



La energía
que quieres

Financial Results

First quarter

2020



The Company presents the results of Q1 2020 in which the effects of the current situation caused by COVID-19 had not been recorded. The Organization has continued to work tirelessly during these days to guarantee the provision of energy service to all its customers and has participated in the discussions with the Colombian Government to ensure the stability of the system and the granting of payment facilities. We are also supporting suppliers and customers to contribute to the recovery of the economy.

Situation: Challenges and Opportunities Associated with COVID-19

In March, the World Health Organization declared the global COVID-19 pandemic and the Colombian Government decreed the health emergency by activating the Organization's Enterprise Risk Management System (ERMS) in order to permanently identify, analyze and assess the risks, evaluating the potential impacts and establishing preventive and containment measures so that businesses are not affected, ensuring the provision of the electricity service considered to be essential by the state in this contingency.

According to the Crisis Management policy, as well as Celsia's Business Continuity Plan, the crisis and risk management roundtable has been established to permanently monitor the contingency, which includes, in addition to the Steering Committee, all critical operations and processes. The lines of work established are: i) employee protection and securing jobs throughout our chain, ii) customer support and assistance, iii) continuity and sustainability of operations, iv) protection of financial flexibility and v) having a broad view of contributing to society.

- i) **Protection and securing jobs:** Protocols were established for the protection of employees and their families. The entire administrative team, as well as the staff characterized as vulnerable, have been teleworking since March 12. For the operational team, new work and shift rotation arrangements have been set up (particularly at the power plants and the control center) which are intended to maximize social distancing and increase epidemiological protection capacity. Similarly, new measures have been implemented for the disinfection of work areas, as well as the provision of personal protective equipment and training on how to use them. Also, the Organization provides permanent support for its employees on topics such as physical, emotional and psychological well-being and has implemented a system for monitoring the health conditions of employees and their families. All changes in operating procedures have been communicated to service providers in order for them to adopt them in the same way.

As part of the initiative, this month nearly COP 44,000 million was wired to more than 350 suppliers in Colombia, including individuals, small and medium-sized enterprises, and critical suppliers. Through these resources, we expect our suppliers to have sufficient liquidity to maintain their operations and to defend the jobs they create. Likewise, for the next three months, the invoices of these suppliers will be paid in shorter terms than those initially agreed in the contracts.

- ii) **Customer support and assistance:** We reconnected all the customers who had problems with the service due to various circumstances; we suspended disconnections for the duration

of the mandatory isolation; we arranged for an operative plan to attend the essential circuits that serve hospitals, health centers, prisons, nursing homes and aqueducts, among others. We also proceeded to temporarily close the commercial offices and strengthened the digital channels for customer service and support, designing payment facility systems and implementing the payment deferral plans that have been established jointly and with the support and leadership of the Colombian Government. The activities of reading meters and distributing bills have been carried out following the guidelines of the Colombian Government for these activities, which include social distancing with customers and the disinfection of the equipment used.

In view of the provisions established by the Colombian Government regarding energy billing on the regulated market for users from socio-economic levels 1 to 4, we have taken the following actions:

- Due to the Company's voluntary implementation of the so-called rate option mechanism, in that market, the energy rate in Tolima has increased by 1.2% between January and March.
- In Valle del Cauca, the rate for our users has increased by 6.1% so far this year, due to energy costs on the wholesale market. However, since March there have been no further increases in the rate.
- The company is applying the payment reliefs established by the Colombian Government for the invoices of the regulated customers from socio-economic levels 1 to 4. These reliefs are in addition to the subsidies received by socio-economic levels 1, 2 and 3 of 60%, 50% and 15%, respectively. The additional benefits are:
 - For socio-economic levels 1 and 2, the unsubsidized value of electricity service on the bills for April and May, up to the subsistence consumption, will be deferred up to 36 months at a rate of 0%. Customers who pay the total amount of their bill for April and May on time will receive a 10% discount. These resources will be disbursed to the Company by Findeter and their payment is guaranteed by the Government.
 - The amounts in addition to the subsistence consumption for these two socio-economic levels may also be deferred over the same term, but at a preferential interest rate.
 - For socio-economic levels 3 and 4, the cost of electricity service may be financed over 24 months at an interest rate equivalent to inflation. These resources will also be disbursed by Findeter at a rate structure offset with the assistance of the Ministry of Finance.
 - As for customers from socio-economic levels 5 and 6, businesses and industries, the Company has established options to define payment arrangements to support them during the quarantine.
- In Panama and Honduras, the Company is providing support to its industrial customers, by addressing their particular realities of reduced energy consumption. In Panama, we are implementing payment arrangements for the consumption of our industrial customers. We are also supporting a customer in the hotel business who made one of his hotels available to the Panamanian Government to turn it into a hospital during the pandemic and the Company is bearing 100% of the value of that consumption.

iii) **Continuity and sustainability of operations:** The Organization in all the regions where it is operating has continued to operate on all fronts due to the fact that our electricity supply service is considered essential. Together with the different suppliers that make up our supply chain,

we have set up support programs to ensure the adequate supply of the goods and services needed to provide the electricity service, which include coordination with local authorities for the operation of their facilities, logistics for the transport of goods at the national level, flexibility in processing bills and payment terms, particularly for small and medium-sized enterprises, as well as the negotiation of special conditions for service providers so that they can ensure the protection of jobs.

