Quarterly Results Report
1Q 2018

1. Important figures

Units	1Q2018	1Q2017	Consolidated financial statements
COP Million	846.799	741.927	Revenues
COP Million	254.756	218.559	Gross profit
COP Million	192.564	140.470	Earnings before financials
COP Million	289.812	241.430	Ebitda
%	*34,2%*	*32,5%*	*Ebitda margin*
COP Million	79.158	21.869	Net income
COP Million	51.227	608	Net income attributable to controlling sh.

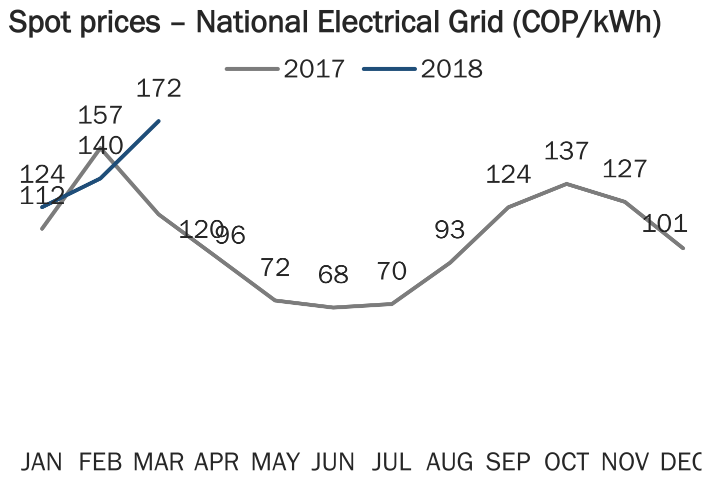
Units	1Q2018	1Q2017	Generation
GWh	1.753	1.487	Total energy produced
GWh	2.135	1.929	Total energy sold
GWh	**1.434**	**1.246**	**Energy produced in Colombia**
GWh	1.037	1.053	Hydric in Colombia
GWh	393	193	Thermal in Colombia
GWh	3,79	0,00	Solar in Colombia
GWh	**1.606**	**1.427**	**Energy sold in Colombia**
GWh	766	747	Contract sales in Colombia
GWh	840	680	Spot market sales in Colombia
GWh	**319**	**241**	**Energy produced in Central America**
GWh	94	79	Hydric in Central America
GWh	143	102	Thermal in Central America
GWh	83	60	Wind farm in Central America
GWh	**528**	**502**	**Energy sold in Central America**
GWh	488	468	Contract sales in Central America
GWh	40	34	Spot market sales in Central America

Units	1Q2018	1Q2017	Distribution
%	8,6%	8,4%	Energy losses
%	97%	99%	Collections rate
Hours	3,0	3,3	SAIDI - EPSA/CETSA
Times	4,1	4,1	SAIFI - EPSA/CETSA

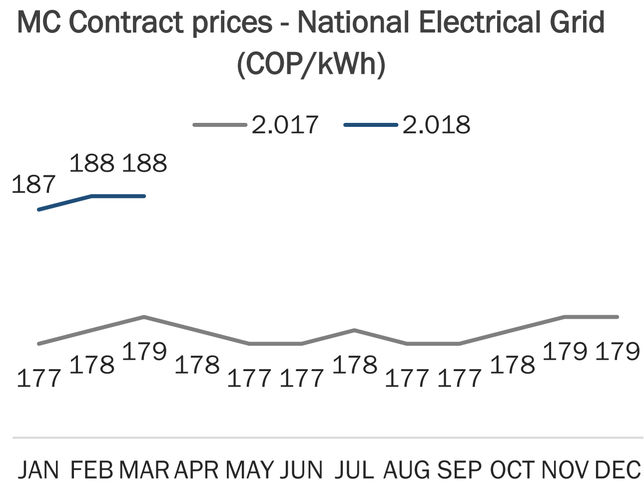
Units	1Q2018	1Q2017	Retail sales
GWh	291	287	Regulated market sales
GWh	249	227	Non regulated market sales
Number	608.461	591.060	Users

2. Electric market – Colombia

Average spot prices in the first quarter of 2018 were COP 146/kWh, 12.4% higher than last year's average price of COP 129/kWh. Regulated market contract prices averaged COP 188/kWh (+6% Y/Y).



