

## RELEVANT INFORMATION

### CELSIA S.A. E.S.P.



Revenue at September amounted to COP 2.5 trillion (+11%) and net profit to COP 243 billion (+35%).

### Celsia Makes Progress in its Renewable Energy Strategy

- Two important events in renewable energy stand out in these results: 1) Celsia progresses in **four wind power generation projects in La Guajira** with an installed capacity of 330 MW. 2) In Panama, Coclé Province, Celsia Centroamérica acquired its **first solar farm in the region** with a capacity of 9.9 MW and more than 33,000 photovoltaic modules.
- The following **financial results** stand out in the first nine months of the year: consolidated revenue of COP 2.5 trillion, up 11.0% from the same period of the previous year; an EBITDA of COP 818 billion, up 0.5%; and net earnings of COP 243 billion, up 35%. The net earnings attributable to the controlling shareholders amount to COP 164 billion, up 49%.

**Medellín, November 6, 2018.** “We took a big step forward in the execution of the Company’s strategy, which has a strong emphasis on developing renewable energy, consolidating and strengthening operations in Colombia and Central America, and reaching a greater number of clients with an exceptional experience. Therefore, with a five-year outlook, our wind and solar power projects will add 560 MW to the current 77 MW, so we will have a generation matrix where a significant percentage of our capacity will be from non-conventional renewable energy,” **stated Ricardo Sierra, Celsia CEO.**

This is how Celsia, a Grupo Argos energy company, is developing **four wind power generation projects** in La Guajira, which have an environmental license and approved connection. In total, the projects amounted to an installed capacity of 330 MW.

**In solar projects**, Celsia Centroamérica acquired **its first solar power plant in Panama** with a capacity of 9.9 MW and a transmission line of 2.8 km. The power plant is located in the township of Llano Sánchez, Coclé Province, with a total area of 20 hectares and 33,000 solar panels.

In Colombia, **the Celsia Solar Bolívar solar farm** is about to start operations. Located in Santa Rosa de Lima in Bolívar, Colombia, with a capacity of 8.06 MW and an estimated generation of 15,542 MWh/year, it will deliver the equivalent of the electricity consumed by 7,400 households.

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#### Main Results

The execution of the strategy is leveraged on the financial results, where most of the lines report a decrease from the same quarter of the previous year, but a positive performance in the year as a whole:

- **The consolidated revenue of the third quarter amounted to COP 852 billion**, up 8.5% from the previous year. The COP 698 billion from operations in Colombia stand out, which increased 18%. Revenue in Central America amounted to USD 52 million.
- **Year-to-date revenue is around COP 2.5 trillion**, with 11% growth. The revenue in Colombia accounts for 79% of the total consolidated figure, while the revenue in Central America comprises 21%.
- **The EBITDA amounted to COP 259 billion**, 12% below the figure observed in the same quarter of the previous year. **The year-to-date consolidated EBITDA is reported at COP 818 billion**, up 0.5% from the same period of the previous year.
- **The consolidated net earnings in the quarter are COP 64 billion**, decreasing 31% in the period. **Year-to-date net profit is reported at COP 243 billion**, increasing 35%.
- At the end of the quarter, **consolidated investments amounted to COP 392 billion**, increasing 28%. Investments of COP 374 billion were made in Colombia and of USD 5.8 million in Central America.

#### Other Notable Events of the Quarter

- Through Epsa, the fourth Plan5Caribe project was completed in the Bolívar Department, consisting of the construction of two substations, the improvement of another two, and the installation of 21 km of new 110 kV networks. Investment: COP 105 billion.
- Together with Odinsa, **we started the largest airport solar energy project in Latin America at El Dorado International Airport**: 10,369 solar panels in an area of 27,000 m<sup>2</sup>. The generation capacity will be 2,800 kWp and the annual energy production will be 3,800,000 kWh, equivalent to the energy consumed by 1,500 households.
- **For the first time, the company entered the Dow Jones MILA index**, coming in first place in the energy sector out of companies from Mexico, Peru, Chile and Colombia, and seventh place for utility companies in the world.
- According to the ranking by the Corporate Reputation Monitor (MERCOS, for the Spanish original), **Celsia is 50th company with the best reputation in**

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**Colombia.** In Panama, where the monitoring was carried out for the first time, it came in 70th place.

