

First Quarter 2021 Results

Celsia invested COP 293 billion in renewable energy, increasing its network and expansion for the benefit of its clients

- The positive financial results of the first quarter are due to the start-up of the San Andrés SHPP and the El Espinal and El Carmelo solar farms, and to greater income from generation and connection services.
- Celsia Solar El Carmelo was built during the pandemic and it generated 182 jobs during its construction, with 63% from the local workforce and 23% filled by women.
- The improvements in the service quality indicators stand out in the department of Tolima. The number of customer complaints and grievances decreased by 18%.
- Celsia has executed eight projects in the *Obras por impuestos* (Works for Taxes) program, which are related to education and infrastructure construction, for more than COP 60 billion, and they have benefited more than 42,000 people.

Medellín, May 11, 2021. Celsia, a Grupo Argos energy company, published the results of the first quarter, in which investments of COP 293 billion stand out for the improvement of the network, the energy service for its clients and the energy transformation of the country by driving renewable energy.

Investments in distribution amounted to COP 76,600 million, which have a positive effect on the service provided to customers. In Valle del Cauca, these exceeded COP 42 billion, while in Tolima, investments in continuity and expansion amounted to COP 34 billion. Similarly, we have been building, repowering and upgrading substations, circuits and control systems to make them safer and more reliable. The service quality indicators in Tolima stand out. In the quarter, the SAIDI was 10 hours, improving 37% from the previous year, and the SAIFI was 7.6 times, improving 7%.

The uptime of the distribution assets remained at 99% in both Valle del Cauca and Tolima. The customer service indicators are positive, thanks to the investments and maintenance work, which have enabled an 18% decrease in customer complaints and grievances compared to the same period the previous year, and a 23.4% decrease from the last quarter of 2020.

Additionally, the Company continued to apply the utility rate option, which enabled customers to have access to a better rate than the approved one. This lower charging of customers amounted to COP 35,500 million in the first quarter, of which COP 23,500 million are for the Tolima market. Utility rate subsidies in the period amounted to COP 58 billion. In the Tolima Department, COP 23,300 million of this amount were applied, with the inclusion of socioeconomic level 3 in this market being relevant, which did not access this benefit in the first quarter of 2020.

“We remain optimistic about 2021, despite the recent, difficult circumstances. Our aim is to progress with the growth and investment projects to improve the service for our clients,” specified Ricardo Sierra, Celsia CEO.

Investments strengthen the Celsia generation matrix

In the first quarter, we already had **Celsia Solar El Carmelo**, a solar farm with 9.8 MW capacity, located in Candelaria, Valle del Cauca. This solar farm arrives with renewable energy to boost the country's recovery. It was directed by one of our women engineers with outstanding leadership capacity; it was built during the pandemic; and it generated 182 jobs during construction, with 63% from the local workforce and 23% filled by women. This solar farm will prevent the emission of more than 640 tons of CO₂ per year, which is equivalent to planting 106,000 trees, helping to mitigate the effects of climate change. The projection is to have another 620 MWp in operation and construction in the solar platform in partnership with Cubico.

Panama has 95% progress in the **Celsia Solar Prudencia** project, the first solar farm Celsia has built in this country. It will have a capacity of 9.69 MW and will generate 17 GWh a year, which is equivalent to the energy supply for 4,000 homes. This solar farm will be connected to the substation of the Prudencia hydroelectric power plant in Chiriquí. It is expected to be operating in June.

Progress was made in the internal roads and in the improvement of the access roads in the **El Tesorito** Project, and the social and environmental management is maintained with the community. At March 31, it had 399 employees, of which 252 are from the communities of the rural district of San Antonio and the town of Los Laureles, as well as other areas of Sahagún in the department of Córdoba. Work is being carried out for the project's start-up, which has a capacity of 200 MW and will provide the back-up and reliability the country needs.

Financial results

The consolidated income amounted to COP 980 billion, reporting an increase of 5.6% from last year. The good performance in income is due to the start-up of the San Andrés SHPP and the El Espinal and El Carmelo solar farms, and to greater revenue from generation and connection services. Colombia accounted for 87.5% of the income and Central America for 12.5%.

In the first quarter, the consolidated EBITDA amounted to COP 336 billion, with a 1.7% increase year on year and an adjusted EBITDA margin of 34.3%. By region, in the quarter, Colombia contributed 86% of the EBITDA, amounting to COP 289 billion; and Central America contributed 14%, amounting to COP 47 billion.

The reduction in financial costs related to debt management and the reduction of the benchmark rates contributed to the consolidated net earnings of the quarter being COP 115,700 million, with a 33.4% increase from the previous year. When deducting minority interest, the net income attributable to controlling shareholders made a profit of COP 83,500 million, up 28.4%.

