

CONFERENCE CALL THE 2040 STRATEGY AND 2022 BUSINESS PLAN

Operator: Good morning. My name is Hilda and I will be your operator today. Welcome to the 2040 Strategy Update and 2022 through 2024 Business Plan conference call.

All mics have been muted. There will be a Q&A session at the end of the presentation. Before we begin, it is important to mention that the comments in this call by Ecopetrol's senior management include projections of the company's future performance. These projections do not constitute any commitment as to future results, nor do they take into account risk or uncertainties that could materialize. As a result, Ecopetrol assumes no responsibility in the event that future results are different from the projections shared on this conference call.

The call will be led by Mr. Felipe Bayon, CEO of Ecopetrol; Alberto Consuegra, COO; Jaime Caballero, CFO, and Nicolas Azcuenaga, Vice President of Strategy and Business.

Thank you for your attention. Mr. Bayon, you may begin your conference.

Felipe Bayon: Thanks, and good morning, everyone, and thanks for being here. Thanks for your interest in today's presentation.

If we can go to the next slide after the legal disclosure. So, first thing I want to share with you is that as we think about Ecopetrol's group and how the strategy has actually moved and how it has changed and evolved, we always underpin this strategy in basic concepts that we've learned, especially after coming out of two very, very big crisis. You know, in 30 years in the business, I've seen the crisis come every eight to 10 years. Now they're coming more frequently and they're very harsh. You know, when you look at 2020, comparing it to 2015-2016, what in the first case happened in 19-20 months, in 2020 we had to deal within three to four months. So that notion of the 2020 + Strategy that now we can make better or actually include elements of the energy transition pillars that we've shared with you in terms of how do we actually make our competitiveness of the business even better, and we'll discuss that in some detail in the presentation, how do we diversify the business, and we're successful with the acquisition of ISA last year. But there's other things, and Nicolas and Alberto and the team will take us through some of those concepts as we go forward.

How do we decarbonize? And I'll talk to that in more detail. And how do we continue to deepen those key ESG commitments? How do we keep technology at the heart of becoming sustainable? And all of this, again, based on a very strong culture. We made a declaration around our cultural principles not too long ago, and I won't go through all of them, but you see them in the graph. And that has led us to the strategy that we're presenting today.

It's the first company in Latin America in our area of business to present a long-term vision. So today we want to talk about that 2040 strategy "Energy that Transforms", *Energía que transforma*, that's how we've called it in Spanish. But we also want to put the focus on the 2022 to 2024 period. Let's go to the next one, please.

In terms of the strategy itself, there's four key elements of four pillars internally, and I'll share this with you, the teams call this "the turbine", and as we think about the first part of the turbine, how do we grow in the context of the energy transition? And we've used here a couple of examples, how do we look at EBITDA and the annual EBITDA as we generate EBITDA from here until 2040, and we see a range of USD 6.5 to USD 8.5 billion. We have the reference of pesos, the COP 1 trillion, because it's quite relevant as we will look at that in the local context. And Nicolas, in particular, will take us into how do we see ourselves evolving from a business that has been predominantly oil and gas to a business where the share of low-emission businesses will continue to grow? So, this is the first part of the strategy.

The second one, how do we generate value through TSEG or *sosTECnibilidad*, as we think about it in Spanish, through innovation and technology, through having the right people, through ensuring that we not only think about our CO2 footprint or carbon footprint, and we'll talk to that in more detail, how we're going to approach scopes one and two emissions and scope three. We said we want to have net zero CO2 emissions by 2050, but also how do we think about ourselves in terms of the water footprint and having zero water discharges from all our operations by 2045. And in all of this, how do we create or help create generate jobs? 230,000 jobs, non-oil and gas jobs, by 2040.

The third part of the turbine. How do we use cutting edge, not only technology, but knowledge? And we envisage at least 70% of the workforce. We're around 17,000 people today directly in Ecopetrol. How do we evolve by providing these people with the right skills? If need be, how do we reskill the competencies of our people? And we see ourselves generating some USD 20 to USD 30 billion of EBITDA cumulative by 2040. And I'll go into more detail on this in terms of how do we see technology, how do we see knowledge, how do we see innovation playing a role in all of this.

And the last part of the strategy is how do we remain competitive? We owe ourselves to the just a little shy of 300,000 shareholders today. How do we continue to generate returns that are good returns, appealing returns? 8% to 10% at the prices in which we made the plan, and Jaime will talk to that in detail. How do we keep our gross debt to EBITDA ratios below 2.5? And how do we continue to provide through the transfers of the dividends and royalties and taxes to the main shareholder, the government of Colombia, somewhere in the range of COP 13 to COP 20 trillion for the next 20 years? Let's go to the next one.

We'll talk about how do we grow in this energy transition? And the first thing I want to highlight, and I want to go to the next one, please. I want to start with reserves. And it's one of the key areas of focus when we talk to yourselves, to the rating agencies over the years, what's Ecopetrol doing and how's Ecopetrol doing in terms of reserves?

We announced earlier in the week that we've had our biggest or highest reserves replacement ratio in the last 12 years, 200%. And now we have a reserve life which is average 8.7 years. It is split into oil and gas, 8.2 years for oil and 10.4 years for gas. And roughly a third, 28% of our reserves, are comprised of gas, and Alberto will go into detail on how we view our oil and gas business. 89% of our reserves are in Colombia and you see there the sequence or the series in terms of how we have performed in terms of reserves.

Let's go to the next one so we can do a dive and go deeper into the specifics of the businesses and we'll start with the upstream. So, Alberto, if you want to take that from here and share with the audience first the upstream and then the other businesses. Go ahead. Thanks.

Alberto Consuegra: Thanks, Felipe. Good morning to all. With regards to the upstream, we based our strategy in recognizing that we have a very strong, very competitive portfolio of assets. That will allow that we can grow production by 2030 to 800,000 to 850,000 barrels of oil equivalent per day. In an upside scenario of high oil prices, then we see the potential to grow the production in about 900,000 to 950,000 barrels of oil equivalent per day.

When you look at the participation in the production by products, about 30% will be coming from gas by 2030 and beyond. When you look by geographies, most of the production will be coming from Colombia, about 90%. And then when you look at the CapEx structure, about 81% of the CapEx for the oil and gas will be invested in the upstream.

And when you segregate the investments in terms of the uses for the different types of oil and gas, then we have a particular interest in investing in maintaining the base, and in our enhanced recovery strategy. Also, we see a great opportunity of growth in the Caribbean offshore, as well as on the onshore exploration in areas such as the Llanos foothill, also in the Magdalena Middle Basin, and in the Caribbean onshore.

In addition, there is a big bet about unconventional, both in the Permian and also in Colombia, in the Magdalena Middle Basin. So that's kind of the picture for the upstream when we look specifically at the 2022-2024 scenario. Please, next slide.

Then we'll see the production slightly growing about 3% per year beginning in 2022 with recognizing that we have to stabilize production after the pandemic and also after the blockages that we saw last year. And also, there is a bet about increasing and meeting the gas demand in the country. About 85% to 89% of the production will be coming from Ecopetrol in Colombia and the rest from the subsidiaries, both in Colombia and in the rest of the continents. The investments in terms of the upstream will be about USD 11 to USD 12 billion during the three-year period, mainly in enhanced oil recovery and also in increasing our bet in gas.

So, when you look at the distribution of the production, mostly will be coming from the base, the primary recovery. Then about 30% will be gas and what we call condensates. Then, about 28% is secondary or enhanced recovery. Another 2% will be tertiary recovery.

During the three-year period, we are going to continue with our 100% reserve replacement ratio. We are going to be drilling about 1,800 development wells and about 50 to 60 exploratory wells, of which 25 will be drilled in 2022.

Let us move to the midstream. Next slide, please. So, the midstream is about sustaining the contribution that this sector represents for the company. So, during the '22 – '24 plan, we are going to continue investing about USD 900 million. This is mostly organic investment.

We'll see a growth in EBITDA of 4% and we'll keep the transported volumes in the order of about 1 million barrels per day.

There are a certain number of initiatives, mostly associated with increasing the capacity in the refined products systems, meeting the demand in terms of storage that the country needs, both operational and strategic storage, and reaching the levels of reliability that our systems require. But also, we are looking at diversification entering into the gas infrastructure sector, specifically what we call connection gas pipelines, extracting the full value from the port terminals that we have in our portfolio, and including new services such as blending, bunkering, and also looking at international expansion.

