

Financial Results 1Q20

Q&A

05/13/2020

The Q&As that could not be addressed during the ISA 1Q20 conference on May 13 are attached.

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1. Detail of the 50 MW storage tender. What is the purpose of participating in the transmission? What are the expectations for the rest of the year?

Colombia is a pioneer in the materialization of storage as a service of the system through the issuance of CREG Resolution 098 in 2019. This resolution stipulates the incorporation of storage in the system through tendering mechanisms to solve restriction problems in the transmission network, which were identified in the expansion plan of the UPME.

The UPME has stated that, in the coming weeks, it will publish the draft documents for the first call for bid for 80 MW/160 MWh storage for the Barranquilla area. ISA will take part in all calls for bids resulting from the mechanism proposed by the resolution, leveraged by its experience in transmission calls for bids, as well as the regional leadership achieved in our early studies on storage. We believe that we have a high probability of success in this new market that is emerging in Latin America.

2. Status of Costera's transition? Estimated closing date?

As ISA announced at the end of 2019, the ISA Group formally entered the road concessions business unit in Colombia by signing the share sale contract of 100% of the shares of Concesión Costera Cartagena Barranquilla S.A.S. owned by MHC Ingeniería y Construcción de Obras Civiles S.A.S, Constructora MECO S.A., Constructora Colpatria S.A., and Castro Tcherassi S.A. (the Sellers). Concesión Costera was awarded in 2014 for 25 years, with the possibility of extension for 4 additional years.

Among other aspects, the closing of this operation is subject to the authorizations of the National Infrastructure Agency (ANI), the insurance companies, and the funders of the concession, which shall be duly noticed to the market.

The current situation resulting from the Covid-19 Pandemic is likely to delay authorizations and procedures. However, we hope that we can include it in the Group's assets by the end of the year.

3. Performance of the operation of telecommunications activities during quarantine? What are the expectations for the sector and what are ISA's plans?

In early 2020 we have seen an increase in revenues mainly due to more demand for Internet in the countries where we conduct the telecommunications business. Now, regarding capex, we expect early expansions of networks and platforms to meet greater demand.

4. Progress of the projects in alliance with El Condor? What is the reason why no project has been completed yet?"

The agreement signed between ISA and Construcciones El Cóndor S.A. intends to expand and enter the road concessions business unit in the Colombian and Peruvian markets. We have identified the target market and are constantly evaluating opportunities. The projects under evaluation are within the time schedules estimated by the Alliance.

In 2019, the National Infrastructure Agency (ANI) did not start any selection process for road Public-Private Association (APP).

5. Did you revise downwards the amount of the 2020-2024 Investment Plan due to the current health emergency? How much was the adjustment?

For the 2020-2024 period, the estimated investment is of USD 4.363 million. This investment plan consolidated all the commitments already acquired and includes the payment of the Concesión Costera Cartagena-Barranquilla, the Loma-Sogamoso UPME project, and Perú ETENORTE and ETESELVA concessions mentioned at the beginning of the 1Q20 presentation, as well as the 3 plots awarded in December to ISA CTEEP and its reinforcements and improvements updated plan. In view of the current emergency caused by the Covid-19 pandemic, we do not expect to curtail this plan. However, we do expect to postpone some investments, and the amount will depend on when we can reactivate all the projects that are in the construction phase.

6. With or without Covid-19, revenues will not be affected this year considering the type of contracts for the transmission service. How much can Roads revenues be affected (Chile), which have a 20% share of the consolidated amount?

Regarding the effect of Covid-19 on ISA, out of its three business lines, this is one of the least affected, given its nature:

Energy Transmission Business Unit: we have a highly regulated scheme, with predictable long-term revenues and no demand risk.

Road Concessions Business Unit: due to the way in which concessions were structured and financed in Chile -Non-Recourse Project Finance- the level of guarantees consisting of cash surpluses is high, given the scheme of the reserve account. It is basically designed to withstand crises like this. In addition, revenues are guaranteed since a potential drop in traffic would generally result in an extension of the concession period to compensate for the revenues. Regarding the accounting aspect, the lesser the

traffic, the lesser the decrease in the account receivable and therefore the higher the financial returns. Therefore, we are protected regarding both cash and accruals.

Telecommunications and ICT Business Unit: we have experienced a greater demand for internet which we have been able to capitalize on as we have expanded our capabilities in the countries where we operate, thus obtaining higher revenues. This began to be seen from mid-March.

The main conclusion is that the nature of ISA's business units and the efficient and wise management allow us to be in a privileged position to deal with this crisis.

7. Regulatory risk update in Colombia, do you see any changes?

The remuneration scheme in Colombia is currently being revised. According to the regulatory agenda of the CREG for this year, a new draft resolution (fourth project) is expected to be published and the final methodology will be published (at the end of the year). In this revision, agents and third parties interested in the process are allowed to participate through analyses and comments to the regulator.

ISA and its transmission companies in Colombia permanently monitor the regulation analyses and proposals that arise in the process. We make adjustment proposals for the revision of the scheme. These are consistent with the reality of the transmission activity and guarantee its sustainability, which is fundamental for an efficient service.

8. Do you perceive any risk in the utility sector in Brazil?

Risks in the utility sector are associated with the potential impact on the payment chain, given the cash stress experienced by distributors. However, the government and agents are working to focus financial assistance on distributors to avoid an impact on the sector. To date, ISA CTEEP has shown no impact on billing.

9. Do you see risks in dividends declared by CTEEP?

No, the dividend practice is the same: payment of 75% (regulatory net profit). No payment risks are estimated to date.

10. Is it time to be careful and save cash, or is it time to consolidate stakeholders in financial difficulties?

ISA CTEEP continues to monitor growth opportunities in both ANEEL tenders and M&A.

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

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

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