



# Financial results

Fourth quarter of 2023

Medellín, Colombia, February 23, 2024

In 2023 we moved forward with growing financial results: EBITDA amounted to COP 9.1 trillion and net income to COP 2.5 trillion. Return on Average Equity (ROAE) closed the year at 14%.

*isa*

CONEXIONES QUE INSPIRAN



## Message from the Company's Management

We are pleased to present 2023 cumulative financial results that continue to consolidate a trend of growing results: EBITDA closed at COP 9.1 trillion and net income at COP 2.5 trillion, growing 6% and 12%, respectively, versus 2022.

Operating and net profitability is maintained or increased compared to the levels observed in 2022: the EBITDA margin closed at 64% and the net margin at 17%. In addition, return on average equity (ROAE) increased to 14%.

During the year we were awarded contracts that will represent investments of ~COP 11 trillion in the coming years, consolidating a path of sustained growth in our businesses and geographies, and making decisive progress towards the objectives set out in the ISA 2030 Strategy. Of the contracts awarded in past years, during 2023 we executed investments of COP 4.6 trillion (capex).

In the fourth quarter of 2023, new contract awards have an estimated value of COP 4.1 trillion, and include 40 network reinforcements in Brazil, a power transmission project in Peru and the Santiago Orbital Sur road concession in Chile. Additionally, subsequent to the end of 4Q23, in January of this year we were awarded the Panamericana Este road concession in Panama.

The 2023 wins add to our backlog (balance of committed investments, pending execution), which closes the year at ~COP 31 trillion. In the following years we will be making investments at historical levels, for which we have a solid balance sheet and ample financial capacity: our leverage level closes 2023 at 3.4x (Gross Debt / EBITDA), and the liquidity of ISA and its companies amounts to COP 5.6 trillion.<sup>1</sup>. On February 13, 2024, Moody's rating agency, ratified our Baa2 International Rating with a stable outlook.

Lastly, ISA was recognized as the ALAS20 Colombia 2023 company and obtained first place in investor relations. ALAS20 comprehensively evaluates and recognizes excellence in public disclosure of sustainable development, corporate governance and responsible investment practices of companies and investors in Latin America.

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<sup>1</sup> Considering the cash and cash equivalents position, plus other current financial assets (see section 3 of this report).

## Relevant events for the quarter 4Q23

During 4Q23, the following events must be highlighted:

- ISA CTEEP was awarded 40 expansions, which together will total a capex of BRL 229 million (~COP 181 billion)<sup>2</sup>.
- The Private Investment Promotion Agency (ProInversión), in Peru, awarded ISA, in consortium with Grupo de Energía de Bogotá (GEB), the construction, operation and maintenance of two projects<sup>3</sup> with more than 1,000 kilometers of electric transmission circuit. These projects will enable the entry of clean energy into the system, contributing to the energy transition and have a benchmark capex of USD 833 million<sup>4</sup> (~ COP 3.2 trillion) and

The execution and financing of this project will be carried out through Consorcio Eléctrico Yapay S.A., owned 50% by ISA and 50% by GEB.<sup>5</sup> As it is a jointly controlled company, the financial results of Yapay will be recognized in ISA's consolidated financial statements under the equity method.

- ISA INTERVIAL, in Chile, submitted the best bid<sup>6</sup> for the Santiago Orbital Sur Concession for the design, construction and operation of 25 kilometers of a new urban highway and a benchmark capex of USD 500 million<sup>7</sup> (~COP 1,9 trillion).
- Ruta del Maipo, an affiliate of ISA INTERVIAL, signed a complementary agreement with the Chilean Ministry of Public Works ("MOP") to make investments estimated at USD 106 million (~COP 405 billion), which will be remunerated through an extension of the concession term.

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<sup>2</sup> In this report, capex figures in foreign currency are presented followed by an approximate equivalent value in Colombian pesos, using exchange rates as of December 31, 2023. Income statement figures as revenues, or income, in foreign currency are presented followed by an approximate equivalent value, in Colombian pesos, using 2023 average rates.

<sup>3</sup> Huánuco – Tocache – Celendín – Trujillo 500 kV Junction and Celendín – Piura 500 kV Junction.

<sup>4</sup> Reference capex value estimated by Proinversion.

<sup>5</sup> The 50/50 composition of the capital of Consorcio Eléctrico Yapay S.A. was authorized by the National Institute of Defense of Competition and Protection of Intellectual Property (INDECOPI) on February 16, 2024. At the end of December 2023, ISA (directly and indirectly) owned 60% of its capital.

<sup>6</sup> Pending the administrative act of the concession award decree.

<sup>7</sup> Reference capex estimated by the Ministry of Public Works (MOP) of Chile.

- ISA signed a private connection contract with Ecopetrol for the execution of the Backup Connection for the Orinoquia Regional Vice-Presidency at the Suria substation.<sup>8</sup>
- The following projects entered into operation during the quarter: (i) the Guayepo Solar Park Connection to Sabanalarga Bolívar substation, in Colombia; (ii) 100% of IE Itaúnas, IE Triângulo Mineiro and reinforcement to the ISA CTEEP grid, in Brazil; and (iii) the Chinchá Nueva and Nazca Nueva substations, and the Reinforcement 2 - Planicie substation expansion, in Peru.
- Interchile partially repurchased notes of its international bond for USD 126.6 million (~ COP 484 billion), generating income of USD 23 million (~COP 99.5 billion).
- ISA issued bonds in the local market for COP 500 billion with terms between 7 and 21 years, corresponding to subseries C7, C14 and C21 of the Fifteenth Tranche of the Program for the Issuance and Placement of Domestic Public Debt Securities. The issuance was oversubscribed by 3.4 times.
- In December, the following impairments were recorded: (i) in the telecommunications business unit: (a) investment in Internexa Brasil Operadora de Telecomunicações for COP 97 billion, a company over which Internexa Participações S.A. and Internexa Peru S.A., signed on December 3, 2023, an agreement with Megatelecom Telecomunicações S.A. for the transfer of 100% of the shares in Internexa Brasil Operadora de Telecomunicações, an operation that is subject to obtaining the corresponding authorizations from the Brazilian authorities; (b) assets in Internexa Argentina for COP 15 billion, and (c) the right to the capacity of the submarine cable in Internexa Colombia for COP 11 billion; and (ii) in the energy transportation business for COP 151 billion, associated with the materialization of a geological risk that required the relocation of the Yaros Substation (Yana project) of the Consorcio Transmantaro in Peru.
- In December, ISA made the last ordinary and extraordinary dividend payment of 2023 for COP 965 billion.
- Moody's ratings agency ratified ISA's international rating at Baa2 with a stable outlook, and that of the USD 330 million (~COP 1.3 billion) senior unsecured debt securities maturing in 2033. The rating outlook remained stable.

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<sup>8</sup> Contract between related parties for the provision of detailed design services, procurement of supplies, construction, testing and commissioning, administration, operation and maintenance of the following connection assets: (i) CDS\_2 230/115 kV substation, one and a half switch configuration, in GIS technology, with a 240 MVA transformer bank and an 80 MVA standby single-phase transformer module; (ii) Suria 230 kV substation expansion; and (iii) a 230 kV overhead line in double circuit infrastructure, with a single 300 MVA circuit, of approximately 3.4 km. The commissioning term is 35 months, and the operating term is up to 15 years.

- ISA was recognized in the 16th edition of Merco Empresas as the company with the best reputation in the energy, gas, and water sector in Colombia.
- For the ninth consecutive year, ISA was included in the *Dow Jones Sustainability Index*<sup>9</sup>, which recognizes companies with the best performance in environmental, social, and governance matters.
- ISA was recognized as the ALAS20 Colombia 2023 company and was ranked first in Investor Relations.

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<sup>9</sup>The company achieved the highest possible score (100) in the categories Transparency and Reporting, Innovation, Human Rights, and Stakeholder Engagement. ISA is also among the top 7% of the most sustainable companies in the global energy utilities industry.

## Operating report of *adjusted EBITDA*

### Recognition of revenues, costs and expenses 2022-2023

The financial information of ISA and its companies are prepared in accordance with International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB).

According to IFRS, the assets of ISA and its companies are recognized in the accounts under four models, which have different treatments: fixed assets, intangible assets, financial assets, and contract assets. The model that applies to the concessions of ISA and companies is defined according to certain characteristics of the assets, such as their duration and ownership (for example, perpetual assets or assets with reversion to the concessionaire).

In order to facilitate the market's understanding of ISA's business, and to have a measure of EBITDA closer to the operational generation of cash (*Adjusted EBITDA*), starting with this results report we will present the *Adjusted EBITDA* Operational Report to the market on a quarterly basis, which is presented below:

	2023	2022	Var.	Var. %
<b>Operating revenues - IFRS</b>	<b>14.168</b>	<b>13.358</b>	<b>810</b>	<b>6%</b>
(-) Construction revenues from concessions	(3.150)	(3.033)	(117)	4%
(-) Financial return and monetary adjustment of contract assets (Brazil)	(3.302)	(2.993)	(309)	10%
(+) Cash revenues from energy assets (Brazil)	3.448	2.690	758	28%
(-) Financial return and monetary adjustment of financial assets in roads (Chile and Colombia)	(1.969)	(2.002)	33	-2%
(+) Toll collection and future revenues (Chile and Colombia)	2.505	1.879	626	33%
(-) Amortization of deferred revenue from IRUs (Telecom business unit)	(36)	(29)	(7)	24%
(-) Amortization of deferred income of certain UPMEs	(15)	(15)	-	0%
(+) Connection revenues from finance leases of electrical infrastructure in Peru (withdrawal of IFRS 16 for lessors)	96	60	36	60%
(+/-) Other	30	18	12	67%
<b>Adjusted operating revenues</b>	<b>11.775</b>	<b>9.933</b>	<b>1.842</b>	<b>19%</b>
<b>AOM – IFRS (includes operating taxes)</b>	<b>(3.001)</b>	<b>(2.543)</b>	<b>(458)</b>	<b>18%</b>
(-) Payments for use of pre-existing infrastructure (Chile, roads)	(192)	(159)	(33)	21%
(-) Lease AOM (Withdrawal of IFRS 16 for lessees)	(97)	(92)	(5)	5%
(-) Payments for major energy maintenance in Peru	(70)	(62)	(8)	13%
(+) Capitalization of costs to concession assets	37	36	1	3%
<b>Adjusted AOM (includes operating taxes)</b>	<b>(3.323)</b>	<b>(2.820)</b>	<b>(503)</b>	<b>18%</b>