Regarding debt figures, the Company closed the first quarter with a consolidated debt of COP 4.2 trillion and a leverage ratio of 3.1 times net debt to EBITDA. Compared to 2020, the effect of the devaluation of the Colombian peso on consolidation of the Central American debt was COP 86 billion.

RELEVANT INFORMATION CELSIA S.A.



To end, Ricardo Sierra stated, “These results of the first quarter reflect the startup of generation and transmission assets, which took several years to build, and the enthusiasm of our employees to keep providing the best service to our clients, who we thank for their trust in us.”

Obras por impuestos

Celsia has executed eight projects in the *Obras por impuestos* program, which are related to education and infrastructure construction, for more than COP 60 billion, and they have benefited more than 42,000 people. This year, five new projects were submitted for the consideration of the National Agency for Renovation of the Territory (ART, for the Spanish original), which would use resources of COP 40,700 million and would benefit more than 70,000 people.

Presentation of results by teleconference

On Wednesday, May 12 at 8:00 a.m., Bogotá time, the quarterly results presentation will be broadcast online. To connect, please click on the following link: [Presentation of the 2021 first quarter results](#). The passcode to enter the meeting is 046505.

RELEVANT INFORMATION CELSIA S.A.



Celsia S.A.

Condensed Consolidated Statement of Financial Position (Amounts in thousands of COP)

	March 2021	Dec. 2020
Assets		
Non-current assets		
Property, plant and equipment, net	8.595.696.968	8.353.654.257
Right-of-use assets	76.960.640	77.313.470
Intangible assets, net	365.170.759	353.692.109
Goodwill	1.012.575.714	958.924.117
Investments in associates and joint ventures	158.272.223	152.357.433
Other financial investments	99.416.193	98.140.361
Other non-financial assets	107.344.850	98.423.454
Trade debtors and other accounts receivable, net	338.470.600	289.371.518
Deferred tax assets	2.660.798	2.188.736
Total non-current assets	10.756.568.745	10.384.065.455
Current assets		
Cash and cash equivalents	283.111.862	399.547.205
Derivative financial instruments	6.560.261	-
Trade debtors and other accounts receivable, net	746.317.868	599.487.203
Inventories	178.356.972	167.135.929
Other non-financial assets	56.429.676	59.137.183
Current tax assets	59.026.649	24.079.474
Non-current assets held for sale	186.859.190	177.207.057
Total current assets	1.516.662.478	1.426.594.051
Total assets	12.273.231.223	11.810.659.506
Shareholders' equity and liabilities		
Equity		
Issued capital	267.493	267.493
Share issue premium	1.822.194.921	1.822.194.921
Reserves	2.308.379.050	2.306.188.200
Other comprehensive income	524.860.549	390.318.148
Retained earnings	289.816.424	323.020.110
Earnings of the period, net	83.504.070	249.319.973
Other equity interest	(542.983.070)	(542.983.070)
Equity attributable to controlling shareholders	4.486.039.437	4.548.325.775
Non-controlling interest	1.120.420.620	1.192.329.790
Total equity, net	5.606.460.057	5.740.655.565

RELEVANT INFORMATION CELSIA S.A.



Liabilities		
Non-current liabilities		
Borrowings	3.720.381.124	3.382.519.223
Liabilities for right-of-use assets	53.312.634	58.430.104
Trade creditors and other accounts payable	108.047.555	106.865.094
Deferred tax liabilities	325.243.130	325.584.935
Employee benefits	140.568.309	140.893.398
Total non-current liabilities	4.347.552.752	4.014.292.754
Current liabilities		
Borrowings	498.103.938	483.336.146
Derivative financial instruments	-	43.473.679
Liabilities for right-of-use assets	7.392.043	2.795.382
Trade creditors and other accounts payable	908.470.291	692.407.600
Provisions	220.082.031	217.789.030
Current tax liabilities	112.267.111	70.447.932
Employee benefits	41.719.268	59.718.490
Other liabilities	30.522.060	30.178.962
Liabilities associated with assets held for sale	500.661.672	455.563.966
Total current liabilities	2.319.218.414	2.055.711.187
Total liabilities	6.666.771.166	6.070.003.941
Total liabilities and equity	12.273.231.223	11.810.659.506

RELEVANT INFORMATION CELSIA S.A.



Celsia S.A.