- Latin Finance magazine acknowledged the **company with the Best Infrastructure Financing in Central America** award for placing USD 320 million in corporate bonds, considered the largest corporate issuance in Panama's capital market in 2017.
- With two new charging stations for electric vehicles located in Auto Sura Mall Río 10 in Medellín and in Ciudadela Comercial Unicentro in Cali, **the Company now has 11 charging stations Colombia.**

### **Information of Interest on the Energy Market in Colombia and Panama**

- In Colombia, the accumulated energy demand of the National Electrical Grid in the quarter increased 4% from the same period of 2017. The regulated market grew at 3% and an increase of more than 6% stands out in the non-regulated market.
- The price of energy remains low, because in the third quarter, the spot market recorded an average of COP 92/kWh, 4% lower than the price reported in the previous year of COP 96/kWh. The regulated market contract price reported by the grid averaged COP 189/kWh, increasing 7%.
- The total generation of the grid in Panama amounted to 2,707 GWh/year. The average marginal cost of energy was USD 73/MWh in the third quarter, up 98% from the same quarter in 2017.

### **Presentation of Results by Teleconference**

On November 7, 2018, at 8:00 a.m. Bogotá time, the quarterly results will be broadcast online.

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## CELSIA S.A. E.S.P.



### Consolidated statement of financial position

Values expressed in thousands of COP

Information not audited

	Sep-2018	Dec-2017
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7.248.365.984	7.183.979.189
Assets acquired under financial lease	163.288.659	88.129.983
Intangible assets, net	329.466.135	353.651.297
Financial investments	120.529.118	105.407.953
Other non-financial assets	11.398.560	16.284.480
Trade and other non-current receivables, net	6.421.417	41.888.211
Goodwill	903.816.043	905.899.293
Deferred tax asset	131.006.646	131.514.602
<b>Total Non-current assets</b>	<b>8.914.293.562</b>	<b>8.826.755.008</b>
<b>Current assets</b>		
Cash and cash equivalents	285.120.138	172.438.223
Other non-financial assets	46.578.083	73.090.310
Trade debtors and other accounts receivable, net	515.233.352	515.319.009
Inventories	224.486.831	174.716.914
Tax assets	181.015.740	67.964.868
<b>Total current assets</b>	<b>1.252.434.144</b>	<b>1.003.529.324</b>
<b>Total assets</b>	<b>10.166.726.706</b>	<b>9.830.284.332</b>
<b>Liabilities and shareholders' equity</b>		
<b>Equity</b>		
Subscribed and paid-in capital	267.493	184.993
Issue premiums	1.822.194.921	365.441.654
Reserves	2.467.050.747	2.465.195.827
Net annual profit (loss)	164.005.274	149.147.206
Other comprehensive income	196.182.824	196.838.243
Retained earnings	- 60.907.948 -	26.304.899
Retained earnings in opening balance sheet	20.585.359	20.585.359
Other equity participations	- 405.668.197 -	-
<b>Total equity attributable to the controlling shareholder</b>	<b>4.203.710.472</b>	<b>3.171.088.383</b>
Non-controlling interests	945.913.171	1.265.806.055
<b>Total net equity</b>	<b>5.149.623.643</b>	<b>4.436.894.438</b>

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## CELSIA S.A. E.S.P.



### Liabilities

#### Non-current liabilities

Financial liabilities	2.834.735.793	3.340.786.388
Trade liabilities and other accounts payable	90.660.594	85.611.847
Deferred tax liabilities	489.673.365	494.132.213
Employee benefits	137.495.717	138.911.049
<b>Total non-current liabilities</b>	<b>3.552.565.469</b>	<b>4.059.441.497</b>

#### Current liabilities

Financial liabilities	518.877.672	578.396.345
Trade liabilities and other accounts payable	514.973.934	424.403.881
Provisions	233.849.563	209.731.367
Tax liabilities	128.085.214	48.207.883
Employee benefits	43.763.946	40.115.510
Other liabilities	24.987.265	33.093.411