We know that we're moving towards the carbon neutral scenarios so we also want to explore how are we going to accompany the strategy in terms of hydrogen and in terms of carbon capture. And we will continue looking at efficiencies through the optimization of our infrastructure by using appropriate technology.

By 2040, we are looking at the different scenarios, mostly about diversification in international sectors, looking again at gas, multipurpose product pipelines, and port investments. So, again, maintaining the contribution of this midstream sector for the company.

Let's move to the next slide and we'll look at the downstream. In the '22 to '24 plan, we are going to be investing between USD 1,200 to USD 1,400 million, which mainly will be focused in reliability of our main refineries and also in the Esenttia petrochemical business. There is a bet about increasing the refinery throughput to about 420,000 to 430,000 barrels per day and this is going to be achieved by the expansion of the Cartagena refinery, which will become a reality in the second quarter of this year. And we are going to be looking at increasing the output in the refinery from 150,000 to 200,000 barrels per day. The number of processing plants will be increased from 34 to 35 and the EBITDA will be growing about 40% in the next years to come.

In Esenttia, also we are looking at expanding capacity in terms of sales volume to about 490 to 530 mton per year. The plant expansion will be reached and completed during the third quarter of this year. By 2040, we are focusing on guaranteeing the supply in the country of clean fuels and substituting the generation of gas with renewable energies and also reducing the fuel oil consumption and exploitation that we currently have. There will be the potential of integrating both the refining and petrochemical businesses and increasing the capacity of our eco diesel business. This is also in line with a study of low carbon businesses in which we are also going to see some pilots in terms of blue and green hydrogen and also in biofuels.

Next slide, please. In terms of our commercial strategy, we are continually looking at diversifying our destinations and including new clients and new routes for our export lines of products. We are also looking at maximizing the purchase from third parties. And this will be about 105,000 to 115,000 barrels per day. We are looking at increasing our presence in Asia through our new commercialization offices in Singapore, and trading will be increasing

to 12 to 15 million barrels. We also are looking to maintain and sustain the asset back trading profits that we are continually seeing year by year.

In terms of gas and LPG, there are going to be new sources of supply for gas coming from the Caribbean offshore, coming from the Piedemonte foothills, and also from unconventionals. We are looking at entering into the gas trading business, specifically from third parties and in terms of social gas, gas that we are using in consumption in the country, we are looking at creating 50,000 to 60,000 new connections, increasing our participation in the market to 70% - 80% by 2024, and maintaining levels of EBITDA of about USD 900 million year to year. But by 2040, definitely gas will be a different business, with the potential of increasing by four times the EBITDA, compared to the 2019 baseline. And there is also the expectation of looking at new sources such as micro NLG, again, Caribbean offshore, and then unconventionals. The trading of oil in terms of third parties will be reaching levels of 10% to 12%, and that's the summary of our commercial strategy. And now the word is for Nicolas. Please.

Nicolas Azcuenaga: Thank you, Alberto, and good morning to all. Now, as Felipe mentioned in his introduction, I will guide you through the second part of our growth pillar, which revolves around diversification into low-emission businesses.

First, we have now integrated ISA's robust strategy into our long-term vision and ISA's strategy goals to 2030 remain unchanged. Up to 2030, ISA has identified investment opportunities exceeding USD 36 billion, which will allow to deploy CapEx in the range of USD 12.5 and USD 13.5 billion. This, in turn, will increase ISA's EBITDA generation by 70% when compared against the baseline of 2018, reaching USD 2.4 billion.

By business unit, 78% of the CapEx will go to transmission and new energy businesses, and 20% to roads. In the region, close to 30% will go to Colombia, followed by Brazil and Chile, with 24% and 18%, respectively. Geographic diversification of EBITDA will continue to be a characteristic of ISA. A slightly higher than a third will come from Colombia, close to a quarter from Brazil and nearly 20% from Peru. Average EBITDA generation up to 2030 remains above USD 1.8 billion, with a 74% margin, continuing ISA's strong operational performance. ISA's strong cash generation will renew the ability to continue investments in growth opportunities.

Please, let us go to the next slide, where we will zoom in into the 2022 and 2024 plan. In this period, the capital investment will reach USD 2.6 billion, with 42% of it deployed in Brazil, 25% in Colombia, close to 20% in Chile and the balance in Peru. USD 2 billion of the CapEx will go to the energy business, and more than USD 400 million will go to the road project Rutas del Loa in Chile. That's a 136-kilometers project. These figures include only committed CapEx, and if new projects are awarded to ISA or inorganic opportunities materialize, this number will increase.

Let's move to the next slide, where I will speak about how are we identifying and working on synergies between the two companies. After a successful consolidation of ISA, we are working on identifying and materializing synergies. So far, we have identified over 50

initiatives grouped in eight major themes that can be mapped against the four pillars of our strategy.

The first two things are around accelerating new energy businesses and the entrance of ISA to the U.S. market, where we as Ecopetrol already have a strong presence through our upstream subsidiaries of Ecopetrol America and Permian.

About sustainability, given our joint geographical footprint in Colombia and the impactful environmental programs that ISA and Ecopetrol developed together, material synergies arise around our work with the communities and geographies where we have presence. A clear example of this is *Conexión Jaguar*, which is an environmental program of ISA, to which we in Ecopetrol are now part of.

In terms of science and innovation, the synergies revolve around forming alliances and creating ecosystems, developing vehicles to advance our joint agenda of science and innovation. And in terms of IT and cybersecurity, the synergies are about sharing and implementing best practices to reduce cybersecurity risks. In terms of competitive returns, we have identified three things: the first one, around supply chain management, and this is about demand aggregation and scale. In terms of energy infrastructure, the synergies are material, and they revolve around increasing power reliability, which will result in less production volumes deferred because of power outages in the operation. And finally, in terms of linear infrastructure together with Cenit, the synergies revolve around improving how both companies manage the right of way. And this goes all the way from land management to surveillance and everything in between. The work around synergies has just started and the teams are working hard to prioritize and mature the best initiatives. We will provide additional information as these synergies mature and materialize.

Let us move to the next slide, please. Finally, in addition to ISA, we have already identified three more low-emission businesses that will receive CapEx within our strategy. The first one: hydrogen, where we already are the biggest producer in Colombia. Initially, we will develop projects within our own operations and as we mature, we will become a third-party provider of hydrogen.

In terms of natural climate solutions, the opportunities revolve around carbon credits, and it's important to mention that last year we signed five alliances to mature and advance these initiatives.

At last, our biggest initiative apart from ISA is carbon capture usage and storage, where we will invest in the order of USD 650 million to evaluate pilots, deploying technology in reservoirs that we have the potential to use and use in the operation as well. With this, I hand over to Felipe to go through "Generate Value through the TESG Pillar."

Felipe Bayon: Thanks, Nicolas. So, as we think about TESG or *sostenibilidad* in Spanish, the first thing I want to share with you is how are we doing in terms of our vision of decarbonizing the footprint of what we do. And the first thing is that here you see snapshots of 2025 – 2030, where you see a couple of things that are worth highlighting. The first one, there's different components that make up our initiatives or how do we distribute the pie.

2025, more than 50% would come from energy efficiency, something that is part of what Alberto and the operating teams, the engineering teams do regularly.

And there are some other things: reduction in flaring. Bear in mind that we've reduced more than 50% of our flare volumes in the operation over the last four years.

The use of renewables. We have an offer of over 110 megawatts right now in installed capacity and things like fugitive emissions reduction. Again, the team has done a lot of work in this space.

And you see that that picture or potential vision changes to 2030. There is additional things: natural climate solutions, and Nicolas was referring to that. So, we will continue to include in our portfolio things that can help us further decarbonize. And in order to be able to do that, we've prepared these abatement curves with costs. And you see that if you think about opportunities that lie in the range from USD 0 to USD 40 per ton of CO₂, there are things like solar, there's things like fugitive emissions, energy efficiency, syngas. Green hydrogen, you see that's borderline, how do we make that something that works? Nicolas was mentioning we're bringing our first electrolyzer into the country and will be placed in Cartagena refinery to ensure that we can start testing that. But you see there's a wide range of things as we look forward, things around CCUS and CCS in the refineries, in the producing fields.

