

CONFERENCE CALL

OPERATING AND FINANCIAL RESULTS 3T 2021

Operator: Welcome to Ecopetrol's earnings conference call, in which we will discuss the main financial and operational results for the third quarter 2021.

All lines have been muted. There will be a Q&A session at the end of the presentation.

Before we begin, it is important to mention that the comments in this call by Ecopetrol senior management include projections of the company's future performance. These projections do not constitute any commitment as to future results nor do they take into account risks or uncertainties that could materialize. As a result, Ecopetrol assumes no responsibility in the event that future results are different from the projections shared in this conference call.

The call will be led by Mr. Felipe Bayon, CEO of Ecopetrol; Alberto Consuegra, COO; and Jaime Caballero, CFO. Thank you for your attention. Mr. Bayon, you may begin your conference.

Felipe Bayon: Good morning, everyone, and welcome to our third quarter 2021 earnings conference call.

During this quarter, we continued to deliver record results. As of September, we are now consolidating Interconexión Eléctrica S.A. - ISA's financial statement. We generated revenues of COP 23.3 trillion, an EBITDA of COP 10.4 trillion, and net income of COP 3.8 trillion. These results highlight our successful commercial strategy, which has allowed us to capture the favorable conditions of international crude oil prices.

We achieved important progress in our strategic agenda with the accomplishment of milestones such as the following: the closing of ISA's acquisition and the first consolidation of its financial results into the results of the Ecopetrol Group; materializing this transformational step in our energy transition and decarbonization program; our first liability management transaction for USD \$2 billion through the issuance of 10-year notes and 30-year bonds to partially prepay the loan disbursed to finance ISA's acquisition; the authorization granted by the Superintendencia Financiera de Colombia to subscribe the program for the issuance and placement of common stocks enabling Ecopetrol during five years to execute simultaneous issuance within the local and international markets, providing flexibility and opportunity in our capital structure strategy; and now, more than 86% of our employees have completed their immunization against COVID-19.

Let's move on to the next slide. With the acquisition of the controlling stake in ISA, the Ecopetrol Group turns into a leading company in the energy sector of the region, participating across the hydrocarbon value chain, energy transmission, renewable energy self-generation and infrastructure. After the closing of the transaction, our efforts have been focused on ensuring compliance with legal and regulatory requirements related with accounting consolidation, reporting and financial planning. We have made progress in matters regarding corporate governance, such as the election of ISA's new Board of Directors, following its AGM held on October 22nd. The new composition of the board will allow Ecopetrol to exercise as controlling party over the company.

Also, I would like to highlight that for market reporting purposes, ISA's financial results are now incorporated as a new business line in addition to the existing business segments. ISA will maintain its value promise and independence, as we have done with the rest of our subsidiaries. ISA will bring to the table experience and knowledge that will boost new growth opportunities. We are progressing a gradual integration process led by the transition management office, a multi-disciplinary team from both companies. This process involves neutral and detailed knowledge between both companies, understanding of both business models and the construction of a shared vision. After having consolidated an orderly transition, we will pursue opportunities that allow accelerating the capture of value from our investments. We see potential synergies in opportunities such as energy and fuel storage, development of new and additional renewable energy projects, generation and commercialization of energy in other countries and growth opportunities in the hydrocarbon business in geographies where ISA already operates.

I will now pass on the floor to Alberto Consuegra, who will elaborate on the main operating results for this quarter.

Alberto Consuegra: Thank you, Felipe. I will start by highlighting the discovery of hydrocarbons after drilling the exploratory well Liria YW12, which confirmed the presence of gas and 49-degree API light oil in a new structure near the Cupiagua field, a milestone that sets the company's exploratory reactivation in Piedemonte, where Ecopetrol is the operator.

We also highlight the commerciality of Boranda and Flamingos-1 discoveries, which are part of the near field exploration strategy, which seeks production and reserves incorporation in the short term. Discoveries are located in Santander Department and have produced about 94,000 barrels of crude oil for Ecopetrol's share during the testing stage between January and September of the current year.

We continue our international exploratory strategy. During the 17th round of the Brazilian oil and gas agency, the consortium between Ecopetrol Brazil and Shell acquired this SM1709 block located in the Santos basin, expanding the portfolios among high potential areas with competitive breakevens close to USD \$40 per barrel.

Let's move on to the next slide, please. The quarterly production was 683,600 barrels of oil equivalent per day, 22,700 more than the volume achieved in the second quarter. Despite achieving the production stabilization of the fields, affected by blockages and also increasing gas sales, milestones of the plan previously announced, there were two climate events during the quarter that limited an additional recovery in the growth of our production. Abroad, the hurricane season in the Gulf of Mexico caused the closure of wells and in Colombia, the rainy season caused landslides, which affected the Promioriente gas pipeline, as well as the flooding of the Caricare field, causing its temporary closure for 20 days. Other weather impacts were related to increasing power outages. These events impacted production in and around 10,000 barrels of oil equivalent per day. For the fourth quarter, we expect a production around 700,000 barrels of oil equivalent per day, mainly leveraged in the drilling of between 110 wells and 130 wells, the reactivation of the Promioriente gas pipeline and the continuity of the operation of the Nare asset, which we received on November 4, after ending the association contract, adding an average of 7,500 barrels of oil equivalent per day. However, some risks associated with climate and public order issues remain and could affect production levels.

Gas and LPG contributed 21% to total production, highlighting the signing of the Santiago de las Atalayas gas exploitation and exploration agreement with the National Hydrocarbons Agency, which allowed the beginning of pre-drilling activities in two new wells in the Piedemonte area. Given the effects on gas production due to maintenance and climatic events, a commercial strategy was developed to guarantee gas supply at nationwide, along with the Ministry of Mines and Energy and market agents through the signing of contingency contracts.

On the social front, new gas and LPG connections have been made, allowing near 5,000 new families from strata one and two to have this service and improve their quality of life between January and September.

Let's move on to the next slide, please. 2021 has been a challenging year in terms of production due to all the factors that we have revealed throughout the year, which have mainly affected the basic curve. Resuming activity on our wells generated higher levels of water versus oil content with a gradual stabilization. The pandemic and public order situations affected our projects in terms of supply chain, delivery deadlines and execution. This has been partially offset by the implementation of initiatives such as anticipation of 2022 work fronts and strengthening of our commercial gas strategy with which we expect to restore our growth path. Given all the above, projected production levels for 2021 would be around 680,000 barrels of oil equivalent per day.