As indicated, the business continuity plans have focused on ensuring the health and jobs of our employees, the proper functioning of the supply chain, the timely and quality delivery of our power generation, transmission, distribution and sales activities, and the liquidity to fulfill our operational and financial commitments. On all these fronts, we can report that the defined tasks have been carried out seamlessly.

- iv) **Protection of financial flexibility:** Actions have focused on: (i) the reduction of cash needs while preserving commitments and service quality, (ii) the maintenance of liquidity, (iii) the availability of credit lines to meet the short-term needs that may arise in the circumstances, and (iv) the availability of economic resources for the application of payment deferrals established by the Colombian Government.

As regards the reduction of cash needs, the Company is leading a plan to reassess the execution of activities during the year that has represented reductions in costs and expenses on a consolidated basis and is analyzing the effects of the current situation on the execution of the investment plans planned for 2020. A total reduction in cash needs in 2020 of about COP 360,000 million has been identified.

	Colombia		Central America		Savings
	Budget	Estimated	Budget	Estimated	Representative exchange rate COP 4,000
Fixed costs	460,078	445,860	27,295	24,483	25,466
Expenses	222,870	192,856	11,514	9,246	39,086
CapEx	1,535,395	1,281,488	40,530	28,500	302,027
Total	2,218,343	1,920,204	79,339	62,229	366,579

In order to maintain liquidity, we carried out the third issuance and placement of ordinary bonds in Celsia Colombia under the Company's current program, for a value of COP 200,000 million pesos. The proceeds from the issuance were used to pay, in part, on April 21, the maturity of the C-10 series held by the Company for COP 214,120 million which were issued in 2010. This refinancing helps the Company to allocate the resources it had available for this maturity to cover the working capital needs that may arise in the short term due to the economic situation.

The issuance of the bonds does not represent incremental debt and, after the issuance, the Company has no significant debt maturities for the remainder of 2020 and 2021, beyond the usual working capital credit lines and those taken for operational reasons during these months.

- v) **Supportive contribution:** In its supportive contribution due to the COVID-19 contingency, the Company has joined different initiatives and led its own actions to support the needs of the

regions where we are operating, focusing on the most vulnerable population groups. We have delivered COVID-19 test reagents, hospital medical supplies, ventilators, food packages and drinking water tank trucks, among others.

1. Consolidated figures

	Units	1Q2020	1Q2019	Δ	YTD 2020	YTD 2019	Δ
Generación							
Total energy produced	GWh	1.186	1.372	-13,6%	1.186	1.372	-14%
Total energy sold	GWh	1.764	1.823	-3,2%	1.764	1.823	-3%
Energy produced in Colombia	GWh	875	1.117	-21,6%	875	1.117	-22%
Hydric	GWh	865	838	3,2%	865	838	3%
Thermal	GWh	4	273	-98,4%	4	273	-98%
Solar	GWh	5,8	5,4	8,6%	5,8	5,4	9%
Energy sold in Colombia	GWh	1.313	1.413	-7,1%	1.313	1.413	-7%
Contract sales	GWh	803	785	2,2%	803	785	2%
Spot market sales	GWh	510	628	-18,7%	510	628	-19%
Energy produced in Central America	GWh	310	255	21,7%	310	255	22%
Hydric	GWh	65	51	26,0%	65	51	26%
Thermal	GWh	163	120	36,0%	163	120	36%
Wind farm	GWh	79	80	-1,7%	79	80	-2%
Solar	GWh	4	4				
Energy sold in Central America	GWh	451	410	9,9%	451	410	10%
Contract sales	GWh	305	276	10,5%	305	276	10%
Spot market sales	GWh	146	134	8,8%	146	134	9%
Distribution and retail sales							
Valle del Cauca							
Energy losses	%	8,5%	8,2%	4,3%	8,5%	8,2%	4%
Collections rate	%	94%	100%	-5,8%	94%	100%	-6%
SAIDI - EPSA/CETSA	Hours	2,5	3,0	-17,4%	2,5	3,0	-17%
SAIFI - EPSA/CETSA	Times	1,6	2,5	-37,0%	1,6	2,5	-37%
Regulated market sales	GWh	328	323	1,6%	328	323	2%
Non regulated market sales	GWh	255	261	-2,5%	255	261	-2%
Ventas de energía fotovoltaica	GWh	6	4	64,3%	6	4	64%
Users	Number	653.245	629.137	3,8%	653.245	629.137	4%
Distribution and retail sales							
Tolima							
Energy losses	%	11,8%	-	-	11,8%	-	-
Collections rate	%	66%	-	-	48%	-	-
SAIDI - EPSA/CETSA	Hours	21,3	-	-	35,0	-	-
SAIFI - EPSA/CETSA	Times	11,8	-	-	23,0	-	-
Regulated market sales	GWh	213	-	-	502	-	-
Non regulated market sales	GWh	57	-	-	128	-	-
Ventas de energía fotovoltaica	GWh	56	-	-	84	-	-
Users	Number	514.915	-	-	514.915	-	-

2. Electric market in Colombia

During the first quarter of the year, water levels remained just below average with a steady decrease in the aggregate level of the reservoirs, consistent with the end of summer and the transition to winter, which was reflected in the increase in spot prices. At the end of February, an