And I also want to mention that as part of our assessment of projects and how do we view investment opportunities, we already have a price for CO₂. It's USD 20 per ton. It will eventually go up in this framework of the strategy to USD 40 per ton, which is fundamental. That means that any investment that comes through the relevant committees for consideration will need to bear with its own cost in terms of the reduction of those emissions.

Let's go to the next one so we can continue to further go into more detail around TSEG and I want to talk about the environment, I want to talk about social investment, and I want to talk about corporate governance. So, the environment, and you saw that we we've mentioned it several times today, our pledge to have net zero CO₂ emissions by 2050, and we can talk to this in more detail. But we also want to share with you this notion of being or having zero water discharges by 2045 from the operations. All of these again, with the backdrop of a 2019 baseline. In terms of freshwater capture, a reduction of 55% to 65% or 66% by 2045. We want to continue to progress in the notion of circular economy around how do we continue to progressively reduce the waste that's finally disposed. Circular economy, there's over 400 different initiatives or projects that we're working around circular economy. Circular economy is not only about recycling. It's that, but it's a lot more things. It's "How am I using the energy? How am I thinking about water?"

Biodiversity. We've pledged to plant 12 million trees by 2030, and we've already identified our first 30,000 hectares to be preserved and conserved with this notion of eco reserves. Case in point, we have one reserve that's been up and running for the last 28 years in El Huila very successfully. It used to be an oil and gas producing field. It still has a couple of

wells, but now is a reserve with a lot of biodiversity and the opportunity for people to go and study it and learn more in terms of nature and ecosystems and the like.

In terms of social, we have a very strong D&I program, a D&I program that ranges from sexual orientation or gender or disabilities or minorities or veterans from the conflict or people that have suffered from violence. We want to further extend that to everything that we do. And as we look at recruitment from now until 2030, there will need to be constantly the need to bring or we will need to bring more people into the company. That would be fundamental, to continue to use this lens of D&I.

If we think about safety, and you may have seen from the first slide when we talked about our culture, we say in Spanish *Primero la vida*, that's our first cultural declaration, which means "Life is first." 2021, we closed our TRIF, Total Recordable Injury Frequency, at 0.44. This is the best ever in the history of Ecopetrol, and we have a vision to even reduce this further or improve our safety performance. We want to create 230,000 non-oil related jobs by 2040, and we want to be able to touch in a very positive way or benefit north of 2 million people with improved access to drinking potable water.

In terms of corporate governance, and this is very important, how do we make decisions? And again, we just used here two or three snapshots or examples. So, as we think of 2022 and we think about variable compensation and variable pay, 50% of the calculation of the variable compensation is based on T ESG targets. So, we talk about technology, environmental, social and governance. We have high standards for corporate governance. We have in place succession policies and competencies matrices for the board members. We have a D&I, a policy for board members as well. And you see at the bottom with CDP and TCFD and SASB and Dow Jones and you name it, and this is just a few, how do we actually want to be measured? How do we measure ourselves? How do we constantly keep on raising the bar upon ourselves to ensure that we continue to make progress in terms of sustainability?

Let's go to the next one so we can talk about knowledge and how do we want to address this fundamental element of our strategy going forward. So, when we think about knowledge and cutting-edge knowledge, it's not only about technology, but how our people, how are our employees, the people that work, that at the end of the day, the people that make things possible, how are we approaching with them, the notion of knowledge? So, the first thing is that we've envisaged some USD 20 to USD 30 billion of cumulative EBITDA by 2040. We prioritized some things, and Nicolas was talking about CCUS, hydrogen. How do we continue to decarbonize the business? How do we optimize our assets? And I want to give you a bit more color around that optimization of assets.

We are very well renowned as a producer of heavy crudes. So how do we view ourselves in terms of producing those heavy crudes from wells that have issues with production or the ability to produce? How do we reduce the use of diluent, of naphtha, which is a very important component of our cost? How do we, through something called integrated fields or integrated assets, look at technology, digital technology that help people make informed decisions. And it's not only about reacting and fixing, but how can we foresee things that will need to be addressed going forward?

For example, we believe that through technology, we may be able to see through the use of processes that are automated or data analytics, reduction of some 10% to 15% of our cost by 2030. And this is fundamental if you think about returns, if you think about becoming or staying as competitive, and there are some other things that are not mentioned here, like how do we help, for example, Colombia and some of the cities, and we'll be talking about this more in some days, to illuminate some of our cities with 5G. Very, very important. So Ecopetrol has a role to play internally and keep on progressing this strategy. But as we think about TESG, how do we actually relate with the environment and the communities in which we live?

And you see, there are some areas we've talked about, recovery and reserves, zero diluent, zero effects. It continues to be an issue, but we have some good technology. We can talk about that more if need be. And there are some other things, water neutrality and the like. At the end of the day, we want to ensure that we strengthen the capacities. As I mentioned, at least 70% of the people that we have will need to be reskilled. I'll share with you I was once told that I'm from the pre-internet era. When I was studying, I had to punch cards to run maintenance turns. So, how do we evolve and ensure that the people that are entering the industry have those capabilities? And there will be disruptive technologies, there will be the need to change and adapt, and we want to become more flexible, more dynamic, more nimble in terms of an organization.

Let's go to the next one. And here, if you think about closing on the strategy, I want to hand over to Jaime. He's going to address, from a competitive return stand, where do we see ourselves, not only today, not only the next three years, but longer term. Jaime, please go ahead.

Jaime Caballero: Thank you, Felipe. Good morning, everyone. Firstly, thanks for your interest in Ecopetrol, as usual. Let me, if you don't mind, make some opening remarks around how we're thinking about competitive returns.

I think firstly, by this stage, you can probably see that this strategy is a holistic value proposition for our stakeholders. I think that's the differentiating factor. We continue to be committed to financial returns, but with a much broader definition of what that entails. In that sense, we believe that the value proposition of this strategy is competitive and it's resilient to the volatility that historically we have seen in the oil and gas sector.

I think the second big message in these opening remarks is really that this strategy builds on the track record that we have created over the last five or six years of financial discipline. And in that light, it's about disciplined allocation of capital, laser-like focus on cost efficiency, and the big commitment to cash protection. Those three principles, which are principles that historically have informed our strategy, continue to be a hallmark of the strategy going forward.

And I think the third big message in this opening remark in thinking about how we've approached competitive returns is that this long-term aspiration ultimately needs to be consolidated into a specific and concrete short-term plan. And that's what I'm going to talk about in the next slide. So, if we can move there, please.

This slide gives us a bit of a dashboard, if you will, of the key milestones and goals of the strategy. There are a lot of numbers in there that I'm sure you're going to have an opportunity to see and many of them already Felipe and Alberto have referred to. It's really a summary of the elements that they spoke about. But I want to highlight three things in terms of that '22 – '24 plan.

The first thing is that the plan is fully aligned with the four pillars of the strategy. It has specific goals and specific commitments around growth, around TSEG, around the cutting-edge knowledge, and around competitive returns. We're trying to manage what we measure, measure what we manage, and that's the intent, and that you can see that, and that you can actually have conversations with us in those four dimensions.

The second component is that the engine of growth over the next three years is clearly about production growth. It doesn't mean that we're going to become a volume-focused company. We continue to be focused on value over volume. But we do see that the competitiveness of the upstream portfolio is such that it can enable financial growth with volumetric growth, and that's what we intend to achieve. So, the commitment around production growth is clear, is unparalleled, and it's what we intend to do.

The second big message around this is that we intend to make some important steps in that diversification agenda, and there are a number of specific targets regarding TSEG, regarding the digital agenda, and ultimately, it is, like many of you would say, putting our money where our mouth is.

Lastly, I want to talk about the returns, the last quadrant that we have in the slide, and we continue to be committed to quality returns. It's very important to mention here that what you're seeing in the slide is at what you would say a very conservative price deck. Our price assumption for the short-term plan is USD 63 for this year, USD 60 for 2023, USD 60 for 2024. If you put that in the context of the USD 90 Brent that we're seeing today, it's clearly a conservative bet. But I think it's conservative and it's prudent and it's consistent with the way that historically we've managed the company. It doesn't affect our ability to capture the upside. It doesn't affect our ability to deploy CapEx and it doesn't affect our ability to deliver returns. So, I think that's an important component of this and of the value proposition that we're putting forward.

