

Financial results

First quarter
2021



1. Key figures

Financial results

	units	1Q2021	1Q2020	Δ	4Q2020	Δ
Consolidated financial results						
Revenue	COP mill.	980.476	928.394	5,6%	897.536	9,2%
Gross earnings	COP mill.	314.792	306.234	2,8%	299.571	5,1%
EBITDA	COP mill.	336.321	330.643	1,7%	335.688	0,2%
<i>EBITDA margin</i>	%	34,3%	35,6%	-3,7%	37,4%	-8,3%
Net income	COP mill.	115.767	86.754	33,4%	86.483	33,9%
Net earnings to controlling shareholders	COP mill.	83.504	65.028	28,4%	55.528	50,4%

Generation

	units	1Q2021	1Q2020	Δ	4Q2020	Δ
Total energy produced	GWh	1.396	1.188	17,5%	1.185	17,8%
Total energy sold	GWh	1.687	1.766	-4,5%	1.562	8,0%
Energy produced in Colombia	GWh	1.223	875	39,8%	964	26,9%
Hydroelectric	GWh	1.212	865	40,1%	956	26,8%
Thermal	GWh	0	4	-	0	-
Solar	GWh	11,4	5,8	95,5%	8,2	39,8%
Energy sold in Colombia	GWh	1.412	1.315	7,4%	1.302	8,5%
Contract sales	GWh	779	810	-3,8%	837	-7,0%
Spot market transactions	GWh	633	505	25,3%	465	36,3%
Contract purchases	GWh	132	275	-51,9%	156	-15,0%
Energy produced in Central America	GWh	172	313	-44,9%	219	-21,5%
Hydroelectric	GWh	78	65	20,8%	179	-56,4%
Thermal	GWh	13	163	-92,1%	0	6423,6%
Wind	GWh	73	79	-6,6%	34	117,4%
Solar	GWh	8	7	18,7%	7	22,9%
Energy sold in Central America	GWh	275	451	-39,1%	260	5,7%
Spot market sales	GWh	30	146	-79,6%	66	-54,8%
Contract sales	GWh	245	305	-19,6%	194	26,3%

Distribution and sale¹

Valle del Cauca

	units	1Q2021	1Q2020	Δ	4Q2020	Δ
Energy losses ²	%	9,11%	8,97%	1,56%	9,11%	0%
Collection	%	99%	94%	5,4%	96%	3,1%
SAIDI	Horas	2,3	2,3	-0,4%	2,5	-8,1%
SAIFI	Veces	1,8	1,4	28,0%	1,6	10,1%
Regulated market sales	GWh	318	328	-3,2%	332	-4,4%
Non-regulated market sales	GWh	285	255	11,8%	265	7,4%

¹ A partir del 4T2020 se reporta el Indicador de Pérdidas Totales (IPT) que fue establecido por la regulación y mide el nivel de pérdidas integrado desde el nivel de 115 kV matriculado ante la CREG, entidad reguladora en Colombia. Este indicador solo tiene información a partir de 2019 según la regulación enunciada.

² Losses from Consolidated MT/BT

Solar power sales	GWh	23,2	6,5	257%	10,2	127%
Clients	Número	678.484	653.245	3,9%	671.852	1,0%

Tolima

	units	1Q2021	1Q2020	Δ	4Q2020	Δ
Energy losses	%	13,91%	15,98%	-12,9%	15,46%	-10,0%
Collection	%	100%	95%	5,3%	103%	-3,0%
SAIDI	Horas	10,0	16,0	-37,3%	12,9	-22,2%
SAIFI	Veces	7,6	8,2	-7,1%	9,3	-18,6%
Regulated market sales	GWh	218	227	-4,0%	222	-1,6%
Non-regulated market sales	GWh	53	53	-0,4%	56	-5,7%
Clients	Número	524.644	516.909	1,5%	521.928	0,5%

Cetsa

	units	1Q2021	1Q2020	Δ	4Q2020	Δ
Energy losses	%	7,08%	7,27%	-2,61%	7,03%	0,71%
Collection	%	104%	92%	13,6%	98%	6,2%
SAIDI	Horas	0,3	0,2	56,7%	0,2	22,6%
SAIFI	Veces	0,3	0,2	45,2%	0,4	-32,0%
Regulated market sales	GWh	38	39	-4,5%	38	-1,6%
Non-regulated market sales	GWh	10	12	-15,6%	11	-5,5%
Regulated and unregulated clients	Número	64.801	63.445	2,1%	64.462	0,5%

2. Electricity market

Colombia

The National Electrical Grid's water volumes were close to average during January and February (104% and 101%, respectively), while in March, it recorded an increase in volumes, reaching 178% of the monthly average. Above average levels were also recorded in Celsia's basins, close to 120% in January and February, and reaching 156% in March.