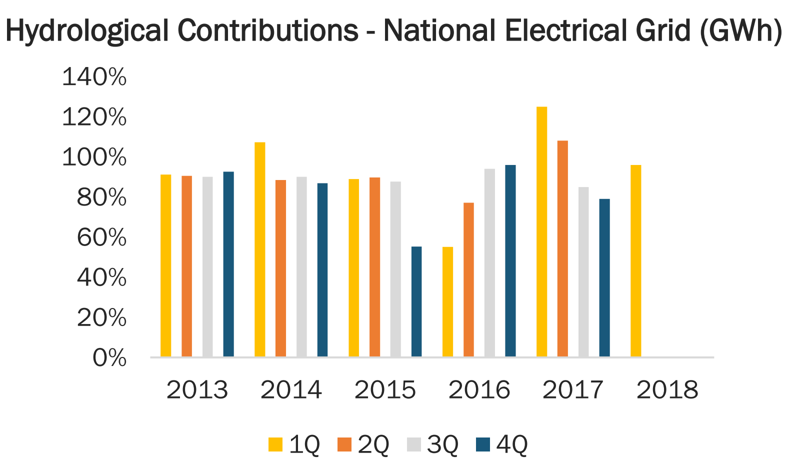
Source: XM



Source: XM

National Electrical Grid water levels were at 96% of the historical average, lower than the 125% recorded in the same period of last year. The aggregate level of National Electrical Grid reservoirs was 40% of their live storage (59% in 1Q2017). At Epsa, water levels were at 100% of the historical average and Company reservoir levels changed from 61% to 43% over the quarter.

The accumulated energy demand of Colombia's National Electrical Grid over the quarter was 16,639 GWh, a 2.6% increase from the same period in 2017. Out of this demand, the regulated market demand was 11,323 GWh, 2.8% higher than the same quarter in 2017, while the non-regulated market demand grew 2.4% to 5,245 GWh.

