



ECOPETROL S. A.

Consolidated condensed interim financial
statements
(Unaudited)

September 30, 2021



Report on review of interim condensed consolidated financial information

To: The Shareholders of Ecopetrol S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ecopetrol S.A. as at September 30th, 2021 which comprise the interim condensed consolidated statement of financial position as at September 30th, 2021 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and summary of the most important accounting policies and explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the accounting and financial information standards accepted in Colombia, adopted by the General Accounting of the Nation, included in international accounting standard 34 (Interim financial information), and instructions issued by the Financial Superintendence of Colombia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” adopt in Colombia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting and financial information standards accepted in Colombia, adopted by the General Accounting of the Nation, included in international accounting standard 34 (Interim financial information), and instructions issued by the Financial Superintendence of Colombia.



(Original in Spanish signed)
Víctor Hugo Rodríguez Vargas
Statutory Auditor

November 9th, 2021
Bogotá D. C., Colombia

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Ecopetrol S.A.

(Figures expressed in millions of Colombian pesos)

Consolidated condensed interim statements of financial position

Assets	Note	September 30, 2021 (Unaudited)	December 31, 2020
Current assets			
Cash and cash equivalents	6	10,086,787	5,082,308
Trader and other receivables, net	7	16,849,339	4,819,092
Inventories, net	8	9,078,206	5,053,960
Other financial assets	9	1,835,384	2,194,651
Tax assets	10	6,597,867	3,976,295
Other assets	11	2,493,832	1,664,036
		46,941,415	22,790,342
Assets held for sale		74,835	44,032
Total current assets		47,016,250	22,834,374
Non-current assets			
Trader and other receivables, net	7	23,562,413	676,607
Other financial assets	9	1,232,176	877,008
Investments in associates and joint ventures	13	8,133,057	3,174,628
Property, plant and equipment	14	83,087,426	66,508,337
Natural and environmental resources	15	33,414,400	31,934,158
Right-of-use-assets	16	338,755	377,886
Intangibles	17	10,376,666	555,043
Non-current tax assets	10	12,988,193	10,035,161
Goodwill	19	19,788,844	1,353,802
Other assets	11	1,295,526	1,090,115
Total non-current assets		194,217,456	116,582,745
Total assets		241,233,706	139,417,119
Liabilities			
Current liabilities			
Loans and borrowings	20	8,654,038	4,923,346
Trade and other payables	21	12,669,764	8,449,041
Provisions for employee benefits	22	2,179,070	2,022,137
Tax liabilities	10	1,641,480	1,243,883
Accrued liabilities and provisions	23	1,315,896	1,221,109
Derivative financial instruments		76,948	3,714
Other liabilities		1,310,045	388,057
		27,847,241	18,251,287
Liabilities related to non-current assets		33,729	31,156
Total current liabilities		27,880,970	18,282,443
Non-current liabilities			
Loans and borrowings	20	83,224,871	41,808,408
Trade and other payables	21	258,112	21,064
Provisions for employee benefits	22	12,101,874	10,401,530
Tax liabilities	10	10,015,031	1,269,098
Accrued liabilities and provisions	23	12,043,971	11,206,621
Other liabilities		1,920,986	608,685
Total non-current liabilities		119,564,845	65,315,406
Total liabilities		147,445,815	83,597,849
Equity			
Subscribed and paid in capital	24.1	25,040,067	25,040,067
Additional paid-in capital	24.2	6,607,699	6,607,699
Reserves	24.3	10,624,229	9,635,136
Other comprehensive income	24.5	8,838,285	7,859,992
Retained earnings		11,884,504	2,952,356
Equity attributable to Company's shareholders		62,994,784	52,095,250
Non-controlling interest		30,793,107	3,724,020
Total equity		93,787,891	55,819,270
Total liabilities and equity		241,233,706	139,417,119

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

(Original in spanish signed)

Felipe Bayón Pardo
President

(Original in spanish signed)

Javier Leonardo Cárdenas Laiton
Accountant
T.P. 116770-T

(Original in spanish signed)

Víctor Hugo Rodríguez Vargas
Statutory auditor
T.P. 57851-T

Appointed by Ernst & Young Audit S.A.S.

Ecopetrol S.A.

(Figures expressed in millions of Colombian pesos, except for the earnings per share, expressed in Colombian pesos)

Consolidated condensed interim statements of profit or loss

	Note	Three-month period ended September 30		Nine-month period ended September 30	
		2021	2020	2021	2020
		(No auditados)		(No auditados)	
Revenue from contracts with customers	25	23,332,762	12,322,824	59,982,965	35,836,466
Cost of sales	26	(14,506,000)	(8,343,733)	(36,449,442)	(27,245,896)
Gross profit		8,826,762	3,979,091	23,533,523	8,590,570
Administration expenses	27	(755,658)	(806,346)	(1,934,557)	(2,178,299)
Operation and project expenses	27	(831,870)	(492,541)	(1,993,083)	(1,613,166)
(Impairment) recovery of non-current assets, net		(1,683)	(21,075)	1,763	(1,225,355)
Other operating (expenses) income, net	28	(135,242)	(2,095)	(435,557)	1,409,283
Operating income		7,102,309	2,657,034	19,172,089	4,983,033
Financial result, net	29				
Financial income		102,155	167,730	242,763	960,824
Financial expenses		(1,046,393)	(993,908)	(2,774,295)	(3,084,352)
Foreign exchange gain (loss)		247,714	(130,729)	351,341	(97,738)
		(696,524)	(956,907)	(2,180,191)	(2,221,266)
Share of profits of associates and joint ventures	13	110,678	15,484	225,914	92,029
Profit before income tax expense		6,516,463	1,715,611	17,217,812	2,853,796
Income tax expense	10	(2,193,934)	(571,255)	(5,498,324)	(927,576)
Net profit for the period		4,322,529	1,144,356	11,719,488	1,926,220
Net profit attributable to:					
Owners of parent		3,807,248	855,014	10,617,470	1,013,023
Non-controlling interest		515,281	289,342	1,102,018	913,197
		4,322,529	1,144,356	11,719,488	1,926,220
Basic earnings per share (pesos)		92,6	20,8	258,2	24,6

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

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President

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(Figures expressed in millions of Colombian pesos)

Consolidated condensed interim statements of other comprehensive income

	Note	Three-month period ended September 30		Nine-month period ended September 30	
		2021	2020	2021	2020
Net income of the period		4,322,529	1,144,356	11,719,488	1,926,220
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss (net of tax):					
(Loss) unrealized gain on hedges					
Cash flow hedge for future exports		52,513	(42,282)	(120,354)	(311,216)
Hedge of a net investment in a foreign operation		(108,635)	(571,308)	(1,956,114)	(2,605,547)
Cash flow hedge with derivative instruments		(16,729)	11,147	(116,834)	(45,631)
Foreign currency translation		(128,349)	1,075,861	3,416,580	6,120,886
Realized other comprehensive income for joint venture sales	29	-	-	(361,728)	-
		(201,200)	473,418	861,550	3,158,492
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Gain (loss) on defined benefit plans		88,684	459,051	(269,207)	413,579
		88,684	459,051	(269,207)	413,579
Other comprehensive income		(112,516)	932,469	592,343	3,572,071
Total comprehensive income		4,210,013	2,076,825	12,311,831	5,498,291
Comprehensive net profit attributable to:					
Owners of parent		4,153,757	1,766,990	11,595,763	4,406,488
Non-controlling interest		56,256	309,835	716,068	1,091,803
		4,210,013	2,076,825	12,311,831	5,498,291

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

(Original in spanish signed)

Felipe Bayón Pardo
President

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Ecopetrol S.A.

(Figures expressed in millions of Colombian pesos)

Consolidated condensed interim statements of changes in equity

	Note	Subscribed and paid-in capital	Additional paid-in capital	Reserves	Other comprehensive income	Retained earnings (losses)	Equity attributable to Company's shareholders	Non-controlling interest	Total Equity
Balance as of December 31, 2020		25,040,067	6,607,699	9,635,136	7,859,992	2,952,356	52,095,250	3,724,020	55,819,270
Net income		-	-	-	-	10,617,470	10,617,470	1,102,018	11,719,488
Release of reserves	24.3	-	-	(5,066,156)	-	5,066,156	-	-	-
Dividends declared	24.4	-	-	-	-	(698,984)	(698,984)	(879,995)	(1,578,979)
Business combination	12	-	-	-	-	-	-	27,258,943	27,258,943
Change of participation in controlled companies		-	-	-	-	2,755	2,755	(11,106)	(8,351)
Capital restitution		-	-	-	-	-	-	(14,823)	(14,823)
Appropriation of reserves									
Legal		-	-	168,808	-	(168,808)	-	-	-
Fiscal and mandatories	24.3	-	-	509,082	-	(509,082)	-	-	-
Occasional	24.3	-	-	5,377,359	-	(5,377,359)	-	-	-
Other comprehensive income									
Non-realized loss on hedging instruments:									
Cash flow hedge for future exports		-	-	-	(120,354)	-	(120,354)	-	(120,354)
Hedge of a net investment in a foreign operation		-	-	-	(1,956,114)	-	(1,956,114)	-	(1,956,114)
Cash flow hedge with derivative instruments		-	-	-	(91,495)	-	(91,495)	(25,339)	(116,834)
Foreign currency translation									
Foreign currency translation		-	-	-	3,777,314	-	3,777,314	(360,734)	3,416,580
Realized other comprehensive income for joint venture sales	29	-	-	-	(361,728)	-	(361,728)	-	(361,728)
Actuarial valuation loss		-	-	-	(269,330)	-	(269,330)	123	(269,207)
Balance as of September 30, 2021 (Unaudited)		25,040,067	6,607,699	10,624,229	8,838,285	11,884,504	62,994,784	30,793,107	93,787,891
Balance as of December 31, 2019		25,040,067	6,607,699	3,784,658	6,464,144	14,515,762	56,412,330	3,931,792	60,344,122
Net income		-	-	-	-	1,013,023	1,013,023	913,197	1,926,220
Release of reserves		-	-	(540,826)	-	540,826	-	-	-
Dividends declared		-	-	-	-	(7,401,005)	(7,401,005)	(1,268,556)	(8,669,561)
Change of participation in controlled companies and others		-	-	-	-	-	-	249	249
Appropriation of reserves									
Legal		-	-	1,325,148	-	(1,325,148)	-	-	-
Fiscal and mandatories		-	-	509,082	-	(509,082)	-	-	-
Occasional		-	-	4,557,074	-	(4,557,074)	-	-	-
Other comprehensive income									
Non-realized loss on hedging instruments:									
Cash flow hedge for future exports		-	-	-	(311,216)	-	(311,216)	-	(311,216)
Hedge of a net investment in a foreign operation		-	-	-	(2,605,547)	-	(2,605,547)	-	(2,605,547)
Cash flow hedge with derivative instruments		-	-	-	(36,080)	-	(36,080)	(9,551)	(45,631)
Foreign currency translation		-	-	-	5,932,730	-	5,932,730	188,156	6,120,886
Actuarial valuation loss		-	-	-	413,579	-	413,579	-	413,579
Balance as of September 30, de 2020 (Unaudited)		25,040,067	6,607,699	9,635,136	9,857,610	2,277,302	53,417,814	3,755,287	57,173,101

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

(Original in spanish signed)
Felipe Bayón Pardo
President

(Original in spanish signed)
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(Figures expressed in millions of Colombian pesos)

Consolidated condensed interim statements of cash flows

	Note	Nine-month period ended September 30	
		2021	2020
		(No auditados)	
Cash flows provided by operating activities:			
Net profit for the period		11,719,488	1,926,220
Adjustments to reconcile net income to net cash provided by operating activities:			
Income tax	10.2	5,498,324	927,576
Depreciation, depletion and amortization		7,384,180	6,818,000
Foreign exchange loss, net	29	10,387	97,738
Realized gain on other comprehensive income in joint ventures sale	29	(361,728)	-
Finance cost of loans and borrowings	29	1,867,718	1,785,950
Finance cost of post-employment benefits and abandonment costs	29	698,534	652,909
Disposal of exploratory assets and dry wells	15	349,941	164,232
Loss on sale or disposal of assets		54,419	17,644
Gain in business combinations and acquisition of participations		-	(1,371,259)
Effect of control loss on subsidiaries		-	(65,570)
(Recovery) Loss for impairment of long-term assets		(1,763)	1,225,355
Loss (gain) for impairment of short-term assets	28	18,795	(14,488)
Loss (gain) on valuation of financial assets		38,448	(39,888)
Gain on derivative instruments hedging		(406)	(36,483)
Gain on equity method	13	(225,914)	(92,029)
Gain on disposal of assets held for sale		(6,733)	(2,338)
Loss on hedge ineffectiveness	30.3	10,226	13,654
Realized loss on foreign exchange cash flow hedges	25	254,634	312,120
Net change in operational assets and liabilities:			
Trade and other receivables		(7,720,455)	974,752
Inventories		(3,730,971)	397,270
Trade and other payables		2,177,359	(3,648,115)
Tax assets and liabilities		(1,900,606)	(1,364,994)
Provisions for employee benefits		(287,854)	212,103
Provisions and contingencies		(56,915)	(143,472)
Other assets and liabilities		179,758	(365,536)
		15,968,866	8,381,351
Income tax paid		(4,442,248)	(4,529,978)
Net cash generated by operating activities		11,526,618	3,851,373
Cash flow from investing activities:			
Investment in joint ventures		(16,271)	-
Acquisition of subsidiaries, net of cash acquired	12	(9,316,465)	-
Investment in property, plant and equipment	14	(3,982,845)	(3,319,364)
Investment in natural and environmental resources	15	(4,562,238)	(4,549,156)
Acquisitions of intangibles		(207,732)	(40,437)
Sales of other financial assets		1,154,610	1,230,816
Interests received	29	130,398	257,047
Dividends received		94,655	80,776
Proceeds from sales of assets		7,480	14,473
Net cash used in investment activities		(16,698,408)	(6,325,845)
Cash flow used in financing activities:			
Acquisition of loans and borrowings		14,404,438	13,788,609
Loan payments		(913,016)	(3,920,275)
Interest payments		(1,819,581)	(1,597,502)
Lease payments (loans and interest)	16	(230,608)	(245,920)
Dividends paid		(1,424,456)	(5,246,901)
Net cash generated in financing activities		10,016,777	2,778,011
Exchange difference in cash and cash equivalents		159,492	449,358
Net increase in cash and cash equivalents		5,004,479	752,897
Cash and cash equivalent at the beginning of the period		5,082,308	7,075,758
Cash and cash equivalent at the end of the period	6	10,086,787	7,828,655

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

(Original in spanish signed)

Felipe Bayón Pardo
President

(Original in spanish signed)

Javier Leonardo Cárdenas Laiton
Accountant
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Víctor Hugo Rodríguez Vargas
Statutory auditor
T.P. 57851-T

Appointed by Ernst & Young Audit S.A.S.

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2021

(Figures expressed in millions of Colombian pesos, unless otherwise stated)

1. Reporting entity

Ecopetrol S.A. is a mixed economy company, with a commercial nature, formed in 1948 in Bogotá – Colombia, headquarters of the Ecopetrol Business Group. Its corporate purpose is to develop commercial or industrial activities arising from or related to the exploration, production, refining, transportation, storage, distribution, and selling of hydrocarbons, their by-products and associated products on its own or through its subsidiaries (hereafter “Ecopetrol”, the “Company” or Ecopetrol Business Group).

An 11.51% of Ecopetrol S.A.’s shares are publicly traded on the Stock Exchanges of Colombia and New York, USA. The remaining shares (88.49% of the total outstanding shares) are owned by the Colombian Ministry of Finance and Public Credit.

The address of the main office of Ecopetrol S.A. is Bogotá – Colombia, Carrera 13 No. 36 - 24.

2. Basis of presentations

2.1. Statement of compliance and authorization of the condensed consolidated interim financial statements

The financial information contained in this report has been prepared in accordance with “IAS 34- Interim financial reporting”. These financial statements do not include all information and disclosures required in the annual financial statements and therefore should be read in conjunction with the Company’s annual consolidated financial statements and notes, issued as of December 31, 2020 included in the “Integrated Sustainable Management Report”.

The consolidated condensed interim financial statements are unaudited and in the management opinion, include all necessary adjustments for a fair presentation of the results of each period.

Ecopetrol Business Group prepares its financial statements based on the principles and accounting standards and financial information accepted in Colombia (NCIF, as its acronym in Spanish), regulated in Decree 2420 of 2015, and amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019 and 1432 of 2020. These standards are based on the International Financial Reporting Standards - IFRS and its Interpretations issued by the International Accounting Standards Board (IASB) and other applicable legal provisions for supervised entities and/or controlled by the General Accounting Office of the Nation, which may differ in some respects from those established by other Government control institutions.

The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in the preparation of the consolidated financial statements as of December 31, 2021, which do not differ significantly from those used in the previous year.

These financial statements were approved by the Company's Management on October 28, 2021.

2.2. Considerations and effects of Covid-19

As mentioned in the Consolidated Financial Statements as of December 31, 2020, since the beginning of the pandemic in Colombia, the Group has taken the measures to ensure the sustainability of the business in an environment of low prices during 2020, prioritizing the opportunities to cash generation with better equilibrium prices, maintaining growth dynamics with a focus on executing strategic asset development plans and preserving the value of assets through investments that provide reliability, integrity and continuity to the current operation in refineries, transportation systems and production fields.