These levels are mainly due to regional factors and to the greater influence of the La Niña phenomenon, especially in March. In some of our basins and regions, there was greater rainfall than usual (floods) without reaching historical records.

According to the monitoring indicators of the ENSO, the quarterly levels were deemed a result of the La Niña phenomenon. The different agencies indicated that the phenomenon was moderate and currently, the indicators show a return to normality.

Close to or below the historical average rainfall is expected in the upcoming months (and therefore, the same in water volumes). The second quarter of the year is considered to be the first rainy season of the year in Colombia.



The aggregate level of the National Electrical Grid's reservoirs ended the quarter at 58% of their live storage, while they recorded 35% in the first quarter the previous year. The basins where Celsia Colombia's power plants are located recorded a level of 58% at the close of the first quarter, compared to 39% in the same period of the previous year.

The average spot market price in the quarter was COP 206/kWh, reflecting the increased rainfall and decreasing 43.5% from the price of the previous year of COP 364/kWh. Regulated market contract prices averaged COP 233/kWh with a 6.2% increase from the first quarter of 2020.

The accumulated energy demand of the National Electrical Grid over the quarter was 17,826 GWh, a 1.5% decrease from the same period in 2020. The regulated market's demand was 12,326 GWh, down 0.8% from the same quarter in 2020, while the non-regulated market's demand decreased 2.7% to 5,437 GWh.

Central America

The Fortuna reservoir, upstream from our power plants in Chiriquí, slightly decreased its live storage over the last three months from 93% to 91%, ending the quarter at a higher level than in the first quarter of 2020 of 71%.

The Bayano reservoir's level also decreased over the last three months, from 54% to 46%, which is lower than the 57% recorded in the first quarter of 2020.

The accumulated energy demand of Panama's grid over the quarter was 2,549 GWh, an 8.5% decrease year on year from 2020. The ongoing decrease reflects the effects of the lockdown measures implemented in the country and their impact on the economy.

The average marginal cost of energy was USD 71/MWh in the quarter; up 7.4% from the same quarter in 2020.

3. Operating results

Consolidated generation

The Organization's consolidated generation amounted to 1,396 GWh in the quarter, up 17.5% year on year. Out of the energy generated in the quarter, 99.08% was renewable (hydroelectric, solar and wind power).

By technology, distribution was as follows:

	1Q2021	1Q2020
Hydro	92,4%	78,2%
Wind	5,3%	6,6%
Solar	1,40%	1,07%
Thermal	0,9%	14,1%

Colombia

Electric power generation in the quarter amounted to 1,223 GWh, up 39.8% from the same period of 2020. Hydroelectric power generation increased 39.7%, due to the better water volumes and the contribution of the San Andrés SHPP, which started operations in the second quarter of 2020. Solar power generation recorded an increase of 50.0% from the first quarter of 2020, due to the contributions of the Celsia Solar Espinal and Celsia Solar El Carmelo plants.

In the quarter, the volume sold in contracts was 881 GWh with a 9.2% increase. There were generation surpluses in the same period, which were sold on the spot market and amounted to 633 GWh, up 24.4% from the first quarter of 2020.

Central America

In Central America, 172 GWh were generated in the first quarter, down 44.9% due to the thermal power resources generating 13 GWh, which was lower than the 163 GWh of Q1 2020. Since the beginning of the pandemic, due to the higher water levels and the significant reduction in demand, the Panamanian electricity market has been largely supplied with renewable resources and it has not required the thermal power support that we have as an organization.

Although they usually present less generation in the first quarter due to the dry season, the hydroelectric power plants increased their generation 20.8% from the same period in 2020 to record 78 GWh in Q1 2021. In turn, the wind farm generated 73 GWh (-6.6% Y/Y).