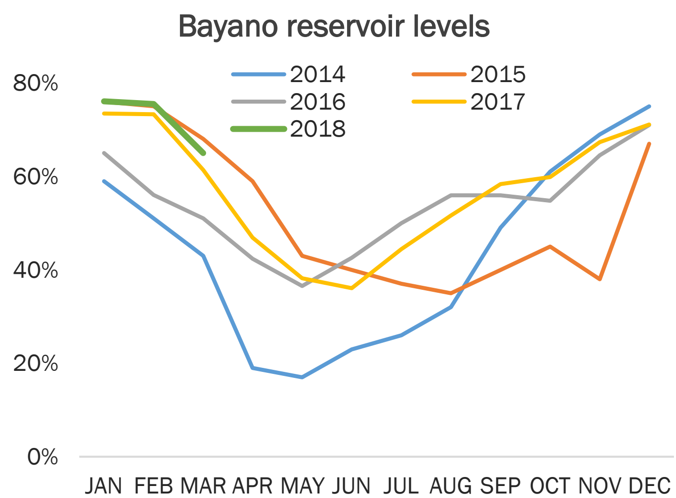


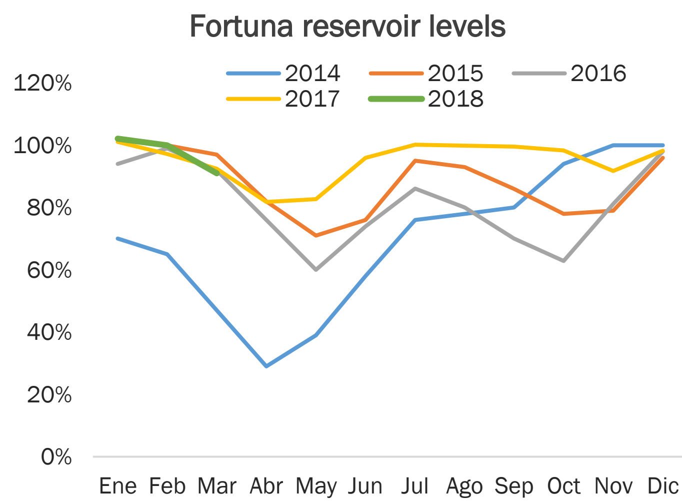
Source: XM

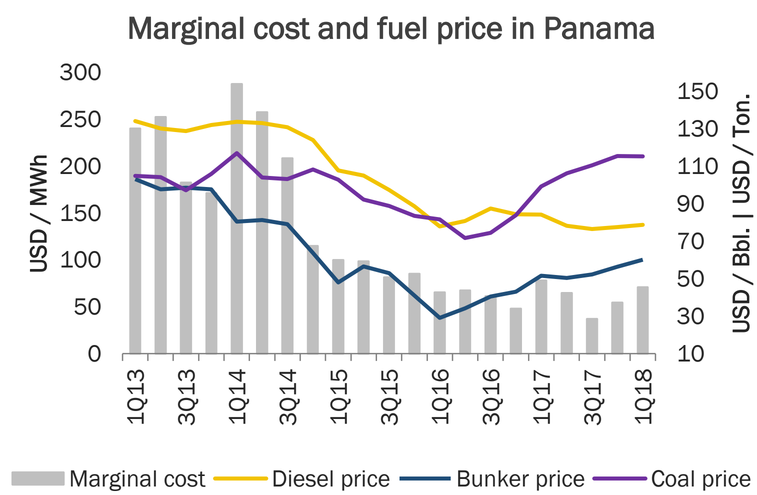
3. Electric market - Panama

The Fortuna Reservoir, upstream from our power plants in Chiriquí, decreased its live storage in the last three months from 98% to 91%. In turn, the level of the Bayano Reservoir decreased in the last three months from 71% to 65%.

The average marginal cost of energy was USD 71/MWh in the quarter, 9% less than the same quarter in 2017. The price of bunker and coal reported by the thermal power plants in Panama increased by 16%.







4. Operating and financial results

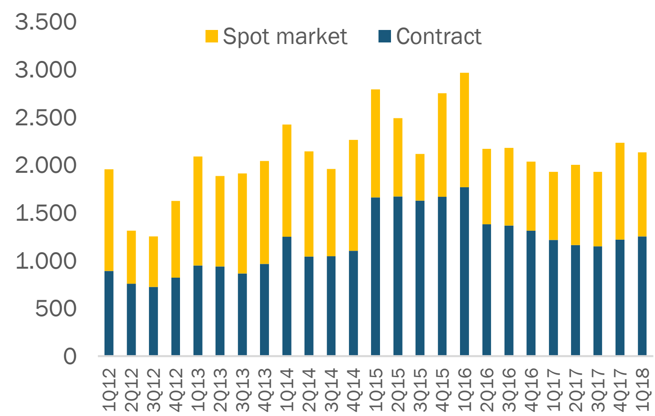
4.1. Revenues

Consolidated revenue for the quarter was COP 846,799 million, up 14% from the same period last year. Revenue from Central America was USD 65 million during the year, representing 22% of the consolidated revenue.

Consolidated electric power generation

The Company's consolidated generation was 1,753 GWh in the quarter, up 18% from the same quarter last year. Out of this generation, 64.5% came from hydroelectric power plants, 30.6% from thermal power plants, 4.7% from the wind farm in Costa Rica, and 0.22% (4 GWh) from the new solar farm in Yumbo.

Consolidated energy sales of the generator (GWh)



Source: Celsia

Generation in Colombia

Revenue from electric power generation in Colombia amounted to COP 323,698 million (+22% Y/Y).

In Colombia, the quarter's generation was 1,434 GWh (+15% Y/Y). Thermal power generation increased by 103%, mainly due to the greater demand of Zona Franca Celsia as a result of a failure in the system experienced in February, which lasted more than two weeks. Said failure also had effects on the gas sales and transportation business, where the traded volumes increased given the increase in demand on the coast. In turn, hydroelectric power generation decreased by 2% from 1Q2017.

The revenue from the reliability charge of the quarter in Colombia recorded COP 87,276 million (+2% Y/Y).

Centralamerica generation

Revenue from electric power generation in Central America during the quarter was USD 65 million (+6% Y/Y). Contract sales volumes were 488 GWh (+4% Y/Y) in the period.