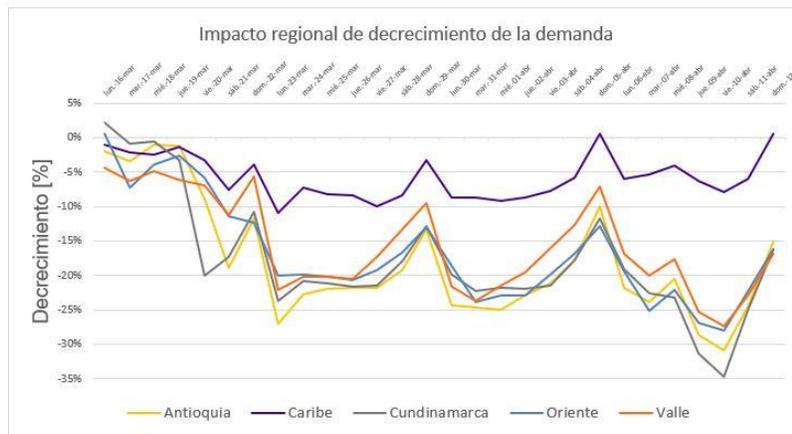
hourly spot market price of COP 653/kWh was reached, while in the last two weeks of March, due to the start of the rainy season and a 13% decrease in demand as a result of the measures taken due to COVID-19, the hourly spot price reached a minimum of COP 139/kWh.

During the quarter, spot prices averaged COP 356/kWh, 26% higher than the previous year (COP 283/kWh). Regulated market contract prices averaged COP 220/kWh (+9% Y/Y).

The aggregate level of the National Electrical Grid reservoirs ended the quarter at 39% of their live storage (43% in Q1 2019) with the Celsia Colombia reservoirs at levels very similar to those of the system (39% Q1 2020 and 42% Q1 2019).

The accumulated energy demand of the National Electrical Grid over the quarter was 18,093 GWh, a 4.2% increase from the same period in 2019. Out of this demand, the regulated market demand was 12,427 GWh, 5.2% higher than the same quarter in 2019, and non-regulated market demand grew 2.4% to 5,591 GWh.

In the last two weeks of the quarter, preventive and mandatory isolation measures began for the containment of COVID-19, significantly changing the behavior of daily activities, greatly reducing commercial and industrial activity and, with it, the electricity demand in the country. Between March 20 and April 16, the demand of the National Electrical Grid has decreased by an average of 15% compared to the week from March 9 to 15, which was a week of normal consumption.



Source: XM

Regarding hydrological conditions, none related to El Niño have been reported. However, water levels have reflected a dry winter season. The reduction in demand, as a result of the circumstances, has meant that spot prices have not increased substantially due to the reduced availability of hydroelectric power. However, as long as contributions remain below the historical average, the spot price will be greater than that regularly observed for this period.

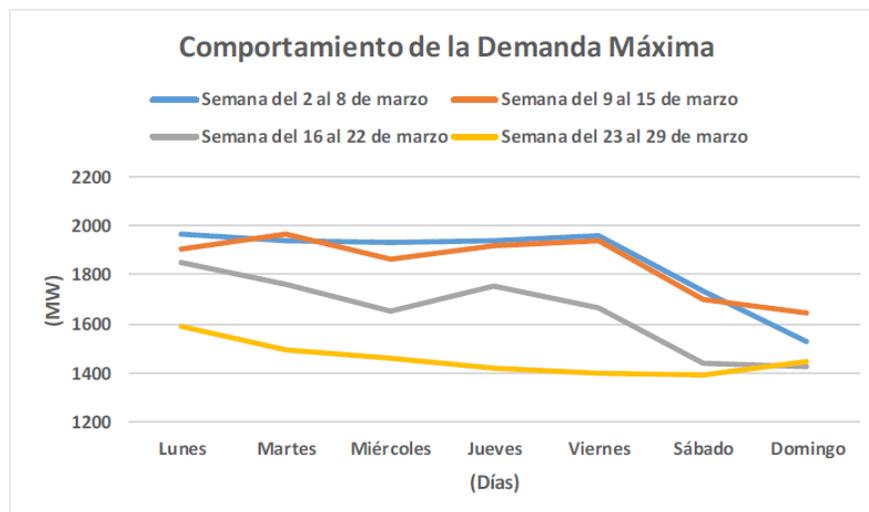
3. Electric Market in Central America

The levels of the Fortuna Reservoir, which is upstream from our Dos Mares power plants in Chiriqui, were below normal in January 2020, but were improving in the months of February and March from a live storage level of 63% in December to 71% in March. The recorded level is similar

to that reported in Q1 2019. For the second quarter, normal hydrological behavior in rainfall is expected. The transition from the dry season to the rainy season begins in April. In turn, the level of the Bayano Reservoir decreased this quarter from 62% to 57%, up from the 30% recorded in Q1 2019.

The accumulated energy demand of Panama's system over the quarter was 2,786 GWh, a 4.4% increase from the same period in 2019. However, the arrival of COVID-19 in Panama and the implementation of measures to promote "Quedarse en Casa" (Stay Home)" have caused the demand curve to reflect significant changes in its behavior. Peak demand on weekdays was recorded at night, which contrasts with the usual peak demand between 11:00 a.m. and 3:00 p.m.

In this country, for the week of March 20 to 26, 2020, the demand for electricity was 187.3 GWh, while for the same period in 2019, it was 215.5 GWh, representing an average Y/Y decrease of 13.1%.



Source: Etesa.

In Costa Rica, for the same week, electricity demand was 215 GWh, while for the same period in 2019, it was 226.2 GWh, representing an average Y/Y decrease of 4.5%.

