



ECOPETROL S. A.

Consolidated condensed interim financial
statements
(Unaudited)

September 30, 2020





**Building a better
working world**

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, 2020 which comprise the interim condensed consolidated statement of financial position as at September 30th, 2020 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-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)
V́ctor Hugo Rodŕguez Vargas
Statutory Auditor

November 4th, 2020
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

	Note	September 30, 2020 (Unaudited)	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents	6	7,828,655	7,075,758
Trade and other receivables, net	7	4,782,685	5,700,334
Inventories, net	8	5,510,348	5,658,099
Other financial assets	9	3,213,025	1,624,018
Tax assets	10	3,414,969	1,518,807
Other assets	11	1,974,378	1,778,978
		26,724,060	23,355,994
Assets held for sale		31,063	8,467
Total current assets		26,755,123	23,364,461
Non-current assets			
Trade and other receivables, net	7	700,324	786,796
Other financial assets	9	982,562	3,355,274
Investments in associates and joint ventures	13	3,354,373	3,245,072
Property, plant and equipment	14	69,211,743	64,199,970
Natural and environmental resources	15	30,885,182	29,072,798
Right-of-use assets		288,061	456,225
Intangibles		566,572	483,098
Deferred tax assets	10	11,148,209	8,622,398
Goodwill		1,353,802	919,445
Other assets	11	1,034,645	942,481
		119,525,473	112,083,557
Total non-current assets		119,525,473	112,083,557
Total assets		146,280,596	135,448,018
Liabilities			
Current liabilities			
Loans and borrowings	17	6,240,909	5,012,173
Trade and other payables	18	10,933,306	10,689,246
Provisions for employee benefits	19	1,972,472	1,929,087
Tax liabilities	10	923,095	2,570,779
Accrued liabilities and provisions	20	704,791	789,297
Derivative financial instruments		71,636	1,347
Other liabilities		384,346	750,370
		21,230,555	21,742,299
Liabilities related to non-current assets held for sale		94,157	-
Total current liabilities		21,324,712	21,742,299
Non-current liabilities			
Loans and borrowings	17	47,234,083	33,226,966
Trade and other payables	18	23,895	24,445
Provisions for employee benefits	19	9,596,486	9,551,977
Deferred tax liabilities	10	787,538	774,059
Tax liabilities	10	141,989	70,543
Accrued liabilities and provisions	20	9,315,766	9,128,991
Other liabilities		683,026	584,616
		67,782,783	53,361,597
Total non-current liabilities		67,782,783	53,361,597
Total liabilities		89,107,495	75,103,896
Equity			
Subscribed and paid in capital	21.1	25,040,067	25,040,067
Additional paid-in capital	21.2	6,607,699	6,607,699
Reserves	21.3	9,635,136	3,784,658
Other comprehensive income	21.5	9,857,610	6,464,144
Retained earnings		2,277,302	14,515,762
Equity attributable to Company's shareholders		53,417,814	56,412,330
Non-controlling interest		3,755,287	3,931,792
		57,173,101	60,344,122
Total Equity		57,173,101	60,344,122
Total liabilities and equity		146,280,596	135,448,018

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

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,	
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
Sales revenue	22	12,322,824	18,014,274	35,836,466	52,265,504
Cost of sales	23	(8,343,733)	(11,240,243)	(27,245,896)	(32,687,678)
Gross profit		3,979,091	6,774,031	8,590,570	19,577,826
Administration expenses	24	(806,346)	(485,921)	(2,178,299)	(1,270,499)
Operation and project expenses	24	(492,541)	(529,858)	(1,613,166)	(1,638,448)
Impairment loss of non-current assets, net	16	(21,075)	-	(1,225,355)	-
Other operating (expenses) income, net	25	(2,095)	(46,638)	1,409,283	(42,917)
Operating income		2,657,034	5,711,614	4,983,033	16,625,962
Financial result, net	26				
Financial income		167,730	541,145	960,824	1,189,015
Financial expenses		(993,908)	(999,320)	(3,084,352)	(2,510,003)
Foreign exchange (loss) gain		(130,729)	(190,040)	(97,738)	(104,198)
		(956,907)	(648,215)	(2,221,266)	(1,425,186)
Share of profits of associates and joint ventures		15,484	56,316	92,029	289,512
Profit before income tax expense		1,715,611	5,119,715	2,853,796	15,490,288
Income tax expense	10	(571,255)	(1,769,836)	(927,576)	(5,315,101)
Net profit for the period		1,144,356	3,349,879	1,926,220	10,175,187
Net profit attributable to:					
Owners of parent		855,014	3,010,999	1,013,023	9,242,731
Non-controlling interest		289,342	338,880	913,197	932,456
		1,144,356	3,349,879	1,926,220	10,175,187
Basic earnings per share (pesos)		20.8	73.2	24.6	224.8

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Ecopetrol S.A.

(Figures expressed in millions of Colombian pesos)

Consolidated condensed interim statements of other comprehensive income

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Net income of the period	1,144,356	3,349,879	1,926,220	10,175,187
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss (net of tax):				
Unrealized (loss) gain on hedges:				
Cash flow hedge for future exports	(42,282)	(116,588)	(311,216)	387,588
Hedge of a net investment in a foreign operation	(571,308)	(989,279)	(2,605,547)	(828,828)
Cash flow hedge with derivative instruments	11,147	(27,260)	(45,631)	8,340
Gain on equity instruments measured at Fair Value:				
Foreign currency translation	1,075,861	2,456,905	6,120,886	2,004,870
	473,418	1,323,778	3,158,492	1,571,970
Items that will not be reclassified subsequently to profit or loss (net of tax):				
Remeasurement (loss) gain on defined benefit plans	459,051	202,854	413,579	484,743
Other comprehensive income	932,469	1,526,632	3,572,071	2,056,713
Total comprehensive income	2,076,825	4,876,511	5,498,291	12,231,900
Comprehensive net profit attributable to:				
Owners of parent	1,766,990	4,472,188	4,406,488	11,248,353
Non-controlling interest	309,835	404,323	1,091,803	983,547
	2,076,825	4,876,511	5,498,291	12,231,900

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

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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	Equity attributable to Company's shareholders	Non-controlling interest	Total equity
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	21.3	-	-	(540,826)	-	540,826	-	-	-
Dividends declared	21.4	-	-	-	-	(7,401,005)	(7,401,005)	(1,268,556)	(8,669,561)
Others		-	-	-	-	-	-	249	249
<u>Appropriation of reserves</u>									
Legal		-	-	1,325,148	-	(1,325,148)	-	-	-
Fiscal and mandatories	21.3	-	-	509,082	-	(509,082)	-	-	-
Occasional	21.3	-	-	4,557,074	-	(4,557,074)	-	-	-
<u>Other comprehensive income</u>									
Gain (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, 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
Balance as of December 31, de 2018		25,040,067	6,607,699	5,138,895	7,782,324	12,644,622	57,213,607	2,090,831	59,304,438
Net income		-	-	-	-	9,242,731	9,242,731	932,456	10,175,187
Release of reserves		-	-	(3,050,703)	-	3,050,703	-	-	-
Dividends declared		-	-	-	-	(9,251,256)	(9,251,256)	(921,578)	(10,172,834)
Change of participation in controlled companies		-	-	-	-	-	-	119	119
<u>Appropriation of reserves</u>									
Legal		-	-	1,155,640	-	(1,155,640)	-	-	-
Fiscal and mandatories		-	-	509,082	-	(509,082)	-	-	-
Occasional		-	-	3,691,130	-	(3,691,130)	-	-	-
<u>Other comprehensive income</u>									
Gain (loss) on hedging instruments:									
Cash flow hedge for future exports		-	-	-	387,588	-	387,588	-	387,588
Hedge of a net investment in a foreign operation		-	-	-	(828,828)	-	(828,828)	-	(828,828)
Cash flow hedge with derivative instruments		-	-	-	6,284	-	6,284	2,056	8,340
Foreign currency translation		-	-	-	1,955,835	-	1,955,835	49,035	2,004,870
Actuarial valuation loss		-	-	-	484,743	-	484,743	-	484,743
Balance as of September 30, 2019 (Unaudited)		25,040,067	6,607,699	7,444,044	9,787,946	10,330,948	59,210,704	2,152,919	61,363,623

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

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Ecopetrol S.A.

(Figures expressed in millions of Colombian pesos)

Consolidated condensed interim statements of cash flows

	Note	Nine-month period ended September 30,	
		2020	2019
		(Unaudited)	
Cash flows provided by operating activities:			
Net profit for the period		1,926,220	10,175,187
Adjustments to reconcile net income to net cash provided by operating activities:			
Income tax	10	927,576	5,315,101
Depreciation, depletion and amortization		6,818,000	6,290,129
Foreign exchange loss, net	26	97,738	104,198
Finance cost of loans and borrowings	26	1,785,950	1,406,012
Finance cost of post-employment benefits and abandonment costs	26	652,909	565,852
Disposal of exploratory assets and dry wells	15	164,232	153,981
Loss on disposal of non-current assets		17,644	78,026
Gain on business combinations	12	(1,371,259)	-
Effect of control loss on subsidiaries		(65,570)	-
Impairment loss of non-current assets	16	1,225,355	35,256
Recovery for impairment of short-term assets	25	(14,488)	(3,018)
Gain (loss) on valuation of financial assets		(39,888)	45,163
Gain on derivative instruments hedging	26	(36,483)	-
Gain (loss) on equity method		(92,029)	(289,512)
Gain (loss) on disposal of assets held for sale		(2,338)	236
Loss on hedge ineffectiveness	27.5	13,654	6,033
Realized loss on foreign exchange cash flow hedges	22	312,120	890,507
Income tax paid		(4,529,978)	(4,474,235)
Net change in operational assets and liabilities:			
Trade and other receivables		974,752	1,985,088
Inventories		397,270	(723,559)
Trade and other payables		(3,648,115)	312,332
Tax assets and liabilities		(1,364,994)	(754,256)
Provisions for employee benefits		212,103	(216,346)
Provisions and contingencies		(143,472)	(260,059)
Other assets and liabilities		(365,536)	(495,206)
Net cash generated by operating activities		3,851,373	20,146,910
Cash flow from investing activities:			
Investment in property, plant and equipment	14	(3,319,364)	(2,529,220)
Investment in natural and environmental resources	15	(4,549,156)	(4,772,377)
Acquisitions of intangibles		(40,437)	(53,161)
Sales of other financial assets		1,230,816	1,442,322
Interests received	26	257,047	356,130
Dividends received		80,776	46,991
Proceeds from sales of assets		14,473	23,384
Net cash used in investment activities		(6,325,845)	(5,485,931)
Cash flow used in financing activities:			
Acquisition of loans and borrowings	17	13,788,609	238,450
Loans payments		(3,920,275)	(1,115,192)
Interest payments		(1,597,502)	(1,217,041)
Lease payments (loans and interest)		(245,920)	(168,520)
Dividends paid	18	(5,246,901)	(10,056,948)
Net cash used in financing activities		2,778,011	(12,319,251)
Exchange difference in cash and cash equivalents		449,358	407,777
Net increase in cash and cash equivalents		752,897	2,749,505
Net increase in cash and cash equivalents		7,075,758	6,311,744
Cash and cash equivalent at the end of the year	6	7,828,655	9,061,249
Non cash transactions			
Recognition of right-of-use assets and lease liabilities		45,638	609,406

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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T.P. 116770-T

(Original in spanish signed)

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

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2020

(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 presentation

2.1 Statement of compliance and authorization of 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 at December 31, 2019 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 and 2483 of 2018. 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 bodies.

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 at December 31, 2019, which do not differ significantly from those used in the previous year.

These financial statements were approved by the Company's Management on October 23, 2020.

2.2 Basis 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.

Subsidiaries are consolidated from the date control is obtained until the date it ceases.

On June 24, 2020, the Superintendency of Companies issued the liquidation orders for the Bioenergy S.A.S. and Bioenergy Zona Franca S.A.S., in which the termination of the reorganization process and the opening of the judicial liquidation process were decreed.