#### Total current liabilities

**1.464.537.594**      **1.333.948.397**

#### Total liabilities

**5.017.103.063**      **5.393.389.894**

#### Total liabilities and equity

**10.166.726.706**      **9.830.284.332**

# RELEVANT INFORMATION

## CELSIA S.A. E.S.P.



### Consolidated statement of income and other comprehensive income

Values expressed in thousands of COP

Information not audited

	YTD		Quarter	
	September 2018	September 2017	3Q18	3Q17
<b>Operating income</b>				
Revenue from ordinary activities	2.518.832.761	2.270.133.753	851.527.449	784.872.462
Cost of sales	(1.797.603.855)	(1.551.385.683)	(623.485.232)	(527.460.394)
<b>Gross profit</b>	<b>721.228.906</b>	<b>718.748.070</b>	<b>228.042.217</b>	<b>257.412.067</b>
Other revenue	11.633.797	10.977.353	5.135.977	2.298.176
Administration expenses	(164.658.683)	(174.824.416)	(54.119.438)	(52.150.005)
Other expenses	(21.155.695)	(14.203.347)	(7.992.806)	(1.691.703)
Participation in results of associates and joint ventures	(26.291)	(222.153)	(117.438)	(188.064)
<b>Earnings before financial costs</b>	<b>547.022.034</b>	<b>540.475.507</b>	<b>170.948.512</b>	<b>205.680.470</b>
Financial revenue	8.173.804	14.618.926	2.721.828	5.215.583
Financial costs	(223.298.738)	(239.610.630)	(70.502.779)	(73.613.480)
Exchange rate difference, net	16.781.963	(1.662.978)	(7.546.233)	1.025.351
<b>Earnings before tax</b>	<b>348.679.063</b>	<b>313.820.824</b>	<b>95.621.328</b>	<b>138.307.924</b>
Revenue (expenditure) for taxes	(106.042.959)	(134.310.933)	(31.208.321)	(44.984.271)
<b>Net income for the period</b>	<b>242.636.104</b>	<b>179.509.891</b>	<b>64.413.004</b>	<b>93.323.653</b>
<b>Earnings attributable to:</b>				
Controlling shareholders	164.005.274	109.819.436	45.864.143	66.420.638
Non-controlling interests	78.630.830	69.690.455	18.548.861	26.903.015
	<b>242.636.104</b>	<b>179.509.891</b>	<b>64.413.004</b>	<b>93.323.653.</b>

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## CELSIA S.A. E.S.P.



### Pro-forma Consolidated Statement of Comprehensive Income - Colombia

Values expressed in millions of Colombian pesos

Information not audited

	YTD		Quarter	
	<u>Sept 18</u>	<u>Sept 17</u>	<u>Sept 18</u>	<u>Sept 17</u>
Revenue	2.000.563	1.718.834	697.502	592.060
Cost of sales	(1.430.195)	(1.124.511)	-511.518	-397.567
<b>Gross profit</b>	<b>570.367</b>	<b>594.323</b>	<b>185.984</b>	<b>194.493</b>
<b>Gross Margin</b>	<b>29%</b>	<b>35%</b>	<b>27%</b>	<b>33%</b>
Other revenue	7.635	10.761	1.441	1.857
Administrative expenses	-135.965	-144.625	-46.217	-42.845
Other expenses	-16.919	-13.156	-5.173	-1.421
Participation in results of associates and joint ventures	-26	-222	-117	-188
<b>Earnings Before Financial Expenses</b>	<b>425.092</b>	<b>447.081</b>	<b>135.917</b>	<b>151.895</b>
Financial result - financial income	13.248	13.882	3.615	4.772
Financial result - financial costs	-149.694	-169.742	-48.000	-48.435
Exchange rate difference, net	18.545	-2.520	-6.006	1.122
<b>Earnings before taxes</b>	<b>307.191</b>	<b>288.702</b>	<b>85.526</b>	<b>109.354</b>
Income tax	-105.464	-135.289	-30.930	-46.256
<b>Net Profit</b>	<b>201.727</b>	<b>153.413</b>	<b>54.597</b>	<b>63.098</b>
<b>Profit (Loss) Attributable</b>				
To controlling shareholders	131.521	81.572	38.125	41.054
To non-controlling shareholders	70.206	71.840	16.471	22.043
<b>Profit (Loss)</b>	<b>201.727</b>	<b>153.413</b>	<b>54.596</b>	<b>63.098</b>

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## CELSIA S.A. E.S.P.