In 2021 Ecopetrol started the vaccination program for all employees of the Business Group through the only possible mechanism called 'Entrepreneurs for Vaccination', led by the Colombian National Association of Entrepreneurs

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2021

(Figures expressed in millions of Colombian pesos, unless otherwise stated)

(ANDI), in accordance with the regulations issued by the National Government. In this way the business sector will contribute to accelerate vaccination against covid-19 and thus quickly achieve immunity of herd.

Likewise, during 2021 the behavior of the prices of crude and products has shown recovery for the maintenance of the supply, given that the Organization of Petroleum Exporting Countries (OPEC) continued to play a major role in keeping the market balanced and in terms of demand vaccination campaigns have advanced in several countries around the world, fueling expectations for a sustained recovery, bringing the Brent to a cumulative year average of \$68USD/Bl (2020: \$42.5 USD/Bl).

Ecopetrol S.A. will continue to monitor the evolution of the COVID-19 pandemic and the market, reviewing indicators of impairment of long-term assets and investments in companies, when necessary.

2.3. Bases of consolidation

For presentation purposes, these consolidated condensed interim financial statements were prepared by consolidating all companies set out in Exhibit 1, in which Ecopetrol exercises control, directly or indirectly.

The subsidiaries are consolidated from the date on which control is obtained until the date on which it ceases.

The following subsidiaries were incorporated:

As of August 20, 2021, the Group acquired 51.4% of the outstanding shares of Interconexión Eléctrica S.A. E.S.P. ("ISA"), thus obtaining control of the latter. See Note 12

ISA is a multilatin company group with operations in the Electrical Energy, Roads and Telecommunications businesses, through 52 subsidiaries, 11 joint ventures and 1 associate, in 6 countries in South and Central America. See subsidiaries incorporated in Annex 2.

Product of ISA acquisition and given regulatory constraints, the signed interadministrative contract for the purchase between Ecopetrol and the Ministry of Finance and Public Credit included a clause of commitment of divestment of Ecopetrol Energia S.A.S. E.S.P. in an agile and diligent way.

To date the group is carrying out all the relevant actions to comply with this commitment, as a consequence Ecopetrol Energia S.A.S. E.S.P no longer complies with the business premise, however, the company's consolidated assets and liabilities continue to be measured in accordance with the NIIFs applicable to each of them until the divestment plan is implemented.

On 1 July 2021, the company named Ecopetrol Singapore Pte Ltd. was incorporated and has a 100% direct stake in it. In turn, the said company owns 100% of the share capital of another named Ecopetrol Trading Asia Pte Ltd., whose main social object is the international marketing of crude oil and refined products of the Ecopetrol Group and third parties on the Asian continent. Both companies are domiciled in Singapore

3. Significant accounting judgments and estimates

The preparation of the financial statements requires that the Company's Management makes estimates to quantify some of the assets, liabilities, income, expenses and commitments. These estimates have been determined based on the best available information on the facts analyzed. Changes to these estimates are recognized prospectively in the period in which the estimate is revised.

In the course of 2021, there have been no changes in the significant accounting estimates and judgments used in the preparation of the financial statements as of December 31, 2020.

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2021

(Figures expressed in millions of Colombian pesos, unless otherwise stated)

4. Accounting policies

The Group's main accounting policies are described in the accounting policies section of the annual report with a cut-off date of December 31, 2020 and they have been applied consistently for the period comprising these condensed interim condensed financial statements, except for the adoption of new standards effective as of January 1, 2021.

The condensed interim financial statements do not include all the information and disclosures required in the annuals, and therefore should be read in conjunction with the consolidated financial statements as of December 31, 2020.

5. New standards and regulatory changes

New standards adopted by the Group, effective as of January 1, 2021

Reform to the benchmark interest rate phase 2: In August 2020, IASB published this draft, which complements the one issued in 2019 and focuses on the effects on the financial statements when a company replaces the benchmark interest rate above for an alternative reference rate. The modifications in this phase refer to changes in contractual cash flows, hedge accounting and risk management disclosures

Benchmark interest rates such as interbank offer rates (IBOR) have an important role in global financial markets, being "LIBOR" one of the most used by various companies for corporate debt and derivative instruments trading, among others. The G20 asked the Financial Stability Board (FSB) to carry out a review of the main benchmark interest rates. As a result of the review, LIBOR and other rates are expected to be replaced with new ones that give greater confidence to the markets in general. According to the Financial Conduct Authority (FAC) LIBOR dollar reference rates of 3 and 6 months will remain in effect until 30 June 2023.

Within the accounting analysis, Ecopetrol established that the contractual cash flows of financial assets or liabilities measured at amortized cost would change as a result of the IBOR reform; however, it is expected that this change will not have an application impact on the financial statements, given the exceptions provided by the amendment where it is established that, if the modification occurs as a direct consequence of the interest rate reform and the new rate is economically equivalent to the previous basis, the entity will not have to make a re-estimate of future interest payments. Monthly financial expenses will be measured at the new interest rate without implying a remeasurement in the rate that could affect the current cost of the financial asset and/or financial liability

Although the standard has already entered into force, the company has not made the changes to the existing debt contracts and continues to apply the LIBOR rate for the calculation of interest.

This amendment was incorporated into Colombian accounting regulations by Decree 938 of August 19, 2021 of the Ministry of Industry Trade and Tourism and as regards the validity of application for this issue allows its application from 2021.

New standards issued by the IASB that will enter into force in future periods

The IASB issued amendments to the following regulations, with application from 1 January 2022 or later periods, which were included in the aforementioned decree 938 of August 19, 2021:

- IAS 16 – Property, plant and equipment: amendment that determines the prohibition to deduct from the cost of property, plant and equipment the sales revenue of goods produced, while the company prepares the asset for its intended use. The Ecopetrol Business Group is assessing the application of the amendment to IAS 16 in sales to third parties of the extensive production tests; disclosing separately the amounts of income and costs related to the items produced.

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- IFRS 3 – Business combinations: a reference from the standard to the Conceptual Framework was updated.
- IAS 37 – Provisions, Liabilities and Contingent Assets: in which it details the costs that an entity must include when determining whether a contract is onerous.
- Annual improvement cycle 2018 - 2020 involving adjustments to IFRS 1 - first-time adopter subsidiary, IAS 41 - fair value measurement taxes, IFRS 16 - lease incentives and IFRS 9 - 10% Evidence Charges for Derecognition of Financial Liabilities, which clarifies the charges an entity includes when assessing whether the terms of a new or amended financial liability are substantially different from the terms of the original financial liability.
- Amendment to IAS 1 - Classifications of Liabilities as Current or Non-current modifies the requirement to classify a liability as current, by establishing that a liability is classified as current when it does not have the right at the end of the reporting period to defer the settlement of the liability for at least 12 months following the date of the reporting period. This amendment applies from 1 January 2023.

The following amendments of limited scope are not yet incorporated into Colombian accounting regulations by decree and their application in Colombia will be subject to the issuance of this by the Ministry of Trade Industry and Tourism. However, to this end, in July 2021, the Accounting Technical Council initiated the process of public discussion and published for analysis and comments the document on these amendments issued by the IASB during the 1st semester of 2021:

- Amendments to IAS 1 - Presentation of financial statements. An enterprise should disclose material information about its accounting policies and apply the concept of materiality in disclosures of accounting policies.
- Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors. Clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 12 Deferred taxes related to assets and liabilities that are recognised in a single transaction. The objective of the amendments is to reduce the diversity in the reporting of deferred taxes on leases and decommissioning obligations. The amendments are effective for the annual periods from 1 January 2023.

The Business Group is constantly monitoring changes in the local accounting regulations in order to evaluate the possible impacts that the new standards issued by the international organization can generate in its adoption in Colombia.

6. Cash and cash equivalents

	<u>As of September 30, 2021</u>	<u>As of December 31, 2020</u>
	(Unaudited)	
Banks and corporations	7,601,621	4,215,518
Short-term investments	2,478,746	866,606
Cash	6,420	184
	<u>10,086,787</u>	<u>5,082,308</u>

As of September 30, 2021, restricted resources were included for \$55,398 (December 31, 2020 for \$13,679), mainly destined for the exclusive payment of capital and interest on loans incurred by Oleoducto Bicentenario de Colombia S.A.S

The fair value of cash and cash equivalents approximates their carrying amount due to their short-term nature (less than three months) and their high liquidity.

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7. Trade and other receivables, net

	As of September 30, 2021 <u>(Unaudited)</u>	As of December 31, 2020
Current		
Customers		
Foreign	5,287,104	2,021,070
Domestic	3,251,602	1,913,106
Fuel price stabilization fund (1)	7,246,087	319,927
Employee loans	103,684	97,723
Related parties (Note 31)	99,311	105,048
Industrial services	28,257	39,651
Others (2)	833,294	322,567
	<u>16,849,339</u>	<u>4,819,092</u>
Non-current		
Customers		
Foreign (3)	19,016,974	-
Domestic (4)	1,932,683	51,955
Employee loans	509,827	474,693
Others (2)	2,102,929	149,959
	<u>23,562,413</u>	<u>676,607</u>

- (1) Corresponds to the implementation of Resolution 180522 of March 29, 2010 and other regulations that modify and add to it (Decree 1880 of 2014 and Decree 1068 of 2015), which sets out the procedure for recognising the subsidy for refiners and importers of ordinary motor gasoline and CPMP, and the methodology for calculating the net position (value generated between the parity price and the regulated price, which may be positive or negative). By 2021 the increase in the receivable is presented by the increase in international indicators.
- (2) It mainly corresponds to the accounts receivable from ISA CTEEP to the Brazilian Government for labor benefits governed by Law 4819 of 1958 and to the crude oil loan agreements of the transportation systems.
- (3) Corresponds mainly to the accounts receivable from Interconnexion Eléctrica S.A. for road concessions in Chile, Basic Network of the Existing System (RBSE), concession contracts for the transport of electricity and accounts receivable for operation and maintenance.
- (4) Accounts receivable for road concessions in Colombia mainly includes compensation for construction, operation and maintenance services.

The carrying amounts of trade and other receivables approximate their fair value.

8. Inventories, net

	As of September 30, 2021 <u>(Unaudited)</u>	As of December 31, 2020
Crude (1)	3,953,023	1,719,426
Fuels and petrochemicals	2,642,420	1,407,297
Materials for goods production	2,482,763	1,927,237
	<u>9,078,206</u>	<u>5,053,960</u>

- (1) The change in inventory is mainly presented by a higher level of inventory in transit product of major DAP negotiations (Delivered at Place) and the increase in prices given the recovery of international referents observed in 2021.

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9. Other financial assets

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Assets measured at fair value		
Investment portfolio – Local currency	469,737	474,535
Investment portfolio – Foreign currency	1,458,193	2,494,124
Assets measured at fair value through other comprehensive income	1,182	732
Hedging instruments (1)	20,220	98,877
	1,949,332	3,068,268
Assets measured at amortized cost (2)	1,118,228	3,391
	3,067,560	3,071,659
Current	1,835,384	2,194,651
Non-current	1,232,176	877,008
	3,067,560	3,071,659

(1) As of September 30, 2021, it corresponds to swap contracts to hedge commodity price risk and forwards to hedge exchange rate risk.

(2) Include liquidity management investments over 90 days, in Chile and Colombia, and trust and mutual fund rights in Brazil and Colombia, for its part the long term includes restricted funds in Brazil, Peru, Chile and Colombia.

Fair value

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Level 1	113,454	5,273
Level 2	1,835,878	3,062,995
	1,949,332	3,068,268

There were no transfers between hierarchy levels during the periods.

For the process of establishing levels of the fair value for investments, in addition to the information used for valuation, other relevant aspects are also considered, such as the issuer rating, investment rating and issuer risk analysis performed by the Group, thus making it possible to establish the appropriate hierarchy level for investments.

10. Taxes

Current tax assets and tax liabilities

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Current tax assets		
Income tax (1)	2,698,965	1,823,027
Credit tax balance (2)	2,672,106	1,311,693
Advances and other taxes (3)	1,226,796	841,575
	6,597,867	3,976,295
Non-current tax assets		
Deferred tax	12,969,260	9,637,340
Income tax	18,933	397,821
	12,988,193	10,035,161
Current tax liabilities		
Income tax	890,342	811,197

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National tax and surtax on gasolina	167,346	137,710
Industry and commerce tax	215,257	161,813
Value added tax	110,323	5,607
Carbon tax	32,786	64,091
Other taxes (4)	225,426	63,465
	1,641,480	1,243,883
Non-current tax liabilities		
Deferred tax (5)	8,609,085	1,042,250
Income tax (6)	1,405,946	226,848
	10,015,031	1,269,098

- (1) Includes credit tax balances for income tax mainly of Ecopetrol S.A., the tax discount for value added tax (VAT) incurred in the acquisition of real productive fixed assets, in accordance with the laws 1943 of 2018 and 2010 of 2019 - Tax reform, the 50% of the industry and commerce tax paid in the year and withholding tax balance in favor this year, among others.
- (2) It mainly contains the balance value in favor of VAT in Ecopetrol S.A.
- (3) Includes the potential tax discount for value added tax (VAT) incurred in the acquisition of real productive fixed assets, in accordance with the articles 83 of Law 1943 of 2018 and 95 of Law 2010 of 2019 - Financing Law and Economic Growth Law and tax advances.
- (4) It mainly includes royalties, transportation tax and other taxes. (Royalties and Monetary Compensation payable, - PIS and COFINS deferred, Contributions payable).
- (5) The variation mainly corresponds to the effects of the acquisition of ISA, which for the 3Q of 2021 is already part of the Ecopetrol group.
- (6) The variation corresponds mainly to the unpaid contributions held by the ISA group of PIS, CONFIS of CTEEP and controlled located in Brazil.

Income tax

In accordance with the provisions of Law 2155/2021 "Social Investment Law" the tax provisions applicable in Colombia from the taxable year 2022 will be:

- The general income tax rate applicable to national companies, permanent establishments and foreign entities will be 35% for the year 2022 and following.

- The ICA discount percentage is maintained at 50% and will not increase to 100% as established.

The increase in the income rate from 2022 will have an effect on the calculation of the deferred tax for the year 2021.

Income tax expense

	Three-month period ended September 30		Nine-month period ended September 30	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Current	1,499,834	771,697	4,246,737	2,513,010
Deferred	694,060	(200,439)	1,270,547	(1,554,373)
Current and Deferred - Previous periods	40	(3)	(18,960)	(31,061)
Income tax expense	2,193,934	571,255	5,498,324	927,576

Reconciliation of the income tax expenses

For interim periods, and in compliance with IAS 34, the income tax for the period is recognized by applying the effective tax rate projected for the year to the pre-tax accounting profit of the period of closing

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The effective tax rate as of September, 2021 is 31.93%; the variation of -0.57% against the rate as of September 30, 2020 (32.50%) is mainly due to the projected profit at the end of year, originated mainly by the recovery of crude oil prices, the devaluation of the Colombian peso against the dollar and its corresponding effect of adjustment for exchange rate difference in the companies of the business group that are functional currency dollar, the utilization of the fiscal losses and the presumptive income excess of Ecopetrol and the effect of group companies with losses that have a different nominal rate than their parent company, as well as the effect of exempt income (dividends received from ISA from CAN countries and for being a Colombian Holding Company).

Deferred income tax

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Deferred tax assets	12,969,260	9,637,340
Deferred tax liabilities	(8,609,085)	(1,042,250)
	<u>4,360,175</u>	<u>8,595,090</u>

The decrease presented in the deferred tax during 2021, corresponds mainly by the effect of the purchase of the participation that the National Government had in ISA, which generated a deferred tax net liabilities of 5.1 billion COP. The current conditions and the financial projections of the Companies of the Group allow to deduce that in the future sufficient fiscal profits will be generated that will allow its recoverability within the deadlines established in the current tax regulations.

The detail of deferred taxes assets and liabilities is as follows:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Deferred tax assets and liabilities		
Provisions (1)	3,769,781	3,186,495
Loss carry forwards (2)	3,694,709	4,513,071
Employee benefits (3)	2,464,286	1,874,242
Borrowings and other financial liabilities (4)	2,406,338	818,271
Other assets (5)	2,217,523	(40,343)
Other liabilities	144,348	75,092
Loans receivable	84,930	73,523
Accounts receivable	59,688	110,320
Inventories	35,712	99,775
Right-of-use assets	11,553	1,014
Intangibles	(19,807)	(26,466)
Accounts payable	(30,317)	(10,266)
Investments and derivative instruments	(31,663)	42,463
Deferred charges	(91,731)	(35,569)
Goodwill	(343,237)	(294,203)
Property, plant and equipment (6)	(10,011,938)	(1,792,329)
Total	<u>4,360,175</u>	<u>8,595,090</u>

(1) Accounting provisions not taxable, mainly the provision for the abandonment of wells.

(2) The reduction compared to December 2020 corresponds mainly to the fact that the deferred tax associated with the tax losses and excess of presumptive income for Ecopetrol was compensated based on the results and projections of the year. The active deferred tax for tax losses amounts to \$3,694,709 composed of: Ecopetrol USA Inc. for \$1,826,297, Cartagena Refinery for \$1,853,520, and Invercolsa for \$14,892.

(3) Actuarial calculations for health, retirement pensions, education, pension bonds and other long-term employee benefits.