Let's move on to the next slide, please. On unconventionals, we highlight that on July 8th, the first territorial dialogue was held for the Platero Comprehensive Research Pilot Project and on October 29th, an environmental impact study was filed, requesting approval of the license for the drilling of Kale. In parallel, progress is being made in the documentation of Platero's environmental study in synergy with what has been filed for Kale. In August, a public survey was carried out by the national consulting center in the area of influence of the pilots, evidencing a positive change in perception among communities regarding the industry and the unconventional pilots, Ecopetrol being the oil company that generates the most confidence. In September, Ecopetrol started the operation of a mobile environmental laboratory for the Magdalena Medio region so that communities have a better knowledge of the environmental variables present in their surroundings and that will allow, once the pilot starts, to monitor their behavior.

Abroad, Permian reached a gross production level for Ecopetrol of 24,400 barrels of oil equivalent per day in the third quarter, evidencing the ramp-up of unconventional with a cumulative EBITDA margin of 83%.

Let's move on to the next slide, please. The transported volume of refined products increased 63,000 barrels per day compared to the third quarter of 2020, thanks to the recovery of local demand, mainly the Galan-Sebastopol trench by supplying the large consumption areas of the country. On the other hand, the volume of crude oil transported decreased by 30,000 barrels per day compared to the same quarter of last year as a result of lower production, driven by the previously mentioned causes. In order to secure the evacuation of the Caño Limon field, 11 reversal cycles of the Bicentenario Pipeline were carried out.

Finally, I want to mention that the conciliation agreement between Frontera, CENIT and Bicentenario was approved by the Administrative Tribunal of Cundinamarca to solve the existing disputes regarding the transportation of crude oil in Colombia. As a result of the

conciliation, Frontera will recognize to CENIT and Bicentenario, the outstanding obligations under their agreements as of December 31st, 2019. Frontera will transfer to CENIT its 43.03% interest in Bicentenario and will transfer to Bicentenario the pending dividends, the funds deposited in a trust has guaranteed for one of the disputes, the advanced payments from prior years and the Bicentenario Pipeline line field that they have. As part of the agreement, Frontera will recognize to Bicentenario a portion of the Bicentenario syndicate loan in the amount of COP 438 billion. Additionally, CENIT and Bicentenario signed new ship-or-pay agreements with Frontera, allowing them to receive additional revenues for the payment of obligations included in the conciliation for a value of up to USD \$92 million, subject to adjustments as per the value of the line field.

Likewise, ODL, a CENIT subsidiary, obtained execution with Frontera of a new ship-or-pay agreement which shall allow ODL to receive additional income up to USD \$55.5 million. The financial impacts of the transaction correspond to the total recovery of outstanding debt as of December 31st, 2019, for a value of COP 729 billion. The one-time impact on EBITDA will be approximately COP 700 billion, which will be reflected in the figures for the fourth quarter of this year. Additionally, financial revenues for approximately COP 41 billion will be received due to the effect of default interest and returns on trust funds.

Let's move on to the next slide, please. We achieved an accumulated EBITDA record result as of September of COP 2.35 trillion, thanks to selling of inventories and benefit from market prices at Barrancabermeja refinery, Esenttia's commercial strategies and an Invercolsa's increase in natural gas sales, which contribute to mitigate impacts derived from operational challenges and keeping the cash cost of the segment under control.

Additionally, we are pleased to inform that we achieved the delivery of gasoline at 50 parts per million contemplated by regulation for January 2022.

The integrated gross margin of the refineries remain at pre-pandemic levels, despite having a more expensive diet because the recovery of Brent price, a challenging scenario for the realization of valuable products, especially in the Cartagena refinery due to the discount on export diesel, and the scheduled maintenance of the petrochemical train and the alkylation unit at the Barrancabermeja refinery.

The consolidated throughput in September was above 365,000 barrels per day, exceeding the throughput restrictions on the refineries affected by public order events at Caño Limón-Coveñas oil pipeline, an electrical contingency presented in August, and corrective maintenance planned in the catalytic cracking unit at Cartagena's refinery. These events had an EBITDA impact of COP 121 billion. A shutdown plan is being implemented with the purpose of improving the reliability of the refineries, which will take the operational availability from 92.5% in 2019 to 94.2% in 2021 and up to international reference levels above the 96% in 2024. Other scheduled maintenance for the flare in plants 1 and 2 in Esenttia will be occurring.

Let's move on to the next slide, please. At the end of third quarter, we have delivered efficiencies close to COP 1.8 trillion, highlighting a reduction of the dilution factor, energy efficiency and savings obtained with the renewable energies. The total unit cost accrued to September increased USD \$10.3 per barrel as compared to the same period in 2020, mainly due to higher purchase and import costs associated with higher Brent prices.

On the other hand, the cumulative lifting cost to September increased USD \$0.87 per barrel as compared to the same period in 2020, reaching USD \$8 per barrel. Such anticipated increase is due to greater numbers of well interventions, the execution of process safety and integrity work included in the plan as well as the increase in the cost of oil services due to industry inflation. By the end of the year, we expect to have a lifting cost in the order of USD \$8.5 per barrel. The cost per barrel transported showed a slight decrease as compared to the same period in 2020, reaching USD \$2.9 per barrel, thanks to the control of variable costs given the lower volumes transported. The refining cash cost accumulated to September showed a downward trend as compared to previous years, correlated to gas composition and its supply chain.

I will open the floor to Jaime Caballero, who will talk to you about the main financial results of the Ecopetrol Group.

Jaime Caballero: Thanks, Alberto.

During the nine months ended in September 2021, Ecopetrol's net income reached COP 10.6 trillion, exceeding more than nine times the results obtained during the same period of the previous year. This increase is mainly explained by a higher EBITDA generation of COP 15.5 trillion, where the following factors stand out: a positive net effect of COP 13 trillion due to realization prices, higher crude oil spreads and foreign exchange increase for purchases and sales; a positive valuation of inventories for COP 4.2 trillion related to market prices and increasing ships in transit to India and the U.S., given the new delivery-at-place commercial strategy; and the consolidation of 100% of ISA's EBITDA, COP 4.7 trillion corresponding to one-month of operation after closing the acquisition. The above was partially offset by: lower volume purchases and sales for COP 1.5 trillion affected by schedule and corrected maintenance activities within the refineries; higher operating activity costs for COP 0.6 trillion, mainly associated to maintenance and higher materials consumption as a result of the economic reactivation, and other effects in the EBITDA for COP 0.4 trillion, mainly related to the increase in exploratory expenses, recognition of public work provisions and environmental provisions, among other aspects.