Condensed Consolidated Statement of Income and Other Comprehensive Income

Interim periods ending on March 31

(Values expressed in thousands of COP)

	March 2021	March 2020
Revenue		
Revenue	980.476.205	928.393.634
Cost of sales	(665.684.128)	(622.159.191)
Gross earnings	314.792.077	306.234.443
Other income	2.650.674	3.623.993
Administrative expenses	(75.006.579)	(65.457.615)
Other expenses	(20.462.099)	(17.872.648)
Equity method, net	(424.212)	(2.826.747)
Earnings before financial costs	221.549.861	223.701.426
Financial income	8.384.012	3.255.952
Financial costs	(71.337.951)	(90.527.725)
Exchange difference, net	11.118.746	17.241.228
Earnings before tax	169.714.668	153.670.881
Income tax	(53.947.938)	(66.916.909)
Earnings of the period, net	115.766.730	86.753.972
Comprehensive income attributable to:		
Controlling shareholders	83.504.070	65.028.208
Non-controlling interest	32.262.660	21.725.764
Earnings of the period, net	115.766.730	86.753.972
Earnings per share from continuing operations (in COP)		
Basic earnings from continuing operations	108,20	81,08
Diluted earnings from continuing operations	108,20	81,08
Other comprehensive income		
Items that will not be reclassified to income:		
Losses on investments in equity instruments expressed at their fair value through other comprehensive income	(11.519)	(328.460)
Measurements of defined benefit plans	-	-
Items that will be subsequently reclassified to the income of the period:		
Exchange difference in conversion of subsidiaries abroad	104.766.742	287.936.135
Cash flow hedge assessment	10.441.787	-
Total other comprehensive income	115.197.010	287.607.675
Other comprehensive income attributable to:		
Controlling interest	134.542.401	339.191.715
Non-controlling interest	(19.345.391)	(51.584.040)
Total other comprehensive income	115.197.010	287.607.675
Comprehensive income attributable to:		
Controlling shareholders	218.046.471	404.219.924
Non-controlling interest	12.917.269	(29.858.276)
Total comprehensive income	230.963.740	374.361.648

RELEVANT INFORMATION CELSIA S.A.



CELSIA S.A.

Condensed Separate Statement of Financial Position

(Values expressed in thousands of COP)

	March 2021	Dec. 2020
Assets		
Non-current assets		
Property, plant and equipment, net	127.258.318	122.583.252
Right-of-use assets	8.642.977	9.210.960
Intangible assets, net	232.888	197.796
Investments in subsidiaries	4.798.406.666	4.754.798.540
Investments in associates	127.392	128.245
Other financial investments	86.611.098	86.138.748
Prepayments and other non-financial assets	193.688	-
Trade debtors and other accounts receivable, net	783.386.776	868.284.935
Total non-current assets	5.804.859.803	5.841.342.476
Current assets		
Cash and cash equivalents	1.804.159	4.999.980
Trade debtors and other accounts receivable, net	178.729.105	33.762.597
Inventories	2.441.768	2.431.496
Prepayments and other non-financial assets	2.720.792	2.199.637
Current tax assets	816.850	15.397
Total current assets	186.512.674	43.409.107
Total assets	5.991.372.477	5.884.751.583
Shareholders' equity and liabilities		
Equity		
Issued capital	267.493	267.493
Share issue premium	1.822.194.921	1.822.194.921
Reserves	2.623.296.364	2.621.105.514
Earnings of the period, net	87.069.754	282.523.659
Other comprehensive income	493.138.708	376.816.987
Retained earnings	34.201.015	34.201.015
Total equity, net	5.060.168.255	5.137.109.589
Liabilities		
Non-current liabilities		
Borrowings	452.134.827	452.115.040
Liabilities for right-of-use assets	7.330.048	7.330.048
Trade creditors and other accounts payable	108.047.555	106.865.094
Deferred tax liabilities	13.564.618	9.755.011
Employee benefits	-	452.221
Total non-current liabilities	581.077.048	576.517.414
Current liabilities		
Borrowings	1.625.829	1.722.506
Liabilities for right-of-use assets	1.205.040	1.627.592
Trade creditors and other accounts payable	305.086.626	118.364.868
Provisions	37.125.829	34.173.052
Current tax liabilities	2.395.680	8.583.573
Employee benefits	2.639.931	6.604.750
Other non-financial liabilities	48.239	48.239
Total current liabilities	350.127.174	171.124.580
Total liabilities	931.204.222	747.641.994
Total liabilities and equity	5.991.372.477	5.884.751.583

RELEVANT INFORMATION CELSIA S.A.



CELSIA S.A.

Condensed Separate Statement of Income and Other Comprehensive Income

Interim periods ending on March 31

(Values expressed in thousands of COP)