If we move on to the next slide, which gives a bit of color around capital allocation, I want to cover a few big messages around this slide, recognizing that there is a lot of information here.

The first thing that I would like to say is that total CapEx over the three-year period, we intend it to be in the range of USD 17 to USD 20 billion. Then this is the totality of the Ecopetrol Group. It includes ISA, so ISA is included in that number. The bottom end of that range is the organic investment associated to our traditional activities, including ISA. The higher end of the range, I would characterize it as base that we are providing ourselves for growth optionality. We are seeing growth optionality associated to the higher price environment on one end and to inorganic activity, particularly on the transmission business. ISA is a business that has a proven track record of inorganic growth. The pipeline of

inorganic opportunities is massive. Nicolas gave you a bit of a line of sight of that. And we want to preserve some capital for that should the opportunities arise.

The second big message is that we continue to be a company focused on oil and gas. It continues to be the engine of profit. But at the same time, the component associated to low-emission businesses and diversification is now material. It actually represents an important part of capital allocation. We estimate it to be around 18%, and that's a massive stepping stone for the strategy going forward.

The third message is that in terms of geographical distribution, the capital allocation remains committed to Colombia in an important way. About 75% of investments will be in Colombia, and it's going to be deployed across Colombia, and you can see a little bit of that color in the map that we're showing. But at the same time, the international diversification is now substantial, representing 25% of capital allocation. Clearly, ISA is a big contributor to that. But so is the Permian, where we built an incredible track record over the last two years and increasingly Brazil as well is going to take part of that capital.

And lastly, what I would say around this slide is the commitment to the energy transition agenda is evident now, and it adds up to about USD 1.4 billion over our three-year period. Let me give you a little bit of color behind it. When we think about decarbonization, we are allocating about USD 360 million associated to energy, diversification of sources, particularly the solar parks that we're building and the eolic parks, the windmills that we're building. And we're also allocating about USD 50 billion to energy efficiency, USD 700 million to projects associated to water treatment, and more circular approach to water management in our operations. USD 130 million to projects associated to improving the quality of our fuels coming out of the refineries. And about USD 180 million associated to the emerging business in hydrogen. So, the energy transition agenda is substantial and the capital allocation reflects it.

If we move on to the next slide, let me give you a little bit of a view around how we're thinking about cash flow and cash flow generation. So, the cash flow coming out of our operations will continue to be very robust. Again, I want to remind you, the information you're seeing here is at plan prices USD 63, USD 60, USD 60, and what you can see here is about USD 25 billion of operational cash flow coming from the business, growing over time. That more than fully funds the CapEx agenda that we have. It allows us to fund our activity said and paid dividends and do debt service without incremental debt. So, our working assumption is no incremental debt.

We will continue to tap the market in terms of rollovers and in terms of liability management, which is what you can see there. But fundamentally, we don't see our absolute debt levels growing at this price set. Clearly, to the extent that we see higher prices, excess cash will be available, and we intend to deploy that in service of debt reduction and inorganic activities. As a matter of providing you with an indication, we created a sensitivity of the plan at USD 70 per barrel. It's what you see with dotted lines in front of operating cash and incremental financing. And what you see is that if we run this plan at USD 70 per barrel, the incremental operating cash from operations is circa USD 2.5

billion, and that creates space for about USD 1.1 billion for debt reduction. Again, this is indicative.

And in that same spirit, we are providing you at the right a tornado that gives you a bit of a view about what can happen with per dollar changes and exchange rate changes in time. I think the big message there is that the upside associated to prices is substantial and it gives us room to maneuver as opportunities arise in time.

And lastly, if we move to the final slide, this actually gives you a longer-term view of the business. This is a slide that personally excites me a lot because it confirms the long-term value proposition of Ecopetrol. I would speak about it in four dimensions. I think firstly, if you look at the EBITDA story, what you're seeing is that gradual and responsible diversification that we're doing, where we are protecting the hydrocarbon business while we build new businesses and our exposure to those new businesses take us from an EBITDA of USD 9 to USD 10 billion this year to actually USD 13, USD 14 in 20 years' time. And when you double click on that, what you see is that that composition of the business is substantially different, with infrastructure businesses representing 40% of the generation, which gives you a significantly lower risk profile.

A second big message is around pure returns. ROACE, we're being vocal about it, and we recognize that that's a risk but we want to be very upfront about it. We know the market values transparency around ROACE. We know the market values the track record that we built around ROACE and we have decided to remain committed to it, and it is a metric of the plan. So, we intend to stay in that 8% to 10% range. Again, at the planned prices, which are conservative, clearly to the extent that you have higher prices, this ROACE will go into double digits, as you've seen in our recent performance, where we're going to be in solid double-digit figures.

Lastly, in terms of all of those hard targets, in terms of the capital structure, we have arrived at the conclusion that 2.5 times debt to EBITDA is a sweet spot. It's the right sweet spot to be. We want to be below that. And it's because it balances the rigor and stress test protection that you want to have for certain years where there's volatility, whilst at the same time not hindering the ability to grow the company, particularly those new businesses that are prone and our freight vehicles for leverage growth. ISA is a good example of that. It's a business that is designed for leverage growth, and so we believe the midstream and that's something that we expect to do more of in the future.

Lastly, and in that spirit of a holistic value proposition, you can see that the returns for our stakeholders, not just shareholders, but actually stakeholders, are strong, are evident and something that we are committing to do as part of our promise to society. With that, I pass over the baton to Felipe for his concluding remarks. Thank you.

Felipe Bayon: Thanks, Jaime, and thanks to everyone for the presentation. In terms of the summary, as we think about our 2040 strategy and this notion of being the energy that transforms, we want to make sure that energy security is something that we protect.

We're committed to having a very comprehensive TESG agenda and ensuring that technology remains and stays at the heart of economy sustainable, when we think about

how we relate to the environment in which we operate and the communities in which we live in, and how do we ensure that we have a very robust and strong corporate governance that allows us to take good decisions going forward. And we want to continue to add value to society. That's fundamental. And this is why with this strategy and the vision of 2040 and again, being probably the first company in the business to do that in Latin America, we want to share with you again the possibilities, and you've seen some of the examples that the team has shared with you today.

If we go to the near term, 2022 - 2024, we want to continue to ensure that we have safe operations that allow us to have profitable growth for our traditional businesses whilst we continue to diversify and ISA was a very good example, the acquisition of ISA last year in terms of being very, very swift and being able to ensure that we can move quickly to underpin our strategy going forward.

How do we continue to decarbonize our efforts and, through our decarbonization efforts, how do we continue to ensure that we continue to lead in the region in the energy transition? And at the end of the day, and Nicolas was talking about some of the synergies, these are now well beyond and further out than those being an integrated oil and gas company. We're an energy company. And in that sense, we have further line of sight to synergies and Nicolas was sharing with us some of the examples.

So again, thanks, everyone. Thanks, everyone. We really appreciate you guys being here today, and we're looking forward to your questions. If we can go ahead. Thank you.

Operator: Thank you. At this time, I would like to remind everyone, in order to ask a question, simply press star (*) and then the number one (1) on your telephone keypad. If you would like to withdraw your question, please press the pound key (#). We'll pause for just a moment to compile the Q&A roster.

And we have a question from Bruno Montanari, from Morgan Stanley. Please go ahead.

Bruno Montanari: Hello, everyone. Thanks for the event and taking my questions. I have three questions, one about dividends, one about upstream, and one about midstream.

On the dividends, the company is generating a lot of cash, especially with oil prices as high as they are. So, wouldn't it make sense to increase the dividend distribution threshold in the base case, especially if oil prices are USD 70 or higher, getting to USD 100? And if not, what are the odds of a special dividend distribution while oil prices are high?

Then, on production, can you give us a little bit more color on the growth and more specifically on which exploration areas will the incremental production come from? Still within exploration, just wanted also to confirm if Gato do Mato is already included in the curve.

And finally, if you could talk a little bit about the offshore timeline and how much of those barrels will be related to gas, relative to oil?

And then the final question on midstream, I just wanted to get a little bit more color on where the international EBITDA is coming from. You were including, I think, 56% of long-

term EBITDA coming from international, so I wanted to get more color on what projects that is related to. Thank you very much.