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- (4) Variation mainly corresponding to change in TRM in the financial obligations of Ecopetrol S.A.
- (5) The variation mainly corresponds to the effects of ISA, for: the change in the monetary correction of tax losses. Applies for Chilean Companies, the presumed excess of income over the ordinary that companies have determined is likely to offset them with future taxable profits.
- (6) For fiscal purposes, natural and environmental resources and plant and equipment property have a different useful life and depreciation and depreciation calculation methodology than those determined under international accounting standards, under this heading includes the amount of occasional income tax of 10 per cent applicable to the land, as well as the application of the income tax rate of 35% for other assets. The change mainly relates to the effects of the acquisition of ISA.

The Group offset tax assets and liabilities only if it has a legally enforceable right to offset current tax assets and liabilities; and in the case of deferred tax assets and liabilities, to the extent that they also correspond to income taxes required by the same tax jurisdiction and by the same tax authority.

Non-recognized asset deferred tax

The deferred tax asset related to the tax losses generated by the companies Andean Chemicals Ltd for \$1,852, and the excess of presumptive income of Hocol Petroleum Company ("HPL") for \$12,077, Andean Chemicals Ltd for \$4,332 and Refinería de Cartagena S.A.S for \$227,680 are not recognized, since the Management has assessed and reached the conclusion that under a conservative position it is not probable that the deferred tax asset related to these tax losses and presumptive income excesses will be recoverable in the short term.

If the Group had been recognized the unrecognized deferred tax asset, the profit for the year ended September 30, 2021 would have increased by \$ 245,941.

The movements of deferred tax assets and liabilities to income for the years ended September 30, 2021 and December 31, 2020:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Opening balance	8,595,090	7,848,339
Deferred tax recognized in profit or loss	(1,286,462)	807,036
Business combination	(5,053,413)	-
Deferred tax recognized in other comprehensive income (a)	2,104,960	(60,285)
Closing balance	4,360,175	8,595,090

(a) The following is the composition of the income tax recorded against other comprehensive income:

	Base	Deferred tax	Total
September 30, 2021 (Unaudited)			
Actuarial valuation gains	(663,207)	394,000	(269,207)
Cash flow hedging for future crude oil exports	(229,491)	109,137	(120,354)
Hedge of a net investment in a foreign operation	(3,173,684)	1,217,570	(1,956,114)
Hedge with derivative instruments	(170,575)	53,741	(116,834)
Currency translation	-	330,512	330,512
	(4,236,957)	2,104,960	(2,131,997)
December 31, 2020			
Actuarial valuation gains	137,459	(41,238)	96,221
Cash flow hedging for future crude oil exports	198,017	(66,265)	131,752
Hedge of a net investment in a foreign operation	(520,490)	156,147	(364,343)
Hedge with derivative instruments	(20,391)	(17,546)	(37,937)
Currency translation	-	(91,383)	(91,383)
	(205,405)	(60,285)	(265,690)

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Deferred tax (assets) unrecognized liabilities

As of September 30, 2021, no deferred tax assets are recognized on the difference between the accounting and tax bases associated with investments in associates and joint ventures of the Group, since as it was documented, the Group considers the exceptions established in the accounting regulations.

11. Other assets

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Current		
Advanced payments to contractors and suppliers	845,418	503,698
Prepaid expenses	681,852	369,979
Partners in joint operations (1)	647,858	534,145
Trust funds (2)	288,671	218,158
Related parties (Note 31)	2,218	7,093
Other assets	27,815	30,963
	2,493,832	1,664,036
Non-current		
Abandonment and pension funds (3)	404,654	405,376
Trust funds (2)	361,575	338,067
Employee benefits (4)	250,674	221,658
Advanced payments and deposits	100,974	54,392
Judicial deposits and judicial attachments	49,197	42,672
Other assets	128,452	27,950
	1,295,526	1,090,115

- (1) Corresponds to the net value of cash calls and cutbacks generated in relation to the operations carried out with partners through Exploration and Production (E&P) contracts, Technical Evaluations (TEA) contracts and agreements entered in to with the National Hydrocarbons Agency of Colombia (ANH), as well as through association contracts and other types of contracts.
- (2) It mainly includes the resources invested in a trust destined to taxes paid through social and infrastructure projects, payment mechanism for 2019- and 2020-income tax, constituted in compliance with article 238 of Law 1819 of 2016 - Tax Reform.
- (3) Corresponds to Ecopetrol's share in trusts established to support costs of abandonment of wells and dismantling of facilities as well as the payment of future retirement pensions in some association contracts.
- (4) Corresponds to the benefit of lower interest rates on employee loans, granted by Ecopetrol.

12. Business Combination

12.1 Adquisición de Interconexión Eléctrica S.A. E.S.P.

On August 20, 2021, the conditions of closure of the Interadministrative Contract signed on August 11 between Ecopetrol S.A. and the Ministry of Finance and Public Credit ("MHCP") for the acquisition of 569,472,561 shares of Interconexión Eléctrica S.A. ESP ("ISA") equivalent to 51.4% of the outstanding shares of this company and representing 100% ownership of MHCP in that company. From 20 August, Ecopetrol S.A. came to have control of ISA, which represents a business combination under common control because Ecopetrol and ISA share the same controller ultimately before and after the transaction, according to the accounting analysis carried out by Ecopetrol, this transaction is covered by IFRS 3 and accounted for under the acquisition method.

The closing of the transaction was made at fair value and took place with: i) the payment by Ecopetrol to the MHCP of the agreed price of COP\$14,236,814 million for the shares, which corresponds to COP\$25,000 per share. Such payment was performed in the equivalent in dollars United States of USD\$3,673 million, using the representative

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market rate in effective on the closing date of the transaction of COP3.876.08/dollar; and ii) with the transfer of the shares to Ecopetrol S.A. as its new owner, by means of the respective annotation in the shareholders' book of ISA by the Centralized Deposit of Securities of Colombia S.A.

This transaction represents a transformational step for the Ecopetrol Group in the development of the strategy of energy transition, decarbonization and diversification of the business. With this acquisition the Ecopetrol Group is positioned, through a single operation, in a key link of the electricity business, with clear prospects for future growth.

ISA is a multilatin company group with operations in the Electric Power Transmission, Roads and Telecommunications businesses, through 52 subsidiaries, 11 joint ventures and 1 associate, in 6 countries in South and Central America.

Assets acquired and liabilities assumed at acquisition date:

The assets acquired and liabilities assumed are detailed below:

Assets	
Cash and cash equivalents	4,983,234
Trader and other receivables	27,487,774
Inventories	120,300
Other financial assets	1,089,077
Tax assets	477,504
Other assets	725,122
Investments in associates and joint ventures (Note 13) (1)	4,913,746
Property, plant and equipment (Note 14)	12,703,873
Intangibles (Note 17)	9,732,067
Deferred tax assets	2,074,541
Total assets	64,307,238
Liabilities	
Loans	27,203,432
Trade and other payables	1,614,195
Provisions for employee benefits	973,210
Tax liabilities	1,897,483
Accrued liabilities and provisions (Note 23)	721,901
Other liabilities	1,708,349
Deferred tax liabilities	7,127,953
Total liabilities	41,246,523
Total net identifiable assets	23,060,715
Non-controlling interest (2)	(27,258,943)
Provisional goodwill derived from the acquisition (Note 19) (3)	18,435,042
Consideration transferred (4)	14,236,814

(1) The breakdown of the adjustment of investments to fair values at the acquisition date in associates and joint ventures is as follows:

<u>Company</u>	<u>Fair Value</u>
Joint Ventures	
Transmissora Aliança de Energia Elétrica S.A.	558,659
Interligação Elétrica Ivaf S.A.	201,308
Interligação Elétrica Paraguaçu S.A.	45,191
Interligação Elétrica Aimorés S.A.	33,623
Interligação Elétrica Garanhuns S.A.	5,718
Interconexión Eléctrica Colombia Panamá S.A.	1,450
Derivex S.A.	104
Parques de Rio	48

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Interconexión Eléctrica Colombia Panamá S.A.S E.S.P.	1
	846,102
Associates	
ATP Tower Holdings	334,494
	334,494
Total Investments in associates and joint ventures	1,180,596

- (2) The non-controlling interest includes: (i) ISA's non-controlling interest in its subordinates (\$13,803,809); and (ii) Ecopetrol's non-controlling interest in the equity attributable to ISA's shareholders (\$13,455,134). The first relates mainly to the fair value of the non-controlling interests in the subsidiaries: ISA CTEEP, ISA REP and Consorcio Transmántaro. The second corresponds to the fair value of 48.59% of the equity attributable to the shareholders of ISA, which was not acquired by Ecopetrol.
- (3) The goodwill attributable to Ecopetrol is \$6,512,399 and the value attributable to the non-controlling interest is \$11,922,643.
- (4) The consideration for this transaction corresponds only to the payment made in cash, at the time of the closure of the transaction, there are no contingent consideration

The fair value of associates and joint ventures was determined by discounted cash flow, market value and market multiples methodologies. The companies Interligação Elétrica Garanhuns S.A., Interligação Elétrica do Madeira S.A., Interligação Elétrica Ivaí S.A, Interligação Elétrica Aimorés S.A. and Interligação Elétrica Paraguaçu S.A. were valued for discounted cash flows, Transmissora Aliança de Energia Elétrica (TAESA) was valued for its market value on the stock exchange and the other joint ventures and associates were valued for market multiples.

Costs related to the acquisition of \$62.885 million were recognized as operational expenses in the period.

The values of the assets acquired, the liabilities assumed and the non-controlling interests; as well as the amount of the Goodwill were assigned to the segment of "Transmission of energy and ways" and have been determined preliminary. As of 31 December 2021, adjustments associated with the allocation of fair values will be made, which will be mainly in Property, Plant and Equipment, Intangibles associated with concession contracts and contracts signed with clients, and their respective deferred taxes

The consolidated income and profits attributable to the shareholders included in the Group's comprehensive income for the month in which ISA was consolidated were \$1,035,873 and \$8,433 respectively. If the acquisition had occurred on January 1, 2021, management estimates that the consolidated income and profits attributable to shareholders would have increased by \$7,039,487 and \$616,314, respectively.

ISA recognized during the month of September in its profits, the impact of the law of Social Investment approved on September 14, 2021 for an amount of COP\$ 146,179 million.

Cash flow analysis of the acquisition:

Cash acquired by business combination (included in investment activities)	4,983,234
Consideration paid in cash (included in investment activities)	(14,236,814)
Procurement-related costs (included in investment activities)	(62,885)
Costs related to debt issuance (included in financing activities)	(42,699)
Acquisition cash flow, net	(9,359,164)

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13. Investments in associates and joint ventures:

13.1 Composition and movements

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Joint ventures		
Equion Energía Limited	1,808,556	1,642,735
Interligação Elétrica do Madeira S.A.	1,300,438	-
Transmissora Aliança de Energia Elétrica S.A.	1,479,747	-
Interligação Elétrica Ivaí S.A.	387,745	-
Interligação Elétrica Paraguaçu S.A.	351,840	-
Interligação Elétrica Garanhuns S.A.	305,450	-
Interligação Elétrica Aimorés S.A.	233,833	-
Ecodiesel Colombia S.A.	56,525	51,672
Interconexión Eléctrica Colombia Panamá S.A.	15,008	-
Derivex S.A.	475	-
Parques de Rio	95	-
Interconexión Eléctrica Colombia Panamá S.A.S E.S.P.	4	-
Offshore International Group (1)	-	613,258
	5,939,716	2,307,665
Less impairment:		
Equion Energía Limited	(314,460)	(314,460)
Offshore International Group (1)	-	(609,826)
	5,625,256	1,383,379
Associates		
Gases del Caribe S.A. E.S.P.	1,487,229	1,512,629
ATP Tower Holdings	743,641	-
Gas Natural del Oriente S.A. E.S.P.	142,644	143,893
Gases de la Guajira S.A. E.S.P.	69,121	69,518
E2 Energía Eficiente S.A. E.S.P.	34,500	35,614
Extracol S.A.	27,640	26,996
Serviport S.A.	8,380	8,541
Sociedad Portuaria Olefinas	3,187	2,599
	2,516,342	1,799,790
Less impairment: Serviport S.A.	(8,541)	(8,541)
	2,507,801	1,791,249
	8,133,057	3,174,628

(1) On January 19, 2021, by signing the share purchase agreement with one of the subsidiaries of De Jong Capital LLC., as the buyer, Ecopetrol formalized the disposal of the entire participation in the equity in Offshore International Group (OIG), in which it had a participation of 50%. This operation generated the following impacts on the results of the period: profit from the sale of assets for \$4,923 and the realization of other comprehensive income for \$361,728 (Note 29).

Movement of investments in associates and joint ventures:

For the period ended September 30, 2021:

	Associates	Joint ventures	Total
Balance as of December 31, 2020	1,791,249	1,383,379	3,174,628
Capitalizations	-	16,270	16,270
Business combination (Note 12)	750,329	4,163,417	4,913,746
Equity method recognized in:			
Net profit for the period	139,913	86,001	225,914
Equity	(2,452)	(5,333)	(7,785)
Dividends decreed	(171,238)	(15,000)	(186,238)
Transfers	-	(3,478)	(3,478)
Balance as of September 30, 2021 (Unaudited)	2,507,801	5,625,256	8,133,057

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14. Property, plant and equipment

The movement of property, plant and equipment for the period ended September 30, 2021 with its corresponding depreciation and impairment, has been as follows:

	Plant and equipment	Pipelines, networks and lines	Work in progress	Buildings	Lands	Others	Total
Cost							
Balance as of December 31, 2020	51,044,227	37,141,694	7,484,523	8,412,469	4,112,826	2,692,461	110,888,200
Adquisiciones/capitalizaciones (1)	1,158,742	931,769	1,457,843	188,370	1,978	244,143	3,982,845
Increase due to business combination (Note 12)	158,790	10,081,507	1,521,181	483,129	256,356	202,910	12,703,873
Reduction of abandonment cost (Note 23)	-	(20,345)	-	-	-	-	(20,345)
Capitalized financial interests	38,749	21,762	22,369	6,491	82	10,158	99,611
Exchange differences capitalized	990	556	571	166	2	260	2,545
Disposals due to retreat or sale	(229,838)	(27,995)	(920)	(21,079)	(273)	(34,109)	(314,214)
Foreign currency translation	3,417,259	1,275,255	(28,953)	136,269	178,380	69,987	5,048,197
Reclassifications/transfers	(216,159)	16,905	(21,621)	25,793	-	(65,456)	(260,538)
Balance as of September 30, 2021 (Unaudited)	55,372,760	49,421,108	10,434,993	9,231,608	4,549,351	3,120,354	132,130,174
Accumulated depreciation and impairment losses							
Balance as of December 31, 2020	(21,182,611)	(17,558,024)	(1,023,456)	(3,628,724)	(78,549)	(908,499)	(44,379,863)
Depreciation expense	(1,794,411)	(1,190,106)	-	(281,668)	-	(84,585)	(3,350,770)
Impairment recovery (Note 18)	1,757	-	-	18	-	-	1,775
Disposals due to retreat or sale	212,150	15,703	-	14,198	-	30,558	272,609
Foreign currency translation	(1,173,883)	(512,038)	(1,114)	(48,959)	(3,774)	(40,778)	(1,780,546)
Reclassifications/transfers	155,606	27,714	25,637	(13,079)	-	(1,831)	194,047
Balance as of September 30, 2021 (Unaudited)	(23,781,392)	(19,216,751)	(998,933)	(3,958,214)	(82,323)	(1,005,135)	(49,042,748)
Balance as of December 31, 2020	29,861,616	19,583,670	6,461,067	4,783,745	4,034,277	1,783,962	66,508,337
Balance as of September 30, 2021 (Unaudited)	31,591,368	30,204,357	9,436,060	5,273,394	4,467,028	2,115,219	83,087,426

(1) Financial interest is capitalized based on the weighted average rate of borrowing costs. See Note 20 – Loans and borrowings.

Ecopetrol Business Group performs an impairment test in December of each year or when circumstances indicate that the carrying value of its assets may be above the recoverable amount. The key assumptions for determining the recoverable value of cash generating units were disclosed in the financial statements for the year ended December 31, 2020.

