

QUESTIONS TO ISA - 1Q21 May 2021

1. Cemig, State-owned mining company, will sell its stake in Taesa. Is ISA interested in this stake? Is there any news about it?

Our priority is to create value for Shareholders, and Brazil is an important country for our growth goals. We have an excellent relationship with Cemig, who has been our partner for a long time. Regarding the sale of its shares, ISA is currently analyzing three options together with our advisors:

- Acquire Cemig shares by exercising its preemptive right. In this case, ISA understands that this would not result in a takeover bid for the remaining shares of Taesa, as there is no control change.
 - Sell the stake in Taesa together with Cemig by exercising its tag-along rights.
 - Do nothing and continue to co-manage the company with the new partner.
2. How much time do you think it takes energy storage technology to make non-conventional renewable generation a reliable source, like gas?

This requires understanding the concept of flexibility of power systems as possibilities of installing unconventional non-renewable energy are being created. These possibilities are characterized by being highly variable. Obviously, power systems would be subject to variations for which they were not typically designed. It is worth mentioning that power storage technology provides robustness to the system but, most importantly, flexibility. Therefore, grids play a crucial role and offer great development opportunities. Not surprisingly, the ISA Group is proactively working with regional regulators in the search of a battery installation model solution that brings flexibility to the grid; that is, a solution that strengthens the system as a whole instead of solutions focused on generation only. When is this happening? This is a dynamic process, so as highly variable non-conventional renewable energy is installed, regulators will give economic and regulatory signals to materialize investments associated with these technologies. We will be there and our expectations about the tender of May 25 are high. This is the first tender in the region and we are very interested in it.

3. We have observed that executed investments were approximately one third of what was estimated for this year. Are you perceiving an acceleration that is better than expected? Could we expect investments exceeding COP 5,7 trillion for this year?

Capex execution for the quarter shows that our performance is as expected, as the purchase of PBTE shares during the first months of the year was budgeted. As always, ISA is constantly in the search of growth opportunities. We aim at meeting our annual target, but if new businesses arise, especially brownfield businesses, it is possible to exceed this target.

4. In a scenario where commodity prices keep rising, how is ISA facing the purchase of Aluminum/Copper inputs for conductors and other tools, understanding that this may be part of the transmission infrastructure?

In the case of aluminum and copper, our contracts include hedging transactions with different banks that offer competitive rates. Said transactions include bank guarantee letters by our suppliers, so that agreed prices are maintained.

In the case of steel, as this commodity is outside the futures market, we have used the same hedging methodology but directly through our suppliers and through the same bank guarantee letter.

5. What is the exchange rate impact on the first quarter of 2021?

The currency volatility impact on net income (restatement effect) was -COP 17.187 million; that is, 3,4% of income.

6. What types of hedging are you considering to cover the exchange rate effect?

We count on a natural hedging scheme where loans are taken in the same currency in which each of the companies receive revenues. This results in a very slight exchange rate impact on our income (3,4% in 1Q21).

7. How is the Internexa sale process going? There is an investment bank already. Who is it? Can we know the value? If not, when? When do you think sale revenues will come?

Citibank, as investment bank, is supporting us, as well as other supporting advisors. This process has to undergo Law 226, which has several requirements including approval by the Ministry of Finance and by the Cabinet, who must approve the minimum selling price, which is confidential for now. We expect the process to be completed by the end of this year. We are working on this convinced that it is the best for the Group and for Internexa.

8. It seems that Cemig is selling its stake in Taesa through a Follow-on mechanism. If so, can you do the same? Does ISA have the option of doing it through this mechanism?

We are analyzing the ISA Group's position on this transaction together with our advisors, always based on creating sustainable value for our shareholders.

9. Taking into account the great pipeline of road projects in Brazil for this year and 2022, and taking into account the Company's diversification strategy, would ISA be interested in venturing into the roads business in Brazil? In this case, could you provide us with data about timing, profitability, capex, etc.?

For now, the road business in Brazil is not part of our strategic choices due to portfolio concentration reasons and some technical conditions under which the concession model in that country works.

10. What does ISA's Management know about the process of sale to Ecopetrol? What are the requirements?

This year, we have attended several meetings with Ecopetrol arranged by the Ministry of Finance in which we have presented the Company, its different areas, and the operation of its processes to Ecopetrol. ISA is fully committed to contribute to this transaction by providing its knowledge and information.

Regarding times, we know that the Ministry of Finance signed an exclusivity contract so that Ecopetrol could perfect the offer received during the first half of the year.

11. With respect to the sale of Taesa by Cemig, Has ISA any kind of Tag-along or preemptive right on this sale?

The Cemig-ISA Shareholder Agreement is a public document. It can be found at (<https://ri.taesa.com.br/governanca-corporativa/estrutura-societaria/>). Clause 15 of said document establishes that ISA has a preemptive right to purchase all the shares on which Cemig receives an offer, at the same price, and under the same conditions offered by a third party, for which it will have 90 days to decide whether it will exercise this right or not after being notified the conditions of the offer. Likewise, under the same conditions, ISA has a tag-along right on all its shares in Taesa, at the same price and under the same conditions offered by a third party.