### Pro-forma Consolidated Statement of Comprehensive Income - Central America

Values expressed in millions of dollars

Information not audited

	YTD		Quarter	
	<u>Sept 18</u>	<u>Sept 17</u>	<u>Sept 18</u>	<u>Sept 17</u>
Revenue	180,16	187,49	52,17	64,56
Cost of sales	-127,66	-145,02	-37,92	-43,41
<b>Gross Profit</b>	<b>52,50</b>	<b>42,47</b>	<b>14,25</b>	<b>21,15</b>
Other revenue	1,38	0,07	1,27	0,15
Administrative expenses	-9,98	-10,69	-2,67	-3,47
Other expenses	-1,49	-0,36	-0,98	-0,09
<b>Earnings Before Financial Expenses</b>	<b>42,42</b>	<b>31,50</b>	<b>11,88</b>	<b>17,74</b>
Financial result - financial income	0,22	0,25	0,08	0,25
Financial result - financial expenses	-28,10	-23,49	-8,50	-8,17
Foreign exchange gain / loss (net)	0,00	0,00	0,00	-0,11
<b>Earnings Before Taxes</b>	<b>14,54</b>	<b>8,26</b>	<b>3,46</b>	<b>9,70</b>
Income Tax	-0,20	0,31	-0,10	0,41
<b>Net Profit</b>	<b>14,33</b>	<b>8,57</b>	<b>3,36</b>	<b>10,11</b>
<b>Profit (Loss) Attributable</b>				
To controlling shareholders	8,49	9,37	1,53	8,50
To non-controlling shareholders	5,84	-0,80	1,83	1,62
<b>Profit (Loss)</b>	<b>14,33</b>	<b>8,57</b>	<b>3,36</b>	<b>10,12</b>



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## CELSIA S.A. E.S.P.



### Individual statement of financial position

Values expressed in thousands of COP

Information not audited

	September 2018	December 2017
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	401.198.310	404.368.379
Intangible assets, net	4.723.602	2.778.935
Financial investments	4.849.085.120	3.673.235.531
Trade debtors and other non-current receivables, net	1.701.364	1.496.804
Goodwill	15.842.373	15.842.373
Deferred tax asset	77.512.214	77.428.152
<b>Total Non-current assets</b>	<b>5.350.062.983</b>	<b>4.175.150.174</b>
<b>Current assets</b>		
Cash and cash equivalents	3.937.638	5.975.518
Other non-financial assets	1.300.541	4.497.463
Trade debtors and other accounts receivable, net	405.984.829	337.013.153
Inventories	2.762.990	2.506.560
Tax assets	40.155.636	35.319.702
<b>Total current assets</b>	<b>454.141.634</b>	<b>385.312.396</b>
<b>Total assets</b>	<b>5.804.204.617</b>	<b>4.560.462.570</b>
<b>Liabilities and shareholders' equity</b>		
<b>Equity</b>		
Subscribed and paid-in capital	267.493	184.993
Issue premiums	1.822.194.921	365.441.654
Reserves	2.467.050.747	2.465.195.827
Net annual profit (loss)	164.005.274	183.750.255
Other comprehensive income	200.305.649	195.793.804
Retained earnings	3.102.541	3.102.541
Retained earnings in opening balance sheet	20.585.359	20.585.359
<b>Total net equity</b>	<b>4.677.511.984</b>	<b>3.234.054.433</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities	715.451.139	883.488.252
Trade liabilities and other accounts payable	90.660.594	85.611.847
Deferred tax liabilities	36.882.866	30.021.941
Employee benefits	1.414.806	1.641.416
<b>Total non-current liabilities</b>	<b>844.409.405</b>	<b>1.000.763.456</b>
<b>Current liabilities</b>		
Financial liabilities	63.442.912	228.076.786
Trade liabilities and other accounts payable	209.274.181	75.163.198
Provisions	220.000	220.000
Tax liabilities	534.222	365.203
Employee benefits	2.572.642	4.678.816
Other liabilities	6.239.271	17.140.678
<b>Total current liabilities</b>	<b>282.283.228</b>	<b>325.644.681</b>
<b>Total liabilities</b>	<b>1.126.692.633</b>	<b>1.326.408.137</b>
<b>Total liabilities and equity</b>	<b>5.804.204.617</b>	<b>4.560.462.570</b>