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2020

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

As of the date of issuance of the order, the companies were in a state of liquidation for all legal purposes and the functions of administrators, corporate bodies and inspection were ceased. As a consequence, the Group lost control over the Companies and they are no longer part of the consolidated figures. See Note 26.

The subsidiary Inversiones de Gases de Colombia S.A. Invercolsa S.A., is in the process of adopting the full International Financial Reporting Standards. This process could generate a change in the classification of assets and/or liabilities for the consolidated financial statements.

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 2020, there have been no changes in the significant accounting estimates and judgments used in the preparation of the financial statements as at December 31, 2019. During 2020, the impairment analysis of long-term assets was updated (Note 16), likewise, a staged acquisition was presented for Guajira association contract (Note 12 - Business combination).

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, 2019 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, 2020.

The interim financial statements do not include all the information and disclosures required in the annuals, and therefore should be read in conjunction with the separate financial statements December 31, 2019.

5. New standards and regulatory changes

5.1 New standards adopted by the Group, effective as of January 1, 2020

- Amendments to IFRS 3 - Definition of a business: to help companies determine if a set of activities and acquired assets are considered a business or not. The minimum requirements to determine if it is a business are clarified, the evaluation of whether market participants are capable of replacing any missing element is eliminated, an orientation is included to help companies evaluate if an acquired process is substantive, they are restricted the definitions of a business and products; and an optional fair value concentration test is introduced. New illustrative examples are provided in conjunction with these amendments.

These changes should be applied to transactions that are business combinations or asset acquisitions, for which the acquisition date is January 1, 2020 or later. Consequently, companies do not have to review transactions that occurred in prior periods.

- Amendments to IAS 1 and IAS 8 - Definition of material: The new definition establishes that, "Information is material if its omission or distortion is expected to influence the decisions that the main users of the financial statements make". The amendments clarify that the materiality will depend on the nature and / or the magnitude of the information. A company will need to assess whether the information, either individually or in combination with another, is material in the context of the financial statements.

Ecopetrol S.A.

Notes to consolidated condensed interim financial statements

September 30, 2020

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

The amendments explain that the information is hidden if it is communicated in a way that has an effect similar to that of omitting or misinforming. Material information may, for example, be hidden if it is dispersed in the financial statements with respect to a material element, transaction or other event, or it is disclosed in ambiguous or unclear language. Material information can also be hidden if elements, transactions or other events are improperly added, or, conversely, if similar elements are incorrectly disaggregated.

- Amendments to IFRS 9 and IAS 39 - Interest rate benchmark reform: A number of exemptions are provided that apply to all hedging relationships directly affected by changes in benchmark interest rate indices. A hedging relationship is affected if the change in the indices creates uncertainty about the timing and / or amount of cash flows of the hedged item or the hedging instrument. These amendments have no impact on the Group's financial statements since it currently has no interest rate hedging.
- The revised conceptual framework for financial reporting: The IASB issued the revised Conceptual Framework in March 2018. It establishes a comprehensive set of concepts for financial reporting, setting standards, guidance for preparers in policy definition consistent accountants and assisting others to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities, and clarifies some important concepts.

Changes to the conceptual framework may affect the application of IFRS in situations where a standard does not apply to a particular transaction or event. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after January 1, 2020.

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

In May 2020, the IASB issued amendments to the following IFRS, which have application as of January 1, 2022. The application in Colombia of these amendments needs the issuance of regulatory decrees by the Ministry of Industry, Commerce and Tourism:

- IFRS 3 - Business combinations: a reference from the standard to the Conceptual Framework was updated.
- IAS 16 - Property, plant and equipment: amendment that expresses the prohibition to deduct from the cost of property, plant and equipment the value of the sales of articles produced, while the company prepares the asset for its intended use.
- 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 that involves adjustments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

The Group is constantly monitoring changes in local accounting regulations in order to assess the possible impacts that the new standards issued by the international organization may generate in their adoption in Colombia.

6. Cash and cash equivalents

	September 30, 2020	December 31, 2019
	(Unaudited)	
Banks and corporations	6,779,263	5,813,306
Short-term investments (1)	1,049,093	1,262,105
Cash	299	347
	7,828,655	7,075,758

- (1) During the second quarter of 2020, resources were invested in the funds in the U.S. Dollars as part of the issuance and placement of external public debt bonds carried out by Ecopetrol in April.

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As of September 30, 2020, restricted resources were included for \$81,851 (December 31, 2019 for \$ 85,286), mainly destined for the exclusive payment of principal and interest on loans incurred by Oleoducto Bicentenario de Colombia S.A.S. and Oleoducto de los Llanos Orientales S.A.

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.

7. Trade and other receivables, net

	September 30, 2020	December 31, 2019
	(Unaudited)	
Current		
Customers		
Domestic	2,135,341	2,015,517
Foreign	1,767,043	2,759,993
Related parties (Note 28)	194,739	27,449
Employee loans	98,315	95,693
Industrial services	78,590	47,691
Fuel price stabilization fund (1)	-	256,303
Others (2)	508,657	497,688
	4,782,685	5,700,334
Non-current		
Employee loans	471,239	508,588
Domestic customers	55,855	52,819
Related parties (Note 28)	-	93,657
Others (2)	173,230	131,732
	700,324	786,796

- (1) Corresponds to the application of Resolution 180522 of March 29, 2010 and other regulations that modify and add it (Decree 1880 of 2014 and Decree 1068 of 2015), which establishes the procedure to recognize the subsidy for refiners and importers of motor gasoline current 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).
- (2) Corresponds mainly to crude oil loan agreements in transportation systems.

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

8. Inventories, net

	September 30, 2020	December 31, 2019
	(Unaudited)	
Crude	1,856,328	1,965,022
Fuels and petrochemicals	1,610,911	1,876,247
Materials for goods production	2,043,109	1,816,830
	5,510,348	5,658,099

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9. Other financial assets

	September 30, 2020	December 31, 2019
	(Unaudited)	
Assets measured at fair value through profit or loss		
Investment portfolio - Local currency	350,302	1,630,149
Investment portfolio - Foreign currency	3,789,673	3,340,908
	4,139,975	4,971,057
Assets measured at amortized cost		
Hedging instruments (1)	3,870	3,367
	51,742	4,868
	4,195,587	4,979,292
Current	3,213,025	1,624,018
Non-current	982,562	3,355,274
	4,195,587	4,979,292

(1) Includes swap contracts for \$15,158 (Note 27.2) and forwards for \$36,483.

Fair value:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Level 1	5,273	472,547
Level 2	4,186,444	4,503,378
	4,191,717	4,975,925

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

10.1 Current tax assets and tax liabilities

	September 30, 2020	December 31, 2019
	(Unaudited)	
Current tax assets		
Income tax (1)	1,215,443	190,605
Credit tax balance (2)	1,167,811	614,005
Advances and other taxes (3)	1,031,715	714,197
	3,414,969	1,518,807
Current tax liabilities		
Income tax	555,634	1,967,353
Industry and commerce tax	141,312	195,776
National tax and surtax on gasoline	114,192	145,569
Carbon tax	27,899	54,586
Value added tax	677	33,098
Other taxes (4)	83,381	174,397
	923,095	2,570,779
Non-current tax liabilities		
Income tax - taxes paid through projects (5)	141,989	70,543
	141,989	70,543

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- (1) Includes mainly credit tax balances, 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 and the 50% of the industry and commerce tax paid in the year
- (2) It mainly contains the balance value in favor of VAT, among others.
- (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) Mainly includes royalties, transportation tax, among others.
- (5) Mechanism of taxes paid through projects regulated by article 238 of Law 1819 of 2016 - Tax reform, which established it as a form of payment of income tax for the years 2017, 2018 and 2019. In compliance with the said article, in May 2018, 2019 and 2020, the Group companies recognized an asset and a liability for the value of the projects awarded for each tax term.

10.2 Income tax

In accordance with Law 2010/2019 (Tax Reform) the tax provisions applicable in Colombia for the taxable year 2020 are the following:

- The general rate of income tax applicable to national companies, permanent establishments and foreign entities will be 32%.
- For the years 2019 and 2020, the applicable rate for purposes of calculating the income tax under the presumptive income system will be 1.5% and 0.5%, respectively, of the taxpayer's net worth from the immediately previous year. From 2021 the applicable rate will be 0%.
- Companies located in the free zone are taxed at a rate of 20%. If the company located in the free zone has a Legal Stability Contract (hereinafter, CEJ), the income tax rate will continue to be 15% during the term of said contract. This is the case of Refinería de Cartagena S.A.S. ("Reficar") and Esenttia Masterbatch Ltda. ("Esenttia MB").
- For the taxable year 2020, the Group has companies that settle on liquid income at the 32% rate, companies in the free zone, that pay the 15% rate (they have CEJ) and 20%, and others with foreign income with rates from other countries.
- The tax depreciation systems are adjusted to the accounting ones and it establishes a limit to the annual depreciation percentage based on the table established in Law 1819 of 2016. On the other hand, the amortization of oil investments will be made based on technical production units as it is done in accounting.
- The expenses of acquisition of exploration rights, geology and geophysics, exploratory drilling, among others, will be capitalized for tax purposes until the technical feasibility and commercial viability of extracting the resource are established.
- Tax losses generated as of January 1, 2017 may be offset by the liquid income generated in the following 12 years.
- Pursuant to article 290 of Law 1819 of 2016, excesses of presumptive income over liquid income generated before 2017 in income tax and CREE that have not been compensated, are subject to offset to the application of a formula contained in said article and subject to the term established in article 189 of the Tax Statute.

In 2019, the National Government issued Law 2010, with which certain substantial aspects were modified.

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The National Government issued tax regulations, related to income tax, aimed at improving the cash flow of the Companies, extending the term for the payment and presentation of the taxable year 2019 declaration.

Statute of limitation of review for tax returns

As of 2017, the general statute of limitation of tax returns is 3 years from the date of their expiration or from the date of their filing, when they have been filed out of time. For Group Companies that are subject to compliance with transfer pricing regulations, the term of their firmness is 6 years. The Law 2010 of 2019 established that this term will be 5 years, for the declarations that are presented as of January 1, 2020.

With respect to those statements in which balances are presented in favour, the statute of limitation will be 3 years, from the date of submission of the return or compensation request.

The tax returns in which tax losses are compensated will be final 6 years from the date of their filing. Those declarations in which tax losses are settled, the term is 12 years and if the losses are offset in the last 2 years, of the 12 allowed, their term will extend up to 3 more years, from the year of their compensation.

Tax returns that present tax losses after January 1 2020 can be reviewed by the tax authorities within six (5) years following the filing and / or correction date.

Income tax returns for taxable years 2011, 2012, 2014, 2015, 2016, 2017, 2018 and 2019 and CREE for taxable years 2014, 2015, and 2016 of Group Companies are subject to acceptance and review by of the tax authorities.

Income tax expense

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Current	771,697	1,918,519	2,513,010	5,474,547
Current - Previous periods	-	(4,652)	(277,713)	10,471
Deferred (1)	(200,439)	(138,957)	(1,554,373)	(150,576)
Deferred - Previous periods	(3)	(5,074)	246,652	(19,341)
Income tax expense	571,255	1,769,836	927,576	5,315,101

(1) Includes \$ 232,644 of tax related to the acquisition of participation that Chevron owned in Guajira Association contract (Note 12.2).

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. The applicable rate for 2020 is 32%.

The effective tax rate as of September 30, 2020, calculated before share of profits of associates and joint ventures is 32.5%; the variation against the rate as of December 31, 2019 (24.07%) is mainly due to the decrease of projected profit at the end of each year, the reduction of 100 basis points of the nominal tax rate (from 33% in 2019 to 32% in 2020) the effect of the adjustment for exchange rate difference in the companies of the business group that are functional currency dollar, the effect of Permian adjustment in 2019 and the effect of the adjustment by rate projection.

Management of the Group's companies considers that the amounts recognized as a tax liability are sufficient and are supported by current regulations, doctrine and jurisprudence to meet any claim that may be established with respect to such years. The Group's strategy is not to make fiscal decisions with aggressive or risky positions that may put into question its tax returns.