Likewise, the year-to-date includes the impact of three non-operational items: the non-recurring positive effect of COP 0.4 trillion recognized in January for the divestment of Savia Peru; a negative variation from other non-cash items for COP 1.8 trillion, including foreign exchange effect, depreciation, taxes, financial expenses and ISA's non-controlling interest for COP 0.7 trillion and COP 1 trillion in other subsidiaries; an increase in income tax provision as a result of higher financial results and related to deferred tax restatement for COP 36 billion after implementing the new rates established by the tax reform in Colombia from 30% to 35%. These results show a clear continuity of the favorable trend in the company's financial results.

Please turn to the next slide to see ISA's main financial results. For the third quarter and the nine months ended on September 2021, ISA's EBITDA continues its growth trend, increasing 5.8% and 5.2%, respectively, as compared to the same periods in 2020. Net income decreased, affected by non-recurring events, such as costs associated to a liability management transaction at Interchile, which also included the unwind of debt hedging for a total of COP 273 billion and a higher deferred tax expense of COP 146 billion due to the application of the rates from the tax reform in Colombia. In the absence of these impacts, ISA's net income for the quarter would have been COP 541 billion and COP 1.6 trillion year-to-date.

ISA's consolidation in the Ecopetrol group is carried out through a business combination of control businesses as defined in IFRS 3. A new segment has been established to incorporate ISA's stand-alone results starting September and the expenses related to the debt raised to complete the acquisition. ISA's contribution is material for the Ecopetrol Group, and it will be progressively incorporated over the next accounting period. When normalizing the consolidation for the nine months ended in September, ISA's contribution to the EBITDA would have been COP 5.3 trillion, representing about 19% of the total. The net income contribution would have been COP 0.6 trillion and COP 0.8 trillion excluding the non-recurring events mentioned above. After consolidation, assets and liabilities of the Ecopetrol Group increased by COP 82 trillion and COP 55 trillion, respectively. Total equity increased by COP 27 trillion, reflecting the concept of non-controlling interest associated to ISA. The values of assets, liabilities and non-controlling interest as well as goodwill are preliminary and will be updated to final announce by the end of the year.

Please turn to the next slide to see the main financial KPIs. Cumulative financial indicators year-to-date reaffirm Ecopetrol's ability to capture the favorable price environment as well as the initial benefits from ISA, after consolidating the first month of its operations since the acquisition. In the oil and gas business, it's worth to highlight the EBITDA per barrel that reached record levels of USD \$40.2 per barrel and quarterly results of USD \$40.1 per barrel. These levels compare very favorably with other industry peers. Net income breakeven continues to improve as compared to the end of 2020 and the same period of the previous year, reaching USD \$34.8 per barrel, thanks to the recovery of product spreads and higher throughput in the refineries.

Regarding ISA's results, it is worth to highlight the EBITDA margin, excluding construction, that was 77.7%, aligned with 2020. ISA's return on equity for the quarter was affected by the liability management transaction effect that did not impact the group results due to the extent that it corresponds to an event prior to the acquisition, and therefore, it was registered as equity. Year-to-date, EBITDA margin for the Ecopetrol Group was 46.7%, among the highest levels historically, surpassing pre-pandemic levels. The leverage ratio of the Ecopetrol Group is similar to 2020 levels when incorporating ISA's debt and one month EBITDA. Normalizing ISA's EBITDA for the last 12 months, the indicator would have been 2.4 times.

Please turn to the following slide to see the main highlights of the commercial strategy and its contribution to the financial results. The commercial strategy has been fundamental to the successful capture of value in the current environment. The stable quality of our blends, supply reliability and contractual flexibility are fundamental to the corporate strategy. As of September 2021, the realization price of our crude oil basket increased from representing 76% to 94% as compared to the average Brent price for the same period in 2020.

It is worth highlighting the increase in barrels delivered to destinations such as South Korea, India, Brunei, Sweden, and the U.S. Gulf of Mexico, going from 17% in 3Q 2020 to 37.5% in 3Q 2021 in volume metric terms. This strategy has allowed a higher commercial margin as compared to shipments sold and delivered at the Coveñas port. Likewise, we continued to maximize the value of crude oil products through asset-backed trading strategies with an incremental benefit of USD \$47 million by the end of September, almost twice the amount achieved during full year 2020. We estimate that so far this year, the commercial effort has contributed around USD \$339 million, equivalent to USD \$1.19 per barrel to the Ecopetrol's Group EBITDA as a result of export strategies, purchase of new crudes of the refineries, benefits from using our crudes and savings from energy efficiencies, among others. Sales

of gas and LPG, a key element of the strategy, contributed almost USD \$15 per barrel to the EBITDA, proving the relevance of this product within the company's results.

Let's turn to the next slide please. Organic investment as of end 3Q amounted to nearly USD \$2.2 billion, showing an important recovery versus the previous year, despite global supply chain disruptions, public unrest in certain areas of our operation, and longer regulatory permitting lead times. The upstream segment accounted for 77% of total organic capex, with a focus on increasing production and reserves, while 23% went to the midstream, downstream and corporate segments. By the end of the year, we expect to invest between USD \$3.3 billion and USD \$3.5 billion. Capex execution for the fourth quarter will be focused on an increase in drilling rigs directly operated by Ecopetrol, securing the arrival and materials with supply delays, boosting activity in Permian, Ecopetrol America and Hocol, and an increase in activity in the refineries. As for ISA's capex, its cumulative execution as of September was USD \$946 million, mainly allocated to the progress in the construction of energy transmission projects in the countries where the company operates. ISA estimates a year-end execution of circa USD \$1.2 billion.

Please turn to the next slide to review the company's cash flow. Cash balance for the third quarter was COP 13.1 trillion, with the operating cash flow adding COP 11.5 trillion. ISA contributed COP 6 trillion to the cash balance and COP 0.5 trillion to the operating cash flow, respectively. The investment component for the year presented an outflow of COP 8.8 trillion related to capex. The financing component, excluding ISA acquisition, registered an outflow of COP 2.8 trillion for principal and interest payments. During 2021, dividends for COP 1.4 trillion have been paid to Ecopetrol shareholders and to non-controlling shareholders of its subsidiaries. Final cash balance considers cash and cash equivalents for COP 10.1 trillion and a short-term investment portfolio of COP 3 trillion. Ecopetrol's Group cash composition is 64% dollar-based and 36% Colombian peso-based. This cash balance does not include the account receivable from the Fuel Price Stabilization Fund, FEPC for its Spanish acronym, which at the end of the 3Q amounts to COP 7.2 trillion. It is worth mentioning that the recently approved general budget of the Republic of Colombia includes a specific provision of COP 2.7 trillion for the recognition of this item, as well as additional budgetary mechanisms to address the remaining amounts.