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15. Natural and environmental resources

The movement of natural resources and the environment for the period ended September 30, 2021, with corresponding amortization, calculated based on production units, and impairment has been as follows:

	<u>Oil and gas investments</u>	<u>Assets retirement obligations</u>	<u>Exploration and evaluation</u>	<u>Total</u>
Cost				
Balance as of December 31, 2020	65,367,278	7,231,850	8,867,894	81,467,022
Additions /capitalizations (1)	2,353,064	177,429	2,031,745	4,562,238
Reduction of abandonment cost (Note 23)	-	(47,384)	-	(47,384)
Disposals due to retreat or sale	(3,019)	-	(6,468)	(9,487)
Disposals of exploratory assets and dry wells (2)	-	-	(349,941)	(349,941)
Capitalized financial interests	67,849	-	24,674	92,523
Exchange differences capitalized	1,733	-	630	2,363
Foreign currency translation	1,329,047	70,183	548,699	1,947,929
Reclassifications/transfers	202,100	1,888	(36,406)	167,582
Balance as of September 30, 2021 (Unaudited)	69,318,052	7,433,966	11,080,827	87,832,845
Accumulated amortization and impairment losses				
Balance as of December 31, 2020	(46,106,147)	(2,981,449)	(445,268)	(49,532,864)
Amortization of the period	(2,858,341)	(924,945)	-	(3,783,286)
Disposals due to retreat or sale	434	-	-	434
Foreign currency translation	(951,043)	(28,285)	-	(979,328)
Reclassifications/transfers	(244,198)	(733)	121,530	(123,401)
Balance as of September 30, 2021 (Unaudited)	(50,159,295)	(3,935,412)	(323,738)	(54,418,445)
Balance as of December 31, 2020	19,261,131	4,250,401	8,422,626	31,934,158
Balance as of September 30, 2021 (Unaudited)	19,158,757	3,498,554	10,757,089	33,414,400

- (1) It mainly includes: a) Ecopetrol Permian \$1,644,584 for investments made in drilling of wells and construction of facilities executed in RODEO, b) Ecopetrol S.A \$2,398,175 mainly Cantagallo, Casabe, Castilla, Chichimene and Rubiales fields and c) Hocol \$361,501 mainly in Mamey 3, Pintado, Pozo Toldado, SN-8, Rc7 Pozo Basari y Ocelote.
- (2) It mainly includes the Moyote well by Ecopetrol México for \$99,063, Ecopetrol S.A mainly wells Aguas Blancas, Alqamari-1, Nafta-1, Lorito East 1, Borada Centro 1 y Chimuelo 1 for \$95,331, Hocol in the well Chacha 2 for \$13,903, Ecopetrol América the well Silverback #1 y Silverback #2 for \$57,143 and on the part of Ecopetrol Brasil Ceará for \$22,615. Additionally by Hocol includes exploratory and project expenses capitalizable by \$61,886

Ecopetrol Business Group performs an impairment test in December of each year or when circumstances indicate that the carrying value of its assets may be above the recoverable amount. The key assumptions for determining the recoverable value of cash generating units were disclosed in the financial statements for the year ended December 31, 2020.

16. Right-of-use assets

	Right of use assets				
	Lands and buildings	Machinery and equipment	Vehicles	Right of use assets	Lease liabilities
Balance as of December 31, 2020	93,472	133,939	150,475	377,886	1,055,200
Additions	9,611	1,135	9,926	20,672	20,672
Amortization of the period	(22,908)	(45,396)	(62,702)	(131,006)	-
Remeasurements	2,375	53,824	5,011	61,210	63,672
Disposals	(554)	-	(98)	(652)	(1,021)
Financial cost	-	-	-	-	38,951
Payments of loans and interest	-	-	-	-	(230,608)
Foreign currency translation	6,891	1,896	1,858	10,645	36,415
Balance as of September 30, 2021 (Unaudited)	88,887	145,398	104,470	338,755	983,281

17. Intangibles

	Licenses and software	Other intangibles	Concessions and intangible rights	Easements	Total
Cost					
Balance as of December 31, 2020	835,030	201,462	351,108	79,176	1,466,776
Additions	80,074	4,650	116,825	6,184	207,733
Increase due to business combination (Note 12)	130,634	408,667	8,558,734	634,032	9,732,067
Disposals due to retreat or sale	(20,909)	(178)	-	-	(21,087)
Foreign currency translation	47,388	(51,718)	768	(2,549)	(6,111)
Transfers	(30,723)	(8,521)	39,794	-	550
Balance as of September 30, 2021 (Unaudited)	1,041,494	554,362	9,067,229	716,843	11,379,928
Accumulated amortization					
Balance as of December 31, 2020	(607,871)	(67,298)	(173,799)	(62,765)	(911,733)
Amortization of the period	(50,029)	(15,409)	(51,423)	(2,257)	(119,118)
Disposals due to retreat or sale	20,675	56	-	-	20,731
Foreign currency translation	(33,588)	43,965	(3,613)	-	6,764
Transfers	19,712	81	(19,699)	-	94
Balance as of September 30, 2021 (Unaudited)	(651,101)	(38,605)	(248,534)	(65,022)	(1,003,262)
Balance as of December 31, 2020	227,159	134,164	177,309	16,411	555,043
Balance as of September 30, 2021 (Unaudited)	390,393	515,757	8,818,695	651,821	10,376,666

18. Impairment of non-current assets

According to the behavior of the key market assumptions as of September 30, 2021, no factors or circumstances were identified that indicate that the book value of its assets may be above its recoverable value. The demand for crude oil and products continues to increase, driven especially by vaccination coverage in developed countries

Supply continued to increase thanks to the Organization of the Petroleum Exporting Countries (OPEC), although at a beat slow. This slow growth in supply caused a marked imbalance between supply and demand in the third quarter. This dynamic led to a rise in the price of Brent, which placed the price of this reference in the 75 usd/bl in September.

As of March 31, 2020, Ecopetrol performed a quantitative impairment analysis considering the pandemic situation that started in 2020 and its effect on market variables, adjusting the assumptions used in the December 31, 2019 assessment as follows

- Oil price - Brent: The price was adjusted for the first year (2020) going from US \$ 55.61/Bl to US \$ 40.00/Bl, the medium and long-term curve was maintained as it was used for the end of 2019. The quality differentials and refining margins were adjusted at this new price.
- Discount rates: were updated with the macroeconomic variables after the price war began, for the exploration and production segment were used 5.47% and for investments in companies 7.21%. The

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volatility of the market variables used to calculate the weighted average cost of capital could generate significant variations in discount rates.

Crude oil and gas reserves balance: Inputs and other assumptions used to determine the reserve balance remained constant at the end of 2019.

The main movement in 2021 is presented by the recovery of materials for \$4,320 at Refinería de Cartagena S.A.S. and Cenit and deterioration in Ocesa e ISA for \$(2,557).

19. Goodwill

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Oleoducto Central S.A.	683,496	683,496
Hocol Petroleum Ltd	537,598	537,598
Andean Chemical Limited	127,812	127,812
Esenttia S.A.	108,137	108,137
Interconexión Eléctrica S.A. E.S.P. (Note 12)	18,435,042	-
Invercolsa S.A.	434,357	434,357
	20,326,442	1,891,400
Menos Impairment Hocol Petroleum Ltd	(537,598)	(537,598)
Total	19,788,844	1,353,802

20. Loans and borrowings

20.1 Composition of loans and borrowings

	Interest rate *		As of September 30, 2020	As of December 31, 2020
	2021	2020	(Unaudited)	
Local currency				
Bonds	8.4%	6.4%	5,034,747	1,084,461
Syndicate loans	6.2%	5.6%	654,382	811,079
Lease liabilities (1)	5.8%	6.6%	776,495	836,489
Commercial loans and others	7.0%	6.3%	2,360,228	312,408
			8,825,852	3,044,437
Foreign currency				
Bonds (2)	5.8%	6.0%	54,822,109	33,944,548
Commercial loans (3)	3.5%	3.6%	26,600,284	8,247,012
Loans from related parties (Note 31)			1,423,878	1,277,046
Lease liabilities (1)	6.1%	6.1%	206,786	218,711
			83,053,057	43,687,317
			91,878,909	46,731,754
Current			8,654,038	4,923,346
Non-current			83,224,871	41,808,408
			91,878,909	46,731,754

*Weighted average effective interest rate for the end of each period.

(1) Corresponds to the present value of the payments to be made during the term of the operating leases of pipelines, tanks, real estate and vehicles, recognized as a result of the adoption of IFRS 16 – Leases. See Note 16.

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- (2) The movement corresponds mainly to the increase in TRM.
- (3) Corresponds mainly to the loan with the international bank for the acquisition of ISA for USD 3,672,000,000 subscribed between Ecopetrol S.A. and Banco Santander S.A., Citibank N.A., JPMorgan Chase Bank, N.A. and The Bank of Nova Scotia, each with a participation of 25% of the facility. The main terms of the financing are: (i) payment of 100% capital on maturity within 2 years from the date of signature of the contract; (ii) an interest rate of Libor USD (3M) + 80 basis points and (iii) an aggregate initial fee of 30 basis points.

20.2. Fair value

Fair value of loans and borrowings corresponds to \$97,854,710 and \$52,721,790 as of September 30, 2021 and December 31, 2020, respectively.

For fair value measurement, local currency bonds were valued using Precia reference prices, while bonds in U.S. dollars, were valued using Bloomberg. Regarding the other financial obligations for which there is no market benchmark, a discount to present value technique was used. These rates incorporate market risk through some benchmarks (Libor, DTF) and the Group's credit risk (spread).

20.3. Maturity profile

The following is the maturity profile of loans and borrowings as of September 30, 2021:

	Up to 1 year	1 - 5 years	5-10 years	> 10 years	Total
Local currency					
Bonds	340,044	1,315,733	1,203,368	2,175,602	5,034,747
Syndicate loans	239,005	415,377	-	-	654,382
Lease liabilities	177,031	353,377	226,888	19,199	776,495
Commercial loans and others	300,526	1,042,810	776,211	240,681	2,360,228
	1,056,606	3,127,297	2,206,467	2,435,482	8,825,852
Foreign currency					
Bonds	2,783,651	25,326,497	13,242,833	13,469,128	54,822,109
Syndicate loans	1,189,809	4,524,273	366,659	-	6,080,741
Commercial loans	2,138,339	17,736,184	532,196	112,824	20,519,543
Lease liabilities	61,755	145,031	-	-	206,786
Loans from related parties (Note 31)	1,423,878	-	-	-	1,423,878
Balance as of Septiembre 30, 2021 (Unaudited)	7,597,432	47,731,985	14,141,688	13,581,952	83,053,057
	8,654,038	50,859,282	16,348,155	16,017,434	91,878,909

20.4. Loans designated as hedging instrument

As of September 30, 2021, the Group designated US\$9,615 million of foreign currency debt as a hedging instrument of which, USD\$8,315 million is used to hedge the net investment in foreign operations with the US dollar as their functional currency and US\$1,300 million is used to hedge the cash flows of future crude oil exports. See Note 30 – Risk Management.

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21. Trade and other payables

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Current		
Suppliers	8,402,734	6,491,909
Partner's advances	1,284,587	497,898
Dividends payable (1)	1,074,559	223,571
Withholding tax	466,395	462,429
Insurance and reinsurance	434,262	240,803
Deposits received from third parties	118,269	84,436
Related parties (Note 31)	66,544	72,316
Hedging operations (2)	57,668	6,405
Agreements in transport contracts (3)	27,848	37,941
Various creditors	736,898	331,333
	12,669,764	8,449,041
Non-current		
Suppliers	26,551	-
Deposits received from third parties	213	1,109
Various creditors	231,348	19,955
	258,112	21,064

- (1) Corresponds to dividends decreed to third parties by Interconexión Eléctrica S.A. \$731,146, Oleoducto Bicentenario de Colombia S.A.S \$212,724, Inversiones de Gases de Colombia S.A. \$48,066, Oleoducto de Colombia S.A. \$45,820, Oleoducto de los Llanos Orientales S.A. \$33,088, and Ecopetrol S.A. \$3,715
- (2) Corresponds to the payable account for the settlement of swap contracts acquired to hedge the risk of crude export prices.
- (3) Corresponds to the value of the debt for agreements in transportation contracts for pipelines. These values are calculated in the volumetric compensation for quality and other inventory management agreements.

The carrying amounts of trade and other payables approximate their fair value, due to its short-term nature.

22. Provisions for employees benefits

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Post-employment benefits		
Healthcare	7,330,058	7,193,527
Pension	4,405,018	2,819,985
Education	470,623	485,792
Bonds	401,439	342,669
Other plans	109,454	104,428
Termination benefits - Voluntary retirement plan (1)	674,036	713,407
	13,390,628	11,659,808
Social benefits and salaries	804,570	674,080
Other long-term benefits	85,746	89,779
	14,280,944	12,423,667
Current	2,179,070	2,022,137
Non-current	12,101,874	10,401,530
	14,280,944	12,423,667

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- (1) It includes the obligation for the new voluntary retirement plan, on which Ecopetrol made offers to a part of its workers during 2020, to which 37 workers in 2021 and 421 in 2020 have accepted. This plan was approved at the end of 2019 by the Company's Board of Directors and includes the retirement of employees from January 2020 until December 2023, through 4 modalities: Compliance with the work cycle (pension), Retirement Plan A (Rent), Retirement Plan B (Bonus) and Enhanced Compensation.

The following table shows the movement in profit and loss and in other comprehensive income of Post-employment benefits:

	Three-month period ended September		Nine-month period ended September	
	2021	2020	2021	2020
Profit or loss				
Interest expense, net	163,768	154,377	483,308	460,427
Service cost	32,787	28,955	71,155	88,007
	196,555	183,332	554,463	548,434
Other comprehensive income				
Pension and bonds	(158,893)	655,765	(670,166)	590,868
Others	(1,244)	22	(1,244)	(41)
	(160,137)	655,787	(671,410)	590,827
Deferred tax	-	-	-	-
	(160,137)	655,787	(671,410)	590,827

22.1. Plan assets

Plan assets are represented by the resources held by pension trusts for the payment of the pension liabilities and pension bonds; what concerns health and education are the responsibility of Ecopetrol. The destination of the resources of the pension trusts, as well as their yields, cannot be changed of destination or returned to the Company until all the obligations are fulfilled. The balance of plan assets is \$11,579,872 and \$13,172,965 as of September, 30 2021 and December 31, 2020, respectively. 65.5% (2020 - 23.3%) are level 1 of fair value and 34.5% (2020 - 76.7%) are under category 2.

23. Accrued liabilities and provisions

	Abandonment and dismantling costs	Litigations	Environmental contingencies and others	Total
Balance as of December 31, 2020	11,239,325	118,139	1,070,266	12,427,730
Update in abandonment costs (Note 14,15)	(67,729)	-	-	(67,729)
Increase due to business combination (Note 12)	-	-	721,901	721,901
Additions	7,597	213,915	187,385	408,897
Uses	(324,119)	(3,832)	(137,724)	(465,675)
Financial cost	216,915	-	-	216,915
Foreign currency translation	104,583	209	12,924	117,716
Transfers	2,463	473	(2,824)	112
Balance as of September 30, 2021 (Unaudited)	11,179,035	328,904	1,851,928	13,359,867
Current	633,303	17,000	665,593	1,315,896
Non-current	10,545,732	311,904	1,186,335	12,043,971
	11,179,035	328,904	1,851,928	13,359,867

23.1. Abandonment and dismantling costs

The abandonment and dismantling obligation represents the Group's future obligation to restore environmental

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conditions to a level similar to that existing before the start of projects or activities, as described in Note 4.13 of the financial statements for the year ended December 31, 2020. As these relate to long-term obligations, the liability is determined based on expected future payments discounted to present value at a rate indexed to the Group's financial obligations, considering the timing and risks relating to this obligation.

23.2. Litigations

During 2021, second instance rulings unfavorable to the interests of Ecopetrol SA have been notified. These rulings are related to public works contributions, which led to the recognition of a provision for \$199,712 for rulings that have a unified judgment and that may be subject to payment to the tax authority.

Nevertheless, Ecopetrol will continue to present the pertinent appeals against the rulings, in order to apply all the legal resources that may be appropriate in order to modify, totally or partially, rulings against issued

23.3. Environmental contingencies and other

Corresponds mainly to obligations of environmental compensation and forced investment of 1% for the use, exploitation or affectation of natural resources imposed by national, regional and local environmental authorities. The obligation of forced investment of no less than 1% applies to all projects that requires an environmental license and that involves the use of water taken directly from surface or underground natural sources, either for human consumption, recreation, irrigation or any other activity, in accordance with the provisions of the Law 99 of 1993, article 43, Decree 1900 of 2006, Decrees 2099 of 2017 and 075 and 1120 of 2018 and article 321 of Law 1955 of 2019 in relation to the projects that Ecopetrol develops in the regions.

The National Government, through the Ministry of Environment and Sustainable Development, issued in December 2016 and in January 2017 Decrees 2099 and 075, through which it modifies the Single Regulatory Decree of the environment and sustainable development sector, Decree 1076 of 2015, in related to forced investment of not less than 1%. The decrees included modifications and guidelines regarding the geographical scope for the execution of activities for the fulfillment of the obligation, investment lines and the calculation of the base for the settlement of the obligations. Likewise, June 30, 2017 was defined as the maximum date to modify the Investment Plans that are in execution.

In 2019, Law 1955/2019 was issued, which in its Article 321, defined the items to carry out the liquidation of the forced investment of no less than 1% and established all those holders of an environmental license who have pending investments to the date of promulgation of said Law, to update the value of the settlement base of the investment of 1% within the defined period, either by accepting the percentage of increase according to the year of start of activities authorized in the environmental license, or by the formula defined in the first paragraph of the said article. Therefore, Ecopetrol carried out the recertification of the settlement base and the acceptance of the percentage of updating of the investment values of 1% in more than 90 environmental licenses, generating a lower provision for this obligation. In 2021 and 2020, ANLA has ruled through resolutions on 90% of the requests submitted in relation to article 321 of Law 1955. Ecopetrol has filed an appeal for reconsideration with ANLA in most cases, which are under review by this authority during 2021. Ecopetrol is managing the contracts for the execution of these obligations.

23.4. Contingencies

Oleoducto Bicentenario de Colombia S.A.S.

During July 2018, the carriers Frontera Energy Colombia Corp. (Frontera), Canacol Energy Colombia S.A.S. (Canacol) and Vetra Exploración y Producción Colombia S.A.S. (Vetra and, together with Frontera and Canacol, the Carriers) sent letters to Oleoducto Bicentenario de Colombia S.A.S. (Bicentenario) alleging there were early termination rights under the Ship-or-Pay Transport Agreements entered by each of them and Bicentenario in 2012 (the Transport

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Agreements). Bicentenario has rejected the terms of the letters, noting that there is no option for early termination and reiterating to the Carriers that the Transport Agreements are current and therefore the Carriers must fulfill their obligations under the Transport Agreements in a timely fashion.