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Deferred income tax

	September 30, 2020	December 31, 2019
	(Unaudited)	
Deferred tax asset (1)	11,148,209	8,622,398
Deferred tax liability	(787,538)	(774,059)
	10,360,671	7,848,339

- (1) The increase presented in the deferred tax asset during the first nine months of 2020, was generated mainly by the increase in the exchange rate, which impacts the deferred tax associated with loans in foreign currency. Although the current conditions due to the COVID 19 pandemic and other external factors, the financial projections of the Group Companies let to conclude that in the future enough fiscal profits will be generated that will allow their recoverability within the terms established in the current fiscal regulations.

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

	September 30, 2020	December 31, 2019
	(Unaudited)	
Deferred tax assets and liabilities		
Loss carry forwards (1)	3,634,756	2,849,089
Borrowings and other financial liabilities (2)	2,410,335	920,634
Provisions (3)	2,394,287	2,405,499
Employee benefits (4)	1,778,995	1,875,872
Accounts payable	647,558	711,503
Accounts receivable	181,794	83,965
Other assets	176,003	(493)
Loans receivable	76,521	55,445
Inventories	64,075	80,523
Other liabilities	35,192	48,923
Right-of-use assets	(8,442)	(33,401)
Intangibles	(25,435)	498
Deferred charges	(66,906)	(63,941)
Investments and derivative instruments	(67,681)	(46,276)
Goodwill (5)	(288,095)	(288,095)
Property, plant and equipment (6)	(582,286)	(751,406)
Total	10,360,671	7,848,339

(1) In 2020, deferred tax is being recognized for tax losses mainly in the companies: Ecopetrol USA Inc for \$1,830,203, Ecopetrol Permian LLC \$ 19,020, Refinería de Cartagena \$1,532,181 and presumptive excess of income for Refinería de Cartagena for \$253,352.

(2) The variation was mainly generated by the increase in the exchange rate, which impacts the deferred tax associated with loans in foreign currency. The Group's financial projections make to deduce that in the future sufficient profits will be generated that will allow the recoverability.

(3) Corresponds to non-taxable accounting provisions, mainly the abandonment provision for wells.

(4) Actuarial calculations for health, pensions, education, pension bonuses and other long-term benefits to employees.

(5) According to the tax law in Colombia, goodwill is amortizable, while under NCIF it is not, but is subject to impairment tests, a difference that results in a deferred tax liability.

(6) For fiscal purposes natural resources and property plant and equipment have an useful life and a depreciation and amortization calculation methodology different from those that are determined under international accounting

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standards. Under NCIF (Accounting and Financial Information Standards accepted in Colombia), the useful life is determined by a technical analysis. This difference translates into a different depreciation base for accounting and tax purposes. Within this item the amount of tax is included for occasional gains of 10% on land, the main variation corresponds to the decrease of the income tax rate from 33% to 32%. The movement in the deferred tax during 2020 was generated by the acquisition of the participation to Chevron in the Guajira Association contract (Note 12.2).

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

Starting in 2017, companies will be able to offset the tax losses obtained in the current period, with the ordinary income generated in the 12 taxable periods following the obtaining of the aforementioned tax losses, without prejudice to the presumptive income for the year.

In accordance with the tax provisions applicable until December 31, 2016, the excesses of presumptive income and excesses of minimum base generated before 2017 in the income tax and complementary and in the income tax for equity - CREE, respectively, they may be compensated with the ordinary liquid income obtained by each Company within the following five years, using for this purpose, the formula established in number 6, of article 290 of law 1819 of 2016.

The deferred tax asset related to the tax losses generated by the companies Ecopetrol Costa Afuera, Invercolsa and Andean Chemicals Ltd for \$15,181, and excess presumptive income from ECAS, Hocol Petroleum Company ("HPL"), Andean for \$ \$65,888 are not recognized, as the Management has evaluated and reached the conclusion that under a conservative position the deferred tax asset related to these tax losses and excess presumptive income is not likely to be recoverable in the short term.

If the Group could have recognized the unrecognized deferred tax asset, the profit for the year ended September 30, 2020 would have increased by \$81,069.

The movements in deferred tax assets and liabilities on income for the period ended September 30, 2020 and the year ended December 31, 2019 are as follows:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Opening balance	7,848,339	5,008,323
Deferred tax recognized in profit or loss	1,307,721	2,531,080
Effect of business combination Invercolsa	-	(98,005)
Deferred tax recognized other comprehensive income (a)	1,204,611	406,941
Closing balance	10,360,671	7,848,339

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

September 30, 2020 (Unaudited)	Base	Deferred Tax	Total
Actuarial valuation gains	590,827	(177,248)	413,579
Cash flow hedging for future crude oil exports	(439,056)	127,840	(311,216)
Hedge of a net investment in a foreign operation	(3,722,210)	1,116,663	(2,605,547)
Hedge with derivative instruments	(65,795)	20,164	(45,631)
Currency translation	-	117,192	117,192
	(3,636,234)	1,204,611	(2,431,623)

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December 31, 2019	Base	Deferred Tax	Total
Actuarial valuation gains	(2,571,184)	771,355	(1,799,829)
Cash flow hedging for future crude oil exports	998,083	(329,784)	668,299
Hedge of a net investment in a foreign operation	(87,524)	26,257	(61,267)
Hedge with derivative instruments	69,220	(22,769)	46,451
Currency translation	-	(38,118)	(38,118)
	(1,591,405)	406,941	(1,184,464)

Deferred tax (assets) unrecognized liabilities

As of September 30, 2020, 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 documented, the Group does not have in the foreseeable future the intention to sale of any of these investments.

11. Other assets

	September 30, 2020 (Unaudited)	A December 31, 2019
Current		
Advanced payments to contractors and suppliers	624,459	360,781
Partners in joint operations (1)	541,654	921,983
Prepaid expenses	497,851	272,007
Trust funds (2)	283,448	144,798
Related parties (Note 28)	1,738	57,016
Other assets	25,228	22,393
	1,974,378	1,778,978
Non-current		
Abandonment and pension funds (3)	404,850	445,457
Trust funds (2)	284,712	171,008
Employee benefits	225,030	220,998
Advanced payments and deposits	54,447	56,027
Judicial deposits and judicial attachments	41,743	40,317
Other assets	23,863	8,674
	1,034,645	942,481

(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.

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12. Business combination

12.1 Invercolsa

As of September 30, 2020, the provisional fair values of property, plant and equipment, intangibles and deferred tax were updated, these fair values are under review.

The fair value distribution was updated as follows:

	September 30, 2020
	(Unaudited)
Cash and cash equivalents	20,530
Current trade and other receivables	195,225
Inventories	19,576
Current tax assets	10,704
Other current assets	2,810
Investments in associates and joint ventures	1,824,552
Non-current trade and other receivables	52,820
Property, plant and equipment (1)	905,530
Deferred tax asset	9,623
Other non-current assets	807
Intangibles (2)	93,050
Goodwill (3)	434,357
Current loans	(137,683)
Trade and other payables	(58,423)
Current provisions for employees benefits	(7,003)
Current tax liabilities	(23,597)
Accrued liabilities and provisions	(8,576)
Other current liabilities	(13,650)
Non-current loans	(186,923)
Deferred tax liabilities (4)	(201,619)
Total	2,932,110

- (1) The most representative fair values were in network infrastructure, pipelines and machinery and equipment.
- (2) The update of the intangible is the result of transport contracts and non-regulated markets.
- (3) The Goodwill related to this acquisition was \$434,357, the new balance on the financial position is \$1,353,802.
- (4) It was generated by updating the fair value of intangibles and property, plant and equipment.

12.2 Joint Venture Guajira contract

On November 22, 2019, Hocol SA, 100% subsidiary of the Ecopetrol Business Group, signed an assets Purchase and Sale Agreement with "Chevron", in order to acquire the entire participation owned by the latter in the Guajira Association (43% of the joint venture contract) and its position as operator. The remaining 57% in this contract has always been Ecopetrol S.A. The transaction was subject to the approval of the Superintendency of Industry and Commerce (SIC), which was formalized on April 2, 2020, through the Resolution 12785 of 2020. As established in the agreement, the start of the operation by Hocol would be the first business day of the month following the date of this approval, that is, May 1, 2020, therefore this is the acquisition date for accounting recognition purposes.

Ecopetrol and Hocol measured the assets acquired and the liabilities assumed in proportion to their participation in accordance with the provisions of IFRS 11 - Joint Agreements and IFRS 3 - Business Combinations.

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For Ecopetrol this transaction is configured as an acquisition in stages. Fair value was determined using the income approach applying the discounted cash flow methodology. The fair values of property, plant and equipment, natural and environmental resources and deferred tax have been provisionally determined, therefore they may have adjustments related to working capital, according to the clauses of the purchase agreement and the guidelines defined in IFRS 3.

Identifiable acquired assets and assumed liabilities

The following detail corresponds to the amounts recognized for acquired assets and assumed liabilities at the acquisition date:

	September 30, 2020
	(Unaudited)
Assets	
Accounts receivable	19,545
Natural resources	788,558
Property, plant and equipment	1,183,105
Abandonment asset	42,185
Other assets	267,176
Total assets	2,300,569
Liabilities	
Account payable	(20,926)
Other liabilities	(156,127)
Deferred tax	(271,618)
Provisions	(72,032)
Total liabilities	(520,703)
Fair Value of net assets	1,779,866

The effect on operating results as of September 30, 2020 has been as follows:

Fair value of net assets	1,779,866
Book value of net assets	(200,662)
Consideration (HOCOL)	(435,238)
Currency translation	(5,351)
(=) Net acquisition profit	1,138,615

Recognized in:

Profit before tax in business combination (Note 25)	1,371,259
(-) Deferred tax expense	(232,644)
(=) Net profit from the acquisition after deferred tax	1,138,615

The clauses of the purchase agreement indicate that it has 180 days to finish the adjustments of differences arising from the movement on the assets acquired and the liabilities assumed. The aforementioned fair values do not have tax effects.

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13. Investments in associates and joint ventures

13.1 Composition and movements

	September 30, 2020	December 31, 2019
	(Unaudited)	
Joint ventures		
Equion Energía Limited	1,734,282	1,527,502
Offshore International Group	731,118	709,871
Ecodiesel Colombia S.A.	47,657	46,095
	2,513,057	2,283,468
Less impairment:		
Equion Energía Limited (1)	(334,823)	(334,823)
Offshore International Group (2)	(620,128)	(530,330)
	1,558,106	1,418,315
Associates		
Gases del Caribe S.A. E.S.P.	1,490,545	1,527,911
Gas Natural del Oriente S.A. E.S.P.	172,182	166,685
Gases de la Guajira S.A. E.S.P.	68,434	68,608
E2 Energía Eficiente S.A. E.S.P.	33,656	32,848
Extrucol S.A.	28,384	28,501
Serviport S.A.	8,540	11,070
Sociedad Portuaria Olefinas	2,789	2,204
	1,804,530	1,837,827
Less impairment: Serviport S.A.	(8,263)	(11,070)
	1,796,267	1,826,757
	3,354,373	3,245,072

(1) On February 29, 2020, the terms of the association contract for the field Piedemonte were completed.

(2) Movement includes \$33,742 for translation adjustment recognized in equity (See note 21.5 - Other comprehensive income) and \$56,056 for impairment loss.