The average marginal cost of energy in Panama was USD 66/MWh in the quarter, down 36% from the same quarter in 2019. The price of diesel reported by thermal power plants in Panama was up 5%, while bunker was down by 5% and coal by 39%.

4. Operating Results

4.1 Consolidated generation

The Organization's consolidated generation reached 1,186 GWh in the quarter, down 13.6% compared to the same quarter last year and down 11.0% compared to Q4 2019. Excluding the generation of Zona Franca Celsia ("ZFC"), the variation results in a Y/Y increase of 7.7%. By

technology, consolidated generation was as follows: 78.4% hydroelectric, 14.1% thermal, 6.6% wind and 0.87% (10 GWh) solar

4.1.1 Power generation in Colombia

Generation in the quarter amounted to 875 GWh (-22% Y/Y, +3.5% Y/Y excluding Zona Franca from the generation of Q1 2019). Hydroelectric power generation increased by 3% over the previous year, thermal generation decreased by 98% and solar generation increased by 9%.

During the quarter, 803 GWh (+2,2% Y/Y) were sold through contracts, including sales to the Company's own reseller. Regulated market contract prices (Mc) on the National Electrical Grid averaged COP 220/kWh (+9.1% Y/Y).

During the same period, 510 GWh (-18.7% Y/Y, +55.3% Y/Y excluding Zona Franca sales in Q1 2019) were sold on the spot market and the System's average spot price was COP 356/kWh, +26% Y/Y.

Revenue from the reliability charge increased 13.4% Y/Y, driven by the behavior of the exchange rate.

4.1.2 Power generation in Central America

In Central America, 310 GWh (+21.7% Y/Y) were generated in Q1, with hydroelectric power plants increasing their generation by 26.0% compared to the same period last year, recording 65 GWh during the quarter. In turn, thermal power plants generated 163 GWh (+36.0% Y/Y) thanks to the continuous delivery of the BLM Thermal Power Plant, and the wind farm generated 79 GWh (-1.7% Y/Y).

Contract sales volumes amounted to 305 GWh (+10.5% Y/Y) in the period. Although there are no longer any contracts with distributors at BLM or Cativá, this has been offset by the new amounts contracted with large customers.

Spot sales amounted to 146 GWh during the quarter, an 8.8% increase. BLM contributed with the sale of 110 GWh, serving as a backup for Panama's system. In turn, the Dos Mares Hydroelectric Power Plant recorded 30 GWh (+46.2%) in spot sales and Cativá, 6 GWh (-63.4%).

4.2 Distribution

4.2.1 Valle del Cauca

The behavior of Q1 was positive for the distribution operation due to higher commercial demand and an increase in the PPI.

In Valle del Cauca, Celsia Colombia recorded a SAIDI of 2.5 hours during the quarter, with a 26% decrease in the duration of interruptions compared to the same quarter in 2019, while SAIFI was 1.6x, with a 41% decrease in the frequency of interruptions. In turn, subsidiary Cetsa had a SAIDI of 0.18 hours, down 83.6% Y/Y and SAIFI was 0.18x, decreasing 84.5% Y/Y. The good

performance of these indicators is related to the development of the maintenance plans and the level of execution of the projects that were carried out in 2019. Both the SAIDI and the SAIFI are among the companies in Colombia with outstanding service.

The retail reseller in Valle del Cauca delivered 583 GWh of electricity in the quarter (-0.2% Y/Y), with the regulated market up 1.5% and the non-regulated market up 2.3%. At the end of the quarter, the Company had 653,245 customers in Valle del Cauca.

4.2.2 Tolima

The Tolima operation continues to perform well and in line with the business plan outlined at the time of the acquisition.

Energy losses during the quarter were 11.9% lower than the 12.0% recorded in Q1 2019. In turn, the SAIDI was 16.0 hours, while the SAIFI recorded 8.2x, the latter representing a 33.9% Y/Y improvement. Both the SAIDI and the SAIFI recorded improvements of 25.1% and 31.0% compared to the previous quarter, which is beginning to show improvements in terms of quantity of service. This as a result of the management being carried out in this market. Expectations regarding improvements in energy losses, in the SAIDI and the SAIFI remain the same and will become more evident as the investments being made in the region are consolidated.

As far as electricity sold, 280 GWh were delivered, up 6.2% Y/Y. The regulated market recorded 227 GWh, +7.2%, and the non-regulated market recorded 53 GWh, +2.2%. At year-end, 516,909 customers were being served by the Company in the department of Tolima.

The Tolima operation recorded revenues in the amount of COP 206,627 million during the quarter. EBITDA during the quarter amounted to COP 26,534 million.

4.2.3 Caoba Inversiones

Celsia Colombia consolidated the financial statements of Caoba using the equity method which allowed it to contribute to the Company's results in Q1 with a profit of COP 3,103 million. The vehicle's main figures in the quarter are: revenue amounting to COP 37,481 million, EBITDA amounting to COP 33,196 million and net earnings amounting to COP 6,085 million.

5. Financial Results

5.1 Revenue

Consolidated revenue for the quarter amounted to COP 928,394 million, a 7.8% increase Y/Y. Revenue in Colombia accounted for 84% of the consolidated total, and Central America accounted for 16%.

The quarter's consolidated revenue is explained by:

Generation revenue amounted to COP 395,529 million (-20.2% Y/Y and +20.6% Y/Y excluding Q1 2019 ZFC revenue to make the figures comparable).