Please turn to the next slide. Finally, we would like to highlight the completion of our first external liability management transaction for USD \$2 billion, by which we partially refinanced the USD \$3.7 billion loan associated with the ISA acquisition. This transaction optimizes the debt maturity profile of the Ecopetrol Group with market rates at historically low levels since 2014. The transaction had a robust demand from around 270 investors from different geographies globally with individual bids of up to USD \$470 million, evidencing the confidence in Ecopetrol's financial strength. This transaction, in addition to the approval of the program to issue common stock in Colombia by the Superintendency of Finance, provides flexibility and access to different sources of debt and equity financing with the objective to continue optimizing the maturity profile and to fund the energy transition strategy of the company.

Now I hand over to the CEO for closing remarks.

Felipe Bayon: Thank you, Jaime. We continue to move forward on each of the pillars of our TESG strategy. On the environmental side, we particularly highlight achievements in our renewable energy projects. With the entry into operation of the San Fernando Solar Park that is located in the Meta Department, we have now an additional installed capacity of 61

megawatts that will supply part of the energy demand for both Ecopetrol and Cenit operations. It will also help us to avoid emissions for more than 508,000 tons of CO2 equivalent during the next 15 years and will contribute to the group's decarbonization plan. All this in addition to over 21,000 tons of CO2 emissions that have already been avoided by the Castilla Solar Farm in its first two years of operations since October 2019. During such period, we have also saved with the Castilla Solar Farm some USD \$2 million in operational costs. With San Fernando, the group's current capacity on renewable energy stands at 112 megawatts.

Likewise, Ecopetrol also inaugurated the gas-based self-generation plant in Chichimene that will avoid emissions of some 44,000 tons of CO2 each year and will supply part of the energy required by the Chichimene, Apiay, CPO-9 and Castilla fields, all located in the Meta Department.

In terms of hydrogen, we highlight the active participation of Ecopetrol as one of the key players in the construction of Colombia's hydrogen roadmap aimed at developing this energy source for the country.

On the other hand, we recently joined the group of the Taskforce on Nature-related Financial Disclosures, TNFD, to help develop a reporting framework for nature-related risks and opportunities, as well as mitigating negative impacts on the environment.

Last week, we participated in COP 26 in Glasgow, as one of the organizations representing Colombia. In addition to discussing actions that allow to mitigate climate change impact, we met with different leading organizations to explore potential alliances in the development of several opportunities on our Road to Net Zero and Energy Transition roadmaps.

Regarding technology, I want to highlight the capture of some USD \$36 million year-to-date of benefits from our digital transformation agenda. Also, the award of the Sustainable Development Goals Good Practices led by the global compact of the UN to our open innovation program of 100x100.

In the social dimension, Ecopetrol achieved the Equipares Silver Seal, a certification with a 98.47% score, which gives us now five companies in the group that have favorable processes for gender equality.

Let's move on now to the conclusions. During the quarter, we achieved significant progress towards energy transition, such as the closing of the ISA acquisition, setting a milestone in the history of the country and for both companies, providing the opportunity to consolidate the Ecopetrol Group as a new leading energy company with greater capacity to continue generating sustainable value. We continue delivering strong financial results to our shareholders and our groups of interest. We will keep consolidating our integrated strategy, maintaining the focus on the core business while moving forward in the pillars of energy transition.

Thanks to everyone for participating today in the call. And now, I will open up for the Q&A session.

Operator: Thank you. At this time, I would like to remind everyone that in order to ask a question simply press star (*) and then one (1) on your telephone keypad. If you would like

to withdraw your question, please press the pound key (#). We will pause for just a moment to compile the Q&A roster.

We have a question from Guilherme Levy, from Morgan Stanley.

Guilherme Levy: Hi. Hello, everyone. Thank you for taking my questions. I have two questions. The first one is on lifting costs. So I just wanted to understand your expectations for this line going forward when we consider both recovering production and higher oil prices that are expected to remain into the next quarters, if we should continue to expect lifting costs close to the USD \$8 per boe range and if the company is already seeing some level of industry cost inflation.

And then the second question is on the production expectations for 2022. I just wanted to picture and try to understand what sort of projects can be anticipated at the current oil price environment? And also, how much the JV in the U.S. could contribute to the group in this strong oil price environment. Thank you very much.

Felipe Bayon: Guilherme, thanks and thanks for participating today in the conference call. So I'll give you some context, and then I'll ask Alberto to provide more detail, first around the lifting cost and then around production.

So the first thing around lifting costs. If you look at where we ended up on 3Q, around USD \$8 per barrel, we are signaling that the year should end up at around USD \$8.5 per barrel. And for next year, the range should be around USD \$9.5 to USD \$10 per barrel. So that's sort of the expectation. So clearly, we see there will be an increment or an increase in terms of the lifting cost and Alberto will provide detail around levels of activity and also some of the pressures we're seeing from some of the first increases in terms of sector inflation, in particular around some materials and the likes. So he'll talk about that.

In terms of production, I'll share my view with you and then again Alberto will provide some detail. But if you look at what has happened this year, we started at 1Q at 676, we went down to 661 in 2Q and up to 684 in 3Q. So there is a recovery. We're seeing recovery from some of the operational issues that we had in 3Q, especially with the production of water and some other issues and some of the blockages and stoppages and civil unrest in country. We expect that in 4Q, we will be at around 700,000 barrels. The way I would describe it is that we are seeing a recovery. There is a clear path of recovery, but it's taking longer than what we had anticipated. So I think that's message number one.

We're currently working on the numbers for 2022. We don't have a number yet in terms of where we expect to land the range for production.

And in terms of the Permian, this year, we have 91 wells in production. We're about 50,000 barrels equivalent of production. So we're very pleased with four rigs operating in the Permian. Directionally, next year, we're going from some 90 wells to 110 wells roughly in year in terms of drilling. So there will be an increase in the number of rigs. We will keep at least the four rigs running next year, but we are in conversations with our partner as we look at budgets, as we look at activity, in terms of should we keep the four rigs, should we actually increase a bit more. But we're very, very pleased with the Permian and how it's behaving in terms of its contribution, not only in terms of barrels, but in terms of EBITDA as well. So, Alberto, why don't we go into more detail around both lifting cost and production?

Alberto Consuegra: Guilherme, good morning and thanks for your question. As Felipe mentioned, we are seeing an increase in the listing cost for the fourth quarter. So by year end, we should be having an average of USD \$8.5 per barrel. But that will mean that the fourth quarter of '21, we will experience an increase in costs, mainly derived from a lot of well interventions, around 160. In addition to that, work associated with the integrity of our time, but also, as we mentioned, we are experiencing the impact of industry inflation. That's very much reflected in well work because of restrictions in raw materials but also we are seeing higher prices, for example, in steel. We're talking about an increase in steel and the cost of steel of 30%, 40% compared to prior years.