Felipe Bayon: Thanks, Bruno, and thanks for being here today. We really value your participation. In terms of dividends, I'll give you context and then I'll hand over to Jaime if you want to expand further. But currently we have what we believe is a very sound dividend policy, and it says that between 40% and 60% of the net income can be distributed to shareholders. You rightly point out that as of 3Q we had a very good year. We haven't closed the numbers and in the following weeks, we'll be able to first, let you know when we'll have a conference call for results, and then we'll be able to present those results. But this is for ordinary dividends. So, you rightly point out that 40 to 60, we believe, is a good range. It helps us with our flexibility and gives us room and opportunity. And more importantly, it can provide good returns to the shareholders that have been with us in difficult years. Remember, 2015 the dividend was zero. In 2020, the dividend was 41.41%. So, we have the flexibility and, in the past, we have indeed, in some cases, opted or the AGM has opted for additional or extraordinary dividends. So, I think we'll see how things pan out going forward, but we have the flexibility. So, Jaime, if you want to add something on that. And then Alberto, if you want to take the one on production and Nicolas, if you want to take the mainstream EBITDA question.

Jaime Caballero: Thank you, Felipe. Hello, Bruno, how are you? Felipe has played out our philosophy around dividends. If I can double click on it and speak about the fundamentals behind it, I'd say that our dividend policy, what exceeds is a sustainable distribution that can be relied on, that ensures that as a priority, the company can fund its investment program, firstly; secondly, can service its debt levels within the thresholds that we've laid out, and thirdly, leave some wiggle room for inorganic growth. So, I think those are the three components that inform what that sustainable range of ordinary dividends can be.

In that context, I think there is an outcome of that. Those are the inputs. The outcome of that is a competitive dividend distribution that can be sustained over time. That's been the approach to the plan. That's been the approach to the strategy. If you look and run the numbers for this 2040 strategy and you see that CAGR of 3% - 4% per annum, where we're going to end up with a very material EBITDA growth into the future, what you can see, and with ROACEs that are between 8% and 10%, the outcome of that is actually a very competitive return within the sector that can be sustained over time. So that's the ordinary approach.

Then, we can talk about what happens if you have windfalls, and I would characterize it that way. Windfalls, you know, specific years where there are significant deviations to your price assumption and therefore you have a lot of excess cash. And I think that in those scenarios, we will prioritize first the inorganic opportunities because they are the engine for growth of the company into the future. And then secondly, there could be potential for extraordinary dividend distributions for shareholders. That is how we think about it. I think that in the context of what we're seeing today and last year's performance, that's a discussion to be had. Thank you very much.

Alberto Consuegra: Bruno, hi. With regards to production, when we look at our growth scenario, let me remind you that about 55% of the production will be coming from the base, actually from primary and enhanced recovery. Primary recovery based on our development plans for Rubiales, for Acacias, and Caño Sur. Then, you will see enhanced recovery programs specifically in water injection in Castilla, Chichimene and Llanito. Then, you have also development projects in Piedemonte.

Then, in terms of exploration, one area to look at is the Caribbean offshore. The second one is international offshore, and the third one is onshore exploration. In terms of the offshore projects coming on stream, the first one will be Gato do Mato. We expect Gato do Mato to have first oil by the end of 2025. Then, we'll see a range of projects coming into stream between 2026 and 2028. And those are Orca and then KGG: Kronos, Glaucus and Gorgon, in the Golfo de Morrosquillo.

Also, we have a lot of opportunities in the Piedemonte foothills that will be adding significant production by 2027. This, mainly in the areas of Arauca, Casanare and Boyaca. And also, there are opportunities in the Magdalena River Basin, where we have the potential for unconventional, and if we are successful with the pilot projects that will be in execution during this year or early next year, then we will go to the exploitation phase that probably will be adding barrels as soon as 2025 - 2026.

Nicolas Azcuenaga: Hi, Bruno. This is Nicolas. Good morning to you, and thanks for your question. So first of all, the strategic intent for the midstream is to sustain its contribution to the EBITDA of the oil and gas business.

In the context of increased demand for refined products and gas in Latin America, we have identified the opportunity to diversify the segment into LatAm. We will be pursuing inorganic opportunities in the region and, as I mentioned before, given the synergies that we are identifying with ISA, the opportunities multiply. Thank you for your question.

Operator: Thank you. The next question comes from Christian Audi, from Santander. Please go ahead.

Christian Audi: Thank you. Hello, Felipe, Jaime, Alberto, and Nicolas. Congratulations on the plan. I would highlight the long-time horizon that you guys incorporated, as well as the incorporation of TESG into it, which is something that most of your peers in the region have not done. I know that's a lot of work, but congratulations on that.

I would like to ask four questions, the first one on return on capital employed. First of all, I commend you for keeping a target, which I know is not easy, but I think it's very helpful for the markets. My question was, I understand that you're giving a range of 8% to 10% ROACE based on a USD 50 oil. I was just wondering if you could give us a sense if oil goes to USD 55 or USD 60, how is ROACE. May it change, may move from this 8% to 10% range, if you use, for example, USD 60 oil in the long term, as opposed to the USD 50 oil in the long term that you're using?

The second question, when we look at the CapEx, Jaime made it very clear that the range of USD 16 to USD 20 billion, the high end incorporates potential inorganic growth, potentially towards ISA. I was just wondering if you could comment on these potential

inorganic growth opportunities in ISA. Are these higher ROACE types of projects compared to your 8% to 10%? Are they lower? If you could give just a little bit of color as you evaluate inorganic growth within ISA, how attractive are the ROACEs on these potential opportunities?

The third question, in terms of equity issuance, given your inorganic growth plans, is what the main potential usage of an equity issuance would go towards to? If you could comment on that.

And then lastly, Felipe, maybe this is for you. We're going into an election cycle in Colombia. I was just wondering if you could comment on how well protected, because you've worked so hard towards strategic direction of the company, improving the governance of the company, the transparency. How protected or how can the company defend of these changes should there be a change in the government in Colombia that may want to change somewhat the strategic direction of the company? How bulletproof is your governance towards potential changes that may arise from a change in government? Thank you.

Jaime Caballero: Hello, Christian. Good to hear you. Thanks for your questions. I'm going to cover the first three financial related questions.

On ROACE, what's the sensitivity to higher prices? I think directionally one of the things that we've put a lot of effort on is to make sure that as the CapEx intensity of the business increases, returns are not eroded. And that's a general principle. That's the general principle here. And that is one of the reasons why we ended up concluding here that we actually wanted to come out to the market with a 20-year plan because our portfolio work that we have been refining over the last four or five years actually gave us that visibility of where the reserves are, where the resources are, what is their financial competitiveness, what are the long-term trends that we should expect on them. And in that context of increased capital intensity not eroding returns, there are a number of factors that contribute to that. It's the high rating of the portfolio, it's focusing on the best opportunities, it's the efficiency program that we put out in place where you've seen that we already have a track record, but we committed to more than USD 1 billion of efficiencies in the next few years. And it's also the impact that we're seeing of opportunities, for instance, like the shale opportunities in the U.S. that have some incredible returns or the quality returns that we get from gas, where you're seeing margins that are well in excess of 50%. All of those components contribute to that return protection.

When you look at the transmission and toll road side of the business, what we've seen in ISA is you're seeing EBITDA margins that can be sustained at around 75%, so very high-quality margins in that business. And when you look at the ROEs associated to that due to the fact that these opportunities can be a leverage in an important way, and I mean by that leverage, actually, the returns that you're getting as a shareholder are well into high double digits. So, I'm speaking here general context, and now I'm going to land in how that translates into the ROACE conversation.

So, I'd say that when we talk about 8% to 10%, the higher end of that range is probably when you are at that USD 55 getting to USD 60. Let me give you a better sensitivity. At USD

70 a barrel, the ROACE that you should expect would probably be at around 13% - 14%. That's what I would give you as a general sensitivity, and you can run your numbers associated with that.

