tramo D2	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	6,356	

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
Banco de Chile Tramo F1	CLP	3/10/2018	3/03/2025	6	TAB (30)	+	1.33%	32,265	31,325	18,148	16,780
Banco Corpbanca B1	UF	15/03/2011	15/03/2024	13	Fixed Rate	+	1.15%	28,756	43,903	17,579	56,086
Banco Corpbanca B2	UF	15/09/2012	15/09/2023	11	Fixed Rate	+	1.00%	14,815		8,185	
Banco Corpbanca C1	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	5,634	
Banco Corpbanca C2	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	4,525	
Banco Corpbanca D1	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	6,183	
Banco Corpbanca D2	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	3,053	
Banco Corpbanca E3	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	5,614	
Banco Corpbanca E4	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	4,509	
Banco Corpbanca F1	CLP	3/10/2018	3/03/2025	6	TAB (30)	+	1.33%	13,279	12,892	7,469	6,859
Banco del Estado B1	UF	15/03/2011	15/03/2022	11	Fixed Rate	+	1.15%	37,978	59,833	17,579	75,754
Banco del Estado B2	UF	15/09/2012	15/09/2023	11	Fixed Rate	+	1.00%	21,406		8,185	
Banco del Estado C1	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	16,861	
Banco del Estado C2	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	13,543	
Banco del Estado D1	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	6,183	
Banco del Estado D2	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	3,053	
Banco del Estado E3	UF	15/03/2017	15/09/2022	6	TAB (360)	+	0.95%	-	-	5,614	
Banco del Estado E4	UF	15/09/2016	15/09/2022	6	TAB (360)	+	0.95%	-	-	4,509	
Banco del Estado F1	CLP	3/10/2018	3/03/2025	6	TAB (30)	+	1.33%	17,721	17,204	9,968	9,264
Banco de Chile	CLP	20/05/2021	15/03/2024	3	Fixed Rate		2.15%	42,649	42,458	-	-
Banco Itaú Corpbanca	CLP	20/05/2021	15/03/2024	3	Fixed Rate		2.15%	17,553	17,474	-	-

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate		2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
Banco Estado	CLP	20/05/2021	15/03/2024	3	Fixed Rate	2.15%	23,423	23,319	-	-
Total Ruta de la Araucanía							**357,002**	**356,378**	**302,541**	**301,965**
Banco BICE	UF	21/09/2016	15/08/2022	6	Fixed Rate	3.40%	38,490	38,978	78,653	79,121
Banco Security	UF	21/09/2016	15/08/2022	6	Fixed Rate	3.40%	14,188	14,368	28,994	28,994
Banco BICE	UF	4/01/2019	15/12/2022	4	Fixed Rate	3.15%	12,634	12,777	14,568	17,012
Banco BCI	UF	4/01/2019	15/12/2022	4	Fixed Rate	3.15%	14,754	14,920	17,012	14,568
Banco BCI	UF	15/03/2019	15/12/2024	6	TAB (360)	0.90%	4,112	3,797	7,282	7,282
Banco BICE	UF	15/03/2019	15/12/2024	6	TAB (360)	0.90%	3,521	3,256	6,237	6,236
Total Ruta de los Ríos							**87,699**	**88,096**	**152,746**	**153,213**
Banco Santander Chile	UF	27/09/2018	15/06/2050	32	Fixed Rate	3.85%	6,719	6,476	8,702	7,045
Compañía de Seguros EuroAmerica	UF	27/09/2018	15/06/2050	32	Fixed Rate	3.85%	65,147	62,759	86,037	69,484
Compañía de Seguros Confuturo	UF	27/09/2018	15/06/2050	32	Fixed Rate	3.85%	26,146	25,172	25,825	20,930
Compañía de Seguros Confuturo	UF	27/09/2018	15/06/2050	32	Fixed Rate	3.85%	-	-	8,702	6,977
Banco Santander Chile	CLP	27/09/2018	15/12/2022	4	TAB (30) +	1.10%	22,591	22,625	33,370	33,369
Total Ruta del LOA							**120,603**	**117,032**	**162,636**	**137,805**
Scotiabank Chile	CLP	14/10/2020	1/09/2022	2	TAB (180) +	0.35%	-	-	561,412	556,190
Banco Itaú Corpbanca	CLP	3/05/2021	5/05/2025	4	Fixed Rate	2.05%	417,198	418,619	-	-
Scotiabank Chile	CLP	20/05/2021	20/05/2026	5	Fixed Rate	2.50%	278,749	276,771	-	-
Swap fair value	CLP				Fixed Rate	-0.62%	30,769	30,769	-	-
Total Intervial Chile							**726,716**	**726,159**	**561,412**	**556,190**
Banco Estado	USD	24/05/2016	31/03/2031	15	Libor (3M) +	2.25%	-	-	219,006	209,623

Continue

Financing source	Original currency	Date of issuance	Maturity date	Term years	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Financing source	2020 Original currency
Scotiabank Chile	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	219,006	209,623
BTMU	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	263,064	251,793
CA-CIB	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	219,006	209,623
NATIXIS	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	218,678	209,623
SMBC	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	263,392	209,623
KFW	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	219,006	209,309
LA CAIXA	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	219,006	148,281
SIEMENS	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	219,489	210,085
SABADELL	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	154,919	252,107
SUMITRUST	USD	24/05/2016	31/03/2031	15	Libor (3M)	+	2.25%	-	-	60,521	57,928
Swap fair value	USD				Libor (3M)	+	2.25%	-	-	285,453	285,452
CA-CIB	USD	15/05/2020	31/03/2031	11	Libor (3M)	+	1.60%	-	-	68,650	65,709
KFW	USD	15/05/2020	31/03/2031	11	Libor (3M)	+	1.60%	-	-	116,707	65,711
SABADELL	USD	15/05/2020	31/03/2031	11	Libor (3M)	+	1.60%	-	-	68,650	111,705
Scotiabank Chile	USD	15/05/2020	31/03/2031	11	Libor (3M)	+	1.60%	-	-	68,650	65,708
Total Interchile								**-**	**-**	**2,883,203**	**2,771,903**
Chile								**1,315,175**	**1,311,383**	**4,086,700**	**3,945,334**
Total bank loans and derivatives								**4,749,109**	**4,766,230**	**8,407,520**	**8,274,402**
Bank loans									4,735,461		7,988,950
Derivatives									30,769		285,452

The main financial obligation transactions for the period are explained below:

INTERCONEXIÓN ELÉCTRICA:

During the year, it made payments to Banco de Bogotá for COP 44,486 million, to Banco BBVA for COP 67.5 billion and to Banco Davivienda for COP 17.5 billion.

In November, ISA successfully closed its first external public debt bond issuance in the international capital market for USD 330 million, listed on the Singapore Stock Exchange. The issuance has a total term of 12 years and an interest rate of 3.825%. The resources were used to carry out an internal and external debt replacement operation, which consisted of replacing the current nominal value of loans with Banco de Bogotá (COP 22,243 million), BBVA Colombia (COP 180 billion), Davivienda (COP 405 billion), Bancolombia (COP 300 billion) and The Bank of Nova Scotia for USD 100 million.

ISA TRANSELCA

In October it carried out an operation to replace the loans with Banco Davivienda for COP 47.25 billion, Banco de Occidente for COP 22.8 billion, Banco de Bogotá for COP 87,999 million, with a new obligation with BBVA for COP 158.05 billion. In addition, it obtained disbursements of COP 70.5 billion with BBVA, earmarked for cash flow.

RUTA COSTERA

During the year, it obtained disbursements from Financiera de Desarrollo Nacional (FDN) for COP 2.86 billion for the acquisition of land and made payments to the same entity for COP 6,434 million.

INTERNEXA

In January it made a total prepayment to Bancolombia of COP 10 billion, in March it obtained disbursement of a cash credit with Bancolombia for COP 17,223 million, earmarked for cash flow, which it prepaid in December.

It received four disbursements from Banco Davivienda, between June and November, for a total amount of COP 50 billion, destined to the investment plan. In addition, between February and December it made payments to Banco Popular for COP 13,931 million, to Banco de Bogotá for COP 3.5 billion and to Bancolombia for COP 11 million.

ISA REP

In June, it obtained two disbursements from Scotiabank and Banco de Crédito de Perú for USD 10 million and USD 40 million, respectively, for cash flow; in addition, it made a payment to Banco de Crédito de Perú for USD 15 million.

TRANSMANTARO

In June it obtained disbursements of USD 40 million from Banco de Crédito de Perú and USD 10.5 million from Scotiabank, earmarked for cash flow.

ISA PERÚ

In March and November, it prepaid debt to Interbank for USD 13.3 million and to Bank of Nova Scotia for USD 65 million, and in May and August it made payments to the same bank for USD 10.5 million. In November it obtained disbursement of a new loan with Scotiabank for PEN 249.3 million, used to prepay part of the debt with Banco Nova Scotia.

PROYECTOS DE INFRAESTRUCTURA DEL PERÚ - PDI

In April it obtained a loan disbursement with BCP for USD 1.1 million, earmarked for cash flow.

INTERNEXA PERÚ

It Made payments to Interbank for USD 1.1 million and PEN 2.5 million.

ISA CTEEP

It made payments to Electrobras for BRL 23,925 and to BNDES for BRL 49.1 million.

INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS - IEMG

It made payments to BNDES for BRL 11.8 million, terminating the obligation.

INTERLIGAÇÃO ELÉTRICA PINHEIROS –IE PINHEIROS-

It made payments to BNDES for BRL 6.4 million and obtained disbursements for BR 2.0 million with the same entity, destined to cash flow.

INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI

It received disbursements from BNDES for BRL 6.5 million and disbursed BRL 2.1 million for cash flow.

INTERLIGAÇÃO ELÉTRICA NORTE E NORDESTE-IENNE

It made payments to Banco Nordeste for BRL 12.7 million.

INTERLIGAÇÃO ELÉTRICA SUL-IESUL

It made payments to BNDES for BRL 2.9 million.

PIRATININGA–BANDEIRANTES TRANSMISSORA DE ENERGIA - PBTE

In March, the debt of PBTE, a company acquired by CTEEP, was recognized, corresponding to a loan with Banco Itaú for BRL 365 million, earmarked for investments in this project. In July, this loan was repaid in full.

INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES

In March it obtained a disbursement from China Construction Bank for BRL 20 million, earmarked for CAPEX, for the payment of the submarine cable and cash flow, and in August it obtained a short-term disbursement from Banco SAFRA for BRL 4 million, earmarked for investment. Between January and September, it made payments to Banco Safra for BRL 12.9 million, to ABC bank for BRL 1.7 million and to BOCOM bank for BRL 133,000.

ISA INTERVIAL

In May it made payments on the Scotiabank loan for UF 4,000, terminating this obligation; it obtained disbursements of new loans with Banco Itaú for CLP 88,518 million and with Scotiabank for CLP 59,143 million, for prepayment of the Scotiabank loan and cash flow.

RUTA DE LA ARAUCANÍA

During the year, it received disbursements from Banco Corpbanca for CLP 1.27 billion,

from Banco Estado for CLP 1,695 million and from Banco de Chile for CLP 3,087 million, to finance CAdR5; and as new indebtedness, in May it obtained disbursements from Banco de Chile for CLP 9,049 million, from Banco Itaú for CLP 3,724 million and from Banco Estado for CLP 4,970 million, for cash flow.

Between March and December, the Company made payments to Banco Corpbanca for UF 95,584, to Banco Estado for UF 131,579 and to Banco de Chile for UF 236,436.

RUTA DE LOS RÍOS

Between March and October, it made payments to Banco BICE for UF 337,628, Banco Security for UF 109,444, and Banco BCI for UF 47,569. In December it obtained disbursements from BICE and BCI for UF 3,111 and UF 3,633, respectively, for cash flow.

RUTA DEL LOA

Between January and December, it obtained disbursement of loans from Banco Santander Chile for UF 43,500 and CLP 1,952 million, from Compañía de Seguros EuroAmerica for UF 422,500 and from Compañía de Seguros Confuturo for UF 169,500, for the construction of the project.

It made payments to Banco Santander Chile for UF 59,500, to Compañía de Seguros EuroAmerica for UF 589,500 and to Compañía de Seguros Confuturo for UF 236,500, as well as to Banco Santander Chile for CLP 4.07 billion.

ISA INTERCHILE

In July it made the prepayment of the Senior Loan for USD 744.5 million.

INTERNEXA CHILE

During the year, it made payments to Scotiabank for CLP 445 million and to Banco BCI for CLP 1,647 million (COVID-19 relief and long-term loans) and in March it obtained a disbursement of CLP 2 billion from Banco BCI for cash flow.

15.3 Derivative Financial Instruments

ISA and its companies maintain derivative instruments under hedge accounting to cover bonds and financial obligations. The following table presents the fair value of derivatives:

Subsidiary	Derivado	Subyacente	2021	2020
Red de Energía del Perú [1]	*Cross currency swap*	Bonds	106,333	76,739
Intervial Chile [2]	*Cross currency swap*	Bank loans	30,769	-
Ruta del Maipo [3]	*Cross currency swap*	Bonds	11,042	81,112
ISA Interchile	*Interest rate swap*	Bank loans	-	285,452
Total			**148,144**	**443,303**
Current			11,042	140
Non-current			137,102	443,163

(1) In November 2021 and February 2013, ISA REP entered into cross currency swap agreements with BBVA Banco Continental for S/. 104,140,000 and S/. 77,305,000, maturing in November 2022 and February 2023, at an annual nominal rate of 5.375% and 5.1250%, respectively. The subsidiary designated these derivatives as cash flow hedges to mitigate the exposure to exchange rate volatility of the interest

payments in soles of the First Series A Issue and First Series B Issue of the Third Corporate Bond Program, considering that its functional currency is the US dollar. For the placements, the subsidiary pays USD 39,998,464 and USD 29,999,924, at an annual nominal rate of 4.760% and 4.990%, respectively, whose flows are settled semiannually. The terms of the hedging contracts have been negotiated to coincide with the terms of their obligations..

(2) In May 2021, the subsidiary entered into a UF currency hedge transaction as a debt strategy in Chilean pesos CLP.

(3) The subsidiary has a cross currency swap as a hedging instrument, whose objective is to reduce the exposure to the variation of future cash flows, due to the variation of the exchange rate that affects the bond held by the entity in dollars and the variation of UF due to future flows from toll collections. In August 2001, the company issued a bond in the United States of America with a face value of USD 421 million and an annual interest rate of 7.373%, with semi-annual interest payments in June and December, and principal payments from June 15, 2009, to June 15, 2022. In May 2005, the company entered into this hedging instrument with the Instituto de Crédito Oficial de España (ICO), in order to exchange the 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 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 Unidades de Fomento (Development Units) and US dollars, respectively.

15.Information on maturities of financial liabilities

The following table presents the maturities by years of outstanding bonds, derivatives, and financial obligations:

	Bonds [1]		Bank loans [1]		Total financial liabilities	
	2021	2020	2021	2020	2021	2020
Current	870,374	640,820	1,995,893	625,195	2,866,267	1,266,015
Year 2	2,429,302	754,758	512,658	2,140,418	2,941,960	2,895,176
Year 3	1,008,804	2,263,254	376,165	875,224	1,384,969	3,138,478
Year 4	1,143,014	996,430	597,687	567,218	1,740,701	1,563,648
Year 5 and after	17,722,717	9,539,171	1,283,828	4,066,347	19,006,545	13,605,518
Total	**23,174,211**	**14,194,433**	**4,766,231**	**8,274,402**	**27,940,442**	**22,468,835**

(1) It includes derivative financial instruments associated with the hedging of bonds and obligations.

16. Accounts payable

	2021	2020
Suppliers (1)	560,522	485,207
Lease liabilities (Note 14)	219,604	227,204
Creditors	290,402	255,182
Dividends (2)	53,976	215,505
Retention on agreements	40,103	35,743
Related parties	-	62
Total accounts payable	**1,164,607**	**1,218,903**
Current	949,140	996,635
Non-current	215,467	222,268

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

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

17. Employee benefits

The composition of employee benefits is as follows:

	2021	2020
POST-EMPLOYMENT BENEFITS		
Retirement pensions	525,366	488,508
Medical plan	205,024	247,022
Education allowance	28,199	33,779
Electricity allowance	4,951	6,738
Pension contribution and social security allowance	4,017	5,455
Plan assets (1)	(10,701)	(11,244)
Total post-employment benefits	**756,856**	**770,258**

Continue

	2021	2020
LONG-TERM BENEFITS (2)		
Seniority and quinquennium bonus (3)	21,768	19,621
Severance	1,987	2,586
Total long-term employee benefits	**23,755**	**22,207**
TERMINATION BENEFITS		
Termination benefits (4)	4,009	4,726
Total termination benefits	**4,009**	**4,726**
Total benefits measured using actuarial valuation	**784,620**	**797,191**
Current	15,467	16,091
Non-current	769,153	781,100
SHORT-TERM BENEFITS		
Severance and severance interests	8,324	7,421
Vacations	23,521	22,697
Extra-legal payments	6,770	7,244
Bonuses	55,551	33,190
Retirement pensions	15,467	16,091
Other	30,521	34,336
Total short-term benefits	**140,154**	**120,979**
Total employee benefits	**909,307**	**902,079**
Current	140,154	120,979
Non-current	769,153	781,100

(1) The subsidiary XM has cash and cash equivalents "plan assets" specifically earmarked to support pension liabilities and long-term employee benefits in the Autonomous Equity managed by Fiduciaria BBVA.

(2) ISA, ISA Intercolombia and XM grant their employees benefits associated with the time of service within the company, such as severance payments, seniority premiums and five-year bonuses.

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

(4) Correspond to termination bonuses for employees of the subsidiary ISA Transelca.

17.1 Qualitative disclosures about post-employment benefit plans, long-term benefits, and termination benefits

17.1.1 Post-employment benefits

- **Retirement pensions**

ISA, ISA Transelca y XM: In accordance with collective and individual contracts, ISA and its subsidiaries ISA Transelca and XM must pay retirement pensions to those employees who meet certain age and length of service requirements. The Social Security Institute (ISS), today called Colpensiones, and the pension management companies assume most of this obligation, in accordance with the fulfillment of legal requirements.

ISA CTEEP: The subsidiary sponsors the retirement and death pension benefit plan for its employees, former employees, and respective beneficiaries, administered by Funcesp, whose objective is to supplement benefits guaranteed by the social security system.

- **Prepaid medical assistance plans**

ISA, ISA Intercolombia, ISA Transelca and XM pay the following percentages on the premiums of the medical plans for prepaid medicine and hospitalization policy:

- For salaries and pensions up to 4,3 legal monthly minimum wages in force (SMLMV), ninety percent (90%) of the premium value.
- For salaries and pensions higher than 4,3 and up to 5,5 legal monthly minimum wage in force (SMLMV), eighty percent (80%) of the premium value.
- For salaries and pensions higher than 5,5 legal monthly minimum wages in force (SMLMV), seventy percent (70%) of the premium value.

ISA and ISA Intercolombia recognize a benefit for medical assistance, which can be 1,70 SMLMV and 1,54 SMLMV. This benefit is granted to the employee and his or her beneficiaries.

- **Educational assistance**

The employees of ISA, ISA INTERCOLOMBIA, ISA TRANSELCA AND XM are entitled to the recognition of the educational assistance, as well as each of the children of active employees and retired personnel, up to 25 years of age, provided they are single and do not work. The educational assistances are paid per school year or semester in advance and must be made in educational centers duly approved by the competent entity. The amounts to be recognized are stipulated in the collective agreements in force.

- **Energy Assistance**

At ISA TRANSELCA, the energy assistance consists of contributing up to 80% of the residential consumption of the employee's permanent residence.

- **Pension and social security contributions**

This consists of the payment of pension and social security contributions to the social security system on behalf of the employee by ISA Transelca, from the moment the employee retires from the company until the moment the employee retires from the Colombian Social Security System.

17.1.2 Long-term benefits

ISA, ISA INTERCOLOMBIA AND XM grant their employees benefits associated with the time of service within the company, such as severance payments, seniority premiums and five-year bonuses.

- **Quinquennium (five-year bonuses):** The benefit consists of a lump sum payment every five years when the employee completes five years of service with the company and, subsequently, every five years of service thereafter.
- **Seniority premium:** The benefit consists of the annual payment of one day's salary for each year of service in the Company, in the month in which each year of service is completed. The benefit begins to be paid when the employee completes five years of service with the company.
- **Severance pay:** In ISA INTERCOLOMBIA, this benefit is granted for any cause of termination of the employment contract, including retirement, disability, death, etc. When employees retire from the company, they are paid a retroactive amount for severance payments, after deduction of the advance payments. Retroactive severance payments are paid to those employees who belonged to the labor regime prior to Law 50 of 1990 and who did not take advantage of the change in the defined contribution plan. This social benefit is paid for all time worked based on the average monthly salary of each employee.

17.2 Qualitative disclosures about post-employment benefit plans, long-term benefits, and termination benefits

The following table presents the reconciliation of the net liability for post-employment benefits:

2021	Initial balance	Cost of current and past service	Interest expense	Actuarial gains	Benefits directly paid by the company	Foreign currency translation and others changes	Final balance
POST-EMPLOYMENT BENEFITS							
Retirement pensions	488,508	33,032	15,165	(15,844)	(16,781)	21,286	525,366
Medical plan	247,022	2,532	16,692	(50,180)	(11,042)	-	205,024
Education allowance	33,779	558	2,405	(7,901)	(642)	-	28,199
Electricity allowance	6,738	-	438	(1,836)	(389)	-	4,951
Contributions to social security	5,455	(377)	351	(969)	(443)	-	4,017
Total post-employment benefits	**781,502**	**35,745**	**35,051**	**(76,730)**	**(29,297)**	**21,286**	**767,557**
LONG-TERM BENEFITS							
Seniority and quinquennium bonus	19,621	1,824	999	(1,372)	(2,963)	3,659	21,768
Severance	2,586	57	115	(383)	(388)	-	1,987
Total long-term employee benefits	**22,207**	**1,881**	**1,114**	**(1,755)**	**(3,351)**	**3,659**	**23,755**
TERMINATION BENEFITS							
Retirement bonus	4,726	161	255	(617)	(516)	-	4,009
Total termination benefits	**4,726**	**161**	**255**	**(617)**	**(516)**	**-**	**4,009**
Total benefits actuarial valuation	**808,435**	**37,787**	**36,420**	**(79,102)**	**(33,164)**	**24,945**	**795,321**
Plan assets [1]	(11,244)	-	142	-	401	-	(10,701)
Total net benefits actuarial valuation	**797,191**	**37,787**	**36,562**	**(79,102)**	**(32,763)**	**24,945**	**784,620**

2020	Initial balance	Cost of current and past service	Interest expense	Actuarial (gains) losses	Benefits directly paid by the company	Foreign currency translation and others changes	Final balance
POST-EMPLOYMENT BENEFITS							
Retirement pensions	227,846	12,025	15,509	468,007	(15,977)	(218,902)	488,508
Medical plan	234,630	2,984	16,542	3,555	(10,689)	-	247,022
Education allowance	27,474	1,074	2,023	3,764	(556)	-	33,779
Electricity allowance	5,852	-	396	883	(393)	-	6,738
Contributions to social security	5,340	-	355	296	(536)	-	5,455
Total post-employment benefits	**501,142**	**16,083**	**34,825**	**476,505**	**(28,151)**	**(218,902)**	**781,502**
LONG-TERM BENEFITS							
Seniority and quinquennium bonus	16,922	2,489	1,014	1,961	(2,261)	(504)	19,621
Severance	5,264	87	270	(1,815)	(1,220)	-	2,586
Total long-term employee benefits	**22,186**	**2,576**	**1,284**	**146**	**(3,481)**	**(504)**	**22,207**
TERMINATION BENEFITS							
Retirement bonus	3,871	142	248	465	-	-	4,726
Total termination benefits	**3,871**	**142**	**248**	**465**	**-**	**-**	**4,726**
Total benefits actuarial valuation	**527,199**	**18,801**	**36,357**	**477,116**	**(31,632)**	**(219,406)**	**808,435**
Plan assets [1]	(10,930)	-	-	-	(314)	-	(11,244)
Total net benefits actuarial valuation	**516,269**	**18,801**	**36,357**	**477,116**	**(31,946)**	**(219,406)**	**797,191**

(1) The subsidiary XM has restricted cash and cash equivalents to support pension liabilities and long-term employee benefits; these are held in the Autonomous Equity administered by Fiduciaria BBVA. The value of the assets is presented in the statement of financial position offset by the value of the liabilities described above.

17.3 Main actuarial assumptions used in the calculation of the liability for post-employment, long-term and termination benefits

	Discount rate	Future salary increase	Future pension increase	Inflation rate	Minimum salary increase	Number of people covered by the plan	Initial and final increase rate for benefit cost
2021							
Retirement pensions, Colombia	8.6% - 8.7%	4.50%	3.50%	3.50%	4.50%	19 - 397	n/a
Retirement pensions, Brazil	5.18%	1.92%	0.00%	4.00%	0.00%	4,204	n/a
Medical health plans	8.7% - 8.8%	4.50%	n/a	n/a	n/a	197 - 991	4.50%
Education allowance	6.3% - 8.9%	n/a	n/a	n/a	4.50%	42 - 353	n/a
Electricity allowance	7.10%	n/a	n/a	3.50%	n/a	153	n/a
Contributions to social security	7.10%	4.00%	3.50%	4.00%	4.00%	---	n/a
Seniority bonus, Colombia	8.2% - 8.4%	n/a	n/a	n/a	4.50%	106 - 544	n/a
Seniority bonus, Peru	4%	n/a	n/a	n/a	3.50%	396	n/a
Severance	4.80%	n/a	n/a	n/a	4.50%	15	n/a
Retirement bonus	8.10%	n/a	n/a	4.50%	n/a	145	n/a
2020							
Retirement pensions, Colombia	6.6% - 6.9%	4.0% - 4.5%	3.5%	3.5%	4.0% - 4.5%	19-403	n/a
Retirement pensions, Brazil	3.5% a. a.	1.87% a. a.	3.20% a. a.	3.20% a. a.	0.0%	4.161	n/a
Medical health plans	6.8% - 7.3%	4.0% - 4.5%	n/a	n/a	n/a	203-1,017	4.50%
Education allowance	6.7% - 7.3%	n/a	n/a	n/a	3.5% - 4.5%	51 - 375	n/a
Electricity allowance	7.10%	n/a	n/a	3.50%	n/a	155	n/a
Contributions to social security	7.10%	4.00%	3.50%	4.00%	4.00%	---	n/a
Seniority bonus, Colombia	5.7%-6.0%	n/a	n/a	n/a	4.50%	108 - 501	n/a
Seniority bonus, Peru	4.8%	n/a	n/a	n/a	4.50%	17	n/a
Severance	6.40%	n/a	n/a	4.00%	n/a	154	n/a

As of December 31, 2021, the calculations use the "2008 valid rentiers" mortality tables for the Colombian benefits, "AT2000 suavizada em 10%" for the Brazilian benefit and "SPP 2017 table" for the Peruvian benefit and the 2003 SOA Pension Plan Turnover Study turnover table, with 65% adjustment factor, for some of the Colombian benefits.

As of December 31, 2020, the calculations use the mortality tables of "2008 valid rentiers" for the Colombian benefits and "AT-1949 male" for the Brazilian benefit and the 2003 SOA Pension Plan Turnover Study turnover table, with adjustment factor between 30% and 110%, for the Colombian benefits.

17.4 Sensitivity analysis of post-employment, long-term and termination benefit liabilities

The following table presents a sensitivity analysis quantifying the impact on the employee benefit liability of a 1% increase or decrease in each key actuarial assumption, with all other assumptions held constant. ISA and its companies consider as significant actuarial assumptions in the determination of the post-employment, long-term and termination liabilities, the discount rate, the increase in the benefit granted to the employee, the medical trend, and the expected salary increase. The effect on employee benefit obligations is as follows:

	Average duration of the plan	Obligation base	Change in discount rate		Benefit increase change		Change in medical trend		Change in salary increase	
			+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
2021										
Retirement pensions	11.02	525,367	3,154,876	3,942,187	-	-	-	-	-	-
Medical health plans	12.88	205,024	(23,110)	28,024	-	-	26,395	(21,970)	-	-
Education allowance	13.00	28,199	(3,283)	4,044	4,341	(3,554)	-	-	-	-
Electricity allowance	11.60	4,951	(657)	783	802	(682)	-	-	-	-
Contributions to social security	11.50	4,017	(533)	640	-	-	-	-	-	-
Seniority bonus	2.40	1,987	(34)	37	-	-	-	-	61	(59)
Severance	6.37	17,160	(926)	1,038	-	-	-	-	943	(853)
Retirement bonus	5.50	4,010	(226)	260	-	-	-	-	-	-
Total	**12.85**	**790,715**	**3,126,107**	**3,977,013**	**5,143**	**(4,236)**	**26,395**	**(21,970)**	**1,004**	**(912)**

	Average duration of the plan	Obligation base	Change in discount rate		Benefit increase change		Change in medical trend		Change in salary increase	
			+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
2020										
Retirement pensions	11.80	488,508	3,153,695	4,021,163	-	-	-	-	-	-
Medical health plans	14.42	247,022	(28,506)	35,186	-	-	32,144	(26,337)	-	-
Education allowance	14.69	33,779	(4,543)	5,736	6,028	(4,826)	-	-	-	-
Electricity allowance	11.60	6,738	(657)	783	802	(682)	-	-	-	-
Contributions to social security	11.50	5,455	(533)	640	-	-	-	-	-	-
Seniority bonus	7.07	18,672	(1,134)	1,284	-	-	-	-	1,328	(1,192)
Severance	3.43	2,586	(69)	75	-	-	-	-	107	(101)
Retirement bonus	5.50	4,726	(226)	260	-	-	-	-	282	(249)
Total	**10.00**	**807,486**	**3,118,027**	**4,065,127**	**6,830**	**(5,508)**	**32,144**	**(26,337)**	**1,717**	**(1,542)**

18. Income tax

18.1 Current tax assets and liabilities

	2021	2020
CURRENT TAX ASSETS		
Income tax [1]	64,953	85,729
Tax credit balance [2]	173,485	168,555
Advances and other taxes	33,006	6,182
Total	**271,444**	**260,466**
NON-CURRENT TAX ASSETS		
Income tax (3)	5,108	4,413
Tax credit balance, advances, and other taxes [4]	166	743
Total	**5,274**	**5,156**

	2021	2020
CURRENT TAX LIABILITIES		
Income tax	106,137	233,352
Industry and commerce tax	13,627	-
Value Added Tax	140,509	35,293
Other taxes [5]	109,080	107,376
Total	**369,353**	**376,021**
NON-CURRENT TAX LIABILITIES		
Other taxes [6]	1,208,927	869,716
Total	**1,208,927**	**869,716**

Continue

(1) It includes income tax credit balances, especially from ISA CTEEP and INTERNEXA Colombia, the potential tax discount for VAT paid on the acquisition of productive real fixed assets and, additionally, advances and self-withholdings of territorial taxes.

(2) It includes the credit balance of sales tax, the credit balance of industry and commerce tax and the balance of deductible VAT for import and acquisition of heavy machinery for basic industry that will be deducted in subsequent periods.

(3) Balance of deferred withholding tax advances from XM, which will be offset in subsequent periods.

(4) Value added tax credit balance from Internexa Brasil Operadora de Telecomunicações, which is recovered in 48 monthly installments.

(5) Taxes payable of ISA CTEEP and its subsidiaries and Temporary Tax on Net Assets (ITAN) in the Peruvian subsidiaries.

(6) PIS & CONFIS contributions levied on the income of ISA CTEEP and its subsidiaries. PIS: Programs for Social Integration and Asset Formation for Civil Servants, and CONFIS: Contribution to Social Security Financing.

18.2 Income tax

	2021	2020
Current tax expense	650,762	668,357
Deferred tax expense	455,506	405,875
Total income tax	**1,106,268**	**1,074,232**

18.3 Nominal and effective income tax rate

The nominal income tax rate is the rate established by the tax regulations of each country. The following table presents the nominal tax rates applicable to ISA and its subsidiaries according to the jurisdiction in which they are located:

	2021	2020
Colombia	31.00%	32.00%
Brazil	34.00%	34.00%
Peru	29.50%	29.50%
Chile	27.00%	27.00%
Bolivia	25.00%	25.00%
Bermudas [1]	0.00%	0.00%
Argentina [2]	25% al 35%	30.00%

(1) LINEAR SYSTEMS RE is not required to pay taxes in Bermuda on revenues or capital gains. The subsidiary received a guarantee from Bermuda's Minister of Finance granting that, in the event that taxes are imposed, the Company will be tax exempt until 2035.

(2)) In June 2021, Law 27630 was enacted, which established progressive tariffs according to the amounts of accumulated net income.

The reconciliation between the income tax expense and the tax determined based on the statutory rate applicable to ISA is as follows:

	2021	2020
Profit before taxes	4,310,981	4,838,457
Controlling company's nominal income tax rate	31%	32%
Income tax expense at nominal rate	**1,336,404**	**1,548,306**
ADJUSTMENTS FOR THE CALCULATION OF THE EFFECTIVE RATE		
Equity method	(172,582)	(166,197)
Deductions, discounts, and tax benefits [1]	(116,230)	(73,287)
Change in tax rates and other tax effects [2]	128,351	(72,086)

Continue

	2021	2020
Non-deductible expenses (3)	81,379	144,545
Fiscal effect of tax losses (4)	(66,364)	(24,560)
Effect of applying presumed profit or presumptive income (5)	(115,374)	(153,510)
Taxable, non-taxable, and exempt dividends (6)	36,803	(108,393)
Non-taxable revenues (7)	(6,119)	(20,586)
Income tax expense at effective rate	**1,106,268**	**1,074,232**
Income tax effective rate	**25.7%**	**22.2%**

The variation between the nominal tax rate and the effective tax rate is mainly due to the following:

(1) Tax benefits for approved research and development projects, discount for industry and commerce tax in ISA and its subsidiaries in Colombia and the application in ISA of the fixed assets benefit granted in the legal stability agreement.

(2) The increase in the deferred tax due to the change in the income tax rate from 30% to 35% in Colombia by Law 2155 of 2021, the effect of the differences in the income tax rates of the subsidiaries abroad compared to the nominal rate of ISA and the effect of the adjustment for the exchange difference in subsidiaries with functional currency different from the legal currency of the country.

(3) Expenses not deductible in income tax according to tax provisions and industry and commerce tax, financial transaction tax (GMF) and other taxes not paid during the year.

(4) Effect of subsidiaries with tax losses that have a nominal rate different from ISA and monetary adjustment of tax losses of Chilean subsidiaries.

(5) In 2021, the effect of settling the income tax for presumed profit (based on income), in the Brazilian subsidiaries. In 2020, the effect of some subsidiaries in Colombia of liquidating the presumptive income tax.

(6) Net effect of taxable, non-taxable, and exempt dividends received.

(7) Income is nontaxable according to tax regulations. Includes, mainly, the untaxed income of Ruta Costera, due to the treatment of article 32 of the Colombian Tax Statute.

18.4 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 ISA and its companies, considering that the values of current and deferred assets and liabilities are derived from income tax corresponding to different tax administrations and different taxpayers.

Deferred tax assets and liabilities are:

	2021			2020		
	Beginning of the period	End of the period	Variation	Beginning of the period	End of the period	Variation
DEFERRED TAX ASSETS						
Loss carry forwards	1,528,963	1,722,488	(193,525)	1,237,661	1,528,963	(291,302)
Provisions and estimated liabilities	79,473	(1,466,056)	1,545,529	(446,274)	79,473	(525,747)
Total deferred tax asset	**1,608,436**	**256,432**	**1,352,004**	**791,387**	**1,608,436**	**(817,049)**

Continue

	2021			2020		
	Beginning of the period	End of the period	Variation	Beginning of the period	End of the period	Variation
DEFERRED TAX LIABILITY						
Property, plant, and equipment	(1,372,980)	(500,314)	(872,666)	(1,219,984)	(1,372,980)	152,996
Goodwill and intangible assets	(268,284)	(374,220)	105,936	(229,049)	(268,284)	39,235
Investments and capitalized financial expense	(2,386,787)	(2,905,768)	518,981	(1,912,286)	(2,386,787)	474,501
Financial obligations	(1,287,905)	(650,048)	(637,857)	(1,477,672)	(1,287,905)	(189,767)
Accounts receivable, financial assets	(463,744)	(1,212,687)	748,943	(2,757)	(463,744)	460,987
Total deferred tax liabilities	**(5,779,700)**	**(5,643,037)**	**(136,663)**	**(4,841,748)**	**(5,779,700)**	**937,952**
Net deferred tax liability	**(4,171,264)**	**(5,386,605)**	**1,215,341**	**(4,050,361)**	**(4,171,264)**	**120,903**
Deferred tax expense recognized in results	455,506					405,875
(Expense) income in other comprehensive income	(41,106)					32,342
Increase for business combination	354,504					182,308
Foreign currency translation	446,437					(499,622)
	1,215,341					**120,903**

ISA and its companies recognize deferred tax assets for provisions that will be reversed in the future, for tax credits arising from accumulated tax losses that subsidiaries expect to offset against future taxable income and for the monetary adjustment of tax losses of Chilean subsidiaries that maintain their accounting in Chilean pesos.

ISA and its companies recognize deferred tax on accumulated tax losses, since they consider that the projected future profits of the subsidiaries will allow them to be recovered.

Deferred tax liabilities are recognized for differences in the value of accounting depreciation and tax depreciation, differences in the cost of property, plant and equipment due to inflation adjustments in Colombian subsidiaries, the difference in the tax treatment of goodwill and intangible assets, the difference in the amortization of the actuarial calculations of employee benefits, the recognition for indemnification of the assets of RBSE (Red Básica de Servicios de Energía) and for the constitution of the provision on the account receivable of Law 4819/58 of CTEEP. Also, by the difference in the recognition of tax and accounting revenues, which are recognized under IFRS on an accrual basis and

for tax purposes on an earned basis, the differences between the recognition of financial obligations, the recognition of capital leases and the tax treatment of the Ruta Costera Concession under Article 32 of the Tax Law.

As of December 31, 2021, and 2020, no deferred tax assets or liabilities are recognized on the differences between the accounting and tax bases associated with investments in associates and joint ventures of ISA and its companies, since they comply with the exceptions established in the accounting regulations.

18.5 Tax losses and presumptive income surplus over ordinary income

The following table presents the tax losses and presumptive income surplus of ISA's subsidiaries, classified into those that may be offset in the future and which gave rise to the recognition of deferred tax assets and those on which no deferred tax was recognized because there is no reasonable expectation that these companies will obtain future taxable income to offset them.

		Benefits for which deferred income tax was recognized		Benefits for which no deferred tax was recognized		
	Country	Tax losses and presumptive income surplus	Deferred tax asset	Tax losses and presumptive income surplus	Deferred tax asset	Total tax losses and presumptive income surplus
2021						
Ruta del Maipo	Chile	2,826,932	763,272	-	-	2,826,932
ISA Interchile	Chile	2,855,097	770,876	-	-	2,855,097
Ruta de la Araucanía	Chile	495,820	133,871	-	-	495,820
Ruta Costera	Colombia	51,294	17,953	2,662	932	53,956
Ruta del Loa	Chile	51,169	13,815	-	-	51,169
Internexa Chile	Chile	51,593	13,930	-	-	51,593
ISA Inversiones Costera Chile	Chile	28,016	7,564	-	-	28,016
ISA Interconexiones Viales	Chile	4,466	1,206	-	-	4,466
Ruta del Bosque [1]	Chile	-	-	131,520	35,511	131,520
Ruta del Maule [2]	Chile	-	-	101,498	27,404	101,498
ISA Intervial Colombia	Colombia	-	-	1,545	541	1,545

Continue

	Country	Benefits for which deferred income tax was recognized		Benefits for which no deferred tax was recognized		Total tax losses and presumptive income surplus
		Tax losses and presumptive income surplus	Deferred tax asset	Tax losses and presumptive income surplus	Deferred tax asset	
ISA Capital Do Brasil	Brazil	-	-	47,008	15,983	47,008
Internexa Brasil Operadora de Telecomunicações	Brazil	-	-	203,994	69,358	203,994
Internexa Participações	Brazil	-	-	6,241	2,122	6,241
ISA Bolivia	Bolivia	-	-	7,325	1,831	7,325
Total		**6,364,387**	**1,722,487**	**501,793**	**153,682**	**6,866,180**
2020						
Ruta del Maipo	Chile	2,848,850	769,190	-	-	2,848,850
ISA Interchile	Chile	1,991,835	537,581	-	-	1,991,835
Ruta de la Araucanía	Chile	657,331	177,479	-	-	657,331
Internexa Chile	Chile	56,544	15,267	-	-	56,544
Ruta del Loa	Chile	33,187	8,961	-	-	33,187
ISA Inversiones Chile Ltda.	Chile	30,299	8,181	-	-	30,299
Ruta Costera	Chile	20,267	6,079	1,178	353	21,445
Ruta del Bosque	Chile	11,234	3,033	280,458	75,724	291,691
ISA Intervial Chile	Chile	6,797	1,835	-	-	6,797
ISA Inversiones Costera Chile	Chile	5,026	1,357	-	-	5,026
Ruta del Maule	Chile	-	-	79,811	21,549	79,811
ISA Intervial Colombia	Colombia	-	-	1,492	454	1,492
ISA Capital Do Brasil	Colombia	-	-	40,929	13,916	40,929
ISA Investimentos e Participações	Brazil	-	-	944	321	944
Internexa Brasil Operadora de Telecomunicações	Brazil	-	-	196,999	66,980	196,999
Internexa Participações	Brazil	-	-	76,634	26,056	76,634
Total		**5,661,370**	**1,528,963**	**678,445**	**205,353**	**6,339,814**

(1) The Ruta del Bosque Concession will end its operation in August 2022. By regulatory requirement, the subsidiary must maintain its activities for two years after the termination date of the concession. The company is not expected to generate taxable income to offset tax losses.

(2) On March 31, 2021, the Ruta del Maule concession contract was terminated. By regulatory requirement, the subsidiary must maintain its activities for two years after the termination date of the concession. The company has no taxable income to offset tax losses.

18.6 Deferred income tax recognized in other comprehensive income

	Tax base	Tax	Total
2021			
New measurements for defined benefit plans	(92,100)	(897)	(92,997)
Cash-flow hedges	60,873	-	60,873
Hedges of a net investment in a foreign operation	(3,851)	-	(3,851)
Foreign currency translation	1,203,840	-	1,203,840
Total	**1,168,762**	**(897)**	**1,167,865**
2020			
New measurements for defined benefit plans	(168,829)	(13,448)	(182,277)
Cash-flow hedges	(149,421)	53,657	(95,764)
Foreign currency translation	472,055	-	472,055
Total	**153,805**	**40,209**	**194,014**

18.7 Contingencies associated with income tax

ISA and its companies are subject to income tax audits by the tax authorities of each country. Such audits are limited to a number of annual tax periods, which, in general, once elapsed, result in the expiration of such inspections.

Tax audits, by their nature, are often complex and can take several years. Due to the possible different interpretations of the tax regulations, the results of possible inspections by the tax authorities in the years subject to verification could give rise to tax liabilities, the values of which cannot be objectively quantified.

ISA and its companies consider that the amounts recorded as income tax liabilities payable are consistent with the requirements of current regulations, doctrine and jurisprudence and are sufficient to meet any tax claim.

ISA and its companies have a tax strategy of not taking aggressive or uncertain tax positions in order to minimize the risk of tax authorities questioning the tax returns filed.

For those uncertain positions in which it has been considered that there may be an eventual controversy with the tax authority that could lead to an increase in income tax, the probability of questioning by the tax authority is evaluated based on current regulations and doctrine, as well as on concepts issued by external tax advisors.

As of the reporting date, it is concluded that there are no uncertain tax positions included in the determination of income taxes likely to be recorded in the financial statements. ISA and its companies continue to monitor the new tax regulations and doctrine issued by the tax authorities and other entities authorized to establish tax requirements.

18.8 Relevant aspects of income tax

18.8.1 Main tax provisions applicable by jurisdiction

Colombia:

- The tax is determined according to the actual results for each period, establishing the taxable base based on the accounting profit and making the adjustments determined in the tax legislation.
- The nominal income tax rate is 31% (32% by 2020). On September 14, 2021, Law 2155 of Social Investment Law was enacted, establishing that as of 2022 the income tax rate will be 35%. In September 2021, the largest portion of the effect on deferred taxes resulting from the change in the tax rate was recognized and adjusted in December.
- As from taxable year 2017, an anti-deferral regime for passive income obtained abroad by Colombian residents, called Empresas Controladas del Exterior -ECE- (Foreign Controlled Companies), came into force, whereby passive income obtained by foreign companies or other entities that are controlled by Colombian residents must be immediately declared in Colombia, when the ECE regime is applicable.
- The ECE regime seeks to promote tax transparency at the international level and to avoid that, through the use of entities abroad that receive 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) control is exercised from Colombia over this entity and (iii) the Colombian taxpayer has a direct or indirect participation equal to or greater than 10% in the capital or results of the ECE, regardless of whether they, individually considered, exercise control over the ECE or not.
- It is established as a presumption that when more than 80% of the total income of an ECE comes from real economic activities, it will be presumed that all the income, costs, and deductions of the ECE give rise to active income for the controlling entities. On the contrary, if 80% of the income is passive income, it will be presumed by operation of law that the total ECE's income and costs are passive income.
- A Colombian Holding Companies (CHC) regime was created for companies that have as one of their main activities the holding of securities, investment in shares or stakes and the administration of investments. Some of its aspects are:
  - Decentralized entities, such as ISA, are understood to be included in the CHC regime.
  - To belong to the CHC regime, the entities must i) have direct or indirect stakes in 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.
  - Dividends received by the CHC from abroad and income derived from the sale or transfer of a CHC's stake in entities not domiciled in Colombia are considered exempt income.
  - Dividends paid by the CHC to residents in Colombia and coming from foreign dividends are taxed at the general rate for income and dividends.
  - Dividends paid by the CHC to non-residents in Colombia and arising from foreign dividends are considered as foreign income.
  - CHCs and their shareholders will be subject to the general income tax regime with respect to taxable activities carried out in the national territory.
  - CHCs will pay industry and commerce tax only on Colombian income.

In addition, for the determination of income tax, the following should be considered:

- On June 27, 2008, ISA, and the Nation (Ministry of Mines and Energy) signed a legal stability contract for the electric power transmission activity for a period of twenty years. This contract basically provided for stabilization of income tax regulations, including income tax rate, deduction of the inflationary component of financial expenses, special deduction of 40% for new investments in real productive fixed assets, tax discount for VAT paid on the import of machinery for electric power transmission and presumptive income as 3% of net worth, as well as the time limit of the equity tax.
- This contract guarantees that, in the event of adverse changes to the standards stabilized in the contract, they will continue to apply during the term thereof.
- Decision No. 578 of the Andean Community of Nations (CAN) seeks the elimination of double taxation of income earned in any of its member countries (Ecuador, Peru, Bolivia, and Colombia), through the exoneration mechanism.
- In determining the net income in the income tax for 2021 and 2020, the value of the income earned in the CAN member countries is included as exempt income. This value results from subtracting the corresponding costs and deductions from the revenues generated by the exempt activity.
- Occasional gains are cleared separately from ordinary income. Occasional gains are those obtained from the sale of fixed assets owned for two years or more, profits from the liquidation of companies and profits from inheritances, bequests, and donations.
- Tax losses may be offset against the taxable income of the following twelve periods and the presumptive income surplus in five periods.
- The rate at which presumptive income is determined is reduced until disappearing: 0,5% for 2020 and 0% for the following years.
- Sales tax (VAT) payers may deduct from income tax the VAT paid on the acquisition, construction or formation and importation of capital goods of any industry. 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 the industry and commerce tax and of the tax on advertising signs and boards that is settled and paid by taxpayers may be taken as a tax deduction in the income tax. Law 2155 of the Social Investment Law eliminated this deduction as of taxable year 2022.
- A withholding tax of 7,5% is established for dividends distributed to companies domiciled in Colombia. This withholding is calculated and paid on the distribution of dividends to the first company and credited until reaching the final beneficiary. Companies that belong to the CHC regime and to a business group will not be subject to this withholding for dividends received from domestic companies.
- Taxable dividends received by foreign companies and entities are subject to dividend tax on profits generated as of 2017, via tax withheld at source on dividends. The dividend withholding rate for domestic companies is 75% and for foreign entities it is 10%.
- Non-taxable dividends received from national companies will not be subject to tax withheld at source, by express provision of the regulation that establishes that dividends distributed within business groups duly registered before the Chamber of Commerce and to decentralized entities will not be subject to tax withheld at source for this concept.

Perú

- The current income tax rate is 29.5% on taxable income after deducting the participation of employees, which is calculated at a rate of 5% or 10% of taxable income.
- Dividends and other forms of profit distributions are subject to income tax at a rate of 5%.
- In 2020, in order to promote the growth of the economy, rules were issued to allow accelerated depreciation for constructions carried out between 2020 and 2021.
- The rules for the deductibility of financial expenses were modified, establishing until the end of 2020 a limit of three times the taxable net worth; as of 2021, the limit is 30% of the taxable ebitda.
- The tax legal accrual criterion was modified, specifying that the accrual implies the verification of substantial facts, i.e., the transfer of control and risks, as well as the level of compliance with the provision to verify the recognition of income and expenses for income tax purposes.
- With respect to intra-group services, definitions were established, such 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 recommendations have been implemented to prevent tax evasion, the most important one being the reactivation of an anti-evasion standard and the obligation to identify the final beneficiary of legal entities.

Chile

There are two tax regimes for the determination of income tax: the General Pro-SME income regime and the General (Semi-Integrated) regime, to which taxpayers have the right to opt and whose first category tax (IDPC) rates vary depending on one or the other.

The Chilean companies apply the General Regime (Semi-integrated).

General Pro-SME Regime: Tax regime focused on micro, small and medium-sized taxpayers (SMEs), which determines their taxable 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 first category tax (IDPC) at a rate of 25% and their owners will be taxed based on effective withdrawals, remittances, or distributions, with full allocation of the IDPC credit in the final taxes affecting them, except for IDPC taxpayers that are not under the Pro-SME regime.

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 owners will be taxed based on effective withdrawals, remittances, or distributions, with partial allocation (65%) of the credit for IDPC in the final taxes that affect them, except for the taxpayers of the Additional Tax, residents in countries with which Chile has signed a double taxation agreement in force, who may use 100%. For these taxpayers, their effective tax burden will remain at 35%, while 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.
- **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 investment or expansion projects, acquired between October 2019, and December 2021, valid for all companies subject to IDPC, being able to apply accelerated depreciation to the remaining 50%. With respect to the Araucanía region, instantaneous depreciation will be 100% on all new fixed asset investments.
- **New concept of accepted expenses:** Those expenses that have the ability to generate income in the same or future years, aimed at developing or maintaining the business.
- **Tax loss offsetting:** There is no time limit for offsetting tax losses. They can be offset in each period up to the value of the net taxable income.

Brazil

The corporate income tax (IRPJ) and the social contribution on net profit (CSLL) are taxes under federal jurisdiction that affect the income of the legal entity in its actual or presumed profit.

- **Actual profit:** The tax is determined according to the actual results for each period, establishing the taxable base in accordance with the accounting profit and making the adjustments determined in the tax legislation. The calculation basis includes all income and capital yields, regardless of their denomination. The 34% rate is applied to the taxable base of the net profit.
- **Presumed profit:** It is a simplified form of taxation for the determination of the calculation basis. It applies to legal entities with gross income up to BRL78 million in the immediately preceding year. In this system the taxable base is determined by applying the rate of 8%, 12% or 32% (the rate depends on the activity carried out by the taxpayer) to the gross income. 34% rate is applied to the result.
- **Tax loss offsetting:** There is no time limit for offsetting tax losses. They can be offset in each period up to 30% of the value of the net taxable income.
- **PIS & COFINS Contributions:** These taxes are levied on corporate income. PIS (Programs for Social Integration and Asset Formation for Civil Servants) and COFINS (Social Security Financing Contribution).