In terms of the energy generated, 319 GWh (+33% Y/Y) were recorded in the first quarter, with the hydroelectric power plants increasing their power generation in the quarter by 19% to record 94 GWh. In turn, the thermal power plants generated 143 GWh, up 40% from 1Q17 due to the maintenance of the boiler in Bahía Las Minas (BLM) in 2017, and the wind farm generated 83 GWh, up 38% thanks to the greater wind speed.

Energy transmission and distribution

The revenue of the transmission and distribution (T&D) business recorded COP 67,434 million, 2% higher than the same period last year.

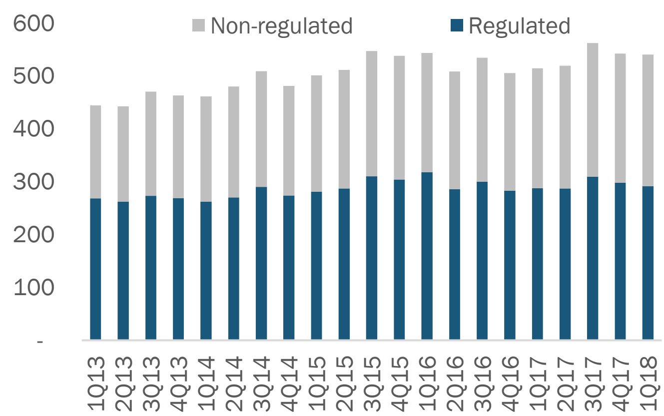
Energy sales

The retail reseller delivered 541 GWh of electricity in the quarter (+5% Y/Y), in which the regulated market increased 1% and the non-regulated market increased 10%. In turn, the consumer price index (CPI) increased by 3.14% from last year.

As a result, revenue from retail sales in the quarter increased by 9% in the quarter compared to last year, recording COP 231,382 million.

Other revenue recorded COP 12,944 million in the quarter (+8% Y/Y). This increase is mainly due to the contribution of new businesses, such as sales of backup generators, revenue from the Nuestro Montería Cooling District and sales of the home portfolio.

Energy sales of retail reseller by type (GWh)



Source: Celsia

4.2. Operating and administrative expenses

The consolidated cost of sales was COP 592,043 million, 13% higher than the same period last year. In Colombia, the cost of sales was 28% higher than in 1Q2017 with the main variation being in the variable cost, due to the greater use of gas because of the greater demand of Zona Franca Celsia on the system, which was duly remunerated as generation because of restrictions. In contrast, in Central America, the cost of sales was 19% lower than that of 1Q2017 (in USD) thanks to the lower value of energy purchases and the lower value of the bunker consumed, added to a reduction in the fixed cost.

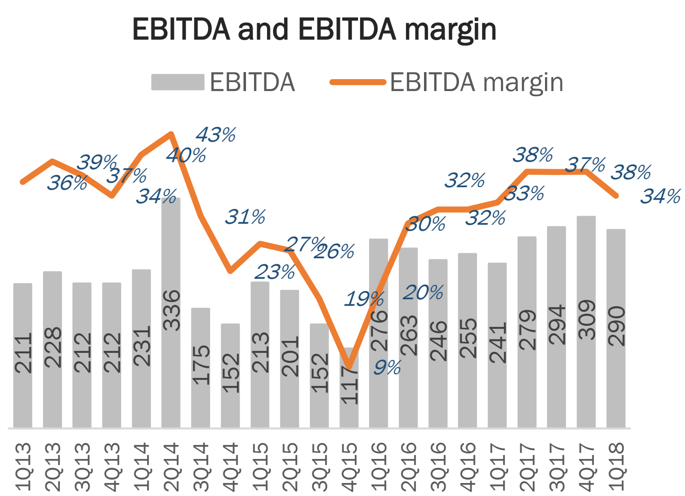
In terms of consolidated administrative expenses, these recorded COP 56,203 million in the quarter, 23% lower than those reported in the first quarter last year. In Colombia, COP 45,592 million were recorded for this concept in the quarter, 28% less than in 1Q2017, thanks to the lower value of the provisions, because there is no wealth tax in 2018. In Central America, USD 4 million were recorded in the quarter (+8% Y/Y).