In addition to that, copper, aluminum, also affected, and that brings a delay in all the supply chain, especially in the fabrication of the equipment and material, and also we are experiencing an increase in the cost of well service. This is to say that for 2022 and beyond, we are currently working on our optimization plan to understand how we can cope that industry inflation. But in terms of guidance, we should be looking at a lifting cost of USD \$9.5 to USD \$10 per barrel per day for 2022 and beyond. Also, lifting cost indicator will depend in our success of increasing production volumes.

In terms of what we should expect in production, we're working on the part of understanding the different variables for 2022, but the activity is going to be there. And what we need to understand is that much of the activity in our mature fields is about recovering the production that we lose from the normal decline of the pay fare so that's very important. That means that about 15% to 17% of our production which will replace year-on-year.

In addition to that, we are trying to focus our projects on where we have bottlenecks in terms of facilities. So a lot of activity will be focused in increasing our capacity to treat water in the mature fields. And if we have that, then we are going to be able to see production coming into stream. So that's kind of the scenario that we see, still too early to anticipate a range, but working on the different variables and also understanding the impacts of this high inflation that also represents delay in all the supply chain. So we will share more information with you at the end of the year.

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

Anne Milne: Good morning. Thank you very much for the call and congratulations on the ISA consolidation. So my questions are a little similar to the last one, and I think you answered some of them, but I wanted to know what the main areas of cost inflation are. I think you mentioned steel and aluminum. Are there other areas there as well? And is there any way that you can hedge them or enter into long-term contracts, maybe electricity, maybe freight or some other ones?

And then my second question is also on the 2022 outlook. I understand you're not prepared to discuss production. But do you have a range of capex for next year? I think you said it would be higher. And do you have any plans on what your debt and leverage levels would be one year from now to the end of 2022? Thank you very much.

Felipe Bayon: Thanks, Anne and I'll start with the second one in terms of capex. So compared to this year, we've signaled that there will be an increase and we haven't finalized the numbers. But I can give you directionally, the following information, that organic capex for Ecopetrol, not including ISA, will be in the USD \$4 billion to USD \$5 billion range. So it's an increase and obviously, as we were just discussing and Alberto was mentioning, that

exercise of landing and defining the capex is incorporating our views on some of the impacts that we've discussed on the supply chain and the commodities prices increases. So, that's the second question.

And in terms of the first one, I'll provide a bit more color. So Alberto has already described where we see or where we envisage for our lifting cost to move going forward. So again, from ending this year in USD \$8.5 per barrel to somewhere in the range of USD \$9.5 to USD \$10 per barrel. So the first point is that we do see there will be an impact. But in things like electricity, for example, we're sharing that roughly two thirds of our electricity, the electricity that we use on a daily basis, comes from our *autogeneración*, self-power generation, we generate that power for ourselves, and we generate it mainly with things like gas. So we have, I would say, some, but not total, some independence from prices outside. And I want to share with you that one thing that we've seen that has worked very well is the moving to renewables. So for example, if you take the Castilla Solar Park that we started operations two years ago, in two years, we've saved roughly USD \$2 million in operating costs. So compared to the prices on the grid, these prices could be between one third to one fourth of the prices that we will see we've generated liquids for, 50% of the prices that we see, we buy from the national grid. So electricity, as you well point out, very important in terms of building up our costs, and it's something that we will continue to work.

On freight, I'll use an example. So when we are exporting, and you may have seen from the report, that more and more, we're using the DAP mechanism. So we're actually delivering our crudes at the refineries, at the ports. And last quarter, 37% of our exports were delivered through DAP. And we have the ability to hedge at a tactical level the freight for this crude. So we're already taking into account that.

I would like to highlight something else. Clearly, there will be an impact in terms of the cost of materials and indirectly on services because sector inflation and some of the service providers will come back knocking on our door and wanting for us to basically accept the pass-through on some of those costs.

The other important point is the security of supply. And in that sense, we do have long-term agreements and alliances with many providers. For example, most --if not all of our drilling material, pipelines and everything else, the casings and the tubings and the likes. Most of them are actually built in-country. So there will be an impact in terms of cost, as Alberto was mentioning, from the material cost. And eventually, there could be an impact in terms of timing because there could be some delays. So those are some of the things that we're working on.

And the other thing that I think is very important is some 18 months ago, we took the decision to go to zero-based budgeting in the company. And I think that has allowed us to -- not build year-on-year and just marginally increase our cost, but have a very deep understanding of how our costs are basically built up. So, that helps us in terms of optimizing demand, how do we manage our inventories, how we do look at the standardization and modular approach to some of the things, standard facilities. So just wanted to provide some color and some context around some of the things we're looking around cost. Alberto, Jaime, I don't know if you want to add something else.

Alberto Consuegra: I would just add as an example what we're managing the dilution cost. I mean, we understand the pressure, but also, we understand that we also have solutions. For example, we can increase the viscosity in all of our pipelines to manage the improved

input. We are also implementing the projects, the co-dilution project, which is increasing the LPG mix in our product mix. And that's going to be great because that is going to represent an important reduction in terms of the naphtha that we buy, that we purchase abroad. So that's kind of an example in which, for example, the dilution factor was around USD \$15 per barrel. Now it's going to be in the ranges of USD \$13 to USD \$14 per barrel. So you are seeing the reduction in that sense.

Jaime Caballero: Great. Felipe, and on my end, I just want to make a quick note, and it's with regards to ISA. It's important to highlight that ISA's business model is fundamentally inflation indexed. So any inflation that you have in the sector is actually not translating into loss of revenue or loss of margin. That's quite important to highlight. There's no deterioration in the ISA business model associated to industry dynamics.

Felipe Bayon: Very important. Thanks.

Operator: Thank you. Our next question comes from Matheus Enfeldt, from UBS.

Matheus Enfeldt: Hi, good morning. Thanks for taking my questions. If we could start with the downstream, looking in particular at margins. The company saw some quarter-on-quarter pressure, mainly in dollar terms, particularly in the Cartagena refinery. We were just trying to understand a bit how much of that is a one-off only in this quarter and should you expect a quick rebound or if this is something that should linger a bit into 2022.