Under Bicentenario's understanding that the Transport Agreements remain current and that the Carriers are in violation of their obligations under such agreements, Bicentenario declared the Carriers delinquent because of their failure to pay for transport service under the agreements. Consequently, Bicentenario executed the standby letters of credit posted as guarantee for the Transport Agreements.

On October 19, 2018, Bicentenario notified Frontera of the existence of a "Dispute" pursuant to Clause 20 of the respective Transport Agreement and moved to the party dispute settlement stage as provided for in such clause. Such discussions ended without an agreement on December 19, 2018. On January 28, 2019, Bicentenario filed an Arbitration Claim against Frontera in accordance with the arbitration clause of the Transportation Agreement to claim any compensation, indemnification or other restitution deriving from the alleged early termination of said agreements. Similarly, on November 1, 2018, Bicentenario notified Vetra and Canacol of the existence of a "Dispute" pursuant to Clause 20 of the respective Transport Agreement and moved to the party dispute settlement stage as provided for in each such respective clause. Such discussions ended without agreement on March, 2019.

During 2021 the arbitration proceedings between Bicentenario, Vetra and Canacol were completed. For more details on this matter, see section "Bicentenario, Cenit and Frontera Settlement Agreement" below.

Cenit Transporte y Logística de Hidrocarburos S.A.S. ("Cenit")

In 2018, the Company filed an arbitration claim against Grupo Frontera for: - The improper termination of the transportation contracts for the Caño Limón Coveñas Pipeline. Cenit considers that the amounts owed by Frontera for this concept as of June 30, 2020, are \$ 334,583.

The abovementioned fees dispute was at the root of the opposition manifested by Frontera Group against the application of the fees defined by the Ministry of Mines and Energy for the period 2015-2019. The rate differential amounts to \$ 110,254 which was placed by Frontera in a trust fund, whilst the balance of the debt according to Cenit's accounting records on the same date are \$ 99,734, thus evidencing that the amounts receivable are funded.

Frontera has not paid the component of the fee related to the abandonment fund to which Cenit considers they are entitled by virtue of the application of resolutions 31480 and 31661 issued by the Ministry of Mines and Energy. Frontera Energy Group owed \$ 9,663 in connection therewith.

Settlement Agreement:

1. Bicentenario, Cenit and Frontera Settlement Agreement:

On November 17, 2020, Cenit, Bicentenario and Frontera reached an agreement, for the joint filing of a petition for a binding settlement which, upon completion and approval by the competent Colombian court, will resolve all the disputes pending among them, related to the Caño Limón - Coveñas pipeline, and will terminate all the pending arbitration proceedings related to such disputes. This transaction eliminates any uncertainty related to the potential outcomes of the disputes, thus protecting the interests of all the parties and those of their stakeholders and create new business opportunities for the parties involved. The settlement arrangement includes a full and final mutual release upon closing of all present and future amounts claimed by all parties in respect of the terminated transportation contracts for the Bicentenario and Caño Limón - Coveñas pipelines.

Frontera will also enter into new transportation contracts with Cenit and Bicentenario. Frontera will transfer to Cenit its 43.03% stake in Bicentenario's shareholdings. The new ship or pay commitment is projected to be approximately 3,900 bbls/day, based on the current oil price, for a term of five years subject to adjustments, at a

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current fee of \$11.5/bbl. Frontera will not have to make payments for oil it may have to ship through alternate pipelines. These contracts will allow Cenit and Bicentenario to obtain payment of certain amounts included in the settlement, during the term of the contracts. The arrangement is conditional upon certain regulatory approvals, including approval of the settlement arrangement as a conciliation under Colombian law, which requires an opinion from the Attorney General's Office (Procuraduría General de la Nación) which was issued on March 24, 2021 and approval of the Administrative Tribunal of Cundinamarca. As of the date of this report the final approval by the Administrative Tribunal of Cundinamarca is pending.

2. Bicentenario, Cenit and Canacol Settlement Agreement:

On October 30, 2020 Cenit and Canacol reached an agreement to settle all their disputes. The settlement arrangement includes a full and final mutual release upon closing of all present and future amounts claimed by all parties in respect of the terminated transportation contracts for the Caño Limón – Coveñas pipelines. On November 18, 2020 the competent arbitration tribunal approved the conciliation agreement entered into by Cenit and Canacol, according to which Canacol was obliged to transfer all its outstanding shares in Bicentenario to Cenit. Additionally, as part of the settlement, Canacol entered into new transportation contracts with Cenit. These contracts will allow Cenit to obtain payment of certain amounts included in the settlement, during the term of the contracts. On the other hand, on March 8, 2021 Bicentenario and Canacol reached an agreement to settle all their disputes. The agreement established a formula that seeks to end all contractual obligation disputes between the parties and settle all the outstanding obligations between the companies. Approval of the conciliation between Bicentenario and Canacol is issued, and the arbitration proceedings related to this dispute are finished.

3. Bicentenario, Cenit and Vetra Settlement Agreement:

On November 23, 2020, Cenit and Vetra reached an agreement to settle all their disputes. The settlement arrangement includes a full and final mutual release upon closing of all present and future amounts claimed by all parties in respect of the terminated transportation contracts for Caño Limón – Coveñas pipelines. On February 18, 2021 the competent arbitration tribunal approved the conciliation agreement entered into by Cenit and Vetra, according to which Vetra is obliged to transfer all its outstanding shares in Bicentenario to Cenit and to make a cash payment for the remaining balance of the amounts included in the settlement.

On the other hand, on January 13, 2021 Bicentenario and Vetra reached an agreement to settle all their disputes. The agreement established a formula that seeks to end all contractual obligations between the parties and settle all the outstanding obligations between the companies. Approval of the conciliation between Bicentenario and Vetra is issued, and the arbitration proceedings related to this dispute are finished.

Refinería de Cartagena S.A.S.

1. Court of arbitration

On March 8, 2016, Reficar filed a request for arbitration with the International Chamber of Commerce (the "ICC") against Chicago Bridge & Iron Company NV, CB&I (UK) Limited and CBI Colombiana SA (jointly, "CB&I"), concerning a dispute related to the Engineering, Procurement, and Construction Agreements entered into by and between Reficar and CB&I for the expansion of the Cartagena Refinery in Cartagena, Colombia. Reficar is the Claimant in the ICC arbitration and seeks no less than USD\$2 billion in damages plus loss of profits.

On May 25, 2016, CB&I filed its answer to the Request for Arbitration and the preliminary version of its counterclaim against Reficar, for approximately USD \$ 106 millions and COP \$ 324.052 millions. On June 27, 2016, Reficar filed its reply to CB&I's counterclaim denying and disputing the declarations and relief requested by CB&I.

On April 28, 2017, Reficar filed its non-detailed claim and, on the same date, CB&I submitted its Statement of

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Counterclaim increasing its claims to approximately USD\$116 million and COP\$387,558 million. On March 16, 2018, CB&I submitted its Exhaustive Statement of Counterclaim further increasing its claims to approximately USD\$129 million and COP\$432,303 million (including in each case interest), and also filed its Exhaustive Statement of Defense to Reficar's claims. On this same date, Reficar filed its Exhaustive Statement of Claim seeking, among others, USD\$ 139 million for provisionally paid invoices under the Memorandum of Agreement ("MOA") and Project Invoicing Procedure ("PIP") Agreements and the EPC Contract.

On June 28, 2019, Chicago Bridge and Iron Company (CB&I) submitted its reply to the Non-Exhaustive Statement of Defense to Counterclaim increasing its claims to approximately USD\$137 million and COP\$503,241 million, including interests. Likewise, CB&I presented its detailed defense to Reficar's claim.

Reficar filed its reply to CB&I's Non-Exhaustive Statement of Defense and its Exhaustive Statement of Defense to CB&I's counterclaim, updating its claim for provisionally paid invoices under the MOA and PIP Agreements and the EPC Contract to approximately USD\$ 137 million.

In January 2020, McDermott International Inc. – CB&I parent company – commenced a bankruptcy case under title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. Faced with this situation, Refinería de Cartagena has taken actions to protect its interests and has a group of experts with whom it will continue to evaluate other measures it may adopt in this new circumstance.

Because of the initiation of the reorganization process, the arbitration was suspended until July 1, 2020, as described below.

On January 21, 2020, Comet II BV, the successor in interest to Chicago Bridge & Iron Company NV, commenced bankruptcy case under title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. Before the beginning of the insolvency process of Comet II BV, an automatic suspension of the initiation or continuation of any action, process or execution of judgment or award against Comet II BV became effective, which suspended the arbitration. On January 23, 2020, Comet II B.V. obtained an order from the Bankruptcy Court permitting it to, in its discretion, modify the automatic stay to permit it to proceed with litigation or other contested matters. On March 14, 2020, the Bankruptcy Court entered an order confirming a plan of reorganization, and the order provides for the stay against the arbitration to end upon the earlier of the effective date of the plan or August 30, 2020.- whichever would occur first. On June 30, 2020, McDermott International Inc. notified the occurrence of the effective date of the reorganization plan, for which the suspension of arbitration was lifted on July 1, 2020.

On May 6, 2020, the Superintendence of Companies ordered the judicial liquidation of CBI Colombiana SA, one of the defendants in the CB&I arbitration. On October 22, 2020, Reficar requested its recognition as a creditor of CBI Colombiana SA, up to the maximum amount of its claims in the arbitration. On January 15, 2021, the liquidator of CBI Colombiana SA accepted Reficar's request.

On 22 September 2020, the Tribunal scheduled the opening of the hearing for May 2021.

Between May 17 and June 16, 2021, the first two blocks of the hearing were held, in which the evidence was practiced in the arbitration against CB&I. On 16 June 2021, the Tribunal ordered the filing of post-hearing memorials for 15 October and 5 November 2021. Likewise, the Tribunal called on the parties to hear closing arguments on 18 and 19 November 2021.

On 16 August 2021, the parties requested the Tribunal to modify the procedural schedule by slightly modifying the dates for the presentation of the post-hearing memorials. On 26 August 2021, the Tribunal granted the parties' request, so that the post-hearing memorials would be filed on 22 October and 10 November 2021. The hearing of closing arguments remained unchanged.

Until the Tribunal issues its final decision, the outcome of this arbitration is unknown.

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2. Investigations of control entities

Prosecutor's Office:

To date, 3 legal proceedings are being carried out arising from the events related to the expansion and modernization project of the Refinería de Cartagena (the "project").

Proceeding 1 - No. 110016000101201600023 - MOA - PIP y EPC

This process is being carried out against some prior members of the Refinería de Cartagena Board of Directors, Refinería de Cartagena ex workers, Chicago Bridge and Iron Company (CB&I) workers and the Reficar Statutory Auditor between 2013 and 2015; for the crimes of undue interest in the conclusion of contracts, misappropriation in favor of third parties, illicit enrichment of individuals in favor of third parties and ideological falsehood in public document.

On May 31, 2018, the Accusation Formulation Hearing was installed; however, on this date the jurisdiction of the judge in the case was challenged. For this reason, it was only possible to start it on November 29, 2018. On August 22, 2019, the accusation hearing ended and Refinería de Cartagena and Ecopetrol S.A. were officially recognized as victims.

On November 25, 2019, the preparatory hearing for the trial was installed.

On November 4, 2020 a hearing was arranged in which the judge of the case manifested his impediment that was resolved by the Superior Court of Bogotá, by means of an order of December 16, February 2021, declaring it unsupported and maintaining jurisdiction in the same court.

To date, the process is in place to develop the hearing.

Proceeding 2 - No. 110016000101201800132 Business line

This process is carried out for the crimes of aggravated unfair administration and obtaining a false public document, against previous members of the Board of Directors of Refinería de Cartagena and an ex-president of this company.

On August 5, 2019, the accusation formulation hearing was installed and finished and Refinería de Cartagena and Ecopetrol S.A. were officially recognized as victims.

On November 18, 2019, the preparatory trial hearing was installed and it is currently being developed.

Proceeding 3 - No. 110016000101201800134 - Subscription of contract PMC - Foster Wheeler

This process is carried out for the crime of entering into a contract without legal requirements, against two ex-workers of the Refinería de Cartagena, who acted as ex-president in property and ex-president in charge, for the period for which the accusation is made.

On January 27, 2020, the accusation hearing was installed and finished, and Refinería de Cartagena and Ecopetrol S.A. were officially recognized as victims.

On March 11, 2020, the preparatory hearing for the trial was installed and it is currently being developed.

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Office of the Comptroller General (Contraloría General de la Nación – CGR):

Financial Audit for the 2020 period

The CGR carried out a financial audit of the Cartagena Refinery between February 1 and May 27, 2021.

In the Final Audit report, 3 findings of an administrative nature are established, and it is indicated: (i) that the budget execution is reasonable, since the budget was planned, programmed and executed in accordance with the applicable regulations, (ii) that the Internal financial control was efficient, because it is adequate and effective controls against the risks that are inherent to the different processes, procedures and activities carried out during the 2020 period, (iii) that the accounting opinion is negative, since the CGR considered that the RUs "do not reasonably present, in all material respects, the financial situation as of December 31, 2020."

Considering the above, the CGR did not terminate the fiscal account for the 2020 term.

Fiscal responsibility processes

Through Order No. 773 of June 5, 2018, the Office of the Comptroller General issued an order to file and impute fiscal responsibility within the process # PRF-2017-00309_UCC-PRF-005-2017 and impute responsibility to:

- i. Nine (9) ex-members of the Board of Directors of Refinería de Cartagena
- ii. Five (5) ex-workers of Refinería de Cartagena
- iii. One (1) ex-worker of Ecopetrol
- iv. Five (5) contractor companies that provided their services during the execution of the project,
- v. Four (4) insurance companies and two (2) reinsurers, as a civilly responsible third party.

Additionally, in the order it was required to form an independent process in relation to the event that generates the late entry into operation of the refinery, which gives rise to a loss of profit; that is, the net profit not received by Reficar.

On April 26, 2021, the CGR issued a first instance ruling with fiscal responsibility for changes 2 and 3 that were made to the expansion and modernization project of the Refinería de Cartagena for a value of COP\$2,9 thousands of millions in solidarity and as a gross fault against:

- i. Seven (7) ex-members of the Board of Directors of Refinería de Cartagena
- ii. Five (5) ex-workers of Refinería de Cartagena
- iii. Four (4) contractor companies that provided their services during the execution of the project,
- iv. Four (4) insurance companies.

On June 3, 2021, the CGR decided on the appeals for reconsideration and resolved, among other matters: (a) not to reconsider and confirm the first instance ruling for one of the parties, (b) partially reinstate the first instance decision to the insurance companies, (c) partially correct the ruling, and (d) grant the appeals filed.

On July 6, the CGR's Fiscal and Sanction Chamber decided the degree of consultation and the appeals filed by the parties and resolved, among other matters: (a) to deny the appeals, and (b) to confirm the order that resolved appeal for reconsideration.

The Plenary Chamber of the Council of State, by Order of August 26, 2021, decided not to take cognizance of the automatic control of legality of the judgment of fiscal responsibility.

The parties affected by the judgment may directly sue the court for the administrative act, once it is final.

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PRF-2018-00684-PRF-017-2018

Due to the late entry into operation that generated lost profits, the CGR advances an independent process in which various requirements have been met. To date, the CGR has not issued an indictment.

PRF-80011-2018-33300

By Official Letter 2021EE0138643 of August 26, 2021, the Intersectoral Comptroller General's Office 15 informed Refinería de Cartagena of the closure of the Preliminary Investigation UCC-IP-005-2019 and the opening of the Ordinary Fiscal Responsibility Process PRF-80011-2018-33300, in which Refinería de Cartagena and Ecopetrol are affected entities.

According to the press release, the CGR attributes the alleged damage to unidentified expenses associated with the Project, amounting to US\$9,240,927 from the period June to December 2015 and US\$12,447,618 from the periods 2016 to 2018; and 268.71 MUSD that being approved and entered into the budget of Refinery of Cartagena is not evident in what they were executed within the Project.

As of the date of this report, the financial statements continue to adequately disclose the Group's financial and operational position in all material respects and its internal controls remain in place and therefore the failure does not have any impact on the companies.

24. Equity

24.1. Subscribed and paid-in capital

Ecopetrol's authorized capital is \$36,540,000, and is divided in 60,000,000,000 ordinary shares, of which 41,116,694,690 have been subscribed, represented by 11.51% (4,731,906,273 shares) of non-government entities and people, and 88.49% (36,384,788,417 shares) held by Government entities. The value of the reserve shares amounts to \$11,499,933 comprised by 18,883,305,310 shares. As of September 30, 2021 and December 31, 2020, subscribed and paid-in capital is \$25,040,067. There is no potential dilution of shares

24.2. Additional and paid-in capital

It mainly corresponds to: (i) surplus with respect to its nominal value derived from the sale of shares upon capitalization in 2007, for \$4,457,997, (ii) surplus over nominal value arising from the sale of shares awarded in the second round, which took place in September 2011, in the amount of \$2,118,468, (iii) \$31,377 the value generated by the process of placing the shares on the secondary market, arising from the calling of guarantees from debtors in arrears, according to the provisions of Article 397 of the Code of Commerce, and (iv) additional paid-in capital receivable of \$(143).