In Colombia, generation revenues amounted to COP 247,592 million (-27.6% Y/Y and +42.3% Y/Y excluding ZFC in 2019). The greater quantities sold at higher prices both on the spot market and in contracts, and the higher representative exchange rate in the liquidation of the reliability charge benefited this revenue compared to Q1 2019 excluding ZFC.

	Q1 2020	Q1 2019	Δ	Q1 2019 ex ZFC	Δ
Spot market	175,128	211,740	-17%	101,205	73%
Contracts	27,335	33,586	-19%	33,586	-19%
Reliability charge	45,129	96,658	-53%	39,235	15%
Colombia Total	247,592	341,983	-28%	174,025	42%

Contract sales recorded an 18.6% decrease in sales to third parties. When considering total contract sales including those to the own reseller, there was a 13.4% growth in the quarter compared to Q1 2019.

In Central America, power generation revenue for the quarter amounted to COP 147,937 million (-3.9% Y/Y). Increased sales to large customers have offset the absence of contracts with distributors at the thermal power plants.

Grid use and connection of the T&D business recorded a revenue of COP 73,725 million, down 4.7% Y/Y, explained by the delivery of Plan5Caribe assets to the Caoba Inversiones platform in which the Company holds a 51% share.

Retail reselling revenue increased by 66.5% this quarter compared to the previous year, to COP 437,271 million, which benefited from the additional revenue from the Tolima assets (+COP 162,494 million). Revenue growth excluding the business of Tolima sales was 4.6%.

Other operating services were recorded for COP 20,655 million, with Tolima contributing COP 4,053 million. This item's increase excluding Tolima was 11.0%, due to the good performance of the product and service portfolio for our customers that has been developed by the Company.

5.2 Operating and administrative expenses

Consolidated cost of sales for the quarter was COP 622,159 million, similar to that recorded in the same period last year. Excluding the Tolima operation and the Zona Franca figure in Q1 2019 to make the figures comparable, the cost of sales grew 4.9% Y/Y. In Colombia, the cost of sales increased by 1.1% Y/Y. Excluding Tolima and Zona Franca from the calculation, there was an 8.8% Y/Y increase for the quarter. In Central America, the cost of sales in US dollars decreased by 14.8% (-4.4% in COP) during the quarter, mainly due to a lower price in energy purchases at hydroelectric power plants to cover the requirements of their energy contracts with distributors.

The details of the variation in consolidated fixed and variable costs is as follows:

	Q1 2020	Q1 2019	Δ	Δ Ex-Tolima and ZF
Fixed cost	201,138	197,171	2%	18%
Variable cost	421,021	425,679	-1%	-3%

Fixed costs for the quarter amounted to COP 201,138 million and the increase is mainly due to maintenance and other general costs. Variable costs, on the other hand, were recorded at COP 421,021 million during the quarter, down 1.1% from Q1 2019, thanks to the lower depreciation, contributions and insurance, which offset the higher cost of the operation.

Administrative expenses for the quarter were COP 65,458 million, up 11% compared to the same period of the previous year (+1.2% Y/Y when normalized by Tolima and ZF). In Colombia, the growth of this item is mainly due to: (i) Tolima with an administrative expense of COP 7,899 million, (ii) other general expenses, such as information system maintenance and fees. In Central America, this item decreased mainly due to lower personnel expenses.

5.3 EBITDA

Consolidated EBITDA during the quarter totaled COP 330,643 million, up 19.9% Y/Y. Standardizing for the effects of Tolima and ZFC, the increase in EBITDA was 17.5%. The EBITDA margin for the period was 35.6%, compared to 32% in Q1 2019.

Colombia contributed COP 290,567 million (+22.2% Y/Y). Generation contributed COP 183,897 million (+18% Y/Y). Retail distribution and sales in Valle del Cauca contributed COP 80,897 million (-0.6% Y/Y) and Tolima contributed COP 26,534 million.

When comparing EBITDA from retail distribution and sales with Q4 2019, the effect of the sale of Regional Transmission System and National Transmission System assets to Caoba Inversiones (Plan5Caribe and Tolima assets) should be considered. It should be noted that the Company still has an interest in these assets due to the 51% share it holds in Caoba Inversiones and its benefit would be received via the equity method.

Central America, in turn, contributed COP 40,076 million (+5.9% Y/Y). EBITDA from this region represented 12% of the consolidated EBITDA.

5.3.1 Tolima

Below are the financial results of the Tolima operation during the quarter:

COP millions	Q1 2020
Revenue	206,627
Cost of sales	(183,013)
Gross profit	23,614
Administrative expenses	(7,899)
Depreciation	10,819
EBITDA	26,534

The Tolima operation performed well during the quarter. Both distribution and sales performed within the budgeted parameters and generated an EBITDA of COP 26,534 million. It is important to consider that in Q4 2019, COP 30,359 million were recognized for the application of the resolution of usage fees for distribution assets in accordance with Resolution 015/2018, which was applied retroactively to April 2019, for which an EBITDA of COP 62,578 million was recorded.

5.4 Other components of the Statement of Comprehensive Income

The financial expense amounted to COP 95,978 million, up 19.7% or COP 15,804 million Y/Y. Approximately COP 10,009 million of this variation correspond to interest for quarterly payments of the Celsia Colombia bond issuance of COP 1.1 trillion in April 2019 for the purpose of financing the purchase of Tolima's assets and COP 5,451 million is the valuation of hedging instruments.