In the non-cumulative regime (actual profit), the generating fact is the monthly invoicing and the total earned income, such as financial income and other income that generates capital gains for the legal entity, deducting the expenses paid for the operation of the company, as determined in the legislation.

In the cumulative regime (presumed profit), the generating fact is the monthly invoicing and the total earned income, such as financial income and other income that generates capital gains for the legal entity; there is no deduction of credits.

Bolivia

- 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.
- As of 2021, ISA Bolivia will generate a tax loss as a result of the acceleration of the accounting depreciation that allowed the recovery of the investment in the Lines and substations during the first fifteen years of the concession, and in these first years it paid a tax for the entire recovered investment. In the remaining fifteen years a tax depreciation is created, which is being amortized over thirty years and which generates a tax loss. To date, there is no expectation of recovery of the 2021 loss; therefore, no deferred tax asset is recognized.

Argentina

- The subsidiary is subject to income tax and dividends are subject to income tax withheld on the total amount credited, paid, or remitted.
- In June 2021, Law 27630, which amends the Income Tax Law, was enacted, introducing the following net accumulated taxable income scale:

More than (COP)	Up to (COP)	Will pay (COP)	Plus the %	Of the surplus (COP)
$ 0	$ 5,000,000	$ 0	25%	$ 0
$ 5,000,000	$ 50,000,000	$ 1,250,000	30%	$ 5,000,000
$ 50,000,000	En adelante	$ 14,750,000	35%	$ 50,000,000

- The amounts provided in the established scale will be adjusted annually, starting January 1, 2022, considering the variation of the consumer price index (CPI) provided by the National Institute of Statistics and Census (Indec).
- The provisions of the Law came into effect on the date of its publication and became effective for fiscal years beginning on or after January 1, 2021.

18.8.2 Legal stability agreements signed

Colombia

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

This contract guarantees that, in the event of adverse changes to the standards stabilized in the contract, they will continue to apply during the term thereof.

Peru

The agreement grants, mainly to investors and the recipient of the investment, stability in the income tax regime and stability in the employee hiring regimes. The subsidiaries located in Peru with legal stability contracts are as follows:

- **ISA REP**

On July 26, 2002, the Company entered into a Legal Stability Agreement with the Peruvian State, valid for the entire term of the concession granted. This agreement is related to the investment that the company's shareholders must make through capital contributions in the amount of USD 20,000,000, which was completed as of December 31, 2002. The agreement provides, mainly for the investors and the recipient of the investment, stability in the tax regime related to income tax and stability in the employee hiring regimes. The income tax rate is 27% on 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, the Company entered into a Legal Stability Agreement with the Peruvian State, valid for the entire term of the concession granted. On October 27, 2006, the company signed an addendum to the tax stability agreement with the Peruvian State, which clarified that the amount of capital contributions on that date was USD 43,005,250. The agreement provides, mainly for the investors and the recipient of the investment, stability in the tax regime related to income tax and stability in the employee hiring regimes. 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, valid for the entire term of the concession granted. The agreement provides, mainly for the investors and the recipient of the investment, stability in the tax regime related to income tax and stability in the employee hiring regimes. The income tax rate is 20%, plus an additional 2%.

Chile

Until 2015, foreign investors could enter into foreign investment contracts with the State under Decree Law 600 (DL600), considering that the investment amount exceeded USD 5,000,000.

ISA and INTERNEXA, as shareholders of any of these companies: ISA INVERSIONES CHILE, ISA INTERCHILE and INTERNEXA CHILE, entered into foreign investment agreements in 2015 under DL600. DL600 allows:

- **Access to Formal Exchange Market:** The foreign investor may remit capital or profits abroad, without restrictions or limitations as to the amount of capital or profits.
- **Tax cost of shares or corporate rights:** This is an option granted to the foreign investor so that, in the event of the disposal or settlement of its investment in Chile, it has the opportunity to value its shares or rights in the receiving company

in two different ways, depending on whether it is more convenient at "acquisition cost" or "tax cost".

- **Tax Invariability:** It establishes a rate of 42% as the total effective income tax burden for a term of ten years, counted from the start-up of the respective company, which acts as a protection against possible future increases in tax rates above 42%.
- **Non-discrimination:** It grants the foreign investor the recourse to claim for those regulations that have been ordered and that the foreign investor considers discriminatory.

Bermudas

LINEAR SYSTEMS RE is not required to pay taxes in Bermuda on revenues or capital gains. The subsidiary received a guarantee from Bermuda's Minister of Finance granting that, in the event that taxes are imposed, the Company will be tax exempt until 2035.

18.8.3 Transfer pricing

Income taxpayers who enter into transactions with economic related parties or related parties abroad and located in free trade zones or with residents located in countries considered non-cooperating jurisdictions of low or no taxation are required to determine, for income and supplementary revenues tax purposes, their ordinary and extraordinary revenues, their costs and deductions, assets and liabilities, considering for these transactions the prices and profit margins that would have been used in comparable transactions with or between non-economically related parties.

In 2021, transfer pricing information was submitted for the taxable year 2020, corresponding to the information return, supporting documentation, the master file and the country-by-country report and other reports and obligations required by the tax regulations in force in each country where the Company has operations.

For the taxable year 2021, the transactions carried out with foreign related parties, as well as the business conditions under which such operations were developed and the general structure, did not vary significantly with respect to the previous year. For this reason, it is possible to infer that such transactions were carried out in accordance with the arm's length principle. It is estimated that no adjustments derived from the 2021 transfer pricing analysis will be required that would imply changes in the 2021 provision.

19. Provisions

	2021	2020
Disputes and claims [1]	135,744	81,705
Other estimated liabilities and provisions [2]	355,615	535,157
Total estimated liabilities and provisions	**491,359**	**616,862**
Current	154,089	368,985
Non-current	337,270	247,877

2021	Disputes, claims and other contingencies [1]	Environmental [2]	Major Maintenance [3]	Other estimated liabilities and provisions [4]	Total
Initial balance	**81,705**	**84,722**	**243,091**	**207,344**	**616,862**
Additions (reversals)	11,067	2,737	59,582	59,900	133,286
Utilizations	(16,844)	(23,629)	(67,951)	(37,766)	(146,190)
Financial cost	11,730	-	13,884	-	25,614
Foreign currency translation	6,572	10,348	38,404	14,924	70,248
Other changes [5]	41,514	(11,019)	(93)	(238,863)	(208,461)
Final balance	**135,744**	**63,159**	**286,917**	**5,539**	**491,359**
Current	31,201	54,121	63,228	5,539	154,089
Non-current	104,543	9,038	223,689	-	337,270

(1) ISA and its companies are involved as defendants in administrative, civil, and labor lawsuits. This value corresponds to the provision for processes where a probable outflow of resources is estimated, according to expert assessment, and a reliable estimate can be made.

(2) It includes mainly the environmental obligations derived from Interchile's Cardones Polpaico project, associated with measures imposed by the environmental authority within the Environmental Assessment Resolution, which establishes, among other obligations, the repopulation of native species, reforestation, and implementation of green areas. It also includes environmental sanctioning processes with the Regional Autonomous Corporations (CVS) for possible logging without a forest exploitation permit for the cutting of vegetation to carry out easement clearing activities.

(3) It includes the provision for maintenance and replacement of the power transmission lines of the subsidiaries in Peru, which represents the present value of the significant maintenance and replacement costs expected to be incurred in the transmission lines, and the provision for major maintenance for the concession contract of the Mobility Control Center signed between SIR and the Municipality of Medellin, on which adjustments must be made until 2025, when the contract expires.

In Peru, the provision for maintenance and replacement corresponds mainly to costs necessary to maintain the infrastructure of the transmission lines in the operating conditions required by the Peruvian State in the concession contract, and has been estimated by the Transmission Management team, based on the evaluation of the condition and age factors of the transmission lines. The maintenance and replacement expenditures used to calculate the provision were based on budgeted maintenance levels and available information, based on a period equivalent to the remaining years of the Concession Contract. Budgets are reviewed regularly to take into account any material changes in the projections made. However, significant maintenance and replacement costs will depend on market prices, maintenance activities and required equipment prices that will reflect future economic conditions. Also, the timing of disbursements depends on the useful life of the units to be maintained or replaced.

(4) It includes the provision for compliance with the Technical Standard for the Quality of Electric Services (NTCSE) - According to Supreme Decree No. 020-1997-EM Technical Standard for the Quality of Electric Services of the Peruvian subsidiaries, which records the economic compensation that would have to be paid to transmission service users due to technical problems in the transmission lines. This economic compensation for power supply interruption is calculated based on the number of interruptions and the total duration of the interruptions and is paid to the affected generators.

(5) It includes the reclassification of liabilities for goods and services received pending invoicing from provisions to accounts payable, as they correspond to liabilities payable.

19.1 Litigations, claims, and other contingencies provided for

The most significant cases and the corresponding provisions are presented below:

- **CTEEP. Regulatory contingency: Eletrobras - RBNI invoicing**

  It corresponds to the collection action filed by Eletrobras against ISA CTEEP requesting the return of the amount overcharged by the company in part of the indemnity payment resulting from the extension of the Concession Contract No. 059/2001 under Law No. 12,783/201, related to the NI facilities (new investments) that had been transferred to the company by Eletrobras. As of December 2021, a provision of COP 27,993 is maintained.

- **Transelca. Regulatory contingency: Compensation for energy not supplied**

  In June 2020, a trip occurred in the BL2 Sabanalarga - Fundación Line Bay, in the Sabanalarga 220 kV Substation. The substation went out of operation, together with other assets operated by Transelca and other third parties, leaving a wide region of the Atlantic Coast without electric power service. In accordance with what is defined in Resolution GREC 011 of 2009, numeral 3.8.3, this event may cause the company to be compensated for energy not supplied. As of December 2021, a provision of COP 8,714 is maintained.

- **CTEEP. Labor contingency:**

  CTEEP is responsible for certain lawsuits, before different courts, derived from labor lawsuits related to salary equalization, overtime, hazard pay, among others. These include a process with the Sindicato Dos Eletriciários De Campinas for overtime and with Valdemir Da Costa for hazard pay, which individually represents a significant amount. As of December 2021, a provision of COP 7,214 is maintained.

- **Interchile. Civil contingency:**

  Claim against the decision of the appraisal commission for forced easements derived from the electric concession with Comunidad Agrícola Salala. As of December 2021, a provision of COP 3,798 is maintained.

20. Non-financial liabilities

	2021	2020
Deferred revenue [1]	738,707	697,947
Other liabilities [2]	1,099,452	1,117,813
Total non-financial liabilities	**1,838,159**	**1,815,760**
Current	491,046	274,406
Non-current	1,347,113	1,541,354

(1) Deferred revenues mainly correspond to:

- Resources delivered by ANI to RUTA COSTERA for use in future periods, as established in the concession contract, amounting to COP 222,430 (2020: COP 203,934).
- Deferred revenue liabilities associated with XM's investment invoicing of COP 140,618 (COP 113,972), which revenue is caused as the investments are executed, i.e., when depreciation and amortization are recorded for the use of the assets.
- Deferred revenues from the National Transmission System (STN) from UPME bidding assets, deferred revenues from construction services for infrastructure projects and from rights of use of ISA infrastructure for COP 127,930 (2020: COP 143,464).
- Advances received in INTERNEXA Peru, for the construction of fiber optics network, for COP 126,098 (2020: COP 175,987); INTERNEXA Colombia, for the projects RED METRO DE MEDELLÍN, COLOMBIA TELECOMUNICACIONES S. A, COMUNICACIÓN CELULAR TELMEX COLOMBIA and COLOMBIA MÓVIL S.A,

for COP 52,233 (2020: COP 63,251), and in PDI, for the YANA-COYA, CHINCHA, NAZCA, ORCOTUNA and Mantaro Montalvo projects, for COP 63,727.

(2) It includes mainly other accounts payable for pre-existing infrastructure in RUTA DEL MAIPO, for COP 946,543 (2020: COP 934,303), and RUTA DE LA ARAUCANÍA, for COP 73,322 (2020: COP 98,737), in accordance with the provisions of the concession contract and its amendments, which require the concessionaires to make payments to the Ministry of Public Works (MOP).).

21. Equity

ISA's authorized capital consists of 1.371.951.219 common shares with a nominal value of COP 32.800000005352. The subscribed and paid-in capital is COP 36,916 and consists of 1,125,498,016 shares, of which 1,107,677,894 are outstanding and 17,820,122 are repurchased shares of treasury stock.

Of the outstanding shares, 39.77% (440,480,920 shares) are privately owned, 8.82% (97,724,413 shares) are owned by Empresas Públicas de Medellín, a public utility company controlled by the authorized shares of the state of Antioquia in Colombia, and 51.41% (569,472,561) are owned by the controlling company Ecopetrol S.A.

All issued shares are fully paid and there are no potential dilutive shares.

	2021	2020
Authorized capital		
1,371,951,219 common shares, nominal value COP 32.800000005352	45,000	45,000
Subscribed and paid-in capital		
1,125,498,016 common shares, nominal value COP 32.800000005352	36,916	36,916

Additional paid–in capital is 1,428,128 in 2021 and 2020.

Shareholders with 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 Colombia Stock Exchange (BVC).

The Colombian Centralized Deposit of Securities (Deceval) is the entity that receives securities in deposit, for their administration and custody, contributing to facilitate and expedite the operations of market agents.

21.1 Earnings per share

Earnings per share is calculated based on the annual weighted average of outstanding shares on the date of the statement of financial position. The Company does not have instruments with possible dilution effects.

	2021	2020
Net income for the year	1,665,536	2,059,191
Average of outstanding shares for the year	1,107,677,894	1,107,677,894
Earnings per share (expressed in COP)	1,504	1,859

21.2 Dividends

Dividends declared in 2021 and 2020 by ISA are detailed below:

	2021	2020
Net profit of previous period	2,059,191	1,643,505
Outstanding shares	1,107,677,894	1,107,677,894
Ordinary dividend per share (in COP)	744	675
Extraordinary dividend per share (in COP)	559	-
Total decreed dividends per share	1,303	675
Declared dividends	1,443,305	747,683
Payment method	Ordinary and extraordinary dividends payable in two installments, in July and December 2021	Ordinary and extraordinary dividends payable in two installments, July and December 2020

21.3 Equity reserves

	2021	2020
Equity strengthening reserve [1]	5,906,797	5,287,151
Legal under tax provisions	898,802	898,802
Rehabilitation and repair of STN assets	37,434	37,434
Legal [2]	18,458	18,458
Total	**6,861,491**	**6,241,845**

(1) In compliance with Article 47 of the Company's Bylaws, the General Shareholders' Meeting has created this occasional reserve in order for the Company to maintain its financial strength, maintain the level of financial indicators required by the credit risk rating agencies to grant investment grade and comply with the contractual commitments acquired with the financial entities. At the General Shareholders' Meeting held on March 26, 2021, it was approved to create an occasional reserve for equity strengthening, in the amount of COP 619,646 (2020: COP 895,822), to meet investment commitments already acquired and to maintain financial strength.

(2) In accordance with the Law, the company is required to appropriate 10% of its annual net profits as a 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

	2021	2020
Energy transmission services	6,575,625	4,915,021
Road concessions	1,443,674	1,120,376
Constructions services	2,137,316	2,194,300
Information and telecommunication technologies	414,314	379,168
Connection charges	284,053	260,201
CND-MEM Dispatch and coordination and MEM Services	167,136	155,723
Other revenues	94,820	86,058
Total	**11,116,938**	**9,110,847**

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 Qualitative information on service concession contracts

23.1.1 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. This right is not an unconditional right to receive cash.

23.1.2 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.

23.1.3 Concessions in Colombia

Sistemas Inteligentes en Red

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 Addendum of the Inter-Administrative Agreement No. 5400000003 of 2006 with the Municipality of Medellín "under concession, and therefore at its account, by providing 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 within the municipality.

This contract is within the scope of IFRIC 12 under the intangible model, since the Municipality of Medellín, as grantor, controls what services the operator must provide with the infrastructure, who must be charged and at what price. And the Municipality of Medellín controls, through ownership of the right of use, any significant residual participation in the infrastructure at the end of the useful life.

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 highway and Circunvalar de la Prosperidad beltway".

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.

As of December 31, 2021, 97.24% progress was achieved for Functional Unit 3 (UF3) and 99.94% for Functional Unit 6 (UF6), resulting in a consolidated project progress of 99.91% and the commissioning of the entire road corridor.

23.1.4 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.

23.1.5 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.

23.2 Quantitative information on service concession contracts

The asset balances and operating revenues of concessions accounted for under IFRIC 12 are as follows:

			Concession asset value		Operating revenues	
Business	**Concessionaire**	**Country**	**2021**	**2020**	**2021**	**2020**
INTANGIBLE ASSET:						
Energy Transmission	Consorcio Transmantaro	Peru	6,046,937	4,759,017	1,385,198	1,290,433
	ISA REP	Peru	1,574,105	1,442,082	602,983	645,533
	ISA Perú	Peru	702,382	153,195	115,570	68,257
Total Peru:			**8,323,424**	**6,354,294**	**2,103,751**	**2,004,223**

Continue

Business	Concessionaire	Country	Concession asset value		Operating revenues	
			2021	2020	2021	2020
Energy Transmission	ISA Bolivia	Bolivia	46,934	42,400	28,572	75,090
	Sistemas Inteligentes en Red	Colombia	2,703	3,387	15,408	18,180
Total concessions, intangible assets			**8,373,061**	**6,400,081**	**2,147,731**	**2,097,493**
CONTRACT ASSETS:						
Energy Transmission	ISA CTEEP	Brazil	11,871,254	8,592,807	2,715,044	2,407,674
	Interligação Elétrica Pinheiros	Brazil	479,997	387,562	99,522	20,392
	Interligação Elétrica Aguapeí	Brazil	462,961	347,666	107,823	307,682
	Interligação Elétrica Tibagi	Brazil	171,458	112,494	58,540	35,130
	Interligação Elétrica Itapura	Brazil	143,048	101,022	41,372	36,121
	Interligação Elétrica Itaquerê	Brazil	428,565	359,778	71,860	223,816
	Interligação Elétrica Itaúnes	Brazil	301,241	191,653	91,734	113,528
	Interligação Elétrica Serra Do Japi	Brazil	408,546	350,326	66,918	57,676
	Interligação Elétrica de Minas Gerais	Brazil	109,216	77,340	38,779	18,278
	Evrecy Participações	Brazil	76,538	39,824	39,346	13,671
	Interligação Elétrica Norte e Nordeste	Brazil	340,404	294,633	58,639	31,111
	Interligação Elétrica Sul	Brazil	156,066	131,190	27,866	(5,517)
	Interligação Elétrica Biguaçu	Brazil	249,332	72,708	166,259	-
	Interligação Elétrica Riacho Grande	Brazil	41,332	-	40,232	-
Total concessions, contract assets:			**15,239,958**	**11,059,003**	**3,623,934**	**3,259,562**
FINANCIAL ASSETS:						
Energy Transmission	ISA CTEEP	Brazil	68,073	97,033	741,438	731,521
	Interligação Elétrica Pinheiros	Brazil	2,810	4,755	8,360	10,099

Continue

Business	Concessionaire	Country	Concession asset value		Operating revenues	
			2021	2020	2021	2020
	Interligação Elétrica Aguapeí	Brazil	4,484	-	4,539	-
	Interligação Elétrica Tibagi	Brazil	2,464	-	5,067	-
	Interligação Elétrica Itapura	Brazil	1,355	778	3,420	2,544
	Interligação Elétrica Itaquerê	Brazil	2,616	3,735	4,977	3,775
	Interligação Elétrica Serra Do Japi	Brazil	3,651	3,424	5,615	5,827
	Interligação Elétrica de Minas Gerais	Brazil	979	1,332	1,728	2,673
	Evrecy Participações	Brazil	933	662	4,074	3,134
	Interligação Elétrica Norte e Nordeste	Brazil	5,031	5,418	4,094	4,675
	Interligação Elétrica Sul	Brazil	1,427	1,651	1,420	1,954
Total Brazil:			**93,823**	**118,788**	**784,732**	**766,202**
Road concessions	Ruta del Maipo	Chile	6,172,803	6,102,452	1,025,997	932,447
	Ruta del Maule	Chile	-	15,149	22,210	278,838
	Ruta de la Araucanía	Chile	526,690	694,643	151,126	122,815
	Ruta del Bosque	Chile	21,962	-	265,237	82,260
	Ruta de los Ríos	Chile	135,232	226,067	99,213	76,753
	Ruta del LOA	Chile	327,725	166,108	173,168	68,486
Total Chile:			**7,184,412**	**7,204,419**	**1,736,951**	**1,561,599**
Road concessions	Ruta Costera	Colombia	2,111,970	1,922,633	349,380	95,672
Total Colombia:			**2,111,970**	**1,922,633**	**349,380**	**95,672**
Total concessions, financial assets:			**9,390,205**	**9,245,840**	**2,871,063**	**2,423,473**
Total concessions			**33,003,224**	**26,704,924**	**8,642,728**	**7,780,528**

24. Operating costs and administrative expenses

Operating costs and administrative expenses are detailed below:

	Operating costs		Administrative expenses		Total operating costs and administrative expenses	
	2021	2020	2021	2020	2021	2020
Construction costs of concession contracts	1,884,720	1,628,854	-	-	1,884,720	1,628,854
Personnel costs and expenses	551,876	495,867	306,473	289,339	858,349	785,206
Materials and maintenance	364,182	330,369	10,194	10,113	374,376	340,482
Services	236,171	212,625	14,679	17,994	250,850	230,619
Contributions and taxes	138,903	135,017	19,489	21,317	158,392	156,334
Fees	56,480	44,128	108,065	93,512	164,545	137,640
Miscellaneous	158,269	117,907	9,085	7,299	167,354	125,206
Insurances	64,082	58,364	27,983	10,590	92,065	68,954
Environmental	26,084	25,112	9,547	21,457	35,631	46,569
Communications	25,048	27,176	779	463	25,827	27,639
Studies and projects	6,699	6,378	13,623	10,658	20,322	17,036
Advertising, printed material, and publications	2,500	2,649	11,216	10,471	13,716	13,120
Maintenance of intangibles	6,437	7,609	7,894	4,400	14,331	12,009
Leases	10,144	7,258	454	1,953	10,598	9,211
Total costs and expenses before depreciation and amortization	**3,531,595**	**3,099,313**	**539,481**	**499,566**	**4,071,076**	**3,598,879**
Provisions	-	-	92,757	136,243	92,757	136,243
Depreciations	429,511	406,816	53,338	51,434	482,849	458,250
Amortizations	375,602	358,729	46,477	39,096	422,079	397,825
Total depreciations, amortizations, and provisions	**805,113**	**765,545**	**192,572**	**226,773**	**997,685**	**992,318**
Total	**4,336,708**	**3,864,858**	**732,053**	**726,339**	**5,068,761**	**4,591,197**

25. Effect of periodic tariff review

Amount recognized in ISA CTEEP a result of the positive outcome of ANEEL's Periodic Tariff Review (RTP) which is performed every five years and corresponds to the first review after the extension of the concession agreement 059 in 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.

26. Other operating income and expenses and equity method of associates and joint ventures

	2021	2020
OTHER OPERATING INCOME		
Recoveries	10,836	8,355
Indemnities	10,326	3,008
Income from sale of property, plant, and equipment	3,503	5,453
Leases	2,447	2,864
Others [1]	40,045	189,419
Total other operating income	**67,157**	**209,099**
OTHER OPERATING EXPENSES		
Loss on sale and derecognition of property, plant, and equipment	32,188	28,541
Donations	5,057	6,340
Losses from events of loss	225	813
Others [1]	35,073	58,071
Total other operating expenses	**72,543**	**93,765**
Total other operating (expenses) income, net	**(5,386)**	**115,334**

(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) In 2020, 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.

Share of profit (losses) of associates and joint ventures are as follows:

	2021	2020
Transmissora Aliança de Energia Elétrica	230,051	215,238
Interligação Elétrica do Madeira	193,635	123,207
Interligação Elétrica Ivaí	89,959	92,561
Interligação Elétrica Garanhuns	45,004	(58,401)
Interligação Elétrica Paraguaçu	16,847	109,903
ATP Tower Holding	(19,064)	(27,334)
Interligação Elétrica Aimorés	12,895	68,931
Others	(12,610)	(4,739)
Total profit from equity method investments, net	**556,717**	**519,366**

The share of profits of associates and joint ventures includes the amounts related to the amortization of the differences between the amount paid for such investments and the book value of participations acquired, which amounted to COP 19,065 (2020: COP 19,639).

Continue

27. Financial results

	2021	2020
FINANCIAL REVENUES		
On financial assets	66,838	55,689
Valuation of investments [1]	58,934	245,760
Commercial discounts, conditioned, and agreements	45,460	25,360
Return on other assets	36,415	44,257
Dividends [2]	(15,357)	(12,379)
Monetary variation	6,107	21,007
Returns from monetary readjustment	3,550	6,428
Total financial revenues	**201,947**	**386,122**
FINANCIAL EXPENSES		
On public credit financial obligations	1,106,998	350,297
Interest on bonds [3]	646,874	784,120
Other interest	287,032	103,625
Loss in valuation and sale of investments [4]	30,764	267,157
Commissions and other bank expenses	27,801	25,507
Management of issuance of securities	1,817	1,615
Miscellaneous	3,198	3,158
Total financial expenses	**2,104,484**	**1,535,479**
Total net financial expenses	**1,902,537**	**1,149,357**

Continue

	2021	2020
Income from exchange difference and readjustable units	753,128	365,484
Loss from exchange difference and readjustable units	1,183,721	588,999
Loss from exchange difference and readjustable units, net	**430,593**	**223,515**
Total financial result	**2,333,130**	**1,372,872**

(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") by investments in Brazil.

(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) Includes the valuation of financial derivatives.

28. Related-party balances and transactions

Related-party transactions are carried out under market conditions and prices, 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 subsidiaries have been eliminated in the consolidation process and are not disclosed in this note.

The main balances and transactions of ISA and its companies with their related parties are as follows:

	Loans receivable		Revenues	
	2021	2020	2021	2020
ASSOCIATES				
ATP Tower Holdings [1]	-	16,962	-	9
SHARED CONTROL				
Derivex	335	335	-	-
Interligação Elétrica Paraguaçu S.A.	28	-	-	-
Interligação Elétrica Garanhuns S.A.	28	23	-	-
Interligação Elétrica Aimorés S.A.	28	22	-	-
Interligação Elétrica Ivaí S.A.	29	22	-	-
Total	**448**	**17,364**	**-**	**9**
Current	113	77		
Non-current	335	17,288		

(1) The decrease is due to the cancellation of the loan granted in December 2020 for USD 4.9 million to ATP Tower Holdings.

28.1 Remuneration for Key Senior Management personnel

The key members of ISA's Management are the members of the Board of Directors, ISA's Senior Management, and the directors with the authority to make decisions of high financial impact. In the case of Ecopetrol, as controlling shareholder, key personnel are considered to be those who are part of the Board of Directors of ISA. The Senior Management is composed of the CEO and board-level employees reporting directly to the CEO.

ISA and its companies are managed by a Board of Directors composed of nine (9) main members. The Board of Directors' report contains the information in regard to the election and creation of this body.

As of the reporting date, there are no transactions other than remuneration between the Company and its members of the Board of Directors.

	Income Statement		Statement of financial position	
	2021	2020	2021	2020
BOARD OF DIRECTORS				
Remuneration of ISA's Board of Directors	2,145	1,337	-	-
SENIOR MANAGEMENT [1]				
Accounts receivable	-	-	1,219	1,823
Remuneration	13,648	11,898	-	-
Short-term benefits	7,751	6,179	-	-
Board of Directors' fees [2]	2,679	1,885	-	-
Total remuneration to key personnel	**26,223**	**21,299**	**1,219**	**1,823**

(1) There are no transactions other than remuneration between the company and the Senior Management of ISA, nor guarantees in favor of key personnel of the Senior Management.

(2) Fees for participation of members of ISA's Senior Management in the Boards of Directors, Governing Bodies or Boards of ISA's companies. For attending the meetings of the Board of Directors and its committees, members received the remuneration set by the General Shareholders' Meeting, which is equivalent to 141 Tax Value Units (UVT) per meeting (2021 UVT value: COP 36,308 - 2020 UVT value: COP 35,607). As of December 31, 2021, and 2020, there are no labor relations between the members of the Board and the company, nor business relations between the company and close relatives of the members of the Board of Directors.

28.2 Balances and transactions with Ecopetrol

As of the reporting date, there are no transactions other than dividends paid by ISA to Ecopetrol in its capacity as controlling company.

29. Operating segments

29.1 Operating segments that generate ordinary income

The operation of ISA and its companies is developed through three business units: Electric Power Transmission, Road Concessions and Information and Communication Technologies (ICT).

This segmentation is based on the management of the company's objectives and strategic plan, taking into account that these businesses: (a) are engaged in differential business activities, from which revenues are generated and costs and expenses are incurred, (b) operating results are periodically reviewed by ISA's governance, which makes operating decisions to allocate resources to the segments and evaluate their performance, and (c) differentiated financial information is available.

- Electric Power: It includes activities related to the design, construction and maintenance of high-voltage electric power transmission systems and connection of generators, grid operators, regional transporters, and large consumers to the energy system.
- Road Concessions: It includes revenues and costs associated with design, construction, operation, and maintenance of road infrastructure in Chile and Colombia.
- Telecommunications and ICT: It includes the activities carried out to provide digital solutions in line with the objectives and business goals and needs of our customers.

The following segment information is reported based on the information used by the Board of Directors as the top body to make strategic and operational decisions. The financial information by business lines is prepared considering the main activity of each subsidiary as the basis for attributing revenues, costs, expenses and results for the period. The performance of the segments is reviewed based primarily on an analysis of income, costs, expenses, and overall results for the period generated by each segment which are regularly monitored.

29.2 Operating segment financial informationn

2021	Electricity Transmission business	Road Concessions business	IT and Telecommunications business	Total operating segmentsn
Revenues	8,615,893	2,086,331	414,714	11,116,938
Operating costs	(3,130,403)	(953,622)	(252,683)	(4,336,708)
Gross profit	**5,485,490**	**1,132,709**	**162,031**	**6,780,230**

Continue

Administrative expenses	(552,473)	(73,900)	(105,680)	(732,053)
Effect of periodic tariff review	44,603	-	-	44,603
Share profit of associates and joint ventures	575,791	(9)	(19,065)	556,717
Other income (expenses)	2,677	(28,563)	20,500	(5,386)
Operating income	**5,556,088**	**1,030,237**	**57,786**	**6,644,111**
Financial results	(1,560,479)	(725,369)	(47,282)	(2,333,130)
Profit before taxes	**3,995,609**	**304,868**	**10,504**	**4,310,981**
Income taxes	(1,067,941)	(22,975)	(15,352)	(1,106,268)
Profit for the year	**2,927,668**	**281,893**	**(4,848)**	**3,204,713**
Non-controlling interest	(1,535,113)	(3,895)	(169)	(1,539,177)
Profit attributable to ISA	**1,392,555**	**277,998**	**(5,017)**	**1,665,536**

2020	Electricity Transmission business	Road Concessions business	IT and Telecommunications business	Total Operating Segments
Revenues	7,074,563	1,657,271	379,013	9,110,847
Operating costs	(2,769,886)	(844,137)	(250,835)	(3,864,858)
Gross profit	**4,304,677**	**813,134**	**128,178**	**5,245,989**
Administrative expenses	(572,921)	(60,206)	(93,212)	(726,339)
Effect of periodic tariff review	1,056,979	-	-	1,056,979
Share profit of associates and joint ventures	546,709	(9)	(27,334)	519,366
Other income (expenses)	114,679	(18,268)	18,923	115,334
Operating income	**5,450,123**	**734,651**	**26,555**	**6,211,329**
Financial results	(831,699)	(507,270)	(33,903)	(1,372,872)
Profit before taxes	**4,618,424**	**227,381**	**(7,348)**	**4,838,457**

Continue

Income taxes	(1,003,793)	(58,348)	(12,091)	(1,074,232)
Profit for the year	**3,614,631**	**169,033**	**(19,439)**	**3,764,225**
Non-controlling interest	(1,702,865)	(2,095)	(74)	(1,705,034)
Profit attributable to ISA	**1,911,766**	**166,938**	**(19,513)**	**2,059,191**

29.3 Assets and liabilities by business

	Assets by business		Liabilities by business	
	2021	2020	2021	2020
Electricity Transmission business	48,242,425	40,522,417	30,158,048	24,269,682
Road Concessions	12,059,434	12,328,234	8,554,613	8,966,132
IT and Telecommunications business	1,396,327	1,343,418	852,530	812,062
Total assets and liabilities by business	**61,698,186**	**54,194,069**	**39,565,191**	**34,047,876**

29.4 Financial information by geographic area

	Operating revenues		Non-current assets	
	2021	2020	2021	2020
Colombia	2,761,702	2,262,020	8,949,519	8,626,795
Brazil	2,089,959	1,884,941	4,852,115	4,327,833
Peru	3,907,232	2,703,488	4,018,798	2,994,950
Chile	2,219,687	2,116,929	8,830,403	7,302,485
Other countries	138,358	143,469	529,036	526,760
Total	**11,116,938**	**9,110,847**	**27,179,871**	**23,778,823**

Financial information by geographic area is prepared using the subsidiary's location as the basis for allocating revenues. Non-current assets include taxes, inventories, property, plant and equipment, intangible assets, investments in associates and joint ventures, goodwill, and other non-financial assets.

30. 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.

30.1 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.

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:** 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 ISA and each of its companies.

The following table presents the participation of the debt, at nominal values, by rates:

	2021	Share %	2020	Share %
Fixed Rate	14,230,372	50,6%	5,695,557	25.0%
CPI	3,587,690	12,8%	4,286,670	18.8%
UF	3,628,080	12,9%	3,795,125	16.7%
IPCA	2,973,976	10,6%	1,604,853	7.1%
CDI	1,995,329	7,1%	1,115,711	4.9%
UVR	701,204	2,5%	668,269	2.9%
Libor (3M)	328,446	1,2%	3,425,538	15.1%
TJLP	285,264	1,0%	302,798	1.3%
IBR (3M)	142,702	0,5%	170,957	0.8%
IBR (6M)	105,986	0,4%	405,997	1.8%
TAB	102,773	0,4%	928,616	4.1%
Libor (6M)	13,801	0,0%	358,807	1.6%
Total	**28,095,623**	**100%**	**22,758,898**	**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.

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

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

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

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

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" (Note 15).

30.2 Credit and counterparty risk

Credit risk (customers):

This risk refers to the late payment, doubtful collection or not recovery of the portfolio from services rendered by ISA and its 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 "impairment allowance" 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, 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.

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.

As of the reporting date, no financial institutions where ISA and its companies manage their liquidity excess materialized any breach.

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.

31. Fair value of financial assets and liabilities

The following table presents the detail of the fair value and the book value of the financial assets and liabilities as of December 31, 2021 and 2020. The carrying value of financial assets measured at amortized cost is the approximation to its fair value.

	2021		2020	
	Amortized cost	At fair value	Amortized cost	At fair value
FINANCIAL ASSETS				
Cash	-	1,894,582	-	918,038
Fixed income investment	2,260,290	-	2,433,644	-
Other variable income investments	-	531,590	-	430,031
Accounts receivable	2,859,234	1,582,260	2,348,684	1,735,737
Other financial assets	232,921	585,958	441,664	644,999
Total current	**5,352,445**	**4,594,390**	**5,223,992**	**3,728,805**
Restricted cash	-	138,688	-	217,646
Equity investments	-	17,468	-	17,102
Accounts receivable	9,763,624	13,657,698	9,539,863	9,323,266
Other financial assets	-	1,283	-	-
Derivative instruments	-	13,019	-	148
Total non-current	**9,763,624**	**13,828,156**	**9,539,863**	**9,558,162**
Total financial assets	**15,116,069**	**18,422,546**	**14,763,855**	**13,286,967**
FINANCIAL LIABILITIES				
Financial liabilities and bonds	2,855,225	-	1,265,875	-
Derivative instruments	-	11,042	-	140
Accounts payable	949,140	-	996,635	-
Total current	**3,804,365**	**11,042**	**2,262,510**	**140**
Financial liabilities and bonds	24,937,073	-	20,759,657	-
Derivative instruments	-	137,102	-	443,163
Accounts payable	215,467	-	222,268	-
Total non-current	**25,152,540**	**137,102**	**20,981,925**	**443,163**
Total financial liabilities	**28,956,905**	**148,144**	**23,244,435**	**443,303**

The following table presents the financial assets and liabilities that are measured at fair value as of December 31, 2021 and 2020, classified in the fair value hierarchy levels.

	2021			2020		
	Book value	Fair value		Book value	Fair value	
		Level I	Level II		Level I	Level II
FINANCIAL ASSETS						
Cash	1,894,582	1,894,582	-	918,038	918,038	-
Other variable income investments	531,590	531,590	-	430,031	430,031	-
Accounts receivable	15,239,958	-	15,239,958	11,059,003	-	11,059,003
Other financial assets	600,260	587,241	13,019	645,147	644,999	148
Restricted cash	138,688	138,688	-	217,646	217,646	-
Equity investments	17,468	-	17,468	17,102	-	17,102
Financial assets at fair value	**18,422,546**	**3,152,101**	**15,270,445**	**13,286,967**	**2,210,714**	**11,076,253**
FINANCIAL LIABILITIES						
Derivative instruments	148,144	-	148,144	443,303	-	443,303
Financial liabilities at fair value	**148,144**	**-**	**148,144**	**443,303**	**-**	**443,303**
Net assets at fair value	**18,274,402**	**3,152,101**	**15,122,301**	**12,843,664**	**2,210,714**	**10,632,950**
Current	4,583,348	3,012,130	1,571,218	3,728,665	1,993,068	1,735,597
Non-current	13,691,054	139,971	13,551,083	9,114,999	217,646	8,897,353
	18,274,402	**3,152,101**	**15,122,301**	**12,843,664**	**2,210,714**	**10,632,950**

32. Business combination and subsidiary information

32.1 Subsidiaries acquired in the current period

Acquisition of Piratininga - Bandeirantes Transmissora de Energia S.A. (PBTE)

On December 2, 2020, a share sale contract was entered into with Wire Fundo de Investimento em Participações Multiestratégia and Fundo de Investimento em Participações em Infraestrutura Kavom for 100% of the shares representing the capital stock of Piratininga - Bandeirantes Transmissora de Energia S.A. (PBTE). The acquisition of PBTE's shares was carried out through the acquisition of 100% of the shares representing the capital stock of SF Energia Participações S.A. (SF Energy), which in turn holds 88.88% of the shares of Piratininga - Bandeirantes Transmissora de Energia SA (PBTE). The final acquisition price was COP 1 trillion (BRL 1,571,065) and the transfer of control occurred on March 2, 2021.

PBTE operates a 30 km underground transmission line in the city of São Paulo, which started operations in April 2020 connecting CTEEP's Piratininga II and Bandeirantes substations. The transaction was approved by the Administrative Council for Economic Defense (CADE) on January 19, 2021 and consented by the National Electricity Agency (ANEEL) on February 1, 2021.

On August 31, 2021, at the Extraordinary General Shareholders' Meeting, the shareholders of CTEEP approved the merger of the companies SF Energia and PBTE into ISA CTEEP. In November 2021, the subsidiaries were merged into CTEEP.

Assets acquired and liabilities incurred on the date of acquisition

The fair value of assets acquired, liabilities incurred, and the determination of concession intangible assets were determined based on a valuation exercise prepared by an independent consulting firm. Fair value of identifiable assets and liabilities as of the acquisition date are detailed below:

Assets and liabilities	Fair value
Cash and cash equivalents	44,274
Trade receivable (concession asset)	1,371,229
Recoverable taxes	7,996
Other assets	2,167
Concession of intangible assets in SF Energy	43,891
Concession intangible assets	323,188
Total assets	**1,792,745**
Loan and borrowings	244,809
Suppliers	1,658
Taxes payable	3,184
PIS and COFINS payable	125,804
Other current liabilities	2,515
Deferred tax	385,128
Total liabilities	**763,098**
Total net assets at fair value	**1,029,647**
Participation acquired in %	100%
Participation acquired in COP	1,029,647
Consideration paid in cash	1,029,647
Goodwill	-

	2021
Total consideration paid in cash	**1,029,647**
(-) Cash and cash equivalent acquired (included in cash flows from investing activities)	(44,274)
(+) Costs related to the acquisition (included in cash flows from operating activities)	5,145
Net cash flow on acquisition	**990,518**

Effect of the acquisition

Below is the impact on the consolidated results between the acquisition date and December 31, 2021, as well as the impact of the acquisition if it had occurred on January 1, 2021.

	Revenues	Profit before taxes
From date of acquisition to December 31, 2021	230,225	193,062
From January 1, 2021 to December 31, 2021	261,719	218,139

32.2 Subsidiaries acquired in previous periods

Orazul Electricity Group

ISA, through its subsidiary ISA PERU, entered into an agreement for the acquisition of 100% interest in ORAZUL ELECTRICITY GROUP and 0.004% interest in ORAZUL ELECTRICITY TRANSMISSION. On August 24, 2020, upon meeting the closing conditions the acquisition was completed.

ORAZUL ELECTRICITY GROUP holds a 99.976% ownership in ORAZUL ELECTRICITY TRANSMISSION, which holds a 99.999% interest in ETENORTE and ETESELVA, concessions acquired in perpetuity that operate six electric electricity 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 had the purpose of increasing ISA's presence in the Peruvian market and increased its market share to 73% based on revenue, thus consolidating its position as the largest electricity transmission company in Peru.

The consideration paid for the acquisition of control of ORAZUL ELECTRICITY GROUP was COP 595,095 (USD 158,254,066).

Assets acquired and liabilities incurred at acquisition date

The fair value of assets acquired, liabilities assumed, and non-controlling interests, as well as the residual goodwill, were determined based on the preliminary valuation prepared by an independent consulting firm, considering the financial statements as of August 31, 2020. The net assets recognized in the December 31, 2020 consolidated financial statements were based on a provisional assessment of their fair value while ISA sought an independent valuation for the intangible assets.

In August 2021, the company completed the purchase price allocation related the acquisition of Orazul Electricity Group, which was acquired on August 24, 2020.

The provisional and definitive fair values of the business combination are shown below:

	Provisional fair values 2020	Adjustment to provisional values	Definitive Fair Values 2021
ASSETS			
Cash and cash equivalents	26,484	-	26,484
Accounts receivable, net	3,831	-	3,831
Other assets	2,491	-	2,491
Current assets	**32,806**	**-**	**32,806**
Property, plant, and equipment	87,440	18,095	105,535
Intangible asset (Rights-of-use)	610,012	(103,810)	506,202
Other assets	41	-	41
Non-current assets	**697,493**	**(85,715)**	**611,778**
Total assets	**730,299**	**(85,715)**	**1,118,021**
LIABILITIES			
Accounts payable	(325)	-	(325)
Current taxes	(1,904)	-	(1,904)
Other liabilities	(1,190)	-	(1,190)
Current liabilities	**(3,419)**	**-**	**(3,419)**
Deferred taxes	(182,308)	30,624	(151,684)
Non-current liabilities	**(182,308)**	**30,624**	**(156,293)**
Total liabilities	**(185,727)**	**30,624**	**(311,396)**

	Provisional fair values 2020	Adjustment to provisional values	Definitive Fair Values 2021
Total net assets at fair value	**544,572**	**(55,091)**	**(619,373)**
Non-controlling interest measured at fair value	(38)	-	(38)
Goodwill	50,561	55,091	105,652

Consideration paid in cash	**595,095**
(-) Cash and cash equivalent acquired (included in cash flows from investing activities)	(26,484)
(+) Costs related to the acquisition (included in cash flows from operating activities)	6,066
Net cash flow on acquisition	**574,677**

The goodwill of COP 105,652 comprises the expected synergies arising from the acquisition.

The deferred tax liabilities are mostly comprised of the deferred tax arising from the difference between tax and book basis of the intangible asset (Rights-of-use) recognized as part of the purchase price allocation.

Effect of the acquisition

The impact on the income statement between the acquisition date and December 31, 2020 is shown below, as well as the impact of the acquisition had it occurred on January 1, 2020.

	Revenues	Profit before taxes
From date of acquisition to December 31, 2020	15,771	7,042
From January 1, 2020 to December 31, 2020	44,989	23,225

32.3 Other significant transactions between and with subsidiaries, associates and joint ventures of ISA and its companies

- On January 1, 2021, ISA Peru had a multiple merger with the subsidiaries Eteselva, Etenorte, Orazul Energy Group and Orazul Energy Transmission. Through this merger, the company will transfer to the merged entity the debt incurred to acquire the business.
- On August 12, the Ministry of Finance announced the signing of the inter-administrative share purchase agreement with Ecopetrol to acquire 51.4% of the shares held by the Nation in the company. On August 20, the transaction between the Ministry of Finance and Public Credit and Ecopetrol was closed, leaving the latter as owner of 51.4% of ISA's shares, equivalent to 569,472,561 shares, which represent 100% ownership of the Ministry in the company.
- On March 31, 2021, the contract for the Ruta del Maule concession was terminated.
- On August 31, 2021, at the Extraordinary General Shareholders' Meeting, the shareholders of CTEEP approved the merger of the companies SF Energia and PBTE into ISA CTEEP. In November 2021, the subsidiaries were merged into CTEEP.

32.4 Quantitative information of subsidiaries

The following table presents the participation that ISA has in its consolidated subsidiaries and the value of the assets, liabilities, equity, and net income of its subsidiaries. These figures were taken from the consolidated accounting records in the consolidation currency (Colombian peso).

2021	effective %	Assets	Liabilities	Equity, excluding profit for the year	Profit (loss)
ISA		21,093,569	6,703,935	12,730,675	1,658,959
ISA CTEEP	35.82	19,986,151	9,713,678	8,176,272	2,096,201
Consorcio Transmantaro	60.00	7,250,457	5,578,049	1,437,542	234,866
Ruta del Maipo	100.00	6,695,805	4,647,650	1,833,831	214,324
ISA Interchile	100.00	6,769,025	5,514,461	1,551,598	(297,034)
ISA Intervial Chile	100.00	3,971,874	822,694	2,896,730	252,450
ISA Capital do Brasil	100.00	3,923,685	222,115	2,966,966	734,604

Continue

2021	effective %	Assets	Liabilities	Equity, excluding profit for the year	Profit (loss)
ISA Inversiones Chile	100.00	3,748,138	6,872	3,538,830	202,436
Ruta Costera	100.00	2,680,312	2,491,025	206,672	(17,385)
ISA REP	60.00	1,949,243	1,438,949	307,323	202,971
ISA Transelca	100.00	1,507,616	580,035	743,557	184,024
ISA Perú	99.98	962,823	772,002	142,030	48,791
ISA Investimentos e Participações	100.00	933,742	7,980	709,166	216,596
Ruta de la Araucanía	100.00	762,038	450,237	277,996	33,805
ISA Inversiones Costera Chile	100.00	599,723	595,633	35,217	(31,127)
INTERNEXA	99.42	531,292	423,449	85,962	21,881
Interligação Elétrica Pinheiros	35.82	526,781	73,331	363,857	89,593
Interligação Elétrica Aguapeí	35.82	482,218	80,582	324,369	77,267
Ruta del LOA	100.00	470,016	246,754	197,655	25,607
Interligação Elétrica Serra do Japi	35.82	450,593	65,384	322,785	62,424
Interligação Elétrica Itaquerê	35.82	449,766	94,399	286,564	68,803
Interligação Elétrica Norte e Nordeste	35.82	389,507	128,724	219,943	40,840
Ruta del Bosque	100.00	376,464	264,533	68,145	43,786
Fundo de Investimento Xavantes Referenciado DI	15.69	321,759	23	305,498	16,238
Internexa Perú	99.42	320,245	249,061	53,744	17,440
ISA Intercolombia	100.00	279,988	186,954	54,941	38,093
Interligação Elétrica Itaúnes	35.82	301,579	23,100	246,032	32,447
Internexa Brasil Operadora de Telecomunicações	99.42	249,586	229,088	31,112	(10,614)
Interligação Elétrica Biguaçu	35.82	250,337	19,312	233,748	(2,723)
Ruta de los Ríos	75.00	226,203	149,717	56,150	20,336

Continue

2021	effective %	Assets	Liabilities	Equity, excluding profit for the year	Profit (loss)
XM	99.73	245,199	212,583	21,326	11,290
Interligação Elétrica Sul	35.82	175,464	27,833	125,279	22,352
Interligação Elétrica Tibagi	35.82	175,038	26,632	137,433	10,973
Fundo de Investimento Referenciado DI Bandeirantes	13.10	158,035	13	149,469	8,553
Proyectos de Infraestructura del Perú	100.00	153,956	146,612	6,640	704
Interligação Elétrica Itapura	35.82	147,721	16,394	124,233	7,094
Linear Systems RE	100.00	130,264	104,551	22,003	3,710
ISA Bolivia	100.00	124,619	8,634	104,966	11,019
Interligação Elétrica de Minas Gerais	35.82	113,493	7,885	99,011	6,597
Interligação Elétrica Evrecy	35.82	79,166	9,677	78,205	(8,716)
Fundo de Investimento Barra Bonita Renda	35.77	78,920	4	77,279	1,637
Internexa Chile	98.43	78,415	56,492	17,890	4,033
Interligação Elétrica Riacho Grande	35.82	41,740	(8,811)	54,458	(3,907)
Internexa Argentina	99.42	40,568	19,989	20,637	(58)
Internexa Participações	99.42	19,942	603	29,826	(10,487)
Fundo de Investimento Assis	35.73	27,170	2	23,499	3,669
Ruta del Maule	100.00	26,822	17,337	30,697	(21,212)
Sistemas Inteligentes en Red	99.77	17,265	7,932	5,876	3,457
Interconexiones Viales	65.00	6,752	1,078	9,070	(3,396)
ISA Intervial Colombia	100.00	566	-	573	(7)
ISA Inversiones Tolten	100.00	43	-	33	10

2020	effective %	Assets	Liabilities	Equity, excluding profit for the year	Profit (loss)
ISA		19,803,064	6,602,891	11,137,223	2,062,950
ISA CTEEP	35.82	15,784,190	6,699,274	6,680,350	2,404,566
Ruta del Maipo	100.00	6,856,003	4,695,339	1,978,041	182,623
Consorcio Transmantaro	60.00	6,205,291	4,583,766	1,400,104	221,420
ISA Interchile	100.00	4,841,402	3,696,030	1,130,052	15,319
ISA Intervial Chile	100.00	4,015,680	783,498	3,042,205	189,977
ISA Inversiones Chile	100.00	3,765,610	177,439	3,418,949	169,222
ISA Capital do Brasil	100.00	3,378,872	118,356	2,417,483	843,034
Ruta Costera	100.00	3,120,489	2,913,818	211,581	(4,910)
ISA REP	60.00	1,723,163	1,138,244	414,351	170,567
ISA Transelca	100.00	1,456,659	640,550	669,295	146,814
Ruta de la Araucanía	100.00	856,548	427,411	408,141	20,996
XM	99.73	201,887	175,250	13,684	12,953
ISA Investimentos e Participações	100.00	795,512	68,853	519,456	207,203
ISA Perú	100.00	729,588	609,767	87,194	32,627
ISA Inversiones Costera Chile	100.00	601,497	582,801	(11,430)	30,126
INTERNEXA	99.42	479,719	399,370	72,460	7,889
Interligação Elétrica Pinheiros	35.82	405,974	51,121	345,924	8,930
Ruta del Bosque	100.00	381,969	313,935	125,488	(57,453)
Interligação Elétrica Itaquerê	35.82	368,748	45,060	131,121	192,567
Interligação Elétrica Serra do Japi	35.82	361,200	49,824	257,406	53,970
Interligação Elétrica Aguapeí	35.82	347,783	36,635	192,580	118,568
Ruta del LOA	100.00	331,873	156,271	169,961	5,642

Continue

2020	effective %	Assets	Liabilities	Equity, excluding profit for the year	Profit (loss)
Interligação Elétrica Norte e Nordeste	35.82	330,884	122,815	195,477	12,592
Ruta de los Ríos	75.00	320,489	248,184	63,656	8,648
ISA Intercolombia	100.00	272,251	184,750	58,076	29,424
Internexa Perú	99.42	266,741	216,837	38,139	11,766
Internexa Brasil Operadora de Telecomunicações	99.42	215,683	186,028	36,464	(6,809)
Proyectos de Infraestructura del Perú	100.00	214,773	205,654	6,384	2,735
Interligação Elétrica Itaúnes	35.82	191,750	14,779	116,060	60,911
Ruta del Maule	100.00	185,096	44,441	123,848	16,807
Fundo de Investimento Xavantes Referenciado DI	3.64	172,013	14	171,639	360
Orazul Energy Group	100.00	160,880	50,111	104,105	6,665
Orazul Energy Transmision	99.98	160,392	27	153,694	6,671
Interligação Elétrica Sul	35.82	147,701	32,276	133,031	(17,606)
ISA Bolivia	100.00	122,867	14,808	70,067	37,992
Eteselva	99.98	118,984	2,845	114,833	1,307
Interligação Elétrica Tibagi	35.82	112,587	22,411	61,670	28,507
Interligação Elétrica Itapura	35.82	102,578	9,227	94,132	(781)
Fundo de Investimento Referenciado DI Bandeirantes	2.45	97,278	9	94,672	2,597
Interligação Elétrica de Minas Gerais	35.82	92,046	25,396	78,126	(11,475)
Interligação Elétrica Biguaçu	35.82	81,565	13,214	78,448	(10,097)
Internexa Chile	98.43	69,602	51,094	15,693	2,815
Linear Systems RE	100.00	44,659	25,888	15,599	3,172
Etenorte	99.98	44,564	1,997	37,194	5,372
Interligação Elétrica Evrecy	35.82	41,699	5,294	32,351	4,054

Continue

2020	effective %	Assets	Liabilities	Equity, excluding profit for the year	Profit (loss)
Internexa Argentina	99.42	33,189	15,393	17,629	167
Internexa Participações	99.42	29,658	405	36,245	(6,992)
Fundo de Investimento Assis	35.81	20,365	1	19,795	569
Sistemas Inteligentes en Red	99.77	18,327	8,363	3,354	6,609
Fundo de Investimento Barra Bonita Renda	35.81	14,388	3	14,021	364
Interconexiones Viales	65.00	3,643	124	3,712	(193)
ISA Intervial Colombia	100.00	592	19	582	(10)
Interligação Elétrica Riacho Grande	35.82	381	12	369	-
ISA Inversiones Tolten	100.00	34	-	39	(5)

33. Contingent liabilities and assets

As of December 31, 2020, and 2021, ISA and its companies are involved as defendants in administrative, civil, and labor lawsuits, none of which have the potential to cause significant impacts on the consolidated financial position and consolidated results of operations.