And then my second question is on the ISA acquisition. If you could provide a bit of the pathway for integration of the companies moving forward, now that you have begun to consolidate results. What milestones or KPIs the market could be looking for, particularly into potential synergies between both of the business? And just to elaborate a bit on that as well. If you're seeing that potential investments in energy and electricity should go focus mainly from ISA or if Ecopetrol will also continue to invest this in the core business? Thank you.

Felipe Bayon: Thanks, Matheus. I'll start with ISA, and then I'll hand over to Walter to talk about the downstream. So in terms of ISA, I want to provide a bit of context. We have something called the TMO, the Transition Management Office. It's basically comprised of some 80 people, roughly half and half from each of the organizations. It has been working for some months now and for the last 2.5 months since we closed the deal on the 20th of August, a dedicated team has been focused on-premises mainly, working on some 10 to 12 streams of work, mainly. So there's different things, and we have talked about the legal, the regulatory, the financial consolidations. So we're working now on things like budget and finance, planning purposes. And so there's a lot of work, and that's actually going quite well. In terms of Jaime and myself joining the Board, that's already happened. So I just wanted to provide sort of the high level context in terms of where we are.

So things that we're looking at. And there's some very tactical, pragmatic things that we're looking at. So for example, in a lot of the things in which we operate, for example, on digital, we have a lot of synergies and opportunities because we use the same providers and we can share some of the conditions and some of the favorable conditions that Ecopetrol has on contracting some of these services. Those can be passed through to ISA. So that's low hanging fruit, very, very, very early on.

And there's some ongoing work between the teams around things like innovation and technology, very important. So things like when you mentioned power generation, so in Colombia, by the current existing regulation, since we are in transmission, we would not be allowed to enter the power generation market to sell to third parties. So that's the current regulatory framework in Colombia. Having said that, there's opportunities in the other countries where we now have a presence. So that's point number one. But in terms of things like additional renewable power generation projects from renewable sources, there's a lot of opportunity both in-country and outside in terms of energy storage, which is fundamental as we think about the transition and sort of ensuring that there is reliability in terms of the provision of electricity to the consumers. Even in things like hydrogen, in things like low-emission energy.

So the teams are actually working on that. So we're very enthusiastic, I would say, in terms of the new opportunities, and there's a lot of things that are coming up from those conversations and what we'd like to do, Matheus, is that as soon or as long as we are progressing and advancing, we'll continue to communicate in terms of where we are, how we've landed some of those opportunities but I would end up saying, before handing out to Walter, that I don't think we fully understand the potential that we can unlock in terms of the transaction that we've done and the opportunities going forward.

So Walter, why don't we move into the downstream, to talk a little bit more about the margins and what we see going forward?

Walter Canova: Thank you, Felipe. Thank you, Matheus, for your question on the downstream business. I will start mentioning that, as you saw on the slide, it was covered by Alberto, that as of September, we have accumulated a record EBITDA of COP 2.3 billion for the segment. So this is mainly coming from excellent results in the second quarter.

Regarding the third quarter, important to mention that we started around July and August planned activities at the Barrancabermeja refinery, mainly in the alkylation unit and the petrochemical business. Those activities at Barranca will continue. So those have already been completed although at the Barrancabermeja, we are progressing right now major maintenance on one of the crude units and on the FCC.

In the case of Cartagena, the results of the third quarter were impacted by the blackout event that we had in August and also maintenance that we needed to do at the FCC unit in August and finished in the middle of September. So at the Cartagena refinery, those were one-time events, both of them, and the refinery were recovered for those events and is running close to full rate right now. And at the Cartagena refinery, we are projecting the fourth quarter, we are not projecting to have planned turnarounds or big maintenance at the Cartagena refinery in the fourth quarter. So we see Cartagena for the fourth quarter coming up in terms of margins.

And at the Barranca, as I mentioned, we are executing the planned turnarounds on the crude unit on the FCC, but margins for the Barranca are planned to be steady for the fourth quarter and very similar to the third quarter. So in overall, for the refining, we are projecting to finish in 2021. Regarding crude rate, we have told you that we are planning to be on the 345 kbd to 365 kbd, and we are projecting to be on the high side of that range. Regarding margins for our projection for 2021, we are projecting to finish the year between both in Cartagena and Barranca, on the upper side of the one digit. So close to the USD \$10 per barrel for 2021.

Regarding 2022, I would say that we see margins coming up. Although I have to mention that during the first half of the year, we do have planned maintenance activities at both refineries, Barranca and Cartagena, mainly on the first half of the year. But in overall, we see margins, there will be some ups and downs because that depends on what type of maintenance activities we do every month. But in overall, we see margins for 2022 on the low side of the two digits for the refining business.

And I would like to mention that 2021 and 2022 are very heavy on turnaround activities or maintenance activities because most of the activities were planned for 2020, but because of COVID-19 and pandemic, we needed to move some of those maintenance from 2020 to 2021 and 2022.

I hope, Matheus, I was clear, and I was able to answer your question.

Operator: Thank you. Our next question comes from Vicente Falanga, from Bradesco.

Vicente Falanga: Hi, good afternoon, everyone. Thank you for taking my questions. My first one is regarding Brazil. When do you expect the drilling of the first well there and sort of what are the next key milestones?

My second question is regarding unconventional. Do you feel that after we get the licenses for Kale and Platero, for other future potential areas, these licenses could come up quicker?

And then, a follow-up on the previous question. Do you still see risks for the quarter in the Caño Limon pipeline this quarter that could again affect the refineries or things are calmer there? Thank you.

Alberto Consuegra: Vicente, good morning. Thanks for the question. With regards to Brazil, what we are doing right now, in terms of exploration, we are in the planning phase to drill our second well in the Saturno block and basically is what we call the Iapetus prospect. **m**And we expect to grow this well late in 2022 or early 2023 and this will depend very much in our conversations with our partners, in that case, Shell and Chevron.

Also, in terms of development, just to recognize that Gato Do Mato is going well and that we have several milestones to complete in the next few months. The first one is the award of the FPSO, the floating production storage and offloading facility, initiate fabrication of the FPSO, also award the subsea facilities contract. And depending in the advance in the progress of those activities, we are shooting for an EBITDA at the end of 2025, early 2026. That's the program. If we see opportunities to drill additional wells, that will be depending very much on decisions taken with our partners. So that's where we are in Brazil, Vicente.

With regards to unconvensionals. So we are in the process, as we mentioned in our report, of obtaining the licenses for Kale and Platero. We already delivered the environmental assessment study for Kale and we are trying to do so for Platero. So in terms of whether this will improve the potential of getting licenses for new areas, I will be very conservative. I think our focus should be in the two areas where we have, at this moment, the pilots. Once that we are successful in getting the licenses as well of doing the execution of the well, doing the drilling of the well, then we can foresee if there are opportunities in other place.