And on CapEx, what's the quality of the inorganic opportunities that we have with ISA? We've spent a lot of time looking at the pipeline that ISA has. And you can see it in the color that Nicolas gave you. That pipeline is massive. There are more than USD 30 billion of opportunities in the next 10 years for ISA to contribute to. More than USD 30 billion of opportunities. And what we're seeing there, and of course, this is commercially sensitive data, so I need to be careful. But we can see that the spread rate, meaning the delta between our cost of capital and the returns that those opportunities provide, is on average at around 3%. That's what you can see in that particular business. So, the attractiveness of deploying incremental capital into that business is important, it's very attractive, we believe. And that's the reason why when we think about that additional USD 2 to USD 3 billion of optionality that business competes.

It's not the only business that competes. There are opportunities, for instance, when you look at the shale and the opportunities associated to shale that can also compete very favorably for that incremental CapEx. So hopefully that gives you that color.

And lastly, on your question on this financial chapter. Equity issuance. There is an element which is growth, but I think there's another element which is about debt reduction and it's a balance between the two. I think that to the extent that we can lower a bit our absolute debt level with our organic cash, that equity issuance would be destined towards growth. If we're not able to do that, we will always consider debt reduction as far as a first priority because we believe that's what gives us the resilience to sustain these levels of investment over time. I think that's a very important thing.

One thing that we aspire to do is, of course Felipe spoke at the very beginning of this, that we're seeing crises in the energy sector with more frequency. And those of you who have been following us for a few years know that Ecopetrol has been bold to respond to those crises, but in many occasions, that comes at the expense of affecting your capital program. It means reducing your capital program to accommodate for those crises. What we aspire to do with the strategy is to maintain a more level loaded investment program over time. And that's why we're being conservative on prices. That's why we're being conservative on debt as well, because that's what's going to allow us to be able to sustain that CapEx despite the environment.

So, I think we have a pending question, which is about overall governance, and I'm going to hand that over to Felipe.

Felipe Bayon: Thanks, Jaime. Christian, good to hear you, and thanks for being here today. There's several elements of context that I want to put out there in terms of your specific question and you were saying, how well protected is the company? I want to say the first thing is that with what we're doing today and this week and we'll be talking to more people over the next few days and the likes, we're presenting a strategy that is built on a company

that's become more and more resilient, more nimble, and that has embraced the role of leading in the energy transition in the region.

When we think about the next 20 years, and you were saying that you commended us on being able to do that, and Jaime was talking about we have line of sight in terms of projects and the pipelines of those projects and opportunities and the reserves and the like. So, I think that from that point of view, having a 20-year view of the business that's changing, where energy transition has accelerated in the world, is very, very important. I think that's point number one.

So, we have clarity of what 2022 means. We have clarity of the next three years and we have a very good sense and vision of the next 20 years. So that's important. And as you may recall, Jaime said that there was this notion that things like EBITDA will grow 30% - 40% in the next 20 years, and the composition of the key components that actually support that EBITDA growth will change as well.

Second point. Today, and I mentioned that in my closing remarks, energy security for Colombia is fundamental. During the worst times of the pandemic and even last year, when we had in 2Q the social unrest, quite disturbing and personally something that I had never seen, Ecopetrol was able to continue to operate and Ecopetrol was able to provide with many, many other companies and industries in Colombia, the backbone for recovery. And I think we're seeing the numbers and actually one would sense, and this is my view, that the economy in Colombia continues to recover and to make progress.

I also believe that providing energy to people is probably one of the most powerful ways of closing the gaps that we have not only in Colombia, but in the region. When we think about providing the electrons for somebody to start a business or study or transport, or when we provide the gasoline, the diesel, or the components that go into pet chems, or when we provide the gas, it's fundamental. So, energy security is very, very important.

And I'll share some numbers that I don't think we've shared in the call today. But I was talking to some radio stations. In Colombia, radio is very, very popular, early in the morning, and I was telling them "Look. Today, 36 or 37 million Colombians touch gas every day for cooking, for heating water, for transportation, which is in industries. If we had to import gas today, the average bill for a middle-class family in Colombia would grow by two or three times." And this is based on what we're seeing in Europe, for example, with these absurd increases in gas prices. We've had some impact here, but having the ability of having our own reserves and production is fundamental.

Let's take that to gasoline. A gallon of gasoline in Colombia, you buy it for just over COP 9,000. And this is regular gasoline. If you go to places like Chile, where they import the gasoline, you pay in between COP 18,000 to COP 20,000, so twice as much. So, what I'm saying is a company like Ecopetrol, that has proven to be resilient, that has a very forward-looking strategy that allows us to lead in the region, can help us provide the energy that people need. And also, with what we're sharing with you guys today, I think we were demonstrating we have the ability to be nimble, to be able to change the course, not

dramatically, but build on the strengths that we have today whilst we actually continue to embrace and lead in energy transition. So, I think the strategy is there. It's in place.

We have a very strong corporate governance. We've made a lot of things in terms of, for example, board, and there's a clear succession policy for the board members. There's even clarity on how those board members could eventually be replaced going forward at that stage or in phases or staggered through time. So, there's some elements that are in place. And the other good thing is that traditionally Ecopetrol has been an NOC that's loaded, that abides to high standards, being at the New York Stock Exchange, and having to deal with everything to do with SEC. It gives us that strength.

But absolutely, we think that the company is in a very good place. Hopefully, we'll be able to have you, Christian, in the next few weeks or so for last year results. But I think, again, history has demonstrated we're an NOC that runs like an IOC. And we've stayed arm's length from the major shareholder, and we will continue to strengthen corporate governance. Thanks for the question, Christian.

Operator: Thank you. The next question comes from Anne Milne, from Bank of America.

Anne Milne: Thank you very much for the presentation and the updated strategy this morning. I like how you are combining your core energy business with the energy transition, new technologies, and ESG strategy.

My first question has to do with your reserve levels, great results that you came out with earlier this week. I was wondering when you think any new discoveries will add to the positive results of reserves versus higher oil prices, enhanced recovery, etcetera. That's my first question.

The second one is on your net zero target by 2050 for carbon emissions. I was just wondering, are there any intermediate targets or goals for reduction of greenhouse gas emissions, like 2030 or 2025, since 2050 is far away? I know it sounded like in one of your presentations you're buying carbon credits as offsets, and I was just wondering where you're purchasing them from. There seemed to be a reference in the presentation to greenhouse gas emissions reduction. I just wanted to see if that's an annual number and if you have a base level.

And then finally, I think you might have answered part of this earlier. I know that growing natural gas is an extremely important strategic goal for Ecopetrol and for Colombia to remain roughly self-sufficient. I know you mentioned some of the projects and timing. I'm wondering if there's any different timing just for any other natural gas projects that you might have in the pipeline. Thank you.

Felipe Bayon: Thanks, Anne. Thanks for the questions. I'm going to take the first one at least, and the second one, and I'll ask Alberto to chime in as well.

In terms of reserves, I think the first thing if you look at the track record, what we've done over the last four to six years, again, when we had this massive crisis in 2015 - 2016, we continue to make good progress. And again, if you strip out the effect of prices, the replacement ratio would be 121% or 122% for last year. I think that's very solid, that's very

strong. Alberto will refer to exploration in a bit, but I want to share something that I don't think we've talked about in this call and it's looking at the exploration of unconventional in the U.S., and Jaime mentioned it two or three times during the conversation.

When we came into the business, and remember, over the years, we've said, "Look, we want to do fracking in the U.S. We want to expand. We're looking for reserves. We're looking for production. We're looking for knowledge. We're looking to get experience and to bring that back home." So, when we think about the Permian, we entered the business just after the summer of 2019. We started production in November 2019. Zero barrels. Today, we're over and above 50,000 barrels in that company. We have north of 100 wells producing, four rigs running, two completion crews running, and the level of reserves has gone up by 22%. We started at 164 million barrels when we did the purchase or we entered into the agreement with Oxy and now we're 22% higher up. So, the shale or the unconventional has proven to be good in terms of production, reserves, the know-how. We actually have 25 people seconded into that operation, and we're making good progress with the unconventional pilots in Colombia. In the next few days or so, we'll have a public gathering to make sure that people that are against or are actually in support of the project can express themselves and we'll have that session to ensure that all the data is incorporated into the assessment that the National Agency for the Environment will consider in there again in their consideration or assessment of the license. So, we hope to bring that experience back home.

And there is, as Alberto was mentioning, a lot of potential, and we do believe that by 2030, unconventional, not only in Colombia, as that's the point I was making with the Permian, can be a big contributor in terms of where we are. Alberto, why don't you take the last bit on new discoveries? And then I'll get back to the net zero by 2050 so we can answer the first question.