Litigation and claims to which ISA and its companies are exposed are managed by the legal area of ISA and each subsidiary. Lawsuits are periodically evaluated and classified according to their probability of loss. For those processes in which an outflow of resources is likely to occur and a reliable estimate can be made, ISA and its companies recognize the corresponding provisions in the consolidated financial statements (see Note 19).

ISA and its companies are defendants in labor, civil, social security and tax lawsuits involving risks of loss that, based on management's assessment supported by internal and third-party legal counsel, are classified as possible loss, for which no provision was recognized. ISA and its companies monitor the probability of loss periodically. The following are the most significant cases in which the probability of a possible outflow of resources is estimated.

Company	Nature	Description of the proceeding	No. of proceedings	Estimated value	Probability
CTEEP	Civil	**Nullity of EPTE merger by CTEEP** • Declaratory action: lawsuit by which the minority shareholders claim the nullity of the merger of EPTE by the company or, jointly and severally, the declaration of their right of separation and determination of the payment of the value of reimbursement of shares. • Damages action: in October 2020, the minority shareholders initiated a new action against the company claiming that the compensation for the value of the shares be calculated based on the RBSE report. The minority shareholders presented a technical-economic report that establishes an approximate amount of BRL 133 million for the lawsuit. The lawsuit is in the evidentiary phase.	2	349,026	Possible
CTEEP	Tax	**Goodwill amortization** Judgments arising from tax assessment notices issued by the Federal Revenue Service from 2013 to 2017 (period from 2008 to 2013), related to goodwill paid by ISA Capital in the acquisition of the shareholding control of CTEEP.	2	123,006	Possible
CTEEP	Tax	**Urban Land & Property Tax (IPTU)** The company is a party in processes related to the collection of property tax (IPTU) in several municipalities in the State of São Paulo.	159	66,667	Possible

34. Guarantees

ISA and its companies provide guarantees to support the growth of their different business units and to ensure the viability of strategic commercial projects and operations.

Guarantees within the framework of paragraph 14 of IFRS 7 corresponding to pledged assets as contingent asset/liability guarantees granted by ISA and its companies.

As of December 31, 2021, and 2020, the total amount of outstanding guarantees classified by country of domicile of the company granting the guarantee is as follows:

	2021	2020
Chile	13,900,272	12,071,870
Colombia	2,679,000	5,345,852
Brazil	1,657,079	1,547,457
Total amount of outstanding guarantees	**18,236,351**	**18,965,179**

Type of guarantee	Beneficiary	Purpose	End date	Original Currency	Value in original currency	Balance in COP (MM)
COLOMBIA						
Security interest in the contractual rights of the concession contract, in a commercial establishment, in fiduciary rights	Cititrust Colombia S.A.	Guarantee the present and future obligations of the joint and several obligors, derived from the financing documents.	07/02/34	COP	2,679,000 million	2,679,000
Assignment as security of credit rights	Cititrust Colombia S.A/ Fideicomiso P.A. Transacción Costera	Guarantee the present and future obligations of the joint and several obligors, derived from the financing documents.	07/02/34	COP		
Security interest on accounts	Cititrust Colombia S.A.	To conditionally guarantee the assignment as security to the Fideicomiso P.A. Transacción Costera and compliance with the terms and conditions of the concession contract.	07/02/34	COP		
Security Interest	Cititrust Colombia S.A.	Guarantee the present and future obligations of the joint and several obligors, derived from the financing documents.	07/02/34	COP		
Trust agreement / Security interest	Cititrust Colombia S.A.	Guarantee compliance with obligations pursuant to the trust agreement.	07/02/34	COP		
Trust agreement / Security interest	Cititrust Colombia S.A.	Guarantee compliance with the trust agreement (Fideicomiso P.A. Costera), required by the concession agreement, which acts as debtor pursuant to the financing documents.	07/02/34	COP		
Equity support and share retention agreement (Capital contribution agreement). Corporate guarantee	Cititrust Colombia S.A.	Ensure project's liquidity preservation by shareholders and compliance with contractual obligations.	07/02/34	COP		

Continue

Type of guarantee	Beneficiary	Purpose	End date	Original Currency	Value in original currency	Balance in COP (MM)
Total Ruta Costera						**2,679,000**
Colombia						**2,679,000**
BRAZIL						
Pledge of Shares	Itaú Corpbanca	Guarantee compliance with payments of the obligations undertaken with Debênture de Infraestrutura.	12/15/43	BRL	1,010,844,450	721,142
Pledge of Shares	BNDES	Guarantee compliance with payment obligations of the bond indenture with BNDES.	02/15/30	BRL	477,631,316	340,745
Corporate Surety Bond Pledge of Shares	Itaú Corpbanca, BES	Guarantee compliance with payments of the obligations undertaken with Debênture de Infraestrutura.	03/18/25	BRL	214,384,819	152,943
Fiduciary assignment of credit rights	BNDES	Guarantee compliance with payment obligations of the bond indenture with BNDES.	03/15/32	BRL	199,537,270	142,351
Pledge of Shares	Banco da Amazônia	Guarantee compliance with payment obligations of the bond indenture with Banco da Amazônia.	01/10/33	BRL	143,825,205	102,606
Corporate Surety Bond Pledge of Shares	Banco do Nordeste	Guarantee compliance with payment obligations of the bond indenture with Banco Nordeste.	05/19/30	BRL	135,405,725	96,599
Pledge of Shares	BNDES	Guarantee compliance with payments of the obligations undertaken with Debênture de Infraestrutura.	12/15/28	BRL	78,485,406	55,992
Pledge of Shares	BNDES	Guarantee compliance with payment obligations of the bond indenture with BNDES	05/15/26	BRL	31,752,895	22,653
Pledge of Shares	BNDES		05/15/26	BRL	15,809,999	11,279
Pledge of Shares	BNDES		02/15/28	BRL	6,702,297	4,781
Pledge of Shares	BNDES		02/15/28	BRL	5,785,556	4,127
Pledge of Shares	BNDES		05/15/25	BRL	2,608,769	1,861
Total ISA CTEEP						**1,657,079**
Brazil						**1,657,079**

Continue

Type of guarantee	Beneficiary	Purpose	End date	Original Currency	Value in original currency	Balance in COP (MM)
CHILE						
Pledge of Shares	Banco de Chile / MBIA Insurance Corporation / Banco del Estado de Chile y Wilmington Trust National Association	Guarantee compliance with payment and obligations of USD Bond Financing and UF bonds Series C, D, E, and F (Ruta del Maipo)	12/15/30	UF	21,472,361	3,136,448
Pledge of Shares	Banco Chile (security agent)	Guarantee compliance with duties and obligations pursuant to concession share transfer agreement	07/02/34	COP	375,112,718,002	375,113
Pledge of Shares	Syncora Guarantee Inc.	Guarantee compliance with payment obligations of Series A and B Bonds financing and the current credit line (Ruta del Bosque)	12/31/22	UF	1,590,688	232,350
Pledge of Shares	Banco Santander (Securities Agent)	Guarantee compliance with obligations of the project financing contract	06/15/50	UF	1,556,500	227,356
Pledge of Shares	Banco de Chile, Banco Estado e Itaú Corpbanca Chile	Guarantee compliance with payment obligations of the 2010 Financing, 2013 Refinancing and Opening of Financing and Modification for the 2018 Loan (Ruta de la Araucanía)	06/15/24	UF	1,438,438	210,111
Pledge of Shares	Banco de Chile, Banco Estado and Itaú Corpbanca Chile	Guarantee compliance with payment obligations of the 2010 Financing, 2013 Refinancing and Opening of Financing and Modification for the 2018 Loan (Ruta de la Araucanía)	03/17/25	CLP	31,165,867,979	146,890
Pledge of Shares	BICE, Security and BCI Banks	Guarantee compliance with obligations of the bond indenture.	09/30/25	UF	600,397	87,699
Pledge of 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 UF bonds Series C, D, E, and F (Ruta del Maipo)	12/31/22	USD	11,948,868	47,570

Continue

Type of guarantee	Beneficiary	Purpose	End date	Original Currency	Value in original currency	Balance in COP (MM)
Countersecurity-Equity Contribution	Citibank (collateral sub-agent)	Garantizar la contribución de aportes de capital establecidos Guarantee the contribution of capital contributions established in the Sponsor Support and Share Retention Agreement	10/22/22	UF	6,470,000	25,758
Pledge of Shares	Banco Santander (Securities Agent)	Guarantee compliance with obligations of the VAT financing contract	11/14/25	CLP	4,793,260,713	22,591
Total ISA Intervial						**4,511,886**
Special Pledge of public works 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 Itaú Corpbanca	03/15/24	UF	1,438,438,54	210,111
Special Pledge of public works concession			03/17/25	CLP	31,165,867,979	146,890
Commercial Pledge	Banco de Chile (syndicated loan agent)	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment)	02/28/26	CLP	14,372,044,610	67,738
Commercial Pledge			02/28/26	CLP	10,658,000,000	50,233
Commercial Pledge			02/28/26	CLP	11,833,000,000	55,771
Total Ruta de la Araucanía						**530,743**
Special Pledge of public works concession	Banco de Chile (representative of bondholders)	Guarantee compliance with obligations of bonds in UF, Series C, D, E, F	12/15/30	UF	21,472,361	3,136,448
Special Pledge of public works concession	MBIA Insurance Corporation (USD Bondholders) and Wilmington Trust National Association	Guarantee compliance with obligations of bonds in USD.	12/31/22	USD	11,948,868	47,570
Commercial Pledge	Banco Chile Bonds Agent	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment)	06/30/33	CLP	39,177,000,000	184,648
Commercial Pledge	Banco Chile Bonds Agent		06/30/33	CLP	30,190,000,000	142,290
Commercial Pledge	Banco Chile Bonds Agent		06/30/33	CLP	2,558,000,000	12,056
Commercial Pledge	Banco Chile Bonds Agent		06/30/33	CLP	1,599,000,000	7,536

Continue

Type of guarantee	Beneficiary	Purpose	End date	Original Currency	Value in original currency	Balance in COP (MM)
Ruta del Maipo						**3,530,548**
Special Pledge of public works 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 Itaú Corpbanca	03/31/25	UF	600,397	87,699
Commercial Pledge	Banco de Chile (syndicated loan agent)	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment)	06/30/25	CLP	6,044,063,395	28,487
Commercial Pledge			02/28/26	CLP	2,037,000,000	9,601
Commercial Pledge			02/28/26	CLP	1,393,268,270	6,567
Ruta de los Ríos						**132,354**
Special Pledge of public works concession	Bondholders (Syncora)	Guarantee compliance with obligations acquired with bondholders	12/15/30	UF	1,590,688	232,350
Commercial Pledge	Banco de Chile (Bonds agent)	Guarantee compliance with financial obligations (Fixed Term Deposit - Restricted Investment)	06/30/33	CLP	24,021,258,042	113,216
Commercial Pledge			09/06/22	CLP	10,766,479,700	50,744
Commercial Pledge			06/30/33	CLP	729,000,000	3,436
Commercial Pledge			09/06/22	CLP	1,209,316	6
Total Ruta del Bosque						**399,752**
Special Pledge of public works concession	Banco Santander and insurance companies, Euroamérica, Confuturo, and Corpseguros	Guarantee payment obligations to lenders	06/15/50	UF	1,556,500	227,356
			11/14/25	CLP	4,793,260,713	22,591
Total Ruta del LOA						**249,947**

Continue

Type of guarantee	Beneficiary	Purpose	End date	Original Currency	Value in original currency	Balance in COP (MM)
First-ranking mortgage on real estate	Scotiabank Chile (local agent), Citibank (bondholders' offshore agent)	Guarantee compliance with payment obligations regarding the Senior Loan to lenders of Interchile S.A., through the mortgages on the following real estate assets: • Lot 8 of the Huasco plots project, Freirina Community, Atacama Region. • Pan de Azúcar Lot, Martínez Country Property, Coquimbo Community.	06/30/56	USD		
First-Degree Non-Possessory Pledge on Assets	Scotiabank Chile (local agent), Citibank (bondholders' offshore agent)	Guarantee compliance with payment obligations regarding the Senior Loan to lenders of ISA INTERCHILE, through the pledge on ISA INTERCHILE's fixed assets.	06/30/56	USD		
First-Degree Non-Possessory Pledge on Rights	Scotiabank Chile (local agent), Citibank (bondholders' offshore agent)	Guarantee compliance with payment obligations of the bond by means of a pledge on Transelec contract rights.	06/30/56	USD	1,200,000,000	4,777,392
First-Degree Non-Possessory Pledge on energy concessions	Scotiabank Chile (local agent), Citibank (bondholders' offshore agent)	Guarantee compliance with payment obligations regarding the Senior Loan to lenders of ISA INTERCHILE, through the pledge on electric power concessions.	06/30/56	USD		
First-Degree Non-Possessory Pledge of Shares Money and Investments Allowed	Scotiabank Chile (local agent), Citibank (bondholders' offshore agent)	Guarantee compliance with payment obligations of bonds to bondholders by pledging permitted monies and investments.	06/30/56	USD		
Total Interchile						**4,777,392**
Chile						**13,900,272**
Total guarantees in effect						**18,236,351**

35. Commitments

ISA and its companies have commitments (covenants) related to the delivery of periodic financial information and compliance with obligations arising from credit contracts with financial institutions, the Chilean Ministry of Public Works, bondholders, risk rating agencies, auditors, and municipalities, among others. The main covenants acquired in the management of the financing are reported below.

Ruta Costera

The subsidiary has entered into commitments with its financiers, which require compliance with the payment of its financial obligations, and which include, among other relevant matters, limitations on obtaining new debt, restricted payments, the maintenance of a debt service coverage ratio threshold and certain levels of outstanding balances in credit contracts.

ISA Perú

In the management of its financing, the subsidiary established compliance with the interest coverage indicator, as follows: ebitda/consolidated financial expenses higher than 3,0.

ISA CTEEP and subsidiaries

CTEEP and its subsidiaries have entered into financing agreements with covenants calculated based on indebtedness rates, among which the following stand out:

- Net debt/Ebitda less than or equal to 3,0 (BNDES) and net debt/Ebitda less than or equal to 3,5 (bonds)
- Net debt / net debt + net worth less than or equal to 0,6 (BNDES)
- Ebitda/financial result greater than 2,0 (Bonds)
- RCSD of at least 1,3 calculated annually (BNDES subsidiaries)

ISA Intervial and concessionaires

In its financing agreements, ISA Intervial Chile, and the concessionaires Ruta del Maipo, Ruta de los Ríos and Ruta del Loa acquired commitments with their creditors as a mechanism for monitoring and controlling the agreed obligations, among which are obligations to perform/not to perform, included in the documents signed with different entities. Project Life Coverage Ratio (PLCR) and Debt Service Coverage Ratio (DSCR) indicators are monitored.

ISA Interchile

The main covenants entered into by the subsidiary with its creditors, regarding contracting additional debt or making restricted payments, contemplate complying with the Debt Service Coverage Ratio-DSCR indicator. In addition, it established commitments related to information reporting, compliance with insurance and guarantee terms, among other financial, environmental, and legal commitments.

36. Subsequent events

ISA and its companies evaluated subsequent events from December 31, 2021, through February 22, 2022, the date on which the consolidated financial statements were approved by the Board of Directors for publication. No subsequent events considered significant have occurred during this period..

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	8 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 accepted in Colombia.
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 Telecomunicaciones 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 auditor´s report

Deloitte.

Deloitte & Touche Ltda.
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STATUTORY AUDITOR'S REPORT

To the Shareholders of
INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

I have audited the accompanying consolidated financial statements of INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. and subsidiaries (hereinafter "the Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 at December 31, 2021, the consolidated results of its operations and its consolidated cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

Basis for Opinion

I have conducted my audit in accordance with the International Auditing Standards accepted in Colombia. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Colombia and I have fulfilled all other ethical responsibilities in accordance with those requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As indicated in Note 7 to the consolidated financial statements, CTEEP, a subsidiary of Interconexión Eléctrica S.A. E.S.P., through ISA Capital do Brasil, has recorded a net balance of accounts receivable from the State of Sao Paulo for COP$1,403,802 million, related to the impacts of Law 4819 of 1958, which granted employees of companies under its control of the State of Sao Paulo, benefits already granted to other public employees. CTEEP has taken legal steps before the respective state authorities to collect these amounts. The accompanying consolidated financial statements do not include adjustments that could result from the outcome of this uncertainty. My opinion has not been modified by this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of

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the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not express a separate opinion on these matters.

Description of Key Audit Matter

As disclosed in explanatory notes 4, 5.8, 7 and 23 of the consolidated financial statements, CTEEP, a subsidiary of Interconexión Eléctrica S.A. E.S.P. through ISA Capital do Brasil, which acts as a service provider in accordance with the concession contract, is being remunerated by the construction and execution of the electricity transmission infrastructure, as well as the maintenance and operation of that infrastructure. During its construction stage, the Company constitutes, as part of the recognition of the construction revenue, contract assets, which are amortized after the start of the operations, as the Company performs the operation and maintenance of the built infrastructure, and upon receiving remuneration for the fulfillment of both performance obligations. As of December 31, 2021, the balance of the Company's contract assets is COP$15,239,958 million.

The recognition of the contract asset and the revenue of the Company in accordance with IFRS 15 Revenue from Contracts with Customers, requires the exercise of a significant judgment on the moment in which the client obtains control of the asset. Additionally, measuring the Company's progress toward meeting the performance obligation satisfied over time also requires the use of significant estimates and judgments by management to estimate the efforts or inputs needed to meet the performance obligation, such as materials and labor, expected profit margins for each identified performance obligation, and projected expected revenue.

Finally, as it is a long-term contract, the identification of the discount rate that represents the implicit financing component in the future cash flow collections also requires the use of judgment by management. Due to the relevance of the amounts and the significant judgment involved, I consider the measurement of contract assets and revenues to be a key matter for our audit.

How the key audit matter was addressed in the audit

Our audit procedures included, among others:

1. Understanding of the recognition process of the contract asset and its respective revenue, by nature.
2. Evaluation of the design, implementation and operating effectiveness of the relevant internal control activities determined by management related to the identification, processing and recording of transactions related to the contract asset and the contract revenue, in accordance with the accounting requirements and the contractual conditions.
3. Understanding of the criteria and assumptions used to determine the construction and operation and maintenance margins, the implicit rates applied to future cash flows and the estimated amounts of compensation on the residual values of the transmission infrastructure, when applicable.
4. Retrospective review of the expenses incurred in each project in relation to the amounts initially budgeted, with the corresponding analysis and discussion of the nature of the variations and discrepancies and obtaining evidence that corroborate such variations.
5. Substantive tests related to additions to contract assets, on a sample basis.
6. The recalculation of the future cash flows of infrastructure projects (new lines, reinforcements and improvements), on a sample basis.
7. The recalculation of the monetary update and the financial remuneration of the contract asset based on the established contractual conditions and other assumptions used by the Group.

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8. Analysis of the cash flow related to the built infrastructure, as well as the corresponding legislation (Law 12,783/13 - RBSE), for the classification as a contract asset.

9. Analysis of the possible existence of onerous contracts; and

10. Evaluation of the disclosures made by management in the consolidated financial statements.

Based on the audit procedures carried out related to the measurement of the contractual assets of CTEEP, a subsidiary of Interconexión Eléctrica SAESP, and on the audit evidence obtained that supports our tests, I understand that the criteria for the measurement of the contract assets adopted by management, as well as the respective disclosures in notes 4, 5.8, 7 and 23 to the consolidated financial statements, are acceptable in the context of the consolidated financial statements for the year ended December 31, 2021 taken as a whole.

Responsibility of management and Those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the consolidated financial statements

My objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Auditing Standards accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Auditing Standards accepted in Colombia, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The consolidated financial statements for the year ended December 31, 2020, which are included for comparative purposes only, were audited by another statutory auditor who expressed an unqualified opinion on March 1, 2021.

MARTIN BERNARDO **CHOCONTÁ MELÉNDEZ**
Statutory auditor
P.C. 32517-T
Designated by Deloitte & Touche Ltda.

February 25, 2022.

Certification of consolidated financial statements and other relevant reports

Medellín, February 22, 2022

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, 2021 and 2020 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, 2021 and 2020 do not have inaccuracies, errors or omissions that prevent knowing the true financial condition or operations of ISA and its companies.

César Augusto Ramírez Rojas
Acting CEO

John Bayron Arango Vargas
Chief Accounting Officer
P.C. No. 34420 – T

Interconexión Eléctrica S.A. E.S.P.

Separate statements of financial position | As of December 31, 2021 and 2020

Amounts expressed in millions of Colombian pesos

	NOTE	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**545,837**	542,198
Trade receivables and other accounts receivables	8	**274,909**	164,887
Current tax assets	24.1	**71,331**	68,105
Non-financial assets	11	**19,436**	12,676
Total current assets		**911,513**	**787,866**
NON-CURRENT ASSETS			
Restricted cash	12	**13,120**	8,529
Trade receivables and other accounts receivables	8	**21,833**	205,554
Other financial assets	9	**13,807**	12,524
Non-financial assets	11	**800**	900
Investments in subsidiaries, associates, and joint ventures	13	**12,504,610**	11,435,299
Property, plant, and equipment	14	**7,407,001**	7,186,883
Investment property	15	**7,673**	7,761
Intangibles	16	**212,532**	156,725
Non-current tax assets	24.1	**679**	1,023
Total non-current assets		**20,182,055**	**19,015,198**
TOTAL ASSETS		**21,093,568**	**19,803,064**

Continue

	NOTE	2021	2020
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities	17	**158,139**	151,393
Current tax liabilities	24.5	**60,838**	62,985
Accounts payable	18	**183,099**	112,554
Employee benefits	21	**13,051**	14,041
Non-financial liabilities	22	**4,582**	2,659
Provisions	23	**1,004**	-
Total current liabilities		**420,713**	**343,632**
NON-CURRENT LIABILITIES			
Financial liabilities	17	**4,620,915**	4,670,715
Deferred tax liabilities	24.4	**1,051,569**	850,437
Accounts payable	18	**260,800**	341,282
Employee benefits	21	**201,185**	241,713
Non-financial liabilities	22	**129,420**	145,105
Provisions	23	**19,332**	10,007
Total non-current liabilities		**6,283,221**	**6,259,259**
TOTAL LIABILITIES		**6,703,934**	**6,602,891**

Continue

	NOTE	2021	2020
EQUITY			
Subscribed and paid-in capital	25.1	**36,916**	36,916
Additional paid-in capital	25.4	**1,428,128**	1,428,128
Reserves	25.6	**6,861,491**	6,241,845
Net profit for the year		**1,658,959**	2,062,950
Retained earnings		**3,236,320**	3,236,320
Other comprehensive income		**1,167,820**	194,014
Total shareholders' equity		**14,389,634**	**13,200,173**
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		**21,093,568**	**19,803,064**

The accompanying notes are an integral part of the financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

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

Martín Bernardo Chocontá Meléndez
Statutory Auditor
P.C. No. 32517–T
Designated by Deloitte & Touche Ltda.
(See my report of February 25, 2022, attached)

Interconexión Eléctrica S.A. E.S.P.

Separate statements of profit and loss and other comprehensive income | Years ended as of December 31, 2021 and 2020

Amounts expressed in millions of Colombian pesos, except for basic and diluted earnings per share, expressed in Colombian pesos

	NOTE	2021	2020
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Income from joint account agreement		**1,083,385**	975,322
Electric power transmission services		**285,016**	246,402
Connection charges		**2,614**	2,372
Construction services for infrastructure projects		**5,248**	6,533
Telecommunications		**209**	418
Other revenues		**8,862**	8,438
Total revenues from contracts with customers	**26**	**1,385,334**	**1,239,485**
Operating costs	27	**(284,050)**	(243,061)
Gross income		**1,101,284**	**996,424**
Administrative expenses	27	**(109,323)**	(98,382)
Other operating revenues	28	**6,567**	-
Equity method	29	**1,348,570**	1,621,538
Other revenues (expenses)	29	**3,516**	(5,866)
Operating income		**2,350,614**	**2,513,714**
Financial results	30	**(330,523)**	(296,835)
Profit before taxes		**2,020,091**	**2,216,879**
Income tax expense	24.2	**(361,132)**	(153,929)
NET PROFIT FOR THE YEAR		**1,658,959**	**2,062,950**
Basic and diluted earnings per share		**1,497,69**	1,862,41

Continue

	NOTE	2021	2020
OTHER COMPREHENSIVE INCOME, NET OF TAXES			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Remeasurement gains (losses) from defined benefit plans		**35,624**	(51,194)
		35,624	**(51,194)**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Unrealized gains (losses) from cash-flow hedges		**210,294**	(125,368)
Unrealized losses on net investment hedges in foreign operations		**(3,851)**	-
Foreign currency translation gains (losses)		**731,739**	(409,347)
		938,182	**(534,715)**
OTHER COMPREHENSIVE INCOME, NET OF TAXES		**973,806**	**(585,909)**
COMPREHENSIVE INCOME FOR THE YEAR		**2,632,765**	**1,477,041**

The accompanying notes are an integral part of the financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

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

Martín Bernardo Chocontá Meléndez
Statutory Auditor
P.C. No. 32517–T
Designated by Deloitte & Touche Ltda.
(See my report of February 25, 2022, attached)

Interconexión Eléctrica S.A. E.S.P.

Separate statements of changes in shareholders' equity | Years ended as of December 31, 2021 and 2020

Amounts expressed in millions of Colombian pesos, except ordinary dividends per share expressed in Colombian pesos.

			Reserves							
	Subscribed and paid-in capital	Additional paid-in capital	Legal	By tax regulation	For equity strengthening	For rehabilitation and replacement of STN assets	Total reserves	Retained earnings and net profit for the year	Other comprehensive income	Total Equity
Balance as of December 31, 2019	**36,916**	**1,428,128**	**18,458**	**898,802**	**4,391,329**	**37,434**	**5,346,023**	**4,879,825**	**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)**
Other comprehensive income	-	-	-	-	-	-	-	-	(585,909)	**(585,909)**
Net profit for the year	-	-	-	-	-	-	-	2,062,950	-	**2,062,950**
Balance as of December 31, 2020	**36,916**	**1,428,128**	**18,458**	**898,802**	**5,287,151**	**37,434**	**6,241,845**	**5,299,270**	**194,014**	**13,200,173**
Transfers approved by the General Shareholders' Meeting	-	-	-	-	619,646	-	619,646	(619,646)	-	**-**
Ordinary and extraordinary dividends at COP 744 and COP 559 per share, respectively, settled on 1.107.677.894 outstanding shares	-	-	-	-	-	-	-	(1,443,304)	-	**(1,443,304)**
Other comprehensive income	-	-	-	-	-	-	-	-	973,806	**973,806**
Net profit for the year	-	-	-	-	-	-	-	1,658,959	-	**1,658,959**
Balance as of December 31, 2021	**36,916**	**1,428,128**	**18,458**	**898,802**	**5,906,797**	**37,434**	**6,861,491**	**4,895,279**	**1,167,820**	**14,389,634**

The accompanying notes are an integral part of the financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

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

Martín Bernardo Chocontá Meléndez
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Designated by Deloitte & Touche Ltda.
(See my report of February 25, 2022, attached)

Interconexión Eléctrica S.A. E.S.P.

SEPARATE STATEMENTS OF CASH FLOW | Years ended as of December 31, 2021 and 2020 | Amounts expressed in millions of Colombian pesos

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from contracts held for intermediation or to trade	**1,073,477**	976,941
Collections from sales of goods and services	**299,241**	249,091
Other collections (payments) from operating activities	**11,834**	4,046
Payments on behalf of employees	**(93,264)**	(80,435)
Payments to suppliers for the provision of goods and services	**(91,778)**	(41,099)
Other payments for operating activities	**(3,056)**	(6,190)
Net cash flows from operating activities	**1,196,454**	**1,102,354**
Interest received	**18,932**	22,871
Income tax paid	**(171,501)**	(171,040)
Interests paid, classified as operating activities	**(14)**	(590)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**1,043,871**	**953,595**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Dividends received	**1,121,349**	741,823
Collections from the reimbursement of advances and loans granted to third parties	**204,169**	381,011
Interest received	**9,946**	5,219
Amounts from the sale of property, plant, and equipment	**126**	238
Amounts from the sale of intangible assets	**49**	250
Purchase of property, plant, and equipment	**(418,732)**	(701,539)
Purchase of intangible assets	**(55,200)**	(1,926)
Other payments to acquire stake in joint ventures	**(18,192)**	-
Other cash inflows (outflows)	**(5,660)**	8,267
Cash advances and loans granted to third parties	**-**	(453,973)
NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES	**837,855**	**(20,630)**

Continue

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts from loans and bonds issuance	**1,309,932**	599,998
Reimbursement of loans and bonds	**(1,404,996)**	(449,637)
Dividends paid	**(1,443,304)**	(747,683)
Interest paid	**(318,534)**	(333,842)
NET CASH USED IN FINANCING ACTIVITIES	**(1,856,902)**	**(931,164)**
Cash and cash equivalents, excluding exchange effect	**24,824**	**1,801**
Effects of exchange rate variation on cash and cash equivalents	**(21,185)**	(974)
Net cash and cash equivalents	**3,639**	**827**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**542,198**	**541,371**
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	**545,837**	**542,198**

The accompanying notes are an integral part of the financial statements.

César Augusto Ramírez Rojas
Acting CEO
(See certification attached)

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

Martín Bernardo Chocontá Meléndez
Statutory Auditor
P.C. No. 32517–T
Designated by Deloitte & Touche Ltda.
(See my report of February 25, 2022, attached)

Interconexión Eléctrica S.A. E.S.P.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS | As of December 31, 2021 and 2020

Amounts expressed in millions of Colombian pesos, excluding nominal value shares and earnings per share. Foreign currency expressed in original amounts

1. General information

Interconexión Eléctrica S.A. E.S.P. (hereinafter, ISA), with headquarters in Medellín, was incorporated as a joint stock company by public deed No. 3057, issued by the 8th Notary Office of the Notarial Circuit of Bogotá 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 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, South 12th Street # 18-168.

ISA is a utilities company listed on the Colombia Stock Exchange, with headquarters in Medellin, Republic of Colombia. ISA is part of Grupo Empresarial Ecopetrol, whose parent company is Ecopetrol S.A., with headquarters in Bogotá, Colombia.

The principal activities of ISA and its subsidiaries (collectively, "The Company") are:

- 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 in the stock exchange market, or any other modality provided by Law, allowing the investment of resources.
- Design, construction, operation, and maintenance of road infrastructure.
- The management of the ISA'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 Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, which are compiled and updated by Decree 938 of 2021, Decree 1432 of 2020 and previous decrees and other legal provisions in force and applicable to entities supervised and/or controlled by the Financial Superintendency of Colombia and the General Accounting Office of Colombia ("Contaduría General de la Nación"). The Accounting and Financial Reporting Standards accepted in Colombia are based on the International Financial Reporting Standards (IFRS), together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB), effective as of December 31, 2018.

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.

The accompanying separate financial statements have been prepared to comply with the statutory reporting requirements to which the Company is subject as an independent legal entity and, therefore, do not include the adjustments and eliminations necessary for the presentation of the consolidated financial position and results of the Company and its subsidiaries. These separate financial statements should be read in conjunction with the consolidated financial statements of the company and its subsidiaries.

The financial statements were approved and authorized for publication by the Board of Directors on February 22, 2022.

2.2 Basis of preparation

The financial statements, which are presented in millions of Colombian pesos, have been prepared on a historical cost basis, which is generally based on the fair value of the consideration given in exchange for goods and services, except for derivative finan-

cial instruments and assets acquired and liabilities assumed in business combinations which are measured at fair value. The company has prepared the financial statements on the basis that it will continue to operate as a going concern.

3. Adoption of international financial reporting standards (IFRS)

3.1 IFRS incorporated in Colombia and adopted at the date of preparation of the financial statements

3.1.1 Application of standards implemented in Colombia as of January 1, 2021

There are no standards issued by the IASB incorporated by Decree in Colombia that have been implemented since January 1, 2021.

3.1.2 Application of standards implemented in Colombia as of January 1, 2020

According to Decree 2270 of 2019, as of 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. The adoption of these standards and interpretations did not have a material impact on the financial statements.

3.1.2.1 IFRIC 23 - Uncertainty over income tax treatments

This interpretation clarifies how to apply the recognition and measurement requirements 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 an analysis of the practical application of IFRIC 23, which determines 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 relevant taxation authority 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 that is most likely to be accepted by the tax authorities.

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

3.1.2.2 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."

3.1.2.3 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 year. These 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.

3.1.2.4 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 of whether an acquired set of activities and assets is not a business.

3.1.2.5 Conceptual framework

It contains definitions of concepts related to:

- Measurement: including factors considered when selecting measurement basis.
- Presentation and disclosure: including when to classify revenues or expenses in other comprehensive income.
- Non-recognition: It includes 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.

3.1.2.6 Amendment to IFRS 16 Rent Reductions Related to COVID-19

By Decree 1432 of November 2020, this amendment was adopted which provides practical relief to lessees in accounting for leases occurring as a direct consequence of COVID-19 by introducing a practical expedient to IFRS 16. This expedient allows a lessee not to assess whether a COVID-19 related lease is a modification of a lease. A lessee making this election will account for any change in lease payments resulting from the COVID-19 related lease concession in the same manner as it would account for the change under IFRS 16 if it were not a lease modification. The company did not make use of the practical expedient proposed in the amendment.

3.2 IFRS issued by the IASB to be applied as of January 1, 2023

By means of Decree 938 of August 2021, the following standards or amendments issued by the IASB will begin to apply as of January 1, 2023:

3.2.1 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.

The company is assessing the potential effect of this standard on its financial statements.

3.2.2 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

The amendments are effective for annual periods beginning on or after January 1, 2023 and should be applied retroactively. The company is currently evaluating the impact of the amendments.

3.2.3 Amendment to IAS 16 - Property, plant, and equipment, proceeds before intended use

In May 2020, the IASB issued the amendment 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 the sale of the items produced while bringing that asset to the location and condition necessary for use as intended by management. Instead, the entity should recognize the proceeds from the sale of such items and the costs incurred in their production in profit or loss.

The amendment is effective for annual periods beginning on or after January 1, 2022, and should be applied retrospectively to items of property, plant and equipment that are available for use as of the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a significant impact on the company.

3.2.4 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.

The amendments are effective for annual periods beginning on or after January 1, 2022. The company must apply these amendments to contracts for which it has not yet fulfilled all of its obligations at the beginning of the annual period in which it applies the amendments for the first time.

3.2.5 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 September 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.

The amendments are effective for annual periods beginning on or after January 1, 2022 and are applied prospectively.

3.2.6 Annual amendments to IFRS standards 2018-2020

These include the modification of four standards:

- *Amendment to IFRS 1 - First-time adoption of IFRS*

The amendment allows subsidiaries that elect to apply paragraph D16 (a) of IFRS 1 to measure cumulative translation differences, (CTD) using the amounts reported by the controlling entity, based on the date of transition to IFRS of such entity. This amendment also applies to associates or joint ventures that choose to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual periods beginning on or after January 1, 2022, and early adoption is permitted.

- *Amendment to IFRS 9 - Financial Instruments: 10% Test for Derecognition of Financial Liabilities*

The amendment 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.

An entity applies the amendment prospectively to fair value measurements as of the beginning of the first annual reporting period beginning on or after January 1, 2022, with early adoption permitted. The amendments are not expected to have a significant impact on the company.

- *Amendment to IFRS 16 - Leases*

The amendments eliminate the reimbursement related to leasehold improvements. No start date has been set yet.

- *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.

An entity applies the amendment prospectively to fair value measurements as of the beginning of the first annual reporting period beginning on or after January 1, 2022, with early adoption permitted.

3.3 IFRS issued by the IASB and not implemented by decree in Colombia

Standards and interpretations that have been issued by the International Accounting Standards Board (IASB) but have not yet been implemented by decree in Colombia are disclosed below. The company will adopt these standards on the date they become effective, according to the decrees issued by the local authorities. The Company anticipates that the adoption of these IASB standards and interpretations, not yet effective in Colombia, will not have a material impact on the financial statements.

3.3.1 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 - Insurance Contracts, 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.

Its main objective is to provide an accounting model for insurance contracts that is more useful and reliable 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.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, and comparative figures are required. Earlier application is permitted, considering that the entity also applies IFRS 9 and IFRS 15 on or before the date on which it first applies IFRS 17.

3.3.2 Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies. The amendment replaces the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material when it is considered that, in conjunction with other information included in an entity's financial statements, it may influence the decision-making of the primary users of general-purpose financial statements.

The supporting paragraphs in IAS 1 are amended to clarify the disclosure of accounting policies that relate to immaterial transactions other events or conditions that are themselves material. To support these amendments, the IASB has developed guidance and examples to explain and demonstrate the application of the "4 steps of the materiality process" described in IFRS Practice Statement 2.

The amendments to IAS 1 will be effective for annual periods beginning on January 1, 2021, with an option for early application and are applied prospectively. The amendments to the IFRS Practice Statement 2 disclosures do not contain an effective date or transition requirements.

3.3.3 Amendments to IAS 8 - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was eliminated. However, the IASB retained the concept of changes in an accounting estimate in the standard with the following clarifications:

- A change in an accounting estimate is the result of new information obtained, new developments or more experience. By its very nature, a change in an accounting estimate is not related to prior periods nor is it a correction of an error.
- The effects on an accounting estimate of a change in an input or measurement technique are changes in accounting estimates unless they result from the correction of prior period errors.

The amendments will be effective for annual periods beginning on January 1, 2023, for changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period with an option for early application.

3.3.4 Amendments to IAS 12 -Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction

The amendments introduced an additional exception to the initial recognition exemption. In the amendments, an entity does not apply the initial recognition exception for transactions that give rise to taxable and deductible temporary differences.

Depending on the applicable tax law, taxable and deductible temporary differences may occur on initial recognition of an asset and a liability in a transaction that is not a business combination and does not affect accounting and taxable income.

Following the amendments to IAS 12, an entity is required to recognize deferred tax assets and liabilities, with the recognition of any deferred tax assets being subject to the recoverability criterion.

The amendments apply to transactions occurring on or after the earliest comparative period presented. Additionally, at the beginning of the first comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable income is available against the deductible temporary difference) and a deferred tax liability for all taxable and temporary deductions associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration, and similar liabilities corresponding to amounts recognized as part of asset-related costs
- The cumulative effect at the beginning of the application of the amendments as an adjustment to the opening balances of retained earnings (or some other component of equity, as appropriate) as of that date.

The amendments will be effective for annual periods beginning on January 1, 2023, with an option for early application.

3.3.5 Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 deal with situations in which there is a sale or contribution of assets between an investor and its associate or joint venture.

Specifically, the amendments establish that the gain or loss resulting from the loss of control of a subsidiary that does not have a business, in a transaction with an associate or a joint venture accounted for by the equity method, is recognized in the financial statements of the controlling entity only to the extent of the unrelated investors interests in that associate or joint venture.

Similarly, the gain or loss on the remeasurement to fair value of the retained investment in the former subsidiary (which has become an associate or joint venture accounted for by the equity method) is recognized in the financial statements of the controlling entity only to the extent of the unrelated investors' interest in the new associate or joint venture.

IASB has not yet established the effective date of application of the amendments; however, early application is permitted.

4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements based on the Accounting and Financial Reporting Standards accepted in Colombia requires that management use judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures in the notes to the financial statements, which include contingent liabilities. Uncertainty about these judgments and estimates could result in material adjustments to the carrying amounts of assets or liabilities in future periods. Management expects that variations, if any, would have no significant effect on the financial statements.

Whether the information is material 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. Actual results may differ from these estimates but are adjusted once they are known.

In applying the Company's accounting policies, management has exercised the following judgments, which have the most significant effects on the amounts recognized in the financial statements:

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 the identification of an asset's CGU on the basis of independent cash inflows generated by the asset.

Impairment of non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount, which is the highest between its fair value less disposal costs and its value in use. The calculation of fair value less costs to sell is based on available data from binding arm's length sales transactions for similar assets or observable market prices, less incremental costs to sell the asset. The value in use calculation is based on a discounted cash flow (DCF) model and projections of expected future cash flows, which do not include restructuring activities to which the company has not yet committed or significant future investments that will improve the performance of the assets being tested. The recoverable amount is sensitive to the discount rate used for the DCF model, as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are more relevant for goodwill and other intangibles with indefinite useful lives recognized by the Company.

Estimation of assets and liabilities at fair value in a business combination

At the acquisition date, the Company estimated the fair value of the assets acquired and liabilities assumed based on the requirements of IFRS 3. The fair value of non-financial assets included in a business combination is determined by reference to the expected

cash flows that the asset will generate based on assumptions consistent with or available to other market participants.

Useful lives and residual values of property, plant, and equipment

The estimation of useful lives and residual values of property, plant, and equipment components involves judgments and assumptions that could be affected if circumstances change. The Company reviews these assumptions annually and adjusts them prospectively if any adjustments are identified.

Provision for legal and administrative proceedings

The company is subject to claims related to regulatory and arbitration proceedings, tax assessments and other claims arising in the normal course of business. Management evaluates these claims based on their nature, the likelihood that they will materialize, and the amounts involved, in order to decide on the amounts recognized and/or disclosed in the financial statements.

This analysis, which may require considerable judgment, includes the evaluation of ongoing legal proceedings against the company and claims not yet initiated. A provision is recognized when the Company has a present obligation arising from a past event, it is probable that an outflow of resources or economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Recovery of deferred tax assets

The used of professional judgment is required to determine whether deferred tax assets should be recognized in the statement of financial position. The recognition of deferred tax assets requires management to assess the likelihood that the enterprise will generate taxable revenues in future periods. 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 differ significantly from estimates, there could be an impact on the company's ability to realize the deferred tax assets recognized in the statement of financial position.

In addition, future changes in tax laws could limit the company's ability to obtain tax deductions in future periods. Any difference between estimates and subsequent actual disbursements is recorded in the year in which it occurs.

Employee benefits

The present value of defined benefit pension plans and other post-employment and long-term medical 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 the underlying hypotheses, the calculation of the defined benefit obligation is highly sensitive to changes in these hypotheses. The company updates these estimates annually, at each closing date.

The mortality rate is based on the country's public mortality rates. The future salary and pension increases are based on expected inflation rates.

5. Summary of significant accounting policies

The accounting policies have been applied consistently by all subsidiaries, joint ventures, and associates of the Company for all periods presented in the financial statements.

5.1 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.

Transactions in foreign currencies are initially recorded at the spot exchange rates at the transaction dates. Monetary items denominated in foreign currencies are translated at the exchange rates in effect at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in financial results, net, except for those arising from cash flow hedges, which are recognized in other comprehensive income in equity. When the hedged item affects financial results, the exchange differences accumulated in equity are reclassified to profit or loss as part of financial results.

Non-monetary foreign currency items measured at fair value are translated using the exchange rates in effect at the date the fair value is determined. The gain or loss arising from the translation of non-monetary items measured at fair value is accounted for in the same manner as the gain or loss from the change in the fair value of the item.

5.2 Classification of balances as current and non-current

The Company presents its current and non-current assets and current and non-current liabilities as separate categories in its statement of financial position.

The company classifies an asset as current when:

- It expects to realize the asset or intends to sell or consume it in its normal operating cycle.
- The asset is held primarily for trading purposes.
- It expects to realize the asset within twelve months after the reporting period, or
- The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted and cannot be exchanged or used to settle a liability for at least twelve months after the reporting period.

The company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle.
- The liability is held primarily for trading purposes.
- The liability must be settled within twelve months after the date of the reporting period, or
- does not have an unconditional right to defer settlement of the liability for at least twelve months following the date of the reporting period.

The Company classifies all other assets and liabilities as non-current.

5.3 Investments in subsidiaries, associates, and joint ventures

Subsidiaries are entities —including structured entities—, over which the parent company exerts direct or indirect control.

ISA classifies as joint ventures those investments in which it exercises joint control with one or more parties by virtue of a contractual agreement, which grants it rights over the net assets of the business and which exists only when decisions on the relevant activities of the business require unanimity, and classifies as associates those investments, other than subsidiaries, in which it has the power to exert significant influence over financial and operating policy decisions.

The considerations made to determine significant influence or joint control are similar to those required to determine control over subsidiaries. ISA's investment in its subsidiaries, associates and joint ventures is accounted for using the equity method.

Under the equity method, an investment in a subsidiary, associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's interest in the net assets of the subsidiary, associate, or joint venture from the date of acquisition. Goodwill related to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The income statement reflects ISA's participation in the results of operations of the subsidiary, associate, or joint venture. Any changes in the OCI of these investees are presented as part of the company's OCI. In addition, when there has been a change recognized directly in the equity of the subsidiary, associate or joint venture, ISA recognizes its share of any change, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between ISA and the subsidiary, associate or joint venture are eliminated to the extent of the interest in the subsidiary, associate, or joint venture.

The accounting policies of subsidiaries, associates and joint ventures are applied in a uniform manner with those of ISA, in order to ensure comparability in ISA's financial information and for the proper application of the equity method.

After applying the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in the subsidiary, associate, or joint venture. At each reporting date, ISA determines whether there is objective evidence that the investment in the subsidiary, associate or joint venture is impaired. If such evidence exists, ISA calculates the amount of impairment as the difference between the recoverable amount of the subsidiary, associate, or joint venture and its carrying amount, and then recognizes the loss within "Share of the profit or loss of associates and joint ventures" in the statement of profit or loss.

In the event of loss of significant influence over the associate or joint control over the joint venture, ISA measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate or joint venture for loss of significant influence or joint control and the fair value of the retained investment and the proceeds from disposal is recognized in profit or loss.

5.4 Property, plant, and equipment

Property, plant, and equipment is recognized by significant components and measured at acquisition or construction cost, less depreciation and accumulated impairment losses, if any. Cost also includes:

- Import duties and non-recoverable indirect taxes associated with the acquisition, after deducting any discounts or rebates.
- All costs directly related to placing the asset in the place and under the conditions necessary for it to operate in the manner intended by management.
- Borrowing costs attributable to the construction of a qualifying asset, which is an asset that requires a substantial period of time before it is ready for use or sale and from which future benefits are expected to be obtained.
- The initial estimate of the costs of dismantling, removal or rehabilitation of the areas affected by the construction of the company's assets.

Expenditures for maintenance, upkeep and repair of these assets are recorded in profit or loss as a cost for the period in which they are incurred.

Additions and costs of expansion, modernization or improvements are capitalized as an increase in the value of the asset, considering that they increase its useful life, expand its productive capacity and operating efficiency, improve the quality of services, or allow for a significant reduction in costs.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets. Lands are not depreciated as they have an indefinite useful life. Every year, the Company reviews the residual value, the depreciation method and remaining useful lives of assets, and accounts for any changes prospectively. The useful life in years by class of property, plant and equipment is as follows:

Type of asset / Asset component	Useful life
Transmission lines	63 years
Buildings	100 years
Fiber optics	25 years
Machinery and equipment	15 years
Telecommunications equipment	15 years
Furniture, office equipment, laboratory equipment	10 years
Communications equipment	10 years
Transportation, traction, and lifting equipment	10 years
Supervision and Maneuvers Center Equipment (CSM)	6 years
Computer equipment and accessories	5 years
SUBSTATION COMPONENTS	
Battery bank	15 years
Charger	15 years
SAS components	15 years
Condensers	25 years
SVC Condensers	25 years
Compensation control - series	15 years
SVC control	15 years

Type of asset / Asset component	Useful life
Converter	15 years
CT (Current Transformer)	39 years
Switch	40 years
Inverter	15 years
Lines –Grounding grid for S/E's	63 years
Lightning arresters	30 years
Diesel station	30 years
Telephone station	15 years
Power line carrier (PLC)	15 years
PT (Power Transformer)	39 years
Reactor	32 years
SVC reactors	30 years
Fault recorder	15 years
Protection relays	15 years
RTU (Remote Terminal Unit)	15 years
Fire Protection System (FPS)	20 years
Isolator	40 years
Sensors (Discharge Information System)	15 years
Mobile sub	25 years
Teleprotection	15 years
Power transformer	40 years
SVC thyristors valve	18 years
Voltage quality (VQ)	15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal value and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Property, plant and equipment also includes assets acquired for environmental and safety purposes, major spare parts and permanent maintenance equipment that ISA expects to use for more than one year and property, plant and equipment under construction and assembly for administration, production, supply or undefined purposes; such assets are classified in the appropriate categories of property, plant and equipment when they are ready for their intended use, and depreciation begins when they are in the location and condition necessary to operate as intended.

Interest costs directly related to the acquisition or construction of property, plant and equipment that require a substantial period to get ready for their intended use are capitalized as part of the cost of such asset when it is probable that future economic benefits associated with the item will flow to the company and the costs can be measured reliably. Other interest costs are recognized in financial results as financial expenses. Projects that have been suspended, but which the company intends to continue to develop in the future, are not considered qualifying assets for interest cost capitalization purposes.

The company measures interest costs depending on whether they arise from specific loans (those taken for the exclusive purpose of building a qualifying asset) or from ge-

neric loans. This interest on earmarked loans is capitalized directly to the cost of the asset less any return earned on the temporary investment of the funds, considering that activities to prepare the asset for use have commenced. Interest on generic loans is determined based on a weighted average capitalization rate of generic loans outstanding during the period, excluding specific loans.