	2023	2022	Var.	Var. %
<b>Other adjustments to IFRS accounts to get to <i>Adjusted EBITDA</i></b>				
(-) Concession construction costs - IFRS	(2.600)	(2.804)	204	-7%
(+) Concession construction costs - IFRS	2.600	2.804	(204)	-7%
(+/-) Results of jointly-controlled and associated companies - IFRS	530	516	14	3%
(+/-) Adjustments in results of jointly-controlled companies of CTEEP and TAESA	(182)	(386)	204	-53%
(+/-) Other revenues, net - IFRS	(35)	31	(66)	-213%
(+/-) Adjustments to regulatory statements - ANEEL: Asset write-offs, PBTE and SFEP acquisition PPA impacts and asset realignment by RTP.	(85)	(63)	(22)	35%
(-) Provisions - IFRS	(197)	(188)	(9)	5%
(+) Withdrawal of the provision accrual for major energy maintenance in Peru	59	60	(1)	-2%
(+) Other operating taxes	248	192	56	29%
<b>Adjusted EBITDA</b>	<b>8.790</b>	<b>7.275</b>	<b>1.515</b>	<b>21%</b>
<b>EBITDA IFRS</b>	<b>9.114</b>	<b>8.562</b>	<b>552</b>	<b>6%</b>

The Adjusted EBITDA Operational Report provides a complementary view to that offered by IFRS accounting. It is worth noting, for example, that between 2022 and 2023, ISA's consolidated revenues under IFRS grew by 6%, while Adjusted Revenues grew by 19%. In the same period, EBITDA under IFRS increased by 6% and *Adjusted EBITDA*, increased by 21%.

This report was prepared by the Company, based on the Non-GAAP premises detailed in the Technical Appendix<sup>10</sup> and was audited by EY in accordance with International Standard on Auditing (ISA) 805<sup>11</sup>.

<sup>10</sup> Technical Annex of this results report: Reconciliation of revenues, costs, and expenses, to estimate *Adjusted EBITDA*.

<sup>11</sup> International Standard on Auditing (ISA) 805: Special Considerations - Audits of Single Financial Statements or Specific Elements, Accounts or Items of a Financial Statement.



# Financial results

## Consolidated

**ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY)** ("ISA" or "the Company"), a platform present in several countries of Latin America engaged in energy transmission, roads, and digital infrastructure, announced its financial results for the fourth quarter of 2023.

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2023 ended with higher results than 2022, maintaining the trend of increasing results. Income for the year closed at COP 2.5 trillion, up 12% from 2022, and EBITDA at COP 9.1 trillion, up 6% from 2022. Net income for 4Q23 was COP 433 billion (same level as 4Q22), and EBITDA was COP 2.1 trillion, 1% lower than in 4Q22. The ROAE as of December 2023 was 14%.

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## Financial results

Accumulated financial results **for 2023**:

- Operating revenues totaled COP 14.2 trillion, an increase of 6%.
- EBITDA amounted to COP 9.1 trillion, an increase of 6%. The EBITDA margin was 64%<sup>12</sup>, 78%<sup>13</sup> excluding construction.
- ISA's net income amounted to COP 2.5 trillion, 12% higher than in 2022, with a net margin of 17%. The entry into operation of new projects, efficiencies in the energization of improvements and reinforcements in Brazil, and higher financial returns from cash surpluses account for most of the increase seen this year compared to 2022.
- Assets closed at COP 71.2 trillion, 10% less than at the end of 2022, mainly due to the revaluation of the Colombian peso against the US dollar (21%), the Brazilian real (14%), and the Chilean peso (23%)<sup>14</sup>. Excluding these exchange rate effects, assets increased by 5%.

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<sup>12</sup>EBITDA: Revenues from operation excluding AOM and provisions; including construction income, income from jointly controlled and associated companies, and other revenues, net. See Table 3.

<sup>13</sup> EBITDA, excluding construction: Revenues from operations excluding AOM and provisions; including income from jointly controlled and associated companies and other revenues, net. See Table 3.

<sup>14</sup> All these variations, estimated between the closing rates of 2022 and 2023.



- Executed investments (capex) so far this year amounted to COP 4.6 trillion.
- Consolidated financial debt closed at COP 31.1 trillion<sup>15</sup>, 9% less than at the end of 2022. The decrease is mainly explained by the exchange rate effect (revaluation of the Colombian peso against the US dollar, the Brazilian real and the Chilean peso), without which growth would have been 6%. The Gross debt/EBITDA ratio closed at 3.4x compared to 4.2x at the end of 2022.

Financial results for the **fourth quarter of 2023**, versus the fourth quarter of 2022:

- Operating revenues for the quarter totaled COP 3.6 trillion, a decrease of 6%.
- EBITDA amounted to COP 2.1 trillion, a decrease of 1%. EBITDA margin was 58% and 70% excluding construction.
- Net income totaled COP 433 billion, the same level as 4Q22, and the net margin was 12%, one percentage point higher than the 4Q22 net margin.
- Capex for the quarter totaled COP 1.2 trillion.

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<sup>15</sup> This amount represents the nominal value of the debt, which differs from the amount presented in the consolidated statement of financial position (Table 4), which value is expressed at the amortized cost, according to IFRS Standards.

# Consolidated financial results

## 4Q23

Figures in COP

### Macroeconomic variables

Financial statement exchange rates							% Cumulative inflation (12 months)		
Rates	2023	2022	Var. %	2023	2022	Var. %	Indicator	2023	2022
	Closed at			Average					
COP / USD	3,822	4,810	(21)	4,324	4,247	2	PPI COL	0.5	15.7
BRL / USD	4.8	5.2	(7)	5.0	5.2	(3)	CPI COL	9.3	13.1
CLP / USD	877	856	3	840	872	(4)	IGPM BRL	(3.2)	5.5
COP / BRL	789	922	(14)	866	823	5	IPCA BRL	4.6	5.8
COP/ CLP	4.4	5.6	(23)	5.1	4.9	6	CPI Chile	3.9	12.8
							PPI Peru	2.6	7.7

## 1. Income statement

### Operating revenues

Operating revenues<sup>16</sup> reached COP 14.2 trillion, 6% more than 2022. (4Q23: COP 3.6 trillion, -6%) mainly explained by the energy transmission business which had total revenues of COP 10.9 trillion, 9% higher than in 2022 (+ COP 932 billion).

### Operating revenues, excluding construction

Operating revenues excluding construction **accumulated** as of December 2023 were COP 11 trillion, 7% higher than the same period in 2022. This variation is mainly due to the entry into operation of energy transmission projects and the positive impact of contract escalators.

In the year to date, the variation in average exchange rates had a positive effect, as the Colombian peso **devaluated** 2% against the dollar, 5% against the Brazilian real, and 6% against the Chilean peso, which generated an increase in the results due to the exchange rate effect.

When comparing 4Q23 to 4Q22, there was a 5% reduction in operating revenues, excluding construction, which closed at COP 2.7 trillion. In this comparison, the main explanation for the variation is the **revaluation** of the Colombian peso against these same currencies between the two quarters: 15% against the dollar, 10% against the Brazilian real and 14% against the Chilean peso<sup>17</sup>.

By business unit, we highlight some additional factors that explained the variation:

<sup>16</sup>Operating revenues include construction revenues and revenues from operations.

<sup>17</sup> All these variations, estimated between the average rates of 4Q22 and 4Q23.

Roads: presented a decrease of 25% (-\$169 billion), which is mainly explained by the impact of monetary adjustment on financial assets, and by the termination of the Ruta del Bosque concession (-\$51 billion).

Telecommunications: lower revenues of COP 23 billion (-16%), due to lower customer acquisition and a drop in connectivity services, capacities, and Internet services in Brazil, Colombia and Peru.

Energy transmission: Higher revenues of COP 46 billion (+2%) compared to 4Q22. Variations by geography are:

- Colombia: higher revenues of COP 112 billion (+16%), due to the termination of the application of the provisions contained in CREG Resolution 101-027 of 2022 and CREG 101-031 of 2022 (voluntary reduction of tariffs), returning to PPI as a revenue escalator. Also, due to the entry into operation of the El Rio and Ternera 13.8 Kv substations, and the connection of the Nabusimake solar plant at the Fundación substation.
- Brazil: lower revenues of COP 55 billion (-7%). Before considering the effect of exchange rate to Colombian pesos, revenues grew 4% in Brazilian reals, due to higher returns on contractual assets and operating and maintenance revenues associated with the start-up of new projects, reinforcements and improvements, and contract escalators (mainly IPCA).
- Peru: lower revenues by COP 5 billion (-1%). Before considering the effect of conversion to Colombian pesos (-COP 69 billion), revenues grew 13% (+COP 64 billion) in US dollar terms, due to the start of commercial operation of Coya in July 2023, and contract escalators.
- Chile: lower revenues by COP 3 billion (-3%)

## **AOM<sup>18</sup>**

AOM totaled COP 3 trillion in 2023, up 18% compared to 2022. By business unit, energy transmission closed at COP 2.2 trillion, an increase of 25%; roads closed at COP 534 billion, a decrease of one billion pesos; the telecommunications business unit closed at COP 287 billion, 9% more than in 2022.

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<sup>18</sup> Includes AOM costs; excluding provisions, depreciation, and amortization.



In the **fourth quarter**, AOM stood at COP 878 billion, up 11% versus 4Q22. By business units, the main factors that explained this variation are:

Energy transmission: amounted to COP 658 billion, an increase of 22%, mainly explained by inflationary pressures on costs, higher maintenance and conservation services for transmission lines and substations, as well as personnel services, fees, and environmental and social expenses.

Roads: closed at COP 146 billion, a decrease of 20%, due to lower costs resulting from the termination of the Ruta del Bosque concession.

Telecommunications: no variation compared to 2022, closing at COP 74 billion.

### **Construction revenues**

In 2023, construction revenues reached COP 550 billion, 140% higher than in 2022 (4Q23: COP 169 billion; COP 170 billion higher than in 4Q22), explained by the change in construction margins<sup>19</sup> and the energization of improvements and reinforcement in Brazil.