Felipe Bayon: Alberto, I would just like to add, and before you come back to Caño Limon and the third question, what we said, Vicente, with regards to the unconventional pilots in Colombia, is that this is not about doing it quickly. It's about doing it well. And in that sense, and you saw some of the timelines that we produced in the report, we see ourselves drilling the wells in 2023. But we're working to see if we can actually accelerate that, to see if we can bring that forward into 2022, but bear in mind that after we have all the results and the data, there is an independent commission that will look at the results of the pilots and determine if the pilots were successful or not in terms of achieving the objectives that were setup with the regulation to the pilots. So we'll have to see what that means. Having said that, obviously, we've worked on identifying additional areas with potential, and thinking about how can we take this to the next level in terms of becoming part of the operation that we do. We now have a lot of expertise from the Permian under our belts. So that has been brought home in terms of planning and answering that we can understand how to move to the next phase, which if I understand correctly, was the question.

And Alberto, in terms of Caño Limon?

Alberto Consuegra: Yeah. Well, in terms of Caño Limon, we need to recognize that we have the pressure of social unrest and guerilla activity in both the Catatumbo and the Arauca region. So the risk is there. But we have the contingency means to manage the production impacts. If the Caño Limon pipeline is affected by this social unrest, then we have the contingent route of the Bicentenario pipeline. If this is working as has been working during the third quarter, where we had 11 reversal cycles, then we shouldn't expect major impact in terms of the loads for the refineries, particularly in Barrancabermeja.

Operator: Thank you. Our next question comes from Frank McGann, from Bank of America. Please go ahead.

Frank McGann: Okay. Thank you very much. Just maybe stepping back to a bigger picture in terms of how you're seeing the capex potential in upstream. After the last four or five years, which you went from having a lot of opportunities and being very aggressive to pulling back rightfully so to restore the balance sheet and not get overaggressive in terms of spending, given the less clear environment, especially, of course, over the last 18, 24 months, I'm just wondering now how you're thinking about upstream. You've got, I would assume, a lot of kind of low-hanging fruit that you could potentially exploit. I would think you could increase capex quite a bit and profitably so if you wanted to, but I'm just wondering how big that portfolio is potentially. That is one. And secondly, are you tempted to get more aggressive over the next couple of years, given the very favorable environment and I think fairly short payback period that you have for a lot of those investments?

Felipe Bayon: Thanks, Frank, and great questions. And I think I'll provide you some views and then Jaime can add up and Alberto as well to sort of complete the views. But the way I would put it, and I like your intro to the question in terms of us being explicitly very careful with the management of the balance sheet and the opportunities. And if you look at how we've ramped up capex over the last few years from basically USD \$2.2 billion in 2017 to USD \$2.9 billion in 2018 to USD \$3.5 billion in 2019, we'll be that range this year. And I was answering a question earlier, saying that we see ourselves in the USD \$4 billion to USD \$5 billion range organic, excluding ISA. And historically, 80% to 85% of the capex has gone to the upstream. So we're not going to abandon that. So there will be additional focus in terms of exploration and this goes from looking at seismic that we already have and doing the

reinterpretation of that seismic with new technology and new capabilities. So that's point number one.

And I think the news that we gave to market during the week with the Liria YW12 well, which is the discovery of a new field, show that adjusting our view on exploration is paying off. And I think that's very important. This year we'll end up with some 400 wells in our portfolio that we've drilled, development wells, we should probably see an increase in that and that's the way you can think about it.

If you look at geographically, we have very good activity in the Permian and it's paying off. It's not only providing molecules or barrels, but it is also producing good EBITDA, and we'll be able to talk about that when we close the year. So a lot of focus in Colombia, but we do have focus in both the Permian and Alberto was just referring to Gato do Mato in Brazil, that will require some additional capex. But clearly, focus in Colombia, where EOR techniques, increasing recovery factors are fundamental. We have to deal with 15 to 17 natural decline per year in our main fields. A good news, I think, tailwinds are healthy. We've done a lot of work over the last four, five years in terms of efficiencies, in terms of becoming much better in terms of producing margins at the upstream level. So I think that's paying off.

Having said that, and we had, I think, a good discussion earlier on about sector inflation and some of the things that we're doing. But again, things like zero-based budgeting and something called Performance Plus, which is an internal program to look at more efficiencies, I think can provide a lot of support in terms of how we see ourselves going forward. We have identified lots of opportunities. We have something called the taxonomy so we know which each and every opportunity that we have in the pipeline ramps up. But, and I will stop here, we don't want to get crazy in terms of spending money just for the sake of spending money. We want to stay very focused and disciplined in terms of how do we deploy the capex in the operations.

Jaime, if you want to add something else or Alberto.

Jaime Caballero: Thank you, Felipe. So Frank, good to hear you. I'll give you some color. And initially, I'm going to give you some broad group numbers that provide context for the conversation and then some directional numbers associated to the plan which we're working on. I think the biggest headline is that as we look to refresh the plan '22 - '24 in the context of a higher price environment and in the context, of course, of the production lag that we've seen this year, clearly, our strategic intent is to increase production, right? So directionally what we want to do with the upstream is to increase production. And the good news is that the result of the portfolio analysis that we've been having over the last few months is one that indicates a stronger portfolio with more prospects, with more possibilities and therefore, with more value, right? To give you an idea, this year's plan compared to last year's plan speaks about maturing around 1.5 billion barrels of resources of 3P resources, right? That's the extent of the total portfolio. Last, when we were looking at this number 18 months ago, it was more in the 1.1 annual range. So we've actually seen a bigger portfolio to work with.

The second thing that we're seeing is that in the context of the full agenda of Performance Plus and efficiencies and becoming more competitive and the like, we're also seeing improved breakevens and therefore, more value associated to the portfolio. So directionally, a portfolio that maybe a couple of years ago was worth, and I'm talking about the growth component of the portfolio, around USD \$6 billion in NPV, it's now around USD \$9 billion in NPV. So where I'm trying to go here is that there's value to be had, and we want to chase

that value, obviously in a disciplined way, like Felipe mentioned, and in a structured way, but there is value to be created.

When you look at the ramp-up of activity, the ramp-up of activity that we expect to have is significant. We're talking about directionally around 540 wells, of development wells next year, around 600 workovers, around anywhere between 25 and 30 exploration wells, and going back into seismic. So the opportunities are there and they are sufficiently mature. Let me give you a statistic here. All these numbers that I'm quoting, about 67% of the activity said is already in its third or fourth stage of maturing. So they are things that are reasonably good to go and it gives us confidence that we're going to be able to execute them this next year. So that's where we're going.