Contract sales volumes reported 245 GWh (-19.6% Y/Y) in the period. The decrease is mainly due to the distributors' reduced demand because of COVID-19. In turn, spot market sales amounted to 30 GWh in the quarter (-79.6% Y/Y).

During the quarter and in line with the plans to achieve a definitive solution for BLM, the steam cycle started to be declared unavailable and the definitive withdrawal of the power plant from the grid was requested.

Distribution and sales

Valle del Cauca

Greater rainfall than in 2020 led to the SAIFI being 1.8 times with a 28.0% increase, while the SAIDI in the quarter recorded 2.3 hours with a 0.4% decrease.

The total power loss rate amounted to 9.11% in the quarter, compared to a target of 9.39%. The targets established in the ten-year loss plan continue to be met, due to the effective field activities implemented for this purpose.

The retail reseller in Valle del Cauca delivered 626 GWh of energy in the quarter, with a 6.2% increase. The regulated market delivered 318 GWh with a 3.2% decrease, due to the reduced use of irrigation systems compared to 2020, while the non-regulated market delivered 285 GWh with an 11.8% increase. In solar energy, 23 GWh were delivered, with a 257.2% increase, due to the growth in the business of solar roofs and floors.

There were 678,484 customers at the close of the quarter in Valle del Cauca.

Tolima

Despite the effects of heavy rainfall, the service quality indicators recorded improvements in the quarter, due to the different operational action plans and investments made. The SAIDI was 10.0 hours with a 37.3% reduction, while the SAIFI recorded 7.6 times with a 7.1% reduction.

The total power loss rate was 13.91% at the end of the period, exceeding the equivalent target proposed in the loss plan, due to the implementation of plans by the Operations and Maintenance teams.

Retail sales delivered 271 GWh, 3.3% down compared to the same period last year. The regulated market recorded 218 GWh with a 4.0% decrease and the non-regulated market recorded 53 GWh with a variation of -0.4%.

At the close of the quarter, the Company served 524,644 customers in the department of Tolima.

Tariff plan

The application of the utility rate (charging) option was continued in the first quarter of 2021, which enabled us to transfer our customers to a lower tariff than the approved one. This lower collection amounted to COP 35,535 million for the three markets in the first quarter, of which 66% corresponds to the Tolima market.

Caoba Inversiones

Caoba's income is recognized using the equity method, which allowed it to contribute to the Company's results during first quarter with a profit of COP 189 million. The main figures of Caoba are provided below:

	1Q2021	1Q2020	4Q2020
Revenue	\$42.152	\$37.481	\$37.434
Ebitda	\$35.993	\$33.195	\$33.488
Net income	\$371	\$6.084	\$3.928

million COP

Revenue reported a 12.5% increase due to the increase in the PPI of the internal supply in the year to date and the incorporation of more assets since the end of 2020. In turn, the EBITDA increased 8.4% in line with the better performance of revenue.

The year-on-year increase in financial costs is due to the greater level of debt between both quarters, because the definitive financing of Caoba and the full payment of the price to Celsia Colombia were completed in August last year. Therefore, at the close of the first quarter of 2020, the debt was COP 777,012 million, while at March 2021, it was COP 1.1 trillion.

Consequently, the net earnings of the quarter were COP 371 million, with a 93.9% reduction.

4. Financial results

Income

Consolidated income for the quarter was COP 980,476 million, up 5.6% compared to last year. Income in Colombia accounted for 88% of the consolidated total, and in Central America, it accounted for 12%.

In Colombia, revenue from generation amounted to COP 259,669 million, up 4.9% from the first quarter of 2020. In line with the sales strategy, contract sales recorded COP 80,563 million, up 194.7% Y/Y; while revenue from sales on the spot market was COP 134,059 million, selling COP 60,384 million less than in the previous year (-31.1% Y/Y), due to the lower spot market prices and because in 2020, revenue of COP 46,791 million was obtained from the PPA of Celsia with Prime, Termoflores. The revenue from the Reliability Charge was COP 45,047 million, without significant variation from the previous year.

In Central America, power generation revenue for the quarter amounted to COP 116,986 million (-20.9% Y/Y), due to less thermal power generation and the reduction in the energy demand as a result of COVID-19.