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14. Property, plant and equipment

The movement of property, plant and equipment for the period ended September 30, 2020 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 at December 31, 2019	47,950,917	36,370,647	6,229,949	8,157,945	4,054,538	2,660,232	105,424,228
Additions/capitalizations (1)	1,140,701	910,721	927,917	200,202	14,983	124,840	3,319,364
Reduction of abandonment cost (Note 20)	-	(12,961)	-	-	(6)	-	(12,967)
Capitalized financial interests	16,446	14,946	15,049	4,810	369	51,618	103,238
Exchange differences capitalized	500	454	458	146	11	1,570	3,139
Disposals	(413,979)	(70,316)	(371)	(7,182)	(9,688)	(56,943)	(558,479)
Effect of control loss in subsidiaries (2)	(298,570)	(592,885)	(775)	(266,526)	(60,341)	(144,189)	(1,363,286)
Adjustment on fair value for business combination (Note 12)	550,645	32,257	-	54,679	-	86,770	724,351
Foreign currency translation	5,204,070	1,861,058	96,835	227,366	276,604	117,837	7,783,770
Transfers (3)	(128,132)	(265,476)	(182,081)	4,120	(1,034)	(13,447)	(586,050)
Balance as of September 30, 2020 (Unaudited)	54,022,598	38,248,445	7,086,981	8,375,560	4,275,436	2,828,288	114,837,308
Accumulated depreciation and impairment losses							
Balance as at December 31, 2019	(18,976,236)	(16,635,110)	(1,114,366)	(3,456,254)	(80,682)	(961,610)	(41,224,258)
Depreciation expense	(1,689,318)	(1,246,994)	-	(253,109)	-	(85,134)	(3,274,555)
Impairment loss (Note 16)	(630,574)	(119,050)	121,535	(28,416)	(8,691)	(10,964)	(676,160)
Disposals	393,705	65,311	-	5,583	1	55,910	520,510
Effect of control loss in subsidiaries	266,825	403,095	262	221,708	30,669	108,081	1,030,640
Foreign currency translation	(1,623,925)	(739,408)	(351)	(68,368)	(1,245)	(52,920)	(2,486,217)
Transfers (4)	142,426	7,247	386,117	(4,773)	(40,783)	(5,759)	484,475
Balance as of September 30, 2020 (Unaudited)	(22,117,097)	(18,264,909)	(606,803)	(3,583,629)	(100,731)	(952,396)	(45,625,565)
Balance as of December 31, 2019	28,974,681	19,735,537	5,115,583	4,701,691	3,973,856	1,698,622	64,199,970
Balance as of September 30, 2020 (Unaudited)	31,905,501	19,983,536	6,480,178	4,791,931	4,174,705	1,875,892	69,211,743

(1) Includes capitalizations for the purchase of the Guajira association by Hocol for \$ 357,125.

(2) See effects of control loss in subsidiaries (Note 25)

(3) Includes transfer to Goodwill as part of updating the provisional fair values in business combination with Invercolsa (Note 12.1).

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- (4) For presentation purposes, Ecopetrol reclassified to Natural and environmental resources a value of \$ 390,988, corresponding to the accumulated impairment of projects that were recorded as Property, plant and equipment. This adjustment does not have a material impact on the assets items or the statement of financial position.

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, 2019. As of March 31, the Group carried out an update of the impairment according to the situation generated by the price crisis. (See note 16 - Impairment of non-current assets). As of September 30, 2020, the Group did not recognize additional impairment to the already analyzed and recognized in March.

15. Natural and environmental resources

The movement of natural resources and the environment for the period ended September 30, 2020, with corresponding amortization, calculated based on production units, and impairment has been as follows:

	Oil and Gas investments	Asset Retirement Obligation	Exploration and Evaluation	Total
Cost				
Balance as at December 31, 2019	59,822,566	5,036,884	8,362,719	73,222,169
Additions /capitalizations (1)	2,566,661	(20,435)	2,002,930	4,549,156
Disposals	(1,806)	260	380	(1,166)
Dry wells	-	-	(164,232)	(164,232)
Capitalized financial interests	86,501	-	-	86,501
Exchange differences capitalized	2,630	-	-	2,630
Adjustment at fair value for business combinations (Note 12)	560,021	-	-	560,021
Foreign currency translation	1,910,695	76,799	359,658	2,347,152
Transfers	458,800	(71,185)	(603,140)	(215,525)
Balance as of September 30, 2020 (Unaudited)	65,406,068	5,022,323	9,958,315	80,386,706
Accumulated amortization and impairment losses				
Balance as of December 31, 2019	(41,993,097)	(2,156,274)	-	(44,149,371)
Amortization expense	(2,884,009)	(432,844)	-	(3,316,853)
Impairment loss (Note 16)	(302,235)	-	(193,421)	(495,656)
Disposals	213	(40)	-	173
Foreign currency translation	(1,345,783)	(42,057)	-	(1,387,840)
Transfers (2)	86,818	47,657	(286,452)	(151,977)
Balance as of September 30, 2020 (Unaudited)	(46,438,093)	(2,583,558)	(479,873)	(49,501,524)
Balance as of December 31, 2019	17,829,469	2,880,610	8,362,719	29,072,798
Balance as of September 30, 2020 (Unaudited)	18,967,975	2,438,765	9,478,442	30,885,182

- (1) Includes capitalizations for the purchase of the Guajira association by Hocol for \$180,867.

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- (2) For presentation purposes, Ecopetrol reclassified to Natural and environmental resources a value of \$ 390,988, corresponding to the accumulated impairment of projects that were recorded as property, plant and equipment. This adjustment does not have a material impact on the assets items or the statement of financial position.

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, 2019. As of March 31, the Group carried out an update of the impairment according to the situation generated by the price crisis. (See note 16 - Impairment of non-current assets). As of September 30, 2020, the Group did not recognize additional impairment to the already analyzed and recognized in March.

16. Impairment of non-current assets

Given this situation, the Group carried out an impairment analysis as of March 31 2020, adjusting the assumptions used in the December 31, 2019 evaluation 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. In the case of Offshore International Group the price was US \$ 42.00 / Bl associated with the quality of its crudes.
- Discount rates: were updated with the macroeconomic variables after the price war began, for the exploration and production segment were used 5.47%, refining 5.46%, Ecopetrol America 7.79% and Offshore International Group 7.21%. The volatility of the market variables used to calculate the weighted average cost of capital could generate significant variations in discount rates.
- Balance of crude oil and gas reserves: The inputs and other assumptions used to determine the balance remained constant at those of the end of 2019.

The aggregation of assets, to identify CGUs, is consistent with respect to the previous period. 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. As of September 30, 2020, the Group did not recognize additional impairment to the already analyzed and recognized in March 2020.

	Three-month period ended September 30, 2020	Nine-month period ended September 30, 2020
		(Unaudited)
Impairment loss (recovery)		
Exploration and production	-	(518,173)
Refining and petrochemicals	(21,075)	(709,990)
Transport and logistics	-	2,808
	(21,075)	(1,225,355)
Recognized in:		
Property, plant and equipment (Note 14) (1)	(21,075)	(676,160)
Natural and environmental resources (Note 15) (1)	-	(495,656)
Investments in associates and joint ventures (Note 13) (2)	-	(53,249)
Other non-current assets	-	(290)
	(21,075)	(1,225,355)

(1) The main production fields that registered the impairment loss were Casabe, Tibú, Jazmin, Lisama and Hobo at Ecopetrol; Espinal, La Hocha, Cupia and La Punta in Hocol, and in K2 in America.

(2) An additional impairment was recognized in Offshore International Group

The value recorded for impairment corresponds to the best estimate available to the Group at the Report Date and it is possible that, given market volatilities, it could be adjusted during the year to recognize the impact of changes in the environment on future cash flow projections. It should be noted that impairment charges do not imply cash disbursements and are subject to reversal when the asset's valuation is higher than its associated book value in the face of an improvement in market conditions.

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17. Loans and borrowings

17.1 Composition of loans and borrowings

	Interest rate*		September 30,	December 31,
	2020	2019	2020	2019
			(Unaudited)	
Local currency				
Bonds	6.4%	8.7%	1,565,690	1,567,598
Syndicate loans	7.3%	8.0%	866,354	1,115,874
Lease liabilities (1)	6.2%	7.2%	812,937	1,039,303
Commercial loans and others	6.6%	8.3%	396,785	737,032
			3,641,766	4,459,807
Foreign currency				
Bonds (2)	6.0%	5.9%	38,315,530	25,832,740
Syndicate loans	3.7%	7.1%	7,270,471	6,586,516
Commercial loans (3)	1.6%	-	2,564,835	22
Loans from related parties (Note 28)			1,421,347	1,108,403
Lease liabilities (1)	6.1%	6.2%	261,043	251,651
			49,833,226	33,779,332
			53,474,992	38,239,139
Current			6,240,909	5,012,173
No-current			47,234,083	33,226,966
			53,474,992	38,239,139

*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.
- (2) On April 29, 2020, Ecopetrol issued and placed external public debt bonds for an amount of USD 2 billion, for a term of 10 years.
- (3) Includes contingent credit line disbursement for US \$ 665 million with Scotiabank and Sumitomo Mitsui Banking Corporation.

In 2020, loans and borrowings were acquired for a total amount of \$ 13,788,609 as part of the market risk mitigation strategy (Note 27.1). In September 2020, Ecopetrol made the advanced payment of short-term credits with local banks (\$ 775,000 million) and international (USD221.5 million) subscribed in March and April of this year.

17.2 Fair Value

Fair value of loans and borrowings corresponds to \$57,483,385 and \$43,261,792 as of September 30, 2020 and December 31, 2019, 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 Company's credit risk (spread).

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17.3 Maturity profile

The following is the maturity profile of loans and financing as of September 30, 2020:

	<u>Up to 1 year</u>	<u>1 - 5 years</u>	<u>5-10 years</u>	<u>> 10 years</u>	<u>Total</u>
Local currency					
Bonds	558,686	359,216	365,140	282,648	1,565,690
Syndicate loans	259,230	607,124	-	-	866,354
Lease liabilities	157,214	384,478	225,818	45,427	812,937
Commercial loans and others	238,686	158,099	-	-	396,785
	<u>1,213,816</u>	<u>1,508,917</u>	<u>590,958</u>	<u>328,075</u>	<u>3,641,766</u>
Foreign currency					
Bonds	2,153,087	16,478,975	13,752,783	5,930,685	38,315,530
Syndicate loans	1,339,001	4,858,266	1,073,204	-	7,270,471
Commercial loans	40,583	2,524,252	-	-	2,564,835
Lease liabilities	73,075	174,984	12,984	-	261,043
Loans from related parties	1,421,347	-	-	-	1,421,347
Balance as of September 30, 2020					
(Unaudited)	<u>5,027,093</u>	<u>24,036,477</u>	<u>14,838,971</u>	<u>5,930,685</u>	<u>49,833,226</u>
	<u>6,240,909</u>	<u>25,545,394</u>	<u>15,429,929</u>	<u>6,258,760</u>	<u>53,474,992</u>

17.4 Loans designated as hedging instrument

As of September 30, 2020, Ecopetrol S.A. designated US\$8,775 million of foreign currency debt as a hedging instrument of which, US\$7,475 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 27 - Risk Management.

18. Trade and other payables

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
	(Unaudited)	
Current		
Suppliers	5,383,931	8,115,015
Dividends payable (1)	3,578,434	157,181
Partners' advances	468,627	925,761
Insurance and reinsurance	389,809	136,041
Withholding tax	317,381	673,204
Various creditors	307,381	383,288
Fuel price stabilization fund (2)	195,207	-
Agreements in transport contracts (3)	138,233	71,239
Deposits received from third parties	75,193	39,901
Related parties (Note 28)	66,569	187,616
Hedging operations	12,541	-
	<u>10,933,306</u>	<u>10,689,246</u>
Non-current		
Deposits received from third parties	1,538	-
Various creditors	22,357	24,445
	<u>23,895</u>	<u>24,445</u>

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- (1) The General Shareholders' Meeting of Ecopetrol S.A. held on March 27, 2020, decreed dividends on the 2019 profit for \$7,401,005. During 2020, the following companies made payments to minority shareholders: Ocesa for \$803,816, ODC for \$43,642, ODL for \$129,394 and Invercolsa for \$109,043. Ecopetrol paid 100% of dividends to minority shareholders and 50% of dividends to majority shareholder (\$4,161,006). The remaining value of the dividends to be paid will be made during the rest of 2020.
- (2) Corresponds to the application of Resolution 180522 of March 29, 2010 and other regulations that modify and add it (Decree 1880 of 2014 and Decree 1068 of 2015), which establishes the procedure to recognize the subsidy for refiners and importers of motor gasoline current 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).
- (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.