ISA derecognizes an item of property, plant, and equipment upon disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the derecognition of property, plant and equipment is determined as the difference between the selling price, net of any costs directly related to the sale and the carrying amount of the asset and is recognized in the income statement.

ISA includes right-of-use assets arising from lease contracts when it acts as lessee, in accordance with IFRS 16 in the property, plant and equipment line. Refer to 3.11 - Leases, for information on leasing policies.

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 significant 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.

5.5 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 an undetermined 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 years

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.

5.6 Other non-financial assets

They include advances paid to third party service providers for the purchase of information technology services, which are amortized over the periods in which the company receives the services. Prepaid expenses mainly include insurance premiums, which are recognized in income on a straight-line basis over the contractual term.

5.7 Intangible assets

The Company recognizes an intangible asset when it is identifiable and separable, the item generates future economic benefits, and the Company has the ability to control these benefits. Intangible assets are recognized at acquisition or development cost, less amortization and accumulated impairment losses, if applicable. An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal value and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Amortization of intangible assets is calculated using the straight-line method over the useful life of the asset. Easements have an indefinite useful life and are not amortized. Every year, the Company reviews the residual value, the depreciation method and remaining useful lives of assets, and accounts for any changes prospectively. The useful lives of intangible assets are as follows:

Easements

Easements are rights obtained for the use of a strip of land for the installation of a transmission line. This involves restrictions on the use of the land by the landowner and authorizations to the company to construct, operate or maintain the transmission lines. These intangible assets are permanent rights with an indefinite term of use; although the transmission lines to which these easements relate have a limited useful life, the rights do not expire, and the Company may replace the transmission lines at the end of their useful life or make use of these rights for any other service related to electric power

transmission and telecommunications. Easements have an indefinite useful life; therefore, they are not amortized and are reviewed for impairment annually.

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 over the periods in which benefits are expected to be received, based on recovery feasibility studies.

Research and development disbursements

Disbursements for project studies and research are recorded as expenses when incurred. The company recognizes internally generated intangibles in its development phase when it meets the following criteria: (i) it is technically feasible to complete the development of the asset so that it can be available for use or sale, (ii) the company has the intention to complete the asset and the ability to use or sell it, (iii) it is considered probable that the asset will generate future economic benefits, (iv) the company has the technical, financial or other resources to complete its development and (v) the cost of the asset can be measured reliably. The Company measures these assets at cost, which is the aggregate of expenditures incurred from the time the asset meets the above conditions until it is available for use, less accumulated depreciation, and impairment losses. Development expenditures incurred prior to the fulfillment of the conditions are recognized in retained earnings in the period in which they are incurred.

The company derecognizes an intangible asset upon disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the derecognition of the intangible asset is determined as the difference between the selling price, net of any costs directly related to the sale, and the carrying amount of the asset, and is recognized in the income statement.

5.8 Impairment of assets

5.8.1 Non-financial assets

The Company assesses at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists or when a mandatory annual impairment test is required, the Company estimates the recoverable amount of such asset. The recoverable amount is the highest of its fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those of other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognized in profit or loss.

When an impairment loss is recorded, future amortization expense is calculated on the adjusted carrying value of the asset or CGU. Impairment losses may be recovered only if the reversal is related to a change in estimates used after the impairment loss was recognized in prior periods. These recoveries do not exceed the carrying value of the assets, net of depreciation or amortization that would have been determined if such impairment not been recognized.

5.8.2 Investments and goodwill

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 to obtain impairment losses through the equity method. If this is N. A., 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.

5.9 Leases

At the beginning of a contract, the company evaluates whether it is or contains a lease. This situation arises if the contract transfers the right to control the use of an identified asset for a period in exchange for consideration.

To assess whether a contract conveys the right to control an identified asset, the company applies IFRS 16.

The company as lessee

At the lease commencement date, the Company recognizes lease liabilities that represent its obligation to make lease payments and right-of-use assets that represent the right to use the underlying asset during the lease term. The lease term is the non-cancelable period of the lease plus any period covered by extension options, considering that the Company is certain to exercise them. The Company elected to use the recognition exemptions for leases that, at the inception date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases) and leases for which the underlying asset is of low value (low-value assets). The Company recognizes these leases of low-value, short-term assets as a lease expense on a straight-line basis over the term of the agreement.

The Company recognizes right-of-use assets on the lease commencement date (i.e., the date on which the underlying asset is available for use) as part of property, plant, and equipment. Right-of-use assets are initially measured at cost, which includes the initial

measurement of the lease liability, lease payments made on or before the commencement date, less lease incentives received, initial direct costs incurred and, where applicable, an estimate of the costs to be incurred to dismantle and remove the asset or restore the site on which the asset is located to the condition required by the terms of the lease. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation, and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are amortized on a straight-line basis over the lease term. Right-of-use assets are subject to impairment assessments.

At the lease inception date, The Company recognizes lease liabilities at the present value of the lease payments to be made during the lease term, which include fixed payments less any incentive receivable, variable payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Variable payments that do not depend on an index or rate are recognized as expenses in the period in which an event or condition indicates that the payment will occur.

To calculate the present value of the lease payments, the Company uses the incremental borrowing rate on the lease commencement date. After this date, the value of lease liabilities is increased to reflect the accrual of interest, reduced by lease payments made and remeasured when events occur such as: a) changes in the lease term, b) changes in lease payments, and c) a change in the valuation of an option to purchase the underlying asset. The value of the remeasurement of the obligation is recognized as an adjustment to the right-of-use asset.

Interest expense on the lease liability and depreciation expense on the right-of-use asset, which is determined by the straight-line method over the term of the lease, are recognized separately in the income statement.

The company as lessor

Leases in which the company does not transfer substantially all the risks and benefits inherent to ownership of an asset are classified as operating leases. Lease income is recognized in the income statement on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are included in the carrying amount of the leased asset and are recorded in profit or loss on a straight-line basis over the lease term.

Leases in which the company transfers substantially all the risks and benefits inherent to ownership of an asset are classified as finance leases. The Company recognizes in its financial statements lease payments as a receivable, at a value equal to the net investment in the lease. The net investment is the sum of the payments to be received by the company and any unguaranteed residual value accruing to the company, 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 reduce the value of revenue recognized over the contract term.

Subsequently, the company recognizes financial revenues over the term of the contract, applying a rate that reflects a constant rate of return on the net financial investment, and reduces the lease payments from the gross investment. The account receivable is subject to impairment assessment in accordance with IFRS 9.

5.10 Financial assets and liabilities

Financial assets

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial assets and the business model used by the company to manage them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15.

The Company classifies its financial assets in the following categories:

a) Financial assets measured at fair value through profit or loss: Financial assets are held for trading and/or are designated on initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the short term. These instruments are measured at fair value and changes in fair value are recognized in profit or loss.

b) Financial assets at amortized cost: This is the most relevant category for the company. The Company's financial assets at amortized cost include trade accounts receivable, other accounts receivable, loans to associates and loans to employees.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. Loans and receivables, including trade and other receivables, are measured initially at fair value and then at amortized cost using the effective interest rate method, minus impairment.

Loans to employees are initially recorded using the present value of future cash flows, discounted at the current market rate for similar loans. If the interest rate is lower than the current market rate, the fair value will be less than the amount of the loan. This difference is recorded as an employee benefit.

The company measures financial assets at amortized cost if the following two conditions are met:

- The asset is managed within a business model that has the objective of holding financial assets to collect contractual cash flows, and
- The contractual terms of the asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment testing. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it has transferred its rights to receive those cash flows or has assumed an obligation to pay the cash flows received in full to a third party

and (a) has transferred substantially all the risks and benefits inherent to ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and benefits of ownership of the asset, but has transferred control of the asset. When the company neither transfers nor retains all the risks and benefits or transfers control, the company continues to recognize the transferred asset, to the extent of its continuing involvement, and also recognizes the associated liability.

c) Financial assets at fair value through other comprehensive income: They include investments in variable income that are not held for trading purposes and that the Company irrevocably designates to be measured at fair value through other comprehensive income. Gains and losses arising from changes in fair value are recognized in other comprehensive income until the investment is derecognized.

Impairment of financial assets

The Company measures expected credit losses on their trade receivables on a collective basis by applying the simplified IFRS 9 model, which establishes that an allowance for expected credit losses is recognized for possible events of default during the life of the financial instrument. The Company updates the value of losses on each balance sheet date to reflect changes in credit risk since initial recognition, and in the calculation considers variables such as the historical payment behavior of the obligations, the geographical location of the debtor and the guarantees that the counterparty has presented to cover any default on its obligations. Generally, the expected loss can be expressed as follows:

		÷		$		÷
Expected loss	=	Probability of default	×	Exposure at default	×	Loss given default

Where:

- Probability of default: It is the probability that in a twelve (12) month period the debtors of a given obligation or portfolio will default.
- Exposure at default: The exposure at default of the asset is the current balance of principal, interest, and other accounts receivables.
- Loss given default (LGD): This is the economic impairment that the company would incur in the event that 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.

The Company considers an event of default to have occurred when the debtor breaches financial covenants or when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and benefits of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and benefits of ownership and continues to control the transferred asset, the company recognizes its retained interest

in the asset and an associated liability for the amounts payable. If the company retains substantially all the risks and benefits of ownership of a transferred financial asset, the entity continues to recognize the financial asset and also recognizes a loan secured by the revenues received.

On derecognition of a financial asset measured at amortized cost, the difference between the carrying value of the asset and the sum of the consideration received and receivable is recognized in profit or loss. In addition, upon derecognition of an investment in a debt instrument classified at fair value through other comprehensive income, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument designated at fair value through other comprehensive income, the cumulative gain or loss in other comprehensive income is not reclassified to profit or loss but transferred to retained earnings.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and temporary investments with original maturities of less than 90 days, considering that are subject to a significant risk of changes in value. Bank overdrafts that are payable on demand and are an integral part of the Company's cash management are presented as part of cash and cash equivalents in the cash flow statement and as financial obligations in the statement of financial position.

The Company separately presents cash that is restricted for specific and previously determined purposes, such as payment of debt, acquisition of capital assets or to be used in case of emergency and/or unforeseen losses and, therefore, has certain limitations to its availability, whether legal or contractual, and which cannot be freely used to cover financial commitments resulting from the Company's normal activities.

Financial liabilities

Financial liabilities include financing obtained by the company through bank lines of credit and bonds and accounts payable to suppliers.

The Company initially recognizes bonds and financial obligations at fair value (amount of cash received), net of directly attributable transaction costs. After initial recognition, interest-bearing financial obligations and bonds are measured at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on the issue and attributable direct costs. Interest, calculated by the effective interest method, is recognized as a financial expense in profit or loss. Accounts payable to suppliers are short-term financial liabilities recorded at nominal value since they do not differ significantly from their fair value.

The Company derecognizes a financial liability when the obligation specified in the contract is settled, cancelled, or when it matures. When an existing financial liability has been replaced by another from the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, such modification is accounted for by derecognizing the original liability and recognizing the new liability. The difference between the corresponding values is recognized in the income statement.

The Company has no financial liabilities at fair value through profit or loss, except for financial derivatives.

Derivative financial instruments and hedge accounting

The Company initially recognizes financial derivatives at fair value on the date a derivative contract is entered into and subsequently remeasures them at fair value. Changes in the fair value of derivatives, which do not qualify or are not designated hedge accounting, are recorded in profit or loss. Changes in the fair value of derivatives under hedge accounting are recognized as gains or losses in the income statement, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and then reclassified to income when the hedged item affects the gain or loss, and the fair value of derivatives used as hedging instruments of a net foreign investment which is recognized in other comprehensive income and then reclassified to income upon disposal of the foreign operation.

Embedded derivatives in the host contract are accounted for as separate derivatives at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with their changes recognized in profit and loss.

At the inception of the hedge, the company documents the hedging relationship, the objective and strategy of its hedge risk management, including how it 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. 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. For hedge accounting purposes, hedges are classified as follows:

Fair value hedges: Hedges of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, which is attributable to a particular risk and could affect profit or loss.

The Company recognizes changes in the fair value of derivatives under this type of hedge in the income statement, in the same line of the income statement where the Company recognizes changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges: Hedges of the exposure to variability in cash flows attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction that could affect results.

The Company recognizes the effective portion of changes in the fair value of the derivative in other comprehensive income and any ineffective portion immediately in the income statement, in the line "other gains and losses". Amounts accumulated in other comprehensive income are reclassified to profit or loss when the hedged transaction affects profit or loss; however, if the hedged transaction results in the recognition of a

non-financial item, the value accumulated in equity is reclassified as part of the carrying value of the hedged asset or liability.

If the hedging instrument expires or is sold, cancelled, or exercised without replacement or refinancing, or if its designation as a hedge is revoked or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognized in other comprehensive income remains in equity until the forecast transaction occurs, at which time it is reclassified to profit or loss. When the forecast transaction initially hedged is no longer expected to occur, the amounts of other comprehensive income are immediately reclassified to profit or loss.

Hedges of net investments in foreign businesses: These hedges, including that of a monetary item that is accounted for as part of net investment, are accounted for in a manner similar to cash flow hedges.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On the disposal of a foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges.

Offsetting of financial assets and liabilities

The company offsets its financial assets and liabilities in the statement of financial position only if the following two criteria are met: (i) there exists, at the current time, a legally enforceable right to offset the recognized securities, and (ii) the company intends to settle the securities on a net basis, or to realize the asset and settle the liability simultaneously.

5.11 Fair value measurement

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the primary market, i.e., the market with the highest volume and level of activity for the asset or liability. In the absence of a primary market, it is assumed that the transaction is carried out in the most advantageous market to which the company has access, that is, the one that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.

In determining fair value, the Company uses valuation techniques that are appropriate in the circumstances and for which there is sufficient data to make the measurement, maximizing the use of 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level II: Valuation techniques for which 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 variables estimated by the company that are not observable for the asset or liability (there is no observable market information).

The company, when measuring fair value, takes into account the characteristics of the asset or liability, in particular:

- For non-financial assets, a fair value measurement takes into account the market participant's ability to generate economic benefits by using the asset for its highest and best use or by selling it to another market participant that would use it for its highest and best use.
- 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 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.

5.12 Non-current assets held for sale and disposal groups

The Company measures non-current assets (and disposal groups) classified as held for sale at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying value will be recovered through sale rather than through continuing use. This condition is considered met only when the sale is highly probable and the asset (or group of assets) is available for immediate sale in its present condition and management is committed to the sale, which must be completed no later than one year from the date of classification of the asset as held for sale.

When the company is committed to a sale plan that involves the loss of control in a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the company will retain a non-controlling interest in its former subsidiary after the sale.

When the company is committed to a sale plan that involves the disposal of an investment (or a portion of an investment) in an associate or joint venture, the company discontinues the use of the equity method for the investment or the portion of the investment that it classifies as held for sale. Any retained interest of an investment in an associate or a joint venture that has not been classified as held for sale continues to be recognized through the equity method.

5.13 Provisions

The Company recognizes provisions when it has a present legal or implicit obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the obligation amount. The Company measures its provisions by the best estimate of the disbursement required to settle the present obligation at the end of the reporting period, taking into account the related 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).

The Company recognizes as a provision the present obligations arising from an onerous contract when the unavoidable costs of meeting the obligations of the contract exceed the economic benefits expected to be received under it. On the date of the statement of financial position, the company has no provisions for onerous contracts.

Certain contingent conditions that 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, may exist at the date of issuance of the financial statements. The company, together with its legal advisors, estimates the value of these contingencies. This estimate is a key management judgment and is a matter of opinion.

The Company recognizes in the statement of financial position contingencies for which a material loss is probable, and its value can be reliably estimated. When the assessment indicates that a potential loss is not probable and its value is known or it is probable, but the value of the loss cannot be estimated, the company discloses the contingency in the notes to the financial statements. Loss contingencies estimated as remote are not disclosed.

5.14 Income tax

The income tax expense for the period includes current and deferred income tax. Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, and income tax expense is recognized in profit or loss, except when it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or other comprehensive income or when it arises from the initial recognition of a business combination.

The tax rates and tax laws used to calculate taxable values are those enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income.

The current tax payable is based on taxable income for the period. Taxable income differs from income before income tax in the income statement due to permanent differences related to items of income or expense that are not taxable or deductible and temporary differences related to items of income or expense that are taxable or deductible in future periods. Current tax liabilities are calculated using tax rates in effect at the end of the period. The company periodically evaluates positions taken in tax returns with respect to situations where tax laws are subject to interpretation and, where appropriate, recognizes provisions for amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities included in the statement of financial position and the corresponding tax bases used to determine taxable income. Deferred tax assets are recognized for all deductible temporary differences, including tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and unused tax credits and tax losses can be recovered.

The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces their carrying amount when it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax related to items recorded directly in equity is recognized in equity.

The Company offsets deferred tax assets and liabilities if it has a legally enforceable right to offset current tax assets and liabilities, the deferred tax assets and liabilities are reported to the same tax authority for the same taxable entity, and it intends to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

5.15 Employee benefits

Employee benefits include all compensations to employees and former employees related to the rendering of services to the Company and are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

The Company recognizes short-term employee benefits when it has a legal or implicit obligation to pay as a result of past service rendered by the employee and when the obligation can be reliably estimated. The obligation is measured at the amount expected to be paid within one year from the measurement date and is recognized as an expense as the employee renders the service. At the end of each accounting period, the company adjusts the liability value based on the legal provisions and labor agreements in force.

The company grants its employees long-term benefits associated with their time of service, such as seniority premiums and five-year bonuses. Annually, the Company measures long-term employee benefits using the projected unit credit method, with independent actuarial valuations. Any actuarial gain or loss is recognized in income. When applicable, the fair value of plan assets is deducted from the present value of the long-term benefit obligation.

The Company classifies post-employment benefits into defined contribution plans and defined benefit 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.

Annually, the Company measures the defined benefit plans, the obligation, and the cost of such benefits by the projected unit credit method, with independent actuarial valuations. The Company measures defined benefit plan liabilities at the present obligation value at the statement of financial position date less the fair value of plan assets. The present obligation value is determined by discounting the estimated cash flows with

interest rates calculated from the yield curve of Colombian Government bonds (TES B curve), denominated in Real Value Units (UVR), which have terms that approximate those of the pension obligation until maturity.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in income unless the changes in the pension plan are conditional upon the employee's continued service for a specified period. In this case, the past service costs are amortized by the straight-line method during the period that grants the right.

Annually, the Company measures employee termination benefits, which are essentially postemployment benefits, using the projected unit credit method, with actuarial valuations performed. The remeasurement, which includes actuarial gains and losses, is recognized in other comprehensive income in the period in which it occurs. The remaining termination benefits are recognized as an expense in the period in which they are incurred.

5.16 Revenue recognition

The Company records its revenues on an accrual basis and recognizes revenues from ordinary activities for the transfer of goods or services to customers in exchange for a value that reflects the consideration it expects to receive for those goods or services. Revenue is recognized only when all of 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 Company applies the following criteria for revenue recognition:

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 work progress 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

The Company recognizes dividend income from investments in financial instruments when it obtains the right to receive payment, considering that it is probable that the payment will be received and the income can be reliably measured, in profit or loss, in the line-item financial income, net.

The Company recognizes interest income when it is probable that the economic benefits associated with the transaction will flow to the Company. Interest income is recognized on an accrual basis, by reference to the principal outstanding and the applicable effective interest rate, which is the discount rate that exactly matches the estimated cash flows receivable over the expected life of the financial instrument to the net carrying amount of the financial asset on initial recognition.

The Company records its costs and expenses at historical cost and recognizes them as incurred, regardless of the date on which payment is made and in the period in which they become known.

5.17 Operating costs and expenses

To record operating or production costs —type 7— and sales costs —type 6—, during 2020 and 2019, the company 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.

5.18 Income per basic and diluted share

The company calculates basic earnings per share by dividing the earnings attributable to ISA's controlling shareholders by the weighted average number of common shares outstanding during the year, which excludes common shares acquired by the company and those held in treasury.

The company calculates diluted earnings per share by adjusting the average number of common shares outstanding to simulate the conversion of all dilutable potential common shares. The company owns no potentially dilutable common shares.

5.19 Capital stock, Additional paid-in capital, and distribution of dividends

Common stock is classified as equity. Incremental costs directly attributable to the issuance of new shares or options are presented in equity as a deduction from the value received, net of taxes. The premium on placement of shares corresponds to the overpricing in the placement of shares originated in capital increase transactions.

The repurchase of ISA shares is recognized directly in equity at acquisition cost, and the difference between this value and the nominal value of the shares is recognized as 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 Company recognizes the distribution of dividends to shareholders as a liability in the statement of financial position in the period in which the General Shareholders' Meeting approves such dividends or when the corresponding obligation is established in accordance with the applicable legal provisions or policies defined by the General Shareholders' Meeting.

5.20 Related-party information

The company considers as related parties those natural or legal persons in which it exercises control, joint control, or significant influence, is a member of the key management personnel of ISA or its controlling company (or a close relative of the member) or is an entity controlled or jointly controlled by a member of the key management personnel. That is, investments in subsidiaries, associates (and their subsidiaries) and joint ventures (and their subsidiaries) of the company, key management personnel of ISA and the company's controlling shareholder.

The company considers as key management personnel those persons who have the authority and responsibility for planning, directing, and controlling its activities, directly or indirectly, including any director or administrator (executive or non-executive) of the company. Comprises the members of ISA's Board of Directors, the members of ISA's senior management, which is comprised of ISA's CEO and the first level management employees who report directly to the CEO, and the directors with the power to make decisions of high financial impact.

Commercial transactions[1] between the Company and the members of the Board of Directors, Senior Management and other administrators and/or their relatives and spouses or permanent partners and the legal entities in which they have an interest or hold management positions, as defined by law, are subject to the legal regime of disqualifications and incompatibilities applicable to the contracting of ISA and its companies as a mixed utility company, which prohibit them from contracting with the Company. The corporate website includes the informative list of such disqualifications and incompatibilities provided by Colombian legislation.

5.21 Other deferred liabilities and revenues

The Company recognizes other liabilities for securities payable in accordance with the underlying commitments, including the effect of amortized cost when the payment obligations are long-term. Deferred revenue is recognized based on the amounts received, reflecting the assumed obligation to provide services in the future, and is recognized in income as the performance obligations are fulfilled.

5.22 Offsetting of balances and transactions

The Company, as a general rule in the financial statements, does not offset assets and liabilities, nor income and expenses, except in those cases in which offsetting is required or permitted by some standard and this presentation reflects the essence of the transaction.

Revenues and expenses arising from transactions that, contractually or by law, provide for the possibility of offsetting and it is intended and feasible to settle on a net basis or to realize the asset and settle the liability simultaneously are presented net in the income statement.

1 Commercial transactions with related parties are those that involve: (i) the rendering of services, (ii) the transfer of assets or resources or (iii) the generation of obligations. The following are not considered transactions with related parties: (a) management, monitoring and control activities, (b) capitalizations, distribution of dividends, capital reductions and other equity transactions typical of the dynamics of any company, (c) those that must be carried out by legal or regulatory mandate, (d) the remuneration and labor benefits of employees who are members of Senior Management, which are subject to the special guidelines defined for labor compensation, and (e) the remuneration of the members of the Board of Directors of ISA, 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.

6. Reclassification of items in the financial statements

In 2021, the company made changes in the presentation of some items in the statement of financial position to improve comparability and homologation of financial information, with no impact on total assets, liabilities, or equity.

	2021	Reclassification	2020
STATEMENT OF FINANCIAL POSITION			
Accounts payable	**111,643**	911	112,554
Non-financial liabilities	**3,570**	(911)	2,659
Total reclassification of current liabilities	**115,213**	**-**	**115,213**
Accounts payable	**342,923**	(1,641)	341,282
Non-financial liabilities	**143,464**	1,641	145,105
Total reclassification of non-current liabilities	**486,387**	**-**	**486,387**

The reason for the reclassifications is that the liability related to delegated administrations corresponds to a non-financial current liability and, on the other hand, sales advances received are recognized as non-current non-financial liabilities, a change that improves the presentation of the items.

7. Cash and cash equivalents

	2021	2020
Cash and banks	**435,663**	539,124
Total cash	**435,663**	**539,124**
Term Deposit Certificates, bonds, and securities [1]	**110,105**	797
Trusts	**69**	2,277
Total cash equivalents	**110,174**	**3,074**
Total cash and cash equivalents	**545,837**	**542,198**

(1) As of December 31, 2021, the balance included a term deposit certificates constituted with Banco de Occidente, for COP 110,000 with 3.89% APR and maturity on March 22, 2022.

8. Trade receivables and other accounts receivables

Its composition is as follows:

	2021	2020
Dividends and participations receivables (1)	**220,527**	105,484
Customers and related parties (2)	**31,792**	39,996
Joint accounts agreement (3)	**34,168**	21,733
Loans to employees (4)	**13,169**	12,076
Other debtors	**6,629**	6,637
Interest receivables	**27**	48
Accounts receivables from related parties (5)	**-**	193,554
Subtotal trade receivables and other accounts receivables	**306,312**	**379,528**
Impairment allowance (6)	**(9,570)**	(9,087)
Total trade receivables and other accounts receivables	**296,742**	**370,441**
Current	**274,909**	164,887
Non-current	**21,833**	205,554

(1) The balance includes interest on equity capital declared by ISA Capital do Brasil for COP 216,746 (BRL 303,819,089) (2020: COP 105,484) (BRL 159,699,998) and dividends declared by PROYECTOS DE INFRAESTRUCTURA DEL PERÚ (PDI) COP 3,781 (USD 949,715).

(2) Includes accounts receivables for usage and connection revenues of COP 28,771 (2020: COP 38,870); engineering and project management services provided to subsidiaries of COP 2,716 (2020: COP 863), and telecommunications and fiber optics services of COP 305 (2020: COP 263). For more information about accounts receivables from related parties, see Note 10.1.

(3) Accounts receivables from the affiliate ISA INTERCOLOMBIA, for the profits generated in the monthly settlement of the joint accounts agreement.

(4) Accounts receivables from employees for housing loans, vehicle acquisition and other general-purpose loans, granted at interest rates of 4% to 6% and terms of up to five years for vehicles and up to fifteen years for housing.

(5) As of December 31, 2020, comprised loans to: ISA INVERSIONES CHILE for COP 176,592, with a nominal value of USD 49.7 million, and ATP TOWER HOLDINGS for COP 16,962, for a loan granted in December 2020 for USD 4.9 million. Both loans were repaid in May 2021.

(6) The movement in the expected credit losses allowance over the life of the loan for trade receivables and others accounts receivables, in accordance with IFRS 9, is as follows:

	Expected credit losses allowance			
	Customers	Quota shares	Others	Total
BALANCE AS OF DECEMBER 31, 2019 UNDER IAS 9	**7,603**	**552**	**906**	**9,061**
Balances recovered	(153)	(5)	(109)	(267)
Change in the allowance for expected credit losses	121	45	127	293
Total impairment allowance under IFRS 9 as of December 31, 2020	**7,571**	**592**	**924**	**9,087**
Balances recovered	-	-	(256)	(256)
Change in the allowance for expected credit losses	575	26	138	739
Total impairment allowance under IFRS 9 as of December 31, 2021	**8,146**	**618**	**806**	**9,570**

As the company's credit loss historic experience does not show loss patterns significantly different for the various customer segments, the impairment allowance from expected losses based on the maturity of the instruments is described below:

	0 to 30	61 to 90	121 to 360	More than 360	Total
AS OF DECEMBER, 2021					
Expected average credit loss rate	0,1%	0,0%	0,0%	86,7%	26,7%
Value at risk	23,376	-	-	10,320	33,696
Credit losses expected during credit life	28	-	-	8,952	8,980
AS OF DECEMBER, 2020					
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

Besides the expected credit loss impairment allowance, ISA recognizes impairment allowance for other accounts receivables for COP 590 (2020: COP 591).

As of December 31, 2021 and 2020, the analysis of trade receivables, overdue and unpaid, is as follows:

	2021	2020
CURRENT	**24,792**	**32,502**
Due		
Overdue > 1 and <= 90 days	-	435
Overdue > 91 and <=180 days	-	3
Overdue > 181 and <= 360 days	-	22
Overdue > 360 days	**7,000**	7,034
Total overdue	**7,000**	**7,494**
Total accounts receivable	**31,792**	**39,996**

There are no relevant restrictions to the disposal of accounts receivable.

9. Other financial assets

	2021	2020
Carbon credits [1]	**1,283**	-
Investments in financial instruments [2]	**12,524**	12,524
Current	**-**	-
Non-current	**13,807**	12,524

(1) As of December 31, this item was represented by the balance of disbursements made to the projects that are part of the Jaguar program, recognized as financial assets at fair value through profit or loss, which will generate a future economic benefit in the form of carbon credits received by the projects supported by the Jaguar program.

(2) The detail of these investments is as follows:

	Main activity	Location	Shareholding (%)	2021	2020
Electricaribe S.A. E.S.P.	Electricity Transmission business	Colombia	0,481%	**-**	-
EMPRESA PROPIETARIA DE LA RED	Electricity Transmission business	Costa Rica	11,110%	**12,524**	12,524
Total investments in financial instruments				**12,524**	**12,524**

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 investment cost is COP 12,113.

10. Information about related parties

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 separate financial statements, there are no granted guarantees associated with related-party balances or impairment allowance on accounts receivables, except for the balance with Transnexa S.A.E.M.A., which is 100% impaired.

10.1 Balances and transactions with related parties

The Company's main balances and transactions with related parties are as follows:

	2021	2020
ACCOUNTS RECEIVABLES	**267,072**	**136,112**
ISA CAPITAL DO BRASIL[1]	**216,746**	105,484
ISA INTERCOLOMBIA[2]	**34,169**	21,752
ISA REP	**7,070**	5,843
ISA BOLIVIA	**2,288**	1,998
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	**5,561**	687
INTERCONEXIONES VIALES	**801**	-
TRANSNEXA	**326**	281
ISA TRANSELCA	**111**	-
ISA INTERCHILE	**-**	36
INTERNEXA	**-**	31

	2021	2020
LOANS RECEIVABLE FROM RELATED PARTIES	**-**	**193,554**
ISA INVERSIONES CHILE[3]	**-**	176,592
ATP TOWER HOLDINGS[3]	**-**	16,962
OTHER ASSETS	**800**	**900**
INTERNEXA	**800**	900
ACCOUNTS PAYABLES	**9,419**	**8,965**
ISA INTERCOLOMBIA	**7,450**	5,012
INTERNEXA	**1,482**	1,608
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	**272**	2,054
SISTEMAS INTELIGENTES EN RED	**151**	98
XM	**52**	62
ISA REP	**12**	131
LOANS PAYABLES TO RELATED PARTIES	**335,960**	**329,546**
ISA TRANSELCA[4]	**335,960**	329,546
OTHER LIABILITIES	**690**	**776**
INTERNEXA	**690**	776
REVENUES	**1,101,438**	**1,002,069**
ISA INTERCOLOMBIA	**1,083,385**	975,322
ISA REP	**6,723**	6,327
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ	**4,442**	4,490
ISA INVERSIONES CHILE	**2,934**	11,374
ISA BOLIVIA	**2,140**	2,111

	2021	2020
INTERCONEXIONES VIALES	**807**	-
ATP TOWER HOLDINGS	**660**	9
INTERNEXA	**209**	316
EMPRESA PROPIETARIA DE LA RED	**138**	-
ISA INTERCHILE	**-**	2,120
COSTS AND EXPENSES	**16,112**	**17,764**
ISA TRANSELCA	**6,738**	9,014
ISA INTERCOLOMBIA	**5,882**	5,452
XM	**2,565**	2,068
INTERNEXA	**794**	1,043
ISA REP	**133**	146
ISA INVERSIONES CHILE	**-**	41

(1) This balance corresponds to interest on equity capital declared and dividends declared.

(2) Includes accounts receivable under the joint account agreement.

(3) See note 8 - Trade receivables and other accounts receivables

(4) See note 18 - Accounts payable.

10.2 Board of Directors and Senior Management key staff

At ISA, key personnel are the members of the Board of Directors, the company's Senior Management and the directors with the power to make decisions with a high financial impact. In the case of the Nation, as controlling shareholder, key personnel of the nation's management with respect to ISA are considered to be those who are part of the company's Board of Directors.

ISA is managed by a Board of Directors composed of nine (9) main members. At the Extraordinary General Shareholders' Meeting held on October 22, 2021, this Board was elected for the period October 2021 - March 2022. The Board of Directors' report contains the information in regard 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.

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 (2021 UVT value: COP 36,308).

The total remuneration to the Board of Directors for 2021 was COP 2,145 (2020: COP 1,337). At the end of December 2021, there are no transactions other than remuneration transactions between the company and members of its Board of Directors.

As of December 31, 2021 and 2020, there are no labor relations between the members of the Board and the company, nor business relations between the company and close relatives of the members of the Board of Directors. (See Note 5.20).

b) Accounts receivable from Senior Management

Accounts receivable from Senior Management in 2021 amounted to COP 1,219 (2020: COP 1,823).

There are no transactions other than remuneration transactions between the company and members of the Senior Management.

c) Remuneration to Senior Management key personnel

The remuneration received by the Senior Management key personnel is the following:

	2021	2020
Remuneration	**13,648**	11,898
Short-term benefits	**7,751**	6,179
Total	**21,399**	**18,077**

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.

11. Non-financial assets

The composition of non-financial assets is as follows:

	2021	2020
Prepaid expenses [1]	**18,903**	12,100
Deposits delivered [2]	**1,333**	1,476
Total non-financial assets	**20.236**	**13,576**
Current	**19,436**	12,676
Non-current	**800**	900

(1) It mainly includes insurance policies for: material damages, employee healthcare, civil liability, among others.

(2) It consists of advances and deposits made, including the advance payment made to our affiliate INTERNEXA for telecommunications services for twenty years, amounting to COP 800 (2020: COP 900).

12. Restricted cash

	2021	2020
Restricted cash	**13,120**	8,529

Restricted cash is comprised of administration and payment trusts created for projects granted by the Mining and Energy Planning Unit (UPME); resources to develop the Conexión Jaguar Project and cash frozen in banks due to embargoes.

13. Investments in subsidiaries, associates, and joint ventures

	Main activity	Location	Shareholding (%)	Balance as of December 2020	Capitalizations	Decreed dividends	Profit sharing	Equity effect	Balance as of December 2021
AS OF DECEMBER, 2021									
ISA TRANSELCA	Electricity Transmission business	Colombia	99,999	946,563	-	(146,812)	184,022	74,259	**1,058,032**
INTERNEXA	IT and Telecommunications business	Colombia	99,420	79,883	-	-	14,120	13,214	**107,217**
XM	Electricity Transmission business	Colombia	99,730	26,565	-	(9,284)	11,260	3,987	**32,528**
ISA INTERVIAL COLOMBIA	Road Concessions business	Colombia	100,000	573	-	-	(8)	-	**567**
SISTEMAS INTELIGENTES EN RED	Intelligent Management of Real-Time Systems	Colombia	15,000	1,494	-	(613)	519	-	**1,400**
ISA INTERCOLOMBIA	Electricity Transmission business	Colombia	99,997	87,498	-	(26,481)	15,713	16,302	**93,032**
ISA PERÚ	Electricity Transmission business	Peru	45,137	62,931	-	-	22,023	10,013	**94,967**
ISA REP [1]	Electricity Transmission business	Peru	30,000	175,475	(29,281)	(79,322)	60,891	25,325	**153,088**
CONSORCIO TRANSMANTARO	Electricity Transmission business	Peru	60,000	1,046,320	-	(256,575)	140,920	146,185	**1,076,850**
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ S.A.C.	Electricity Transmission business	Peru	99,967	9,116	-	(3,561)	704	1,082	**7,341**
ISA BOLIVIA	Electricity Transmission business	Bolivia	51,000	55,110	-	(9,706)	5,620	8,128	**59,152**
ISA CAPITAL DO BRASIL [4][5][6]	Electricity Transmission business	Brazil	100,000	3,260,516	-	(549,363)	734,604	255,813	**3,701,570**
ISA INVERSIONES CHILE	Road Concessions business	Chile	100,000	3,588,164	-	(53,834)	202,435	4,493	**3,741,258**
LINEAR SYSTEMS RE	Reinsurances	Bermuda	100,000	18,771	-	-	3,710	3,232	**25,713**
ISA INTERCHILE	Electricity Transmission business	Chile	78,410	898,086	-	-	(232,904)	318,522	**983,704**
ISA INVESTIMENTOS E PARTICIPAÇÕES	Electricity Transmission business	Brazil	99,899	725,927	-	(85,725)	216,377	68,252	**924,831**
Investments in subsidiaries [2]				**10,982,992**	**(29,281)**	**(1,221,276)**	**1,380,006**	**948,807**	**12,061,250**

	Main activity	Location	Shareholding (%)	Balance as of December 2020	Capitalizations	Decreed dividends	Profit sharing	Equity effect	Balance as of December 2021
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ - PANAMÁ	Electricity Transmission business	Panama	50,000	1,140	18,192	-	(12,372)	327	**7,287**
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ – COLOMBIA	Electricity Transmission business	Colombia	1,172	3	-	-	-	-	**3**
Investments in jointly controlled entities [3]				**1,143**	**18,192**	**-**	**(12,372)**	**327**	**7,290**
ATP TOWER HOLDINGS	IT and Telecommunications business	U.S.A.	24,695	451,164	-	-	(19,064)	3,970	**436,070**
Investments in associates				**451,164**	**-**	**-**	**(19,064)**	**3,970**	**436,070**
Total investments in subsidiaries, associates, and joint ventures				**11,435,299**	**(11,089)**	**(1,221,276)**	**1,348,570**	**953,104**	**12,504,610**

	Main activity	Location	Shareholding (%)	Balance as of December 2019	Capitalizations	Decreed dividends	Profit sharing	Equity effect	Balance as of December 2020
AS OF DECEMBER, 2020									
ISA TRANSELCA	Electricity Transmission business	Colombia	99,999	953,580	-	(170,617)	146,812	16,788	946,563
INTERNEXA	IT and Telecommunications business	Colombia	99,420	72,011	-	-	7,843	29	79,883
XM	Electricity Transmission business	Colombia	99,730	22,783	-	(7,981)	12,918	(1,155)	26,565
ISA INTERVIAL COLOMBIA	Roads Business Unit	Colombia	100,000	583	-	-	(10)	-	573
SISTEMAS INTELIGENTES EN RED	Intelligent Management of Real-Time Systems	Colombia	15,000	1,253	-	(750)	991	-	1,494
ISA INTERCOLOMBIA	Electricity Transmission business	Colombia	99,997	92,335	-	(29,647)	29,424	(4,614)	87,498
ISA PERÚ	Electricity Transmission business	Peru	45,146	62,301	-	(17,637)	14,730	3,537	62,931

	Main activity	Location	Shareholding (%)	Balance as of December 2019	Capitalizations	Decreed dividends	Profit sharing	Equity effect	Balance as of December 2020
ISA REP	Electricity Transmission business	Peru	30,000	190,047	-	(81,644)	51,170	15,902	175,475
CONSORCIO TRANSMANTARO	Electricity Transmission business	Peru	60,000	1,012,146	-	(151,339)	132,852	52,661	1,046,320
PROYECTOS DE INFRAESTRUCTURA DEL PERÚ S.A.C.	Electricity Transmission business	Peru	99,967	16,104	-	(12,381)	2,734	2,659	9,116
ISA BOLIVIA	Electricity Transmission business	Bolivia	51,000	46,507	-	(13,691)	19,376	2,918	55,110
ISA CAPITAL DO BRASIL[6]	Electricity Transmission business	Brazil	100,000	3,444,827	-	(268,415)	843,034	(758,930)	3,260,516
ISA INVERSIONES CHILE	Road Concessions business	Chile	100,000	2,009,199	1,128,871	-	169,222	280,872	3,588,164
ISA Inversiones Maule Ltda.	Road Concessions business	Chile	100,000	1,128,871	(1,128,871)	-	-	-	-
LINEAR SYSTEMS RE	Reinsurances	Bermuda	100,000	15,105	-	-	3,172	494	18,771
ISA INTERCHILE	Electricity Transmission business	Chile	78,410	935,570	-	-	12,012	(49,496)	898,086
ISA INVESTIMENTOS E PARTICIPAÇÕES	Electricity Transmission business	Brazil	99,899	750,702	-	(71,699)	206,994	(160,070)	725,927
Betania	Autonomous Equity	Colombia	100,000	84	(84)	-	-	-	-
Investments in subsidiaries [2]				**10,754,008**	**(84)**	**(825,801)**	**1,653,274**	**(598,405)**	**10,982,992**
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ – PANAMÁ	Electricity Transmission business	Panama	50,000	4,996	-	-	(4,402)	546	1,140
INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ – COLOMBIA	Electricity Transmission business	Colombia	1,172	3	-	-	-	-	3
Investments in jointly controlled entities [3]				**4,999**	**-**	**-**	**(4,402)**	**546**	**1,143**
ATP TOWER HOLDINGS	IT and Telecommunications business	USA	24,695	465,362	-	-	(27,334)	13,136	451,164
Investments in associates				**465,362**	**-**	**-**	**(27,334)**	**13,136**	**451,164**
Total investments in subsidiaries, associates, and joint ventures				**11,224,369**	**(84)**	**(825,801)**	**1,621,538**	**(584,723)**	**11,435,299**

(1) With public deed 8417 of January 29, 2021, the merger by absorption of the Orazul Group into ISA Peru was materialized.

(2) Companies controlled by ISA.

(3) ISA controls these companies jointly, and it is expressly defined at the statutory level.

(4) CTEEP, a subsidiary of Interconexión Eléctrica S.A. E.S.P., through ISA Capital do Brasil has recorded an account receivable from the State of São Paulo for labor benefits regulated by Law 4819 of 1958. This retirement supplementation plan governed by State Law 4819/58 provides for the creation of a State Social Assistance Fund for employees admitted until May 1974. The company reiterates the understanding of its legal department and its external legal advisors that the expenses derived from State Law 4819/58 and its respective regulations are the full responsibility of SEFAZ-SP (São Paulo State Treasury Department); therefore, it considers that it is likely to receive these amounts. Management monitors progress and developments related to the legal aspect of the matter and continually evaluates the potential impact on its financial statements. The gross value of these accounts receivables is COP 1,772,101 (2020: COP 1,516,050), and the impairment allowance for expected losses established, included in line "impairment allowance", is COP 368,299 (2020: COP 340,994), for a total net book value of COP 1,403,802 (2020: COP 1,175,056).

(5) The concession contracts of ISA CTEEP, a subsidiary of Interconexión Eléctrica S.A. E.S.P. through ISA Capital do Brasil, were analyzed and classified in accordance with IFRS 15 - Revenue from Contracts with Customers within the contractual asset model as of 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-). On December 31, 2021, the balance of the company's contractual assets is COP 15,239,958 (2020 - COP 11,059,003). The main change in the contractual assets is generated by the acquisition of Piratininga - Bandeirantes Transmissora de Energia S.A. (PBTE).

(6) Through the affiliate ISA C. P, on December 2, 2020, a share sale contract was entered into with Wire Fundo de Investimento em Participações Multiestratégia and Fundo de Investimento em Participações em Infraestrutura Kavom to acquire, directly and indirectly, all the shares representing the capital stock of Piratininga - Bandeirantes Transmissora de Energia S.A. (PBTE). The indirect acquisition of PBTE shares was carried out through the acquisition of all the shares representing the capital stock of its parent company, SF Energia Participações S.A., for the final acquisition price of BRL 1,571,065 The transfer of control took place on March 2, 2021.

As of December 31, 2021 and 2020, no operational and/or economic indications were identified that the recorded net value of the investments may not be recovered.

14. Property, plant, and equipment

The net balance of property, plant, and equipment as of December 31, 2021 and 2020 comprises:

	2021	2020
PROPERTY, PLANT, AND EQUIPMENT IN OPERATION		
Grids, lines, and cables	**10,272,272**	9,218,801
Plants and ducts	**4,884,422**	4,866,528
Buildings	**363,230**	357,363
Lands	**194,126**	193,709
Machinery and equipment	**48,897**	49,429
Communication and computing equipment	**30,123**	28,029
Furniture, chattels, and office equipment	**23,175**	22,106
Transportation, traction, and lifting equipment	**6,000**	6,000
Subtotal property, plant, and equipment	**15,822,245**	**14,741,965**
Accumulated depreciation	**(9,689,633)**	(9,543,615)
Total property, plant, and equipment in operation	**6,132,612**	**5,198,350**
Construction in progress	**1,203,348**	1,891,364
Machinery, plant, and equipment under assembly	**71,041**	97,169
Total property, plant, and equipment	**7,407,001**	**7,186,883**
Total property, plant, and equipment	**7,393,999**	**7,171,937**
Total right-of-use assets [(1)]	**13,002**	**14,946**

(1) These types of assets include assets acquired under right-of-use assets:

	2021	2020
Plants and ducts	**7,786**	7,786
Communication and computing equipment	**6,373**	5,601
Buildings	**4,867**	4,867
Lands	**390**	390
Total	**19,416**	**18,644**
Accumulated depreciation	**(6,414)**	(3,698)
Total right-of-use assets	**13,002**	**14,946**

As of December 31, 2021, interest of COP 13,604 (2020: COP 19,208), attributable to the acquisition and construction of qualifying assets, was capitalized.

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, 2021 and 2020, there were no operational and/or economic evidences indicating that the net recorded value of property, plant, and equipment could not be recovered.

14.1 Reconciliation of net carrying value of property, plant, and equipment

	Balance as of December 2020	Additions and/or transfers	Sales and/or derecognitions	2021 depreciation expenses	Balance as of December 2021
2021					
Grids, lines, and cables	2,671,197	1,063,714	(395)	**(79,013)**	**3,655,503**
Construction in progress [1]	1,891,364	(688,016)	-	**-**	**1,203,348**
Plants and ducts	1,988,243	58,165	-	**(106,087)**	**1,940,321**
Buildings	295,560	5,867	-	**(3,827)**	**297,600**
Lands	193,709	417	-	**-**	**194,126**
Machinery, plant, and equipment under assembly	97,169	(26,128)	-	**-**	**71,041**
Machinery and equipment	19,522	1,094	-	**(2,481)**	**18,135**
Furniture, chattels, and office equipment	9,905	1,245	-	**(2,104)**	**9,046**
Communication and computing equipment	17,884	3,644	-	**(5,657)**	**15,872**
Transportation, traction, and lifting equipment	2,330	-	-	**(321)**	**2,009**
Total	**7,186,883**	**420,002**	**(395)**	**(199,490)**	**7,407,001**

	Balance as of December 2019	Additions and/or transfers	Sales and/or derecognitions	2020 depreciation expenses	Balance as of December 2020
2020					
Grids, lines, and cables	2,668,893	72,738	(3,916)	(66,518)	2,671,197
Construction in progress	1,791,650	99,714	-	-	1,891,364
Plants and ducts	1,639,712	444,057	(1,287)	(94,239)	1,988,243
Buildings	290,251	9,014	-	(3,705)	295,560
Lands	189,490	4,219	-	-	193,709
Machinery, plant, and equipment under assembly	48,153	49,016	-	-	97,169

	Balance as of December 2019	Additions and/or transfers	Sales and/or derecognitions	2020 depreciation expenses	Balance as of December 2020
Machinery and equipment	18,788	2,980	(2)	(2,244)	19,522
Furniture, chattels, and office equipment	9,783	2,070	-	(1,948)	9,905
Communication and computing equipment	8,080	14,262	-	(4,458)	17,884
Transportation, traction, and lifting equipment	2,651	-	-	(321)	2,330
Assets in transit	470	-	(470)	-	-
Total	**6,667,921**	**698,070**	**(5,675)**	**(173,433)**	**7,186,883**

(1) The balance of construction in progress as of December 31, 2021 mainly includes:

- Costa Caribe 500 kV Interconnection project for COP 524,746 (2020: COP 428,219), 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: January 2022.
- UPME 09-2016 Copey - Cuestecitas 500 kV and Copey - Fundación 220 kV for COP 288,651 (2020: COP 257,219), 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: May 2023.
- UPME 06-2018- El Rio 220 kV new substation, and associated transmission lines, for COP 142,065 (2020: COP 60,334), whose scope contemplates design, procurement, construction, testing and commissioning of the El Rio 220 kV New Substation, and associated transmission lines. Expected entry into service date: August 2022.

15. Investment property

	2021	2020
INVESTMENT PROPERTY		
Buildings	**9,603**	9,603
Lands	**1,839**	1,839
Subtotal investment property	**11,442**	**11,442**
Accumulated depreciation	**(3,769)**	(3,681)
Total investment property	**7,673**	**7,761**

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.

15.1 Reconciliation of net carrying value of investment property

	2019 balance	2020 depreciation expenses	2020 balance	2021 depreciation expenses	2021 balance
Buildings	6,009	(87)	5,922	(88)	**5,834**
Lands	1,839	-	1,839	-	**1,839**
Total	**7,848**	**(87)**	**7,761**	**(88)**	**7,673**

As of December 31, 2021 and 2020, there are no contractual obligations for repairs, improvements, maintenance, acquisition, construction, or development of investment properties that represent future obligations for the company.

16. Intangibles

As of December 30, 2021 and 2020, the balances of intangible assets are as follows:

	2021	2020
Easements	**207,989**	152,994
Software	**20,959**	20,247
Rights	**10,520**	10,731
Licenses	**12,681**	11,228
Subtotal intangibles	**252,149**	**195,200**
Accumulated amortization	**(39,617)**	(38,475)
TOTAL INTANGIBLES	**212,532**	**156,725**

16.1 Reconciliation of net carrying value of intangible assets

	2020 balance	Additions and/or transfers	Sales and/or derecognitions	2021 amortization expense	2021 balance
2021					
Easements [1]	152,995	54,994	-	-	**207,989**
Software	2,671	712	-	(787)	**2,596**
Licenses	849	1,453	-	(355)	**1,947**
Rights	210	(210)	-	-	-
Total	**156,725**	**56,949**	**-**	**(1,142)**	**212,532**

	2019 balance	Additions and/or transfers	Sales and/or derecognitions	2020 amortization expense	2020 balance
2020					
Easements	151,200	1,795	-	-	152,995
Software	5,339	-	-	(2,668)	2,671
Licenses	1,382	33	-	(566)	849
Rights	62	210	(48)	(14)	210
Total	**157,983**	**2,038**	**(48)**	**(3,248)**	**156,725**

(1) Of the additions and transfers made as of December 2021, the additions in easements due to the solution of the imposition of easements of UPME 03-2014 Interconexión Noroccidental 230/500 kV project, for COP 55,220 are highlighted.

As of December 31, 2021 and 2020, the Company's management considered that there are no operational and/or economic indications that the recorded net value of intangible assets with indefinite useful lives may not be recoverable.

17. Financial liabilities

As of December 31, 2021 and 2020 financial liabilities are comprised of bonds and financial obligations, as shown below:

	2021	2020
Outstanding bonds	**4,779,054**	3,439,220
Financial liabilities	**-**	1,382,888
Total financial liabilities	**4,779,054**	**4,822,108**
Current	**158,139**	151,393
Non-current	**4,620,915**	4,670,715

The financing obtained by the company has no guarantees granted nor restrictions on financial covenants. During the year, the company has complied with the payment of principal and interest on its loans.