	2021	2020
Revenue	96.483.784	87.762.029
Cost of sales	(6.427.288)	(5.417.895)
Gross earnings	90.056.496	82.344.134
Other income	9.075	8.420
Administrative expenses	(6.190.248)	(8.371.235)
Other expenses	(5.161.486)	(4.985.597)
Earnings before financial costs	78.713.837	68.995.722
Financial income	8.392.840	13.015.559
Financial costs	(9.228.448)	(12.865.169)
Exchange difference, net	13.690.917	22.114.799
Earnings before tax	91.569.146	91.260.911
Income tax	(4.499.392)	(20.112.096)
Earnings of the period, net	87.069.754	71.148.815
Earnings per share from continuing operations (in COP)		
Basic earnings from continuing operations	81,38	66,5
Diluted earnings from continuing operations	81,38	66,5
Other comprehensive income		
Items that will not be subsequently reclassified to the income of the period:		
Losses of investments in equity instruments expressed at their fair value through other comprehensive income	(7.390)	(218.012)
Items that will be subsequently reclassified to the income of the period:		
Exchange difference in transactions with foreign currency	109.530.160	295.097.624
Hedge accounting	6.798.950	-
Total other comprehensive income of the period	116.321.720	294.879.612
Total comprehensive income of the period	203.391.474	366.028.427

Celsia's Separate Financial Statements

In the first quarter of the year, income of COP 96,484 million was reported in Celsia's Separate Financial Statements (+9.9% Y/Y).

Revenue amounted to COP 11,132 million (-68.3% Y/Y), which is from activities related to the management of the Company's insurance and the energy representation contract, and the capacity with Celsia Colombia for the Meriléctrica asset. The year-on-year decrease was because the option in the contract with Prime (Zona Franca Celsia) was activated in said period and this year, there has been a failure in Meriléctrica, which has reduced revenue from the representation contract.

The equity method amounted to COP 85,352 million (+61.1% Y/Y).

In cost of sales, COP 6,427 million were recorded, up 18.6% year on year, mainly due to the greater depreciation costs because of the purchases and contracts required for the change of the 207 MVA transformer for the Meriléctrica thermal power plant.

Administrative expenses reported COP 6,190 million, down 26.1% Y/Y, mainly due to lower general expenses, professional fees and public utilities.

The EBITDA in the quarter was COP 3,432 million (-86.0% Y/Y) with an EBITDA margin of 3.6%. The decrease from Q1 2020 was due to the base effect of the activation of the option in the contract with Prime.

We note that since the change of the Company's business name, when it stopped being a public utility company (E.S.P., for the Spanish original), the income from the equity method has been included in revenue, which is not included in the calculation of the EBITDA to reflect the Company's net revenue.

The following stands out in non-operating expenses:

- Financial income recorded COP 8,393 million, down 35.5% from the same period last year, mainly due to the lower CPI (account receivable from the assets sold to Celsia Colombia) and the lower balance in the account receivable from Celsia Colombia.
- Financial costs recorded COP 9,228 million, down 28.3% from Q1 2020, thanks to the lower CPI on ordinary bonds and lower commission expenses.
- The net exchange difference recorded an income of COP 13,691 million, down 38.1% from the same period in 2020, mainly due to the account receivable in U.S. dollars with Prime from the sale of Zona Franca Celsia and the investments of activities related to insurance management.

The income tax provision reported COP 4,499 million (-77.6% Y/Y). The decrease is mainly due to the lower deferred tax expenses, which recorded -COP 17,433 million in Q1 2020, while they were -COP 3,810 million in Q1 2021.

RELEVANT INFORMATION CELSIA S.A.



Net profit in the quarter recorded a gain of COP 87,070 million (+22.4% Y/Y). The better income of the companies in which the Company has a shareholding, added to the lower financial costs and lower deferred tax expenses, enabled a positive quarter, even when the base effect compared to Q1 2020 produces a lower net revenue due to the activation of the option with Prime in this period.

It is important to mention that in Celsia's separate financial statements, after the sale of the generation assets to Celsia Colombia, income is always expected to cover operating costs and expenses, and financial expenses are covered by the payments made by Celsia Colombia as a result of the payment structure for the same sale of assets. Consequently, the Celsia Holding Company is not withholding resources from the controlling shareholders, and the dividends it receives can be transferred to its shareholders.

1. Financial ratios

Celsia's Consolidated Financial Statements

Liquidity and debt indicators	Unidad	1T2021	4T2020
	%	54%	51%
Liability/Asset (level of debt)	%	35%	34%
Current liability/Total liability (short term)	veces	0,65	0,69
Current ratio (current assets / current liabilities)	COP mill.	283.112	399.547
Profitability ratios	Unidad	1T2021	1T2020
Gross margin	%	32%	33%
Operating margin	%	24%	26%

Slightly greater debt compared to the same period of last year to finance investments and cover working capital needs.

Celsia's Separate Financial Statements

Liquidity and debt ratios	Unidad	1T2021	4T2020
	%	16%	13%
Liability/Asset (level of debt)	%	38%	23%
Current liability/Total liability (short term)	veces	0,53	0,25
Current ratio (current assets / current liabilities)	COP mill.	1.804	5.000
Profitability ratios	Unidad	1T2021	1T2020
Gross margin	%	93%	94%
Operating margin	%	87%	84%

The increase in current liabilities is due to the registration of dividends approved by the General Meeting of Shareholders in March this year.