19. Provisions for employees benefits

	September 30, 2020	December 31, 2019
	(Unaudited)	
Post-employment benefits		
Healthcare	7,111,799	6,908,799
Pension	2,427,412	2,853,718
Education	439,843	458,441
Bonds	325,318	352,917
Other plans	103,664	98,729
Termination benefits - Voluntary retirement plan (1)	419,514	124,186
	10,827,550	10,796,790
Social benefits and salaries	638,077	587,596
Other long-term benefits	103,331	96,678
	11,568,958	11,481,064
Current	1,972,472	1,929,087
Non-current	9,596,486	9,551,977
	11,568,958	11,481,064

- (1) In May 2020, Ecopetrol started offering a new voluntary retirement plan which was approved at the end of 2019. As of September 30, 2020, 239 people have accepted the offer.

The following table shows the movement in profit and loss and in other comprehensive income for the periods ended September 30:

	Nine-month period ended September 30, 2020	2019
	(Unaudited)	
Profit or loss		
Interest expense, net	460,427	396,494
Service cost	88,579	57,358
	549,006	453,852
Other comprehensive income		
Pension and bonds	(590,868)	(692,339)
Others	41	(151)
	(590,827)	(692,490)
Deferred tax	177,248	207,747
	(413,579)	(484,743)

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19.1 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 \$13,214,772 and \$12,712,853 as of September 30, 2020 and December 31, 2019, respectively. 59,4% (2019 - 26,6%) are level 1 of fair value and 40,6% (2019 - 73,4%) are under level 2.

20. Accrued liabilities and provisions

	Abandonment and dismantling costs	Litigations	Environmental contingencies and others	Total
Balance as at December 31, 2019	8,835,420	137,429	945,439	9,918,288
Decrease in abandonment costs	(12,967)	-	-	(12,967)
(Recoveries) additions	(60,285)	2,160	97,065	38,940
Uses	(118,125)	(25,745)	(25,711)	(169,581)
Financial cost	192,482	-	-	192,482
Effect of control loss in subsidiaries	(23,874)	(20,117)	-	(43,991)
Fair value adjustment in business combinations (Note 12)	31,137	-	-	31,137
Foreign currency translation	135,760	178	20,551	156,489
Transfers	(91,030)	-	790	(90,240)
Balance as of September 30, 2020 (Unaudited)	8,888,518	93,905	1,038,134	10,020,557
Current	469,319	20,709	214,763	704,791
Non-current	8,419,199	73,196	823,371	9,315,766
	8,888,518	93,905	1,038,134	10,020,557

20.1 Abandonment and dismantling costs

The abandonment and dismantling obligation represents the Group's future obligation to restore environmental conditions to a level similar to that existing before the start of projects or activities, as described in Note 3.5 of the financial statements for the year ended December 31, 2019. 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.

20.2 Environmental contingencies and other

Corresponds to contingencies for environmental incidents and obligations related to environmental compensation and mandatory investment of 1% for the use of, exploitation of or effect on natural resources imposed by national, regional and local environmental authorities. Mandatory investment of 1% is based on the use of water taken directly from natural sources in accordance with the provisions of Law 99 of 1993, Article 43, Decree 1900 of 2006, Decree 2099 of 2017 and 075 and 1120 of 2018 and the Article 321 of Law 1955 of 2019 related to the projects that Ecopetrol develops in Colombian regions.

The Colombian Government through the Ministry of Environment and Sustainable Development, issued in December 2016 and in January 2017 the Decrees 2099 and 075, which modify the Single Regulatory Decree of the environment and sustainable development sector, Decree 1076 of 2015, related to the mandatory investment for the use of water taken directly from natural sources.

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In 2017, the main changes established by these decrees were related to the areas and lines of investment and the basis for settlement of the obligations. Similarly, June 30, 2017 was declared the maximum date to modify investment plans that were underway. On June 30, 2017, Ecopetrol filed with the National Environmental Licensing Authority (ANLA) certain investment plans to meet the 1% mandatory investment based on the new decrees, relative to investment lines, maintaining the settlement base of Decree 1900.

As of December 31, 2018, the provision for the 1% mandatory investment for the use of water was estimated based on the parameters established in Decree 1076 of 2015.

As of December 31, 2019, the Group achieved a new certification of a settlement base and the acceptance of the percentage of the investment values' update of 1% in compliance with article 321 of Law 1955 of 2019 generating a lower provision of this obligation. As of the date of this report, ANLA's pronouncements regarding article 321 of Law 1955 are being received, some through official letters and others through resolutions. Ecopetrol has filed an appeal for reconsideration with the ANLA in most cases, which are under review by this authority.

20.3 Contingencies

Oleoducto Bicentenario de Colombia S.A.S.

During July 2018, the carriers that are not part of the Ecopetrol Group (Frontera Energy Colombia Corp., Vetra Exploración y Producción Colombia S.A.S. and Canacol Energy Colombia S.A.S. (hereinafter "the carriers") sent letters to Oleoducto Bicentenario de Colombia S.A.S. ("Bicentenario") alleging the early termination rights under the Ship-or-Pay Transport Agreements entered by each of them and Bicentenario in 2012 (the "Transport Agreements").

In accordance with the foregoing, the carriers have ceased to fulfill their obligations under said Transport Agreements. Bicentenario rejected the terms of the letters, noting that there was no option for early termination and reiterating to the Carriers that the Transport Agreements are current and therefore the Carriers must be fulfilled their obligations under the Transport Agreements in a timely manner.

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 delay because of their failure to pay the tariff under the aforementioned agreements. Consequently, Bicentenario executed the standby letters of credit posted as guarantee for the Transport Agreements.

Having completed the direct settlement stages with each carrier, the Company withdrew arbitration claims against each of them during the first half of 2019. As part of the litigation strategy, these proceedings were ended and news were filed, as follows: (i) on November 12, 2019, the Company filed a claim against Frontera Energy Colombia Corp. (Frontera) under cover of the arbitration agreement contained in the Transport Agreement through the Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá D.C. requesting payment, compensation and/or any other restitution to which the Company is entitled due to the improper termination of the Transport Agreement; (ii) on December 10, 2019, the Company filed a claim against Vetra Exploración y Producción Colombia S.A.S. (Vetra) under the arbitration agreement contained in the Transport Agreement through the Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá D.C. requesting payment, compensation and/or any other restitution to which the Company is entitled due to the improper termination of the Transport Agreement; and (iii) on December 26, 2019, the Company filed a claim against Canacol Energy Colombia S.A.S. (Canacol) under the arbitration agreement contained in the Transport Agreement through the Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá D.C. requesting payment, compensation and/or any other restitution to which the Company is entitled due to the improper termination of the Transport Agreement.

The three arbitration proceedings are ongoing.

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Simultaneously, Bicentenario will continue to exercise its rights under the terms of the Transportation Agreements and its related agreements, to guarantee compliance and claim any compensation, indemnity or restitution arising from the alleged early termination of said agreements, together with other breaches.

As of September 30, 2020, Oleoducto Bicentenario de Colombia S.A.S. evaluated the revenue recognition in accordance with the criteria contained in IFRS 15, determining that applied the said standard to the income recognized by certain ship or pay transport contracts, these should subsequently be decreased by COP \$457,266, which include default interests, notwithstanding that the contractual rights and obligations exist considering that the contracts are in force and must be fulfilled and, therefore, the disputes with Frontera Energy Colombia Corp., Canacol Energy Colombia SAS and Vetra Exploración y Producción Colombia S.A.S.

Cenit Transporte y Logística de Hidrocarburos S.A.S.

The clauses in the agreements signed with Frontera Energy Group with respect to the Caño Limón Coveñas Pipeline, and in particular clause 13.3 establish that, in the event of the suspension of services for reasons not attributable to any of the parties, for a period over 180 continuous calendar days, either party may request the early termination of the agreement.

Based on this, on July 12, 2018, CENIT received a communication from Frontera Energy Group, whereby the latter expressed its decision to exercise the provision set forth in clause 13.3 for each of the Transport Agreements signed about the Caño Limón - Coveñas Pipeline, requesting their early termination. Concerning the foregoing, CENIT issued communication CEN-PRE-3451-2018-E dated July 17, 2018 whereby it stated that the grounds to exercise clause 13.3 of the agreements in question have not occurred; therefore, Frontera Energy Group cannot exercise its contractual right to early termination.

Included in that same communication, CENIT stated its intention to continue billing and charging the transportation services established in the agreements, considering that they are still valid, therefore Frontera must comply with the obligations assumed therein.

Through communications dated March 20 and 31, 2020, Frontera requested the termination of the transportation contracts for the Monterrey Araguaney Pipeline (VIT-026-2012, VIT-024-2012), discharge contracts at the Araguaney station (VIT -026-2012, VIT-027-2012), and agreements for the use of the Coveñas maritime terminal (VIT-028-2012, VIT-031-2012 and VIT-029-2012), a request that was rejected by CENIT, through a communication dated April 2, 2020.

CENIT evaluated the revenue recognition principle following the criteria contained in IFRS 15, determining that it is not possible to recognize the income associated with this agreement, notwithstanding the aforementioned, the contractual rights and obligations remain and therefore the controversy with the Frontera Energy Group continues. As a result, CENIT did not recognize income in 2019 for \$ 163,852 and so far in 2020 for \$ 318,668.

As of September 30, 2020, the amounts owed by Frontera about the cases described above amount to \$762,648.

Equally, the amounts owed by Canacol and Vetra amount to \$ 8,225 and \$ 6,779 respectively, due to the unjustifiable early termination of the Ship or Pay transportation contracts for the Caño Limón - Coveñas Pipeline.

Refinería de Cartagena S.A.S

On March 8, 2016, Reficar filed a Request for Arbitration before the International Chamber of Commerce (the "ICC"), against Chicago Bridge & Iron Company N.V., CB&I (UK) Limited, and CBI Colombiana S.A. (jointly "CB&I") concerning a dispute related to the Engineering, Procurement, and Construction Agreements entered into by and between

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Reficar and CB&I for the expansion of the Refinería de Cartagena in Cartagena, Colombia. Reficar is the Claimant in the ICC arbitration and seeks no less than USD\$2 billion in damages.

On May 25, 2016, CB&I filed its Answer to the Request for Arbitration and Counterclaim for approximately USD\$106 million and COP\$324,052 million. 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, CB&I submitted its Statement of 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, 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 in each case interest, respectively). On this same date, 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.

On January 21, 2020, Comet II B.V., the successor in interest to Chicago Bridge & Iron Company N.V., commenced a bankruptcy case under title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. Upon the bankruptcy filing, an automatic stay of the commencement or continuation of any action or proceeding, or the enforcement of any judgment or award, against Comet II B.V. became effective, staying the arbitration against Comet II B.V. 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 and August 30, 2020.

In respect of the arbitration involving Reficar, the confirmation order provides that the proper forum for adjudication of the merits of the arbitration is the International Chamber of Commerce tribunal, the arbitration claims will not be subject to estimation in the Bankruptcy Court, and the stay will not be breached if the parties discuss logistical items with the International Chamber of Commerce tribunal. The order reserves all rights and arguments of the related parties to the arbitration schedule, hearing location, and arbitration logistics and recognizes that, without waiving any arguments, including but not limited to the Debtors' objections to alternative hearing locations and long gap(s) between hearing dates.

On June 30, 2020, McDermott International Inc. announced the completion of its reorganization plan and therefore the suspension of the arbitration against CB&I has ended, and was resumed on July 1, 2020.

On May 6, 2020, the Superintendency of Companies ordered the judicial liquidation of CBI Colombiana S.A. (hereinafter, "CBI"). Since the announcement of the judicial liquidation of CBI, Refinería de Cartagena has monitored the situation and has been evaluating with external advisers the measures to protect the interests of the Company in this new circumstance.

The start of the hearing has been rescheduled by the Arbitration Tribunal to begin in May 2021. After the hearing, the Tribunal will analyze the arguments of the parties to issue its final decision on the Cartagena Refinery and CB&I claims. Until the Tribunal issues its final decision, the outcome of this arbitration will be uncertain.

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21. Equity

21.1 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 at September 30, 2020 and December 31, 2019, subscribed and paid-in capital is \$25,040,067. There are no potentially dilutive instruments.

21.2 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) \$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, (iii) 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, and (iv) additional paid-in capital receivable of \$(143).