### **Results of jointly-controlled and associated companies**

For the accumulated amount of 2023, income from jointly controlled and associated companies totaled COP 530 billion, 3% higher than in 2022 (+ COP 14 billion) due to the favorable effect of the exchange rate. Without this effect, results decreased by 3%. 2022 presents greater efficiencies due to the entry into operation of projects that were not present in 2023.

For **4Q23** the result of the jointly controlled companies totaled COP 144 billion, COP 106 billion more than in 4Q22, mainly due to the adjustment to the residual value in IE Ivaí and in Taesa due to the inflationary effect (IGPM).

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<sup>19</sup> Increase in investments in reinforcements and improvements during this period, with an expanded construction margin, attributed to the efficiencies achieved in the construction process of CTEEP.

## EBITDA

As a result of the above, EBITDA increases to COP 9.1 trillion, an increase of 6% versus 2022. The EBITDA margin<sup>20</sup> for the year stands at 64%, the same level as in 2002, and excluding construction, it drops from 81% in 2022 to 78% in 2023.

In the fourth quarter, EBITDA closed at COP 2.1 trillion, -1% lower than in 4Q22, with an increase in the EBITDA margin including construction (from 55% to 58%).

## Financial expenses, net

Net financial expenses closed 2023 at COP 2.2 trillion, 17% lower than in 2022. (4Q23: COP 455 billion, -28%, var. vs. 4Q22). The variation is due to the income generated in 4Q23 on the partial repurchase of Interchile's international bond notes, higher financial yields from cash surpluses, lower inflation in the region, and a lower exchange difference expense on the UF-indexed debt in the Roads business unit in Chile.

## Income tax

In the **accumulated amount**, income tax stood at COP 1.1 trillion, 12% higher compared to the same period of the previous year. The difference is mainly explained by higher income in Interchile due to the repurchase of the bonds, the change in the expectations of recovery of tax losses on the deferred tax of ISA Inversiones Chile, ISA Inversiones Costera Chile and Internexa Chile, which were partially offset by the higher deduction of *Juros de Capital Propio (Interest on Own Equity)* in ISA CTEEP.

In the **quarter** income tax amounted to COP 267 billion, 9% lower than in 4Q22, due to the effect of exchange rate to Colombian pesos and the asset write-off of the Yaros substation in Peru.

## Net income

ISA's net income amounted to COP 2.5 trillion, 12% more than in 2022 (4Q23: COP 433 billion). The net margin was 17% (4Q23: 12%). These variations are explained by the above.

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<sup>20</sup> As of 1Q22, a new EBITDA calculation methodology was adopted, which incorporates the results of the jointly controlled companies, subtracts provisions and does not subtract operating taxes. EBITDA Margin is the result of dividing the recalculated EBITDA by total operating revenues. The EBITDA margin, excluding construction, is the ratio between EBITDA excluding construction and operating revenues excluding construction.

## 2. Balance sheet

### Assets and liabilities

The assets of ISA and its companies totaled COP 71.2 trillion, 10% less (-COP 8 trillion) compared to December 2022, due to the revaluation of the Colombian peso against the US dollar, the Brazilian real and the Chilean peso. Excluding this effect, assets grew 5%, driven by the Company's growth through new energy projects, construction progress, and higher yields from concessions.

Liabilities of ISA and its companies totaled COP 44.9 trillion, 9% less (-COP 4.3 trillion) compared to December 2022, explained by the effect of conversion to Colombian pesos in 2023, without which liabilities would grow 6% due to the financing needs of the growth plan.

### Equity

ISA's equity closed at COP 16.3 trillion, 12% less (-COP 2.2 trillion) compared to December 2022, due to the effect of the conversion to Colombian pesos in 2023 and the dividends decreed at the General Shareholders' Meeting held on March 29 of that year.

Minority interest totaled COP 10.1 trillion, 9% less (-COP 1.0 trillion) compared to December 2022, mainly due to the profits generated in Brazil.

## 3. Cash flow

The initial cash balance in 2023 stood at COP 5.4 trillion<sup>21</sup>. During the period, operating cash flows, excluding income tax, of COP 7.2 trillion were generated, dividends and interest of COP 1.0 trillion were received, and indebtedness increased by COP 2.1 trillion (disbursements of COP 6.1 trillion and amortizations of COP 4.0 trillion).

The resources obtained were mainly used in:

- Capex for COP 4.6 trillion.
- Dividend distribution of COP 2.5 trillion<sup>22</sup>
- Financial interest expense of COP 2.3 trillion.
- Payment of income tax of COP 750 billion.
- Exchange rate effect of COP 1.5 trillion.

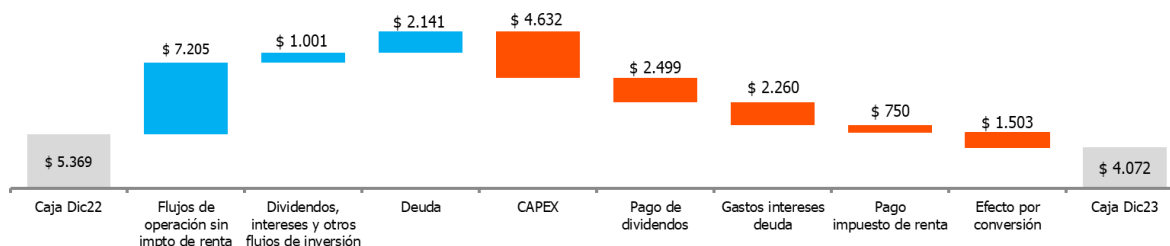
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<sup>21</sup> Cash and cash equivalents at the closing of December 31, 2022.

<sup>22</sup> In the Consolidated Income Statement, dividends to minority shareholders of CTEEP in Brazil (COP 332 billion) and REP/CTM in Peru (COP 238 billion) are added to the dividends of Interconexión Eléctrica S.A. (COP 1.93 trillion).



As of December 2023, cash stood at COP 4.1 trillion, 24% lower than in December 2022.



Considering other current financial assets (COP 1.6 trillion), which consist of rights in mutual investment funds in Brazil, TDs over 90 days, and other short-term fixed income securities, ISA's liquidity position at the end of 2023 amounted to COP 5.6 trillion.

#### 4. Debt

At the end of 2023, the debt balance was COP 31,1 trillion, 9% less than in 2022. The debt balance increases due to net debt movements of COP 2.1 trillion and decreases due to an exchange rate effect of COP 5.1 trillion, resulting from the appreciation of the Colombian peso.

The main movements during the year are summarized below:

In Colombia, there was a net increase in debt of COP 1.5 trillion, considering in the case of ISA, the placement of bonds in the Colombian capital market for COP 500 billion. In addition, disbursements were received from local banks for COP 1.1 trillion, which were earmarked for the 2022-2023 investment plan. On the other hand, Transelca disbursed a loan for COP 209 billion for financing its investment plan.

In Brazil, there was a net increase in debt of COP 968 billion, corresponding to the 13th issuance of debentures of ISA CTEEP for BRL 550 million (~COP 434 billion), and the 14th issuance of Green debentures for BRL 1.9 billion (~COP 1.5 trillion), intended to cover cash flow needs, investment plan, including the contributions to be made to several subsidiaries for the development of projects. Additionally, as part of the strategy to optimize its debt portfolio, ISA CTEEP fully prepaid the 8th Promissory Note for BRL 1.2 billion (~COP 947 billion). The actions implemented during the year resulted in an extension of the average debt maturity of ISA CTEEP from 6 years to 8 years, reducing the concentration of debt maturities in 2024.

In Peru, ISA REP took a loan for USD 66 million (~COP 252 billion)<sup>23</sup> in order to refinance existing financial obligations and meet its investment plan.

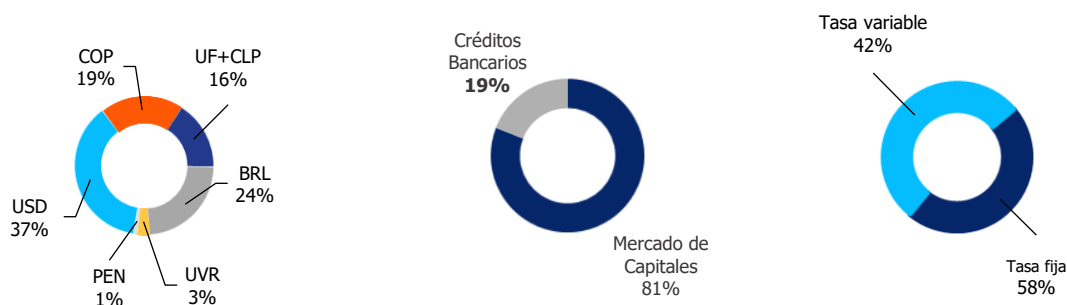
In Chile, ISA Interchile, taking advantage of a market window and in order to seek efficiencies in its capital structure, executed a partial repurchase for USD 127 million (~COP 485 billion) of its international bond maturing in 2056, through a limited public offering, which generated a pre-tax profit for the company of USD 32 million (~COP 138 billion).

At year-end, ISA's debt portfolio reflects a consolidated average life of 9.6 years, which is in line with the long-term nature of ISA's business.

The Gross Debt / EBITDA ratio closed at 3.4x, a relevant reduction compared to the 4.2x ratio recorded at the end of 2022, allowing the company to leverage its growth while maintaining financial flexibility.

ISA and its international bonds are rated investment grade BBB and Baa2 by Fitch Ratings and Moody's, respectively, both with a stable outlook. Its local bond program is rated AAA by Fitch Ratings. These ratings reflect the appropriate risk profile of our businesses, the strong geographic and business diversification of our revenues, the predictability of our cash flows, and a sound corporate governance.

Debt breakdown by currency	Debt breakdown by source	Debt breakdown by rates
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## 5. Investments and projects

### Investments

During 2023, investments totaling COP 4.6 trillion were executed. During 4Q23, investments of COP 1.2 trillion were executed (includes XM's investments in the

<sup>23</sup> Loan disbursed by Export Development Canada

system). Through these investments, ISA continues to make viable the connection of renewable energy projects to the interconnected system, as well as the strengthening of the transmission grid, improving its availability and reliability.