When you look at that number that Felipe mentioned of between USD \$4 billion and USD \$5 billion of organic capex, I would say that upstream, as usual, will represent a big chunk of that. When we look at the next three years, I would expect upstream to be capturing probably anywhere between USD \$10 billion and USD \$12 billion of capex. Upstream alone. That's where directionally we're heading. Obviously, this is also subject to some fine tuning, and we're going to have a more detailed conversation in February, but that's we are heading right now.

Alberto Consuegra: Frank, and I will just add that when you look at our portfolio and years back, our focus was the main mature fields, heavy oil fields. So now in our plan, you'll see new areas emerging. For example, in terms of exploration, you will see activity associated with the Caribbean offshore and also a lot of focus in terms of the Piedemonte foothills, where we have the expectation of finding both light oil and gas. So you'll see that diversification. When you look at all our projects that are going to be emerged, you'll see Caño Sur close to Rubiales and then Acacias, which will be another focus in our portfolio. So more diversification, I would say.

Felipe Bayon: Thanks, Alberto. Thanks, Jaime.

Operator: Thank you. Our next question comes from Christian Audi, from Santander.

Christian Audi: Thank you. Hello, Felipe, Jaime. I hope you are well. I wanted to get your views on a couple of points, first, capital allocation, and then on return on capital employed. In terms of capital allocation, you've already touched on capex. I was wondering if you could also touch on deleveraging and dividend payments, how you prioritize those, given the very strong results and cash flow generation that you're having. And also touch on the potential need for an equity offering and whether that equity offering, if needed, would be more to supply ISA with capital to pursue inorganic growth or would it be more driven to just strengthen the overall Ecopetrol financial position.

And then in terms of return on capital employed, which is an area where the company always stood out relative to your peers, with the addition of ISA that has great margins and great return on capital employed, I was just wondering if you could talk a little bit about where you see ROACE, maybe ex ISA going into 2022, please. Thank you.

Jaime Caballero: Thank you, Christian. Hope you are doing well. So let's talk about capital allocation and ROACE. I'd first start with our view of the world going forward in terms of price environment because it actually does set the stage around how to think about some of the questions you're making, capital allocation, deleveraging, dividends and the like. And one of

the things that we've seen is that fundamentals do support a more optimistic view around prices going forward. You might recall that in the plan that we're actually executing right now, our price assumption for this year was around USD \$45 per barrel. Next year, we were looking at USD \$50 per barrel and that's something that we have been reflecting on and that we are going to update in our plans going forward. So the outlook in which we are planning ahead is one where next year is at USD \$63 per barrel and 2023 and 2024 are at USD \$60. This price set is still conservative when you look at the current headline price, but we believe that positions us well in a place where we can retain in our capital discipline and cost discipline, while at the same time, making sure that we don't leave opportunities on the table.

The broader conversation around long-term price in this business, we still remain conservative. We believe that all our projects need to fly at USD \$50 per barrel and that's in a view that when you look at the majority of projects and the time to market of these projects, you're looking at the long term. So that's how we're thinking about this.

So with that in mind, what are we looking at? What we're looking at, firstly, in terms of your question around leverage. The 2.5 times gross debt to EBITDA that we have been operating is one that seems reasonable and it continues to be reasonable when you look ahead. What is the balance that we want to have? The balance that we want to have is one where we have a bigger space there to incur debt whether it's for inorganic opportunities that might arise and also to capture or to reflect in our consolidated balance sheet the leverage that ISA might have, given that they're still in the 4.5 times gross debt to EBITDA. Why is that important? Leverage is an engine of growth for ISA. ISA has a pipeline of opportunities going forward that is very attractive. The more we look at it, the more excited we are and we definitely don't want capital to be a constraint for ISA's growth, right? So we are comfortable with that range that we're operating in. It's 3.5 to 4.5 times and we wouldn't have any problem with ISA going to the very top end of that range. So with that, our range of 2.5 times makes sense. That's how we're looking at this.

Now, on leverage, we're not going to stay put. We just have this liability management transaction. We put USD \$2 billion of the near term, it was an expiry that we were going to have in 2023. Now we kick that off into the future and we intend to do that more. We believe that the fundamentals of the capital markets right now and the results that Ecopetrol are delivering allow us to pursue more transactions like that into the future. So directionally, that's how we're thinking about that.

With regards to dividend payments, our policy remains unchanged, 40% to 60% of net income and in good years, you should expect and we all should expect to be on the very high end of that range. That's how we're thinking ahead, and that's how we're planning our cash and our capex accordingly. Equity offering, where does the equity offering fit-in into all of this? It's about optionality. It's about optionality, Christian. The idea here is that while our spending is robust, and we're comfortable with leverage and we're comfortable with our ability to fund this capex for growth, which is our main intent, we want to continue growing the company. We believe that the equity offering offers the optionality to support whether it's an increased necessity of capex that's competitive, whether it's organic or inorganic or simply to strengthen the balance sheet. Directionally, right now, it would be about strengthening the balance sheet, it would be about reducing the debt that we have to get into a more comfortable level.

Finally, with regards to your question around ROACE, you might have seen that we posted a pretty solid ROACE result in this 3Q, 10.8%, which is great, going back to double digits.

It's a number that puts us with very little company in our sector. Very, very few companies are out there with us and we're happy about that. When you include ISA integration, ISA is accretive. ISA will probably add, once you normalize temporary effects and the like because of the consolidation that you're seeing right now only reflects one month. But once you normalize for business accretion with ISA, ISA is going to add probably 4 or 5 points into that. So I would believe that, hopefully, by year-end, we're going to be above 12% in terms of ROACE, and we can sustain that into the future, obviously, depending on price. But that's what we believe in right now. Thanks, Christian.

Operator: Thank you. We have no further questions at this time. I would like to turn the call over to Mr. Bayon for final remarks.

Felipe Bayon: Thank you so much. And very, very quickly, I'd just like to thank everyone for being here today at the conference call. And thanks again for following Ecopetrol, for the interest that you put into our activities and how we continue to make progress. Very good results for the quarter, not only in terms of numbers, but in terms of how strategically we continue to advance. It's great to have now one month of ISA results into our consolidated results. We're very, very pleased with the acquisition. It's going very well. We continue to make progress in our TESG agenda. And hopefully, we'll be able to sit again with you guys virtually for year-end results and conversations around our plans going forward. So I hope that everybody stays safe. Please take care, and thanks again for being with us today at this conference call. Bye-bye. Chao. Gracias.

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