21.3 Equity reserves

	September 30, 2020	December 31, 2019
	(Unaudited)	
Legal reserve	4,568,980	3,243,832
Fiscal and statutory reserves	509,082	509,082
Occasional reserves (1)	4,557,074	31,744
Total	9,635,136	3,784,658

- (1) Ecopetrol's General Meeting of Shareholders, held on March 27, 2020, approved the 2019 profit distribution project and recognize a reserve of 4,557,074 in order to support the Company's financial sustainability and flexibility in development of your strategy.

The movement of the equity reserves is the following:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Opening balances	3,784,658	5,138,895
Release of reserves	(540,826)	(3,050,703)
Appropriation of reserves	6,391,304	5,355,852
Dividends decreed	-	(3,659,386)
Closing balance	9,635,136	3,784,658

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21.4 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 27, 2020, decreed dividends on the profit for 2019, for a value of \$7,401,005 (\$9,251,256 in 2019).

21.5 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:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Foreign currency translation (1)	16,414,242	10,481,512
Hedges of a net investment in a foreign operation	(3,736,130)	(1,130,583)
Loss on defined benefit obligation	(1,943,631)	(2,357,210)
Cash flow hedging - Future crude oil exports	(846,379)	(535,163)
Cash flow hedging - Derivative financial instruments	(32,391)	3,689
Others	1,899	1,899
	9,857,610	6,464,144

- (1) Includes a conversion adjustment of \$ 33,742 of the impairment of the investment in Offshore International Group. The accumulated conversion adjustment will be transferred to income for the period as a gain or loss at the time of liquidation or disposal of said investments.

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22. Ordinary activities income

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
National sales				
Mid-distillates	1,999,749	3,617,014	6,725,920	9,783,323
Gasolines and turbo fuel	1,554,051	2,497,795	4,794,301	6,752,068
Gas natural	736,637	572,510	2,076,589	1,638,049
Services	699,100	1,106,491	2,157,089	3,152,631
Plastic and rubber	202,540	191,754	537,477	556,993
Fuel gas service	165,350	-	495,622	-
Asphalts	160,261	151,938	375,321	381,982
L.P.G. and propane	94,237	72,084	254,173	288,410
Crude	64,890	72,121	182,347	277,479
Aromatics	37,737	46,734	112,673	177,028
Polyethylene	18,524	52,652	79,232	152,000
Other income – Gas contracts (1)	3,582	27,424	32,154	74,914
Fuel oil	7,820	13,937	27,039	82,121
Other products	92,798	101,606	296,611	350,389
	5,837,276	8,524,060	18,146,548	23,667,387
Recognition of price differential (2)	(43,015)	190,829	(450,882)	1,545,068
	5,794,261	8,714,889	17,695,666	25,212,455
Foreign sales				
Crude	5,011,761	7,153,969	14,024,708	21,076,439
Diesel	910,658	1,190,352	2,153,877	3,067,132
Plastic and rubber	339,067	313,028	915,047	904,270
Fuel oil	241,580	451,970	645,820	1,528,610
Gasolines and turbo fuels	25,577	324,048	179,257	939,928
Natural gas	3,623	5,300	11,365	21,755
L.P.G. and propane	4,978	3,123	11,135	11,533
Cash flow hedging – Reclassification to profit or loss (Note 27.5)	(86,738)	(206,647)	(312,120)	(890,507)
Other products	78,057	64,242	511,711	393,889
	6,528,563	9,299,385	18,140,800	27,053,049
	12,322,824	18,014,274	35,836,466	52,265,504

(1) Corresponds to the revenue on the participation in the profits of gas sales, in compliance with the agreement signed between Ecopetrol and Chevron in 2004, for the extension of the association agreement for the gas exploitation in Guajira. As of June 2020, Hocol acquires Chevron's participation in the Guajira association contract.

(2) Corresponds 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).

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23. Cost of sales

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Variable costs				
Depreciation, depletion and amortization	1,513,152	1,481,236	4,459,362	4,157,704
Imported products (1)	1,361,438	2,788,263	5,489,151	9,805,854
Purchases of crude in associations and concessions	1,227,751	1,683,188	2,936,022	3,766,031
Hydrocarbon purchases - ANH (2)	760,865	1,309,344	2,045,508	4,109,468
Electric energy	278,509	191,501	822,989	571,163
Hydrocarbons transportation services	213,129	208,374	649,317	598,261
Processing materials	193,024	254,265	614,576	757,335
Taxes	181,223	166,182	598,478	444,737
Purchases of other products and gas	147,401	138,749	449,397	385,396
Services contracted in association	67,550	63,249	195,258	181,132
Others (3)	(393,007)	(67,942)	503,387	(990,070)
	5,551,035	8,216,409	18,763,445	23,787,011
Fixed cost				
Depreciation and amortization	783,147	685,133	2,225,394	2,031,205
Labour costs	557,494	559,611	1,738,532	1,679,457
Maintenance	531,491	584,282	1,537,897	1,802,058
Contracted services	383,916	470,310	1,160,216	1,302,048
Contracted services in associations	242,761	282,274	836,328	870,640
Materials and operating supplies	122,038	146,558	342,252	423,567
Taxes and contributions	114,297	148,562	435,617	331,195
Hydrocarbon transport services	61,711	63,458	182,274	189,528
General costs (4)	(4,157)	83,646	23,941	270,969
	2,792,698	3,023,834	8,482,451	8,900,667
	8,343,733	11,240,243	27,245,896	32,687,678

- (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) It corresponds to: i) capitalization of inventories as a result of the costing process, ii) measurement at net realizable value (NRV) and iii) inventory loans for transportation.
- (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.

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24. Administrative, operation and project expenses

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Administration expenses				
Labour expenses	421,277	196,873	1,094,766	586,803
General expenses	356,083	269,371	970,690	602,792
Taxes	16,102	9,563	54,159	38,839
Depreciation and amortization	12,884	10,114	58,684	42,065
	806,346	485,921	2,178,299	1,270,499
Operation and project expenses				
Commissions, fees, freights and services	142,905	119,607	487,457	368,080
Exploration expenses	99,258	58,290	276,856	367,322
Taxes	122,801	132,488	319,812	344,311
Labour expenses	75,841	103,879	231,344	281,899
Depreciation and amortization (1)	(10,281)	29,536	74,560	59,155
Fee for regulatory entities	37,439	33,449	88,756	70,450
Maintenance	12,496	18,496	61,362	42,383
Others	74,858	72,435	248,532	210,234
Capitalizable projects and others (2)	(62,776)	(38,322)	(175,513)	(105,386)
	492,541	529,858	1,613,166	1,638,448

(1) During the quarter, reclassifications were made from expense to cost.

(2) Includes cost charges related to operating and corporate projects that were transferred to work in progress.

25. Other operating (expenses) income, net

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Provisions expenses	(29,534)	(39,748)	(75,086)	(78,366)
Loss on disposal of assets	(22,947)	(15,686)	(40,758)	(59,276)
Recovery (expense) of impairment of current assets	21,791	2,181	14,488	(32,238)
(Loss) gain on acquisition of interests in joint operations (1)	(1,853)	269	1,371,259	-
Gain on loss of control in subsidiaries (2)	-	-	65,570	-
Other income	30,448	6,346	73,810	126,963
	(2,095)	(46,638)	1,409,283	(42,917)

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

(2) Disposal of the net assets as a result of the loss of control due to the judicial liquidation process of Bioenergy S.A.S. and Bioenergy Zona Franca S.A.S., detailed as follows:

Total assets	\$541,436
Total liabilities	\$(607,006)
Total net assets	\$(65,570)

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26. Financial result, net

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Finance income				
Results from financial assets	113,325	423,824	620,899	805,705
Yields and interests	77,543	106,115	257,047	356,130
Gain on derivatives valuation	36,483	-	36,483	-
(Loss) gain on derivatives settlement	(61,457)	-	26,502	-
Dividends	-	-	22	22
Other financial income	1,836	11,206	19,871	27,158
	167,730	541,145	960,824	1,189,015
Financial expenses				
Interests (1)	(647,471)	(474,331)	(1,785,950)	(1,406,012)
Financial cost of other liabilities (2)	(219,604)	(187,662)	(652,909)	(565,852)
Results from financial assets	(71,822)	(331,046)	(450,379)	(511,356)
Other financial expenses	(55,011)	(6,281)	(195,114)	(26,783)
	(993,908)	(999,320)	(3,084,352)	(2,510,003)
Foreign exchange gain, net	(130,729)	(190,040)	(97,738)	(104,198)
	(956,907)	(648,215)	(2,221,266)	(1,425,186)

(1) As of September 30, interest were capitalized for \$189,739 (2019 - \$184,582) in natural resources and property, plant and equipment.

(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.

27. Risk management

27.1 Market risks

The unprecedented crisis observed during the first quarter of 2020 caused by the simultaneous shock in supply (price war) and demand (COVID-19), resulted in the following measures taken by the Company:

- Cut \$2 billion in costs and expenses to increase the Group's competitiveness, including an austerity plan, priority of operational and administrative activities, and control over operating expenses, such as travel restrictions, sponsorships and participation in events.
- Initial adjustment in the investment level to a range between US \$2,500 and US \$3,000 million.
- Use of financing lines for USD \$665 million, as well as an issuance and placement of external public debt bonds in the international capital market for USD \$2 billion.
- Recognition of an impairment after adjusting some of the assumptions used (prices and discount rates) in the evaluation carried out on December 31, 2019, limiting the impact on the main long-term assets (only some productive assets of the exploration and production segment and for the plant of Refinería de Cartagena). (See Note 16 - Impairment of non-current assets).

Ecopetrol S.A. has continued to monitor the evolution of the market, therefore, on July 17, 2020, a new organic investment plan was published for the Ecopetrol Group (GE) approved by the Board of Directors, considering (i) a detailed review of the portfolio of the Group, (ii) the progress in the interventions carried out, and (iii) the gradual recovery of economic activity, which allowed increasing investment to a new level estimated between US \$3,000 and US \$3,400 million by 2020.

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The new plan ensures the sustainability of the business in a low price environment, prioritizing cash-generating opportunities and better equilibrium prices, maintaining growth dynamics with a focus on executing the development plans for strategic assets, and on the preservation of the value of assets through investments that allow giving reliability, integrity and continuity to the current operation in refineries, transportation systems and production fields.

The plan was built with an expected Brent price of US\$38 per barrel on average for 2020. Despite the current environment of low prices, this plan maintains its resilience and competitiveness with a cash breakeven close to US\$30.

In July, Ocesa closed the issue of public debt securities in the international capital market for USD \$500 million. The resources obtained were used to prepay the global bond that expired in May 2021 for the same nominal value.

In September Ecopetrol S.A. paid in advance the short-term obligations with local and international banks subscribed in March and April of this year, under the modality of trade finance operations and treasury loans. The amount of paid-in capital was COP \$775,000 from local loans and USD \$221.5 million corresponding to loans with international banks.

Ecopetrol will continue to monitor the evolution of the market to determine the need to implement subsequent stages of the intervention plan, taking into account that the final effects and the duration of this situation will depend on future developments, which are highly uncertain and to date are unpredictable. Likewise, it will be reviewing impairment indicators on long-term assets and investments in companies, carrying out quantitative analyzes when necessary. Likewise, it will continue to evaluate and assess possible impacts on other items such as: revenue recognition, impairment of accounts receivable, reserves, provision for abandonment, inventories, and joint agreements, among others.

27.2 Commodity price risk

The Company's business depends substantially on international prices for crude oil and refined products. The prices of these products are volatile and therefore drastic changes could adversely affect business prospects and results of operations.

Fluctuations in the prices of crude oil, natural gas, and refined products are presented as a result of a variety of fundamental factors such as: competition within the hydrocarbon industry, changes in the supply / demand balance, regulatory changes, geopolitical factors, development of new technologies, changes in the cost of capital, changes in expectations of economic conditions, transactions in derivative financial instruments related to oil and gas and availability of alternative fuels. A high proportion of the income comes from the sales of crude oil, natural gas and refined products, which are indexed to international reference prices such as Brent, among others. Consequently, price fluctuations in such references have a direct effect on financial position and results.

In order to mitigate the risk associated with fluctuations in the price of crude oil and fuel, Ecopetrol has entered into swap contracts. As of the date of this report, Ecopetrol records an active position in Swaps for \$ 15,158 (Note 9) and a liability position of \$27,478. The constitution of these derivative operations is recognized as cash flow hedge accounting.