Other expenses were recorded in the amount of COP 17,873 million, up 71.2% from Q1 2019. COP 12,000 million were recorded in donations.

During the period, there was a net foreign exchange difference of COP 19,799 million, which amounted to COP 4,088 million in Q1 2019. The account receivable remaining from the Zona Franca Celsia transaction and other investments in US dollars related to insurance management drove this behavior.

5.5 Taxes

The current and deferred tax provision was recorded in the amount of COP 66,917 million, up 46.5% from Q1 2019. Deferred income tax recorded an expense of COP 21,261 million, compared to an income of COP 3,854 million in Q1 2019. The application of tax losses and the unrealized exchange difference explained this expense.

5.6 Net profit

The Organization recorded a consolidated net profit of COP 86,754 million in Q1. After subtracting minority interests, the net income attributable to controlling shareholders was a profit of COP 65,028 million.

6. Debt and Liquidity

The following is a summary of debt at the end of March 2020:

	Amount Figures in COP millions	Net debt	Leverage Q1 2020	Leverage Q4 2019	Leverage Q2 2019
Celsia ⁽¹⁾	452,730	444,230	2.33	2.76	3.69
Celsia Colombia	2,286,874	2,011,512	2.02	1.87	3.33
Celsia CA	1,232,045	1,031,810	6.47	5.28	5.85
BLM ⁽²⁾	335,049	316,229	-17.56	N/A	7.09
Cons. debt	4,306,698				
Consolidated cash	502,916				

(1) Celsia has accounts receivable from Celsia Colombia for the sale/purchase of generation assets in 2018. The structure of payments on both principal and interest is in line with principal and interest payments on bonds issued

by Celsia. The foreign investment made by Celsia in the purchase of the obligation led by Celsia Colombia was COP 660,250 million, and at the end of Q1, the value of the obligation was COP 295,250 million.

- (2) BLM has received waivers, which indicate the creditors' backing, based on the current status and the relevance of the asset for the system in Panama.

7. Cash Flow

Year-to-date, the sources of funds were: (i) consolidated operations, (ii) net financial transactions, (iii) other income and financial returns. The resources generated were mainly applied as follows: i) working capital, ii) CapEx, iii) taxes and iv) dividend payments.

	Colombia	Central America	Consolidated
EBITDA	290,567	40,076	330,643
(+) Working capital needs	(157,569)	3,856	(152,155)
(-) Taxes	(47,597)	(18,645)	(66,242)
Cash flow from the operation	85,400	25,287	110,687
		-	
(-) CapEx	(106,613)	(18,645)	(125,258)
Total investment cash flow	(106,613)	(18,645)	(125,258)
Free cash flow	(21,213)	6,642	(14,571)
		-	
Net financial transactions	141,602	(19,062)	122,540
Other income	21,240	7,517	28,758
Other expenses	(43,131)	(682)	(43,812)
Net dividends	(44,012)	-	(44,012)
(+/-) Cash exchange difference	11,211	58,132	69,343
Financial cash flow	86,910	45,905	132,815
Cash flow for the period	65,697	52,547	118,245
(+) Initial cash	218,164	166,508	384,672
Final cash balance	283,861	219,055	502,916

At the end of the quarter, the Organization had a cash balance of COP 502,916 million, which was invested in short-term investment funds. In Central America, approximately USD 35 million remains restricted by the financing conditions in that region.

	Mar 2020	Dec 2019
Total cash	502,916	384,672
Celsia	6,245	56,042
Colener	2,252	2,278
Celsia Colombia consolidated	275,261	159,841
Central America	219,055	166,508

8. Investment and Expansion Plan

Consolidated investments at the end of the quarter totaled COP 125,258 million. Investments totaled COP 106,613 million in Colombia, and COP 18,645 million in Central America.

By business type	Year-to-date (millions)
Continuity in Colombia	COP 37,827
T&D Valle	17,942
T&D Tolima	14,726
G	4,393
Other	766
	-
Expansion in Colombia	COP 61,376
San Andrés	17,137
Solar PV - <8 MW	4,506
Solar PV – farms	8,629
T&D	5,424
Others (quality plan, applications, cooling district, among others)	25,679
	-
Platforms in Colombia	COP 7,210
Caoba	4,410
Tesorito	2,367
Carreto	433
Power generation in Central America	USD 6.6
Honduras	5.6
Other	1.0

9. Celsia Separate Financial Statements

In Q1, operating revenues were recorded in the amount of COP 35,112 million in Celsia's separate financial statements, mainly due to the margin achieved by the Representation Contract for the Power Purchase Option with Prime, which is a financial contract that was agreed with Prime (buyers of Zona Franca Celsia), for dispatching electricity under the conditions related to the price and generation of the Termoflores power plants. Similarly, COP 52,976 million were recorded under the equity method.

COP 5,418 million were recorded in cost of sales, down 11.9% Y/Y due to lower depreciation and lower insurance costs, which offset higher operating costs and contributions from increased generation. The remaining cost of sales is primarily related to fixed depreciation costs, payroll costs and maintenance costs, among others. A small proportion represents variable generation costs, associated with fuel consumption and connection charges. Administrative expenses totaled COP 8,371 million, down 11.4% Y/Y.

EBITDA in the quarter amounted to COP 24,529 million. Net profit in the quarter recorded a gain of COP 71,149 million.