17.1 Outstanding bonds

Financing source	Original currency	Starting date	Date of maturity	Term (years)	Interest rate			2021 Nominal value	2021 Amortized cost value	2020 Nominal value	2020 Amortized cost value
Tranche 7 Series A Program	COP	12/01/2011	12/01/2023	12	CPI	+	4.470%	180,000	181,116	180,000	181,313
Tranche 7 Series B Program	COP	12/01/2011	12/01/2041	30	CPI	+	4.840%	120,000	120,771	120,000	120,905
Tranche 8 Series C9 Program	COP	05/22/2013	05/22/2022	9	CPI	+	2.840%	120,000	121,157	120,000	120,327
Tranche 8 Series C15 Program	COP	05/22/2013	05/22/2028	15	CPI	+	3.250%	100,000	101,101	100,000	100,286
Tranche 9 Series C10 Program	COP	05/07/2015	05/07/2025	10	CPI	+	3.800%	100,000	101,322	100,000	100,476
Tranche 9 Series C15 Program	COP	05/07/2015	05/07/2030	15	CPI	+	4.140%	120,000	121,570	120,000	120,564
Tranche 9 Series C20 Program	COP	05/07/2015	05/07/2035	20	CPI	+	4.340%	280,000	283,659	280,000	281,337
Tranche 10 Series C8 Program	COP	02/16/2016	02/16/2024	8	CPI	+	4.730%	115,000	116,370	115,000	115,349
Tranche 10 Series C12 Program	COP	02/16/2016	02/16/2028	12	CPI	+	5.050%	152,000	153,615	152,000	152,304
Tranche 10 Series C25 Program	COP	02/16/2016	02/16/2041	25	CPI	+	5.380%	133,000	134,098	133,000	132,990
Tranche 11 Series A7 Program	COP	04/18/2017	04/18/2024	7	Fixed rate	+	6.750%	260,780	264,111	260,780	264,078
Tranche 11 Series C15 Program	COP	04/18/2017	04/18/2032	15	CPI	+	3.810%	196,300	199,458	196,300	197,537
Tranche 11 Series C25 Program	COP	04/18/2017	04/18/2042	25	CPI	+	4.000%	242,920	246,816	242,920	244,474
Tranche 12 Series A8 Program	COP	11/28/2017	11/28/2025	8	Fixed Rate		6.990%	150,080	150,904	150,080	150,884
Tranche 12 Series C14 Program	COP	11/28/2017	11/28/2031	14	CPI	+	3.750%	120,100	121,114	120,100	120,115
Tranche 12 Series C30 Program	COP	11/28/2017	11/28/2047	30	CPI	+	3.980%	229,820	231,703	229,820	229,821
Tranche 13 Series C9 Program	COP	07/25/2018	07/25/2027	9	CPI	+	3.490%	156,500	159,031	156,500	157,513
Tranche 13 Series C15 Program	COP	07/25/2018	07/25/2033	15	CPI	+	3.890%	142,063	144,416	142,063	143,048
Tranche 13 Series C25 Program	COP	07/25/2018	07/25/2043	25	CPI	+	4.070%	201,437	204,817	201,437	202,884
Tranche 14 Series A9 Program	COP	08/13/2020	08/13/2029	9	Fixed Rate	+	6.330%	160,000	161,067	160,000	161,054
Tranche 14 Series G20 Program	COP	08/13/2020	08/13/2040	20	Fixed rate	+	3.670%	147,132	148,960	140,221	141,961
International bonds	USD	11/26/2021	11/26/2033	12	Fixed Rate	+	3.825%	1,313,783	1,311,878	-	-
Total								**4,740,915**	**4,779,054**	**3,420,221**	**3,439,220**

On November 26, 2021, ISA made its first bond issue in the international market for USD 330 million, at an interest rate of 3.825% and a total term of 12 years. The resources were used to carry out a debt management operation, consisting of the substitution of the current nominal amount of the loans with Banco de Bogotá COP 22,243, BBVA Colombia COP 180,000, Davivienda COP 405,000, Bancolombia COP 300,000, and with The Bank of Nova Scotia for USD 100 million (USD 97,600,000 from the bond issue and USD 2,400,000 with own resources).

This issue has a net foreign investment hedge, where gains or losses on the hedging instrument related to the effective portion of the hedge are recognized as OCI, while gains or losses on the ineffective portion are recognized in income.

The maturity of the bonds as of December 31, 2021 and 2020 is shown below:

	2021	2020
Current	**158,139**	18,999
Year 2	**180,000**	120,000
Year 3	**375,780**	180,000
Year 4	**250,080**	375,780
Year 5 and after	**3,815,055**	2,744,441
Total	**4,779,054**	**3,439,220**

17.2 Financial obligations

As of December 31, 2021, the company had no financial obligations; the breakdown of these, as of 2020, is as follows:

Financing source	Original currency	Starting date	Date of maturity	Term (years)	Interest rate			2020 Nominal value	2020 Amortized cost value
BANCO DE BOGOTÁ	COP	02/26/2015	02/26/2022	7.005479452	CPI	+	3,600%	66,730	67,923
BBVA	COP	02/23/2016	02/23/2023	7.005479452	CPI	+	2,990%	125,000	126,560
BBVA	COP	10/09/2017	10/09/2027	10.00547945	CPI	+	4,800%	43,750	44,160
Banco Davivienda	COP	10/09/2017	10/09/2027	10.00547945	CPI	+	4,800%	43,750	44,160
BBVA	COP	11/07/2017	11/07/2027	10.00547945	CPI	+	4,800%	78,750	79,028
Banco Davivienda	COP	11/07/2017	11/07/2027	10.00547945	CPI	+	4,800%	78,750	79,028
Bancolombia	COP	11/19/2019	11/19/2029	10.00821918	IBR(6M)	+	2,560%	150,000	149,936
Banco Davivienda	COP	11/19/2019	11/19/2031	12.00821918	CPI	+	4,650%	150,000	150,094
Banco Davivienda	COP	05/19/2020	11/19/2031	11.50958904	CPI	+	4,650%	150,000	150,189
Bancolombia	COP	05/19/2020	11/19/2029	9.509589041	IBR(6M)	+	2,560%	150,000	150,379
Scotiabank	USD	12/27/2018	12/27/2023	5.002739726	LIBOR(6M)	+	1,200%	171,625	170,652
Scotiabank	USD	02/26/2019	12/27/2023	4.835616438	LIBOR(6M)	+	1,200%	171,625	170,779
Total								**1,379,980**	**1,382,888**

The maturity of the financial obligations as of December 31, 2020 is shown below:

	2020
Current	132,394
Year 2	107,243
Year 3	446,107
Year 4	77,857
Year 5 and after	619,287
Total	**1,382,888**

18. Accounts payable

The breakdown of this item as of December 31, 2021 and 2020 is as follows:

	2021	2020
Loans payable to related parties (1)	**335,960**	329,546
Suppliers and contractors (2)	**85,188**	95,840
Creditors (3)	**10,147**	14,557
Leases (4)	**12,604**	13,893
Total accounts payable	**443,899**	**453,836**
Current	**183,099**	112,554
Non-current	**260,800**	341,282

(1) Balance represented by the following loans received:

Maturity date	2021		2020	
	Nominal value	Amortized cost value	Nominal value	Amortized cost value
10/12/2022	60,798	84,779	60,798	83,091
10/12/2024	72,642	100,285	72,642	98,389
10/12/2024	12,537	17,308	12,537	16,980
10/12/2025	28,500	39,169	28,500	38,441
10/12/2025	12,500	17,179	12,500	16,859
12/26/2026	31,908	41,883	31,908	41,065
10/31/2027	26,000	35,357	26,000	34,721
Total	**244,885**	**335,960**	**244,885**	**329,546**
Current		84,778		-
Non-current		251,182		329,546

The loans bear a DTF (Colombian benchmark 90-day time deposit rate) annual effective interest as of December 31 of the previous year.

(2) Accounts payable to suppliers and contractors are mainly for the acquisition of goods and services for the development of the Company's operations. These liabilities do not bear interest and are paid according to the payment policies established by the company.

(3) Creditors include balances payable for management of the affiliate ISA INTERCOLOMBIA, insurances, and accounts payable for social security contributions.

(4) Lease liabilities include those associated with substation, communication and computing equipment, buildings, and lands. Below is the movement of financial lease liabilities:

	2021	2020
Initial balance	**13,893**	**12,231**
Additions	**948**	3,954
Interest	**982**	994
Exchange difference	**493**	(163)
Lease payments	**(3,712)**	(3,123)
Final balance	**12,604**	**13,893**

Below is the analysis of maturities of lease liabilities:

	2021	2020
Less than one year	**3,221**	2,159
Between one and five years	**8,839**	7,754
More than five years	**544**	3,980
Final balance	**12,604**	**13,893**

19. Risk management

Given the nature of its activities, ISA is exposed to financial risks mainly related to investments in foreign subsidiaries, entering financial obligations, 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, responsibility for the application and administration of this system lies with the Chief Strategy Office, which in turn involves the company's Board of Directors in the administration of the system. Below are the financial risks to which the Company is exposed.

19.1 Market risk

Market risk corresponds to unfavorable variations with respect to the expected fair value or future cash flows of a financial instrument, caused by adverse changes in variables such as exchange rates, national and international interest rates, index prices -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, 2021.

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 what is expected and is originated by the variation -volatility- of national 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 obligations**

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:

Interest rate	2021
CPI	54.3%
Fixed interest rate	40.8%
DTF	4.9%

As of December 31, 2021, 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.

The effects before taxes on the statements of comprehensive income in the event of a reasonable variation in interest rates (to date it has not been necessary to hedge financial obligations indexed to interest rates) are shown below.

Increase / decrease of basic points	Effect on income statement before income tax
(+)100	(29,540)
(-)100	29,540

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 INTERCOLOMBIA, which in turn are associated to a greater extent with the behavior of the Colombian producer price index (IPP) and to a lesser extent with the behavior of the American producer price index (PPI)[2] . 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, 2021, ISA does not maintain financial instruments (liquidity surplus) 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).

2 According to the revenue remuneration scheme established by the Energy and Gas Regulatory Commission, CREG.

b. Exchange rate risk

ISA is mainly exposed to exchange rate risk (US Dollar) due to the translation effect of dividends received from companies abroad; revenues associated with projects that have been awarded in UPME's public tenders, calculated in US dollars and paid in Colombian pesos; expenses associated with debt service incurred in US dollars; equipment purchases and/or execution of new projects, capitalizations to affiliates and loans granted to related parties.

As of December 31, 2021, ISA maintained the following financial assets and liabilities (in thousands of US Dollars):

ASSETS	
Cash and cash equivalents	2,877
Financial assets	58,010
Other non-financial assets	6,113
Total assets	**67,000**
LIABILITIES	
Accounts payables	8,447
Total non-current liabilities	**8,447**
Active net monetary position	**58,553**

In November 2021, ISA issued external public debt bonds in the international capital market in the amount of USD 330 million for debt replacement. This issuance does not affect the income statement and is offset in equity accounts, since it is consolidated as an accounting hedge of the net investment in foreign countries held by the company.

Accordingly, the effects are presented in the income statement before taxes, in the event of a reasonable variation in the exchange rate of foreign currency (US dollar), keeping all other variables constant:

Devaluation / revaluation	Effect on income statement before income tax
(+) 10%	23,211
(-) 10%	(23,211)

c. 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 hedging of market risk - exchange rate, interest rate and price risks - ISA can carry out standardized derivative transactions – commodity future agreements – and non-standardized derivatives, such as forwards, swaps, and options, in accordance with the best conditions of each market, which qualify as financial hedging instruments to be recorded in the financial statements.

As of December 31, 2021, ISA does not maintain any hedge operation for foreign exchange risk.

19.2 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 delinquency, doubtful recovery of the portfolio of the agents that pay usage fees for the National Transmission System, STN, customers of connection services 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 2021, ISA received the following risk rating due to its surplus liquidity:

Surplus liquidity in pesos by local risk rating

RATE	BALANCE IN COP	SHARE (%)
AAA	544,591	100

Surplus liquidity by international rating

RATE	BALANCE IN COP	SHARE (%)
A+	11,284	100

19.3 Liquidity risk

Liquidity risk is defined as the inability to obtain sufficient funds to meet obligations when due without incurring unacceptably high costs.

Currently, ISA constantly monitors short-term cash flow, which allows it to identify 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 has tools for achieving additional liquidity, such as the issuance of commercial papers and credit lines with local and foreign entities, which allow it to meet temporary funding needs when required.

Below is a description of the future maturity profile expected for the company's financial instruments:

2021	0 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Financial obligations and bonds	36,326	121,813	962,360	3,658,555	4,779,054
Principal		120,000	962,360	3,658,555	4,740,915
Interest [1]	36,326	1,813	-	-	38,139
Accounts payables	98,321	84,778	9,618	251,182	443,899
Total	**134,647**	**206,591**	**971,978**	**3,909,737**	**5,222,953**

(1) Payment of interest projected over time.

20. Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities measured at amortized cost approximates their fair value. Fair value is presented based on the categories of financial assets, compared to their current and non-current carrying amounts included in the financial statements.

The breakdown of financial instruments assets and liabilities, classified by nature and category, as of December 31, 2021 and 2020 is as follows:

	2021		2020	
	Amortized cost	At fair value	Amortized cost	At fair value
FINANCIAL ASSETS				
Cash	-	435,663	-	539,124
Term Deposit Certificates, bonds, and securities	110,105	-	797	-
Trusts	-	69	-	2,277
Trade receivables and other accounts receivables	274,909	-	164,887	-
Total current	**385,014**	**435,732**	**165,684**	**541,401**
Restricted cash	-	13,120	-	8,529
Trade receivables and other accounts receivables	21,833	-	205,554	-
Other financial assets	-	13,807	-	12,524
Total non-current	**21,833**	**26,927**	**205,554**	**21,053**
Total financial assets	**406,847**	**462,659**	**371,238**	**562,454**
FINANCIAL LIABILITIES				
Financial liabilities	158,139	-	151,393	-
Accounts payables	183,099	-	112,554	-
Total current	**341,238**	**-**	**263,947**	**-**

	2021		2020	
	Amortized cost	At fair value	Amortized cost	At fair value
Financial liabilities	4,620,915	-	4,670,715	-
Accounts payables	260,800	-	341,282	-
Total non-current	**4,881,715**	**-**	**5,011,997**	**-**
Total financial liabilities	**5,222,953**	**-**	**5,275,944**	**-**

The financial instruments recognized at fair value in the statement of financial position are classified hierarchically according to the criteria described in Note 5.11. Fair value measurement. The following table shows the financial assets measured at fair value as of December 31, 2021 and 2020:

	2021			2020		
	Carrying value	Fair value		Carrying value	Fair value	
		Level I	Level II		Level I	Level II
FINANCIAL ASSETS						
Cash	435,663	435,663	-	539,124	539,124	-
Trusts	69	69	-	2,277	2,277	-
Restricted cash	13,120	13,120	-	8,529	8,529	-
Other financial assets	13,807	-	13,807	12,524	-	12,524
Fair value of financial assets	**462,659**	**448,852**	**13,807**	**562,454**	**549,930**	**12,524**
Current	435,732	435,732	-	541,401	541,401	-
Non-current	26,927	13,120	13,807	21,053	8,529	12,524

Fair values have been classified at Level II, based on input data of valuation techniques used. (See Note 5.10 Fair value measurement).

21. Employee benefits

ISA grants its active and retired employees benefits that are subject to actuarial valuation, among which are pension, medical plan benefits, education assistance and seniority benefits.

The composition of employee benefits is as follows:

	NOTE	2021	2020
SHORT-TERM BENEFITS			
Bonuses		**4,742**	4,200
Vacations		**3,093**	3,162
Provision for social benefits		**2,927**	3,936
Extra-legal payments		**1,064**	1,362
Severance and severance interests		**668**	705
Other employee benefits		**557**	676
Total short-term benefits		**13,051**	**14,041**
POST-EMPLOYMENT BENEFITS			
Retirement pensions	22.1	**117,218**	143,192
Health plans and prepaid medical assistance	22.3	**71,331**	83,700
Education allowance	22.4	**10,147**	12,146
Total post-employment benefits		**198,696**	**239,038**
LONG-TERM BENEFITS			
Seniority and quinquennium bonus	22.5	**2,489**	2,675
Total long-term benefits		**2,489**	2,675
Total benefits measured using actuarial valuation		**201,185**	**241,713**

	NOTE	2021	2020
Current		**13,051**	14,041
Non-current		**201,185**	241,713

21.1 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 called Colpensiones, and the pension management companies assume most of this obligation, in accordance with the fulfillment of legal requirements.

The present value of the pension obligation as of December 31, 2021 and 2020 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 main actuarial assumptions used in the valuation are:

	2021	2020
Discount rate	**8.6%**	6.6%
Inflation rate	**3.5%**	3.5%
Minimum wage increase	**4.5%**	4.5%
Increase in deferred pensions	**3.5%**	3.5%
Increase in pensions in payment	**3.5%**	3.5%
Rate of return on assets	**N/A**	N/A
Mortality chart	**Rentistas válidos 2008**	Rentistas válidos 2008
Number of people covered by pension plan	**397**	403

21.2 Local pension liability

The results of the calculation as of December 31, 2021 of the mathematical reserve for retirement pensions payable by ISA, taking into account the requirements of local regulations, are presented below:

	2021		2020	
	Number of people	Value of mathemati-cal reserve	Number of people	Value of mathemati-cal reserve
Personnel fully retired by the company	**4**	**2,169**	3	1,768
Retired employees with shared pension	**315**	**93,224**	319	94,203
Employees retired by the company and waiting for the ISS (Colpensiones)	**5**	**2,098**	2	350
Beneficiary employees in charge of the company	**2**	**340**	4	546
Beneficiary employees shared with the ISS (Colpensiones)	**68**	**18,767**	70	20,060

	2021		2020	
	Number of people	Value of mathemati-cal reserve	Number of people	Value of mathemati-cal reserve
Active employees with requirements met with the Company and ISS (Colpensiones)	-	-	1	1,656
Employees voluntarily retired, affiliated to the ISS (Colpensiones)	**1**	**776**	2	890
Employees with temporary rents, shared with the ISS (Colpensiones)	**1**	**361**	1	368
Disability pension (replacement) shared with the ISS (Colpensiones)	**1**	**267**	1	266
Pension liability	**397**	**118.002**	**403**	**120.107**

	2021	2020
Local pension liability	**118,002**	120,107
NCIF pension liability	**(117,218)**	(143,192)
Difference	**784**	**(23,085)**

The main actuarial assumptions used in the valuation are:

	2021	2020
Technical interest real rate	**4.80%**	4.80%
Salary increase rate	**2.60%**	3.64%
Pension increase rate	**2.60%**	3.64%
Inflation rate	**2.60%**	3.64%
Mortality chart	**2008 valid rentiers**	2008 valid rentiers
Number of people covered by pension plan	**397**	403

21.3 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 salaries and pensions up to four point three (4.3) legal monthly minimum wages (SMLMV), ninety percent (90%) of the value of the premium.
- 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:

	2021	2020
Discount rate	**8.70%**	6.80%
Minimum wage increase	**4.50%**	4.50%
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 chart	**2008 valid rentiers**	2008 valid rentiers
Turnover rate	**65% of the "2003 SOA Pension Plan Turnover Study" table**	65% of the "2003 SOA Pension Plan Turnover Study" table
Number of people covered by the medical assistance plan	**991**	1,017

21.4 Educational assistance

Employees are entitled to the recognition of the educational 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 Beneficiaries of the labor collective pact
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 (semiannual)
Children with learning disabilities, whatever age	4.5 SMLMV (annual)

The main actuarial assumptions considered for the valuation are:

	2021	2020
Discount rate	**8.80%**	7.20%
Minimum wage increase	**4.50%**	4.50%
Rate of return on assets	**N/A**	N/A
Mortality chart	**2008 valid rentiers**	2008 valid rentiers
Turnover rate	**65% of the "2003 SOA Pension Plan Turnover Study" table**	65% of the "2003 SOA Pension Plan Turnover Study" table
Number of people covered by education plan	**168**	178

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

	Pension	Medical assistance plan	Educational assistance	Total
BALANCE AS OF DECEMBER 31, 2020	**143,192**	**83,700**	**12,146**	**239,038**
Current period service costs	-	600	391	991
Interest expense	9,136	5,519	861	15,516
Actuarial (gains) losses from experience	(2,109)	593	(332)	(1,848)

	Pension	Medical assistance plan	Educational assistance	Total
Actuarial gains from financial assumptions	(23,462)	(15,592)	(2,477)	(41,531)
Actuarial losses from change in demographic assumptions	-	1,610	-	1,610
Past services costs	-	(34)	(71)	(105)
Benefits directly paid by the company	(9,539)	(5,065)	(371)	(14,975)
Balance as of December 31, 2021	**117,218**	**71,331**	**10,147**	**198,696**

The quantitative analysis of sensitivity regarding a change in a key assumption would generate the following effect on the net obligation from defined benefits:

	Pension	Medical	Education
CHANGE IN DISCOUNT RATE			
Discount rate increase by +1%	(9,291)	(6,341)	(1,172)
Discount rate decrease by -1%	10,803	7,532	1,445
BENEFIT INCREASE CHANGE			
Increase in benefit increase by +1%	-	-	1,551
Decrease in benefit increase by -1%	-	-	(1,269)
CHANGE IN MEDICAL TREND			
Increase in medical trend by +1%	-	6,654	-
Decrease in medical trend by -1%	-	(5,643)	-
Obligation base	**117,218**	**71,331**	**10,147**
Duration of the plan	**9.2**	**10.4**	**13.9**

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 2021, COP 92,746 was recorded in other comprehensive income for defined benefit plans, net of taxes.

21.5 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 for each year of service in the Company, in the month in which each year of service is completed. 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:

	2021	2020
Discount rate	**8.4%**	5.9%
Minimum wage increase	**4.5%**	4.5%
Rate of return on assets	**N/A**	N/A
Mortality chart	**2008 valid rentiers**	2008 valid rentiers
Turnover rate	**65% of the "2003 SOA Pension Plan Turnover Study" table**	65% of the "2003 SOA Pension Plan Turnover Study" table
Number of people covered by seniority premium and quinquennium	**114**	108

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

	Seniority premium and quinquennium
Balance as of December 31, 2020	**2,675**
Current period service costs	281
Interest expense/revenue	145
Actuarial (gains)/losses from experience	270
Actuarial (gains)/losses from financial assumptions	(444)
Benefits directly paid by the company	(438)
Balance as of December 31, 2021	**2,489**

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:

	2021
CHANGE IN DISCOUNT RATE	
Discount rate increase by +1%	(144)
Discount rate decrease by -1%	162
CHANGE IN SALARY INCREASE	
Increase in salary increase by +1%	7
Decrease in salary increase by -1%	(6)
Obligation base	**2,489**
Duration of the plan	**6.6**

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.

22. Non-financial liabilities

	2021	2020
Deferred revenues[1]	**127,931**	143,464
Revenues received in advance from sales	**3,436**	3,801
Collections in favor of third parties	**2,635**	499
Total other non-financial liabilities	**134,002**	**147,764**
Current	**4,582**	2,659
Non-current	**129,420**	145,105

(1) Deferred revenues from the National Transmission System (STN), for COP 126,975 (2020: COP 140,639), from UPME call-for-bid assets; deferred revenues for construction services for infrastructure projects, for COP 266 (2020: COP 2,049), and infrastructure use rights, for COP 690 (2020: COP 776).

23. Provisions

	2021	2020
Other estimated liabilities and provisions (1)	**8,682**	6,548
Disputes and claims (2)	**11,654**	3,459
Total provisions	**20,336**	**10,007**
Current	**1,004**	-
Non-current	**19,332**	10,007

(1) Commitments required to obtain environmental licenses with various regional autonomous corporations COP 6,301 (2020: COP 6,548), as well as the recognition, starting in 2021, of the biotic offsets required with the environmental licenses granted to the projects, for COP 2,381 (2020: COP 0).

(2) Estimated liabilities for legal proceedings against the company that are classified as probable. This value corresponds to the provision for processes where a probable outflow of resources is estimated, according to expert assessment, and a reliable estimate can be made. The breakdown of the provision for disputes and claims is as follows:

The movement of provisions is as follows:

2021	Disputes and claims [3]	Other estimated liabilities and provisions	Total
INITIAL BALANCE	**3,459**	**6,548**	**10,007**
Additions (reversals) [4]	8,195	2,381	10,576
Utilizations	-	(247)	(247)
Final balance	**11,654**	**8,682**	**20,336**
Current	1,004	-	1,004
Non-current	10,650	8,682	19,332

(3) The provision estimate for disputes 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.

(4) In 2021, COP 8,827 is recognized for 25 environmental sanction processes.

23.1 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. Also, on its own behalf, it has instituted legal actions required for the defense of its interests.

The following is a summary of the probable lawsuits against the Company:

Probability of winning or losing	#	Balance
Likely against	27	11,654
Likely against - Civil [1]	447	33,314

(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:

- Administrative Proceeding - Plaintiff: Empresas Públicas de Medellín E.S.P. (EPM)

Plaintiff seeks to declare Interconexión Eléctrica S.A. E.S.P. liable for unjust enrichment. As of December 2021, a provision of COP 1,823 is maintained.

- Environmental Sanction Process - Plaintiff: Autoridad Nacional de Licencias Ambientales (National Environmental Licensing Authority)

Penalty for having built towers and infrastructure associated with the transmission line, not authorized by the environmental license granted by Resolution 837 of May 16, 2019, and in exclusion areas, invading the stream buffer of water bodies considered in the environmental management zoning; COP 1,084 is provisioned in 2021.

- Labor Proceeding - Plaintiff: 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. As of December 31, 2021, a provision of COP 1,004 is recognized.

24. Income TAX

The current tax legislation applicable to the company establishes that:

- The nominal income tax rate is 31% (32% by 2020). On September 14, 2021, Law 2155 of Social Investment was enacted, establishing that as of 2022 the income tax rate will be 35%.
- For income tax purposes, taxpayer's net income is presumed to be no less than 0% (0.5% for 2020) 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 from taxable year 2017, an anti-deferral regime for passive income obtained abroad by Colombian residents, called Empresas Controladas del Exterior -ECE- (Foreign Controlled Companies), came into force, whereby passive income obtained by foreign companies or other entities that are controlled by Colombian residents must be immediately declared in Colombia, when the ECE regime is applicable. This regime establishes as a presumption that when 80% or more of the affiliate's income is active (operating) income, it will be understood that all the income is active and, consequently, it will not be necessary to attribute any proportion of passive income of the foreign controlled entity.

- As of the taxable year 2019, for those liable for sales tax, the VAT paid for the acquisition, construction or formation and importation of capital goods of any industry may be deducted from income tax. Regarding 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, dividends received by the CHC coming from abroad are considered exempt income; likewise, income derived from the sale or transfer of a CHC's stake in entities not domiciled in Colombia is 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 contract for the electric power transmission activity for a period of twenty years. This contract basically provided for stabilization of income tax regulations, including income tax rate, deduction of the inflationary component of financial expenses, special deduction of 40% for new investments in real productive fixed assets, tax discount for VAT paid on the import of machinery for electric power transmission and presumptive income as 3% of net worth, as well as the time limit of the equity tax.
This contract guarantees that, in the event of adverse changes to the standards stabilized in the contract, they 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 2021 and 2020, 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 those obtained from the sale of fixed assets owned for two years or more, profits from the liquidation of companies and profits from inheritances, bequests, and donations.

24.1 Tax assets

Tax assets as of December 2021 and 2020 are as follows:

	2021	2020
VAT advances and deferred withholding taxes [1]	**66,024**	**66,670**
Advances on taxes and contributions	**5,986**	**2,458**
Total tax assets	**72,010**	**69,128**
Current	**71,331**	68,105
Non-current	**679**	1,023

(1) Includes deductible VAT on fixed assets referred to in articles 258-1 and 258-2 of the Tax Statute, for COP 65,345 (2020: COP 65,647), and deferred withholding tax advances to be offset in subsequent periods, for COP 679 (2020: COP 1,023).

24.2 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:

	2021	2020
Profit before taxes	**2,020,091**	2,216,879
Nominal income tax rate in Colombia	**31%**	32%
Income tax expense at nominal rate	**626,228**	709,401
INCREASE (DECREASE) IN THE TAX PROVISION RESULTING FROM:		
Application of fixed asset benefit	**(81,644)**	(70,007)
Non-deductible expenses	**1,701**	6,268
Taxable dividends, CAN dividends, CFC income	**1,249,886**	165,007
Equity method	**(418,057)**	(518,892)
Exempted income	**(1,211,149)**	(143,965)
Tax in other jurisdictions	**44,138**	35,641
Current and deferred rates difference and adjustments	**150,029**	(29,524)
Income tax expense at effective rate	**361,132**	**153,929**
Income tax effective rate	**17.88%**	**6.94%**

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:

	2021	2020
Income before taxes	**2,020,091**	2,216,879
Equity method	**(1,348,570)**	(1,621,538)
Profit before taxes excluding equity method	**671,521**	**595,341**
Nominal income tax rate in Colombia	**31%**	32%
Income tax expense at nominal rate	**208,172**	190,509
INCREASE (DECREASE) IN THE TAX PROVISION RESULTING FROM:		
Application of fixed asset benefit	**(81,644)**	(70,007)
Non-deductible expenses	**1,701**	6,268
Taxable dividends, CAN dividends, CFC income	**1,249,886**	165,007
Exempted income	**(1,211,149)**	(143,965)
Tax in other jurisdictions	**44,138**	35,641
Current and deferred rates difference and adjustments	**150,028**	(29,524)
Income tax expense at effective rate	**361,132**	**153,929**
Income tax effective rate	**53,78%**	**25,86%**

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:

	2021	2020
The income tax expense consists of:		
Current income tax expense	**163,935**	154,356
Expenses for taxes paid in other jurisdictions	**44,138**	35,642
Deferred income tax expense	**160,974**	(7,672)
Income tax adjustment for previous years	**(7,915)**	(28,397)
Income tax expense	**361,132**	**153,929**

24.3 Income tax effective rate vs. nominal rate

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.

The effective rate, excluding the impact of the equity method for 2021 was 53.78% compared with a nominal rate of 31%, while for 2020, the effective rate was 25.86% compared with a nominal rate of 32%, mainly explained by:

- The application of the deduction for investment in productive actual fixed assets reduces the payment of income tax. For 2021, this means a reduction of 12% of the effective rate compared with the nominal rate. For 2020, 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 0.3%. For 2020, the effect on the rate was 1%.
- 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 6%, in 2021. For 2020, it represented 4% in the effective rate.
- The amount of taxes paid abroad that cannot be taken as an income tax credit generated an increase of 7% in the effective rate in 2021 and 6% in 2020.
- The application of the variation in the deferred tax rate, as a result of the 2021 tax reform, generated an increase in the rate of 22%.

24.4 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 obligations, 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:

	2021		2020	
	Beginning of the period	End of the period	Beginning of the period	End of the period
DEFERRED TAX ASSETS				
Employee liabilities	**35,755**	**28,243**	33,226	35,755
Estimated liabilities and provisions	**6,068**	**32,579**	3,272	6,068
Intangibles and other assets	**5,883**	**6,547**	5,601	5,883
Accounts payables	**4,158**	**4,437**	3,659	4,158
Financial liabilities	**3,377**	**(635)**	-	3,377
Accounts receivables	**145**	**634**	-	145
Total deferred tax asset	**55,386**	**71,805**	**45,758**	**55,386**
DEFERRED TAX LIABILITY				
Property, plant, and equipment	**(905,823)**	**(1,123,374)**	(903,115)	(905,823)
Accounts receivables	**-**	**-**	(2,926)	-
Financial liabilities	**-**	**-**	(242)	-
Total deferred tax liabilities	**(905,823)**	**(1,123,374)**	**(906,283)**	**(905,823)**
NET DEFERRED TAX	**(850,437)**	**(1,051,569)**	**(860,525)**	**(850,437)**

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

	2021	2020
DEFERRED TAX VARIATION		
Beginning of the period (net)	**(850,437)**	(860,525)
End of the period (net)	**(1,051,569)**	(850,437)
Variation of the period	**201,132**	**(10,088)**
DETAIL OF THE DEFERRED TAX VARIATION		
Variation recognized in results	**160,974**	(7,672)
Variation recognized in results - prior year adjustment	**22,941**	-
Variation recognized in other comprehensive income	**17,217**	(2,416)
Total deferred tax variations	**201,132**	**(10,088)**

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. Deferred taxes have not been calculated on these differences, as they are not expected to be realized. 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 has no tax losses or excess of presumptive income pending to be used in future tax assessments and, therefore, has not recognized any amount of deferred tax for this concept.

24.5 Tax liabilities

	2021	2020
Income tax	**33,264**	41,097
Other tax liabilities	**27,574**	21,888
Total other tax liabilities	**60,838**	**62,985**
Current	**60,838**	62,985
Non-current	**-**	-

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.

	2021	2020
Current income tax	**163,935**	154,356
Discounts, withholdings, and advances	**(130,671)**	(113,259)
Total income tax liability	**33,264**	**41,097**

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.

24.6 Total taxes 2021

The company contributed during 2021, COP 397,644 in total taxes, of which COP 8,082 is recognized by the regulator. The following table shows the amounts the company disclosed in its 2021 financial statements as costs/expenses for the year.

2021 taxes	National Government	Departmental and municipal governments	Sector contributions	Regulation, surveillance, and control entities	Total taxes, fees, and contributions
Income tax	361,132	-	-	-	361,132
Industry and commerce tax	-	4,375	-	-	4,375
Financial transaction tax	13,956	-	-	-	13,956
Street lighting tax	-	1,645	-	-	1,645
Real estate tax	-	3,609	-	-	3,609
Other municipal taxes [1]	-	1,629	-	-	1,629
Subtotal taxes	**375,088**	**11,258**	**-**	**-**	**386,346**
SSPD and CREG contributions	-	-	504		504
Fiscalization fee - Comptroller's Office of the Republic	-	-		2,712	2,712
Subtotal contributions	**-**	**-**	**504**	**2,712**	**3,216**
Energy Mining Planning Unit (UPME)	-	-	-	8,082	8,082
Subtotal recognized contributions	**-**	**-**	**-**	**8,082**	**8,082**
Total taxes	**375,088**	**11,258**	**504**	**10,794**	**397,644**

(1) Other municipal taxes include tax on notices and billboards, Fire Department surtax, vehicle tax, stamps, surtax on disaster prevention, and environmental surtax.

25. Equity

25.1 Subscribed and paid-in capital and number of shares

ISA's subscribed and paid-in capital, as of December 31, 2021 and 2020, amounts to COP 36,916, represented in 1,125,498,016 shares, distributed as follows:

2021	Number of shares	COP million	% Interest [1]
STATE INVESTORS			
EMPRESA COLOMBIANA DE PETRÓLEOS ECOPETROL	569,472,561	18,679	51.4114
EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.	97,724,413	3,205	8.8225
Subtotal	**667,196,974**	**21,884**	**60.2339**
PRIVATE CAPITAL INVESTORS			
FONDO DE PENSIONES OBLIGATORIAS PORVENIR MODERADO	89,620,188	2,940	8.0908
FONDO DE PENSIONES OBLIGATORIAS PROTECCIÓN MODERADO	65,352,157	2,144	5.8999
FONDO BURSÁTIL ISHARES COLCAP	30,412,259	998	2.7456
FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO	27,284,834	895	2.4632
FONDO DE PENSIONES OBLIGATORIAS PORVENIR MAYOR RIESGO	13,280,254	436	1.1989
SKANDIA FONDO DE PENSIONES OBLIGATORIAS MODERADO	11,076,096	363	0.9999
FONDO DE PENSIONES OBLIGATORIAS PROTECCIÓN MAYOR RIESGO	10,133,255	332	0.9148
FONDO BURSÁTIL HORIZONS COLOMBIA SELECT DE S&P	9,061,289	297	0.8180
NORGES BANK	6,333,610	208	0.5718
VANGUARD EMERGING MARKERTS STOCK INDEX FUND	6,215,735	204	0.5612
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,333,701	175	0.4815
FONDO DE PENSIONES OBLIGATORIAS PROTECCIÓN RETIRO	5,157,221	169	0.4656
EMPLOYEES PROVIDENT FUND BOARD	4,457,620	146	0.4024
ISHARES CORE MSCI EMERGING MARKETS ETF	3,965,650	130	0.3580
FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MAYOR RIESGO	3,724,748	122	0.3363

2021	Number of shares	COP million	% Interest [1]
ABU DHABI INVESTMENT AUTHORITY J.P. MORGAN	3,399,128	111	0.3069
VOL-EQCOL FONDO DE PENSIONES PROTECCIÓN	3,081,698	101	0.2782
FONDO ESPECIAL PORVENIR DE RETIRO PROGRAMADO	2,615,150	86	0.2361
Other shareholders	139,976,327	4,590	12.6370
Subtotal	**440,480,920**	**14,447**	**39.76610**
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**	

2020	Number of shares	COP million	% Interest [1]
STATE INVESTORS			
MINISTRY OF FINANCE AND PUBLIC CREDIT	569,472,561	18,679	51.4114
EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.	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	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

2020	Number of shares	COP million	% Interest [1]
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 MARKERTS 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 MSCI EMERGING MARKETS ETF	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**	

(1) Percentage of outstanding shares, which are common, registered, and dematerialized.

(2) The 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.

25.2 Authorized shares and nominal value

As of December 31, 2021 and 2020, 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.

25.3 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).

25.4 Additional paid-in capital

This item amounts to COP 1,428,128 in 2021 and 2020.

25.5 Earnings per share

Earnings per share are calculated based on the weighted average annual number of shares outstanding at the date of the statement of financial position. The company has no instruments with possible dilution effects.

	2021	2020
Net profit for the year	**1,658,959**	2,062,950
Average of outstanding shares for the period	**1,107,677,894**	1,107,677,894
Basic and diluted earnings per share (expressed in COP)	**1,497.69**	1,862.41

25.6 Reserves

	2021	2020
Equity strengthening [1]	**5,906,797**	5,287,151
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	**6,861,491**	**6,241,845**

(1) In compliance with Article 47 of the Company's Bylaws, the General Shareholders' Meeting has created this occasional reserve in order for the Company to maintain its financial strength, maintain the level of financial indicators required by the credit risk rating agencies to grant investment grade and comply with the contractual commitments acquired with the financial entities. At the General Shareholders' Meeting held on March 26, 2021, it was approved to create an occasional reserve for equity strengthening, in the amount of COP 619,646 (2020: COP 895,822), to meet investment commitments already acquired and to maintain 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) In accordance with the Law, the company is required to appropriate 10% of its annual net profits as a 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.

25.7 Dividends

Dividends declared in 2021 and 2020, on income of the previous year, are detailed below:

	2021	2020
Net income of previous period	**2,062,950**	1,643,505
Outstanding shares	**1,107,677,894**	1,107,677,894
Ordinary dividend per share (in COP)	**744**	675
Extraordinary dividend per share (in COP)	**559**	-
Total decreed dividends per share	**1,303**	675
Decreed dividends	**1,443,304**	747,683
Payment method	Ordinary dividend payable in two equal installments, in July and December 2021	Ordinary dividend payable in two equal installments, in July and December 2020

26. Revenues from contracts with customers

	2021	2020
Income from joint account agreement	**1,083,385**	975,322
Electric power transmission services	**285,016**	246,402
Other revenues	**8,862**	8,438
Construction services for infrastructure projects	**5,248**	6,533
Connection charges to the STN	**2,614**	2,372
Information and telecommunication technologies	**209**	418
Total revenues from contracts with customers	**1,385,334**	**1,239,485**

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, 2021 and 2020.

27. Operating costs and administrative expenses

Operating costs and administrative expenses are detailed below:

	Operating costs		Administrative expenses		Total	
	2021	2020	2021	2020	2021	2020
Personnel costs and expenses	30,406	22,834	45,022	46,002	75,428	68,836
Contributions and taxes	30,388	29,371	6,122	7,110	36,510	36,481
Fees	5,805	4,016	13,831	12,900	19,636	16,916
Insurances	12,581	8,954	5,064	2,461	17,645	11,415
Studies	3,644	3,781	7,883	9,225	11,527	13,006
Maintenance of intangibles	3,931	3,988	3,059	2,122	6,990	6,110
Environmental and social	2,608	1,638	1,903	1,749	4,511	3,387
Advertising, printed material, and publications	-	-	4,325	5,174	4,325	5,174
Miscellaneous	1,407	666	1,979	209	3,386	875
Services	619	272	914	826	1,533	1,098
Communications	395	405	520	712	915	1,117
Leases	-	-	186	302	186	302
Materials and maintenance	65	-	2	1	67	1
Total costs and expenses before depreciation and amortization	**91,849**	**75,925**	**90,810**	**88,793**	**182,659**	**164,718**
Depreciations	192,143	167,016	7,434	6,504	199,577	173,520
Amortizations	58	120	1,084	3,128	1,142	3,248
Provisions	-	-	9,995	(43)	9,995	(43)
Total depreciations, amortizations, and provisions	**192,201**	**167,136**	**18,513**	**9,589**	**210,714**	**176,725**
Total operating costs and administrative expenses	**284,050**	**243,061**	**109,323**	**98,382**	**393,373**	**341,443**

28. Other operating revenues

They correspond to income from the recovery of interest on equity taxes for the year 2011, COP 1,124, and refund of wealth tax for the year 2015, COP 5,443.

	2021	2020
Other operating revenues	**6,567**	-

29. Other revenues and expenses and equity method

	2021	2020
Income from sale of property, plant, and equipment	**45**	-
Indemnities	**380**	2,968
Recoveries	**4,730**	133
Others	**742**	483
Total other revenues	**5,897**	**3,584**
Loss on sale and derecognition of property, plant, and equipment	**399**	4,967
Others	**1,982**	4,483
Total other expenses	**2,381**	**9,450**
Other net revenues (expenses)	**3,516**	**(5,866)**
Profit from equity method	**1,620,551**	**1,653,283**
Losses from equity method	**271,981**	**31,745**

30. Financial result

The breakdown of financial income and expense as of December 31, 2021 and 2020 is as follows:

	2021	2020
Return on other assets	**11,708**	15,730
On financial assets	**4,366**	12,089
Returns from monetary readjustment	**3,551**	6,379
Valuation of investments	**2,975**	307
Dividends	**3,350**	3,579
Commercial discounts, conditioned, and agreements	**744**	1,526
Total financial revenues	**26,694**	**39,610**
On bonds	**(229,498)**	(198,759)
On public credit financial obligations	**(67,684)**	(95,503)
Actuarial valuation	**(15,661)**	(16,192)
Loans	**(6,739)**	(9,014)
Commissions and other bank expenses	**(1,462)**	(1,651)
Other interest	**(1,118)**	(1,584)
Miscellaneous	**-**	(484)
Management of issuance of securities	**(1,817)**	(1,615)
Total financial expenses	**(323,979)**	**(324,802)**
Accounts payable	**(4,722)**	(1,954)
Cash	**(21,186)**	(974)
Debtors	**29,408**	(10,949)
Loans	**16,962**	18,144
Financial liabilities	**(53,700)**	(15,910)
Total net exchange difference	**(33,238)**	**(11,643)**
Total net financial result	**(330,523)**	**(296,835)**

31. Contingent liabilities and assets

As of December 31, 2020 and 2021, ISA is involved as defendant in administrative, civil, and labor lawsuits, none of which have the potential to cause significant impacts on the company's financial position and results of operations.

Disputes and claims to which the company is exposed are managed by the legal department. Lawsuits are periodically evaluated and classified according to their probability of loss for the company. For those proceedings in which an outflow of resources is likely to occur and a reliable estimate can be made, ISA recognizes the corresponding provisions in the financial statements (see Note 23.1).

The company is a defendant in labor, civil, social security and tax lawsuits involving risks of loss that, based on management's assessment supported by internal and third-party legal counsel, are classified as possible loss, for which no provision was recognized. ISA monitors the probability of loss periodically. The following is a summary of the eventual proceedings against the Company:

Probability of winning or losing	#	Balance
Likely against	53	6,306

The main proceeding currently being carried out by the company is:

- Labor Proceeding - Plaintiff: various

The purpose of this proceeding is to recognize the plaintiffs' retirement pension agreed upon in the Collective Labor Agreement signed between the Company and Sintraisa. As of December 2021, ISA values this process at COP 3,807, without recognizing a provision as it considers that the probability of loss is contingent.

32. Guarantees

At the end of 2021, the following bank guarantees are in force to comply with the obligations acquired by the company.

Beneficiary	Purpose	End date	Original currency	Balance in original currency	Balance in COP MM
XM	To support the fulfillment of the obligations undertaken in the awarding of the Public Call for Bids UPME 05-2014 | Costa Caribe Reinforcement	09/09/2022	COP	77,802,889,561	77,803
XM	To support the fulfillment of the obligations undertaken in the awarding of the Public Call for Bids UPME 09-2016 - Cuestecitas	10/09/2022	COP	71,132,455,396	71,132
XM	To support the fulfillment of the obligations undertaken in the awarding of the Public Call for Bids UPME 07-2017 - Sabanalarga-Bolívar	12/13/2022	COP	29,909,509,913	29,910
XM	To support the fulfillment of the obligations undertaken in the awarding of the Public Call for Bids UPME 06-2018, El Río	03/06/2022	COP	23,811,281,899	23,811
XM	To support the fulfillment of the obligations undertaken in the awarding of the Public Call for Bids UPME 4-2019, Loma Sogamoso	03/20/2022	COP	75,897,414,163	75,897
XM	To support the fulfillment of the obligations undertaken in the awarding of the Public Call for Bids UPME 03-2021, Carrieles	06/10/2022	COP	9,291,398,224	9,291
Ministry of Energy of Chile	To guarantee compliance with the operation of the "1x750 MVA 500/220 kV New Autotransformers Bank in Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar substations", of the project called PLEX 7	03/20/2022	USD	2,175,570	8,661
Kalpataru	To guarantee compliance with the payment of the obligations acquired in the electric power transmission cable import contract	02/25/2022	USD	340,452	1,355
Total					**297,860**

In addition, the company provided a joint and several guarantee to support the financing contracts of the Empresa Propietaria de la Red (EPR).

Beneficiary	Purpose	End date	Original currency	Balance in original currency	Balance in COP MM
Banco Centroamericano de Integración Económica - BCIE (Central American Bank of Economic Integration)	Guarantee the fulfillment of payment obligations with lenders of the Empresa Propietaria de la Red - EPR	06/29/2027	USD	17,110,052	68,118

33. Subsequent events

The company evaluated subsequent events from December 31, 2021 through February 22, 2022, the date on which the separate financial statements were approved by the Board of Directors for issuance. No subsequent events considered significant have occurred during this period.

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 Comission
CSM:	Centro de Supervisión y Maniobras (Supervision and Maneuvers Center)
DECEVAL:	Depósito Central de Valores (Central Securities Depository)
DTF:	Depósito a Término Fijo (Colombian benchmark 90-day time deposit rate)
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
NCIF:	Accounting and Financial Reporting Standards
NIIF (IFRS):	Normas Internacionales de Información Financiera (International Financial Reporting Standards)
PBTE:	Piratininga - Bandeirantes Transmissora de Energia S.A
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 (CGUs))
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

Deloitte.

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STATUTORY AUDITOR'S REPORT

To the Shareholders of
INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying separate financial statements of INTERCONEXIÓN ELÉCTRICA S.A. E.S.P. (hereinafter "the Entity"), which comprise the statement of financial position as at December 31, 2021, and the statement of profit and loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying separate financial statements, taken from the accounting records, present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, the results of its operations and its cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

Basis for Opinion

I have conducted my audit in accordance with the International Auditing Standards accepted in Colombia. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the separate financial statements in Colombia and I have fulfilled all other ethical responsibilities in accordance with those requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As indicated in Note 13 to the separate financial statements, CTEEP, a subsidiary of Interconexión Eléctrica S.A. E.S.P., through ISA Capital do Brasil, has recorded a net balance of accounts receivable from the State of Sao Paulo for COP$1,403,802 million, related to the impacts of Law 4819 of 1958, which granted employees of companies under its control of the State of Sao Paulo, benefits already granted to other public employees. CTEEP has taken legal steps before the respective state authorities to collect these amounts. The accompanying separate financial statements do not include adjustments that could result from the outcome of this uncertainty. My opinion has not been modified by this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the separate financial statements of the current period. These matters were addressed in the context of my audit of the

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separate financial statements as a whole, and in forming my opinion thereon, and I do not express a separate opinion on these matters.

Description of Key Audit Matter

As disclosed in explanatory note 13 of the separate financial statements, CTEEP, a subsidiary of Interconexión Eléctrica S.A. E.S.P. through ISA Capital do Brasil, which acts as a service provider in accordance with the concession contract, is being remunerated by the construction and execution of the electricity transmission infrastructure, as well as the maintenance and operation of that infrastructure. During its construction stage, the Company constitutes, as part of the recognition of the construction revenue, contract assets, which are amortized after the start of the operations, as the Company performs the operation and maintenance of the built infrastructure, and upon receiving remuneration for the fulfillment of both performance obligations. As of December 31, 2021, the balance of the Company's contract assets is COP$15,239,958 million.

The recognition of the contract asset and the revenue of the Company in accordance with IFRS 15 Revenue from Contracts with Customers, requires the exercise of a significant judgment on the moment in which the client obtains control of the asset. Additionally, measuring the Company's progress toward meeting the performance obligation satisfied over time also requires the use of significant estimates and judgments by management to estimate the efforts or inputs needed to meet the performance obligation, such as materials and labor, expected profit margins for each identified performance obligation, and projected expected revenue.

Finally, as it is a long-term contract, the identification of the discount rate that represents the implicit financing component in the future cash flow collections also requires the use of judgment by management. Due to the relevance of the amounts and the significant judgment involved, I consider the measurement of contract assets and revenues to be a key matter for our audit.

How the key audit matter was addressed in the audit

Our audit procedures included, among others:

1. Understanding of the recognition process of the contract asset and its respective revenue, by nature.
2. Evaluation of the design, implementation and operating effectiveness of the relevant internal control activities determined by management related to the identification, processing and recording of transactions related to the contract asset and the contract revenue, in accordance with the accounting requirements and the contractual conditions.
3. Understanding of the criteria and assumptions used to determine the construction and operation and maintenance margins, the implicit rates applied to future cash flows and the estimated amounts of compensation on the residual values of the transmission infrastructure, when applicable.
4. Retrospective review of the expenses incurred in each project in relation to the amounts initially budgeted, with the corresponding analysis and discussion of the nature of the variations and discrepancies and obtaining evidence that corroborate such variations.
5. Substantive tests related to additions to contract assets, on a sample basis.
6. The recalculation of the future cash flows of infrastructure projects (new lines, reinforcements and improvements), on a sample basis.
7. The recalculation of the monetary update and the financial remuneration of the contract asset based on the established contractual conditions and other assumptions used by the Entity.

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8. Analysis of the cash flow related to the built infrastructure, as well as the corresponding legislation (Law 12,783/13 - RBSE), for the classification as a contract asset.

9. Analysis of the possible existence of onerous contracts; and

10. Evaluation of the disclosures made by management in the financial statements.

Based on the audit procedures carried out related to the measurement of the contractual assets of CTEEP, a subsidiary of Interconexión Eléctrica SAESP, and on the audit evidence obtained that supports our tests, I understand that the criteria for the measurement of the contract assets adopted by management, as well as the respective disclosures in note 13 to the separate financial statements, are acceptable in the context of the separate financial statements for the year ended December 31, 2021 taken as a whole.

Responsibility of management and Those Charged with Governance for the separate financial statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the separate financial statements

My objective is to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Auditing Standards accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Auditing Standards accepted in Colombia, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities within the Entity to express an opinion on the separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. I describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

As indicated in Note 2.1, the accompanying separate financial statements have been prepared to comply with the legal provisions in force in Colombia. These separate financial statements should be read in conjunction with the consolidated financial statements that are issued separately.

The separate financial statements for the year ended December 31, 2020, which are included for comparative purposes only, were audited by another statutory auditor who expressed an unqualified opinion on February 26, 2021.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

According to the scope of my audit, I report that the Entity has kept its accounting in accordance with legal regulations and accounting technique; the operations recorded in the accounting books, the correspondence, the vouchers of the accounts and the minute and share registry books are kept and kept properly; the administrators' management report is in due agreement with the basic financial statements and includes proof by the Administration that it has not hindered the free circulation of invoices issued by vendors or suppliers; and the information contained in the declarations of self-assessment of contributions to the Integral Social Security System, in particular that relating to the affiliates and their contribution base income, has been taken from the accounting

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records and supports. As of December 31, 2021, the Entity is not in arrears for contributions to the Integral Social Security System.