The grid use and connection line recorded COP 65,926 million, down 10.6%. To facilitate the analysis of the distribution business, the revenue of the network operator is presented below, which includes grid use and connection as well as the portion invoiced by the retail reseller and which corresponds to the distribution business.

	1Q2021	1Q2020	Δ
OR revenues	199.275	186.453	6,9%
Valle	143.806	141.105	1,9%
Tolima	55.469	45.348	22,3%

The revenue from retail sales amounted to COP 497,947 million, up 13.9% year on year, which is mainly explained by the additional 25 GWh sold during the first quarter. The recovery of network clients led to the grid use and connection revenue recording COP 65,926 million, down 10.6%.

Other operating services reported COP 39,948 million in the quarter (+93.4% Y/Y). The year-on-year increase has been occurring thanks to the growth in the portfolio of products and services for customers developed by the Company.

Operating and administrative expenses

The consolidated cost of sales for the quarter was COP 665,684 million, up 7.0% compared to the same period last year.

In Colombia, the cost of sales was COP 576,903 million, up 16.9% Y/Y due to the greater variable costs in Celsia Colombia (+5.5% Y/Y) because of higher road toll costs for the network operator in the sales business, and due to the higher cost of depreciation, maintenance and materials in the fixed costs of the same company (+13.1% Y/Y).

Similarly, we had higher firm energy backup costs during the quarter due to the failure of the Meriléctrica power plant.

In Central America, the cost of sales was COP 88,781 million, down 31.0% Y/Y in Colombian pesos and down 32.0% Y/Y in U.S. dollars due to the reduced fuel consumption in the thermal power plants in Q1 2021.

Administrative expenses in the quarter amounted to COP 75,007 million, up 14.6% from the first quarter the previous year.

In Colombia, these expenses reported COP 65,540 million in the quarter (+10.9% Y/Y), mainly due to a portfolio provision of COP 7,525 million in the quarter, and depreciation and amortization that increased 11.0% in Celsia Colombia. The Company managed to partly mitigate these values with the reduction in the administrative expenses of the Celsia S.A. Parent Company (-26.2% Y/Y), thanks to lower expenses, including general expenses, professional fees and public utilities. Additionally, there were additional costs associated with the COVID-19 protection protocols, which amounted to COP 3,789 million.

In Central America, these expenses recorded COP 9,466 million in the quarter (+48.5% Y/Y). This variation is not comparable, because the reversal of a provision had occurred in Q1 2020 for USD 2.7 million in personnel expenses. Excluding this transaction, the expenses in the regional office in U.S. dollars have a small reduction from the first period of 2020.

EBITDA

The consolidated EBITDA of the first quarter was COP 336,321 million, with a very good performance in Central America, while in Colombia, as a result of the difference in the water levels of both years, the recovery of hydroelectric power generation did not manage to absorb the lower income received from the PPA with Prime Termoflores.

	1Q2021	1Q2020	Δ
Ebitda - consolidated	336.321	330.643	1,7%
Ebitda - Colombia	289.138	290.567	-0,5%
Ebitda G - Col.	165.542	183.897	-10,0%
Ebitda G - Celsia Col. S.A. E.S.P. consol.	162.153	159.447	1,7%
Ebitda G - Celsia S.A.	3.389	24.450	-86,1%
Ebitda T&D + C	123.594	106.669	15,9%
<u>By business:</u>			
Ebitda T&D	119.880	116.421	3,0%
Ebitda C	3.714	(9.752)	138,1%
<u>By regions:</u>			
Ebitda T&D + C Valle	90.942	80.135	13,5%
Ebitda T&D + C Tolima	32.652	26.534	23,1%
Ebitda Centralamerica	47.183	40.076	17,7%

Colombia contributed 86% of the period's EBITDA with an EBITDA margin of 33.7%.



The generation business in Colombia was down 9.8% Y/Y, mainly because in the first quarter of 2020, there was an extraordinary income in Celsia S.A. related to the energy purchase option from Prime (current owners of Termoflores).