It is important to mention that in Celsia's separate financial statements, after the sale of the generation assets to Celsia Colombia, revenues are expected to cover operating costs and expenses, and the financial expense is covered by the payments that Celsia Colombia is making as a result of the payment structure for said sale of assets. In conclusion, Celsia holding is not withholding resources from the parent company and the dividends it receives can be transferred to its shareholders.

10. Financial Indicators¹

10.1 Celsia separate financial statements:

Liquidity and debt indicators	Unit	Q1 2020	Dec 2019
Liability/Asset (Level of debt)	%	17%	13%
Current liability/Total liability (short term)	%	39%	19%
Current ratio (Current assets / Current liabilities)	Times	0.52	0.51
Cash and cash equivalents	COP million	6,245	56,042
Profitability indicators	Unit	Q1 2020	Q1 2019
Gross margin	%	85%	55%
Operating margin	%	61%	-15%

Margins begin to consolidate to reflect a simple operation: revenue from the representation contract of Merilétrica.

10.2 Celsia consolidated financial statements:

Liquidity and debt indicators	Unit	Q1 2020	Dec 2019
Liability/Asset (Level of debt)	%	54%	50%
Current liability/Total liability (short term)	%	35%	30%
Current ratio (Current assets / Current liabilities)	Times	0.89	1.03
Cash and cash equivalents	COP million	502,916	384,672
Profitability indicators	Unit	Q1 2020	Q1 2019
Gross margin	%	33%	28%
Operating margin	%	26%	21%

Greater liquidity to support the global situation caused by the health emergency declared due to COVID-19.

¹Balance sheet comparisons against December of last year. Statement of income comparisons against the same period from last year.

Financial statements

Estado de Situación Financiera Condensado Consolidado

Por los periodos intermedios terminados al 31 de marzo de 2020 y 31 de diciembre de 2019

(Valores expresados en miles de pesos colombianos)

	Marzo 2020	Diciembre 2019
Activo		
Activo no corriente		
Propiedades, planta y equipo, neto	8.238.190.710	7.854.189.945
Activos por derecho de uso	64.045.385	67.415.841
Activos intangibles, neto	421.109.790	370.788.061
Crédito mercantil	1.070.367.373	931.542.257
Inversiones en asociadas y negocios conjuntos	176.854.335	177.764.418
Otras inversiones financieras	109.621.909	88.743.978
Otros activos no financieros	121.872.555	115.237.349
Deudores comerciales y otras cuentas por cobrar, neto	18.420.165	9.239.707
Activos por impuestos diferidos	7.168.746	7.559.811
Total activo no corriente	10.227.650.968	9.622.481.367
Activo corriente		
Efectivo y equivalentes al efectivo	502.916.479	384.672.034
Deudores comerciales y otras cuentas por cobrar, neto	1.211.592.871	1.123.732.527
Inventarios	221.393.090	180.210.716
Otros activos no financieros	36.339.973	42.191.033
Activos por impuesto corriente	59.049.593	25.054.136
Total activo corriente	2.031.292.006	1.755.860.446
Total activo	12.258.942.974	11.378.341.813
Pasivo y patrimonio de los accionistas		
Patrimonio		
Capital emitido	267.493	267.493
Primas en colocación de acciones	1.822.194.921	1.822.194.921
Reservas	2.306.188.200	2.498.009.878
Ganancia neta del año	65.028.208	473.446.699
Otro resultado integral	665.919.485	326.727.770
Pérdidas acumuladas	302.434.751	(50.394.833)
Ganancias acumuladas balance apertura	20.585.359	20.585.359
Otras participaciones patrimoniales	(542.983.070)	(542.983.070)
Patrimonio atribuible a los accionistas de la controladora	4.639.635.347	4.547.854.217
Participaciones no controladoras	1.022.890.856	1.126.742.207
Total patrimonio neto	5.662.526.203	5.674.596.424
Pasivo		
Pasivo no corriente		
Obligaciones financieras	3.653.404.723	3.370.810.218
Pasivos por derechos de uso de activos	62.747.200	61.867.047
Acreedores comerciales y otras cuentas por pagar	101.184.971	99.359.526
Provisiones	32.094	-
Pasivos por impuestos diferidos	348.723.522	324.264.225
Beneficios a los empleados	149.270.103	148.176.275
Total pasivo no corriente	4.315.362.613	4.004.477.291

Pasivo corriente		
Obligaciones financieras	836.886.912	586.270.772
Instrumentos financieros derivados	2.558.177	-
Pasivos por derechos de uso de activos	8.522.179	10.942.767
Acreedores comerciales y otras cuentas por pagar	935.081.508	616.080.803
Provisiones	225.970.698	232.419.589
Pasivos por impuesto corriente	181.732.231	147.010.635
Beneficios a empleados	38.572.384	53.987.762
Otros pasivos	51.730.069	52.555.770
Total pasivo corriente	2.281.054.158	1.699.268.098
Total pasivo	6.596.416.771	5.703.745.389
Total pasivo y patrimonio	12.258.942.974	11.378.341.813

Estado de Resultados y Otro Resultado Integral Condensado Consolidado

Por los periodos intermedios terminados al 31 de marzo de 2020 y 2019

(Valores expresados en miles de pesos colombianos)