According to article 4 of Decree 2496 of 2015 that modifies numeral 1.2.1.2 of Decree 2420 of 2015, the statutory auditor will apply the ISAE, in development of the responsibilities contained in article 209 of the Commercial Code, related to the evaluation of compliance of the statutory provisions and of the assembly and with the evaluation of internal control. Likewise, according to Article 1.2.1.5 of said Decree, for the purposes of applying article 1.2.1.2, it will not be necessary for the statutory auditor to prepare separate reports, but rather to express an opinion or concept on each of the topics contained in them. The Technical Council of Public Accounting will issue the necessary technical guidelines for these purposes.

Based on the evidence obtained in the development of my statutory audit, during the year 2021, in my opinion, nothing has caught my attention that makes me think that: a) the acts of the Entity's administrators do not comply with the bylaws and /or to the decisions of the meeting and b) the measures of internal accounting control, conservation and custody of the assets of the Entity or of third parties that are in its possession do not exist or are not adequate.

MARTIN BERNARDO CHOCONTÁ MELÉNDEZ
Statutory auditor
P.C. 32517-T
Designated by Deloitte & Touche Ltda.

February 25, 2022.

Certification of separate financial statements

Medellin, February 22, 2022

To the shareholders of Interconexión Eléctrica S.A. E.S.P.

We, the undersigned Legal Representative and Chief Accounting Officer of Interconexión Eléctrica S.A. E.S.P., in compliance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF) and adopted by the National General Accounting Office, and the provisions of Article 37 of Law 222 of 1995 and Article 46 of Law 964 of 2005, certify that:

1. The separate financial statements of the company as of December 31, 2021 and 2020 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 separate financial statements and other reports relevant to the public for the periods ended December 31, 2021 and 2020 do not have inaccuracies, errors or omissions that prevent knowing the true financial condition or operations of ISA and its companies.

César Augusto Ramírez Rojas
Acting CEO

John Bayron Arango Vargas
Chief Accounting Officer
P.C. No. 34420–T

BOARD OF DIRECTOR'S REPORT

ARTICLE 466 OF THE COMMERCE CODE

DECEMBER 31, 2021

(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 2021, which includes, in addition to the financial statements as of December 31, 2021, compared with those of 2021, 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 breakdown of losses and gains as of December 31, 2021 in the Management Report presented by the CEO.

Below is the description of depreciations and amortizations:

	2021
Depreciations	**199,577**
Amortizations	**1,142**
Total	**200,719**

2. Economic and financial situation

See the analysis of the economic and financial situation of ISA in the *Management Report* presented by the CEO.

3. 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 Senior Management key personnel is the following:

	2021
Remuneration	**13,648**
Short-term benefits	**7,751**
Total	**21,399**

Payments related to fees, travel expenses, and representation expenses are directly covered by the company, represented by third parties providing goods and services.

4. Remuneration in favor of advisors or consultants

During 2021, the following payments were made to advisors or consultants, as fees:

	2021
Statutory Auditor	**1,384**
External and internal audits	**338**
Legal, financial, and administrative advisory	**8,784**
Technical advisory	**6,985**
Total	**17,491**

5. Transfers of money and other assets

In 2021, a donation of COP 1,400,000 was made to the National University of Colombia, whose scope is to carry out a regional contribution strategy for the COVID-19 pandemic, during twelve months, with a focus on immunization and virus mutation processes, in order to have the necessary tools to outline safe economic reactivation processes and future vaccination strategies.

6. Advertising and publicity expenses

Advertising and publicity expenses as of the year ended December 31, 2021, are detailed below:

	2021
Institutional advertising and publicity	**3,140**
Target advertising and publicity	**48**
Total advertising and publicity expenses	**3,188**

7. Net monetary position

As of December 31, 2021, ISA held the following assets and liabilities in foreign currency expressed in millions of equivalent US dollars.

ASSETS	
Cash and cash equivalents	2,877
Financial assets	58,010
Other non-financial assets	6,113
Total assets	**67,000**
LIABILITIES	
Financial liabilities	330,000
Accounts payable	8,447
Total non-current liabilities	**338,447**
Active net monetary position	**(271,447)**

8. Investments

See details of investments in domestic and foreign companies in Note 13 to the financial statements.

9. 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.

SPECIAL REPORT ON TRANSACTIONS WITH AFFILIATES AND SUBSIDIARIES

(Values expressed in millions, both in pesos and in the original foreign currency).

Pursuant to the provisions of Article 29 of Law 222 of 1995, the special report on economic relations between ISA and its subsidiaries and affiliates during 2021 is submitted to the General Shareholders' Meeting.

Commercial transactions between the affiliates and the subsidiaries of ISA during 2021, 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 ISA'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 10.1. Balances and transactions with related parties.

The following decisions made during 2021, regarding distribution of dividends, are highlighted:

ISA TRANSELCA

At the Ordinary General Shareholders' Meeting held on March 18, 2021, the distribution of dividends was decreed for COP 146,814. ISA was allocated the amount of COP 146,812.

XM

At the Ordinary General Shareholders' Meeting held on March 24, 2021, the distribution of dividends was decreed for COP 9,309. ISA was allocated the amount of COP 9,284.

SISTEMAS INTELIGENTES DE RED

At the Ordinary General Shareholders' Meeting held on March 11, 2021, the distribution of dividends was decreed for COP 4,087. ISA was allocated the amount of COP 613.

ISA INTERCOLOMBIA

On March 15, 2021, at the Ordinary General Shareholder' Meeting, the distribution of profits for COP 26,482 was approved. ISA was allocated the amount of COP 26,481.

ISA REP

At the Mandatory Annual Shareholders' Meeting held on March 16, 2021, the distribution of dividends was decreed for USD 46. ISA was allocated the amount of USD 14.

On July 27, 2021, at the Universal Shareholders' Meeting, a dividend distribution of USD 25 was decreed, of which USD 8 corresponded to ISA; likewise, the distribution of part of the supplementary capital premium of USD 25 was approved, assigning USD 8 to ISA.

CONSORCIO TRANSMANTARO

At the Mandatory Annual Shareholders' Meeting held on March 16, 2021, the distribution of dividends was decreed for USD 65. ISA was allocated the amount of USD 39.

On July 27, 2021, at the Universal Shareholders' Meeting, a dividend distribution of USD 50 was decreed, of which USD 30 corresponded to ISA.

PROYECTOS DE INFRAESTRUCTURA DEL PERÚ (PDI)

On March 11, 2021, the Annual Mandatory Shareholders' Meeting was held, at which the distribution of dividends was approved, in the amount of USD 1, corresponding to ISA 99.97% of such amount.

ISA BOLIVIA

At a Mandatory Annual Shareholders' Meeting held on March 10, 2021, the distribution of dividends was decreed for BOB 37. ISA was allocated the amount of BOB 19.

ISA CAPITAL DO BRASIL

On March 26, 2021, the Governing Board, in accordance with Article 35 of the Company's Bylaws, approved to distribute interest on equity capital to ISA for BRL 378, which was deducted from retained earnings.

On June 26, 2021, the Governing Board, in accordance with Article 35 of the Company's Bylaws, approved the distribution of dividends to ISA for BRL 90, based on retained earnings as of June 30, 2021.

On November 15, 2021, the Governing Board, in accordance with Article 35 of the Company's Bylaws, approved the distribution of dividends to ISA for BRL 130 and interest on Equity for BRL 167, based on retained earnings as of October 31, 2021.

On December 30, 2021, the Governing Board, in an extraordinary meeting, ad-referendum of the General Shareholders' Meeting, in accordance with Article 35 of the Corporate Bylaws, approved the distribution of interest on equity capital to ISA for BRL 37.

ISA Investimentos e Participações

On June 14, 2021, the Governing Board, in accordance with Article 37 of the Corporate Bylaws, approved the distribution of dividends to ISA for BRL 111.8 and Interest on Equity for BRL 8.0, based on retained earnings at the end of the first quarter of 2021.

EMPRESA PROPIETARIA DE LA RED (EPR)

At the Ordinary Shareholder's Meeting held on April 8, 2021; the distribution of profits was approved. ISA was allocated the amount of USD 1.

ISA INVERSIONES CHILE

At the Extraordinary Shareholders' Meeting held on May 27, 2021, the distribution of dividends in the amount of CLP 10,493 was declared, of which 99.99979% corresponded to ISA.

INTERCONEXIÓN ELÉCTRICA COLOMBIA PANAMÁ – PANAMÁ

In May and September 2021, ISA made capital contributions of COP 8,971 and COP 9,221, respectively.

In 2021, 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 and their shareholders.

isa
CONEXIONES QUE INSPIRAN

Inspiring communities all together

8 • Annexes

GRI Table GRI [102-55]

Indicator		Covered in the report	Only covered in website	Contents	Page	Omission	External verification
1. COMPANY PROFILE							
102-1	Organization's name	x		Company profile	19		X
102-2	Activities, brands, products, and services	x		Company profile Electric Power Roads Telecommunications and ICT	19, 25-36		X
102-3	Location of the branch	x		Company profile	19		X
102-4	Location of operations	x		Company profile ISA presence	19, 22		X
102-5	Ownership and legal form	x		Company profile	19		X
102-6	Markets served	x		Electric Power Roads Telecommunications and ICT	26, 27, 31, 34		X
102-7	Scale of the organization	x		Company profile Our people Electric Power Roads Telecommunications and ICT	19, 24, 26, 27, 31, 34		X
102-8	Information on employees and other workers	x		Company profile Our people	19, 24		X
102-9	Supply chain	x		Company profile Procurement Procurement model	19, 37, 38		X
102-10	Significant changes to the organization and its supply chain	x		Transaction between the Ministry of Finance and Public Credit and Ecopetrol	17		X
102-11	Precautionary principles or approach	x		Contribution to global environmental challenges	87		X
102-12	External initiatives	x		Institutional commitments	146, 147, 148		X

Indicator		Covered in the report	Only covered in website	Contents	Page	Omission	External verification
2. STRATEGY AND RISK MANAGEMENT							
102-14	Statement from senior decision makers	x		ISA2030 Strategy – Sustainable Value	56		X
102-15	Key impacts, risks and opportunities	x		Comprehensive risk management	63-71		
102-16	Description of the organization's values, principles, standards and norms of behavior			Strategy	56-62		
102-17	Mechanisms and for advise and concerns about ethics. Report concerns related to unethical conduct			Ethics	52-53		
A-RI1	Strategic risks	x		Relevant risks	63-68		
A-RI2	Emerging risks	x		Emerging risks	69-71		
3. GOVERNANCE							
102-18	Governance structure	x		Good governance and integrity	44-47		X
102-19	Delegation of authority of the highest governance body			Good governance and integrity Board of Directors	45		
102-20	Executive-level responsibility for economic, environmental, and social topics		x	The Board and Corporate Governance, Sustainability and Risks Committee	45		
102-21	Stakeholder consultation on economic, environmental and social issues	x		Dialogue with stakeholders	126, 130-133		
102-22	Composition of the highest governance body and its committees	x		Good governance and integrity Board of Directors Management	44-47		
102-23	Chair of the highest governing body	x		Good governance and integrity Board of Directors	45		

Indicator		Covered in the report	Only covered in website	Contents	Page	Omission	External verification
102-24	Nomination and selection of the highest governance body			The Board of Directors is approved at the General Shareholders' Meeting. The nomination of candidates to the Board of Directors shall take into account a reasonable balance and diversity within the Board, in order to ensure its adequate performance. For this purpose, among the candidates who apply, it shall be taken into account that they are not subject to legal disqualifications and incompatibilities and that they have the competencies, experience, academic training, independence of judgment, knowledge, qualities, abilities and sufficient availability to be a candidate for Board member.			
102-25	Conflicts of interest			Good Governance Code Report			
102-26	Role of the highest governance body in setting purpose, values and strategy	x		ISA2030 Strategy – Sustainable Value	56		
102-27	Collective knowledge of the highest governance body		x	Skill Matrix of the Board of Directors			
102-28	Performance evaluation of the highest governance body			Good Governance Code Report Information on the performance of the evaluation processes of the Board of Directors and Senior Management, as well as a summary of the results.			
102-29	Identification and management of ESG impacts	x		ESG Figures Materiality	23, 73-169		
	Effectiveness of risk management processes	x		Risk Management			
102-30				Good Governance Code Report Management structure (Board and Governance Committee, Audit Committee) And the Risk Management System chapter	45, 66		
	Review of economic, social and environmental topics	x		Risk management	64, 65, 66		
102-31				The Governance, Sustainability and Risk Committee shall review the progress of the company's sustainability management. These issues were reviewed on four occasions during the year. Good Governance Code Report Management Structure (Board and Governance Committee)	45, 66		

	Indicator	Covered in the report	Only covered in website	Contents	Page	Omission	External verification
102-32	Role of the highest governance body in sustainability reporting	x		Company profile	15		
102-33	Communicating critical concerns			Critical concerns are reviewed by the Chairman's Committee and addressed at the various Board Committees or by the full Board of Directors.			
102-34	Nature and total number of critical concerns			Sensitive issues were reviewed in the different Board Committees. This information can be consulted in the Governance Report at Good Governance Code: Board Committees			
102-35	Remuneration policies	x		Good governance and integrity Board of Directors Annex: Compensation Table	44, 510, 511		
102-36	Process for determining remuneration	x		Development and care of human talent Quality of life	164, 165		
102-37	Stakeholder's involvement in remuneration	x		Remuneration is discussed at the compensation table, in which workers designated by the employees and the company participate. With this information, the Vice-Presidency of Organizational Talent, the Presidential Committee define the proposals that are presented to and endorsed by the Board of Directors'.	165		
102-38	Annual total compensation ratio	x		Annex Compensation Table GRI [405-2]	510, 511		
102-39	Percentage increase in annual total compensation ratio	x		Annex Compensation Table GRI [405-2]	510, 511		
4. STAKEHOLDER ENGAGEMENT							
102-40	List of stakeholders	x		Dialogue with stakeholders Stakeholders	127-129		X
102-41	Collective bargaining agreements	x		Profile of ISA and its companies	24, 499		
102-42	Identifying and selecting stakeholders	x		Dialogue with stakeholders Stakeholders	126-129		X
102-43	Approach to stakeholder engagement	x		Dialogue with stakeholders Stakeholders	126-129		
102-44	Key topics and concerns raised	x		Dialogue with stakeholders Main matters of meeting and dialogue	130-133		
5. PRACTICE IN REPORT PREPARATION							
102-45	Entities included in the consolidated financial statements	x		Consolidated financial results	171-184		

	Indicator	Covered in the report	Only covered in website	Contents	Page	Omission	External verification
102-46	Defining report content and topic boundaries	x		Report profile	15		X
102-47	List of material topics	x		Materiality analysis	73-76		
102-48	Restatements of information	x		Excellence Fines for non-compliance with service	84		X
102-49	Changes in reporting	x		There were no significant changes			X
102-50	Reporting period	x		Report profile	15		X
102-51	Date of most recent report	x		Report profile	15		X
102-52	Reporting cycle	x		Report profile	15		X
102-53	Contact point for questions regarding the report	x		Report profile	15		X
102-54	Claims of reporting in accordance with the GRI Standards	x		Report profile	15		X
102-55	GRI content index	x		GRI Table	447		X
102-56	External assurance	x		Independent review memorandum	524		X
GOOD GOVERNANCE AND INTEGRITY							
GRI 102-16	Values, principles, standards and norms of behavior	x		ISA2030 Strategy – Sustainable Value	55		X
GRI 102-17	Mechanisms for advice and concerns about ethics	x		Ethics	52		
GRI 102-34	Nature and total number of critical concerns	x		Ethics	52, 53		
GRI 205-1	Operations assessed for risks related to corruption	x		Ethics Annex: Table [GRI 205-3] Corruption incidents and actions taken	52		X
GRI 205-2	Communication and training about anti-corruption policies and procedures	x		Ethics Annex: Table [GRI 205-3] Corruption incidents and actions taken			X
GRI 205-3	Confirmed incidents of corruption and actions taken	x		Ethics Annex: Table [GRI 205-3] Corruption incidents and actions taken			X
Own	Management of information (Habeas data)	x		Ethics Annex: Table Information management (habeas data)	52		X

	Indicator	Covered in the report	Only covered in website	Contents	Page	Omission	External verification
STRENGTH AND GROWTH							
Own	Revenues	x		Strength and growth	77		
Own	Ebitda	x		Strength and growth	77		
Own	Investments	x		Strength and growth	77		
Own	Assets	x		Strength and growth	77		
EXCELENCIA							
Own	Reliability	x		Excellence	79		
Own	Availability	x		Excellence	79		
Own	Km of circuit	x		Excellence	79, 80		
Own	MVA instaled capacity	x		Excellence	79		
Own	Energy demand	x		Excellence	79		
Own	Net efective capacity	x		Excellence	81		
Own	Favolability of customer service	x		Excellence	82, 83		
FORESIGHT AND INNOVATION							
Own	Total R&D Spending	x		Foresight and innovation Annex: Table Investment in innovation	134, 462		
Own	Management of innovation	x		Foresight and innovation	134-139		
TRANSFORMATIONAL LEADERSHIP AND INFLUENCING CAPACITY							
GRI 102-13	Membership of associations	x		Associations to which ISA and its companies belong	149-153		
GRI 201-1	Direct economic value generated and distributed	x		Annex: [GRI 201-1] Direct economic value generated and distributed.	456		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	x		Excellence Monetary value of significant fines for non-compliance with regulations relating to the supply of services	84		
CONTRIBUTION TO GLOBAL ENVIRONMENTAL CHALLENGES							
GRI 304-1	Operational sites owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	x		Annex: [GRI 304-1] Operational sites owned, leased or managed that are located in or adjacent to protected areas or areas of high biodiversity value	470-475		

Indicator		Covered in the report	Only covered in website	Contents	Page	Omission	External verification
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	x		Annex: [GRI 304-2] Significant impacts of activities, products, and services on biodiversity	476, 477		X
GRI 304-3	Habitats protected or restored	x		Annex: [GRI 304-3] Habitats protected or restored	480-484		X
GRI 304-4	IUCN Red List species and national conservation lists species with habitats in areas affected by operations	x		Contribution to global environmental challenges	87, 486		
Own	Biodiversity exposure and assessment	x		Contribution to global environmental challenges Commitment to the protection of biodiversity	90-95		
Own	Actions implemented for biodiversity protection	x		Contribution to global environmental challenges Commitment to the protection of biodiversity	91, 94		
Own	Commitment to biodiversity	x		Contribution to global environmental challenges Commitment to the protection of biodiversity	90		X
Own	Days of backlog in environmental licenses	x		Contribution to global environmental challenges Environmental impact management (Environmental licensing of projects)	100		
307-1	Non-compliance with environmental laws and regulations	x		Contribution to global environmental challenges Management of environmental impacts (Legal processes inherent to business) (Non-monetary sanctions for noncompliance with environmental regulations)	101		X
Own	Investment in environmental programs for the licensing of projects	x		Company profile ESG data	23, 99		X
GRI 305-1	Direct (scope 1) GHG emissions		x	Climate strategy			
GRI 305-2	Energy Indirect (scope 2) GHG emissions		x	Climate strategy			
GRI 305-3	Other indirect (scope 3) GHG emissions		x	Climate strategy			
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions		x	Climate strategy			

	Indicator	Covered in the report	Only covered in website	Contents	Page	Omission	External verification
GRI 302-1	Energy consumption within the organization		x	Climate strategy			
GRI 303-1	Water withdrawal by source		x	Climate strategy			
GRI 306-2	Waste by type and disposal method		x	Climate strategy			
GRI 306-1	Water discharge by quality and destination		x	Climate strategy			
COMMITMENT TO SOCIOECONOMIC DEVELOPMENT							
Own	Social investment, people and organizations benefited	x		Socioeconomic development Social investment	116		
Own	Social investment in critical municipalities	x		Socioeconomic development Critical municipalities with social programs in place	116		
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	x		Socioeconomic development: Main matters of meeting and dialogue	130-133		
GRI 102-43	Approach to stakeholder engagement	x		Socioeconomic development: Main matters of meeting and dialogue	130-133		
GRI 102-44	Key topics and concerns raised	x		Socioeconomic development: Main matters of meeting and dialogue	130-133		
GRI 408-1	Operations and suppliers with significant risk of incidents of child labor	x		Annex: [GRI 408-1] Child labor	493		
GRI 409-1	Forced or compulsory labor	x		Annex: [GRI 409-1] Forced or compulsory labor	492		
GRI 410-1	Security practices	x		Annex: [GRI 410-1] Security practices	494		
GRI 411-1	Rights of indigenous peoples	x		Annex: [GRI 411-1] Rights of indigenous peoples	495		
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	x		Annex: [GRI 413-1] Operations with local community involvement, impact assessments and development programs.	498		
GRI 412-2	Employee training on human rights policies or procedures	x		Annex: [GRI 412-1] Human rights assessment	496		

	Indicator	Covered in the report	Only covered in website	Contents	Page	Omission	External verification
GRI 412-1	Operations subject to human rights impact assessments or reviews	x		Annex: [GRI 412-1] Human rights assessment	496		
Own	Number of events related to human rights violations	x		Ethics Annex: Human rights violation cases	52		
DEVELOPMENT AND CARE OF HUMAN TALENT							
GRI 401-1	New employee hires and employee turnover	x		Annex: [GRI 401-1] Employment: new employee hires and employee turnover	501-504		
Own	Organizational climate result	x		Development and care of human talent Quality of life	163, 505		
GRI 404-1	Average hours of training per year per employee	x		Development and care of human talent Talent development Annex: [GRI 404-1] Training and education	155-161, 506-508		
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	x		Annex: [GRI 404-3] Percentage of employees receiving regular performance and career development reviews	165, 509		
Own	Internal vacancies	x		Development and care of human talent Talent development	156		
GRI 403-2	Occupational health and safety: Type of accidents and rates of accidents, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities or caused by occupational diseases	x		Development and care of human talent Occupational safety and health	166-169, 511-520		
GRI 403-9	Work-related injuries	x		Annex: [GRI 403-9] Injuries due to occupational accidents	166-169		X
GRI 405-2	Ratio of basic salary and remuneration of women and men	x		Annex: [GRI 405] Diversity and equal opportunity	510, 511		
GRI 406-1	Incidents of discrimination and corrective actions taken.	x		Annex: [GRI 406-1] Incidents of discrimination and corrective actions taken	512		

Economic impact

Direct economic value generated and distributed [G4-EC1]

(COP millions)

Items	ISA + INTERCOLOMBIA	GROUP CTEEP	ISA INTERCHILE	ISA REP	XM	ISA BOLIVIA	ISA TRANSELCA	GRUPO INTERVIAL
	Electric Power Transmission							Road Concessions
Net operating revenues (**)	3,152,481	4,454,878	322,168	654,704	186,265	28,572	298,398	1,871,871
Revenues from financial investments	197,243	420,878	34,046	120,415	5,477	1,812	108,156	257,624
Revenues from sale of property, plant and equipment and intangible assets	45	-	-	-	5	-	-	42
Other extraordinary revenues	6,567	-	-	-	-	-	-	-
Direct economic value generated	**3,356,336**	**4,875,756**	**356,214**	**775,119**	**191,747**	**30,384**	**406,554**	**2,129,537**
Operating costs	220,497	881,069	31,788	118,715	37,230	8,112	52,284	913,346
Salaries, social benefits and employee benefits	216,812	215,995	22,376	66,154	51,952	4,969	40,495	76,282
Dividends distributed to shareholders	1,443,305	909,028	-	362,032	9,309	19,816	146,814	266,132
Financial costs with capital providers	523,795	501,880	597,034	148,566	3,164	362	40,073	814,346
Taxes and contributions to the government	255,381	1,149,306	1,067	89,102	40,266	1,971	55,983	(22,267)
Community investments	32,146	2,130	2,939	448	-	492	799	1,033
Distributed economic value	**2,691,936**	**3,659,408**	**655,204**	**785,017**	**141,921**	**35,722**	**336,448**	**2,048,872**
RETAINED ECONOMIC VALUE	**664,400**	**1,216,348**	**(298,990)**	**(9,898)**	**49,826**	**(5,338)**	**70,106**	**80,665**
Provisions, depreciations, and repayments	211,286	15,834	111,998	154,557	49,761	3,167	34,316	45,669
RESERVES	**453,114**	**1,200,514**	**(410,988)**	**(164,455)**	**65**	**(8,505)**	**35,790**	**34,996**

(*) ISA and ISA INTERCOLOMBIA provide electric power transmission services in Colombia through a joint account agreement, for which reason they are presented as integrated.
(**) ISA's net operating revenues include the results of the companies where it has control, joint control and significant influence.

Third-party risk management

Proportion of spending on local suppliers GRI [204-1]

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP/CTMP / ISAP	ISA INTERCHILE	ISA CTEEP	INTERVIAL	XM	INTERNEXA
					2021					
The percentage of the procurement budget of locations with significant operations that is spent with suppliers local to that operation (such as the percentage of products and services that are purchased locally)	98.3%	99.6%	69.90%	73.00%	96.00%	96.6%	99.2%	99.6%	99.00%	98.5%
Value of local purchases (COP)	$295,781,866,835	$156,515,476,304	$222,455,687,466	$5,612,782,690	$1,394,150,604,317	$354,958,089,882	$1,029,420,239,283	$304,907,343,493	$38.623,065,052	$61,396,121,749
Total purchases (COP)	$300,833,783,423	$157,157,305,437	$318,157,662,647	$7,686,564,953	$1,452,174,824,931	$367,427,529,758	$1,037,901,799,076	$306,179,189,647	$39,006,483,755	$62,313,282,093
The organization's geographic definition of "local"	Colombia	Colombia	Colombia	Bolivia	Peru	Chile	Brazil	Chile	Colombia	Colombia
Locations with significant operations: where the Business was developed	Colombia	Colombia	North Zone - Colombia	Bolivia	Peru	Chile	Brazil	Chile	Colombia	Colombia

* From this accounting period onwards, the total amount of all contracts has been considered and not only GRI. That is why the number has increased, but the proportion remains the same.

Compliance with supplier evaluation indicator

		2019	2020	2021	Target
		% of compliance			
Average evaluation of suppliers evaluated on quality, timeliness, HSE, ethics and anti-fraud practices	ISA	87.6	80.9	91.5	Validate: Target value greater than or equal to 85%
	ISA INTERCOLOMBIA	87.6	80.9	91.5	
	ISA TRANSELCA	82.5	86.4	93.53	
	ISA REP	86.7	86.8	86	
	PDI	100	100	100	
	ISA BOLIVIA	N. A.	N. A.	87	

		2019	2020	2021	Target
		% of compliance			
Average evaluation of suppliers evaluated on quality, timeliness, HSE, ethics and anti-fraud practicese	ISA CTEEP	82.3	71.1	58.26	Validate: Target value greater than or equal to 85%
	ISA INTERCHILE	54.5	100	100	
	ISA INTERVIAL	47	100	96	
	XM	N. A.	98.8	95.76	
	INTERNEXA	N. A.	98.6	100	

New suppliers that have passed evaluation and selection screening according to environmental criteria GRI [308-1]

		ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP/CTMP /ISAP		ISA INTERCHILE		ISA CTEEP		XM	INTERVIAL	
2021																		
Percentage of new suppliers that were screened and selected using environmental criteria	Number of new suppliers	168		173		308		78		94		148		226		0	0%	N. A. (*)	(*) Intervial does not perform a prior assessment of environmental requirements
	Number of new suppliers evaluated and selected according to environmental criteria	11	6.55%	22	12.72%	33	11%	1	1.30%	31	33%	10	7%	174	77%	0	A significant part of XM's purchases correspond to professional services, which do not imply the risk to generate environmental impacts	N. A. (*)	
GRI [308-2] NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN																			
Number of suppliers assessed for environmental impacts		64		47		33		1		31		15		277		0		N. A. (*)	
Number of suppliers identified as having significant actual and potential negative environmental impacts		64		47		2		1		31		0		277		0		N. A. (*)	
Significant actual and potential negative environmental impacts identified in the supply chain		Breach of environmental legal requirements		Breach of environmental legal requirements		1. Spills of chemical and/or hazardous substances in the transportation of equipment and in the use of such equipment at the organization's sites 2. Improper storage, removal and disposal of hazardous waste 3. improper storage and handling of chemicals and equipment containing them		• Alteration of water and soil conditions • Destabilization of soils • Potential water and soil contamination		• Spill of chemical products • Atmospheric emissions due to traffic • Alterations of the landscape due to the use of non-vehicular access • Hazardous solid waste generation • Breach of environmental legal requirements		Breach of environmental legal requirements		• Soil degradation • Soil contamination • Improper disposal of waste • Deforestation, and Failure to comply with legal obligations • SF_6 emissions, oil leak		A significant part of XM's purchases correspond to professional services, which do not imply the risk to generate environmental impacts		N. A. (*)	

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP/CTMP /ISAP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL
GRI [308-2] **NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN**									
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon due to assessment	1	0	0	0	0	0	0	0	N. A. (*)
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon due to assessment	1.56%	0%	0%	0%	0%	0%	0%	0%	N. A. (*)
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon due to assessment	0	0	0	0	0	0	0%	0	N. A. (*)
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated due to assessment	0%	0%	0%	0%	0%	0%	0%	0	N. A. (*)
Description of the reasons for the termination of relationships with suppliers identified as having significant negative environmental impacts	NA	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	

New suppliers who have passed selection screening according to social criteria GRI [414-1]

		ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP/CTMP /ISAP		ISA INTERCHILE		ISA CTEEP		XM		INTERVIAL	
									2021										
Percentage of new suppliers that were assessed and selected using social criteria	Number of new suppliers	168		173		308		78		94		148		226		1		60	
	Number of new suppliers evaluated and selected according to social criteria	29	17.26%	22	13%	33	11%	1	1%	31	33%	0	0%	174	77%	1	100%	60	100% **

GRI [414-2] **NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN. A.ND MEASURES TAKEN**

Number of suppliers assessed for social impacts	136	111	33	1	40	0	276	1	516
The number of suppliers identified as suppliers with significant potential and actual significant negative social impacts	136	111	33	1	40	0	276	1	516
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		• Breach of legal requirements regarding occupational health and safety • Covid-19 staff infection • Work at heights • Electric contact • Hit by and against objects • Falling objects	• Failure to respect human rights within 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	Breach of legal requirements regarding occupational health and safety	Compliance with the laws; (Personal Protection Equipment -PPE, Collective Protection Equipment - CPE, working conditions, working days, occupational safety, "NR-10" training, health exams) child labor or similar. Risk of transmission line closure due to wrong procedure, causing variable plot.	Breach of legal requirements regarding occupational health and safety	Work on the road and the right of way

ISA TRANSELCA

1. Interaction with the Communities
   Due to the fact that its own infrastructure is inserted in territories urban and rural with the presence of neighboring communities that could be affected by maintenance activities.
2. Risk of falling from heights Due to exposures to falls from heights on quipment in Substations and lines.
3. Traffic accidents Due to the displacements in the different venues (Conditions vehicle mechanics, weather conditions, state of the roads, Driver Aptitude, Technical Competence, among others)
4. Electrical Hazard Due to the installations and electrical equipment of alternating current and DC. Step voltage, iduction and energized equipment, Tools without insulation and/or with faults in it, Absence of equipment grounding, tower structures and yard equipment, Among others.
5. Safety condition: Mechanical, Biomechanical and Chemical Entrapments with manual and electric equipment and tools, covers of gutters, cabinet doors, door handles. Handling of chemical products for maintenance of equipment in Substations and lines. Performing movements with loads, body positions and rotational movements of wrists and hands.
6. Public Due to the geographical location of the venues (thefts, robberies, groups outside the law

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP/CTMP /ISAP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL
GRI [414-2] **NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN. A.ND MEASURES TAKEN**									
Number of suppliers identified as having significant actual and potential negative social impacts with which improvements have been agreed upon as a result of an assessment	2	3	0	0	0	0	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of an assessment	1.47%	2.70%	0%	0%	0%	0	0%	0%	0%
Number of suppliers identified as having significant actual and potential negative social impacts with which improvements have been agreed upon as a result of an assessment	0	1	0	0	0	0	1	0	0
The percentage of suppliers identified as having significant actual and potential negative social impacts with which the relationship has been terminated as a result of the assessment; include the reason	0	0.01	0	0	0	0	0.003623188406	0	0
Description of the reasons for the termination of relationships with suppliers identified as having significant negative social impacts	NA	A non-obvious conflict of interest is identified	N. A.	N. A.	N. A.	N. A.	Reason: During the mobilization of employees, the Company did not comply with the legislation related to Occupational Safety and Health and Safety Standards	N. A.	

Investment and innovation

	Unit	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA CTEEP	XM	INTERVIAL	INTERNEXA	SIER	TOTAL
TOTAL INVESTMENT IN INNOVATION	**USD MILLION**	**2.53**	**1.05**	**0.75**	**0.10**	**4.23**	**8.54**	**0.38**	**0.85**	**0.43**	**18.9**
Of the total investment in innovation, how much was in New Business Models or Ventures (According to strategic guidelines)	USD million	0.00	0.00	0.00	0.02	0.22	0.79	0.13	0.56	0.11	1.83
Revenue or sales from innovation	USD million	0.00	0.00	0.00	0.01	0	0.50	0.00	4.54	0.11	5.16
Curtailment costs or efficiencies from innovation	USD million	N. A.	0.75	N. A.	0.15	0.48	N. A.	0.00	N. A.	0.00	1.38
List the entities from which you received support to carry out the innovation in your company.	List all current ones	MINCIENCIAS, Ruta N, Endeavor, MIT, SENA	Ruta N CIDET MINCIENCIAS	MINCIENCIAS Ruta N Atlánticonnect FOCUS BAQ Chamber of Commerce	Innóvate Perú	ANEEL	MINCIENCIAS Medellín Chamber of Commerce Hamkke Ruta N Flink	Brinca UC Innovation Center	MINCIENCIAS	MINCIENCIAS CDTI (Spain)	
Please include RATES TO USD 2021	Rate in COP used	3,981.16	3,981.16	3,981.16			3,981.16		3,981	3,981.16	

Management of innovation

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA CTEEP	XM	INTERVIAL	INTERNEXA	SIER
Number of innovation committees		12	1	1	4	Incubation Committee: 6 Innovation Advisory Committee: 4	1.0	3	2
Number of projects		6	3	13	19	10	9.0	13	9
Number of patents approved		0	0	0	1	0	0.0	0	0
Number of alliances		2	Universidad de la Costa - CUC, RUTA N, ATLANTICONNET, STARTER, FLINK	20	29	13	7.0	9	5

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA CTEEP	XM	INTERVIAL	INTERNEXA	SIER
Number of projects recognized by Colciencias or equivalent entity in countries other than Colombia		6	1	1	0		0.0	1	1
Number of innovation projects carried out with ecosystem stakeholders		1	2	4	19	8	8.0	0	9
List the mechanisms or assets (confidentiality agreement, invention patents, trade secrets, software registration, copyright, etc.) with which your company protects its intellectual property		Documents signed with DEVINT and XM	0	Confidentiality agreement, patents	Patents, software registrations, confidentiality agreements	• Non Disclousure Agreement • Memorandum of Understanding	Confidentiality Agreements Memorandum of Understanding	Confidentiality Agreements Brand Registration	Confidentiality Agreements, Copyright, Software Registration

AFFILIATE	Product	Service	Level of novelty	Venture	Indicate the innovation approach of the practice	Brief summary of the innovation or venture	Efficiencies obtained	Indicates the reduction of costs and economic benefits in USD millions	Describe how this approach to innovation leads to improved management	Describe other positive impacts
ISA INTERCOLOMBIA	Significant process improvement, APM project	N. A.	New to the company	N. A.	Transform the organization's O&M process by incorporating the APM (Asset Performance Management) concept and data analytics tools to achieve operational and performance efficiencies throughout the asset life cycle.	APM: implementation of an Asset Performance Management system— APM—, in order to achieve efficiencies and optimization in the management of the assets of the business group, including definition of the architecture necessary for the collection of complementary information required for the analysis performed in the different tools that make up the system. To generate reductions in operation times, decreases in O&M costs during the asset life cycle, increases in asset life, reductions in event and system failure risks and improvements in performance indexes (number of failures per kilometer, average time to repair a failure, % of planned maintenance, % transformer utilization, etc.)	View next page	0.401	The most important characteristics of the process innovation proposed in this project include: • Reduction of unplanned repairs • Increased asset availability • Reduced maintenance costs • Optimization of system operation • Reduction of failures in critical assets	View next page

ISA INTERCOLOMBIA

Efficiencies obtained

Asset risks: An asset risk analysis methodology was developed, which included the definition of a model for calculating the probability of failure when data is and is not available, and risk escalation matrices were proposed for approval of the VTE. The model for calculating the probability of failure for Intercolombia's equipment is already in operation and will be migrated to the other affiliates.

Transformer analytics: The architecture for the operation of the transformer anomaly detection model was implemented in Azure with delivery of results to CIGA, an implementation that has been used to perform tests in the operation and maintenance process. The tests were documented evidencing the contribution in the transformer condition analysis and the need to implement improvements to the model. Additionally, a new machine learning model was developed focused on the automatic recommendation of actions based on learning from historical recommendations.

Transmission line analytics:
The model for forecasting line output due to atmospheric discharges is being tested in the operation and maintenance process.

In the case of the landslide forecasting model, during 2021, information on other physical variables was collected and will be integrated, and the Mass Movement Hazard Map has been incorporated into the model.

In transmission line image analytics, tests were carried out in the CTEEP transmission line maintenance process through CAID, identifying the need to restructure the model architecture. The restructuring has been successfully carried out and is currently being tested for final implementation in the processes.

Switch analytics: The first exploratory analytical model for switch analytics was built using the Machine Learning Decision Tree technique with gridSearch. Data exploration continues with data from all affiliates to answer assigned business questions

Unified portal: 93 projects are operating in a productive environment and 58 projects have been migrated out of a total of 138. The architecture is being adjusted to optimize the operation and corrections in the migration of some projects. User testing of the update, query, printing and plotting, drawing and format conversion flows was completed. Phase II O&M - BIT management training has begun and the Phase II tools are in the process of being put into production.

Substation remote service:

1. Completion of the business case (except in DST) for ARS pilots in Transelca and Intercolombia. In process of elaboration of case, except for the REP ARS pilot.
2. Commencement of change management plan for ARS pilots in affiliates with October as an estimated date.
3. Detailed analysis of impacts and risks of each of the pilots in the affiliates for the development of change management with TO of ISA and affiliates.
4. In process of perfecting the pilot contract in REP and TRANSELCA.
5. ARS Intercolombia ETN pilot is under development.

Virtual remote substation assistance:

1. Basic AVR implementation in substations with connectivity - 95%.
2. Advanced Virtual Assistance Referencing - 100%
3. Pilot immersive training in 2 affiliates - 95%.

Non-interruptive maintenance - benefits achieved:

- **PMO - Implementation of approved MNI practices:**
  Progress: A roadmap was defined for the implementation of non-interruptive maintenance strategies. There is a list of activities implemented and those to be implemented by 2030.
  Large-scale work is carried out in the affiliates:
  oTranselca performs live-line working (TcT) in Nueva Barranquilla 110 kV and Valledupar 220 kV substations.
  oITCO executed TcT works in Jamundino substation
- **PMO - Definition of criteria for TcT with CRD:**
  Progress: The integration of the deliverable documents of the business cases by affiliate is in progress. This will result in the decision to use in-house or contracted personnel for live-line working in each company.
- **PMO - Maintenance strategy review**
  Progress: There is an inventory of maintenance frequencies by affiliates, with a list of NMI activities to be implemented in the affiliates that would generate changes in the equipment maintenance strategy and procedures.

Describe other positive impacts

The potential and expected benefits of this innovation in process include the following impacts:

- A significant impact on O&M costs over the life cycle of the asset, which are valued for the entire ISA Group at between USD 4 million and USD 5 million per year on average in a 7-year scenario due to reductions in operating costs by minimizing interventions through frequency adjustment or elimination of activities, reduction of insurance premiums, insurance management, repair of failed units, and avoidance of fines and compensation. Benefits are expected to start to be realized from 2024 to 2030 when analytical models are mature and allow more accurate asset decisions to be made.
- Reductions in the risks of events and failures in the system that may result in penalties and impact the quality of service, where the energy not supplied due to failures in substation equipment would be reduced by more than 2.000 MWh in a 7-year scenario.
- Eco-efficiency benefits such as the reduction of maintenance activities, which involves air and ground transportation of a large number of personnel with a high impact on emissions.
- A lengthening of the useful life of the equipment, which avoids the replacement of equipment for a number of years and therefore reduces the carbon footprint of manufacturing new equipment. Reduction of environmental risks by avoiding catastrophic failures of power transformers (an average of 1 catastrophic failure per year is considered for the entire group), which generally cause fires and oil spills that are highly harmful to the environment.

AFFILIATE	Product	Service	Level of novelty	Venture	Indicate the innovation approach of the practice	Brief summary of the innovation or venture	Efficiencies obtained	Indicates the reduction of costs and economic benefits in USD millions	Describe how this approach to innovation leads to improved management	Describe other positive impacts
ISA CTEEP	ZAP COT - Development of a communication system MVP for our asset control centers, to automate and digitize communications, replacing the telephone.		New for the international market	No	Application of agile methodologies for the development of innovative products, with the testing of MVPs and the application of product time (squads), for the development of a system that allows the digitalization and substitution of the telephone in the coordination of tasks in the operation of the assets of ISA CTEEP.	Development of a system with variable APP for the digitalization of the communication between the ISA CTEEP control centers.	Digitalization of ISA CTEEP's control center communications, with the optimization of maneuver times, improvement of reliability standards, with the automation of communication protocols. It has also made it possible to reduce the use of paper in the SE.	The NPV of the project in its first phase is estimated at USD 0,3 million	The digitization of communications allows greater traceability and automation of activities, improving the management of our asset operations.	The project has the potential to advance our innovation management with the creation of the first venture building experience of ISA CTEEP, creating a new venture based on the project.
SIER		Service	New for the domestic market	No	R&D Collaborations with external business partners	Methodology that provides the necessary elements to design and implement Climate Change Mitigation Programs or Projects (CCMP), which include GHG removal activities through reforestation processes, restoration of woody crops in the agricultural sector to qualify for payments for results or similar compensations due to its implementation supported by the Cercarbono voluntary certification program.	Quantify greenhouse gas (GHG) removals in forest and agricultural land categories that allow participation in the voluntary carbon market by all stakeholders.	N. A.	Generation of a new methodology for the domestic market	
		Service	New to the company	No	R&D Collaborations with external business partners	It focuses on the construction of a web platform as a service for different companies, which allows the optimization, updating and generation of routes in order to meet the operational needs that may arise, resulting in greater efficiency in all processes. For this purpose, we have developed several models focused on last-mile, special transportation and site recommendations.	Allows to optimize, modify and create routes according to the needs of business and school transportation companies. It allows to optimize variables such as distance, time, fuel and multi-targeting	N. A.	Generates cost reductions in last-mile transportation	

AFFILIATE	Product	Service	Level of novelty	Venture	Indicate the innovation approach of the practice	Brief summary of the innovation or venture	Efficiencies obtained	Indicates the reduction of costs and economic benefits in USD millions	Describe how this approach to innovation leads to improved management	Describe other positive impacts
SIER		Service	New to the company	No	Distributed creativity	Improvements were made and new functionalities were developed for Appimotion, including the management and differentiation of emission factors by client and city, which implies a calculation of indicators more adjusted to the clients' location.	Improvements were made in the management and functionalities associated with business routes, allowing the optimization of the company's resources and their use by the users, while the latter will be informed of the service and the actions to be taken. In addition, we enabled for our users the option to change the language of the application to English, which will allow us to reach new English-speaking customers.	Revenue of 0.07	Improved customer satisfaction	
		Service	New to the company	No	R&D Collaborations with external business partners	Software was developed for the detection, classification, counting and tracking of vehicles by means of recorded video, which can be by means of low altitude remotely controlled aerial vehicles (drones) or by static or security cameras.	The results obtained from the software are: counting and categorization of vehicles, trajectories, distributions, speeds and accelerations. With this information, the following indicators can be calculated to help make decisions regarding road safety: Crossing time, gap time, collision time, fatality probability vehicle-pedestrian impact	N. A.	Improved customer satisfaction with new functionalities	

AFFILIATE	Product	Service	Level of novelty	Venture	Indicate the innovation approach of the practice	Brief summary of the innovation or venture	Efficiencies obtained	Indicates the reduction of costs and economic benefits in USD millions	Describe how this approach to innovation leads to improved management	Describe other positive impacts
XM	GAPS: Continuity of a product in the commercial stage		New in the national and international market	No		GAPS is XM's solution for robust and reliable electrical analysis. GAPS efficiently analyzes the feasible generation space, making it possible to do in minutes what previously could take several hours or even days. Through the use of geometric analysis concepts, it is possible to identify the restrictions that define the safe operating region, quantify it and determine the effectiveness of each of the generators to manage it. GAPS is more than a simulation tool, it is a solution for robust safety analysis.	Reduced risk in electrical analysis and reduced time to perform analysis	Planning team with reduced staffing requirements		Revenues of USD 0.044 million
	Labtween: New solution		Differentiation with existing solutions, in terms of agility and technical capacity	No		This laboratory is a system in which equipment can be tested in simulated environments that behave just like the real environment. This avoids equipment operation errors when implemented in a real system, and reduces field testing times. This tool is known internationally as Hardware in the Loop and contributes to the safety and confidence in the implementation of engineering projects, also reducing investment costs for the testing phases.	Reduced risk in electrical analysis and reduced time to perform the analyses required for the implementation of real systems in the field			
	ARCO: Continuity of a product in the commercial stage		Differentiation with existing solutions through the ability to have a comprehensive approach	No		ARCO is developed by XM with the main objective of estimating the value of the portfolio provisions of the companies participating in the Wholesale Energy Market, as well as providing important information for credit risk management, taking into account the implementation of expected loss financial models that comply with both regulatory provisions (IFRS 9) and the ability to obtain the necessary information from each of the companies.	Reduction of time and increase in quality when performing the risk analysis of the company's customers, according to the expected loss analysis according to IFRS standards			Revenues of USD 0.08 million

AFFILIATE	Product	Service	Level of novelty	Venture	Indicate the innovation approach of the practice	Brief summary of the innovation or venture	Efficiencies obtained	Indicates the reduction of costs and economic benefits in USD millions	Describe how this approach to innovation leads to improved management	Describe other positive impacts
XM	CumbIApp: New solution		New in the national and international market	No		In partnership with iData, we have implemented a solution called CumbiApp, which facilitates the distribution of money resources to the population in a secure, traceable and reliable way, with the possibility of implementing data analytics algorithms for the continuous improvement of processes. Resources can be configured to be delivered to target populations with specific characteristics and for defined uses within a portfolio. Through an artificial intelligence system and our Blockchain-based database, we can ensure that resources are distributed according to the instructions of the entity generating the resource, and analytics processes are performed to generate value for users and stakeholders.	Transparency, traceability and security in the distribution of economic benefits to the population. In addition, data analytics mechanisms are implemented to generate added value and better understand the behavior of beneficiaries	Transparency		
XM	EcoRegistry: Continuity of a product in the commercial stage		Differentiation with existing solutions	Pending creation		Our commitment to sustainability has led us to contribute our knowledge in the electricity sector to other sectors of the economy that generate impact through greenhouse gas reduction projects. This is why we have developed EcoRegistry, a platform for registering projects and emission reduction certificates for the carbon market. Based on blockchain technology, EcoRegistry aims to dynamize and strengthen the carbon market by ensuring transparency in the accounting of emissions reductions and security and traceability in the management of information. Our partnership with Latin Checkout for the development and implementation of EcoRegistry has strengthened our innovation ecosystem inside and outside the company. If you want to learn more, we invite you to visit www.ecoregistry.io	Ease, agility and traceability in the generation of carbon credits, in order to build confidence in the carbon markets	Quality, transparency, agility, automation		

AFFILIATE	Product	Service	Level of novelty	Venture	Indicate the innovation approach of the practice	Brief summary of the innovation or venture	Efficiencies obtained	Indicates the reduction of costs and economic benefits in USD millions	Describe how this approach to innovation leads to improved management	Describe other positive impacts
XM	EcoGox: Continuity of a product in the commercial stage		Differentiation with existing solutions	Pending creation		Combining our knowledge of the electricity sector and the skills acquired in the development of registry systems for environmental markets, we implemented EcoGox, a platform for certification, registration, traceability and redemption of Renewable Energy Certificates (RECS). Through this system developed in blockchain technology, we aim to provide security and trust in the RECs market, which seeks to encourage the implementation of renewable energies and the consumption of clean energy. If you want to learn more, we invite you to visit www.ecogox.com	Ease, agility and traceability in the generation of renewable energy credits, in order to build confidence in the renewable energy markets	Quality, transparency, agility, automation		
	EcoTrade: New solution		Differentiation with existing solutions	Pending creation		Transactional platform for environmental assets, with the transparency and information necessary for buyers to make an informed decision.	Ease, agility and transparency in carbon market transactions, generating quality and efficiency	Quality, transparency, agility, automation		
	Transactive Energy: New solution			No		Enabling platform for transactive energy markets to empower consumers and promote the transformation of the electricity sector in Colombia and Latin America.				
	EcoREP			No		Traceability platform associated with circular economy systems, in order to generate added value from the reuse and recycling of materials.				
	BioRegistry			No		Biodiversity credit registry platform to generate confidence in markets seeking biodiversity restoration and conservation in different sectors in Latin America.				