The retail sales and distribution businesses obtained COP 124,615 million (+16% Y/Y). The network operator (distribution business) increased its contribution 3.2% Y/Y, mainly due to the new remuneration methodology (Resolution 015). In turn, the retail sales business contributed 138.1% more year on year, thanks to the notable results of the new businesses with the start of billing the connection charge of the Gran Manzana cooling district, and new electricity, lighting and solar power projects.

Central America contributed COP 47,183 million (+17.7% Y/Y), thanks to generation being mainly renewable: hydroelectric, wind and solar power (93% of the total), while in Q1 2020, it was 52% thermal power, which has lower profit margins. The EBITDA margin for the period recorded 39.1% compared to 26.8% in Q1 2020.

Tolima

The financial results of Tolima's operation for the quarter are provided below, excluding the assets owned by Caoba.

	<u>1Q2021</u>
Ordinary revenue	175.094
COGS	- 147.752
Gross income	27.342
SG&A	4.960
Depreciation	- 10.270
Ebitda	32.652
Ebitda margin	18,6%

Tolima's operations performed well during the quarter. Both distribution and sales performed within the budgeted parameters and generated an EBITDA of COP 32,652 million.

Non-operating income

Financial expenses amounted to COP 71,338 million, down 21.2% from Q1 2020, mainly due to a lower cost of debt stock because of a lower CPI.

Financial income reported COP 8,384 million, up 157.5% year on year, explained by the income from the financing of third parties (Caoba) and with users.

Other expenses amounted to COP 20,463 million, up 14.5% from Q1 2020, explained by the registration tax and legal expenses of the merger by absorption of Celsia Tolima, and the provision for the severance pay of staff in BLM.

The net exchange difference recorded an income of COP 11,119 million, down 35.5% from the same period in 2020. The positions that currently cause an exchange difference are: account receivable from Prime (Termoflores), captive reinsurance company investment, borrowings, hedging transactions, suppliers and cash.

A loss of COP 424 million was recorded through the equity method.

Tax

The income tax provision recorded COP 53,947 million (-19.4% Y/Y); of which current tax amounted to COP 54,022 million (+18.3% Y/Y) and the deferred tax to COP 75 million (+100.4% Y/Y).

This year, in line with our commitment to bring development to the regions where we operate, we submitted proposals for the implementation of five projects with an investment of COP 40,714 million under the *Obras por impuestos* (Works for Taxes) mechanism. We are waiting for the government to complete the review and granting process in order to start work on these areas with the communities.

Net earnings

The improvement in the generation EBITDA, the income from greater investments in network assets and the reduction in financial costs due to the effects of the indexes enabled consolidated net earnings to reach COP 115,767 million, up 33.4% Y/Y.

When subtracting minority interest, net income attributable to the controlling shareholders reported a gain of COP 83,504 million (+28.4% Y/Y).

Bahía Las Minas

Celsia, together with the Panamanian Government (BLM partner with a 48.76% share) and prior to a stage of discussions with the main creditors and other stakeholders, authorized its management to start processing the necessary actions to implement a plan to sell assets and pay liabilities.

After a long negotiation process with the creditors and with the government, a memorandum of understanding was signed, which in the upcoming months, will enable the transfer of the company's assets and settlement of the credit owed.

5. Debt

A summary is provided below of the debt at March 2021 compared to the figures of the same period the previous year and to the second quarter of 2019, when the debt peaked due to the acquisition of the Tolima assets.

Million COP	Gross debt	Net debt	Leverage 1Q2021	Leverage 1Q2020	Leverage 2Q2019
Celsia [1] [2]	452.730	449.930	2,24	2,33	3,69
Celsia Colombia	2.702.419	2.623.665	2,54	2,02	3,33
Celsia CA	1.059.596	858.039	4,61	6,47	5,85
Consolidated	4.214.745	3.931.634			

- (1) Celsia S.A. has an account receivable from Celsia Colombia for the purchase/sale of generation assets in 2018. The structure of payments of both principal and interest is in line with principal and interest payments of bonds issued by Celsia.
- (2) The foreign investment made by Celsia in the debt purchase led by Celsia Colombia was COP 660,250 million, and at the close of the quarter, the value of the debt was COP 201 billion.