Alberto Consuegra: Hi, Anne. With regards to exploration and discoveries, let me start by saying that near field exploration is very promising. Back in November last year, we announced the discovery of the Liria Y2-12, which actually provided us with light oil as well as gas in the Piedemonte foothills. We are going to continue drilling exploration wells and appraising those areas, and we expect production coming from those assets.

When we move to the Caribbean offshore, we already made discoveries in both the Tayrona Block as well as the KGG area in the Golfo de Morrosquillo. So, we are going to be appraising the areas, understanding the full potential during this 2022 -2024 plan. So, we'll be expecting to add production as soon as early 2026 to 2028, depending on the size of the project. So, that's what we expect in terms of exploration in converting into production.

Felipe Bayon: Can you take the natural gas one?

Alberto Consuegra: Yes.

Felipe Bayon: And then I'll go back to the net zero.

Alberto Consuegra: Yes. In terms of gas, we're going to be very aggressive in terms of investing in gas during the 2022 to 2024 period. Actually, it's going to be USD 1.8 billion in both development as well as in exploration. We're going to be growing from about 23% in

2025 to above 30% beyond 2030. So, the expectation is that gas will be playing an important role in terms of production at some point between 2028 and beyond.

Felipe Bayon: Thanks. So, in terms of net zero by 2015, I think I just want to provide a bit more context. First thing is that everything that we're doing is referenced to the 2019 baseline. 2019 is the year that we take to make our calculations and everything else. So that's point number one.

In terms of when we say net zero by 2050, I want to take you through some of the middle points or the milestones. By 2030, we see a 25% reduction in scope one and two emissions. That's another important point. It means that if I go back to 2019, when 13.5 million tons were emitted by Ecopetrol, that means that by 2030 we need to be at 10 million tons of CO₂, scope one and two. If we didn't do anything then, that 13.5 million tons would become 15.5 or 16 million tons. So, from the projection, we're actually going to be reducing 5.5 to 6 million tons, scope one and two, by 2030.

One of the things that we've been discussing internally is, how do we address scope three? I want to be very blunt with you guys and very candid. Scope three is tough. It's more complicated because it deals with how do people drive, and how do people approach energy efficiency. And for reference, scope three emissions are probably ten times more than scope one and two. So back to the number I gave you of 13.5 million tons in 2019 scope one and two, if we included scope three emissions, that number would be roughly 130 million tons, ten times more, and that 130 compares to 300 million tons that are emitted in Colombia as a country.

The second point in terms of the reference to 1.6 million tons. That's actually cumulative over the period 2020 - 2024 and again, with the backdrop of 2019 baseline. And the other thing that's important is we are indeed purchasing some carbon credits from the market. And I'll tell you a personal experience. I'm sorry if I deviate here a bit from the conversation or the main part of your question. But recently I had the opportunity of visiting Chocó, which is in the Pacific coast of Colombia, and there's two townships there that are called Cupica Delfines. And the community has been working for more than a decade, and we purchased from them roughly 289,000 tons of CO₂ through Icontec, which is a certifying organization here in Colombia. I don't know what the equivalent would be in the U.S. or in Europe, but it's like probably API for standards, but Icontec basically deals with ISO standards and things like that. So, Cenit, which is one of our midstream companies, was certified as a carbon neutral company in the back end of last year. This is because Cenit had clear visibility of their inventory of emissions. They had a program to reduce and they could compensate. And this is good for only three years. So, we bought these carbon credits. It was roughly USD 1 million. And the best thing is that this money goes directly to the communities. And that's why I wanted to share this story. It's very powerful.

Since then, we have another two companies in the midstream segment that are now carbon neutral. We will continue to assess the market. We've looked to the likes of Goldman Sachs. We've talked to Citi. We talked to South Pole in terms of seeing what is the availability, what's the offer in terms of companies, and there's specifically the bonds or the carbon

credits. Sorry, it was a bad translation from Spanish. *Bonos de carbono*. The carbon credits, we bought them from Biofix, which is a company here in Colombia. So, lots of things to do.

And I'll mention that in ISA, we have companies called Eco Registry, for example, that actually deal with certifying these credits and eventually going forward will certify our own carbon credits from operating reductions of emissions and from natural based solutions or natural climate solutions.

And the last thing, I'm sorry that I'm going a bit long in my answer, but this is something that enthuses us a bit, this is very relevant. In the next few days, we'll be sending our first 1 million barrels of Castilla crude to China, to PetroChina, and that's a load that's fully compensated in terms of their CO2 emissions, all the way from the field in the Llanos to Coveñas and the transportation and everything else. So, you'll be seeing more of that and hopefully soon we'll continue to make progress on that. Thanks for the questions.

Operator: Thank you. The next question comes from Matthews Enfeld from UBS.

Matthews Enfeld: Hi, everyone. Good morning, good day, thanks for taking my questions and congrats on the transition strategy. I have two questions. First, starting with perhaps diving a bit deeper into the inorganic growth opportunities. After the acquisition of ISA, what other opportunities or sectors could Ecopetrol be looking? I mean, would accelerating the strategy on renewables make sense? Going through M&A? Would investment be mainly focused on Colombia, in your view? Or could Ecopetrol focus on, I don't know, biofuels in Brazil or in hydrogen in other regions? That's my first question.

Then on the second question, a follow up to a previous question. There have been some talks on the potential divestment from the government of a stake in Ecopetrol or the primary follow on from Ecopetrol. I'm just trying to understand a bit if there are any updates on that and if and when a decision is made, how long could that take? Those are my questions. Thank you.

Nicolas Azcuenaga: Matthews, good morning and thank you for your question. I'm going to take the first one around inorganic growth. At the moment, we are consolidating our recent transaction with ISA and exploring, as I explained, the synergies that we have identified from there. Other inorganic opportunities, as you know, we are in constant look to optimize our portfolio, but that does not mean that we have right now an identified opportunity to grow inorganically. I would say that that's as far as I can take the question and thank you again.

Jaime Caballero: Hi, Matthews, and with regards to your question around the equity offering, I guess I would not characterize it as a divestment of the government because that's really not the figure. I think what we're talking about here is an increased float from Ecopetrol in the market whereby private investors come into our float and the percentage of the government's stake is diluted to a maximum level of 80%. They need to retain that 80%. That's the general structure of what that equity issuance is about.

We have a five-year program approved in place by the regulator in Colombia. That prospectus is already being approved. It gives us a five-year window to perform this transaction, and it's something that we intend to do. I mentioned in a previous question

that we see the equity issuance as a vehicle for Ecopetrol to get some resources that can be deployed either to the growth agenda of the company, the growth strategy, or to the balance sheet. When will we do that? It will depend on having the right market conditions. I hope this addresses your question. Thank you.

Operator: Thank you. The next question comes from Alejandro Demichelis, from Nau Securities.

Alejandro Demichelis: Yes. Good morning, gentlemen. Thank you for taking the questions. A couple of questions, if I may. First, you come back on your net zero target. If we look back to last year, you announced your net zero target by 50-50 in April, without having ISA yet there. Then you bought ISA, then you started your initiatives on offsets and so on. So, the question is, isn't there a situation where you could actually accelerate that net zero target by a few years, now that you are having ISA? That's the first question.

Then the second question. I'm coming back to what you were mentioning about the dilution of the government and so on. Could you please tell us how you're thinking about a potential kind of listing of Cenit or Hocol or something like that?

Felipe Bayon: Thanks, and I'll take the first one. In terms of when we think about net zero CO2 emissions and being net zero, remember that ISA is basically a company that has very, very low emissions, and it should in this year become carbon neutral already certified by Icontec. And as Nicolas was presenting in the material, over and above things like energy transmission, we're looking at things like hydrogen, for example, the use of hydrogen. We're looking at energy efficiency. We're looking at things like renewables. We're thinking about how do we decarbonize our operations and reducing flaring and fugitive emissions. So, there's, I think, a wide spectrum of possibilities that we can use to further progress and make good progress in our pledge that we make to have net zero CO2 by 2050.