In 4Q23, capex by country was as follows:

- In Colombia, 29% of the investments were executed in the progress of the construction of projects the Alpha and Beta wind farm connection, the Copey Cuestecitas line, Loma Sogamoso and SmartValves Barranquilla and others. During the quarter, 8 projects were energized, including reinforcements, connections and renovations.
- Brazil accounted for 35% of investments, with a large portfolio of reinforcements under execution and 26 projects energized in 4Q23. In addition, the lots awarded to ISA CTEEP during the year, the construction began.
- Chile accounted for 21% of investment execution, as follows:
  - In energy transmission, progress was made in five expansions of ISA Interchile's network, a substation, and a reinforcement of line capacity.
  - In the Roads business unit, the execution of the Ruta del Loa project and the complementary works in the Ruta del Maipo, Ruta de la Araucanía, and Ruta de los Ríos concessions continues.
- In Peru, 15% of investments were made in two reinforcements and expansions, two substations, two connections, and the Yana and Grupo 1 projects.

In companies under ISA's control, construction is presently progressing on 36 projects. The power transmission projects will add approximately 5,500 km of lines, and the road projects will involve 161 km of roads. Once operational, these projects will generate new annual revenues exceeding \$1.7 trillion (equivalent in COP).

In addition, progress is being made in the construction of the Kimal Lo-Aguirre project in Chile, through the company Conexión, in which ISA holds 33% of the capital (does not control or consolidate). The reference capex of this project is USD 2 billion (~COP 7.6 trillion), and its annual revenues, once in operation, are equivalent to USD 130 million in 2023 (~COP 562 billion). The financial results of Conexión are recognized in ISA's consolidated financial statements using the equity method.



The following table presents the value of the investment executed in 4Q23 and in the cumulative total for 2023, broken down by country:

#### **Investment executed in 4Q23 and in 2023**

<b>COP billion</b>	<b>4Q23</b>	<b>2023</b>	<b>Part. %</b>
Colombia	292	1,346	29
Chile	226	979	21
Brazil	445	1,608	35
Peru	187	691	15
Others	4	7	0
<b>TOTAL</b>	<b>1,154</b>	<b>4,632</b>	<b>100</b>

## **6. ESG**

### **Awards and Recognitions**

#### **ISA is recognized as the ALAS20 Colombia 2023 company and first place in investor relations.**

The Agenda Líderes Sustentables ("ALAS20") is the only Latin American initiative that evaluates, rates, and fully recognizes excellence regarding public disclosure of information on sustainable development practices, corporate governance, and responsible investments by companies and investors in Brazil, Chile, Colombia, Spain, Mexico, and Peru.

ISA was recognized as the ALAS20 Colombia 2023 company and was ranked first in Investor Relations. It was also awarded third place as a Leading Company in Sustainability. These recognitions ratify ISA's world-class practices in corporate governance, transparency, and sustainability.

#### **ISA is part of the Dow Jones Sustainability Index**

ISA ranked among the 20 best-performing energy companies in the world in the Dow Jones index. The company achieved the highest possible score (100) in the categories of transparency and reporting, innovation, human rights and stakeholder engagement in the Sustainability Index. It also scored high in ethical business management, and ranked among the top 7% of the most sustainable companies in the global energy utilities industry.

#### **Jaguar Tourism Award 2023**

ISA received the "Jaguar Tourism Award 2023" from the Casanare Chamber of Commerce for its contribution to the economic reactivation and strengthening of the nature tourism cluster in the department.

### **MERCO Monitor**

This monitor, which measures the attractiveness of companies in Colombia, yielded the following results: ISA was ranked 14th among the 100 companies in the Ranking, 2nd Best Company to Work for in the Energy, Gas, and Water sector, and the 7th Company with the Best Human Resources Team.

## Individual financial results

### Income statement

#### Revenues

Cumulative operating revenues as of December 2023 totaled COP 1.7 trillion, 2% higher than the same period of 2022 (4Q23: COP 454 billion; +7%). This variation is mainly due to the entry into operation of the El Río substation, the higher income received from contract escalators and the exchange rate, and the increase in revenues from management services rendered to other related companies.

#### AOM

AOM for the year closed at COP 271 billion, up 36% compared to the same period of 2022 (4Q23: COP 85 billion; +42%) mainly explained by:

- Higher expenses due to an increase in headcount and salary adjustments.
- Higher expenses for technical and administrative fees and internal and statutory audits.
- Higher social and environmental costs associated with infrastructure.

#### Results of subsidiaries and jointly-controlled and associated companies

Investee results totaled COP 2 trillion, 24% higher than in 2022 (4Q23: COP 365 billion; +3%). The change in construction margins and the energization of improvements and reinforcements in Brazil, the income from the partial repurchase of Interchile's international bonds, the higher financial returns from cash surpluses, and the lower exchange difference expense on the UF-indexed debt in the Roads business unit in Chile explain this increase.

#### EBITDA

As a result of the above, EBITDA increased by 11% compared to 2022, to COP 3.5 trillion (4Q23: COP 745 billion; +2%). The EBITDA margin<sup>24</sup> was 94%, compared to 95% in 2022 (4Q23: 91% to 93%).

#### Depreciation and amortization

Depreciations and amortizations stood at COP 235 billion, up 10% from 2022 (4Q23: COP 66 billion; +16%). This variation is explained by the entry into operation of new projects and changes in the estimated useful lives of property, plant and equipment.

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<sup>24</sup> Revenues (the denominator of the formula) used to calculate the EBITDA margin include revenues from the equity method.



**Financial expenses, net**

Net financial income closed at COP 485 billion, 19% higher than in 2022 (4Q2: COP 123 billion, +3%). The variation is due to the increase in the CPI and DTF, local debt indexers, and higher interest expense on the debt contracted in 4Q23.

**Income tax**

Income tax shows a decrease of 5% with respect to 2022, mainly due to the payment of taxes abroad for dividends received during the year and the application of the Colombian Holding Company regime. The effective rate, discounting the impact of the equity method in 2023, was 41% compared to 36% in 2022. For 4Q23, the tax amounted to COP 115 billion, 2% more than in 4Q22 mainly due to better results from operations.

**Net income**

Net income closed at COP 2.5 trillion, up 11% from 2022 and the net margin remained at 66%. In 4Q23, the profit was \$430 billion, and the net margin was 53%.

**Balance sheet****Assets and liabilities**

ISA's assets totaled COP 24.7 trillion, 3% less than at the end of 2022, due to lower results in controlled and jointly controlled companies and a lower exchange rate effect in investments.

Liabilities amounted to COP 8.4 trillion, 20% more than at the end of 2022. The increase is due to higher debt acquired to meet investment commitments.

**Equity**

Equity totaled COP 16.3 trillion, a decrease of 12% compared to December 2022, due to the net result of the effect of converting investments to Colombian pesos in 2023.

**Cash flow**

The initial cash balance was COP 489 billion. During the period, operating cash flows were generated, before income tax, for COP 1.4 trillion. Dividends were received from investees for COP 884 billion and indebtedness increased by COP 1.5 trillion (disbursements from financial entities for COP 1.6 trillion and loans with related parties for COP 45 billion, net of amortizations of COP 180 billion).

The resources generated were allocated to:

- Capital contributions in controlled companies of COP 139 billion;
- Dividend payment of COP 1.9 trillion;
- Capex of COP 796 billion;
- Financial interest expense of COP 559 billion;
- Payment of taxes of COP 185 billion.
- Other net cash outflows of COP 12 billion.

The balance of cash and cash equivalents at the end of 2023 was COP 635 billion.

## Table 1.

### Consolidated revenues

Figures in COP billion, unaudited.

By business unit						
Operating	4Q23	%	4Q22	%	Var. COP	Var. %
Energy	2,738	77	2,679	71	59	2
Roads	701	20	958	25	(257)	(27)
Telecom	117	3	140	4	(23)	(16)
<b>Total</b>	<b>3,556</b>	<b>100</b>	<b>3,777</b>	<b>100</b>	<b>(221)</b>	<b>(6)</b>
Excluding construction	4Q23	%	4Q22	%	Var. COP	Var. %
Energy	2,097	77	2,051	72	46	2
Roads	504	19	673	23	(169)	(25)
Telecom	117	4	140	5	(23)	(16)
<b>Total</b>	<b>2,718</b>	<b>100</b>	<b>2,864</b>	<b>100</b>	<b>(146)</b>	<b>(5)</b>
Operating Revenues, excluding construction - Energy Transmission						
Operating	4Q23	%	4Q22	%	Var. COP	Var. %
Colombia	794	38	682	33	112	16
Chile	109	5	112	5	(3)	(3)
Brazil	699	33	754	37	(55)	(7)
Peru	479	23	484	24	(5)	(1)
Other	16	1	19	1	(3)	(16)
<b>Total</b>	<b>2,097</b>	<b>100</b>	<b>2,051</b>	<b>100</b>	<b>46</b>	<b>2</b>
By country						
Operating	4Q23	%	4Q22	%	Var. COP	Var. %
Colombia	948	27	849	22	99	12
Chile	724	20	977	26	(253)	(26)
Brazil	1,361	38	1,156	31	205	18
Peru	501	14	769	20	(268)	(35)
Other	22	1	26	1	(4)	(15)
<b>Total</b>	<b>3,556</b>	<b>100</b>	<b>3,777</b>	<b>100</b>	<b>(221)</b>	<b>(6)</b>
Excluding construction	4Q23	%	4Q22	%	Var. COP	Var. %
Colombia	944	35	848	30	96	11
Chile	532	20	693	24	(161)	(23)
Brazil	711	26	773	27	(62)	(8)
Peru	509	19	524	18	(15)	(3)
Other	22	1	26	1	(4)	(15)
<b>Total</b>	<b>2,718</b>	<b>100</b>	<b>2,864</b>	<b>100</b>	<b>(146)</b>	<b>(5)</b>

### By business unit

Operating	12M23	%	12M22	%	Var. COP	Var. %
Energy	10,940	77	10,008	75	932	9
Roads	2,753	19	2,867	21	(114)	(4)
Telecom	475	4	483	4	(8)	(2)
<b>Total</b>	<b>14,168</b>	<b>100</b>	<b>13,358</b>	<b>100</b>	<b>810</b>	<b>6</b>

Excluding construction	12M23	%	12M22	%	Var. COP	Var. %
Energy	8,574	78	7,823	76	751	10
Roads	1,969	18	2,019	20	(50)	(2)
Telecom	475	4	483	4	(8)	(2)
<b>Total</b>	<b>11,018</b>	<b>100</b>	<b>10,325</b>	<b>100</b>	<b>693</b>	<b>7</b>