24.3. Equity reserves

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Legal reserve	4,737,788	4,568,980
Fiscal and statutory reserves	509,082	509,082
Occasional reserves (1)	5,377,359	4,557,074
Total	10,624,229	9,635,136

- (1) Ecopetrol's General Meeting of Shareholders, held on March 26, 2021, approved the 2020 profit distribution project and recognized a reserve of \$5,377,359 (2020; \$4,557,074) in order to support the Company's financial sustainability and flexibility in development of your strategy.

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The movement of the equity reserves is the following:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Opening balance	9,635,136	3,784,658
Release of reserves	(5,066,156)	(540,826)
Appropriation of reserves	6,055,249	6,391,304
Closing balance	<u>10,624,229</u>	<u>9,635,136</u>

24.4. Retained earnings and payment of dividends

The Group distributes dividends based on Ecopetrol's separate financial statements prepared under International Financial Reporting Standards accepted in Colombia (NCIF, as its acronym in Spanish).

The General Meeting of Shareholders of Ecopetrol S.A. made on March 26, 2021, decreed dividends on the profit for 2020, for a value of \$698,984 (distribution in 2020 \$7,401,005). On April 22, 2021, dividends were paid for \$696,387, for 100% of the shareholders, and the subsidiaries paid \$728,069.

24.5. Other comprehensive income

The following is the composition of the other comprehensive results attributable to the shareholders of the parent company, net of deferred income tax:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Foreign currency translation (1)	15,388,874	11,973,287
Hedges of a net investment in a foreign operation	(3,451,040)	(1,494,926)
Profits and loss on defined benefit obligation	(2,530,319)	(2,260,989)
Cash flow hedging - Future crude oil exports	(523,765)	(403,411)
Cash flow hedging - Derivative financial instruments	(47,364)	44,132
Other movements	1,899	1,899
	<u>8,838,285</u>	<u>7,859,992</u>

(1) Includes the realization of other comprehensive income for \$ 361,728 from the sale of the participation in the capital stock of Offshore International Group (OIG),

25. Revenue from contracts with customers

	Three-month period ended September 30		Nine-month period ended September 30	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
National sales				
Mid-distillates (1)	4,737,529	1,904,390	11,431,003	6,441,849
Gasolines and turbo fuel (1)	4,328,305	1,606,395	10,337,295	4,627,490
Natural gas	810,212	736,637	2,280,859	2,076,589
Services	671,947	699,100	2,127,151	2,157,089
Plastic and rubber	399,093	202,540	1,118,731	537,477
L.P.G. and propane	252,941	94,237	613,302	254,173
Fuel gas service	190,993	165,350	537,301	495,622
Asphalts	166,887	160,261	446,739	375,321
Electric power transmission services	156,362	-	156,362	-
Polyethylene	101,575	18,524	271,921	79,232
Aromatics	54,928	37,737	176,646	112,673

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Crude oil	50,245	64,890	136,644	182,347
Roads and construction services	22,607	-	22,607	-
Fuel oil	3,786	7,820	20,920	27,039
Other income – Gas contracts (2)	3,737	3,582	5,527	32,154
Other products	132,729	92,798	351,537	296,611
Cash flow hedging (3)	-	-	(8)	-
	12,083,876	5,794,261	30,034,537	17,695,666
Foreign sales				
Crude oil	8,228,204	5,014,675	22,608,325	14,627,088
Diesel	860,294	910,658	2,935,295	2,153,877
Fuel oil	526,594	274,778	1,634,934	697,610
Electric power transmission services	505,048	-	505,048	-
Plastic and rubber	494,650	339,067	1,505,243	915,047
Construction services	274,729	-	274,729	-
L.P.G. and propane	30,278	4,978	58,079	11,135
Gasolines and turbo fuel	-	25,577	-	179,257
Natural gas	15,344	3,623	39,172	11,365
Cash flow hedging (3)	(140,867)	(122,850)	(333,857)	(966,290)
Other products	454,612	78,057	721,460	511,711
	11,248,886	6,528,563	29,948,428	18,140,800
	23,332,762	12,322,824	59,982,965	35,836,466

- (1) Includes the value corresponding to the application of Decree 180522 of March 29, 2010, and other standards that modify and add (Decree 1880 of 2014 and Decree 1068 of 2015), which establishes the procedure to recognize the subsidy for refiners and importers of ordinary motor gasoline and ACPM, and the methodology for calculating the net position (value generated between the parity price and the regulated price, which can be positive or negative). As of September 30, 2021, the value recognized by price differential corresponds to \$6,916,763 (2020: (\$450,882)).
- (2) Corresponds to the income on the participation in the profits of gas sales, according to the agreement signed between Ecopetrol and Hocol (considering the assets purchase agreement signed with Chevron to acquire the stake owned by the latter in the Guajira Association as of May 1, 2020), for the extension of the association contract for the exploitation of gas in La Guajira.
- (3) Includes accumulated as of September 30 the result of hedging for future exports (Note 30.3) for COP\$254,634 (2020: COP\$312,120) and operations with derivative financial instruments for COP\$79,231 (2020: COP\$654,170).

26. Cost of sales

	Three-month period ended September 30		Nine-month period ended September 30	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Variable costs				
Imported products (1)	5,038,669	1,361,438	11,265,184	5,489,151
Purchases of crude in associations and concessions	2,883,494	1,227,751	6,801,926	2,936,022
Depreciation, depletion and amortization	1,786,974	1,513,152	4,956,510	4,459,362
Hydrocarbon purchases - ANH - ANH (2)	1,505,314	760,865	3,965,823	2,045,508
Electric energy	267,833	278,509	773,844	822,989
Processing materials	241,835	193,024	643,876	614,576
Gas royalties in cash	235,827	181,223	750,987	598,478
Purchases of other products and gas	229,144	147,401	581,821	449,397
Hydrocarbon transportation services	215,750	213,129	664,965	649,317
Services contracted in association	77,410	67,550	201,624	195,258
Others (3)	(1,701,682)	(393,007)	(3,657,378)	503,387
	10,780,568	5,551,035	26,949,182	18,763,445
Fixed cost				

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Depreciation and amortization	842,311	783,147	2,238,338	2,225,394
Contracted services	665,963	383,916	1,475,651	1,160,216
Maintenance	662,552	531,491	1,737,586	1,537,897
Labor costs	655,556	557,494	1,800,954	1,738,532
Contracted services in associations	361,794	242,761	919,203	836,328
Taxes and contributions	289,252	114,297	685,268	435,617
Materials and operating supplies	140,372	122,038	386,994	342,252
Hydrocarbon transport services	14,836	61,711	42,815	182,274
General costs (4)	92,796	(4,157)	213,451	23,941
	<u>3,725,432</u>	<u>2,792,698</u>	<u>9,500,260</u>	<u>8,482,451</u>
	<u>14,506,000</u>	<u>8,343,733</u>	<u>36,449,442</u>	<u>27,245,896</u>

- (1) The imported products correspond mainly to ACPM and diluent to facilitate the transport of heavy crude oil.
- (2) It corresponds to the purchases of crude oil from royalties that Ecopetrol makes to the National Agency of Hydrocarbons (ANH) derived from the national production.
- (3) Corresponds to: i) result of the process of use and valuation of core inventories, ii) measurement at net realizable value (VNR) and iii) other charges that can be capitalized to projects. The variation corresponds to the recovery of international indicators that affects the valuation and higher volumes.
- (4) Includes the transfer to operating expenses of the costs related to the Barranca refinery units without production due to the decrease in loading capacity due to the health emergency.

27. Administrative, operation and project expenses

	Three-month period ended September 30		Nine-month period ended September 30	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Administration expenses				
General expenses	402,209	356,083	962,822	970,690
Labor expenses (1)	307,697	421,277	856,232	1,094,766
Depreciation and amortization	38,684	12,884	74,294	58,684
Taxes	7,068	16,102	41,209	54,159
	<u>755,658</u>	<u>806,346</u>	<u>1,934,557</u>	<u>2,178,299</u>
Operation and project expenses				
Exploration expenses	300,891	99,258	536,293	276,856
Commissions, fees, freights and services	183,831	142,905	453,032	487,457
Taxes	128,982	122,801	349,726	319,812
Labor expenses	72,738	75,841	224,535	231,344
Maintenance	60,208	12,496	119,253	61,362
Fee for regulatory entities	39,701	37,439	114,843	88,756
Depreciation and amortization	18,565	(10,281)	115,038	74,560
Others	70,975	74,858	233,343	248,532
Corporate projects	(44,021)	(62,776)	(152,980)	(175,513)
	<u>831,870</u>	<u>492,541</u>	<u>1,993,083</u>	<u>1,613,166</u>

- (1) It includes since 2020 the recognition of the new voluntary retirement plan for 37 workers in 2021 and 421 in 2020.

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28. Other operating (expenses) income, net

	Three-month period ended September 30		Nine-month period ended September 30	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Provision expenses	(101,338)	(29,534)	(400,136)	(75,086)
Loss on sale of assets	(28,457)	(22,947)	(56,548)	(40,758)
Recovery (expense) for impairment of current assets	50	21,791	(18,795)	14,488
(Loss) gain in acquisition of participation in joint operations (1)	-	(1,853)	-	1,371,259
Effect of control loss on subsidiaries (2)	-	-	-	65,570
Other (expenses) income	(5,497)	30,448	39,922	73,810
	<u>(135,242)</u>	<u>(2,095)</u>	<u>(435,557)</u>	<u>1,409,283</u>

(1) Result in the acquisition of Guajira: Ecopetrol \$1,284,372 and Hocol \$86,887.

(2) Effect of the recognition of the reduction of net assets due to the loss of control due to the opening of the judicial liquidation process of Bioenergy S.A.S. and Bioenergy Zona Franca S.A.S.

29. Financial result, net

	Three-month period ended September 30		Nine-month period ended September 30	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Finance income				
Results from financial assets	30,041	113,325	87,747	620,899
Yields and interests	62,543	77,543	130,398	257,047
Gain on derivatives valuation	406	36,483	406	36,483
Gain (loss) in settlement of derivatives	992	(61,457)	7,091	26,502
Dividends	-	-	27	22
Other financial income	8,173	1,836	17,094	19,871
	<u>102,155</u>	<u>167,730</u>	<u>242,763</u>	<u>960,824</u>
Financial expenses				
Financial cost of loans and borrowings (1)	(701,581)	(647,471)	(1,867,718)	(1,785,950)
Financial cost of other liabilities (2)	(234,538)	(219,604)	(698,534)	(652,909)
Results from financial assets	(26,245)	(71,822)	(75,174)	(450,379)
Other financial expenses	(84,029)	(55,011)	(132,869)	(195,114)
	<u>(1,046,393)</u>	<u>(993,908)</u>	<u>(2,774,295)</u>	<u>(3,084,352)</u>
Foreign exchange loss, net				
Foreign exchange (loss) gain	247,714	(130,729)	(10,387)	(97,738)
Realized gain of other comprehensive income from the sale of joint ventures (Note 13)	-	-	361,728	-
	<u>247,714</u>	<u>(130,729)</u>	<u>351,341</u>	<u>(97,738)</u>
	<u>(696,524)</u>	<u>(956,907)</u>	<u>(2,180,191)</u>	<u>(2,221,266)</u>

(1) As of September 30, 2021 interest were capitalized in natural resources and property, plant and equipment for \$192,134 (2020 - \$189,739).

(2) It includes the financial expense for the updating of the liability for abandonment costs, and the interest, net of post-employment benefits and other long-term employee benefits.

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30. Risk management

30.1. Exchange rate risk

The Group operates mainly in Colombia and makes sales in the local and international market, for this reason, it is exposed to exchange rate risk. The impact of fluctuations in exchange rates, especially the peso / U.S exchange rate. United States dollar, has been material.

As of September 30, 2021, the Colombian peso depreciated 11.08% when moving from a closing rate to December 31, 2020 of \$ 3,432.50 to \$3,812.77 pesos per U.S. dollar. When the Colombian peso depreciates against the U.S. dollar, exports revenue increase when converted to pesos; likewise, imported goods, and interest on foreign debt denominated in the U.S. dollars become more expensive.

The book values of financial assets and liabilities denominated in foreign currency are presented in the following table:

(USD\$ Millions)	As of September 30, 2021	As of December 31, 2020
Cash and cash equivalents	309	197
Other financial assets	806	1,164
Trade receivables and payables, net	322	203
Loans and borrowings	(15,366)	(11,814)
Other assets and liabilities, net	29	277
Net liability position	(13,900)	(9,973)

Of the total net position, USD\$(13,900) million correspond to net liabilities of companies with the Colombian peso functional currency, of which USD\$(9,615) relates to loans used as hedging instruments whose valuation is recognised in other comprehensive income, the measurement by difference in exchange for the remaining net liabilities to USD\$(4,285) millions affect the profit and loss statement. Likewise, USD\$(346) million of the net position correspond to monetary assets and liabilities of companies of the Group with a functional currency different from the Colombian peso, whose valuation is recognized in the profit and loss statement.

30.2. Sensitivity analysis for exchange rate risk

The following is the effect that a variation of 1% and 5% would have in the exchange rate of Colombian pesos against the U.S. United States dollar, related to the exposure of financial assets and liabilities in foreign currency as of September 30, 2021:

Scenario/ variation in the exchange rate	Effect on income before taxes +/-	Effect on other comprehensive income +/-
1%	163,364	366,611
5%	816,820	1,833,055

30.3. Cash flow hedge for future exports

In order to express in the financial statements the effect of the natural hedge existing between exports and debt, understanding that the exchange rate risk materializes when exports are made, on September 30, 2015, the Board of Directors designated the sum of USD \$5,440 million of Ecopetrol's debt as a hedge instrument for its future income from crude exports, for the period 2015 - 2023, in accordance with IFRS 9 - Financial Instruments

In accordance with Resolution 509 of 2015 of the General Accounting Office of the Nation, this accounting policy for recognition of hedges was adopted by Ecopetrol as of January 1, 2015

The following is the movement of this non-derivative hedging instrument:

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(USD\$ Millions)	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Opening balance	1,300	1,300
Reassignment of hedging instruments	431	1,230
Realized exports	(431)	(1,230)
Closing balance	1,300	1,300

The following is the movement in the other comprehensive income:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Opening balance	403,411	535,163
Exchange difference	494,351	201,968
Realized exports (Note 25)	(254,634)	(390,206)
Ineffectiveness	(10,226)	(9,779)
Deferred tax (Note 10)	(109,137)	66,265
Closing balance	523,765	403,411

The expected reclassification of exchange differences accumulated in other comprehensive income to profit or loss is as follows:

Año	Before taxes	Taxes	After taxes
2021 (Oct-Dec)	97,377	(34,082)	63,295
2022	401,408	(140,493)	260,915
2023	307,007	(107,453)	199,554
	805,792	(282,028)	523,764

30.4. Hedge of a net investment in a foreign operation

The Board of Directors approved the application of hedge accounting of net investment from June 8, 2016. The measure seeks to reduce the volatility of non-operating income due to the exchange difference. The hedge of a net investment applies to a portion of the investments the Company has in foreign currency, in this case in subsidiaries with the US dollars as their functional currency, using as hedging instrument a portion of the Company's debt denominated in U.S. dollars

Ecopetrol designated as hedged items its net investments in Oleoducto Central S.A. (Ocensa), Ecopetrol América LLC., Hocol Petroleum Ltd. (HPL) and Refinería de Cartagena S.A.S. (Reficar); and as a hedging instrument a portion of its debt denominated in US dollars in a total amount equivalent to USD\$5,200 million.

During 2021, the Company made an extension for USD\$1,229 million to add a greater amount in Reficar. Additionally, during the month of June 2021, debt principal payments were made for USD\$163 million. The total value hedged on September 30, 2021 is USD\$8,315 million.