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## CELSIA S.A. E.S.P.



### Individual statement of income and other comprehensive income

Values expressed in thousands of COP  
Information not audited

	YTD		Quarter	
	01.01.2018 30.09.2018	01.01.2017 30.09.2017	01.07.2018 30.09.2018	01.07.2017 30.09.2017
Revenue from ordinary activities	191.726.862	127.557.104	62.710.891	44.820.315
Cost of sales	(119.675.585)	(70.552.855)	(35.351.530)	(24.253.467)
<b>Gross profit</b>	<b>72.051.277</b>	<b>57.004.249</b>	<b>27.359.361</b>	<b>20.566.848</b>
Other revenue	644.681	749.248	(38.680)	431.989
Administration expenses	(34.214.079)	(49.730.450)	(10.249.833)	(15.931.037)
Other expenses	(4.894.663)	(4.701.246)	(116.531)	(15.614)
Participation in results of associates and joint ventures	156.508.290	165.829.261	50.766.135	78.542.104
<b>Earnings before financial costs</b>	<b>190.095.506</b>	<b>169.151.062</b>	<b>67.720.452</b>	<b>83.594.290</b>
Financial revenue	17.923.427	17.937.209	4.755.221	5.758.749
Financial costs	(55.051.633)	(76.039.019)	(16.356.132)	(22.215.082)
Exchange rate difference, net	17.814.837	(682.023)	(5.310.723)	(717.320)
<b>Earnings before tax</b>	<b>170.782.137</b>	<b>110.367.229</b>	<b>50.808.818</b>	<b>66.420.637</b>
Revenue (expenditure) for taxes	(6.776.863)	(547.793)	(4.944.675)	-
<b>Net income for the period</b>	<b>164.005.274</b>	<b>109.819.436</b>	<b>45.864.143</b>	<b>66.420.637</b>

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### Celsia separate financial statements

In the third quarter of the year, COP 62.711 million were recorded in Celsia's separate financial statements, 40% higher than in 2017.

Power generation in the quarter was 73 GWh, 5% lower than in the same period of 2017. Rio Piedras generated 33 GWh, Hidromontañas 40 GWh and Meriléctrica did not generate during the period, only operating with plant of support for the system and receiving the income from the Reliability Charge.

The net profit for the quarter was COP 45.864 million (-31% Y/Y).

### Financial ratios

#### Celsia separate financial statements

	Unit	3Q2018	Dec-2017
<b>Solvency and debt indicators</b>			
Liability/Asset (Level of debt)	%	19%	29%
Current liability/Total liability (short term)	%	25%	25%
<b>Liquidity indicators</b>			
Current ratio (Current assets / Current liabilities)	Times	1,61	1,18
Cash and cash equivalents	COP mill.	3.938	5.976
<b>Profitability indicators</b>			
Gross Margin	%	44%	46%
Operating margin	%	27%	10%

#### Celsia consolidated financial statements

	Unit	3Q2018	Dec-2017
<b>Solvency and debt indicators</b>			
Liability/Asset (Level of debt)	%	49%	55%
Current liability/Total liability (short term)	%	29%	25%
<b>Liquidity indicators</b>			
Current ratio (Current assets / Current liabilities)	Times	0,86	0,75
Cash and cash equivalents	COP mill.	285.120	172.438
<b>Profitability indicators</b>			
Gross Margin	%	27%	33%
Operating margin	%	20%	26%

Note: Comparisons of balance sheet with December of last year. Comparisons of results with the same period last year.