### Operating Revenues, excluding construction - Energy Transmission

Operating	12M23	%	12M22	%	Var. COP	Var. %
Colombia	2,867	33	2,671	34	196	7
Chile	439	5	398	5	41	10
Brazil	3,302	39	2,992	38	310	10
Peru	1,906	22	1,701	22	205	12
Other	60	1	61	1	(1)	(2)
<b>Total</b>	<b>8,574</b>	<b>100</b>	<b>7,823</b>	<b>100</b>	<b>751</b>	<b>10</b>

### By country

Operating	12M23	%	12M22	%	Var. COP	Var. %
Colombia	3,455	24	3,249	24	206	6
Chile	2,864	20	2,939	22	(75)	(3)
Brazil	5,441	38	4,570	34	871	19
Peru	2,322	17	2,515	19	(193)	(8)
Other	86	1	85	1	1	1
<b>Total</b>	<b>14,168</b>	<b>100</b>	<b>13,358</b>	<b>100</b>	<b>810</b>	<b>6</b>

Excluding construction	12M23	%	12M22	%	Var. COP	Var. %
Colombia	3,442	31	3,212	31	230	7
Chile	2,093	19	2,126	21	(33)	(2)
Brazil	3,356	30	3,061	30	295	10
Peru	2,041	19	1,841	17	200	11
Other	86	1	85	1	1	1
<b>Total</b>	<b>11,018</b>	<b>100</b>	<b>10,325</b>	<b>100</b>	<b>693</b>	<b>7</b>



## Table 2.

### Construction and AOM costs

Figures in COP billion, unaudited.

#### By business unit

Construction and AOM	4Q23	%	4Q22	%	Var. COP	Var. %
Energy	1,157	75	1,205	71	(48)	(4)
Roads	316	20	429	25	(113)	(26)
Telecom	74	5	74	4	-	0
<b>Total</b>	<b>1,547</b>	<b>100</b>	<b>1,708</b>	<b>100</b>	<b>(161)</b>	<b>(9)</b>

AOM	4Q23	%	4Q22	%	Var. COP	Var. %
Energy	658	75	538	68	120	22
Roads	146	17	182	23	(36)	(20)
Telecom	74	8	74	9	-	0
<b>Total</b>	<b>878</b>	<b>100</b>	<b>794</b>	<b>100</b>	<b>84</b>	<b>11</b>

#### By country

Construction and AOM	4Q23	%	4Q22	%	Var. COP	Var. %
Colombia	409	26	305	18	104	34
Chile	320	21	434	25	(114)	(26)
Brazil	719	46	616	36	103	17
Peru	84	6	335	20	(251)	(75)
Other	15	1	18	1	(3)	(17)
<b>Total</b>	<b>1,547</b>	<b>100</b>	<b>1,708</b>	<b>100</b>	<b>(161)</b>	<b>(9)</b>

AOM	4Q23	%	4Q22	%	Var. COP	Var. %
Colombia	403	46	305	38	98	32
Chile	155	18	188	24	(33)	(18)
Brazil	208	24	189	24	19	10
Peru	97	11	94	12	3	3
Other	15	1	18	2	(3)	(17)
<b>Total</b>	<b>878</b>	<b>100</b>	<b>794</b>	<b>100</b>	<b>84</b>	<b>11</b>

### By business unit

Operating	12M23	%	12M22	%	Var. COP	Var. %
Energy	4,102	73	3,814	71	288	8
Roads	1,212	22	1,270	24	(58)	(5)
Telecom	287	5	263	5	24	9
<b>Total</b>	<b>5,601</b>	<b>100</b>	<b>5,347</b>	<b>100</b>	<b>254</b>	<b>5</b>

Excluding construction	12M23	%	12M22	%	Var. COP	Var. %
Energy	2,180	73	1,745	69	435	25
Roads	534	18	535	21	(1)	(0)
Telecom	287	9	263	10	24	9
<b>Total</b>	<b>3,001</b>	<b>100</b>	<b>2,543</b>	<b>100</b>	<b>458</b>	<b>18</b>

### By country

Operating	12M23	%	12M22	%	Var. COP	Var. %
Colombia	1,315	23	1,060	20	255	24
Chile	1,261	23	1,271	24	(10)	(1)
Brazil	2,379	42	1,985	37	394	20
Peru	592	11	974	18	(382)	(39)
Other	54	1	57	1	(3)	(5)
<b>Total</b>	<b>5,601</b>	<b>100</b>	<b>5,347</b>	<b>100</b>	<b>254</b>	<b>5</b>

Excluding construction	12M23	%	12M22	%	Var. COP	Var. %
Colombia	1,304	43	1,026	40	278	27
Chile	595	20	567	22	28	5
Brazil	704	23	587	23	117	20
Peru	344	12	306	13	38	12
Other	54	2	57	2	(3)	(5)
<b>Total</b>	<b>3,001</b>	<b>100</b>	<b>2,543</b>	<b>100</b>	<b>458</b>	<b>18</b>

## Table 3.

### Consolidated income statement

For the three-month periods from September to December 2023 and 2022, and for the periods ending December 31, 2023 and 2022.

Figures in COP billion

	4Q23	4Q22	Var.CO P	Var. %	12M23	12M22	Var. COP	Var. %
<b>Operating revenues</b>	<b>3,556</b>	<b>3,777</b>	<b>(221)</b>	<b>(6)</b>	<b>14,168</b>	<b>13,358</b>	<b>810</b>	<b>6</b>
Operating revenues, excluding construction	2,718	2,864	(146)	(5)	11,018	10,325	693	7
(-) AOM (includes operating taxes)	(878)	(794)	(84)	11	(3,001)	(2,543)	(458)	18
<b>Operating EBIDA (excludes construction and provisions)</b>	<b>1,840</b>	<b>2,070</b>	<b>(230)</b>	<b>(11)</b>	<b>8,017</b>	<b>7,782</b>	<b>235</b>	<b>3</b>
Operating EBIDA margin	68%	72%			73%	75%		
Construction revenues	838	913	(75)	(8)	3,150	3,033	117	4
(-) Construction cost	(669)	(914)	245	(27)	(2,600)	(2,804)	204	(7)
<b>Gross construction income</b>	<b>169</b>	<b>(1)</b>	<b>170</b>	<b>17,000</b>	<b>550</b>	<b>229</b>	<b>321</b>	<b>140</b>
Construction margin	20%	0%			17%	8%		
<b>Total EBIDA (excluding provisions)</b>	<b>2,009</b>	<b>2,069</b>	<b>(60)</b>	<b>(3)</b>	<b>8,567</b>	<b>8,011</b>	<b>556</b>	<b>7</b>
Total EBIDA margin (% of operating revenues)	56%	55%			60%	60%		
Results of jointly controlled companies	144	38	106	279	530	516	14	3
Other revenues, net <sup>25</sup>	(71)	17	(88)	(518)	(34)	31	(65)	(210)
Operating taxes	(77)	(81)	4	(5)	(197)	(188)	(9)	5
Provisions <sup>26</sup>	(75)	(51)	(24)	47	(248)	(192)	(56)	29
<b>EBITDA (includes results of jointly controlled companies and provisions)</b>	<b>2,080</b>	<b>2,094</b>	<b>(14)</b>	<b>(1)</b>	<b>9,114</b>	<b>8,562</b>	<b>552</b>	<b>6</b>
EBITDA margin (% of operating revenues)	58%	55%			64%	64%		
Depreciation, amortization, and impairment (2) <sup>27</sup>	(480)	(366)	(114)	31	(1,268)	(1,094)	(174)	16
Operating taxes	(75)	(51)	(24)	47	(248)	(192)	(56)	29
<b>EBIT</b>	<b>1,525</b>	<b>1,677</b>	<b>(152)</b>	<b>(9)</b>	<b>7,598</b>	<b>7,276</b>	<b>322</b>	<b>4</b>
Operating margin (% of operating revenues plus results of jointly controlled companies)	41%	44%			52%	52%		
Financial expenses, net	(455)	(631)	176	(28)	(2,167)	(2,595)	428	(17)
<b>Income before taxes</b>	<b>1,070</b>	<b>1,046</b>	<b>24</b>	<b>2</b>	<b>5,431</b>	<b>4,681</b>	<b>750</b>	<b>16</b>
Income tax provision	(267)	(293)	26	(9)	(1,129)	(1,005)	(124)	12
<b>Income before minority interest</b>	<b>803</b>	<b>753</b>	<b>50</b>	<b>7</b>	<b>4,302</b>	<b>3,676</b>	<b>626</b>	<b>17</b>
Minority interest	(370)	(320)	(50)	16	(1,836)	(1,473)	(363)	25
<b>Net income</b>	<b>433</b>	<b>433</b>	<b>-</b>	<b>0</b>	<b>2,466</b>	<b>2,203</b>	<b>263</b>	<b>12</b>
Net margin	12%	11%			17%	16%		
<b>EBITDA, excluding construction (includes results of jointly controlled companies and provisions)</b>	<b>1,911</b>	<b>2,095</b>	<b>(184)</b>	<b>(9)</b>	<b>8,564</b>	<b>8,333</b>	<b>231</b>	<b>3</b>
EBITDA margin, excluding construction (% on operating revenues, excluding construction)	70%	73%			78%	81%		

<sup>25</sup> Includes write-off of electric assets at the Yaros substation for COP 66,160.

<sup>26</sup> Includes expenses for provisions, impairment of accounts receivable and other receivables, impairment of inventories, and actuarial calculation expense.

<sup>27</sup> Includes impairment in energy transmission of COP 85,168 (2022: COP 0) and in Information Technology and Telecommunications of COP 122,434 (2022: COP 87,544).

## Table 4.

### Consolidated statement of financial position

As of December 31, 2023 and 2022

Figures in COP billion.