27.3 Exchange rate risk

Ecopetrol operates mainly in Colombia and makes sales in the local and international market, for this reason, it is exposed to exchange rate risk, which arises from various exposures in foreign currency due to commercial transactions and balances of assets and liabilities in foreign currency. . The impact of fluctuations in exchange rates, especially the peso / U.S exchange rate. United States dollar, has been material.

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The exchange rate of the U.S. The US dollar against the Colombian peso has fluctuated in recent years. As of September 30, 2020, the Colombian peso depreciated 18% from a closing rate as of December 31, 2019 of \$ 3,277.14 to \$ 3,865.47 pesos per U.S. Dollar.

When the Colombian peso revalues against the U.S. US dollar, export earnings decrease when converted to pesos; likewise, imported goods, oil services and interest on foreign debt denominated in the U.S. dollars become less expensive. On the contrary, when the peso depreciates, export earnings, when converted into pesos, increase, and imports and external debt service become more expensive.

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

(USD\$ Millions)	Al 30 de septiembre	Al 31 de diciembre
	2020	2019
	(Unaudited)	
Cash and cash equivalents	701	114
Other financial assets	1,472	1,468
Trade receivables and payables, net	171	81
Loans and borrowings	(11,981)	(9,429)
Other assets and liabilities, net	207	64
Net liability position	(9,430)	(7,702)

Of the total net position, USD \$8,775 million correspond to loans used as hedging instruments whose valuation is recognized in other comprehensive income, the valuation for exchange difference of the remaining net liabilities for USD\$(703) million affect the income statement. Likewise, USD \$48 million of the net position correspond to monetary assets and liabilities of Group companies with a functional currency different from the Colombian peso, whose valuation is recognized in the income statement.

The Company's risk management strategy involves the use of non-derivative financial instruments related to cash flow hedges for future exports to minimize foreign exchange exposure to exchange rate risk.

27.4 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, 2020:

Stage/ variation in the exchange rate	Effect on income before taxes (+/-)	Effect on other comprehensive income (+/-)
1%	(75,067)	339,195
5%	(375,337)	1,695,975

27.5 Cash flow hedge for future exports

In order to express in the financial statements the effect of the natural coverage existing between exports and indebtedness, 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)	September 30, 2020	December 31, 2019
	(Unaudited)	
Opening balance	1,300	1,300
Reassignment of hedging instruments	1,003	5,551
Realized exports	(1,003)	(5,551)
Closing balance	1,300	1,300

The following is the movement in the other comprehensive income:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Opening balance	535,163	1,203,461
Exchange difference	764,830	35,607
Realized exports (Note 22)	(312,120)	(1,028,516)
Ineffectiveness	(13,654)	(5,173)
Deferred tax	(127,840)	329,784
Closing balance	846,379	535,163

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

Year	Before taxes	Taxes	After taxes
2020 (Oct-Dec)	1,110,768	(355,446)	755,322
2021	36,229	(11,231)	24,998
2022	36,229	(10,869)	25,360
2023	30,148	10,551	40,699
	1,213,374	(366,995)	846,379

27.6 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 US \$5,200 million. During 2019 and 2020 Ecopetrol S.A. extended the hedge for USD \$2,275 million including the investments in Ecopetrol Permian LLC and Ecopetrol Brasil as hedged object and adding a greater amount in Reficar. The total value hedged as of September 30, 2020 is USD\$7,475 million.

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The following is the movement in the other comprehensive income:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Opening balance	1,130,583	1,069,316
Exchange difference	3,722,210	87,524
Deferred tax	(1,116,663)	(26,257)
Closing balance	3,736,130	1,130,583

27.7 Hedging with derivative financial instruments

During 2020, Ecopetrol has signed forward non-delivery operations for the sale of U.S. dollars to mitigate the volatility of the exchange rate in the cash flow required for the Company's operations. The following are the details of the forward contracts in force as of September 30, 2020:

Maturity	USD millions	Average rate agreed
October 2020	140	4,035.6
November 2020	145	3,967.8
	285	4,001.1

As of September 30, 2020 Ecopetrol S.A. recognized an active forward position and a profit from the valuation of forwards contracts of COP \$62,840. This balance corresponds to its fair value classified with hierarchy level 2, calculated from observable data, using the projection methodology and discount of cash flows with forward points.

27.8 Capital management

The main objective of Ecopetrol'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:

	September 30, 2020	December 31, 2019
	(Unaudited)	
Loans and borrowings (Note 17)	53,474,992	38,239,139
Cash and cash equivalents (Note 6)	(7,828,655)	(7,075,758)
Other financial assets (Note 9)	(4,195,587)	(4,979,292)
Net financial debt	41,450,750	26,184,089
Equity (Note 21)	57,173,101	60,344,122
Leverage (1)	42.03%	30.26%

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

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28. Related parties

The balances with associated companies and joint ventures as of September 30, 2020 and December 31, 2019 are as follows:

	Accounts receivable	Loans receivable	Other assets	Accounts payable	Loans payable	Other liabilities
Joint ventures						
Equion Energía Limited	1,602	-	1,738	39,297	1,421,347	1,634
Ecodiesel Colombia S.A.	996	-	-	26,161	-	1
Offshore International Group Inc (1)	-	111,179	-	-	-	-
Associates						
Gases del Caribe S.A. E.S.P.	71,310	-	-	-	-	-
Gas Natural del Oriente S.A. E.S.P.	2,835	-	-	-	-	-
Gases de la Guajira S.A. E.S.P.	1,177	-	-	-	-	-
Extrucol S.A.	1,144	-	-	-	-	-
E2 Energía Eficiente S.A. E.S.P.	4,496	-	-	163	-	-
Serviport S.A.	-	-	-	948	-	-
Balance as of September 30, 2020 (Unaudited)	83,560	111,179	1,738	66,569	1,421,347	1,635
Current	83,560	111,179	1,738	66,569	1,421,347	1,635
Non-current	-	-	-	-	-	-
	83,560	111,179	1,738	66,569	1,421,347	1,635
	(Note 7)	(Note 7)	(Note 11)	(Note 18)	(Note 17)	

	Accounts receivable	Loans receivable	Other assets	Accounts payable	Loans payable	Other liabilities
Joint ventures						
Equion Energía Limited (1)	25,333	-	57,016	153,501	1,108,403	794
Ecodiesel Colombia S.A.	2,116	-	-	29,447	-	1
Offshore International Group Inc (2)	-	93,657	-	-	-	-
Associates						
Serviport S.A.	-	-	-	4,668	-	-
Balance as of December 31, 2019	27,449	93,657	57,016	187,616	1,108,403	795
Current	27,449	-	57,016	187,616	1,108,403	795
Non-current	-	93,657	-	-	-	-
	27,449	93,657	57,016	187,616	1,108,403	795

Loans payable:

(1) Deposits held by Equion in Ecopetrol Capital AG.

Loans receivable:

(2) Savia Perú S.A.: Loan granted by Ecopetrol S.A.

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

	2020		2019	
	Sales and Services	Purchases of product and other	Sales and Services	Purchases of product and other
	(Unaudited)		(Unaudited)	
Joint ventures				
Equion Energía Limited	17,369	273,836	5,943	200,912
Ecodiesel Colombia S.A.	6,075	196,168	292,023	482,537
Offshore International Group Inc	3,370	-	2,245	-
	26,814	470,004	300,211	683,449
Associates				
Gas Natural del Oriente S.A. E.S.P.	-	20,370	-	-
Extrucol S.A.	-	154	-	-
E2 Energía Eficiente S.A. E.S.P.	36,742	973	-	-
	63,556	491,501	300,211	683,449

29. Segments information

The description of the business segments can be seen in Note 4.19 of the consolidated financial statements as of December 31, 2019.

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.

29.1 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, 2020 and 2019:

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

	Three-month period ended September 30, 2020 (Unaudited)				
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
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 (loss)	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)
Foreign exchange (loss) gain, net	(17,446)	(144,847)	31,564	-	(130,729)
	(565,025)	(335,140)	(56,829)	87	(956,907)
Share of profit of associates and joint ventures	(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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	Three-month period ended September 30, 2019 (Unaudited)				
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
Revenue	13,259,593	9,950,918	3,455,186	(8,651,423)	18,014,274
Costs of sales	(9,360,775)	(9,636,052)	(888,149)	8,644,733	(11,240,243)
Gross profit	3,898,818	314,866	2,567,037	(6,690)	6,774,031
Administration expenses	(273,219)	(127,430)	(85,280)	8	(485,921)
Operation and projects expenses	(244,371)	(177,472)	(113,908)	5,893	(529,858)
Other operating (loss) income, net	(41,182)	2,559	(8,704)	689	(46,638)
Operating income (loss)	3,340,046	12,523	2,359,145	(100)	5,711,614
Financial result, net					
Financial income	520,691	31,224	56,367	(67,137)	541,145
Financial expenses	(1,405,920)	60,609	278,754	67,237	(999,320)
Foreign exchange gain (loss), net	405,579	(657,998)	62,379	-	(190,040)
	(479,650)	(566,165)	397,500	100	(648,215)
Share of profit of associates and joint ventures	50,023	5,442	851	-	56,316
Income before tax	2,910,419	(548,200)	2,757,496	-	5,119,715
Income tax	(1,012,898)	147,047	(903,985)	-	(1,769,836)
Net profit (loss) for the period	1,897,521	(401,153)	1,853,511	-	3,349,879
Net profit (loss) attributable to:					
Group owners of parent	1,912,051	(401,020)	1,499,968	-	3,010,999
Non-controlling interest	(14,530)	(133)	353,543	-	338,880
	1,897,521	(401,153)	1,853,511	-	3,349,879
Supplementary information					
Depreciation, depletion and amortization	1,531,436	350,301	324,282	-	2,206,019
Impairment of non-current assets	-	(1,659)	790	-	(869)

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	Nine-month period ended September 30, 2020 (Unaudited)				
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
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)
Costs of sales	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)
Impairment of non-current assets	(518,173)	(709,990)	2,808	-	(1,225,355)
Other operating income (expenses), net	1,328,744	58,553	24,346	(2,360)	1,409,283
Operating income (loss)	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)
Foreign exchange (loss) gain, net	36,145	(790,289)	656,406	-	(97,738)
	(1,086,962)	(1,516,766)	382,098	364	(2,221,266)
Share of profit of associates and joint ventures	(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 (loss) profit 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	(2,368)	-	1,225,795

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	Nine-month period ended September 30, 2019 (Unaudited)				
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
Revenue	38,388,813	28,727,561	9,719,105	(24,569,975)	52,265,504
Costs of sales	(26,525,029)	(28,144,591)	(2,568,455)	24,550,397	(32,687,678)
Gross profit	11,863,784	582,970	7,150,650	(19,578)	19,577,826
Administration expenses	(669,144)	(346,097)	(257,266)	2,008	(1,270,499)
Operation and projects expenses	(884,554)	(520,528)	(249,108)	15,742	(1,638,448)
Other operating (loss) income, net	(60,696)	(19,132)	118,212	(81,301)	(42,917)
Operating income (loss)	10,249,390	(302,787)	6,762,488	(83,129)	16,625,962
Financial result, net					
Financial income	1,139,849	63,474	232,022	(246,330)	1,189,015
Financial expenses	(1,911,183)	(631,106)	(174,218)	206,504	(2,510,003)
Foreign exchange gain (loss), net	456,624	(547,238)	(13,584)	-	(104,198)
	(314,710)	(1,114,870)	44,220	(39,826)	(1,425,186)
Share of profit of associates and joint ventures	153,952	12,270	953	122,337	289,512
Income before tax	10,088,632	(1,405,387)	6,807,661	(618)	15,490,288
Income tax	(3,364,772)	304,535	(2,254,864)	-	(5,315,101)
Net profit (loss) for the period	6,723,860	(1,100,852)	4,552,797	(618)	10,175,187
Net profit (loss) attributable to:					
Group owners of parent	6,768,439	(1,100,483)	3,575,393	(618)	9,242,731
Non-controlling interest	(44,579)	(369)	977,404	-	932,456
	6,723,860	(1,100,852)	4,552,797	(618)	10,175,187
Supplementary information					
Depreciation, depletion and amortization	4,310,126	1,040,990	939,013	-	6,290,129
Impairment of non-current assets	-	(3,162)	144	-	(3,018)