Commitment to global environmental challenges

Operations centers owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas GRI 304-1

Data 2021

Positive / negative aspects
Actions implemented for management

ITEM	ISA		ISA INTERCOLOMBIA		ISA REP		ISA INTERCHILE		ISA TRANSELCA		ISA CTEEP		
Geographic location		N. A.	• Interconexión Noroccidental: Transmission Lines associated with the Antioquia - Cerromatoso 500 kV Connection (ANCE):- Department of Córdoba/Municipality of San Jose de Uré • Interconexión Noroccidental: Transmission Lines associated with the Antioquia - Porce 500 kV Connection Antioquia/Ituango (ANPO): Department of Antioquia/Municipality of Ituango • Interconexión Noroccidental: Transmission line associated with the Porce III - Sogamoso 500 kV connection (POSO): Department of Santander/Municipality of San Vicente de Chucurí and Betulia • Costa Caribe 500 kV Interconnection: Cerromatoso- Chinu – Copey Transmission Line (CECO): • Sabanalarga - Bolívar 500 kV Transmission Line (SABO): Department of Atlántico / Municipality of Luruaco See file: RIG support, tab GRI[304-1]	TOTAL AREA INTERVENED (RIG 2020): 8.80 ha For the RIG 2020, like this as for 2021 were taken into account only projects in construction and operation and areas really intervened in the reporting year that they were located in areas of importance to The Biodiversity (IUCN categories I - IV, tropical dry forest, AICA and Reserve of the biosphere). The surface of areas affected in areas of great value for biodiversity during the year 2021 was very similar to the year 2020	• El Angolo Game Reserve • Lomas de Lachay National Reserve • Lomas de Ancon Reserve Zone • Salinas y Aguada Blanca National Reserve • Nor Yauyos Cochas Landscape Reserve	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	Atacama Region Coquimbo Region Valparaiso Region Metropolitan Region		Santa Marta - Termoguajira Line Tower 106 (11°14'26.6''N 73°41'7.3''O) to Tower 131 (11°14'21.8'' N 73°33'56.90''O)	Negative aspects: Interaction with fauna. During the execution of maintenance activities, wild animals may be sighted, putting the activities at risk. To this end, procedural guidelines have been defined to avoid mistreatment of the fauna and prevent risks to employees. Positive aspects: Tree pruning. Cutting some branches promotes trunk development and improves the natural foliage of the trees. Although the purpose of the intervention is to avoid the proximity to networks, this also generates a positive effect on the individual tree.	Áreas protegidas (unidades de conservação) interceptadas pelos empreendimentos isa cteep e subsidiárias, localizadas nos estados de atuação da companhia. (Planilhas anexas)	Departamento Atlántico / Municipio Luruaco Ver archivo: Soporte RIG, pestaña GRI [304-1]

ITEM	ISA		ISA INTERCOLOMBIA		ISA REP		ISA INTERCHILE		ISA TRANSELCA		ISA CTEEP	
Subsurface and underground land			N. A.		No bodies of water are found within the properties	No bodies of water are found within the properties	N. A.		0	There are no areas as described in the item	Empreendimentos localizados em diversas localidades, com presença de águas superficiais e subterraneas	
Position with respect to the protected area (within the area, adjacent to the area or with plots in the protected area) or area of high biodiversity value outside the protected area	N. A.	N. A.	The reported interventions are located within areas of high biodiversity value (IUCN Category I to IV, biosphere reserve, AICA, or tropical dry forest)		In all cases within the area		Flowering Desert Zone: within the priority area Punta Teatino - Caleta de Hornos: within the priority area Cerro Santa Ines and Costa de Pichidangui: 600 meters from the priority area Los Molles-Pichidangui: within the priority area La Campana-Peñuela Biosphere Reserve: crosses the transition zone. El Roble: within the priority area.	Impact on mi-tigation and compensa-tion process through the measures established in the RCA	Within the area (Parque Nacional Natural Sierra Nevada de Santa Marta)	The same operational controls defined in the Integrated Management System are applied	Há empreendimentos localizados dentro de áreas protegidas (planilhas anexas)	

Data 2021

Positive / negative aspects
Actions implemented for management

ITEM	ISA		ISA INTERCOLOMBIA		ISA REP		ISA INTERCHILE		ISA TRANSELCA		ISA CTEEP	
Type of operation (office, manufacturing, production, or extraction)	N. A.	N. A.	• Interconexión Noroccidental: Transmission Lines associated with the Antioquia - Cerromatoso 500 kV Connection (ANCE): Construction • Interconexión Noroccidental: Transmission line associated with the Porce III - Sogamoso 500 kV Connection (POSO): Construction • Interconexión Noroccidental: Transmission Lines associated to the Antioquia - Medellín Ancón Sur Connection and Transmission Lines associated to 500/230 kV (AMA): Construction • Costa Caribe 500 kV Interconnection: Cerromatoso- Chinu – Copey Transmission Line (CECO): Construction • Sabanalarga - Bolívar 500 kV Transmission Line (SABO): Construction See file: RIG support, tab GRI [304-1]		Transmission Line		Electric power transmission line; electric substation		Production	Support from the National Parks authority in easement maintenance activities that involve the intervention of trees that do not comply with the minimum safety distances required by the RETIE, in order to ensure that pruning activities have the least impact on the environment	Operação de linhas de transmissão de alta tensão e subestações	

Data 2021

Positive / negative aspects Actions implemented for management

ITEM	ISA		ISA INTERCOLOMBIA		ISA REP		ISA INTERCHILE		ISA TRANSELCA		ISA CTEEP	
Size of operations center in km^2 (or other unit if applicable)	N. A.	N. A.	• TOTAL AREA INTERVENED 2021 (HA): 8,2 ha • Interconexión Noroccidental: Transmission Lines associated with the Antioquia - Cerromatoso 500 kV Connection (ANCE): 0,045 ha • Interconexión Noroccidental: Transmission line associated with the Porce III - Sogamoso 500 kV Connection (POSO): 3,73 ha • Costa Caribe 500 kV Interconnection: Cerromatoso- Chinu – Copey Transmission Line (CECO): 2,6 ha • Sabanalarga - Bolívar 500 kV Transmission Line (SABO): 1,83 ha • See file: RIG support, tab GRI [304-1]	TOTAL AREA INTERVENED (RIG 2020): 8,80 ha For the RIG 2020, as well as for 2021, only projects under construction and operation and the areas actually intervened in the reporting year that were located in areas of importance for biodiversity (IUCN Categories I - IV, tropical dry forest, AICA and Biosphere Reserve) were taken into account. The total affected areas with high biodiversity value during 2021 was very similar to that of 2020.	• El Angolo Game Reserve (5 km - 220 kV Line) • Lomas de Lachay National Reserve (1,52 km - 220 kV Line) • Lomas de Ancón Reserve Zone (7,1 km - 220 kV Line) • Salinas y Aguada Blanca National Reserve (25 km - 220 kV Line) • Nor Yauyos Cochas Landscape Reserve (26,6 km - 220 kV Line)		Flowering Desert Zone: 107,65 ha Punta Teatino - Caleta de Hornos: 12,68 ha Los Molles-Pichidangui: N/I La Campana-Peñuela Biosphere Reserve: N/I El Roble: 22,13 ha		0.416 km_2 (41.6 Ha)	Support from the National Parks authority in easement maintenance activities that involve the intervention of trees that do not comply with the minimum safety distances required by the RETIE, in order to ensure that pruning activities have the least impact on the environment	Área total em áreas protegidas: 13,8865 km^2	

Data 2021

Positive / negative aspects
Actions implemented for management

ITEM	ISA		ISA INTERCOLOMBIA		ISA REP		ISA INTERCHILE		ISA TRANSELCA		ISA CTEEP	
Biodiversity value, characterized by the attributes of the protected area or of the area of high biodiversity value outside the protected area (terrestrial, marine or freshwater ecosystems).	N. A.	N. A.	All interventions in areas of high biodiversity value were located in terrestrial ecosystems.		High value in all cases		Terrestrial ecosystems		Terrestrial ecosystems	Support from the National Parks authority in easement maintenance activities that involve the intervention of trees that do not comply with the minimum safety distances required by the RETIE, in order to ensure that pruning activities have the least impact on the environment	Áreas naturais passíveis de proteção por suas características especiais. São "espaços territoriais e seus recursos ambientais, incluindo as águas jurisdicionais, com características naturais relevantes, legalmente instituídos pelo poder público, com objetivos de conservação e limites definidos, sob regime especial de administração, ao qual se aplicam garantias adequadas de proteção da lei"	

Data 2021

Positive / negative aspects
Actions implemented for management

ITEM	ISA		ISA INTERCOLOMBIA		ISA REP		ISA INTERCHILE		ISA TRANSELCA		ISA CTEEP	
Biodiversity value, characterized by being listed as protected (such as IUCN protected area management categories, Ramsar Convention and national laws)	N. A.	N. A.	• Interconexión Noroccidental: Transmission Lines associated with the Antioquia - Cerromatoso 500 kV Connection (ANCE): protection areas (absolute protection and under threat by mass removal in areas of steep slopes). • Interconexión Noroccidental: Transmission line associated with the Porce III - Sogamoso 500 kV Connection (POSO): Important Bird Conservation Area AICA Serrania de Yariguies • Costa Caribe 500 kV Interconnection: Cerromatoso- Chinu – Copey Transmission Line (CECO): • Sabanalarga - Bolívar 500 kV Transmission Line (SABO): Tropical dry forest See file: RIG support, tab "GRI304-1"		High value in all cases		Priority Conservation Sites; Biosphere Reserve		Category II	Support from the National Parks authority in easement maintenance activities that involve the intervention of trees that do not comply with the minimum safety distances required by the RETIE, in order to ensure that pruning activities have the least impact on the environment	Grupo a IUCN - unidades de conservação de proteção integral	

Data 2021

Positive / negative aspects
Actions implemented for management

Significant impacts of activities, products, and services on biodiversity GRI 304-2

Item	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
Construction or use of manufacturing plants, mines and transportation infrastructures		N. A.		N. A.	N. A.		N. A.	Construction of road infrastructure does not affect biodiversity
Contamination (introduction of non-naturally occurring substances into a habitat from both localized and non-localized sources)		There was no contamination due to the introduction of exogenous substances into the habitats in any of the projects under construction or in operation.		N. A.	N. A.		Não	Estimated CO_2e emissions from vehicular traffic on roads in operation. Scope 3
Introduction of invasive species, pests and pathogens		For the construction and operation of transmission lines, no supplies or activities are used that could generate a risk of introducing invasive species, pests or pathogens to the habitats.		N. A.	N. A.		Não monitorado na etapa de operação dos empreendimentos	
Reduction of species	N. A.	Under the understanding that the reduction of species does not only refer to the loss of species as such, but also to the decrease of individuals in a population; it should be noted that the interventions generated on the vegetation for the construction and operation of the projects during 2021, caused an impact on the population size of the flora species recorded in the easement areas, tower sites, conductor unreeling and installation sites due to the felling of 23786 individuals belonging to 602 species (See support "GRI304-2, Table 1 List of species affected TOTAL"). It should be noted that this impact does not occur on the fauna, as repelling and rescue actions are carried out prior to the interventions, so there is no loss of individuals. In order to mitigate or compensate for this impact, the Company implements management measures related to the rescue and relocation of individuals in sapling and pole stages of flora species in threatened or banned categories, prior to logging, as well as the compensation of those residual impacts through the formulation and implementation of conservation and habitat restoration actions, as well as the replacement of felled individuals.	N. A.	Not perceived	• Vegetation loss in protected areas and priority sites for conservation • Elimination of flora individuals under conservation category • Loss of native vegetation • Loss of Native Forest • Loss of xerophytic individuals or populations	N. A.	Não monitorado na etapa de operação dos empreendimentos	N. A.

Item	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
Habitat transformation		Habitat transformation is mainly generated by the intervention of vegetation within the easement strip during the construction stage of the projects. In order to minimize this impact, during the design of the transmission lines, an ecosystem connectivity analysis is conducted to identify the degree of fragmentation of the territory before the project is carried out and also to identify those core areas that could be affected by the crossing of the line and prioritize the route through anthropic covers in order to reduce the impacts that could be generated on the connectivity and habitat of the species. Additionally, during the construction stage, alternative laying methods and silvicultural management are implemented in order to reduce forest exploitation and thus habitat transformation.	N. A.	The ecosystem has not been fragmented	No	N. A.	Não monitorado na etapa de operação dos empreendimentos	N. A.
Changes in the ecological processes outside the natural variation range (such as salinity or changes in phreatic level)		Interventions carried out for the construction and operation of transmission lines do not generate changes in ecological processes outside the natural range of variation.		No changes have been observed in the ecosystem services of intervened habitats	No		Não monitorado na etapa de operação dos empreendimentos	

Indicate significant direct and indirect positive and negative impacts in relation to the following:

Item	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
		DATA	COMMENTS	DATA	DATA	DATA	DATA	DATA	DATA
Species affected	N. A.	602	• 739 spp (RIG 2020) • Species affected during 2021 decreased compared to those reported in 2020 • See file RIG Support, tab-GRI304-2 Table 1 List of affected species TOTAL	N. A.	No species have been affected	36 species (294.227 specimens)	N. A.	Durante a operação dos empreendimentos, não são gerados impactos significativos. Nesta etapa, é feita a gestão ambiental dos empreendimentos	Any animal that may enter the roads (dogs, foxes, horses, cows, pumas, etc.)

Item	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
		DATA	COMMENTS	DATA	DATA	DATA	DATA	DATA	DATA
Size of areas that have suffered impacts		0	• 121,05 ha (RIG 2020) • The area intervened during 2021 increased compared to that reported in 2020, due to greater progress in the construction stage of the projects, mainly in the Costa Caribe Interconnection project, as there were fewer restrictions due to COVID-19, which allowed for greater progress. • See file RIG Support, tab GRI304-2 Table 2 Area affected by operation center (ha)		• El Angolo Game Reserve (5 km - 220 kV Line) • Lomas de Lachay National Reserve (1,52 Km - 220 kV Line) • Lomas de Ancón Reserve Zone (7,1 km - 220 kV Line) • Salinas y Aguada Blanca National Reserve (25 km - 220 kV Line) • Nor Yauyos Cochas Landscape Reserve (26,6 km - 220 kV Line)	P001 Cardones-Maitencillo-Pan de Azúcar-Polpaico 2X500 kV Line: 592,5 ha P002 Encuentro Lagunas 2x220 kV Line: 3,69 ha		Durante a operação dos empreendimentos, não são gerados impactos significativos. Nesta etapa, é feita a gestão ambiental dos empreendimentos	There are certain kilometer points along the route that have a higher incidence of animal collisions.
Duration of impacts	N. A.	Permanent		N. A.	Physical, biological and socio-cultural impacts Temporary (construction only) Visual Impact: Permanent	Construction stage	N. A.	Durante a operação dos empreendimentos, não são gerados impactos significativos. Nesta etapa, é feita a gestão ambiental dos empreendimentos	Permanent
The reversibility or irreversibility of impacts		Irreversible			Reversible	• Loss of xerophyte vegetation: Irreversible • Loss of vegetation in protected areas and/or priority conservation sites: Irreversible • Elimination of flora individuals under conservation category: Irreversible • Loss of native vegetation: Irreversible • Loss of native scrubland vegetation: Irreversible		Durante a operação dos empreendimentos, não são gerados impactos significativos. Nesta etapa, é feita a gestão ambiental dos empreendimentos	Reversible (animal corridor), low feasibility

Indicate total area affected by vegetation removal and type of vegetation, in hectares:

Item	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA	ISA REP	ISA INTERCHILE		ISA BOLIVIA		ISA CTEEP	ISA INTERVIAL
		DATA		DATA	DATA	DATA	COMMENTS	DATA	COMMENTS	DATA	DATA
Unspecified tropical forest		11.35	In the year 2021, the largest proportion of the intervened areas corresponds to shrublands and scrublands (48%); followed by clean pastures (24,3%) and mosaics (12,2%) corresponding to mosaics of crops, pastures and natural spaces. The remaining 16% corresponds to other covers such as weedy grasslands, crops, plantations, among others. See file RGI Support, tab ""GRI304-2 Table 3 Area affected by vegetation cover (ha)	N. A.	N. A.	0	During 2021, expansion projects were carried out in existing stations, without requiring the creation of new areas, and therefore, cutting actions were carried out in new areas	0		Foram realizadas interferências pontuais de manutenção das faixas de servidão, sem a necessidade de solicitação de autorização de supressão de vegetação	N. A.
Tropical forest - tropical dry forest		0			El Angolo Game Reserve (5 Km - 220 kV Line)			0			
Tropical forest - tropical rain forest		0			N. A.			592,235			
Other forests		0			N. A.			0	Corresponds to the Urubó -Arboleda - Carrasco line, which has already been compensated		
Woodland/scrubland		139.93			N. A.			860,195			
Grasslands		5.85			N. A.			619,5	Corresponds to the Sucre-Santivañez line, which has already been compensated		
Wetlands/Swamps/ Marshlands/Wastelands		0.32			N. A.			0	Corresponds to the Punutuma-Sucre line, which has already been compensated		
Coastal zone		0			• Lomas de Lachay National Reserve (1,52 km - 220 kV Line) • Lomas de Ancón Reserve Zone (7,1 km - 220 kV Line) • Salinas y Aguada Blanca National Reserve (25 km - 220 kV Line) • Nor Yauyos Cochas Landscape Reserve (26,6 km - 220 kV Line)			0			
Mangroves		0			N. A.			0			
Other, specify		136.65			N. A.			0			

GRI 304-3

Item	ISA	ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
Habitat name				• Flowering desert (ephemeral pasture) • Belloto del norte preservation forest • Lúcumo preservation forest • Guayacan preservation forest • Algarrobo preservation forest		ISA CTEEP Area Bank	
Geographical location				• Flowering desert: Atacama region • Belloto del norte habitat: Valparaiso region • Algarrobo habitat: Metropolitan region • Guayacan habitat: Metropolitan region • Lúcumo habitat: Coquimbo region		Municípios de Bertioga e Mogi das Cruzes, no estado de São Paulo	
Habitat area restored or protected	N. A.	N. A.	No vegetation cover removal has been performed in 2021	N. A.	N. A.	46.4275 ha	N. A.
Condition of the area at the end of the period (compared to baseline)				N. A.		Floresta nativa preservada	
Verification by third parties				Yes (Corporación Nacional Forestal CONAF; Superintendencia del Medio Ambiente SMA)		Órgão Ambiental do Estado de São Paulo (CETESB)	
Type of action				Conservation / Protection		Termo de Responsabilidade de Preservação de Reserva Legal (TRPRL) com a CETESB	
There is collaboration with third parties				No		Não	

ISA INTERCOLOMBIA

Habitat name

- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grassland
- Chivor substation (Planting on the banks of the Lengupá River): Annual or transitory crops of the low orobiome of the Andes
- Chinú – Montería 230 kV transmission line and associated substation: grasslands
- Alférez - San Bernardino 230 kV Transmission Line T215: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca and annual or transitory crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca
- 500/230 kV Interconexión Noroccidental - POSO/ National ban enrichment
- Cartago - San Marcos: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca
- Chinú substation: grasslands of the Caribbean tropical dry zonobiome
- Jamondino- San Bernardino: Heterogeneous agricultural areas of the middle orobiome of the Andes
- Porce III Connection transmission line: High dense forest and grasslands of the sub-Andean orobiome Nechi - San Lucas
- 500/230 kV Interconexión Noroccidental - POSO/ Ban lifting Tropical forest - tropical rain forest
- 500/230 kV Interconexión Noroccidental – AMA ban lifting: Others (Semi-permanent and permanent crops)
- 500/230 kV Interconexión Noroccidental - PORCE III Substation/ Ban lifting: Unspecified tropical forest
- Sochagota – San Antonio 230 kV Transmission Line/ National ban lifting: Dense shrubland, within the middle orobiome of the Andes
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar
- UPME 09-2015 Connection of Cartago substation to San Marcos – Virginia 230 kV circuit: grasslands of the Pacific and Atrato helobiome
- Sochagota – Guatiguará 230 kV -1 Transmission Line: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean

- Banadía – Samoré line: grasslands of the Amazonian and Orinoquian peinobiome
- Cerromatoso Substation expansion: grassland of the humid tropical zonobiome of Magdalena and the Caribbean
- Cerromatoso Substation expansion: grasslands of the Caribbean tropical dry zonobiome
- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grassland
- Sochagota Substation: Middle orobiome grasslands of the Andes
- El Bosque Transmission Line Connection: Natural forests of the Caribbean tropical dry zonobiome
- El Bosque Transmission Line Connection: Mangrove of the coastal lagoons of the Caribbean halobiome
- Bolívar – Copey – Ocaña – Primavera 500 kV Transmission Line: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- Cerromatoso – Pozo Substation: Magdalena and the Caribbean helobiome grasslands
- Bacatá - Primavera 500 kV Transmission Line: Low and high secondary vegetation, low orobiome grasslands of the Andes
- Comuneros - Campo 22 Transmission Line: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- Cira infantas Substation: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- Primavera – Ocaña: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- La Reforma Substation: grasslands of the Amazonian and Orinoquian helobiome
- Cerromatoso – GECELCA Substation use: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- Puerto Libertador - Montelíbano 110 kV - GECELCA Transmission Line grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- La Enea - San Felipe Transmission Line: Middle orobiome grasslands of the Andes
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes
- Alferez - San Bernardino: Valle del Cauca helobiome grassland
- Chinú 66 Substation: grasslands of the Caribbean tropical dry zonobiome
- Chinú 100 Substation: grasslands of the Caribbean tropical dry zonobiome
- Sogamoso: grasslands of the humid tropical zonobiome of Magdalena and the Caribbean
- Sogamoso: Magdalena and the Caribbean helobiome grasslands

Geographical location

- Alférez - San Bernardino 230 kV Transmission Line: Cauca / Municipality of Santander de Quilichao
- Chivor substation (Planting on the banks of the Lengupá River): Boyacá / San Luis de Gaceno
- Chinú – Montería 230 kV transmission line and associated substation: Córdoba
- Alférez - San Bernardino 230 kV Transmission Line T215: Valle del Cauca / Candelaria
- 500/230 kV Interconexión Noroccidental - POSO/ National ban enrichment Santander/ Cimitarra
- Cartago - San Marcos: Valle del Cauca /Buga
- Chinú Substation: Córdoba /Chinú
- Jamondino- San Bernardino: Nariño / Pasto
- Porce III Connection Transmission Line: Antioquia /Anorí
- 500/230 kV Interconexión Noroccidental - POSO/ Ban lifting: Santander/Cimitarra
- 500/230 kV Interconexión Noroccidental – AMA ban lifting: Antioquia/Medellín
- 500/230 kV Interconexión Noroccidental - PORCE III Substation/ Ban lifting: Antioquia
- Sochagota – San Antonio 230 kV Transmission Line/ National ban lifting: Boyacá / Paipa
- Chinú 500 kV Substation Expansion: Córdoba /Chinú
- UPME 09-2015 Connection of Cartago substation to San Marcos – Virginia 230 kV circuit: La Moravia Property, Municipality of Ansermanuevo to La Argelia
- Sochagota - Guatiguará 230 kV - 1 Transmission Line Municipality of El Jordán
- Banadía – Samoré line: Saravena Municipality
- Cerromatoso Substation expansion: Municipality of Montelibano
- Alférez - San Bernardino 230 kV Transmission Line: Cauca / Municipality of Santander de Quilichao
- Sochagota Substation: Municipality of Paipa
- El Bosque Transmission Line ConnectionDry Forest: San Juan de Nepomuceno
- El Bosque Transmission Line ConnectionMangrove restoration: Bolívar /Municipality of Cartagena
- Bolívar – Copey – Ocaña – Primavera 500 kV Transmission Line: Santander / Municipality of Cimitarra El Paraiso property
- Cerromatoso – Pozo Substation: Córdoba / Municipality of Montelibano
- Bacatá - Primavera 500 kV Transmission Line: Municipality of Yacopi
- Comuneros - Campo 22 Transmission Line: Municipality of Barrancabermeja
- Cira infantas Substation: Santander/ Cimitarra
- Primavera – Ocaña: Santander / Municipality of Cimitarra El Paraiso property
- La Reforma Substation: Municipality of Villavicencio
- Cerromatoso – GECELCA Substation use: Córdoba /Montelibano,
- Puerto Libertador - Montelíbano 110 kV - GECELCA Transmission Line Córdoba / Montelíbano and Puerto Libertador
- La Enea - San Felipe Transmission LineHerveo - Tolima
- Bacatá - Primavera 500 kV Transmission Line: Cundinamarca/San Francisco
- Bacatá - Primavera 500 kV Transmission Line: Cundinamarca/ Supatá
- Bacatá - Primavera 500 kV Transmission Line: Cundinamarca / El Rosal
- Alferez - San Bernardino: Cauca / Cajibio
- Chinú 66 Substation: Córdoba /Chinú
- Chinú 100 Substation: Córdoba /Chinú
- Sogamoso: Santander / Barrancabermeja
- Sogamoso: Santander /Betulia (Putana rural subdivision)

Habitat area restored or protected

- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grassland: 4,12 ha
- Chivor Substation (Planting on the banks of the Lengupá River): Annual or transitory crops of the low orobiome of the Andes: 0,16 ha
- Chinú – Montería 230 kV transmission line and associated substation: grasslands: 2,2 ha
- Alférez - San Bernardino 230 kV Transmission Line T215: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca and annual or transitory crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca: 0,064 ha
- 500/230 kV Interconexión Noroccidental - POSO/ National ban enrichment: 1,054ha
- Cartago - San Marcos: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca: 0,18 ha
- Chinú Substation: grasslands of the Caribbean tropical dry zonobiome: 3,8 ha
- Jamondino- San Bernardino: Heterogeneous agricultural areas of the middle orobiome of the Andes: 0,064 ha
- Porce III Connection Transmission Line: High dense forest and grasslands of the sub-Andean orobiome Nechi - San Lucas: 0,8 ha
- 500/230 kV Interconexión Noroccidental - POSO/ Ban lifting: Tropical forest - tropical rain forest: 0,081 ha
- 500/230 kV Interconexión Noroccidental – AMA Ban lifting: Others (Semi-permanent and permanent crops): 0,97 ha
- 500/230 kV Interconexión Noroccidental - PORCE III Substation/ Ban lifting: Unspecified tropical forest: 0,96 ha
- Sochagota – San Antonio 230 kV Transmission Line/ National ban lifting: Dense shrubland, within the middle orobiome of the Andes: 3,73 ha
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar: 0,14 ha
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar: 2,5 ha
- UPME 09-2015 Connection of Cartago substation to San Marcos – Virginia 230 kV circuit: Grasslands of the Pacific and Atrato helobiome: 0,06 ha
- Sochagota – Guatiguará 230 kV - 1 Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 1,02 ha
- Banadía – Samoré line: Grasslands of the Amazonian and Orinoquian peinobiome: 2,4 ha
- Cerromatoso Substation expansion: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 0,27 ha
- Cerromatoso Substation expansion: Grasslands of the Caribbean tropical dry zonobiome: 2,38 ha
- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grassland: 0,54 ha
- Sochagota Substation: Middle orobiome grasslands of the Andes: 0,1 ha
- El Bosque Transmission Line Connection: Natural forests of the Caribbean tropical dry zonobiome: 29,53 ha
- El Bosque Transmission Line Connection: Mangrove of the coastal lagoons of the Caribbean halobiome: 7 ha
- Bolívar – Copey – Ocaña – Primavera 500 kV Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 69,6 ha
- Cerromatoso – Pozo Substation: Magdalena and the Caribbean helobiome grasslands: 0,24 ha
- Bacatá - Primavera 500 kV Transmission Line: Low and high secondary vegetation, low orobiome grasslands of the Andes. 158,56
- Comuneros - Campo 22 Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 15 ha
- Cira infantas Substation: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 45 ha
- Primavera – Ocaña: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 10 ha
- La Reforma Substation: Grasslands of the Amazonian and Orinoquian helobiome: 2 ha
- Cerromatoso – GECELCA Substation use: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 1 ha
- Puerto Libertador - Montelíbano 110 kV - GECELCA Transmission Line Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 11,32 ha
- La Enea - San Felipe Transmission Line: Middle orobiome grasslands of the Andes: 0,06 ha
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 10,7 ha
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 1,8 ha
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 8 ha
- Alferez - San Bernardino: Valle del Cauca helobiome grassland: 2,5 ha
- Chinú 66 Substation: Grasslands of the Caribbean tropical dry zonobiome: 0,056 ha
- Chinú 100 Substation: Grasslands of the Caribbean tropical dry zonobiome: 0,12 ha
- Sogamoso: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 0,05 ha
- Sogamoso: Magdalena and the Caribbean helobiome grasslands: 0,45 ha

Condition of the area at the end of the period (compared to baseline)

- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grasslands: 4,12 ha establishment
- Chivor Substation (Planting on the banks of the Lengupá River): Annual or transitory crops of the low orobiome of the Andes: 0,16 ha establishment
- Chinú – Montería 230 kV transmission line and associated substation: Grasslands: 2.2 ha establishment
- Alférez - San Bernardino 230 kV Transmission Line T215: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca and annual or transitory crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca: 0,064 ha establishment
- 500/230 kV Interconexión Noroccidental - POSO/ National ban enrichment: 1,054 ha establishment and maintenance
- Cartago - San Marcos: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca: 0,18 ha Establishment and maintenance
- Chinú Substation: Pastures of the Caribbean tropical dry zonobiome: 3,8 ha Establishment and maintenance
- Jamondino- San Bernardino: Heterogeneous agricultural areas of the middle orobiome of the Andes: 0,064 ha Establishment and maintenance
- Porce III Connection Transmission Line: High dense forest and grasslands of the sub-Andean orobiome Nechi - San Lucas: 0,8 ha Establishment and maintenance
- 500/230 kV Interconexión Noroccidental - POSO/ Ban lifting: Tropical forest - tropical rain forest: 0,081 ha maintenance
- 500/230 kV Interconexión Noroccidental – AMA Ban lifting: Others (Semi-permanent and permanent crops): 0,97 ha maintenance

- 500/230 kV Interconexión Noroccidental - PORCE III Substation/ Ban lifting: Unspecified tropical forest: 0,96 ha maintenance
- Sochagota – San Antonio 230 kV Transmission Line/ National ban lifting: Dense shrubland, within the middle orobiome of the Andes: 3,73 ha maintenance
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar: 0,14 ha maintenance
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar: 2,5 ha maintenance
- UPME 09-2015 Connection of Cartago substation to San Marcos – Virginia 230 kV circuit: Grasslands of the Pacific and Atrato helobiome: 0,06 ha maintenance
- Sochagota – Guatiguará 230 kV -1 Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 1,02 ha maintenance
- Banadía – Samoré line: Grasslands of the Amazonian and Orinoquian peinobiome: 2,4 ha maintenance
- Cerromatoso Substation expansion: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 0,27 ha maintenance
- Cerromatoso Substation expansion: Grasslands of the Caribbean tropical dry zonobiome: 2,38 ha maintenance
- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grassland: 0,54 ha maintenance
- Sochagota Substation: Middle orobiome grasslands of the Andes: 0,1 ha maintenance
- El Bosque Transmission Line Connection: Natural forests of the Caribbean tropical dry zonobiome: 29,53 ha maintenance
- El Bosque Transmission Line Connection: Mangrove of the coastal lagoons of the Caribbean halobiome: 7 ha maintenance
- Bolívar – Copey – Ocaña – Primavera 500 kV Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 69,6 ha maintenance
- Cerromatoso – Pozo Substation: Magdalena and the Caribbean helobiome grasslands: 0,24 ha maintenance
- Bacatá - Primavera 500 kV Transmission Line: Low and high secondary vegetation, low orobiome grasslands of the Andes. 158,56 maintenance
- Comuneros - Campo 22 Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 15 ha maintenance
- Cira infantas Substation: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 45 ha maintenance
- Primavera – Ocaña: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 10 ha maintenance
- La Reforma Substation: Grasslands of the Amazonian and Orinoquian helobiome: 2 ha maintenance
- Cerromatoso – GECELCA Substation use: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 1 ha maintenance
- Puerto Libertador - Montelíbano 110 kV - GECELCA Transmission Line Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 11,32 ha maintenance
- La Enea - San Felipe Transmission Line: Middle orobiome grasslands of the Andes: 0,06 ha maintenance
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 10,7 ha maintenance
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 1,8 ha maintenance
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 8 ha maintenance
- Alferez - San Bernardino: Valle del Cauca helobiome grassland: 2,5 ha maintenance
- Chinú 66 Substation: Grasslands of the Caribbean tropical dry zonobiome: 0,056 ha maintenance
- Chinú 100 Substation: Grasslands of the Caribbean tropical dry zonobiome: 0,12 ha maintenance
- Sogamoso: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 0,05 ha maintenance
- Sogamoso: Magdalena and the Caribbean helobiome grasslands: 0,45 ha maintenance

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 Environmental Licensing Authority)

Type of action

- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grasslands: 4,12 ha establishment reforestation
- Chivor Substation (Planting on the banks of the Lengupá River): Annual or transitory crops of the low orobiome of the Andes: 0,16 ha establishment reforestation
- Chinú – Montería 230 kV transmission line and associated substation: Grasslands: 2,2 ha establishment reforestation
- Alférez - San Bernardino 230 kV Transmission Line T215: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca and annual or transitory crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca: 0,064 ha establishment reforestation
- 500/230 kV Interconexión Noroccidental - POSO/ National ban enrichment: 1,054 ha establishment and maintenance Enrichment
- Cartago - San Marcos: Semi-permanent and permanent crops of the alternate hygric and/or subxerophytic tropical zonobiome of Valle del Cauca: 0,18 ha Establishment and maintenance restoration
- Chinú Substation: Grasslands of the Caribbean tropical dry zonobiome: 3,8 ha Establishment and maintenance restoration
- Jamondino- San Bernardino: Heterogeneous agricultural areas of the middle orobiome of the Andes: 0,064 ha Establishment and maintenance restoration
- Porce III Connection Transmission Line: High dense forest and grasslands of the sub-Andean orobiome Nechi - San Lucas: 0,8 ha Establishment and maintenance restoration
- 500/230 kV Interconexión Noroccidental - POSO/ Ban lifting: Tropical forest - tropical rain forest: 0,081 ha maintenance restoration
- 500/230 kV Interconexión Noroccidental – AMA Ban lifting: Others (Semi-permanent and permanent crops): 0,97 ha maintenance Enrichment
- 500/230 kV Interconexión Noroccidental - PORCE III Substation/ Ban lifting: Unspecified tropical forest: 0,96 ha maintenance restoration Enrichment
- Sochagota – San Antonio 230 kV Transmission Line/ National ban lifting: Dense shrubland, within the middle orobiome of the Andes: 3,73 ha maintenance Enrichment Enrichment
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar: 0,14 ha maintenance Enrichment
- Chinú 500 kV Substation Expansion: Alternohygric Tropical Zonobiome Ariguaní-Cesar: 2,5 ha maintenance Enrichment
- UPME 09-2015 Connection of Cartago substation to San Marcos – Virginia 230 kV circuit: Grasslands of the Pacific and Atrato helobiome: 0,06 ha maintenance reforestation

- Sochagota – Guatiguará 230 kV -1 Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 1,02 ha maintenance reforestation
- Banadía – Samoré line: Grasslands of the Amazonian and Orinoquian peinobiome: 2,4 ha maintenance reforestation
- Cerromatoso Substation expansion: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 0,27 ha maintenance reforestation
- Cerromatoso Substation expansion: Grasslands of the Caribbean tropical dry zonobiome: 2,38 ha maintenance reforestation
- Alférez - San Bernardino 230 kV Transmission Line: Valle del Cauca helobiome grassland: 0,54 ha maintenance reforestation
- Sochagota Substation: Middle orobiome grasslands of the Andes: 0,1 ha maintenance reforestation
- El Bosque Transmission Line Connection: Natural forests of the Caribbean tropical dry zonobiome: 29,53 ha maintenance reforestation
- El Bosque Transmission Line Connection: Mangrove of the coastal lagoons of the Caribbean halobiome: 7 ha maintenance reforestation
- Bolívar – Copey – Ocaña – Primavera 500 kV Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 69,6 ha maintenance reforestation
- Cerromatoso – Pozo Substation: Magdalena and the Caribbean helobiome grasslands: 0,24 ha maintenance reforestation
- Bacatá - Primavera 500 kV Transmission Line: Low and high secondary vegetation, low orobiome grasslands of the Andes. 158,56 restoration/conservation maintenance
- Comuneros - Campo 22 Transmission Line: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 15 ha maintenance reforestation
- Cira infantas Substation: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 45 ha maintenance reforestation
- Primavera – Ocaña: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 10 ha maintenance reforestation
- La Reforma Substation: Grasslands of the Amazonian and Orinoquian helobiome: 2 ha maintenance reforestation
- Cerromatoso – GECELCA Substation use: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 1 ha maintenance reforestation
- Puerto Libertador - Montelíbano 110 kV - GECELCA Transmission Line Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 11,32 ha maintenance reforestation
- La Enea - San Felipe Transmission Line: Middle orobiome grasslands of the Andes: 0,06 ha maintenance restoration
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 10,7 ha maintenance restoration
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 1,8 ha maintenance restoration
- Bacatá - Primavera 500 kV Transmission Line: Low orobiome grasslands of the Andes: 8 ha maintenance restoration/ Conservartion
- Alferez - San Bernardino: Valle del Cauca helobiome grassland: 2,5 ha maintenance reforestation
- Chinú 66 Substation: Grasslands of the Caribbean tropical dry zonobiome: 0,056 ha maintenance reforestation
- Chinú 100 Substation: Grasslands of the Caribbean tropical dry zonobiome: 0,12 ha maintenance reforestation
- Sogamoso: Grasslands of the humid tropical zonobiome of Magdalena and the Caribbean: 0.05 ha maintenance reforestation
- Sogamoso: Magdalena and the Caribbean helobiome grasslands: 0,45 ha maintenance reforestation

There is collaboration with third parties
NONE

Indicate total area under restoration, in hectares

Ítem	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
Unspecified tropical forest	N. A.	0	2.93 ha (RIG 2020) The 6,544 ha planted were in cover crops associated with mosaics, grasslands and crops. Most of them correspond to compensations derived from forest exploitation procedures. The areas established in the reporting year that underwent maintenance and monitoring were included in the Total area under "maintenance, monitoring or conservation" indicator. See RIG Support file, tab "GRI304-3."	0	N. A.	0	N. A.	4.2	N. A.
Tropical forest - tropical dry forest		0			N. A.			
Tropical forest - tropical rain forest		0			N. A.			
Other forests		0			0			
Woodland/ scrubland		0			0			
Grasslands		0			0			
Wetlands/ Swamps/ Marshlands/ Wastelands		0			0			
Coastal zone		0			0			
Mangroves		0			N. A.			
Other, specify		6,544			0			

Indicate total area under maintenance, monitoring or conservation, in hectares

Item	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
Unspecified tropical forest	N. A.	0.96	"86,02 ha (2020) There is no significant increase in the areas established, under maintenance, monitoring or conservation with respect to 2020, as the company's major compensation obligations currently correspond to compensation for biodiversity loss, which have not yet been implemented as several of the projects are in the preparation stage (property management) and other plans already submitted are under evaluation by the ANLA. Therefore, the area reported in 2021 (394 ha) corresponds mainly to compensations in the maintenance and monitoring stage that had been established in previous years and that meet obligations derived from forest exploitation permits, lifting of bans, among others. See file "RIG Support, tab GRI304-3"	0	N. A.	N. A.	0	100.83	N. A.
Tropical forest - tropical dry forest		29.53		0			0		
Tropical forest - tropical rain forest		0.881		0			592,235		
Other forests		0		0		0	0		
Woodland/scrubland		162.29		0		0	860,195		
Grasslands		0		0		0	619.5		
Wetlands/Swamps/ Marshlands/Wastelands		0		0		0	0		
Coastal zone		0		0		0	0		
Mangroves		7		0		N. A.	0		
Other, specify		193,376		0		0	0		

The total number of species on the IUCN Red List and national conservation lists with habitats in areas affected by the company's operations, by level of extinction risk. GRI 304-4

Item	ISA	ISA INTERCOLOMBIA		ISA TRANSELCA	ISA REP	ISA INTERCHILE	ISA BOLIVIA	ISA CTEEP	ISA INTERVIAL
Critically endangered	N. A.	2 (flora), 1 (fauna)	1 (flora), 4 (fauna) rig 2020	2	0	0	2	Não foram realizados estudos de monitoramento de fauna e floraem 2021 nos empreendimentos em operação da ISA CTEEP e suas Subsidiárias	N. A.
Endangered		8 (flora), 2 (fauna)	12 (flora), 3 (fauna) rig 2020	1	0	2	5	Não foram realizados estudos de monitoramento de fauna e floraem 2021 nos empreendimentos em operação da ISA CTEEP e suas Subsidiárias	
Vulnerable		7 (flora), 3 (fauna)	15 (flora), 8 (fauna) rig 2020	0	0	15	23	Não foram realizados estudos de monitoramento de fauna e floraem 2021 nos empreendimentos em operação da ISA CTEEP e suas Subsidiárias	
Near threatened		8 (flora), 5 (fauna)	9 (flora), 10 (fauna) RIG 2020	0	• 1 species (Zorritos - Machala Transmission Line) • 1 species (Chiclayo Oeste - Guadalupe Transmission Line) • 2 species (Pomacocha - Carhuamayo Transmission Line)	10	19	Não foram realizados estudos de monitoramento de fauna e floraem 2021 nos empreendimentos em operação da ISA CTEEP e suas Subsidiárias	
Least concern		195 (flora), 291 (fauna)	275 (flora), 349 (fauna) RIG 2020	0	• 25 species (Callalli - Santuario Transmission Line) • 26 species (Zapallal - Huacho Transmission Line) • 36 species (Zorritos - Machala Transmission Line) • 5 species (Chilca-Zapallal 500 kV and Planicie-Zapallal 220 kV Transmission Lines) • 8 species (Amarilis substation and associated connections) • 13 species (Chiclayo Oeste - Guadalupe Transmission Line) • 10 species (Pomacocha - Carhuamayo Transmission Line)	9	0	Não foram realizados estudos de monitoramento de fauna e floraem 2021 nos empreendimentos em operação da ISA CTEEP e suas Subsidiárias	

Investment in environmental programs for the licensing of projects

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP - ISA CTM - ISAP	ISA BOLIVIA	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL
Description of program 1	Environmental management	Environmental management	Peaceful coexistence program	Environmental constraints study for the evaluation of transmission plan projects 2021-2023	-	During 2021, no investments were made in environmental programs aimed at licensing new projects. Only studies of secondary sources to prepare new offers	Atualização do Estudo Ambiental da Estação de Telecomunicações Flona do Ipanema: atendimento de condicionante ambiental de Licença Ambiental de Operação	Installation of 5 electric vehicle charging points in Ruta del Maipo
Investment in program 1 (USD)	$4,168,152.29	$1,749,774.49	$16,641.10	$240,000.00	0	0	$6,827.39	$108,362.00
Description of program 2		Payment to environmental authorities		Preparation of Detailed Environmental plans for the regularization of environmental licenses			Atualização do Relatório de Controle Ambiental da Linha de Transmissão (LT) 230 kV Governador Valadares - Mascarenhas: atendimento de solicitação do órgão licenciador	Construction of a 500 m test section in Ruta del Maipo
Investment in program 2 (USD)		$670,151.01		$422,000.00			$9,318.22	$53,768.00
Description of program 3				Water transfer systems optimization project for water efficiency			Reposição florestal via plantio em cumprimento a compensação por interferência em unidade de conservação da Linha de Transmissão 138 kV Taubaté - Paraibuna - Caraguatatuba	Environmental Culture Project for recycling at work centers
Investment in program 3 (USD)				$47,769.23			$11,054.05	$31,200.00
Description of program 4				Environmental, social and occupational monitoring program			Reposição florestal via plantio em cumprimento a compensação por interferência em unidade de conservação da Linha de Transmissão 138 kV Rosana - Presidente Prudente (ESEC Mico Leão Preto)	Carbon neutrality in scope 1 and 2, and part of scope 3

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP - ISA CTM - ISAP	ISA BOLIVIA	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL
Investment in program 4 (USD)				$103,897.44			$1,303.92	$35,076.00
Description of program 5				Carbon footprint measurement and offsetting program and reduction plan			Reposição florestal via plantio: migração dos contratos da PBTE	
Investment in program 5 (USD)				$12,307.69			$11,665.56	
Description of program 6							Execução de Programa de Comunicação Social e Educação Ambiental: migração dos contratos da PBTE	
Investment in program 6 (USD)							$10,990.72	
Description of program 7							Execução do Programa de Comunicação Social EVRECY: sacos de pão persoalizados com a temática de prevenção de queimadas	
Investment in program 7 (USD)							$5,364.89	
Description of program 8							Execução de campanha contra soltura de balões ISA CTEEP	
Investment in program 8 (USD)							$12,477.19	
Description of program 9							IEMG_Projeto Triângulo Mineiro: investimentos realizados em 2021 nas seguintes atividades/programas: estudos de arqueologia, inventário florestal e manejo de fauna	

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP - ISA CTM - ISAP	ISA BOLIVIA	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL
Investment in program 9 (USD)							$63,300.79	
Description of program 10							IE Tibagi_Projeto Três Lagoas: investimentos realizados em 2021 nas seguintes atividades/programas: Execução de Programas Ambientais durante as obras (Programa Ambiental para a Construção (PAC), Programa de Afugentamento de Fauna (PARF), Programa de Resgate de Germoplasma Vegetal (PRGV), Programa de Supressão Vegetal (PSV), Programa de Prevenção, Monitoramento e Controle de Processos Erosivos (PPMCPE), Programa de Recuperação de Áreas Degradadas (PRAD), Programa de Comunicação Social (PCS), Programa de Educação Ambiental (PEA), Programa Anticolisão da Avifauna (PAA) e Programa de Reposição Florestal (PRF)	
Investment in program 10 (USD)							$210,290.65	
Description of program 11							IE Evrecy_Projeto Minuano: investimentos realizados em 2021 nas seguintes atividades/programas: arqueologia, gestão de obra com foco na preservação e conservação ambiental, solo, flora, fauna, prevenção de acidentes com efluentes líquidos, óleos lubrificantes, Programa de Gestão de Resíduos Sólidos (PGRS), lavagem de veículos, máquinas e equipamentos, riscos ambientais e Plano de Emergência, patrimônio arqueológico	

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP - ISA CTM - ISAP	ISA BOLIVIA	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL
Investment in program 11 (USD)							$160,347.54	
Description of program 12							IE Riacho Grande: investimentos realizados em 2021 nas seguintes atividades/programas: elaboração de estudo ambiental (RAP) com diagnóstico dos meios físico, biótico e socioeconômico; programa de comunicação social; investigação de áreas contaminadas	
Investment in program 12 (USD)							$71,777.14	
Description of program 13							IE BIGUAÇU: investimentos realizados em 2021 nas seguintes atividades/programas: Programa de Gestão Ambiental Plano Ambiental para Construção Programa de Supressão da Vegetação Programa de Resgate da Flora Programa de Prevenção e Mitigação de Acidentes com a Fauna Programa de Negociação e Estabelecimento da Faixa de Servidão Plano de Compensação Ambiental Programa de Monitoramento Ambiental Programa de Monitoramento da Biota Aquática Programa de Comunicação Social	
Investment in program 13 (USD)							$328,455.70	
Total investment in environmental programs for project licensing (USD)	$4,168,152.29	$2,419,925.50	$16,641.10	$813,666.67	$-	$-	$903,173.76	$228,406.00

Actions implemented for biodiversity protection

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA REP	ISA BOLIVIA	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL
Description of program 1	Comprehensive management of biodiversity	Comprehensive management of biodiversity	Voluntary delivery of 1.500 trees to the environmental authority of Santa Marta DADSA.	Biological monitoring program	-	This corresponds to the monitoring of the operation and effectiveness of the anti-collision devices, which seek to minimize the impact on birdlife, both in habitats and migratory routes. (It is a 10-year program, the investment corresponding to 2021 is attached, not the full cost), it incorporates cactus monitoring	Realização de plantio florestal como metódo preventivo para não ocupação irregulação de propriedade da ISA CTEEP após execução de reintegração de posse	-
Investment in program 1 (USD)	$ 2,810,996.49	$ 737,044.17	$ 5,979.50	$ 244,102.56	0	$ 294,702.00	$ 9,959.29	0
Description of program 2				Carob Tree Conservation Project with SERFOR		This program seeks to disseminate values and behaviors oriented to environmental care in the communities in operational areas	IE Biguaçu: Barreira de contenção de sedimentos em trecho subaquático para proteção da fauna aquática	
Investment in program 2 (USD)				$ 137,692.31		$ 100,000.00	$ 75,421.68	
Description of program 3						This corresponds to the implementation of agreements to implement community nurseries in the regions of Atacama, Coquimbo, Valparaíso and RM. With the Municipality of Freirina and the Instituto de Investigación Agropecuaria (INIA)	IE Biguaçu: monitoramento e modelagem de pluma de sedimentos nas águas marinhas, durante a soltura e enterramento dos cabos subaquáticos	
Investment in program 3 (USD)						$ 547,236.00	$ 58,393.16	
Description of program x						Corresponds to the implementation of measures to compensate the impact on the landscape by implementing improvements in public spaces, green areas and urban tree planting		
Investment in program x (USD)						$ 502,681.00		
Total investment in implementation of biodiversity protection actions (USD)	$ 4,168.152.29	$ 737,044.17	$ 5,979.50	$ 381,794.87	0	$ 1,444,619.00	$ 143.774.13	0

Respect and promotion of human rights and management of social impacts

Operations and suppliers with significant risk of incidents of forced labor

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			INTERVIAL			XM		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Operations and suppliers at significant risk for incidents of forced or compulsory labor in terms of: type of operation	0	0	0	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 *	5 suppliers, (5 contracts) service providers of civil works and assembly of lines and substations and line maintenance, in the construction stage of the projects, have potential risk *	0	0	0	0	0	0	N. A.	0	N. A.	N. A.	0	0	64	7229	546	N. A.	N. A.	0	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 electric power transmission have HSE controls and monitoring of their respective risk matrices, which allows control and monitoring of labor situations that may have forced labor Additionally, in 2021 a Code of Ethics and Conduct was launched for all ISA suppliers and companies, which has a specific section for the respect, promotion and monitoring of human rights management																										
	0	0	0	0	Colombia	0	0	0	0	0	0	0	N. A.	0	N. A.	N. A.	0	0	0	7229	339	N. A.	N. A.	0	0	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, ISA CTEEP and ISA INTERCHILE have not identified child labor or forced labor risks in their own or outsourced operations. There was no risk of forced labor in any of the company's own facilities or contractors in the construction and operation processes. Purchases made in different countries consider in the contract minutes the respect of the law of the country of origin of the product and of the country of delivery of the product. It specifies the prohibition of child and forced labor, and must comply with the provisions of the ISA Code of Ethics. • ISA INTERCOLOMBIA: INTERCOLOMBIA is a signatory of the Global Compact and has measures to ensure and control labor rights with full respect for human rights. The contractual minutes of its direct workers comply with Colombian legislation and international standards; it also establishes contractual requirements with its suppliers in accordance with Colombian labor legislation and declared standards, and monitors and follows up on these requirements																								In line with the principles of the Code of ethics and conduct, the Model of Corporate Integrity & Ethics and the code of ethics and conduct for suppliers that oblige the company to guarantee the defense and promotion of the rights human, prevent discrimination and the abolition of all forms of forced or compulsory labor; It has been made Due Diligence for Conduct Responsible Business Agreement with the Guide issued by the OECD and the Guiding Principles issued by the United Nations. Identifying the risks and establish preventive measures to prevent its materialization.		

*The change in relation to the previous period is due to an adjustment in the indicator calculation formula. Suppliers that have been classified as critical to the business where there is a significant risk of child labor cases are considered. These suppliers are service providers of civil works and assembly of lines and substations and line maintenance during the construction stage of the projects in Colombia

Child labor GRI 408-1

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			INTERVIAL			XM		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Operations and suppliers considered to have significant risk for incidents of child labor	0	0	0	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	5 suppliers (5 contracts) service providers of civil works, and assembly of lines and substations and line maintenance, in the construction stage of the projects have potential risk in Colombia	0	0	0	0	0	0	N. A.	0	N. A.	N. A.	0	0	64	72.29	399	N. A.	N. A.	0	N. A.	N. A.	N. A.
Operations and suppliers at significant risk for 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	N. A.	0	N. A.	N. A.	0	0	64	72.29	399	N. A.	N. A.	0	N. A.	N. A.	N. A.
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	0	0	0	0	0	N. A.	0	N. A.	N. A.	0	0	64	72.29	399	N. A.	N. A.	0	N. A.	N. A.	N. A.
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		Colombia		0	0	0	0	0	0	N. A.	0	N. A.	N. A.	0	0	64	72.29	399	N. A.	N. A.	0	N. A.	N. A.	N. A.

Security personnel trained in human rights policies or procedures GRI 410-1

Security practices	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			INTERVIAL			XM		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Number of people that are part of the company's security personnel			10			10			69			1			N. A.			1			197			8			10
Number of security personnel formally trained in the organization's human rights policies or procedures and their application to security. (OSH - risk of life, labor conditions, payment of wages)	100	100	3	100	0	3	0%	0%	67	0	0	0	N. A.	0	N. A.	N. A.	N. A.	0	100	38	116	N. A.	N. A.	8	100	100	3
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)			30			30			97.10			0			N. A.			0			58.88			100			30
Whether training requirements also apply to third-party organizations providing security personnel.	YES	YES	YES	SI	YES	YES	YES	YES	YES	N. A.	N. A.	0	N. A.	0	N. A.	N. A.	N. A.	YES	NO	NO	YES	YES	N. A.	N. A.	NO	YES	YES	YES

Rights of Indigenous Peoples GRI 411-1

	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			INTERVIAL			XM		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
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	N. A.	0	0	0	0	0	N. A.	N. A.	0	NA	NA	N. A.
IF THERE ARE CASES IN THE ABOVE ROW, PLEASE INDICATE THE STATUS OF THE CASES AND ACTIONS TAKEN WITH REGARD TO THE FOLLOWING:																											
Cases reviewed by the organization	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Implementation of ongoing remediation plans	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Implemented remediation plans whose results have been assessed through routine internal management and review processes	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Case not subject to actions	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.