6. Cash flow

	Colombia	CA	Consolidado
EBITDA	289.137	47.184	336.321
(+) WK	(186.247)	12.882	(173.365)
(+) Debtor Resolution CREG 015	(30.191)	-	(30.191)
(-) Taxes	(41.646)	(6.205)	(47.851)
FC Operation	31.053	53.861	84.914
		-	
(-) CapEx	(286.527)	(6.611)	(293.137)
Total investment cash flow	(286.527)	(6.611)	(293.137)
FCL	(255.473)	47.250	(208.223)
		-	
(-) Amortization	(3.096)	(2.045)	(5.141)
(-) Interest	(38.245)	(16.299)	(54.545)
(+) Credit disbursements	225.649	-	225.649
Debt	184.308	(18.345)	165.963
Long-term investments	3.188	-	3.188
Transactions with associates	3.474	99	3.572
Financial performance	3.684	185	3.869
Other income	(5.295)	(86)	(5.381)
Other expenses	(102.244)	-	(102.244)
Net dividends	-	-	-
Capitalizations	-	14.069	14.069
(+/-) Exchange difference	87.115	(4.079)	83.037
FC Financial	(168.358)	43.172	(125.186)
FC Period	249.913	161.897	411.809
(+) Initial cash	81.555	205.069	286.623

In the first quarter of the year, transactions generated cash of COP 336,321 million and other transactions generated resources of COP 19,317 million. The generated resources were mainly applied as follows: i) net working capital requirements of COP 203,556 million, ii) payment of COP 47,851 million in taxes, iii) payment of COP 102,244 in dividends, and iv) CapEx of COP 293,137 million. The net changes in financing generated resources of COP 165,963 million.

At the close of the quarter, the Organization had COP 283,112 million in cash, which were invested in short-term investment funds. When including BLM, the total balance is COP 286,623 million. In Central America, approximately USD 40.3 million remains restricted by the financing conditions in the region.

The cash balances are mainly comprised of:

	March 2021	December 2020
Total cash	283.112	399.547
Celsia	1.804	4.999
Celsia Colombia - consolidated	78.754	243.924
Colener	993	988
Centralamerica	201.557	149.634

7. Investments

The consolidated CapEx implemented at March amounted to COP 211,239 million. In Colombia, COP 204,628 million were executed and in Central America, COP 6,611 million.

	AI 1T
Continuity	47.612
T&D Valle	13.089
T&D Tolima	22.491
Generation	10.239
Other ex CelsiaCol	1.793
Expansion	62.907
Rooftop solar and other	8.776
T&D	40.518
Other	13.614
Plattforms	94.110
Solar PV – large scale	29.960
Caoba	43.340
Tesorito	15.250
Carreto + Torres medicion eólica	5.559
Total Colombia	204.628
Total Centralamerica	6.611



Additionally, in January 2021, the balance was paid for the acquisition of the electric buses of Celsia Move for COP 87 billion. In December 2020, 120 electric buses started operation in Bogotá's massive transportation system, Transmilenio, which is operated by the Gran Américas consortium.

8. 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.

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.

9. 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.

10. Celsia PermaneC

The progress in environmental, social and governance management is provided below for a more complete reading of our business and to reflect our strategies to deliver you **The Energy You Want**.

10.1. Milestones of a strategy inspired by actions of impact for cities, businesses and homes



11.2. ESG performance

The important indicators of our ESG performance are shown below, which can also be found in our evaluation kit / ESG tab.

Economic dimension / governance	Unidad	1T21		1T20		2020		2019		Nota
Energy generated by type of source	GWh		1.419		1.195		4.548		5.625	
Wind	%		5,2%		6,6%		3,7%		3,8%	Nota 1
Photovoltaic – solar farms	%		1,4%		1,1%		1,4%		0,6%	
Photovoltaic – solar roofs	%		1,6%		0,5%		0,4%		0,3%	
Hydroelectric	%		90,9%		77,8%		89,8%		74,8%	
Thermal	%		0,9%		14,0%		4,6%		20,5%	Nota 2
Sustainable financing	COP mill.		287.954		263.639		289.979		236.319	Nota 3