Having said that, I mentioned that in one of the earlier questions, we want to further study and understand how do we approach scope three emissions by 2030 and that's a big challenge, something that we'll need to work with the team and with the experts. This is, as you well know, a challenge for many people around the world and many companies and many organizations. So, we'll continue to make progress. If we can further accelerate some of the things that we're doing, we will certainly do that. And you may recall from when I was showing the abatement curves of the different things that we've identified, there are several things that we have in the pipeline. There are some things that already make good economic sense at the prices that we're considering, but there's some things that require further work. So again, as we make progress in that, we'll communicate that with you.

And in terms of potential listings of Cenit and Hocol, the answer's no. Cenit, we consolidated the operating model. We actually increased and incorporated three people from Ecopetrol into Cenit to further provide Cenit with the structure and the capabilities to grow, and Alberto was mentioning in the presentation some of the things that in the midstream we're considering, things around hydrogen and gas and connecting lines to the field, and things around internationally expanding our presence in that space. So, the answer is no. And Hocol has announced outstanding last 18 months, 24 months. Hocol recently bought of

Chevron Chuchupa-Ballena, and only last year, after 25 years, they did the first well interventions, increased the production capacity in Chuchupa-Ballena by 25 - 26 million and are providing a lot of value, and they're very focused on exploration efforts in the continental Caribbean of Colombia, so we're very pleased with both companies. I think having Cenit-Hocol being an integrated company provides us flexibility and the ability to better approach the challenges that we are faced with. Thanks for the questions.

Operator: Thank you. The next question comes from Alex Burgansky, from Renaissance Capital. Please go ahead.

Alex Burgansky: Yes, good morning, and thank you so much for the presentation and the opportunity to ask questions. I have two questions. The first one, I understand that you're targeting a 6-million-ton reduction of CO2 scope one plus two emissions by 2030. And you did mention your overall transition.

Jaime Caballero: Alex. Sorry. Sorry to interrupt you, but we cannot hear you well.

Alex Burgansky: Ok. Is that better?

Jaime Caballero: Yes, that's much better.

Alex Burgansky: Ok, thank you. Apologies for that. I have two quick questions. First of all, with respect to the cost of decarbonization strategy. You said, if I understand correctly, that your interim target is to reduce your emissions by around 6 million tons by 2030, and you did mention your transition CapEx of 1.4 billion for the first three years. My question is, what is the total CapEx required on the transition side to achieve that interim target by 2030? And then if you have done any calculations, and I understand that's a very long-term question, but if you have done any calculations, what would be your total decarbonization target for scope one and two to achieve the net zero in 2050? So that's my first question.

And the second, just to follow up on your scope three targets or your thoughts on scope three, and I do understand that, as you said, you're still not clear exactly how that could be achieved. But what are you thinking about in terms of the key technologies that you could be using? Is this going to be necessarily offsets? You know, this climate work with deforestation or things like that or carbon capture and storage? Or is there anything else that you are thinking about on scope three? Thank you.

Jaime Caballero: Hi, Alex. It's Jaime here. I'm going to take the first question, which is about how to think about decarbonization costs and how we've laid that out in the strategy and in the plan. I guess firstly, what I would say is that you need to be careful about rules of thumb, you know, extrapolating the 1.4 billion of the 2022 - 2024 plan into that 20-year horizon. We haven't done that. It's not a linear move. I think the first three years actually have a combination of things that need to be considered, one-off costs that you are not going to see in the long term. For instance, when you think, for example, about the emerging hydrogen businesses, here you are looking at a capital allocation that reflects the fact that there are pilots, that reflects the fact that they are emerging businesses with no returns in the near term, and that there is no actual self-cash generation from these businesses, either.

When you look into the longer term of these businesses, actually one of our philosophies has been that we are only putting in the plan businesses where we see that they can actually compete in the context of capital allocation. What I'm trying to say here is that we don't see decarbonization as a cost. We actually see them as initiatives that need to produce their own value, if you will, whether that is through, for instance, in the case of natural climate solutions, pure revenues, or in the case of hydrogen or CCUS, they need to produce either the savings in our operation or they need to enable the incremental barrels that actually fund those activities. So, in other words, our decarbonization initiatives laid out in the plan need to be cash positive and need to deliver our capital allocation thresholds.

With all that being said, to give you a broad estimate of how much CapEx we think we're going to need in the plan, we have some ranges that put capital strictly associated to decarbonization, to the net zero target, anywhere between USD 350 to USD 450 million per annum. But again, everything meeting the prior criteria that I mentioned, which is they need to be self-sufficient; they need to be tied to these targets and so forth.

The second question about scope three, Felipe is going to address it.

Felipe Bayon: Yeah, I'll take that. So, Alex, I'll share some of the things we're doing, but as I was mentioning earlier, we don't have everything already landed and fully understood. I'll share some of the views that we have.

The first thing is, how do we work with our supply chains and our contractors? And there's big opportunities in terms of working with the people that provide services to us and to some of that management of the emissions, we could be targeting, let's say, 2 million tons of CO2 per year. So that's probably 2% of the total emissions. So that's one area of work. It's clearly our suppliers, our supply chains, and how do we actually even include through contractual agreements, some of those things that we're working, but again, work in progress on more things that will need to be done.

The other thing that I want to share with you is, please bear in mind Colombia emitted in 2019 300 million tons. Currently, the market compensates for CO2 emissions 25 million tons, roughly. So less than 10%. There is a lot of opportunity, there's upside. The compensation, if you think about it, there's already a carbon tax in Colombia, it's north of COP 17,000 per ton. How can we work to further increase and make this a more robust market? And we think there's a potential in that space to target some 35 - 40 million tons of CO2. And here I'm just giving you two of the areas of work that we see going forward. So obviously there may be other things and we've talked about technology, we've talked about the use of increased energy efficiency in operations and the like. But I think back to something I mentioned earlier, how can we get to a point where we have a milestone by 2030 related to scope three? So, more work to be done. I'm sure some of the technology and some of the things that our people are doing around the world can inform those conversations. And I'm sure that we'll be able to accelerate our view and understanding and come up with some more specifics around scope three. You know? I really like this conference call. There's a lot of interest in scope three and what we're doing around emissions. So, we're also very good listeners, and we're very keen on learning. We'll continue to connect and we'll continue to interact, and I'm sure there will be more things

that we can address. So again, thanks. Thanks for the questions. Are there any more questions? I'm just cognizant of time.

Operator: I guess we have one other question, it's from Andres Cardona, from Citi.

Andres Cardona: Thanks, Felipe, for the opportunity to close this very interesting investor date. Two very quick ones from my side. If you have got any payment from the government for the Fuel Prices Stabilization Fund, either in fourth quarter or in the first quarter, and the second one, if you can help me to understand how much of the reserve additions from the U.S.A., in particular from the Permian, were explained by better oil prices and how much by a faster development plan? Thanks.

Jaime Caballero: Hello, Andres. I'll take the first one. And yes, we actually received a payment from the government surrounding the balances in FEPC. The balances up to and including the second quarter of 2021 have been fulfilled so we did receive the payment in that regard in late 4Q of last year. Thank you.

Alberto Consuegra: Hi, Andres. With regards to the Permian, actually what we've seen is that about 52% of the reserve additions came from activity and 48% from price effects.

Felipe Bayon: Thanks, Alberto. Thanks, Andres.

Operator: Thank you. At this moment, we have no other questions. I would like to turn the call back to Mr. Bayon for final remarks.

Felipe Bayon: Thanks, and again, thanks, everyone. I know it's been a long call, but we value first your participation and the interest in Ecopetrol, and we value very much the questions and the interest in not only reserves, as we published earlier in the week, but our longer-term view to 2040. There's quite a few things that have been mentioned in the call, and I'll just say that top of mind, how can we accelerate an eventual KPI on scope three? And that's one of the key things that we'll be looking inside with the teams and we'll be working. But I think I've heard it loud and clear from you guys in terms of the feedback. But again, thanks for the opportunity.

We have, I believe, a very strong strategy that allows us to continue to be nimble, to continue to provide value to shareholders to ensure that we protect the energy security and providing energy not only in liquid form or gas form, but through electrons to many people around the region. It's not only the 50 million Colombians that we touch. ISA and its footprint touch north of 160 million people every day. We have a strong presence. We have a strong commitment to the region and we'll be able to provide updates on results in the next few weeks or so and also in the progress against strategies. Thanks, everyone. Please stay safe. Bye-bye. Thanks.

Operator: Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.