Operations subject to human rights impact assessments or reviews GRI 412-1

Human rights assessment	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL
	2021					
Total number of operations	50	18	6	1	6	30
Total number of operations subject to human rights assessments or human rights impact assessments by country	50	18	0	0	1	30
% of operations that have been subject to human rights assessments	100	100	0	0	16.67	100
Total number of hours dedicated to training on human rights policies or procedures relevant to operations	10	12	12	43.5	2	59
Total number of employees	697	197	29	71	1,325	333
Number of employees trained in human rights policies or procedures relevant to operations	241	5	2	63	1,301	333
Percentage of employees trained in human rights policies or procedures relevant to operations	34.58	2.54	6.90	88.73	98.19	100.00

The operations are defined as: administrative headquarters and Energy Transmission Centers (CTE). In the case of ISA Bolivia, the total number of substations was taken into account and the main headquarters. ISA INTERVIAL reports its concessionaires.

Operations subject to human rights reviews or impact assessments

Evaluation of the human rights	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	ISA INTERVIAL	XM
	2021	2021	2021	2021	2021	2021	2021	2021	2021
Number of total operations	2	50	18	6	4	1	6	30	1
The total number of operations submitted to human rights assessments or rights impact assessments humans by country	2	50	18	0	0	0	1	30	0
% of operations subject to human rights assessments	100	100	100	0	0	0	16.67	100	0
The total number of hours spent on training on policies or procedures on human rights relevant to the operations	20,874	4,762	480	192	63,704	2,824.5	2,602	20,067	8,121.5
Total of employees	237	697	197	29	400	71	1,325	333	295
Average hours of training in rights human per employee	88	7	2	7	159	40	2	60	28
Number of employees receiving training in policies or procedures on rights humans relevant to operations	202	269	10	4	360	64	1,301	338	27
The percentage of employees who receive training on policies or procedures on human rights relevant to the operations	85.23	38.59	5.08	13.79	90.00	90.14	98.19	101.50	7.8

The operations are defined as: administrative headquarters and Energy Transmission Centers (CTE). In the case of ISA Bolivia, the total number of substations and headquarters were taken into account.
ISA INTERVIAL reports its concessionaires.

Consolidated social investment figures

HISTORICAL CONSOLIDATED USD

COMPANY	USD 2019	USD 2020	USD 2021	Variation 20-21
ISA	$278,901.73	$335,970.05	$423,712.47	0%
INTERCOLOMBIA	$9,770,156.69	$6,289,774.46	$7.650,836.44	0%
TRANSELCA	$88,984.36	$252,734.23	$200,651.82	-0%
INTERNEXA	$-	$-	$-	0%
XM	$-	$1,534.40	$-	-0%
REP	$10,371,263.83	$1,711,959.07	$141,979.42	-0%
CTEEP	$2,008,198.52	$2,689,625.54	$549,670.33	-0%
ISA BOLIVIA	$432,812.51	$196,777.55	$131,183.11	-0%
INTERCHILE	$256,096.73	$295,100.03	$705,379.79	0%
INTERVIAL	$327,216.15	$56,262.78	$247,903.14	0%
TOTAL	**$23,533,630,51**	**$11,829,738.11**	**$10,051,316.51**	**-0%**

HISTORICAL CONSOLIDATED COP

COMPANY	COP 2019	COP 2020	COP 2021	Variation 20-21
ISA	$914,000,000.00	$1,153,217,180	$1,686,867,136	46%
INTERCOLOMBIA	$32,018,171,299.49	$21,589,650,849,38	$30,459,204,005	41%
TRANSELCA	$291,614,217.00	$867,510,250	$798,826,994	-8%
INTERNEXA			$-	0%
XM		$5,266,812	$-	0%
REP	$33,988,083,532.25	$5,876,299,493	$565,242,770	-90%
CTEEP	$6,581,147,697.87	$9,232,139,679	$2,188,325,548	-76%
ISA BOLIVIA	$1,418,387,184.99	$675,438,945	$522,260,935	-23%
INTERCHILE	$839,264,822.50	$1,012,930,853	$2,808,229,796	177%
INTERVIAL	$1,072,333,150.00	$193,122,000	$986,942,066	411%
TOTAL	**$77,123,001,904.10**	**$40,605,576,061**	**$40,015,899,251**	**-1%**

HISTORICAL BY LINE USD

	2019 USD	2020 USD	2021 USD
Education and coexistence	$12,117,323.63	$1,994,779.66	$1,171,263
Local development and institutional strengthening	$3,229,868.71	$800,387.46	$949,307
Connections for development	$5,608,882.70	$1,880,201.46	$568,782
Community infrastructure	$2,577,555.50	$1,380,474.33	$3,136,152
Project management (mandatory)		$4,829,751.91	$3,741,995
Social promotion actions		$369,185.72	$483,817
TOTAL	**$23,533,630,53**	**$11,254,780,52**	**$10,051,317**

HISTORICAL BY LINE COP

	2019	2020	2021
Education and coexistence	$39,710,165,963	$6,847,081,168	$4,662,985,242
Local development and institutional strengthening	$10,584,731,944	$2,759,411,032	$3,779,344,183
Connections for development	$18,381,093,836	$6,453,791,495	$2,264,413,772
Community infrastructure	$8,447,010,222	$4,738,478,129	$12,485,523,713
Project management (mandatory)	$-	$18,539,584,237	$14,897,479,572
Social promotion actions	$-	$1,267,230,000	$1,926,152,768
TOTAL	**$77,123,001,966**	**$40,605,576,061**	**$40,015,899,251**

HISTORICAL BY LINE USD

	INVESTMENT 2021	MULTIPLIER	GENERATED VALUE 2021
Education and coexistence	$4,662,985,242	4.16	$19,398,018,608
Local development and institutional strengthening	$3,779,344,183	2.11	$7,974,416,227
Connections for development	$2,264,413,772	2.66	$6,023,340,632
Community infrastructure	$12,485,523,713	1.61	$20,101,693,178
Project management (mandatory)	$14,897,479,572	1.86	$27,709,312,005
Social promotion actions	$1,926,152,768	3.455	$6,654,857,814
TOTAL	**$40,015,899,251**		**$87,861,638,464**

	ISA	ISA TRANSELCA	ISA INTERCOLOMBIA	ISA REP	ISA INTERCHILE	ISA INTERVIAL	ISA BOLIVIA	ISA CTEEP	TOTALS
2021 CONSOLIDATED BY LINE AND AFFILIATE (USD)									
Education and coexistence	$89,243	$54,059	$951,351	$47,644	$11,831	$17,136	$-	$-	$1,171,263
Local development and institutional strengthening	$52,748	$-	$737,814	$53,078	$-	$105,667	$-	$-	$949,307
Connections for development	$281,721	$2,264	$118,625	$-	$107,019	$59,154	$-	$-	$568,782
Community infrastructure	$-	$11,303	$2,589,653	$16,101	$519,095	$-	$-	$-	$3,136,152
Project management (mandatory)	$-	$126,872	$3,204,664	$-	$-	$-	$129,583	$280,876	$3,741,995
Social promotion actions	$-	$6,154	$48,730	$25,157	$67,435	$65,947	$1,600	$268,795	$483,817
TOTAL	**$423,712**	**$200,652**	**$7,650,836**	**$141,979**	**$705,380**	**$247,903**	**$131,183**	**$549,670**	**$10,051,317**
2021 CONSOLIDATED BY LINE AND AFFILIATE (COP)									
Education and coexistence	$355,290,232	$215,216,154	$3,787,481,671	$189,677,545	$47,100,000	$68,219,640	$-	$-	$4,662,985,242
Local development and institutional strengthening	$210,000,000	$-	$2,937,354,569	$211,312,027	$-	$420,677,588	$-	$-	$3,779,344,183
Connections for development	$1,121,576,904	$9,013,503	$472,264,861	$-	$426,058,504	$235,500,000	$-	$-	$2,264,413,772
Community infrastructure	$-	$45,000,000	$10,309,823,220	$64,099,200	$2,066,601,293	$-	$-	$-	$12,485,523,713
Project management (mandatory)	$-	$505,097,337	$12,758,279,683	$-	$-	$-	$515,892,004	$1,118,210,548	$14,897,479,572
Social promotion actions	$-	$24,500,000	$194,000,000	$100,153,998	$268,470,000	$262,544,839	$6,368,931	$1,070,115,000	$1,926,152,768
TOTAL	**$1,686,867,136**	**$798,826,994**	**$30,459,204,005**	**$565,242,770**	**$2,808,229,796**	**$986,942,066**	**$522,260,935**	**$2,188,325,548**	**$40,015,899,251**

Attractive and desirable employ

Organization size GRI 102-7

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	PDI	ISA INTERCHILE	ISA CTEEP	XM	SIER	INTERNEXA	ISA INTERVIAL	COSTERA	Total
TOTAL COMPANY EMPLOYEES	**237**	**697**	**197**	**29**	**400**	**44**	**71**	**1325**	**295**	**79**	**350**	**333**	**269**	**4326**
Total number of women	108	213	46	4	72	15	13	184	102	39	106	117	93	1112
Total number of men	129	484	151	25	328	29	58	1141	193	40	244	216	176	3214
% of women	**46%**	**31%**	**23%**	**14%**	**18%**	**34%**	**18%**	**14%**	**35%**	**49%**	**30%**	**35%**	**35%**	**26%**
Total number of women in management positions (level 1 and 2)	11	10	7	1	2	0	1	21	11	2	11	6	3	86
Total number of men in management positions (level 1 and 2)	18	17	9	1	5	1	9	83	9	4	22	34	5	217
Total directors	**29**	**27**	**16**	**2**	**7**	**1**	**10**	**104**	**20**	**6**	**33**	**40**	**8**	**303**
% female directors	**37.9%**	**37.0%**	**43.8%**	**50.0%**	**28.6%**	**0.0%**	**10.0%**	**20.2%**	**55.0%**	**33.3%**	**33.3%**	**15.0%**	**37.5%**	**28.4%**
Number of persons who belong to a trade union or collective agreement	110	390	81	0	125	0	0	410	206	0	0	221	0	1543
% of employees who belong to a trade union or collective agreement	**46.4%**	**56.0%**	**41.1%**	**0.0%**	**31.3%**	**0.0%**	**0.0%**	**30.9%**	**69.8%**	**0.0%**	**0.0%**	**66.4%**	**0.0%**	**35.7%**
% of women in junior positions (e.g. coordinations)	0.0%	60.0%	14.3%	0.0%	4.2%	13.33%	16.60%	81.0%	0.0%	0.0%	0%	39.0%	0.0%	26.3%
% of women in management positions in core and revenue-generating areas of the company (e.g. financial. strategy. legal. projects)	27.3%	80.0%	11.1%	25.0%	15.3%	6.66%	1.00%	19.0%	35.0%	100.0%	0%	3.0%	0.0%	17.9%
% of women in STEM careers (science. technology. engineering and mathematics —financial— professionals)	28.6%	15.0%	9.0%	50.0%	5.0%	31.0%	9.00%	16.0%	28.0%	48.0%	N. A.	14.0%	N. A.	23,1%

Information of employees and other workers GRI 102-8

	ISA		ISA INTERCOLOMBIA		PDI		ISA BOLIVIA		ISA REP		ISA I NTERCHILE		ISA CTEEP		XM		ISA INTERVIAL		INTERNEXA		TRANSELCA		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
The total number of employees with an indefinite-term employment contract	107	129	197	459	8	21	4	24	54	269	12	52	1141	184	93	174	104	235	104	235	42	136	1866	1918
The total number of employees under fixed-term employment contracts	1	0	16	25	7	8	0	1	18	61	1	8	0	0	9	19	0	0	2	9	4	15	58	146

Breakdown by generation and disability

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	PDI	ISA INTERCHILE	ISA CTEEP	XM	SIER	INTERNEXA	ISA INTERVIAL	COSTERA	TOTAL
GENERATION														
Generation Z (2000-today)	0	0	0	0	0	0	0	0	0	0	10	0	0	10
Millennials (1981-2000)	98	331	78	18	183	24	44	704	193	67	177	100	178	2195
Generation X (1965-1980)	117	256	76	10	155	18	28	561	84	12	153	206	84	1760
Boomers (1946-1964)	22	101	42	1	64	2	1	60	18	0	10	25	7	353
Silent generation (< 1945)	0	0	1	0	0	0	0	0	0	0	0	2	0	3
DISABILITY														
Number of persons with a disability	1	16	1	0	1	0	0	49	1	0	0	4	0	73
% of total employees with a disability	0.4%	2.3%	0.5%	0.0%	0.3%	0.0%	0.0%	3.7%	0.3%	0.0%	0.0%	1.2%	0.0%	21,1%

Employment: new employee hires and employee turnover GRI 401-1

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL	INTERNEXA	COSTERA			TOTAL
Total number of new employee hires during the reporting period	31	102	15	4	56	19	115	45	51	71	3			509
Total rate of new employee hires during the reporting period (new hires / total number of employees)	**13.08%**	**51.78%**	**51,72%**	**13.79%**	**14.00%**	**26.76%**	**8,68%**	**15.25%**	**17,29%**	**89.87%**				**145,43%**
Total number of new female hires during the reporting period	13	49	3	0	0%	3	39	16	20	17				171
Rate of new female hires during the reporting period (new female hires/total number of employees)	**5.49%**	**24.87%**	**10,34%**	**0.00%**	**2.75%**	**4.23%**	**2,94%**	**5.42%**	**25,32%**	**4.86%**				**8,62%**
Total number of new male hires during the reporting period	18	53	11	3	0%	16	76	29	32	54				337
Rate of new male hires during the reporting period (new male hires/total number of employees)	**7.59%**	**26.90%**	**37,93%**	**10.34%**	**11.25%**	**22.54%**	**5,74%**	**9.83%**	**40,51%**	**15.43%**				**18,8%**

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL	INTERNEXA	COSTERA			TOTAL
Total number of new hires of employees under 30 during the reporting period	10	27	6	3	33	5	45	26	8	12				175
Rate of new employee hires under 30 years old during the reporting period (new employee hires under 30 years old / total number of employees)	**4.22%**	**13.71%**	**20,69%**	**10.34%**	**8.25%**	**7.04%**	**3.40%**	**8.81%**	**10,13%**	**3.43%**				**9%**
The total number of new hires of employees between the ages of 30 and 50 during the reporting period	17	72		0	23	11	69	18		50				260
Rate of new employee hires between 30 and 50 years old during the reporting period (new employee hires between 30 and 50 years old / total number of employees)	**7.17%**	**36.55%**	**0.00%**	**0.00%**	**5.75%**	**15.49%**	**5.21%**	**6.10%**	**0.00%**	**14.29%**				**9.06%**
The total number of new hires of employees over the age of 51 during the reporting period	4	3		0	0	3	2	1		9				22
Rate of new employee hires over the age of 51 during the reporting period (new employee hires over 51 years old / total number of employees)	**1.69%**	**1.52%**	**0.00%**	**0.00%**	**0.00%**	**4.23%**	**0.15%**	**0.34%**	**0.00%**	**2.57%**				**1.05%**
Total number of employee withdrawal during the reporting period	20	36	21	3	22	11	183	29	94	70	85	8	16	598
Total number of voluntary employee withdrawal (resignation) during the reporting period	10	12	7	3	9	6	79	14	23	31	61	4	11	270

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL	INTERNEXA	COSTERA			TOTAL	
The total number of non-voluntary withdrawals (dismissals and termination of contracts) during the reporting period		1	1	4	0	9	5	72	7	61	14	24	4	4	206	
NATURAL WITHDRAWALS (DEATH. RETIREMENT)		**3**	**20**	**10**	**0**	**4**	**0**	**32**	**2**	**1**	**1**	**0**	**0**	**0**	**73**	
INTERCOMPANY MOBILITY WITHDRAWALS		**6**	**3**	**0**	**0**	**0**	**0**	**0**	**6**	**9**	**24**	**0**	**0**	**1**	**49**	
Turnover for women without excluding mobility	Women withdrawals	7	11	6	3	5	6	43	8	38	13	21	4	6		
	Initial staff - Women	100	176	48	7	63	16	196	94	134	100	104	16	30	Total ISA and its companies turnover - Women	15.57%
	Final staff - Women	108	213	46	4	72	13	184	102	117	106	93	15	39		
	Women turnover	**7%**	**6%**	**13%**	**55%**	**7%**	**41%**	**23%**	**8%**	**30%**	**13%**	**21%**	**26%**	**17%**		
Turnover for women excluding mobility	Women withdrawals	5	10	6	0	5	6	43	4	35	8	21	4	5		
	Initial staff - Women	100	176	48	7	63	16	196	94	134	100	104	16	30	Total ISA and its companies turnover - Women excluding mobility	13.82%
	Final staff - Women	108	213	46	7	72	13	184	102	117	106	93	15	39		
	Women turnover	**5%**	**5%**	**13%**	**0%**	**7%**	**41%**	**23%**	**4%**	**28%**	**8%**	**21%**	**26%**	**14%**		

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL	INTERNEXA	COSTERA			TOTAL	
Turnover for men without excluding mobility	Men withdrawals	13	25	15	0	17	5	140	21	56	57	64	4	10	Total ISA and its companies turnover - Men	13.20%
	Initial staff - Men	125	454	155	22	296	57	1205	185	243	242	208	30	36		
	Final staff - Men	129	484	151	25	328	58	1141	193	216	244	176	29	40		
	Men turnover	**10%**	**5%**	**10%**	**0%**	**5%**	**9%**	**12%**	**11%**	**24%**	**23%**					
Turnover for men excluding mobility	Men withdrawals	9	23	15		17	5	140	19	50	38	64	4	10	Total ISA and its companies turnover - Men excluding mobility	12.18%
	Initial staff - Men	125	454	155	22	296	57	1205	185	243	242	208	30	36		
	Final staff - Men	129	484	151	25	328	58	1141	193	216	244	176	29	40		
	Men turnover	**7%**	**5%**	**10%**	**0%**	**5%**	**9%**	**12%**	**10%**	**22%**	**16%**					
Total turnover without excluding mobility	Total withdrawals	20	36	21	3	22	11	183	29	94	70	85	8	16	Group turnover	13.80%
	Initial staff	225	630	203	29	359	73	1401	279	377	342	312	46	66		
	Final staff	237	697	197	29	400	71	1325	295	333	350	269	44	79		
	Group turnover	**9%**	**5%**	**11%**	**10%**	**6%**	**15%**	**13%**	**10%**	**26%**	**20%**	**29%**	**18%**	**22%**		
Total turnover excluding mobility	Total withdrawals	14	33	21	3	22	11	183	23	85	46	85	8	15	Total ISA and its companies turnover excluding mobility	12.67%
	Initial staff	225	630	203	29	359	73	1401	279	377	342	312	46	66		
	Final staff	237	697	197	29	400	71	1325	295	333	350	269	44	79		
	Group turnover	**6%**	**5%**	**11%**	**10%**	**6%**	**15%**	**13%**	**8%**	**24%**	**13%**	**29%**	**18%**	**21%**		

Maternity/paternity leave GRI 403-1

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA	PDI
Total number of employees who took parental leave	Women	1	8	1	2	4	2	7	2	5	5	0
	Men	3	8	6	1	1	2	26	6	6	8	1
Total number of employees who returned to work in the reporting period after their parental leave ended	Women	1	4 (the other 4 are still on leave)	1	2	4	1	7	2	0	5	0
	Men	3	4	6	1	1	2	26	6	6	8	1
Total number of employees returning to work after the end of parental leave who remained employed 12 months after their return to work	Women	0	None have completed one year after their return yet	1	2	4	2	6	2	0	5	0
	Men	0		6	1	1	2	23	6	0	8	1
Return to work rate of employees who used parental leave	Women	100%	**50%**	**100%**	**100%**	**100%**	**50%**	**100%**	**100%**	**0%**	**100%**	**0%**
	Men	100%	**50%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Total number of employees who have been entitled to parental leave, by gender		400%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Retention rate of employees who used parental leave		100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Organizational climate result

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERVIAL	INTERNEXA	RUTA COSTERA	SIER	PDI	Global ISA
Organizational climate result	89	87	90	92	90	81	83	89	89	89	84	88	92	86
Target 2021	89	86	89	90	89	75	83	86	89	88	N. A.	93	83	86

Highly qualified workers who learn and project themselves in the organization in the long term

Training and education GRI 404-1

		ISA			ISA INTERCOLOMBA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA CTEEP		
		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Hours of training that the organization's employees have had during the reporting period, by job category	Total hours of training that the organization's employees have had during the reporting period.	5.693	10,299	15,992	15,157.15	31,527.35	46,684.5	7,386	12,953	20,339	95	1,145	1240	5,212.950	22,808.900	28,021.85	3,101	48,942	52,043
	The average number of hours of training that the organization's employees have had during the reporting period	52.7	79.8	67.5	71.2	65.1	67.0	160,565	85.781	103,244	23.8	45.8	42.8	72,402	69,539	70.1	16.9	42.9	39.3
	Number of level 1 employees	0	0	11.0	2	4	6	2	6	8	0	0	0	0	1	1	N. D.	N. D.	N. D.
	Training hours of level 1 employees: CEOs, managers and chef officers	376.5	487.5	864.0	139.5	393	532.5	40.5	527.75	568.25	N. A.	N. A.	0	0	223.5	223.5	N. D.	N. D.	N. D.
	Average hours of training for level 1 employees	**75.3**	**81.3**	**78.5**	**69.8**	**98.3**	**88.8**	**20.3**	**88.0**	**71.0**	**0.0**	**0.0**	**0.0**	**223.5**	**223.5**	**223.5**	**36.0**	**42.0**	**78.0**
	Number of level 2 employees	0	0	18.0	13	30	43	5	4	9	1	1	2	10	13	23	21	83	104
	Hours of training for level 2 employees: directors and chiefs	417.8	789.3	1,207.0	2,780	1,322.85	4,102.85	486	245	731	35	44	79	1,414.75	1,335.25	2750	208	1,693	1,901
	Average hours of training for level 2 employees	**69.6**	**65.8**	**67.1**	**95.4**	**95.4**	**95.4**	**97.2**	**61.3**	**81.2**	**35.0**	**44.0**	**39.5**	**141.5**	**102.7**	**119.6**	**9.9**	**20.4**	**18.3**
	Number of level 3 employees	0	0	208.0	206	470	676	41	200	241	3	24	27	72	330	402	163	1.058	1.221
	Hours of training for level 3 employees: specialists, analysts, technicians, and assistants	5,254.0	9,249.0	14,503.0	12,237.75	29,811.5	42,049.25	1,913.9	10,105.25	12.019.15	108	745	853	3,798.2	21,250.15	25,048.35	2,276	43,283	45,559
	Average hours of training for level 3 employees	**54.2**	**83.3**	**69.7**	**59.4**	**63.4**	**62.2**	**46.7**	**50.5**	**49.9**	**36.0**	**31.0**	**31.6**	**52.8**	**64.4**	**62.3**	**14.0**	**40.9**	**37.3**

		XM			ISA INTERVIAL			ISA INTERCHILE			INTERNEXA			PDI		
		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total hours of training that the organization's employees have had during the reporting period		16,064.00	17,522.20	33,586.20	9,747.00	18,813.00	28,560.00	330.05	2,170.85	2,500.9	3,934.70	9,340.30	13,275.00	99.50	123.50	223.00
The average number of hours of training that the organization's employees have had during the reporting period		157.5	90.8	113.9	83.3	87.1	85.8	25.4	37.4	35.2	37.1	38.3	37.9	6.6	4.3	5.1
Hours of training that the organization's employees have had during the reporting period. by job category	Number of level 1 employees	3	2	5	27	55	82	0	5	5	1	9	10	0	1	1.0
	Training hours of level 1 employees: CEOs managers and chef officers	856	295	1151	161	263	424	0	185	185	9	213.25	222.25	0	54.5	54.5
	Average hours of training for level 1 employees	**285.3**	**147.5**	**230.2**	**6.0**	**4.8**	**5.2**	**0.0**	**37.0**	**37.0**	**9.0**	**23.7**	**22.2**	**0.0**	**54.5**	**54.5**
	Number of level 2 employees	8	7	15	195	519	714	1	9	10	10	13	23.0	1	1	2.0
	Hours of training for level 2 employees: directors and chiefs	510.25	5.938.5	6,448.75	8,692	1324	10,016	82.25	628.25	710.5	468.75	389.95	858.7	54.50	54.50	109.0
	Average hours of training for level 2 employees	**63.8**	**848.4**	**429.9**	**44.6**	**2.6**	**14.0**	**82.3**	**69.8**	**71.1**	**46.9**	**30.0**	**37.3**	**54.5**	**54.5**	**54.5**
	Number of level 3 employees	91	184	275	589	838	1427	13	50	63	97	223	320.0	14	27	41.0
	Hours of training for level 3 employees: specialists, analysts, technicians and assistants	14,697.5	12,188.7	26,886.2	11,212	11,326	22,538	247.8	1,357.6	1,605.4	3,456.95	8,737.10	1,2194.1	99.50	147.50	247.0
	Average hours of training for level 3 employees	**161.5**	**66.2**	**97.8**	**19.0**	**13.5**	**15.8**	**19.1**	**27.2**	**25.5**	**35.6**	**39.2**	**38.1**	**7.1**	**5.5**	**6.0**

Total investment in training

	ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA rep		ISA INTERCHILE		ISA CTEEP	
	USD	Local currency	USD	Local currency	USD	Local currency	USD	Local currency	USD	Local currency (soles)	USD	Local currency	USD	Local currency
Total investment in training	$241,059.00	$897,082,872.00	$435,046.47	$1,618,986,659.01	$146,872.75	$546,573,843.00	$15,594.25	$108,536.00	$1,040,480.24	$3,872,054,437.00	$92,786,86	$73,933,750.00	$335,045.80	
Average investment in training by FTE	$15.06	$56,044.00	$624.17	$2,322,792.91	$745,55	$2,774,486.51	$537.73	$3,742.62	$2,601.20	$9,680,136.09	$1,306,86	$1,041,320.42	$252.86	$-
	Women	Men	Women	Men	Women	Men	Women	Men	Womens	Men	Women	Men	Women	Men
Average investment in training by gender (USD)	$2,232.03	$1,868.67	$2,042.47	$898.86	$3,192.89	$972.7	$1,411.25	$14,183.00	$58,990.73	$275,489.51	$7,137,45	$1,599.77	$1,820.90	$293.64

	XM		ISA INTERVIAL		INTERNEXA		PDI	
	USD	Local currency	USD	Local currency	USD	Local currency	USD	Local currency
Total investment in training	$159,558.00	$638,233,212.00	$230,239.00	$856,813,908.90	$162,711.00	$605,514,478.10	$15,335.50	$57,069,695.83
Average investment in training by FTE	$540.87	$2,163,502.41	$691.41	$2,573,014.74	$464.89	$1,730,041.37	$348.53	$1,297,038.54
	Women	Men	Women	Men	Women	Men	Women	Men
Average investment in training by gender (USD)	$1,564	$827	$1,967.85	$1,065.92	$1,535.01	$666.85	$1,022.37	$528.81

Percentage of employees with periodic performance and career development assessments GRI 404-3

		ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP		ISA INTERCHILE		ISA CTEEP		XM		ISA INTERVIAL		INTERNEXA		PDI	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Percentage of total employees by gender and by job category who received a regular performance and career development assessments during the reporting period	Total number of women with performance assessment	95	87.96%	197	92.49%	47	102.2%	4	0%	68	94.44%	12	0%	132	0%	99	0%	107	91.5%	101	0%	13	0%
	Total number of men with performance assessment	121	93.80%	454	93.80%	138	91.4%	25	0%	323	98.48%	51	0%	1,012	0%	191	0%	205	94.9%	244	0%	27	0%
	Total number of level 1 and level 2 employees with performance assessment: CEOs, managers, chief officers, and directors	25	86.21%	27	100.00%	16	100.0%	2	0%	24	342.86%	15	0%	82	0%	20	0%	67	167.5%	32	0%	3	0%
	Total number of employees with level 3 performance assessment	191	91.83%	624	92.31%	169	70.12%	27	100.00%	367	91.29%	48	76.19%	1,062	86.98%	270	98.18%	245	17.17%	313	0%	40	33.3%

Internal vacancies

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA	PDI	SIR
% of vacancies filled with internal candidates	36%	53%	29%	0%	9%	7%	19%	21%	27%	0%	0%	10.30%

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	PDI
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	4	1	0	2	1	32	3	2	1	0
	Total level 1 men: CEOs, managers, and chief officers	0	9	6	1	5	9	28	2	9	9	1
	Total level 1 employees: CEOs, managers, and chief officers	0	0	0	0	0	0	60	5	0	0	0
	% level 1 women: CEOs, managers, and chief officers	**45,5%**	**0%**	**0%**	**0%**	**28,6%**	**0%**	**53,3%**	**0%**	**0%**	**0%**	**0%**
	% level 1 men: CEOs, managers, and chief officers	**54,5%**	**0%**	**0%**	**0%**	**71,4%**	**0%**	**46,7%**	**0%**	**0%**	**0%**	**0%**

Ratio salarial GRI 405-2

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	ITX COL	ITX PERU	ITX CHILE	ITX ARGENTINA	ITX BRASIL	PDI
The ratio of base salary and remuneration of women to men for each job category, by location with significant operations	Average salary for level 1 positions in men (does not include CEO or general manager)	The value of the average salaries is not reported due to data confidentiality.														
	Average salary for level 1 positions in women (does not include CEO or general manager)	The value of the average salaries is not reported due to data confidentiality.														
	Salary ratio women/men level 1	0.86	1,061	1,095	0.909	0.955	0.625	0.796	0.930	0.870	0.929	0	0	0	0	N. A.
	Average salaries for level 2 positions in men	The value of the average salaries is not reported due to data confidentiality.														
	Average salaries for level 2 positions in women	The value of the average salaries is not reported due to data confidentiality.														
	Salary ratio women/men level 2	0.73	0.839	1,040	N. A.	1,185	0.001	0.971	0.982	0.891	0.907	0	0	0	0.763	0.816

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	ITX COL	ITX PERU	ITX CHILE	ITX ARGENTINA	ITX BRASIL	PDI
	Promedio salarial de los cargos nivel 3 en hombres	The value of the average salaries is not reported due to data confidentiality.														
	Promedio salarial de los cargos nivel 3 en mujeres	The value of the average salaries is not reported due to data confidentiality.														
	Ratio salarial mujeres/ hombres nivel 3	0.80	1,013	1,255	1.17	1,085	0.895	1,099	1,101	0.947	0.907	0	0	0	0.763	0.4%

Compensation

		ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	ITX COL	ITX PERU	ITX CHILE	ITX ARGENTINA	ITX BRASIL	PDI
CEO/ General Manager	% fixed compensation	49%	67,60%	71,74%	N. A.	64%	52%	52,5%	70%	59%	66%	0	0	0	0	N. A.
	% variable long-term compensation	12%	11,27%	8,47%	N. A.	6%	4%	3,0	8%	10%	11%	N/A	0	0	0	N. A.
	% variable short-term compensation	24%	16,90%	15,04%	N. A.	11%	26%	32,52	17%	30%	19%	N/A	0	0	0	N. A.
	% benefits	15%	4,23%	4,74%	N. A.	19%	17%	12,2	5%	1%	4%	N/A	0	0	0	N. A.
Level 1	% fixed compensation	63%	69,11%	71,38%	80,4%	64%	77%	55,9	72%	73%	73%	0%	77	77	0	83%
	% variable long-term compensation	10%	5,76%	3,93%	5,94%	0%	2%	3,5	3%	2%	6%	N/A	0	0	0	1.6%
	% variable short-term compensation	20%	17,28%	14,96%	11,87%	10%	19%	18,91	18%	24%	21%	N/A	23	23	0	13%
	% benefits	7%	7,85%	9,73%	1,78%	25%	1%	21,6	7%	1%	0%	N/A	0	0	0	2.4%
Level 2	% fixed compensation	65%	68,16%	69%	N. A.	70%	82%	76,5	71%	83%	73%	N/A	77	0	77	87%
	% variable long-term compensation	5%	5,68%	4%	N. A.	0%	0%	2,23	3%	0%	6%	N/A	0	0	0	0
	% variable short-term compensation	16%	17,04%	14%	N. A.	13%	14%	10,6	17%	14%	21%	N/A	23	0	23	9%
	% benefits	14%	9,12%	13%	N. A.	17%	2%	10,7	9%	3%	0	N/A	0	0	0	4%
Level 3	% fixed compensation	78%	77,50%	73%	89%	70%	88%	62,8	79%	82%	N. A.	N. A.	77	N. A.	77	89%
	% variable long-term compensation	0%	0,00%	0%	0%	0%	0%	0	0%	0%	N. A.	N/A	0	N. A.	0	0
	% variable short-term compensation	8%	5,58%	4%	6%	6%	7%	7,8	7%	8%	N. A.	N/A	23	N. A.	23	6%
	% benefits	14%	16,92%	23%	5%	24%	4%	29,3	14%	10%	N. A.	N/A	0	N. A.	0	5%

Cases of discrimination and corrective actions taken GRI 406-1

	ISA		ISA INTERCOLOMBIA		ISA TRANSELCA		ISA BOLIVIA		ISA REP		ISA INTERCHILE		ISA CTEEP		XM		ISA INTERVIAL		INTERNEXA		PDI	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	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	0
Corrective measures and actions	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
If cases have occurred, indicate their status and the actions taken with regard to the following: i. case evaluated by the organization; ii. implementation of ongoing remediation plans; iii. remediation plans, the results of which have been implemented through routine internal management and review processes; iv. case no longer subject to actions	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.

Occupational health and safety GRI 403-9

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
EMPLOYEES					2021					
Number of short-term (less than 5 days) absenteeism due to injuries in employees	0	10	2	0	0	1	4	1	1	0
Number of long-term (more than 5 days) absenteeism due to injuries in employees	0	0	0	0	0	0	6	0	2	0
CONTRACTORS										
Number of short-term (less than 5 days) absenteeism due to injuries in third parties	0	98	7	0	16	3	21	0	12	1
Number of long-term (more than 5 days) absenteeism due to injuries in third parties	0	81	5	0	14	1	10	0	29	1

Work-related injuries

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
EMPLOYEES										
Man-hours worked	490,501	1,409,211	477,793	75,245.43	1,029,253.86	155,700	2,641,745.77	612,045	729,072	709,946
Number of deaths resulting from an occupational accident injury	0	0	0	0	0	0	3	0	0	0
Number of deaths resulting from an occupational accident injury Formula: [Number of deaths resulting from an occupational injury] / [Number of hours worked] * 1.000.000	0	0	0	0	0	0	1,136	0	0	0
Number of occupational injuries with major consequences (not including deaths) Definition: Occupational accident with major consequences: disability greater than six months (>6 months)	0	0	0	0	0	0	0	0	0	0

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Injury rate due to occupational accidents with major consequences (not including deaths) Formula: [Number of occupational injuries with major consequences (excluding fatalities)] / [Number of hours worked] * 1.000.000	0	0	0	0	0	0	0	0	0	0
Number of recordable occupational injuries Definition: Recordable occupational accident: disability greater than one day (>= 1 day)	0	2	0	0	0	0		0	3	0
Number of recordable occupational injuries Formula: [Number of recordable occupational injuries] / [Number of hours worked] * 1.000.000	-	1.4	-	-	-	-	-	-	4.1	-

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Indicates the main types of work-related injuries.		Accidents involving hazards of mechanical origin: impacts from or against an object	Contusion	0		Contusion due to impacts caused by falling from the same level, tripping over a piece on the floor	Fratura, contusão, corte,	Contusion	Same-level fall	There were no AT in 2021
CONTRACTORS										
Man-hours worked	N. A.	0	922,070	N. A.	12,909,564.10	0	4,318,352.36	149,652	8,272,330	613,050
Number of deaths resulting from an occupational accident injury	N. A.	0	0	N. A.	0	0	3	0	0	0
Number of deaths resulting from an occupational accident injury Formula: [Number of deaths resulting from an occupational injury] / [Number of hours worked] * 1.000.000	N. A.	0	0	N. A.	0	0	0.695	0	0	0
Number of occupational injuries with major consequences (not including deaths) Definition: Occupational accident with major consequences: disability greater than six months (>6 months)	N. A.	0	0	N. A.	0	0	0	0	0	0

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Injury rate due to occupational accidents with major consequences (not including deaths) Formula: [Number of occupational injuries with major consequences (excluding fatalities)] / [Number of hours worked] * 1.000.000	N. A.	0	0	N. A.	0	0	0	0	0	0
Number of recordable occupational injuries Definition: Recordable occupational accident: disability greater than one day (>= 1 day)	N. A.	148	10	N. A.	30	1	21	0	41	2
Number of recordable occupational injuries Formula: [Number of recordable occupational injuries] / [Number of hours worked] * 1.000.000	N. A.	17.1	10.8	N. A.	2.3	3.2	4.9	-	5.0	3.3

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Indicates the main types of work-related injuries (e.g., burn, fracture, etc.)	N. A.	Accidents involving hazards of mechanical origin: impacts by or against the upper limbs; locative hazard: falls to the same level affecting the trunk and lower limbs; biomechanical hazard involving lifting loads and prolonged postures	Contusion, injuries, overexertions	N. A.	• Fracture • Cuts • Contusions	Impact, cut, lumbago, muscle ailment, dog bite	Fratura, corte, abrasão, distensão, Caida a un propio nivel, Caida de altura, Riesgo eléctrico	Contusion	• Hit by • Different level fall • Contact with overexertion	Hematoma, eye irritation
Indicates how occupational hazards that present a risk of injury from occupational accidents with major consequences are determined	N. A.	There is a procedure for hazard identification, risk assessment and determination of controls	Through the procedure for hazard identification, risk evaluation and assessment		Through the IPER matrix according to the activity performed, the job and the environment	Hazards are identified with the MIPER, in the risk analysis in the PT and ART in the field	Através da Análise Preliminar de Risco, INspecciones en campo diario, analisis de tranajo seguros, Inspectores técnicos en seguridad en campo	1. Hazard identification and riosk assessment matrix. 2. Safe working analysis	N. A.	Through the procedure for hazard identification, risk evaluation and assessment
Indicate which of these hazards have caused or contributed to occupational injuries with major consequences during the reporting period (e.g. fall from heights, electrocution, etc)	N. A.	None	N. A.	N. A.	• Work at heights • Work with electrical risk, road risks, derived from driving • Hazardous materials, hauling of materials	Cut by use of high-revolution electric tool (angle grinder)	Eletrocução, queda em altura	The economic activity is of the lowest risk, no critical tasks are performed	N. A.	There have been no serious accidents or fatalities

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Indicates the measures taken or planned to eliminate such hazards and minimize risks through the control hierarchy. (From the risk matrix identify the potential or most severe risks)	N. A.	Controls defined within the hazard identification, risk assessment and control determination matrices. The following measures have been implemented for the risks with the greatest impact: electrical safety program, fall protection program, confined space procedure and load lifting procedure	Implementation of controls associated with: • Project superintendent qualification program • Work at heights program • Contractual requirements: HSE Handbook for Contractors • Planned inspections schedule	N. A.	• Preventive maintenance of the units • Golden safety rules, installation of temporary land, work procedure • Personnel training and coaching • Profile and Competencies for the position	Training in the use of tools, electrical risk course, on-site supervision, etc.	Realizamos análises preliminares de risco, cumprimos normas e procedimentos, dimensionamos e distribuímos os corretos EPI's, realizamos inspeções e visitas em campo, recebemos reportes instantâneos através do aplicativo de segurança	The economic activity is of the lowest risk, no critical tasks are performed.	N. A.	Implementation of controls defined in each of our management programs: Internexa Segura (Safe Internexa), Internexa Saludable (Healthy Internexa), Comprehensive Learning and Effective Contractor and Customer Management
Indicates measures taken or planned to eliminate other occupational hazards and minimize risks through the control hierarchy. (Control hierarchy risks that did not materialize)	N. A.	Implementation of controls defined in the hazard identification, risk assessment and control determination matrices: Occupational medical examinations, personnel training, inspection of tools, equipment and facilities, among others	Implementation of controls associated with: • Work at heights program • Psychosocial Risk Program (mental health) • Electrical risk program • Application of new technologies that reduce exposure	N. A.	N. A.	Implementation of OSH program Conectados con la Vida (Connected with Life)	Realizamos diálogos diários e semanais de segurança, campanhas durante todo o ano com temas que elevem o nível de atenção a consciência situacional	1. Implementation of psychosocial risk control programs. 2. Implementation of biomechanical (ergonomic) risk control program. 3. Exhaustive infrastructure maintenance. 4. Workstations with high ergonomic standards. 5. Health promotion and prevention program. 6. Equilibra tu Vida (Balance Your Life) Program. 7. Implementation of Covid-19 biosafety control protocols. 8. COVID-19 control infrastructure adjustments. 9. Mass vaccination for COVID-19 prevention	• Retraining • Scheduled inspections • Training • IPER updating • Updating of procedures	Psychosocial and osteomuscular surveillance system, implementation of control at operation sites

	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	ISA INTERVIAL	INTERNEXA
Indicates whether the rates are calculated per 200.000 or per 1.000.000 hours worked	0	0	0	0	0	0	0	0	0	0
Indicate whether any worker has been excluded from this Content, including the type of worker and the reason for exclusion. (This question should be considered for company employees and contractors)	No person is excluded from this content									
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	1. Type of accident 0 2. TFA (k 1x10^6): 0 3. TIEP: 0 4. TDP (k 1x10^6): 3.27 5. TAL (working days requested)scheduled working days)*100: 0.17 Men: 0.22 Women: 0.11 6. Work accidents AT women: 0 Work accidents AT men: 0 7. Deaths AL women: 0 8. Deaths AL men: 0 9. Deaths EP women: 0 10. Deaths EP men: 0	TFA= 1.43% Women. TFA = 0% Men. TFA = 2.07% TIEP = 0% Women. TIEP = 0% Men. TIEP = 0% TDP = 3.56 Women. TDP = 3.01 Men. TDP =3.81 TAL = 1.49% Women. TAL = 1.37% Men. TAL = 1.54% Deaths due to occupational or professional accidents: 0	Total TFA= 0.99 - TIEP=0 - TDP=0 TAL = 10.47 - Deaths: 0 Men: TFA= 1.31 TIEP=0 TDP=0 TAL= 10.15 Women TFA=0 TIEP=0 TDP=0 TAL= 8.86	N. A.	TFA =0 Women. TFA = 0 Male. TFA = 0 TIEP = 0 Women. TIEP = 0 Men. TIEP = 0 TDP = Women. TDP = Men. TDP = TAL = Women. TAL = Men. TAL = Deaths due to occupational or professional accidents: 0	Men: TFA = 1*1.000.000/470.891= 2.12 Women: TFA =0"	CTEEP - TFA = 3.78 (homens) - 0 (mulheres) / TDP 9.3 (homens) - 0 mulheres / TAL = 0.19 (não separado por sexo) / TIEP = 0 (homens) - 0 (mulheres	1. Type of accident: Same-level fall. 2. TFA (k 1x10^6): 1.6 3. TIEP: 0 4. TDP (k 1x10^6): 3.27 5. TAL (working days requested)scheduled working days)*100: 1.08 6. Work accidents AT women: 1. 7. Deaths AL women: 0 8. Deaths AL men: 0 9. Deaths EP women: 0 10. Deaths EP men: 0	T. F: 0.86 TF Male: 0 TF Female: 2.68 TIEP (MYF): 0 TDP: 0.76 TDP Male: 1.06 TDP Female: 2.37 TAL: 4.64 TAL Male: 3.35 TAL Female: 7.36	OWN WOMEN TFA=0 TIEP=0 TDP=0 TAL= 0.016 MEN TFA=0 TIEP=0 TDP=0 TAL=0.016 There was one death due to COVID-19

	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 gender	1. Type of accident: none. 2. TFA (k 1x10^6): 0 3. TIEP: 0 4. TDP (k 1x10^6): 0 5. TAL (working days requested)scheduled working days)*100: 0 6. Work accidents AT women: 0 Work accidents AT men: 0 7. Deaths AL women: 0 8. Deaths AL men: 0 9. Deaths EP women: 0 10. Deaths EP men: 0	TFA = 4.74% Women. TFA = 0.79% Men. TFA = 5.72% Deaths due to occupational or professional accidents: 0	Total TFA= 2.89 - Deaths: 0 Men: TFA= 3.01 Deaths: 0 Women TFA=0 Deaths: 0	N. A.	TFA = 2.3 Women. TFA = 0 Men. TFA = 2.3 Deaths due to occupational or professional accidents: 0	Men: TFA = 1*1.000.000/315.191= 3.17 Women: TFA =0	CONTRATISTAS TFA =7.17 (homens) - 0 (mulheres)TDP 904.5 (homens) - 0 mulheres / TAL = 0.14 / TIEP = 0	1. Type of accident: none. 2. TFA (k 1x10^6): 0 3. TIEP: 0 4. TDP (k 1x10^6): 0 5. TAL (working days requested)scheduled working days)*100: 0 6. Work accidents AT women: 0 7. Deaths AL women: 0 8. Deaths AL men: 0 9. Deaths EP women: 0 10. Deaths EP men: 0	T. F: 1.01 Male: 1.13 Female: 0.63	CONTRACTORS Hematoma. Eye irritation Total TFA= 0.78 - Deaths: 0 Female: TFA= 0.78 Deaths: 0 Women TFA=0 Deaths: 0

Major Consequences: Work Accident Injury Resulting in Disability of More Than 6 Months
Recordable accident: disability less than 6 months

Fraud and anti-corruption

Operations assessed for risks related to corruption	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	INTERVIAL	SIER
Number of operations: Total	2	5	2	1	4	1	1	1	5	9	1
Number of operations assessed for risks related to corruption	2	5	2	1	4	1	1	1	5	9	1
Percentage of operations assessed for risks related to corruption	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Mention significant risks related to corruption, identified through risk assessment. (Risk event of the compliance risk category)	There are no significant risks related to fraud, corruption or bribery. The risks identified are rated on the scale as significant.										

Communication and training about anti-corruption policies and procedures	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP/ CTM/ISAP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	INTERVIAL	SIER
Number of members of the governing body *	20	13	12	6	20	7	16	21	20	29	10
Number of governing body members that the organization's anti-corruption policies and procedures have been communicated to	20	13	12	6	20	7	16	21	20	29	10
Percentage of governing 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%	100%
Total number of employees	237	697	202	29	402	75	1,300	302	371	333	105
Number of employees that the organization's anti-corruption policies and procedures have been communicated to	237	697	202	29	402	75	1,300	302	371	333	105
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%	100%
Number of governing body members that have received training on anti-corruption	20	13	9	2	20	7	16	21	20	29	10
Percentage of governing body members that have received training on anti-corruption	100%	100%	75%	33%	100%	100%	100%	100%	100%	100%	100%
Number of employees that have received training on anti-corruption	228	677	192	29	402	75	1,300	291	371	333	81
Percentage of employees that have received training on anti-corruption	96%	97%	95%	100%	100%	100%	100%	96%	100%	100%	77%

* Only the Board of Directors and the Presidential and Management Committees in the affiliates were considered.

Communication and training on anti-corruption policies and procedures for SUPPLIERS	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	INTERVIAL	SIER
Total number of suppliers	0	162	760	67	917	71	1,850	0	103	416	59
Number of suppliers that the organization's ethics, compliance, and anti-corruption policies and procedures have been communicated to	0	162	760	25	917	4	1,850	0	89	416	59
Percentage of suppliers that the organization's ethics, compliance, and anti-corruption policies and procedures have been communicated to	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Number of suppliers that have received training on anti-corruption	0	324	0	0	29	4	1,850	0	89	416	0
Percentage of suppliers that have received training on anti-corruption	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Corruption cases and actions taken	ISA			ISA INTERCOLOMBIA			ISA TRANSELCA			ISA BOLIVIA			ISA REP			ISA INTERCHILE			ISA CTEEP			XM			INTERNEXA			ISA INTERVIAL			SIER		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total number of confirmed corruption cases	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	0	0	0

Information management (Habeas data)	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	INTERVIAL	SIER
Number of information mismanagement cases confirmed	0	0	0	0	0	0	0	0	0	0	0
Number of cases reported	0	0	0	0	0	0	0	2	0	0	0

Human Rights violation cases	ISA				ISA INTERCOLOMBIA				ISA TRANSELCA				ISA BOLIVIA				ISA REP				ISA INTERCHILE				ISA CTEEP				XM				INTERNEXA				INTERVIAL				SIER			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Number Human Rights violation cases	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Actual cases Number of actual cases	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	INTERVIAL	SIER
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Number of actual cases	1	1	3	0	1	1	7	0	1	0	0
Type (e.g. workplace harassment, handling of gifts and presents, failure to perform duties, etc.) Cases must be disaggregated, e.g.: 1 case of workplace harassment, 2 cases of handling of gifts and presents	Other issues	Conflict of interest	1 Abnormal Behavior 1 Misuse of company assets 1 Fraud	N. A.	1 case in REP: - Abnormal Behavior	Conflict of interest	Abnormal behavior: 2 Conflicts of interest: 1 Fraud: 1 Inadequate labor conditions: 1 Other issues: 1 Bribe: 1	N. A.	Abnormal behavior	N. A.	N. A.
Improvement plans implemented for actual cases	A statement was posted on ISA's web page clarifying the official methods for the recruitment of personnel in this company	Enforcement of the Anti-Corruption Guide and refresher on the declaration of conflict of interest	Dissemination of the code of ethics and anti-corruption and anti-fraud guides for suppliers and employees	N. A.	REP: - Reinforcement of the company's ethical guidelines, mainly among technical personnel	The employee no longer performs the activities that generated a conflict of interest	Para todos os casos efetivos foram aplicados as medidas de consequências e plano de remediação e monitoramento para evitar que tais fatos aconteçam novamente, tais como feedback, reforço de treinamentos e comunicações de compliance	N. A.	Termination of the contract with the supplier; the corresponding information was sent to ISA Corporate.	N. A.	N. A.

Ethics Line management	ISA	ISA INTERCOLOMBIA	ISA TRANSELCA	ISA BOLIVIA	ISA REP	ISA INTERCHILE	ISA CTEEP	XM	INTERNEXA	ISA INTERVIAL	SIER
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
% of complaints processed	0%	0%	0%	0	0%	0%	0%	%	0%	0%	0%
Number of cases reported	6	9	3	0	1	6	17	2	19	12	1
Number of cases open	0	1	0	0	0	1	0	0	1	5	0
Number of cases closed	6	8	3	0	1	5	17	2	18	7	1

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Independent Limited Assurance Report to Directorate of Interconexión Eléctrica S.A. E.S.P.

We were engaged by the Management of **Interconexión Eléctrica S.A. E.S.P.,** from now on **ISA,** to provide limited assurance on the non-financial information contained in the ISA's Integrated Management Report 2021 for the year ended December 31, 2021, version received on 04/05/2022. However, the adjustments required by the assurance process Were registered, reported in the report's Spanish version ("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.

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.
- 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.

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, 2021 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.

Digitally signed by Fabián Echeverría Junco
Date: 2022.04.06 15:02:28 -05'00'

Fabián Echeverría Junco
T.P 62.943 – T
Partner
KPMG Advisory, Tax & Legal S.A.S.
April 6th, 2022

Annex 1: reviewed contents of the report

Material topic for ISA Interconexión Eléctrica S.A. E.S.P.	Standard	Assured Standards/ indicators
NA	GRI 102	General Disclosures
Good governance and integrity	GRI 205	205-3
Transformative leadership and ability to influence	GRI 201	201-1 (Accounting and finance) 201-1 (Social investment)
Contribution to global environmental challenges	Own	Commitment to Biodiversity Investment in environmental programs for project licensing
	GRI 304	304-2, 304-3
	GRI 307	307-1
Commitment to socioeconomic development	Own	Social investment, people and organizations benefited Social investment in critical municipalities Percentage of critical municipalities with presence of social actions Territorial coverage of social management Number of events of violation of Human Rights
	GRI 412	412-1, 412-2
	GRI 419	419-1
Development and care of human talent	Own	Organizational climate result
	GRI 401	401-1
	GRI 403	403-9
	GRI 404	404-1, 404-3

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