	2023	Part. %	2022	Var. COP	Var. %
Cash and cash equivalents	4,072	6	5,369	(1,297)	(24)
Concessions, debtors, and other accounts receivable	5,554	8	6,547	(993)	(15)
Other financial assets	1,571	2	877	694	79
Current taxes	649	1	384	265	69
Inventories	228	-	198	31	16
Non-financial assets	334	1	347	(13)	(4)
<b>Current assets</b>	<b>12,408</b>	<b>17</b>	<b>13,722</b>	<b>(1,313)</b>	<b>(10)</b>
Restricted cash	68	-	328	(260)	(79)
Non-current taxes	7	-	9	(2)	(22)
Investments in joint ventures and associates	4,617	7	5,281	(664)	(13)
Concessions, debtors, and other accounts receivable	29,135	40	31,591	(2,456)	(8)
Other financial assets	19	-	19	0	-
Inventories, net	164	-	104	61	59
Property, plant, and equipment, net	14,261	20	14,484	(223)	(2)
Intangible assets, net	10,237	15	12,737	(2,500)	(20)
Non-financial assets	158	-	166	(8)	(5)
Deferred tax	143	-	293	(150)	(51)
<b>Non-current assets</b>	<b>58,809</b>	<b>83</b>	<b>65,012</b>	<b>(6,202)</b>	<b>(10)</b>
<b>TOTAL ASSETS</b>	<b>71,217</b>	<b>100</b>	<b>78,734</b>	<b>(7,515)</b>	<b>(10)</b>
Financial liabilities	2,477	6	2,080	397	19
Accounts payable	1,682	2	1,704	(22)	(1)
Employee benefits	175	-	165	10	6
Current taxes	361	-	630	(269)	(43)
Provisions	226	-	207	19	9
Non-financial liabilities	387	1	574	(183)	(32)
<b>Current liabilities</b>	<b>5,308</b>	<b>10</b>	<b>5,360</b>	<b>(48)</b>	<b>(1)</b>
Financial liabilities	28,516	37	32,090	(3,574)	(11)
Accounts payable	160	0	227	(68)	(30)
Non-current taxes	1,613	2	1,705	(92)	(5)
Employee benefits	732	1	480	252	53
Provisions	554	1	487	66	14
Non-financial liabilities	1,385	2	1,654	(269)	(16)
Deferred tax	6,583	9	7,180	(597)	(8)
<b>Non-current liabilities</b>	<b>39,543</b>	<b>52</b>	<b>43,823</b>	<b>(4,282)</b>	<b>(10)</b>
<b>TOTAL LIABILITIES</b>	<b>44,851</b>	<b>62</b>	<b>49,183</b>	<b>(4,330)</b>	<b>(9)</b>
Subscribed and paid-in capital	37	-	37	-	-
Premium for placement of shares	1,428	2	1,428	-	-
Reserves	7,953	11	7,691	262	3
Accumulated income	5,688	7	5,414	274	5
Other comprehensive income	1,179	3	3,866	(2,687)	(70)
<b>Equity of controlling company</b>	<b>16,285</b>	<b>23</b>	<b>18,436</b>	<b>(2,151)</b>	<b>(12)</b>
Non-controlling interest	10,081	15	11,115	(1,034)	(9)
<b>TOTAL EQUITY</b>	<b>26,366</b>	<b>38</b>	<b>29,551</b>	<b>(3,185)</b>	<b>(11)</b>



## Table 5.

### Consolidated cash flow statement

For the periods ending December 31, 2023 and 2022.

Figures in COP billion

	12M23	12M22	Var. COP	Var. %
Net income for the period attributable to ISA shareholders	2,466	2,203	263	12
Adjustments to reconcile net income to net cash flows from operations	6,742	6,101	641	11
Income tax paid	(750)	(591)	(159)	27
Concessions and other accounts receivable	(1,029)	(1,866)	837	(45)
Net changes in assets and liabilities	(974)	161	(1,135)	(706)
<b>Net cash flows from operating activities</b>	<b>6,455</b>	<b>6,008</b>	<b>447</b>	<b>7</b>
CAPEX <sup>28</sup>	(4,632)	(4,127)	(505)	12
Dividends and interest received	1,165	833	332	40
Sale of other assets (Management of surplus liquidity)	(164)	118	(282)	(239)
<b>Net cash flows used in investment activities</b>	<b>(3,631)</b>	<b>(3,176)</b>	<b>(455)</b>	<b>14</b>
Amounts from bonds and financial liabilities	6,143	5,331	812	15
Payment of bonds, financial liabilities, and derivatives	(4,002)	(5,121)	1,119	(22)
Interest paid	(2,163)	(1,919)	(244)	13
Dividends paid	(2,499)	(999)	(1,500)	150
Lease payments (principal and interest)	(97)	(92)	(5)	5
<b>Net cash flows used in financing activities</b>	<b>(2,618)</b>	<b>(2,800)</b>	<b>182</b>	<b>(7)</b>
<b>Increase in cash and cash equivalents</b>	<b>206</b>	<b>32</b>	<b>174</b>	<b>544</b>
Effects of exchange rate variation on cash and cash equivalents	(1,503)	651	(2,154)	(331)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,369</b>	<b>4,686</b>	<b>683</b>	<b>15</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,072</b>	<b>5,369</b>	<b>(1,297)</b>	<b>(24)</b>

<sup>28</sup> Capex includes investments made in property, plant and equipment and concessions under intangible assets, financial assets and contractual assets. The value differs from the published Financial Statements, since these include investments in financial and contractual assets in Chile and Brazil as operating activities.

## Table 6.

### Income statement - individual ISA

For the three-month periods from September to December 2023 and 2022,  
and for the periods ending December 31, 2023 and 2022.

Figures in COP billion

	4Q23	4Q22	Var. COP	Var. %	12M23	12M22	Var. COP	Var. %
Operating revenues	454	426	28	7	1,705	1,676	29	2
AOM (includes operating taxes)	(85)	(60)	(25)	42	(271)	(199)	(72)	36
<b>Total EBIDA (excluding provisions)</b>	<b>369</b>	<b>366</b>	<b>3</b>	<b>1</b>	<b>1,434</b>	<b>1,477</b>	<b>(43)</b>	<b>(3)</b>
<i>Total EBIDA margin (% of operating revenues plus result of jointly controlled companies)</i>	81%	86%			84%	88%		
Results of subsidiaries and co-controlled and associated companies	365	353	12	3	2,038	1,641	397	24
Other revenues, net	-	-	-	-	3	4	(1)	(25)
Operating taxes	11	8	3	38	40	30	10	33
Provisions	-	1	(1)	(100)	(3)	-	(3)	-
<b>EBITDA (includes results of jointly controlled companies and provisions)</b>	<b>745</b>	<b>728</b>	<b>17</b>	<b>2</b>	<b>3,512</b>	<b>3,152</b>	<b>360</b>	<b>11</b>
<i>EBITDA margin (% of operating revenues plus result of jointly controlled companies)</i>	91%	93%			94%	95%		
Depreciation and amortization	(66)	(57)	(9)	16	(235)	(213)	(22)	10
Operating taxes	(11)	(8)	(3)	38	(40)	(30)	(10)	33
<b>EBIT</b>	<b>668</b>	<b>663</b>	<b>5</b>	<b>1</b>	<b>3,237</b>	<b>2,909</b>	<b>328</b>	<b>11</b>
<i>Operating margin (% of operating revenues plus results of jointly controlled companies)</i>	82%	85%			86%	88%		
Financial expenses, net	(123)	(120)	(3)	3	(485)	(407)	(78)	19
<b>Income before taxes</b>	<b>545</b>	<b>543</b>	<b>2</b>	<b>-</b>	<b>2,752</b>	<b>2,502</b>	<b>250</b>	<b>10</b>
Income tax	(115)	(113)	(2)	2	(294)	(310)	16	(5)
<b>Net income</b>	<b>430</b>	<b>430</b>	<b>-</b>	<b>-</b>	<b>2,458</b>	<b>2,192</b>	<b>234</b>	<b>11</b>
<i>Net margin (% of operating revenues plus result of jointly controlled companies)</i>	53%	55%			66%	66%		

## Table 7.

### Statement of financial position - individual ISA

As of December 31, 2023 and 2022

Figures in COP billion.

	2023	Part. %	2022	Var. COP	Var. %
Cash and cash equivalents	635	3	489	146	30
Debtors and other accounts receivable	489	2	288	201	70
Current taxes	165	1	77	88	114
Non-financial assets	18	-	35	(17)	(49)
<b>Current assets</b>	<b>1,307</b>	<b>6</b>	<b>889</b>	<b>418</b>	<b>47</b>
Restricted cash	12	-	9	3	33
Non-financial assets	1	-	1	-	-
Debtors and other accounts receivable	30	-	27	3	11
Investments in subsidiaries, associates, and joint ventures	14,436	58	16,294	(1,858)	(11)
Property, plant, and equipment -net	8,638	35	7,974	664	8
Intangibles	293	1	276	17	6
Investments in financial instruments	14	-	14	-	-
Investment property	7	-	8	(1)	(13)
<b>Non-current assets</b>	<b>23,431</b>	<b>94</b>	<b>24,603</b>	<b>(1,172)</b>	<b>(5)</b>
<b>TOTAL ASSETS</b>	<b>24,738</b>	<b>100</b>	<b>25,492</b>	<b>(754)</b>	<b>(3)</b>
Financial liabilities	470	6	258	212	82
Accounts payable	295	3	181	114	63
Employee benefits	18	-	13	5	38
Current taxes	58	1	93	(35)	(38)
Provisions	62	1	46	16	-
Other non-financial liabilities	16	-	2	14	700
<b>Current liabilities</b>	<b>919</b>	<b>11</b>	<b>593</b>	<b>326</b>	<b>55</b>
Financial liabilities	5,648	67	4,733	915	19
Accounts payable	221	3	337	(116)	(34)
Employee benefits	198	2	158	40	25
Provisions	189	2	76	113	149
Other non-financial liabilities	87	1	115	(28)	(24)
Deferred tax	1,187	14	1,031	156	15
<b>Non-current liabilities</b>	<b>7,530</b>	<b>89</b>	<b>6,450</b>	<b>1,080</b>	<b>17</b>
<b>TOTAL LIABILITIES</b>	<b>8,449</b>	<b>100</b>	<b>7,043</b>	<b>1,406</b>	<b>20</b>
Subscribed and paid-in capital	37	-	37	-	-
Premium for placement of shares	1,428	6	1,428	-	-
Reserves	7,953	32	7,691	262	3
Accumulated income	5,694	23	5,428	266	12
Other comprehensive income	1,177	(61)	3,865	(2,688)	(70)
<b>TOTAL EQUITY</b>	<b>16,289</b>	<b>-</b>	<b>18,449</b>	<b>(2,160)</b>	<b>(12)</b>

## Table 8.

### Cash flow statement - individual ISA

For the periods ending December 31, 2023 and 2022.