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29.2 Sales by product

	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	-	2,004,026	-	(4,277)	1,999,749
Gasolines and turbo fuels	6,739	1,836,999	-	(289,687)	1,554,051
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	3,661,434	-	-	(3,596,544)	64,890
Aromatics	-	37,737	-	-	37,737
Polyethylene	-	18,524	-	-	18,524
Other income – Gas contracts (1)	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	4,593,919	2,986,369	(6,486,463)	5,837,276
Recognition of price differential (2)	-	(43,015)	-	-	(43,015)
	4,743,451	4,550,904	2,986,369	(6,486,463)	5,794,261
Foreign sales					
Crude	5,011,761	-	-	-	5,011,761
Diesel	-	910,658	-	-	910,658
Plastic and rubber	-	339,067	-	-	339,067
Fuel oil	-	241,580	-	-	241,580
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 – Reclassification to profit or loss (Note 27.5)	(86,738)	-	-	-	(86,738)
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					
Three-month period ended September, 30 2019 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
National sales					
Mid-distillates	-	3,617,014	-	-	3,617,014
Gasolines and turbo fuels	-	2,995,491	-	(497,696)	2,497,795
Natural gas	746,196	-	-	(173,686)	572,510
Services	49,316	78,804	3,453,242	(2,474,871)	1,106,491
Plastic and rubber	-	191,754	-	-	191,754
Asphalts	5,487	146,451	-	-	151,938
L.P.G. and propane	33,247	38,837	-	-	72,084
Crude	5,493,830	-	-	(5,421,709)	72,121
Polyethylene	-	52,652	-	-	52,652
Aromatics	-	46,734	-	-	46,734
Fuel oil	785	13,152	-	-	13,937
Other income – Gas contracts (1)	27,424	-	-	-	27,424
Other products	2,634	180,529	1,930	(83,487)	101,606
	6,358,919	7,361,418	3,455,172	(8,651,449)	8,524,060
Recognition of price differential	-	190,829	-	-	190,829
	6,358,919	7,552,247	3,455,172	(8,651,449)	8,714,889
Foreign sales					
Crude	7,091,775	62,194	-	-	7,153,969
Diesel	-	1,190,352	-	-	1,190,352
Plastic and rubber	-	313,028	-	-	313,028
Gasolines and turbo fuels	-	324,048	-	-	324,048
Fuel oil	-	451,970	-	-	451,970
Natural gas	5,300	-	-	-	5,300
L.P.G. and propane	3,123	-	-	-	3,123
Cash flow hedging – Reclassification to profit or loss (Note 27.5)	(206,647)	-	-	-	(206,647)
Other products	7,123	57,079	14	26	64,242
	6,900,674	2,398,671	14	26	9,299,385
	13,259,593	9,950,918	3,455,186	(8,651,423)	18,014,274

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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	-	6,737,270	-	(11,350)	6,725,920
Gasolines	6,739	5,590,737	-	(803,175)	4,794,301
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	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 (1)	32,154	-	-	-	32,154
Other products	13,903	383,250	-	(100,542)	296,611
	12,351,281	14,602,155	9,133,112	(17,940,000)	18,146,548
Recognition of price differential	-	(450,882)	-	-	(450,882)
	12,351,281	14,151,273	9,133,112	(17,940,000)	17,695,666
Foreign sales					
Crude	14,104,024	29	-	(79,345)	14,024,708
Diesel	-	2,153,877	-	-	2,153,877
Plastic and rubber	-	915,047	-	-	915,047
Gasolines	-	179,257	-	-	179,257
Fuel oil	-	645,820	-	-	645,820
Natural gas	11,365	-	-	-	11,365
L.P.G. and propane	11,135	-	-	-	11,135
Cash flow hedging – Reclassification to profit or loss (Note 27.5)	(312,120)	-	-	-	(312,120)
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

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Sales by product - Segments					
Nine-month period ended September, 30 2019 (Unaudited)					
	Exploration and Production	Refining and Petrochemicals	Transportation and Logistics	Eliminations	Total
National sales					
Mid-distillates	-	9,783,323	-	-	9,783,323
Mid-distillates	-	8,136,956	-	(1,384,888)	6,752,068
Natural gas	2,126,373	-	-	(488,324)	1,638,049
Services	149,692	198,381	9,719,068	(6,914,510)	3,152,631
Plastic and rubber	-	556,993	-	-	556,993
Asphalts	16,914	365,068	-	-	381,982
L.P.G. and propane	130,054	158,356	-	-	288,410
Crude	15,708,881	-	-	(15,431,402)	277,479
Polyethylene	-	152,000	-	-	152,000
Aromatics	-	177,028	-	-	177,028
Fuel oil	1,107	81,014	-	-	82,121
Other income – Gas contracts (1)	74,914	-	-	-	74,914
Other products	6,196	695,095	-	(350,902)	350,389
	18,214,131	20,304,214	9,719,068	(24,570,026)	23,667,387
Recognition of price differential	-	1,545,068	-	-	1,545,068
	18,214,131	21,849,282	9,719,068	(24,570,026)	25,212,455
Foreign sales					
Crude	21,014,245	62,194	-	-	21,076,439
Diesel	-	3,067,132	-	-	3,067,132
Plastic and rubber	-	904,270	-	-	904,270
Gasolines and turbo fuels	-	939,928	-	-	939,928
Fuel oil	-	1,528,610	-	-	1,528,610
Natural gas	21,755	-	-	-	21,755
L.P.G. and propane	11,533	-	-	-	11,533
Cash flow hedging – Reclassification to profit or loss (Note 27.5)	(890,507)	-	-	-	(890,507)
Other products	17,656	376,145	37	51	393,889
	20,174,682	6,878,279	37	51	27,053,049
	38,388,813	28,727,561	9,719,105	(24,569,975)	52,265,504

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

Consolidated subsidiary companies (1/2)

Company	Functional Currency	Ownership Interest 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	20,439,936	(1,350,259)	31,555,228	11,115,292
Genit transporte y logística de hidrocarburos S.A.S.	Colombian peso	100%	Storage and transportation through hydrocarbon pipelines	Colombia	Colombia	15,581,646	3,656,513	17,425,864	1,844,218
Ecopetrol Global Energy S.L.U.	U.S. Dollar	100%	Investment vehicle	Spain	Spain	10,494,646	(274,877)	10,497,271	2,625
Oleoducto Central S. A. - Ocesa	U.S. Dollar	72,65%	Pipeline transportation of crude oil	Colombia	Colombia	3,961,613	2,033,087	6,593,872	2,632,258
Hocol Petroleum Limited.	U.S. Dollar	100%	Investment vehicle	Bermuda	Bermuda	3,846,316	199,827	3,846,401	85
Ecopetrol América LLC.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	United States of America	United States of America	2,812,992	(173,744)	3,273,780	460,788
Hocol S.A.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	Cayman Islands	Colombia	2,648,265	189,042	4,009,826	1,361,560
Esentia S.A.	U.S. Dollar	100%	Commercialization polypropylene resins	Colombia	Colombia	2,089,015	181,569	2,628,940	539,925
Ecopetrol Capital AG	U.S. Dollar	100%	Collection of surpluses from, and providing funds to, companies of the Ecopetrol Business Group	Switzerland	Switzerland	2,053,002	124,837	8,351,406	6,298,404
Oleoducto Bicentenario de Colombia S.A.S.	Colombian peso	55,97%	Pipeline transportation of crude oil	Colombia	Colombia	1,550,564	143,447	3,580,029	2,029,465
Andean Chemicals Ltd.	U.S. Dollar	100%	Investment vehicle	Bermuda	Bermuda	1,430,535	(206,594)	1,430,691	156
Oleoducto de los Llanos Orientales S. A. - ODL	Colombian peso	65%	Pipeline transportation of crude oil	Panama	Colombia	942,108	338,942	1,433,474	491,366
Inversiones de Gases de Colombia S.A. Invercolsa S.A. (1)	Colombian peso	51,88%	Holding with investments in transportation and distribution companies of natural gas and LPG in Colombia	Colombia	Colombia	745,453	167,229	1,439,646	694,193
Black Gold Re Ltd.	U.S. Dollar	100%	Reinsurer of Ecopetrol and its subsidiaries	Bermuda	Bermuda	937,881	48,981	1,328,980	391,099
Oleoducto de Colombia S. A. - ODC	Colombian peso	73%	Pipeline transportation of crude oil	Colombia	Colombia	331,025	273,269	672,718	341,693
Bioenergy S. A. S. (2)	Colombian peso	99,61%	Biofuel production	Colombia	Colombia	26,508	(20,248)	194,257	167,749

Ecopetrol S.A.

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

Consolidated subsidiary companies (2/2)

Company	Functional Currency	Ownership Interest 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	8,631,100	(177,571)	8,631,231	131
Ecopetrol Permian LLC.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	United States of America	United States of America	3,987,903	(63,172)	4,002,421	14,518
Ecopetrol Oleo é Gas do Brasil Ltda.	Brazilian real	100%	Hydrocarbons exploration and exploitation	Brazil	Brazil	1,719,447	(68,542)	1,765,519	46,072
Esenttia Masterbatch Ltda.	Colombian peso	100%	Manufacture of polypropylene compounds and masterbatches	Colombia	Colombia	303,887	148,286	400,784	96,897
Bioenergy Zona Franca S. A. S. (2)	Colombian peso	99,61%	Biofuel production	Colombia	Colombia	(92,416)	(2,850)	361,769	454,185
Ecopetrol del Perú S. A.	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	Peru	Peru	59,219	(121)	62,185	2,966
ECP Hidrocarburos de México S.A. de C.V.	U.S. Dollar	100%	Offshore exploration	Mexico	Mexico	83,769	(27,692)	100,439	16,670
Ecopetrol Costa Afuera S.A.S.	Colombian peso	100%	Offshore exploration	Colombia	Colombia	11,697	(511)	33,51	21,818
Ecopetrol Energía S.A.S. E.S.P.	Colombian peso	100%	Energy supply service	Colombia	Colombia	11,058	3,653	98,728	87,670
Esenttia Resinas del Perú SAC	U.S. Dollar	100%	Commercialization polypropylene resins and masterbatches	Peru	Peru	6,821	1,057	36,337	29,516
Ecopetrol Germany GmbH (2)	U.S. Dollar	100%	Hydrocarbons exploration and exploitation	Germany	Angola	2,756	63	2,756	-
Topili Servicios Administrativos S de RL De CV.	Mexican peso	100%	Specialized management services	Mexico	Mexico	25	(28)	29	4
Kalixpan Servicios Técnicos S de RL De CV.	Mexican peso	100%	Specialized services related to oil and gas industry	Mexico	Mexico	28	(26)	33	4

(1) Corresponds to consolidated financial statements.

(2) Companies in liquidation process.

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Associated companies and joint ventures

Company	Functional Currency	Ownership Interest 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 for oil-vessel loading and unloading support; supply of equipment for the same purpose; technical inspections and loading measurements	Colombia	Colombia	17,428	565	49,982	32,554
Sociedad Portuaria Olefinas y Derivados S.A. (4)	Colombian peso	50%	Construction, use, maintenance, adaptation and administration of ports and private or public docks facilities	Colombia	Colombia	4,176	307	7,024	2,848
Joint ventures									
Equion Energía Limited	U.S. Dollar	51%	Hydrocarbons exploration and exploitation	United Kingdom	Colombia	2,663,899	2,555	2,961,362	297,463
Offshore International Group Inc. (4)	U.S. Dollar	50%	Hydrocarbons exploration and exploitation	United States of America	Peru	779,339	(78,880)	1,941,811	1,162,472
Ecodiesel Colombia S.A. (4)	Colombian peso	50%	Production, commercialization and distribution of biofuels and oleochemicals	Colombia	Colombia	95,315	21,158	159,723	64,408

(3) Information available as of June 30, 2020.

(4) Information available as of August 31, 2020.