% of independent members in the Board of Directors	%	57%	57%	57%	57%	
Women in the Board of Directors	#	2	2	2	2	
Percentage of local suppliers	%	94,3%	95,1%	92,6%	91,1%	
Supplier satisfaction	#	Med. Anual	Med. Anual	93,40%	91,40%	
Customer Experience Index – IECe	%	Med. Anual	Med. Anual	84,7	81,9	
Requests, complaints and claims	#	233.049	256.867	1.059.516	1.234.913	Nota 4
Service complaints	#	71.545	87.321	360.358	443.782	
Bill claims	#	7.711	5.703	47.596	26.339	
Cybersecurity incidents	#	0	0	0	0	Nota 5

Social dimension		Unidad	1T21	1T20	2020	2019	
Employees	#		2.339	2.099	2.131	1.950	
% women – employees	%		33%	31%	30%	29%	
% women – executive positions	%		19%	20%	19%	21%	
% women – training hours	%		Med. Anual	Med. Anual	37%	28%	
OSH – Employee accident severity index	-		61,9	106,9	17,5	20,57	Nota 6
OSH – Employee injury frequency index	-		6,3	9,8	1,2	3,8	
OSH – Employee fatalities	#		0	0	0	0	
OSH – Contractor fatalities	#		1	0	0	0	
Total amount of social investment	COP mill.		Med. Anual	Med. Anual	29.522	25.709	

Environmental dimension		Unidad	1T21	1T20	2020	2019	
Absolute GHG emissions	Ton CO2 Eq		Med. Anual	Med. Anual	395.988	1.058.117	
GHG emissions intensity	Ton CO2eq/GWh		Med. Anual	Med. Anual	87	188	
Newly planted trees	#		360.000	-	1.444.560	1.709.100	
Total planted trees	#		6.138.823	4.334.263	5.778.823	4.334.263	
Non-renewable energy consumption:							
Coal	Ton		Med. Anual	Med. Anual	96.633	248.216	
Natural gas	m3		Med. Anual	Med. Anual	17.769.106	99.307.009	
GNL	m3		Med. Anual	Med. Anual	0	71.352.483	
Bunker	Gal		Med. Anual	Med. Anual	1.139.850	4.595.348	
Diesel	Gal		Med. Anual	Med. Anual	323.962	1.494.818	
Emissions reduction bonds sold	Ton CO2eq		Med. Anual	Med. Anual	0	620.982	
Emissions reduction bonds sold	COP mill.		Med. Anual	Med. Anual	0	7.954	

Comments on the main variations:

Note 1: There is a reduction in wind power generated because there was less wind speed and more maintenance work this quarter.

Note 2: The sale of Zona Franca Celsia (thermal power to natural gas of 610 MW) in September 2019, added to the reduced dispatch of the thermal power plants in Panama, resulted in a significant decrease in the amounts generated by this technology.

Note 3: The current larger amount in sustainable financing than the one reported in the same quarter the previous year is due to the progressive disbursements of the debt of San Andrés de Cuerquia, 19.9 MW hydroelectric power plant in Antioquia, which is due to the use of offset funds provided by Findeter at a very competitive rate of the IBR plus 1.55% in a 12-year term.

Note 4: Billing claims increased from the same quarter of the previous year due to the COVID-19 lockdown, which increased home consumption and the number of customer contacts to better understand their bills.

Note 5: There have been no one-off or series of unexpected or undesirable information security incidents with a high probability of compromising the Company's operations or putting information security at risk. Additionally, with the preventive actions, we expect to keep it at zero.

Note 6: There is a decrease of approximately 37.04% in incidents from the first quarter the previous year, so the data are much lower despite the fatal incident that occurred in contractors.

Links of interest

- [ESG Results Panel](#)
- [Valuation kit](#): Summarizes the main figures from the ESG panel in Excel.
- Sustainability policies and practices:
 - Corporate documents: <https://www.celsia.com/es/nuestra-empresa/gobierno-corporativo/celsia/documentos-corporativos>
 - Good practices: <https://www.celsia.com/es/nuestra-empresa/gobierno-corporativo/celsia/buenas-practicas>
- Integrated reports: <https://www.celsia.com/es/sostenibilidad/reportes>
- Acknowledgments:  [Reconocimientos Celsia 2019.pdf](#)
- Socio-environmental goals – base year 2015: <https://www.celsia.com/es/sostenibilidad/metas>

12. Financial Statements

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

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

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

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

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