The following is the movement in the other comprehensive income:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Opening balance	1,494,926	1,130,583
Exchange difference	3,173,684	520,490
Deferred tax (Note 10)	(1,217,570)	(156,147)
Closing balance	3,451,040	1,494,926

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30.5. Capital management

The main objective of Ecopetrol Business Group's Capital Management is to ensure a financial structure that will optimize the Company's cost of capital, maximize the returns to its shareholders and allow access to financial markets at a competitive cost to cover its financing needs

The following is the leverage index over the periods reported:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Loans and borrowings (Note 20)	91,878,909	46,731,754
Cash and cash equivalents (Note 6)	(10,086,787)	(5,082,308)
Other financial assets (Note 9)	(3,067,560)	(3,071,659)
Net financial debt	78,724,562	38,577,787
Equity	93,787,891	55,819,270
Leverage (1)	45,63%	40.87%

(1) Net financial debt / (Net financial debt + Equity)

31. Related parties

The balances with associated companies and joint ventures as of September 30, 2021 and December 31, 2020 are as follows:

	Accounts receivable	Other assets	Accounts payable	Loans payable	Other liabilities	
Joint ventures						
Equion Energía Limited	987	2,218	13,159	1,423,878	1,665	
Ecodiesel Colombia S.A.	1,521	-	47,077	-	2	
Associates						
Gases del Caribe S.A. E.S.P.	84,975	-	-	-	-	
Gas Natural del Oriente S.A. E.S.P.	4,028	-	4,737	-	-	
Gases de la Guajira S.A. E.S.P.	1,339	-	-	-	-	
Extrucol S.A.	720	-	240	-	-	
E2 Energía Eficiente S.A. E.S.P.	5,741	-	1,331	-	-	
Balance as of September 30, 2021 (Unaudited)	99,311	2,218	66,544	1,423,878	1,667	
Current	99,311	2,218	66,544	1,423,878	1,667	
	(Note 7)	(Note 11)	(Note 21)	(Note 20)		
	Accounts receivable	Loans receivable	Other assets	Accounts payable	Loans payable	Other liabilities
Joint ventures						
Equion Energía Limited (1)	1,950	-	7,093	32,335	1,277,046	1,663
Ecodiesel Colombia S.A.	1,345	-	-	35,632	-	1
Offshore International Group Inc (2)	-	97,300	-	-	-	-
Associates						
Gas Natural del Oriente S.A. E.S.P.	-	-	-	1,858	-	-
Extrucol S.A.	-	-	-	279	-	-
E2 Energía Eficiente S.A. E.S.P.	4,453	-	-	1,264	-	-
Serviport S.A.	-	-	-	948	-	-
Balance as of December 31, 2020	7,748	97,300	7,093	72,316	1,277,046	1,664

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Current	<u>7,748</u>	<u>97,300</u>	<u>7,093</u>	<u>72,316</u>	<u>1,277,046</u>	<u>1,664</u>
	<u>7,748</u>	<u>97,300</u>	<u>7,093</u>	<u>72,316</u>	<u>1,277,046</u>	<u>1,664</u>
	(Note 7)	(Note 7)	(Note 11)	(Note 21)	(Note 20)	

Préstamos:

(1) Deposits held by Equion in Ecopetrol Capital AG

Cuentas por cobrar - Préstamos:

(2) Savia Perú S.A. Loan granted by Ecopetrol S.A. This company is no longer part of the Business Group. See Note 13.

The main transactions with related parties for the nine-month period ended September 30, are detailed as follows:

	2021		2020	
	Sales and Services	Purchases of product and other	Sales and Services	Purchases of product and other
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Joint ventures				
Equion Energía Limited	15,829	52,536	17,369	273,836
Ecodiesel Colombia S.A.	26,144	314,780	6,075	196,168
Offshore International Group Inc	-	-	3,370	-
	<u>41,973</u>	<u>367,316</u>	<u>26,814</u>	<u>470,004</u>
Associates				
Gas Natural del Oriente S.A. E.S.P.	-	19,545	-	20,370
Gases de la Guajira S.A. E.S.P.	-	-	-	-
Extrucol S.A.	-	1,124	-	154
E2 Energía Eficiente S.A. E.S.P.	41,907	7,329	36,742	973
	<u>41,907</u>	<u>27,998</u>	<u>36,742</u>	<u>21,497</u>
	<u>83,880</u>	<u>395,314</u>	<u>63,556</u>	<u>491,501</u>

32. Segments information

The description of the business segments can be seen in Note 4.19 of the consolidated financial statements as of December 31, 2020.

The following segment information is reported based on the information used by the Board of Directors, as the top party responsible for strategic and operational decisions of these business segments. The performance of the segments is based primarily on an analysis of income, costs, expenses and results for the period generated by each segment, which are regularly monitored.

The information disclosed in each segment is presented net of transactions among the Ecopetrol Business Group.

Statement of profit or loss by segment

The following presents the consolidated statement of profit and loss by segment for the periods of three and nine months ended September 30, 2021 and 2020.

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	Three-month period ended September 30, 2021 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Power transmission and roads	Eliminations	Total
Third party sales	9,262,084	12,692,355	551,570	1,035,873	(209,120)	23,332,762
Inter-segment sales	6,466,464	1,200,441	2,606,550	-	(10,273,455)	-
Revenue	15,728,548	13,892,796	3,158,120	1,035,873	(10,482,575)	23,332,762
Costs of sales	(10,218,990)	(13,505,869)	(804,988)	(397,187)	10,421,034	(14,506,000)
Gross profit	5,509,558	386,927	2,353,132	638,686	(61,541)	8,826,762
Administration expenses	(411,033)	(194,397)	(97,668)	(97,644)	45,084	(755,658)
Operation and projects expenses	(551,262)	(211,436)	(89,296)	(11)	20,135	(831,870)
Recovery (impairment) of non-current assets	-	874	(2,545)	(12)	-	(1,683)
Other operating income (expenses), net	(86,597)	(19,434)	(12,158)	(16,157)	(896)	(135,242)
Operating income	4,460,666	(37,466)	2,151,465	524,862	2,782	7,102,309
Financial result, net						
Financial income	129,763	6,383	9,707	30,929	(74,627)	102,155
Financial expenses	(602,431)	(274,200)	(61,781)	(176,527)	68,546	(1,046,393)
(Loss) foreign exchange gain, net	(34,550)	(2,110)	90,225	194,149	-	247,714
	(507,218)	(269,927)	38,151	48,551	(6,081)	(696,524)
Share of company profits	(768)	62,084	(161)	49,523	-	110,678
Income before tax	3,952,680	(245,309)	2,189,455	622,936	(3,299)	6,516,463
Income tax	(1,196,509)	84,043	(736,562)	(344,906)	-	(2,193,934)
Net profit (loss) for the period	2,756,171	(161,266)	1,452,893	278,030	(3,299)	4,322,529
Net profit (loss) attributable to:						
Group owners of parent	2,778,483	(211,208)	1,129,658	113,614	(3,299)	3,807,248
Non-controlling interest	(22,312)	49,942	323,235	164,416	-	515,281
	2,756,171	(161,266)	1,452,893	278,030	(3,299)	4,322,529
Profit attributable to:						
to shareholders	2,778,483	(211,208)	1,129,658	113,614	(3,299)	3,807,248
Non-controlling interest in intersegments	(22,312)	-	22,312	-	-	-
Non-controlling interest	-	49,942	300,923	164,416	-	515,281
	2,756,171	(161,266)	1,452,893	278,030	(3,299)	4,322,529
Supplementary information						
Depreciation, depletion and amortization	1,876,294	421,449	302,930	85,861	-	2,686,534
Impairment of non-current assets	-	(874)	2,545	12	-	1,683

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	Three-month period ended September 30, 2020 (Unaudited)				
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
Third party sales	9,684,133	6,138,748	2,986,384	(6,486,441)	12,322,824
Revenue	9,684,133	6,138,748	2,986,384	(6,486,441)	12,322,824
Costs of sales	(7,860,235)	(6,001,428)	(836,042)	6,353,972	(8,343,733)
Gross profit	1,823,898	137,320	2,150,342	(132,469)	3,979,091
Administration expenses	(530,139)	(243,387)	(127,014)	94,194	(806,346)
Operation and projects expenses	(314,480)	(136,861)	(81,410)	40,210	(492,541)
Impairment of non-current assets	-	(21,075)	-	-	(21,075)
Other operating income (expenses), net	(2,918)	(3,467)	6,645	(2,355)	(2,095)
Operating income	976,361	(267,470)	1,948,563	(420)	2,657,034
Financial result, net					
Financial income	189,515	3,976	29,140	(54,901)	167,730
Financial expenses	(737,094)	(194,269)	(117,533)	54,988	(993,908)
(Loss) foreign exchange gain, net	(17,446)	(144,847)	31,564	-	(130,729)
	(565,025)	(335,140)	(56,829)	87	(956,907)
Share of company profits	(24,409)	39,616	277	-	15,484
Income before tax	386,927	(562,994)	1,892,011	(333)	1,715,611
Income tax	(167,633)	204,592	(608,214)	-	(571,255)
Net profit (loss) for the period	219,294	(358,402)	1,283,797	(333)	1,144,356
Net profit (loss) attributable to:					
Group owners of parent	238,613	(396,069)	1,012,803	(333)	855,014
Non-controlling interest	(19,319)	37,667	270,994	-	289,342
	219,294	(358,402)	1,283,797	(333)	1,144,356
Supplementary information					
Depreciation, depletion and amortization	1,572,367	384,544	341,991	-	2,298,902
Impairment of non-current assets	-	21,075	440	-	21,515

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	Nine-month period ended September 30, 2021 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Power transmission and roads	Eliminations	Total
Third party sales	25,363,297	31,909,678	1,795,516	1,035,873	(121,400)	59,982,964
Inter-segment sales	18,145,864	3,128,812	6,989,536	-	(28,264,211)	1
Revenue	43,509,161	35,038,490	8,785,052	1,035,873	(28,385,611)	59,982,965
Costs of sales	(28,434,970)	(33,495,298)	(2,321,831)	(397,187)	28,199,844	(36,449,442)
Gross profit	15,074,191	1,543,192	6,463,221	638,686	(185,767)	23,533,523
Administration expenses	(1,164,805)	(518,004)	(299,640)	(97,644)	145,536	(1,934,557)
Operation and projects expenses	(1,132,911)	(671,309)	(246,802)	(11)	57,950	(1,993,083)
Recovery (impairment) of non-current assets	-	3,529	(1,754)	(12)	-	1,763
Other operating (expenses) income, net	(397,809)	(27,012)	6,341	(16,157)	(920)	(435,557)
Operating income	12,378,666	330,396	5,921,366	524,862	16,799	19,172,089
Financial result, net						
Financial income	384,275	17,043	28,766	30,928	(218,249)	242,763
Financial expenses	(1,772,996)	(834,954)	(187,959)	(176,527)	198,141	(2,774,295)
(Loss) foreign exchange gain, net	(103,969)	(46,466)	307,627	194,149	-	351,341
	(1,492,690)	(864,377)	148,434	48,550	(20,108)	(2,180,191)
Share of company profits	12,569	163,982	(161)	49,524	-	225,914
Income before tax	10,898,545	(369,999)	6,069,639	622,936	(3,309)	17,217,812
Income tax	(3,351,307)	111,777	(1,913,888)	(344,906)	-	(5,498,324)
Net profit (loss) for the period	7,547,238	(258,222)	4,155,751	278,030	(3,309)	11,719,488
Net profit (loss) attributable to:						
Group owners of parent	7,611,331	(395,371)	3,291,205	113,614	(3,309)	10,617,470
Non-controlling interest	(64,093)	137,149	864,546	164,416	-	1,102,018
	7,547,238	(258,222)	4,155,751	278,030	(3,309)	11,719,488
Supplementary information						
Depreciation, depletion and amortization	5,185,852	1,211,700	900,766	85,861	-	7,384,179
Impairment of non-current assets	-	(3,529)	1,754	12	-	(1,763)

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(Figures expressed in millions of Colombian pesos, unless otherwise stated)

	Nine-month period ended September 30, 2020 (Unaudited)				
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
Third party sales	26,189,872	18,532,766	9,133,163	(18,019,335)	35,836,466
Revenue	26,189,872	18,532,766	9,133,163	(18,019,335)	35,836,466
Costs of sales	(23,935,368)	(18,508,995)	(2,520,205)	17,718,672	(27,245,896)
Gross profit	2,254,504	23,771	6,612,958	(300,663)	8,590,570
Administration expenses	(1,411,796)	(662,817)	(326,185)	222,499	(2,178,299)
Operation and projects expenses	(867,479)	(566,837)	(258,677)	79,827	(1,613,166)
Recovery (impairment) of non-current assets	(518,173)	(709,990)	2,808	-	(1,225,355)
Other operating (expenses) income, net	1,328,744	58,553	24,346	(2,360)	1,409,283
Operating income	785,800	(1,857,320)	6,055,250	(697)	4,983,033
Financial result, net					
Financial income	989,320	72,281	104,809	(205,586)	960,824
Financial expenses	(2,112,427)	(798,758)	(379,117)	205,950	(3,084,352)
(Loss) foreign exchange gain, net	36,145	(790,289)	656,406	-	(97,738)
	(1,086,962)	(1,516,766)	382,098	364	(2,221,266)
Share of company profits	(38,137)	132,257	(2,091)	-	92,029
Income before tax	(339,299)	(3,241,829)	6,435,257	(333)	2,853,796
Income tax	86,392	988,931	(2,002,899)	-	(927,576)
Net profit (loss) for the period	(252,907)	(2,252,898)	4,432,358	(333)	1,926,220
Net profit (loss) attributable to:					
Group owners of parent	(192,166)	(2,354,439)	3,559,961	(333)	1,013,023
Non-controlling interest	(60,741)	101,541	872,397	-	913,197
	(252,907)	(2,252,898)	4,432,358	(333)	1,926,220
Supplementary information					
Depreciation, depletion and amortization	4,630,389	1,197,015	990,597	-	6,818,001
Impairment of non-current assets	518,173	709,990	(2,808)	-	1,225,355

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Sales by product

	Sales by product – Segments					Total
	Three-month period ended September 30, 2021 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Power transmission and roads	Eliminations	
National sales						
Mid-distillates	-	4,737,529	-	-	-	4,737,529
Gasolines and turbo fuels	-	5,037,075	-	-	(708,770)	4,328,305
Services	24,749	191,596	3,158,120	55,251	(2,757,769)	671,947
Electric power transmission services	-	-	-	156,362	-	156,362
Roads and construction services	-	-	-	22,607	-	22,607
Natural gas	1,017,907	-	-	-	(207,695)	810,212
Plastic and rubber	-	399,093	-	-	-	399,093
Fuel gas service	-	192,907	-	-	(1,914)	190,993
Asphalts	6,834	160,053	-	-	-	166,887
L.P.G. and propane	161,200	104,450	-	-	(12,709)	252,941
Crude oil	6,363,159	-	-	-	(6,312,914)	50,245
Aromatics	-	54,928	-	-	-	54,928
Polyethylene	-	101,575	-	-	-	101,575
Other income – Gas contracts	3,737	-	-	-	-	3,737
Fuel oil	1,880	1,906	-	-	-	3,786
Other products	5,408	608,125	-	-	(480,804)	132,729
	7,584,874	11,589,237	3,158,120	234,220	(10,482,575)	12,083,876
Foreign sales						
Crude oil	8,228,204	-	-	-	-	8,228,204
Diesel	-	860,294	-	-	-	860,294
Electric power transmission services	-	-	-	505,048	-	505,048
Construction services	-	-	-	274,729	-	274,729
Plastic and rubber	-	494,650	-	-	-	494,650
Fuel oil	-	526,594	-	-	-	526,594
Natural gas	15,344	-	-	-	-	15,344
L.P.G. and propane	30,278	-	-	-	-	30,278
Cash flow hedging	(140,867)	-	-	-	-	(140,867)
Other products	10,715	422,021	-	21,876	-	454,612
	8,143,674	2,303,559	-	801,653	-	11,248,886
	15,728,548	13,892,796	3,158,120	1,035,873	(10,482,575)	23,332,762

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Sales by product - Segments					
Three-month period ended September 30, 2020 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
National sales					
Mid-distillates	-	1,908,667	-	(4,277)	1,904,390
Gasolines and turbo fuels	6,739	1,889,343	-	(289,687)	1,606,395
Services	37,013	18,207	2,986,369	(2,342,489)	699,100
Natural gas	962,502	-	-	(225,865)	736,637
Plastic and rubber	-	202,540	-	-	202,540
Fuel gas service	-	170,541	-	(5,191)	165,350
Asphalts	6,693	153,568	-	-	160,261
L.P.G. and propane	60,532	35,961	-	(2,256)	94,237
Crude oil	3,661,434	-	-	(3,596,544)	64,890
Aromatics	-	37,737	-	-	37,737
Polyethylene	-	18,524	-	-	18,524
Other income - Gas contracts	3,582	-	-	-	3,582
Fuel oil	2,102	5,718	-	-	7,820
Other products	2,854	110,098	-	(20,154)	92,798
	4,743,451	4,550,904	2,986,369	(6,486,463)	5,794,261
Foreign sales					
Crude oil	5,014,675	-	-	-	5,014,675
Diesel	-	910,658	-	-	910,658
Plastic and rubber	-	339,067	-	-	339,067
Fuel oil	-	274,778	-	-	274,778
Gasolines and turbo fuels	-	25,577	-	-	25,577
Natural gas	3,623	-	-	-	3,623
L.P.G. and propane	4,978	-	-	-	4,978
Cash flow hedging	(89,652)	(33,198)	-	-	(122,850)
Other products	7,058	70,962	15	22	78,057
	4,940,682	1,587,844	15	22	6,528,563
	9,684,133	6,138,748	2,986,384	(6,486,441)	12,322,824

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	Sales by product - Segments					Total
	Nine-month period ended September 30, 2021 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Power transmission and roads	Eliminations	
National sales						
Mid-distillates	-	11,443,166	-	-	(12,163)	11,431,003
Gasoline	-	12,093,001	-	-	(1,755,706)	10,337,295
Natural gas	2,936,420	-	-	-	(655,561)	2,280,859
Services	77,252	283,327	8,785,052	55,251	(7,073,731)	2,127,151
Electric power transmission services	-	-	-	156,362	-	156,362
Roads and construction services	-	-	-	22,607	-	22,607
Fuel gas service	-	542,862	-	-	(5,561)	537,301
Plastic and rubber	-	1,118,731	-	-	-	1,118,731
Asphalts	16,526	430,213	-	-	-	446,739
L.P.G. and propane	396,167	238,293	-	-	(21,158)	613,302
Crude oil	17,666,119	-	-	-	(17,529,475)	136,644
Polyethylene	-	271,921	-	-	-	271,921
Aromatics	-	176,646	-	-	-	176,646
Fuel oil	9,609	11,311	-	-	-	20,920
Other income – Gas contracts	5,527	-	-	-	-	5,527
Other	13,246	1,670,547	-	-	(1,332,256)	351,537
Cash flow hedging	-	(8)	-	-	-	(8)
	21,120,866	28,280,010	8,785,052	234,220	(28,385,611)	30,034,537
Foreign sales						
Crude oil	22,608,325	-	-	-	-	22,608,325
Diesel	-	2,935,295	-	-	-	2,935,295
Electric power transmission services	-	-	-	505,048	-	505,048
Construction services	-	-	-	274,729	-	274,729
Plastic and rubber	-	1,505,243	-	-	-	1,505,243
Fuel oil	-	1,634,934	-	-	-	1,634,934
Natural gas	39,172	-	-	-	-	39,172
L.P.G. and propane	58,079	-	-	-	-	58,079
Cash flow hedging	(333,864)	7	-	-	-	(333,857)
Other	16,583	683,001	-	21,876	-	721,460
	22,388,295	6,758,480	-	801,653	-	29,948,428
	43,509,161	35,038,490	8,785,052	1,035,873	(28,385,611)	59,982,965