Figures in COP billion, unaudited.

	12M23	12M22	Var. COP	Var. %
Net income	2,458	2,192	266	12
Adjustments to reconcile net income to net cash flows from operations	(918)	(642)	(276)	43
Income tax paid	(185)	(150)	(35)	23
Net changes in assets and liabilities	(122)	(56)	(66)	118
<b>Net cash flows from operating activities</b>	<b>1,233</b>	<b>1,344</b>	<b>(111)</b>	<b>(8)</b>
CAPEX	(796)	(742)	(54)	7
Capital contributions in controlled companies	(139)	(116)	(23)	20
Dividends and interest received	884	828	56	7
Loans with related parties	45	-	45	-
Other cash (outflows) inflows	(3)	4	(7)	(175)
<b>Net cash flows used in investment activities</b>	<b>(9)</b>	<b>(26)</b>	<b>17</b>	<b>(65)</b>
Amounts from bonds and financial liabilities	1,600	-	1,600	-
Payment of bonds and financial liabilities	(180)	(120)	(60)	-
Interest paid	(559)	(439)	(120)	27
Dividends paid	(1,930)	(830)	(1,100)	-
Lease payments (principal and interest)	(6)	-	(6)	-
<b>Net cash flows used in financing activities</b>	<b>(1,075)</b>	<b>(1,389)</b>	<b>314</b>	<b>(23)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>149</b>	<b>(71)</b>	<b>220</b>	<b>(310)</b>
Effects of exchange rate variation on cash	(3)	14	(17)	(121)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>489</b>	<b>546</b>	<b>(57)</b>	<b>(10)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>635</b>	<b>489</b>	<b>146</b>	<b>30</b>



## Table 9.

### Consolidated debt<sup>29</sup>

As of December 31, 2023, and 2022

Figures in COP billion.

Business		Dec. 2023	Dec. 2022	Var. COP	Var. %
<b>CHILE</b>		<b>9,137</b>	<b>11,968</b>	<b>-2,830</b>	<b>-24%</b>
Intervial	Roads	535	808	-272	-34%
Ruta del Maipo	Roads	3,045	4,209	-1,164	-28%
Ruta de la Araucanía	Roads	321	318	3	1%
Ruta del Bosque	Roads	-	-	-	0%
Ruta de los Rios	Roads	160	109	50	46%
Ruta del Loa	Roads	965	732	234	32%
Internexa in Chile	Telecom	9	20	-11	-54%
Interchile	Energy	4,102	5,772	-1,670	-29%
<b>COLOMBIA</b>		<b>8,694</b>	<b>7,545</b>	<b>1,150</b>	<b>15%</b>
ISA	Energy	6,024	4,913	1,111	23%
Costera	Roads	1,681	1,851	-169	-9%
Transelca	Energy	769	523	246	47%
Internexa	Telecom	220	258	-38	-15%
<b>BRAZIL</b>		<b>7,365</b>	<b>7,281</b>	<b>85</b>	<b>1%</b>
CTEEP	Energy	7,280	7,058	223	3%
IEMG	Energy	-	-	-	0%
IEPINHEIROS	Energy	-	-	-	0%
IE Serra Do Japi	Energy	-	-	-	0%
IENNE	Energy	85	112	-27	-24%
IESUL	Energy	-	-	-	0%
PBTE	Energy	-	-	-	0%
ISA Investimentos	Energy	-	-	-	0%
Internexa Brasil	Telecom	-	111	-111	-100%
<b>PERU</b>		<b>5,908</b>	<b>7,324</b>	<b>-1,415</b>	<b>-19%</b>
ISA Peru	Energy	529	699	-170	-24%
REP	Energy	971	1,242	-271	-22%
PDI	Energy	-	-	-	0%
Transmantaro	Energy	4,349	5,325	-975	-18%
Internexa in Peru	Telecom	59	58	1	2%
<b>TOTAL</b>		<b>31,104</b>	<b>34,118</b>	<b>-3,010</b>	<b>-9%</b>

<sup>29</sup> The debt balances in this table are expressed using the exchange rate at the end of the respective period; therefore, the variation reflects both disbursements and amortizations occurring within the period, as well as the exchange difference.

## Table 10.

### Net debt movements

For the twelve-month period ended December 31, 2023.

Figures in COP billion, unaudited.

ISA and its companies' debt	Disbursements	Amortizations	Net
ISA	1,600	(180)	1,420
Costera	-	(99)	(99)
Transelca	246	-	246
Internexa	-	(38)	(38)
<b>COLOMBIA</b>	<b>1,846</b>	<b>(318)</b>	<b>1,529</b>
ISA Peru	-	(38)	(38)
REP	311	(340)	(29)
PDI	1	(1)	0
Transmantaro	378	(219)	159
Internexa in Peru	25	(14)	11
<b>PERU</b>	<b>715</b>	<b>(611)</b>	<b>104</b>
CTEEP	2,114	(1,035)	1,078
IEPINHEIROS	-	-	-
IE Serra Do Japi	-	-	-
IENNE	-	(12)	(12)
IESUL	-	-	-
ISA Investimentos e Participações	-	-	-
Internexa Brasil	5	(103)	(98)
<b>BRAZIL</b>	<b>2,118</b>	<b>(1,150)</b>	<b>968</b>
Intervial	187	(276)	(89)
Ruta del Maipo	-	(429)	(429)
Ruta de la Araucanía	447	(366)	81
Ruta del Bosque	-	-	-
Ruta de los Rios	90	-	90
Ruta del Loa	740	(335)	405
Internexa in Chile	-	(7)	(7)
Interchile	-	(510)	(510)
<b>CHILE</b>	<b>1,464</b>	<b>(1,924)</b>	<b>(460)</b>
<b>TOTAL</b>	<b>6,143</b>	<b>(4,002)</b>	<b>2,141</b>

# Table 11

## Projects under Construction

Projects under execution			
Affiliate	Project name	Date of entry into commercial operation Quarter / year	
Interchile (CL)	Interventions in Nueva Cardones, Nueva Maitencillo, Nueva Pan de Azúcar substations.	2	2024 <sup>30</sup>
	Capacity increase of Maitencillo - Nueva Maitencillo 2x220 kV line.	3	2024 <sup>31</sup>
	Nuevo Pan de Azúcar Substation Expansion	1	2024 <sup>32</sup>
	New Nueva Lagunas Sectionalizing Substation and New Nueva Lagunas - Kimal 2x500 kV Line	2	2027
	Capacity Increase of the Geoglifos - Lagunas 2x220kV Line, Nueva Lagunas - Lagunas Section.	4	2026
	Kimal 500kV substation expansion	4	2025
Conexión Energía (CL) <sup>33</sup>	Kimal-Lo Aguirre**	2	2029
Consorcio Yapay (PER) <sup>34</sup>	TOCE/CEPI	4	2028
Intercolombia (COL)	Connection of Alpha and Beta wind farms to the Nueva Cuestecitas 500 kV substation	3	2025
	Increased Reliability of Barrancabermeja Refinery - Ecopetrol	1	2025
	Connection for the expansion of the Caño Limón 230 kV SE – Fourth transformer.	2	2024
	UPME 03-2021. New Carriales 230 kV Substation and Associated Transmission Lines	1	2025
	Oleoducto de Colombia connection to Caucaasia 110 kV substation	1	2025
	Copey - Cuestecitas and Copey - Fundación TL	3	2024
	Connection of Windpeshi wind project to the Cuestecitas 200 kV Substation	To be defined <sup>35</sup>	
	PORTÓN DEL SOL 102 MW solar plant connection to Purnio 220 kV substation.	3	2023 <sup>36</sup>
	Copey-Cuestecitas 500 kV Second Circuit	4	2024 <sup>37</sup>
	UPME 04-2019 La Loma - Sogamoso 500 kV	4	2024 <sup>38</sup>
Transelca (COL)	Nueva Barranquilla and Sabanalarga Smart Valves	2	2024
	Connection service of the Cenit-Ecopetrol pumping station to the Copey Substation.	4	2024
	Copey 100 MVA and 5 MVA substation expansion	1	2024
	SmartValves Termogujajira 220 kV, stage 2	3	2025 <sup>39</sup>
	IE Minuano (L1)	1	2025
CTEEP (BR)	IE Riacho Grande	1	2026 <sup>40</sup>
	IE Piraquê	3	2027
	IE Jacarandá	1	2026
	Itatiaia	1	2029
	Água Vermelha	3	2026
	Serra Dourada	1	2029
CTM (PER)	Expansion 21	3	2024
	Belaunde Terry - Tarapoto Norte 220 kV junction, expansions and associated substations.	4	2027
	Piura Nueva - Colán 220 kV junction, expansions and associated substations.	2	2027
	Chilota – San Gabriel 220kV Transmission Line	2	2025
	San José - Yarabamba 500 kV junction, expansions and associated substations	2	2027

<sup>30</sup> The POC (commercial start-up) date is moved due to force majeure.

<sup>31</sup> The POC (commercial start-up) date is moved due to extension of the concessionaire's deadline for reasons of force majeure.

<sup>32</sup> The POC (commercial start-up) date is moved due to extension of the concessionaire's deadline for reasons of force majeure.

<sup>33</sup> 33% of ISA.

<sup>34</sup> 50% of ISA.

<sup>35</sup> Project completed and pending definition of energization date.

<sup>36</sup> Project in provisional commercial operation by agreement with the client. The project is generating revenues.

<sup>37</sup> The POC (commercial start-up) date is moved due to extension of the concessionaire's deadline for reasons of force majeure.

<sup>38</sup> The POC (commercial start-up) date is moved due to extension of the concessionaire's deadline for reasons of force majeure.

<sup>39</sup> The POC (commercial start-up) date is moved due to extension of the concessionaire's deadline for reasons of force majeure.

<sup>40</sup> Date approved by the concessionaire.

Puerto Chancay interconnection	1	2024 <sup>41</sup>
Nueva Yanango - Nueva Huanuco 500 KV junction and associated substations	1	2023 <sup>42</sup>
Voltage Change of the Chilca - Planicie - Carabayllo junction.	1	2024

## Technical Appendix

### Reconciliation of revenues, costs and expenses, to estimate an *Adjusted EBITDA*

Figures certified by auditors.