	1T 2020	1T 2019	4T2019
Ingresos operacionales			
Ingresos de actividades ordinarias	928.393.634	861.239.316	967.307.107
Costo de ventas	(622.159.191)	(622.849.890)	(599.578.445)
Ganancia bruta	306.234.443	238.389.426	367.728.662
Otros ingresos	3.623.993	1.527.567	341.593.556
Gastos de administración	(65.457.615)	(58.722.076)	(83.946.167)
Otros gastos	(17.872.648)	(10.439.528)	(113.359.671)
Método de participación patrimonial, neto	(2.826.747)	(315.684)	(17.944.970)
Ganancia antes de financieros	223.701.426	170.439.705	494.071.409
Ingresos financieros	6.148.281	4.851.165	5.372.146
Gastos financieros	(95.978.231)	(80.174.589)	(114.656.182)
Diferencia en cambio, neto	19.799.406	4.088.169	(6.027.992)
Ganancia antes de impuestos	153.670.882	99.204.450	378.759.380
Impuestos a las ganancias	(66.916.909)	(45.676.823)	(187.840.323)
Ganancia neta del año	86.753.973	53.527.627	190.919.057
Ganancia atribuible a propietarios de la controladora	65.028.208	34.149.501	115.840.256
Ganancia atribuible a participaciones no controladoras	21.725.765	19.378.126	75.078.801
	86.753.973	53.527.627	190.919.057

Estado de Situación Financiera Separado Condensado

Por los periodos intermedios terminados al 31 de marzo de 2020 y 31 de diciembre de 2019

(Valores expresados en miles de pesos colombianos)

	Marzo 2020	Diciembre 2019
Activo		
Activo no corriente		
Propiedades, planta y equipo, neto	130.926.592	133.470.503
Activos por derecho de uso	9.940.535	10.565.239
Activos intangibles, neto	999.080	1.057.473
Inversiones en subsidiarias	4.851.998.921	4.656.665.792
Inversiones en asociadas	190.494	142.655
Otras inversiones financieras	96.446.331	78.023.826
Pagos anticipados y otros activos no financieros	537.449	537.449
Deudores comerciales y otras cuentas por cobrar, neto	934.271.908	927.341.617
Total activo no corriente	6.025.311.310	5.807.804.554
Activo corriente		
Efectivo y equivalentes al efectivo	6.244.536	56.041.572
Deudores comerciales y otras cuentas por cobrar, neto	206.109.591	15.771.798
Inventarios	2.357.969	2.348.543
Pagos anticipados y otros activos no financieros	1.489.959	1.319.871
Activos por impuesto corriente	1.414.373	112.252
Total activo corriente	217.616.428	75.594.036
Total activo	6.242.927.738	5.883.398.590
Pasivo y patrimonio de los accionistas		
Patrimonio		
Capital emitido	267.493	267.493
Primas en colocación de acciones	1.822.194.922	1.822.194.922
Reservas	2.621.105.515	2.812.927.191
Ganancia neta del año	71.148.815	120.617.114
Otro resultado integral	618.056.330	323.176.718
Ganancias acumuladas	13.615.655	13.615.655
Ganancias acumuladas balance apertura	20.585.359	20.585.359
Total patrimonio neto	5.166.974.089	5.113.384.452
Pasivo		
Pasivo no corriente		
Obligaciones financieras	523.947.340	509.996.544
Pasivos por derecho de uso de activos	9.471.423	9.471.423
Acreedores comerciales y otras cuentas por pagar, neto	101.184.971	99.359.526
Pasivos por impuestos diferidos	21.501.906	4.068.526
Total pasivo no corriente	656.105.640	622.896.019
Pasivo corriente		
Obligaciones financieras	2.776.367	2.294.265
Pasivos por derecho de uso de activos	1.185.836	1.634.521
Acreedores comerciales y otras cuentas por pagar, neto	335.842.686	67.397.602
Provisiones	39.428.657	31.788.258
Pasivos por impuesto corriente	34.878.635	32.363.676
Beneficios a empleados	2.858.242	5.706.806
Otros pasivos	2.877.586	5.932.991
Total pasivo corriente	419.848.009	147.118.119
Total pasivo	1.075.953.649	770.014.138
Total pasivo y patrimonio	6.242.927.738	5.883.398.590

Estado de Resultados y Otro Resultado Integral Separado Condensado

Por los periodos intermedios terminados al 31 de marzo de 2020 y 2019

(Valores expresados en miles de pesos colombianos)

Ingresos operacionales			
Método de participación patrimonial	52.975.698	46.172.270	12.756,867
Ingresos de actividades ordinarias	35.112.211	13.535.311	21.717.038
Total ingresos operacionales	88.087.909	59.707.581	34.473.905
Costo de Ventas	(5.417.895)	(6.147.123)	(6.847.068)
Ganancia bruta	82.670.014	53.560.458	27.626.837
Otros ingresos	8.420	110.419	162.737
Gastos de administración	(8.371.235)	(9.449.220)	(10.317.425)
Otros egresos	(4.985.597)	(4.451.149)	(200.361.287)
Ganancia antes de financieros	69.321.602	39.770.508	(182.889.138)
Ingresos financieros	13.594.686	13.900.126	17.961.441
Gastos financieros	(13.770.176)	(17.404.479)	(20.030.430)
Diferencia en cambio, neto	22.114.799	1.231.509	(8.490.561)
Ganancia antes de impuestos	91.260.911	37.497.664	(193.448.688)
Impuestos a las ganancias	(20.112.096)	(3.348.163)	(43.540.641)
Ganancia neta del periodo	71.148.815	34.149.501	(236.989.329)