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Sales by product – Segments					
Nine-month period ended September 30, 2020 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
National sales					
Mid-distillates	-	6,453,199	-	(11,350)	6,441,849
Gasolines and turbo fuels	6,739	5,423,926	-	(803,175)	4,627,490
Natural gas	2,683,399	-	-	(606,810)	2,076,589
Services	113,707	190,257	9,133,112	(7,279,987)	2,157,089
Fuel gas service	-	500,813	-	(5,191)	495,622
Plastic and rubber	-	537,477	-	-	537,477
Asphalts	17,191	358,130	-	-	375,321
L.P.G. and propane	169,498	89,163	-	(4,488)	254,173
Crude oil	9,310,804	-	-	(9,128,457)	182,347
Polyethylene	-	79,232	-	-	79,232
Aromatics	-	112,673	-	-	112,673
Fuel oil	3,886	23,153	-	-	27,039
Other income – Gas contracts	32,154	-	-	-	32,154
Other products	13,903	383,250	-	(100,542)	296,611
	12,351,281	14,151,273	9,133,112	(17,940,000)	17,695,666
Foreign sales					
Crude oil	14,706,404	29	-	(79,345)	14,627,088
Diesel	-	2,153,877	-	-	2,153,877
Plastic and rubber	-	915,047	-	-	915,047
Gasolines and turbo fuels	-	179,257	-	-	179,257
Fuel oil	-	697,610	-	-	697,610
Natural gas	11,365	-	-	-	11,365
L.P.G. and propane	11,135	-	-	-	11,135
Cash flow hedging	(914,500)	(51,790)	-	-	(966,290)
Other products	24,187	487,463	51	10	511,711
	13,838,591	4,381,493	51	(79,335)	18,140,800
	26,189,872	18,532,766	9,133,163	(18,019,335)	35,836,466

33. Subsequent and/or relevant events (Unaudited)

- External public debt management operation

Ecopetrol S.A. successfully carried out, on the basis of the authorization issued by the Ministry of Finance and Public Credit through Resolution 2600 of October 27, 2021, its first operation of management of foreign public debt for US\$2 billion with which the loan obtained to finance the acquisition of 51.4% of Interconexión Eléctrica S.A. (ISA), through an operation to issue and place public debt bonds on the international capital market, was partially refinanced, under the following conditions:

Transaction date	October 27, 2021	
Compliance date	November 2, 2021	
Term	10 years	30 years
Due date	November 2, 2031	November 2, 2051
Nominal amount	US\$1,250 millions	US\$750 millions
Yield	4.625%	5.875%
Coupon rate	4.625%	5.875%

34. Exhibit 1 - Consolidated companies, associates and joint ventures (Unaudited)

Company	Currency	Porcentaje participación Ecopetrol	Activity	Country/ Domicile	Geographic area of operations	Net equity	Profit (loss) for the period	Total Assets	Total Liabilities
Subsidiaries									
Refinería de Cartagena S.A.S.	U.S. Dollar	100%	Hydrocarbons refining, marketing and distribution	Colombia	Colombia	19,431,936	(640,787)	34,206,218	14,774,282
Cenit transporte y logística de hidrocarburos S.A.S.	Colombian peso	100%	Storage and transportation through hydrocarbon pipelines	Colombia	Colombia	15,041,032	3,359,560	17,058,088	2,017,056
Ecopetrol Global Energy S.L.U.	U.S. Dollar	100%	Investment vehicle	Spain	Spain	11,271,764	(24,976)	11,271,802	38
Oleoducto Central S.A.S - Ocensa	U.S. Dollar	72,65%	Pipeline transportation of crude oil	Colombia	Colombia	3,811,266	1,860,986	6,513,053	2,701,787
Hocol Petroleum Limited.	U.S. Dollar	100%	Investment vehicle	Bermuda	Bermuda	4,075,478	500,336	4,075,565	87
Ecopetrol América LLC.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	United States of America	United States of America	2,672,670	89,406	3,118,315	445,645
Hocol S.A.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	Cayman Islands	Colombia	3,236,090	499,796	4,807,406	1,571,316
Esenttia S.A.	U.S. Dollar	100%	Production and commercialization of polypropylene resin	Colombia	Colombia	2,268,436	211,657	3,107,125	838,689
Ecopetrol Capital AG	U.S. Dollar	100%	Collection of surpluses from, and providing funds to, companies of the Ecopetrol Business Group	Switzerland	Switzerland	2,246,947	162,384	8,523,275	6,276,328
Oleoducto Bicentenario de Colombia S.A.S.	Colombian peso	55,97%	Pipeline transportation of crude oil	Colombia	Colombia	1,871,094	255,215	3,737,952	1,866,858
Oleoducto de Colombia S. A. - ODC	Colombian peso	73%	Pipeline transportation of crude oil	Colombia	Colombia	341,121	283,725	707,057	365,936
Black Gold Re Ltd.	U.S. Dollar	100%	Reaseguradora para compañías del Grupo Empresarial Ecopetrol	Bermuda	Bermuda	937,342	6,705	1,351,884	414,542
Andean Chemicals Ltd.	U.S. Dollar	100%	Investment vehicle	Bermuda	Bermuda	1,564,444	107,802	1,564,981	537
Oleoducto de los Llanos Orientales S. A. - ODL	Colombian peso	65%	Pipeline transportation of crude oil	Panamá	Colombia	883,580	298,304	1,408,617	525,037
Interconexión Electrica S.A. E.S.P (1)	Colombian peso	51.41%	Delivery of public electricity transmission services, development of infrastructure projects and their commercial operation and development of information and telecommunications technology systems, activities and services.	Colombia	Latin America	21,441,172	16,403 **	62,574,311	41,133,139

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Company	Currency	Porcentaje participación Ecopetrol	Activity	Country/ Domicile	Geographic area of operations	Net equity	Profit (loss) for the period	Total Assets	Total Liabilities
Ecopetrol USA Inc.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	United States of America	United States of America	9,389,435	256,981	9,404,282	14,847
Ecopetrol Permian LLC.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	United States of America	United States of America	4,890,229	187,630	5,513,282	623,053
Ecopetrol Oleo é Gas do Brasil Ltda.	Brazilian real	100%	Hydrocarbons exploration and exploitation	Brazil	Brazil	1,771,249	(156,045)	1,844,913	73,664
Esenttia Masterbatch Ltda.	Colombian peso	100%	Manufacture of polypropylene compounds and masterbatches	Colombia	Colombia	341,567	185,966	458,444	116,877
Ecopetrol del Perú S. A.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	Perú	Perú	58,405	(461)	60,980	2,575
ECP Hidrocarburos de México S.A. de C.V.	U.S. Dollar	100%	Offshore exploration	México	México	52,136	(124,628)	65,650	13,514
Ecopetrol Costa Afuera S.A.S.	Colombian peso	100%	Offshore exploration	Colombia	Colombia	13,594	237	19,746	6,152
Ecopetrol Energía S.A.S E.S.P.	Colombian peso	100%	Energy supply service	Colombia	Colombia	18,755	6,094	125,187	106,432
Esenttia Resinas del Perú SAC	U.S. Dollar	100%	Commercialization polypropylene resins and masterbatches	Perú	Perú	11,052	3,883	58,449	47,397
Topili Servicios Administrativos S de RL De CV.	Mexican peso	100%	Specialized management services	México	México	51	(24)	53	2
Kalixpan Servicios Técnicos S de RL De CV.	Mexican peso	100%	Specialized services related to oil and gas industrys	México	México	57	(22)	59	2
Ecopetrol Singapore PTE. LTD	U.S. Dollar Singapore	100%	Holding company with investment in international marketing of crude and refined products	Singapore	Asia	286	-	572	286
Ecopetrol Trading Asia PTE. LTD	U.S. Dollar Singapore	100%	International marketing of crude and refined products	Singapur	Asia	286	-	286	-

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Company	Currency	Porcentaje participación Ecopetrol	Activity	Country/ Domicile	Geographic area of operations	Net equity	Profit (loss) for the period	Total Assets	Total Liabilities
Inversiones de Gases de Colombia S.A. Invercolsa S.A.	Colombian peso	51,88%	Holding with investments in transportation and distribution companies of natural gas and LPG in Colombia	Colombia	Colombia	585,560	207,204	685,866	100,306
Alcanos de Colombia S.A. E.S.P. (2)	Colombian peso	29,61%	Provision of the home public service of fuel gas, the construction and operation of gas pipelines, distribution networks, regulation, measurement and compression stations.	Colombia	Colombia	339,411	78,240	739,197	399,786
Metrogas de Colombia S.A. E.S.P. (2)	Colombian peso	33,49%	Provision of the public service of commercialization and distribution of fuel gas; the exploration, exploitation, storage, use, transportation, refining, purchase, sale and distribution of hydrocarbons and their derivatives.	Colombia	Colombia	62,302	14,134	119,802	57,500
Gases del Oriente S.A. E.S.P. (2)	Colombian peso	48,50%	Provision of the home public service of fuel gas distribution and the development of all complementary activities to the provision of said service.	Colombia	Colombia	112,462	48,071	190,288	77,826
Promotora de Gases del Sur S.A. E.S.P. (2)	Colombian peso	31,44%	Promote the linking of national or foreign capital, public or private, to achieve the gas massification project.	Colombia	Colombia	52,395	16,765	73,901	21,506
Combustibles Liquidos de Colombia S.A. E.S.P. (2)	Colombian peso	41,61%	Wholesale commercialization of fuel gas, the provision of the home public LPG distribution service and the development of complementary activities to the provision of said service.	Colombia	Colombia	58,095	3,007	77,395	19,300
Gasoducto de Oriente S.A. (2)	Colombian peso	31,61%	Design and construction of hydrocarbon production and treatment plants, construction of hydrocarbon transmission lines	Colombia	Colombia	569	(16)	586	17

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Company	Functional Currency	Porcentaje participación Ecopetrol	Activity	Country/Domicile	Geographic area of operations	Net equity	Profit (loss) for the period	Total Assets	Total Liabilities
Associates									
Serviport S.A. (3)	Colombian peso	49%	Services to support the loading and unloading of oil trucks, supply of equipment for the same purpose, technical inspections and load measurements	Colombia	Colombia	17,102	240	42,408	25,306
Sociedad Portuaria Olefinas y Derivados S.A. (4)	Colombian peso	50%	Construction, use, maintenance, adaptation and administration of port facilities, ports, private docks or service to the general public	Colombia	Colombia	4,988	(118)	7,342	2,354
Joint Ventures									
Equion Energía Limited	U.S. Dollar	51%	Hydrocarbons exploration and exploitation	United Kingdom	Colombia	2,823,419	23,874	2,933,839	110,420
Ecodiesel Colombia S.A. (4)	Colombian peso	50%	Production, commercialization and distribution of biofuels and oleochemicals	Colombia	Colombia	113,050	39,706	206,202	93,152

(1) Corresponds to consolidated EEFF, profit is one month of operation (September), assets and liabilities are presented cumulated. See note 12.

(2) Indirect participation through Gas Investments of Colombia S.A. Invercolsa S.A.

(3) Information available as of 31 December 2020, the investment is totally impaired

(4) Information available as at 31 August 2021.

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35. Exhibit 2. Subsidiaries, Associates and Joint Ventures Interconexión Eléctrica SA ESP (Unaudited)

Company	Activity	Country/ Address	ISA percentage share
Subsidiary			
Consortio Transmantaro	Electrical energy	Perú	60,00%
Interligação Eléctrica Evrecy	Electrical energy	Brazil	35,82%
Fundo de Investimento Assis	Autonomous Heritage - Special Purpose Entity	Brazil	35,77%
Fundo de Investimento Barra Bonita Renda Fixa Referenciado	Autonomous Heritage - Special Purpose Entity	Brazil	35,74%
Fundo de Investimento Referenciado di Bandeirantes	Autonomous Heritage - Special Purpose Entity	Brazil	17,99%
Fundo de Investimento Xavantes Referenciado di	Autonomous Heritage - Special Purpose Entity	Brazil	19,68%
Interconexiones Viales	Tracks	Chile	65,00%
Interligação Elétrica Aguapé	Electrical energy	Brazil	35,82%
Interligação Elétrica Biguaçu	Electrical energy	Brazil	35,82%
Interligação Elétrica De Minas Gerais	Electrical energy	Brazil	35,82%
Interligação Elétrica Itapura	Electrical energy	Brazil	35,82%
Interligação Elétrica Itaquerê	Electrical energy	Brazil	35,82%
Interligação Elétrica Itaúnes	Electrical energy	Brazil	35,82%
Interligação Elétrica Norte E Nordeste	Electrical energy	Brazil	35,82%
Interligação Elétrica Pinheiros	Electrical energy	Brazil	35,82%
Interligação Elétrica Riacho Grande	Electrical energy	Brazil	35,82%
Interligação Elétrica Serra Do Japi	Electrical energy	Brazil	35,82%
Interligação Elétrica Sul	Electrical energy	Brazil	35,82%
Interligação Elétrica Tibagi	Electrical energy	Brazil	35,82%
Internexa	Telecommunication and TIC	Colombia	99,42%
Internexa Argentina	Telecommunication and TIC	Argentina	99,42%
Internexa Brasil Operadora de Telecomunicações	Telecommunication and TIC	Brazil	99,42%
Internexa Chile	Telecommunication and TIC	Chile	98,43%
Internexa Participações	Investment vehicle	Brazil	99,42%
Internexa Perú	Telecommunication and TIC	Perú	99,42%
ISA Bolivia	Electrical energy	Bolivia	100,00%
ISA Capital Do Brasil	Investment vehicle	Brazil	100,00%
ISA CTEEP	Electrical energy	Brazil	35,82%
ISA Interchile	Electrical energy	Chile	100,00%
ISA Intercolombia	Electrical energy	Colombia	100,00%
ISA Intervial Chile	Tracks	Chile	100,00%
ISA Intervial Colombia	Tracks	Colombia	100,00%
Compañía	Actividad	País/ Domicilio	Porcentaje participación ISA

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2021

(Figures expressed in millions of Colombian pesos, unless otherwise stated)

Subsidiary			
ISA Inversiones Chile	Investment vehicle	Chile	100,00%
ISA Inversiones Costera Chile	Investment vehicle	Chile	100,00%
ISA Inversiones Tolten	Investment vehicle	Chile	100,00%
ISA Investimentos E Participações	Investment vehicle	Brazil	100,00%
ISA Perú	Electrical energy	Perú	100,00%
ISA REP	Electrical energy	Perú	60,00%
ISA Transelca	Electrical energy	Colombia	100,00%
Linear Systems RE	Other businesses	Bermudas	100,00%
Piratinga Bandeirantes Transmissora de Energia	Electrical energy	Brazil	35,82%
Proyectos de Infraestructura del Perú	Electrical energy	Perú	100,00%
Ruta Costera	Tracks	Colombia	100,00%
Ruta de La Araucanía	Tracks	Chile	100,00%
Ruta de Los Ríos	Tracks	Chile	75,00%
Ruta del Bosque	Tracks	Chile	100,00%
Ruta del Loa	Tracks	Chile	100,00%
Ruta del Maipo	Tracks	Chile	100,00%
Ruta del Maule	Tracks	Chile	100,00%
SF Energia Participações	Electrical energy	Brazil	35,82%
Sistemas Inteligentes en Red	Other businesses	Colombia	99,77%
XM	Electrical energy	Colombia	99,73%
Investments in Joint Ventures			
Interligação Elétrica do Madeira	Transport of energy	Brazil	51,00%
Interligação Elétrica Garanhuns	Transport of energy	Brazil	51,00%
Interligação Elétrica Paraguaçu	Transport of energy	Brazil	50,00%
Interligação Elétrica Aimorés	Transport of energy	Brazil	50,00%
Interligação Elétrica Ivaí	Transport of energy	Brazil	50,00%
Transmissora Aliança de Energia Elétrica	Transport of energy	Brazil	14,88%
Interconexión Eléctrica Colombia Panamá-Panamá	Transport of energy	Panamá	50,00%
Interconexión Eléctrica Colombia Panamá Colombia	Transport of energy	Colombia	1,17%
Transnexa (1)	Telecommunications transport	Ecuador	50,00%
Derivex	Managing the trading system for transactions in financial instruments derived from electricity	Colombia	40,35%
Parques del Río	Tracks	Colombia	33,00%
Investments in associates			
ATP Tower Holdings	Telecommunications transport	United States of America	24,69%

(1) Transnexa is in the process of liquidation and its entire impaired investment.