#### 1. Asset recognition models

ISA and its companies have different remuneration schemes defined contractually. According to IFRS, the assets of ISA and its companies are recognized in the accounts under four models: fixed assets, intangible assets, financial assets, and contract assets.

The accounting recognition of assets varies depending on their ownership, duration, and presentation in the financial statements:

Type	Fixed asset	Intangible assets	Contract and financial assets
<b>Duration</b>	Perpetual	Finite	
<b>Ownership</b>	Own company assets	Concessionaire's assets	
<b>Reflection in financial statements</b>	Property, plant, and equipment	Rights	Accounts receivable
<b>Businesses</b>	Energy T. (Chile, Colombia, Etenorte, and Eteselva -Peru-) and Telecom.	Energy T. (Peru, Bolivia, and Inteia)	Energy T. (Brazil) and Roads Chile and Colombia

#### 2. Impact on financial statements

All four asset accounting models have the same impact on cash flow; however, the manner in which these impact the financial statements varies during the construction and operation and maintenance stage, as shown below:

Model	Impact on financial statements
<b>Construction stage</b>	
Fixed assets	• No revenues or construction costs are recognized in P&L.

<sup>41</sup> In December 2023 the project was energized and the COES approved its integration into the National Interconnected Energy System in January 2024.

<sup>42</sup> Pending response from the concessionaire for extension of the POC date



	<ul style="list-style-type: none"> <li>• Construction costs are capitalized in fixed assets.</li> </ul>
Intangible assets	<ul style="list-style-type: none"> <li>• Revenues and construction costs are recognized in P&amp;L.</li> <li>• Financing interest is capitalized in intangible assets.</li> </ul>
Contract and financial assets	<ul style="list-style-type: none"> <li>• Revenues and construction costs are recognized in P&amp;L.</li> <li>• Interest on financing is not capitalized, it impacts the income statement.</li> <li>• Financial yields are recognized in the accounts receivable.</li> <li>• Construction efficiencies are recognized.</li> <li>• The account receivable is restated for inflationary changes in revenue projections.</li> </ul>
<b>Operation and maintenance stage</b>	
Fixed assets	<ul style="list-style-type: none"> <li>• Revenues and costs from operations and maintenance are recognized in P&amp;L, equivalent to cash revenues.</li> <li>• The impacts of tariff revisions and changes in macroeconomic variables are distributed over time, along with collections.</li> <li>• Assets are depreciated over their useful life.</li> </ul>
Intangible assets	<ul style="list-style-type: none"> <li>• Revenues and costs from operations and maintenance are recognized in P&amp;L, equivalent to cash revenues.</li> <li>• The impacts of tariff revisions and changes in macroeconomic variables are distributed over time, along with collections.</li> <li>• Intangible assets are amortized over the term of the concession.</li> </ul>
Contract and financial assets	<ul style="list-style-type: none"> <li>• Revenues and costs from operations and maintenance are recognized in P&amp;L.</li> <li>• Financial yields are recognized in the account receivable.</li> <li>• The account receivable is restated for inflationary changes in revenue projections and tariff revisions.</li> <li>• The account receivable decreases with collections.</li> </ul>

In general, the fixed asset and intangible assets models recognize revenues and costs in the income statement that reflect fairly closely the cash position. The financial and contract asset models, on the other hand, bring forward concession revenues as they recognize construction profits, include the inflation effects of projections and adjustments to tariff revisions, and record financial returns that are not necessarily accompanied by cash.

### 3. Other adjustments to IFRS accounts to get to *Adjusted EBITDA*

Based on the asset recognition models currently used in accounting, the following adjustments were made to a pro forma account to construct the *Adjusted EBITDA*, which is reported independently and separately from the accounting under IFRS:

Model	Main adjustments
Fixed assets	<ul style="list-style-type: none"> <li>• The effect of IFRS 16 is withdrawn.</li> <li>• The annual amortization of deferred revenue from IRUS and UPMEs is withdrawn.</li> <li>• Revenue and construction costs associated to concessions are withdrawn.</li> </ul>

Intangible assets	• The effect of IFRS 16 is withdrawn.
	• The provision for major maintenance is withdrawn and payments are included.
	• Revenue and construction costs associated to concessions are withdrawn.
Contract and financial assets	• Accrual revenues are eliminated and collections from tolls and energy assets are incorporated.
	• Costs are capitalized to the concession assets.
	• The liabilities and assets for pre-existing infrastructure are withdrawn and AOM is recognized for payments for the use of the infrastructure.
	• The effect of IFRS 16 is withdrawn.

- *Withdrawal of IFRS 16 for Lessees:* IFRS 16 requires a lessee to recognize a right-of-use asset at the inception of the lease, with an offsetting entry in a lease liability for the present value of future payments over the lease term. For purposes of *Adjusted EBITDA*, lease payments are incorporated as an operating expense in AOM.
- *Withdrawal of IFRS 16 for lessors:* Under IFRS 16, finance leases transfer substantially all the risks and rewards incidental to ownership of the assets. Therefore, lessors present assets held under finance leases as an interest-bearing receivable.

Peruvian energy companies have private energy transmission contracts recognized as finance leases, since such contracts include the provision of a service, which does not include a purchase option but a contract renewal option. For the purposes of *Adjusted EBITDA*, the finance lease connection revenue collections are included in operating income.

- *The annual amortization of deferred revenue from IRUS is withdrawn:* IRUs correspond to the irrevocable right to use fiber for which a third party paid Internexa in advance. The company recognizes them as deferred revenues and decreases them on a straight-line basis over time as it recognizes revenues in the income statement. For purposes of *Adjusted EBITDA*, the revenue is withdrawn considering that it is non-cash.
- *The annual amortization of deferred revenue from UPMEs withdrawn:* Until 2014, revenues from some UPME projects showed a decreasing pattern over time. By applying the principles of association of costs and expenses, revenues are recognized with a stable pattern over the life of the project, and the difference between the amount collected and the revenues recognized in the income statement gives rise to deferred revenues. Since such revenues in the income statement are non-cash, they are withdrawn from operating income for purposes of *Adjusted EBITDA*.

- *Withdrawal of revenues and construction costs from concessions:* In the intangible assets, financial assets, and contract assets models under IFRS, revenues and construction costs from concessions are recognized in the income statement. Considering that these construction costs are treated as capex and the revenue is equal to the construction cost plus a theoretical margin, both revenue and cost are removed from *Adjusted EBITDA* (the construction cost continues to appear in the cash flow, as capex).
- *Provision for major maintenance:* Corresponds to the present value of the necessary disbursements estimated to maintain the infrastructure in the operating conditions required. Considering that this provision is financially updated on a monthly basis and is an estimate from the start-up of the project, for the purposes of *Adjusted EBITDA* the costs incurred are removed and the payments incurred for maintenance of the period are recognized.
- *Treatment of road concession assets under intangible assets:* To estimate *Adjusted EBITDA*, financial yields and operating and maintenance revenues are removed and tolls collected are included. In addition, the costs capitalized to the intangible asset are removed from the AOM.
- *Treatment of energy concession assets in Brazil under fixed assets:* The *Adjusted EBITDA* includes the regulatory financial statements that CTEEP, TAESA and its companies issue as required by ANEEL and that consider the fixed asset model.
- In *Adjusted EBITDA*, the payment for pre-existing infrastructure is included as an operating expense, simulating a right-of-use payment, and the effect of the financial restatement of the asset is eliminated.

## Glossary of terms

- ANEEL: National Energy Agency of Brazil
- AOM: Operation, administration, and maintenance expenses
- APP: Public-private partnership
- CDI: Certificado de Depósito Interbancario (Interbank Certificate of Deposit)
- COFINS: Contribution to Social Security Financing
- CVM: Comissão de Valores Mobiliarios (Securities and Exchange Commission of Brazil)
- Debt/EBITDA: Total Debt/ (EBITDA IRFS less income from jointly controlled companies and other revenues, plus RBSE cash adjustment and other operating taxes and provisions)
- EBIDA: operating income before interest, income tax, depreciation and amortization; includes operating taxes.
- EBITDA: operating income before interest, income tax, depreciation and amortization; excludes operating taxes.
- E&Y: Ernst and Young.
- IFRS: International Financial Reporting Standards
- I&D: R&D research and development
- IGPM: General Market Price Index in Brazil
- CPI in Chile: consumer price index in Chile
- CPI in Colombia: consumer price index in Colombia
- IPCA in Brazil: Broad Consumer Price Index in Brazil
- PPI in Colombia: Producer Price Index in Colombia
- PPI in Peru: United States WPSFD4131 index for finished good prices, excluding food and energy.
- Ke: cost of equity
- Equity method in the consolidated income statement: includes income from companies where ISA has joint control and significant influence.
- Equity method in the individual income statement: includes income from companies where ISA has joint control and significant influence
- MOP: Ministry of Public Works of Chile
- RBNI: Red Básica de Nuevas Inversiones (Basic Network of New Investments)
- RBSE: Red Básica del Sistema Existente (Basic Network of the Existing System)
- ROAE: Net income, 12 months / average equity, 12 months
- PPI: Producer Price Index (U.S.)
- POC: Commercial start-up
- PIS: Programa de Integração Social
- RAP: Receita Anual Permitida

- RTP: Periodic Tariff Review Resolution
- TRM: Representative Market Rate in Colombia USD-Colombian peso equivalence
- UF: Unidades de Fomento (Index-linked units), Chile
- UVR: Unidad de Valor Real (Real Value Unit) in Colombia
- tCO<sub>2</sub>e: Ton of CO<sub>2</sub> equivalent



*This report may contain forward-looking statements regarding the performance of ISA and should be taken in good faith by institutions; said forward-looking statements reflect management's views and are based on currently-available information, which assumes risks and uncertainties, including economic conditions and those from other markets, as well as the exchange rate variations and other financial variables with respect to which ISA S.A. E.S.P. may not be held responsible, directly or indirectly, for financial operations that the public may conduct in reliance of the information herein presented.*

*The consolidation process involves the inclusion of 100% of the companies where ISA has control by the global integration method, in accordance with the application of the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, which are regulated, compiled and updated by Decree 938 of 2021, Decree 1432 of 2020 and previous decrees and other legal provisions in force and applicable to the entities supervised and/or controlled by the Financial Superintendence of Colombia and the General Accounting Office of the Colombia.*

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