4.3. Ebitda

The EBITDA of the first quarter this year was COP 289,812 million, up 20% compared to the COP 241,430 million reported for the same period in 2017. Taking advantage of good market conditions in both Colombia and Central America enabled the power generation facilities to make a significant contribution to the results, which added to the stability of the T&D business.

Colombia contributed with an EBITDA of COP 209,905 million (+8.6% Y/Y), which represents 72% of the consolidated EBITDA, a positive performance thanks to the higher spot market prices, greater generation and lower administrative expenses.

Central America contributed with USD 28 million, 70% higher than 1Q2017, mainly because of the opportunities to purchase electricity on the spot market at lower prices than the cost of generation in the thermal power plants. EBITDA in Central America comprised 28% of the consolidated figure.



Source: Celsia

4.4. Other Components of the Statement of Comprehensive Income

Regarding the other components of the Statement of Comprehensive Income, the following stand out:

- Financial revenue of COP 3,852 million, down 22% Y/Y in light of a lower value of cash.
- Other income of COP 4,210 million, down 40% Y/Y due to receipt of insurance compensation of COP 5,354 million in 2017 for the damage to the Zona Franca Celsia Thermal Power Plant’s turbine.
- Other expenses of COP 10,632 million, down 10% Y/Y due to lower provisions.
- Profit from the net exchange difference of COP 6,045 million.

4.5. Net income

With all of the above, the organization recorded consolidated net earnings of COP 79,158 million in the quarter, an increase of 262% Y/Y and the second highest quarterly value recorded since the mid-2014. When subtracting the minority interest, the net income attributable to controlling shareholders recorded earnings of COP 51,277 million out of a value of only COP 608 million in 1Q2017.

5. Investment and expansión plan

Investments to date in Colombia amounted to COP 89,012 million, 84% of which correspond to growth and strategy projects. Plan5Caribe comprised COP 40,589 million and the remaining amount was mainly attributed to the expansion of the Regional Transmission System (STR, for the Spanish original) and the Local Distribution System (SDL, for the Spanish original), civil works and the San Andrés Hydroelectric Power Plant. The remaining 16% of investments in Colombia were allocated to the continuity and maintenance of the generation, T&D business and to the support and assistance activities.

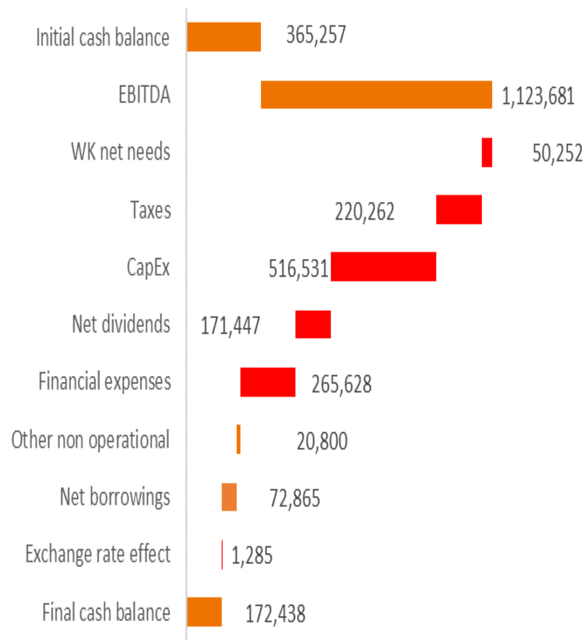
In Central America, investments to date record USD 304,000, with executions mainly in the hydroelectric and thermal power assets of Alternegy S.A.

6. Statement of cash flow

Year-to-date operations have generated COP 289,812 million in cash. Resources were applied mostly as follows: i) net working capital requirements of COP 76,279 million, ii) payment of COP 44,198 million in taxes, iii) CapEx of COP 89,880 million, and iv) payment of dividends for COP 23,270 million. The issuance of shares in February together with the financial returns contributed additional cash resources, with which COP 720,247 million were used in net funding activities, including financial expenses.

The final cash balance was COP 214,552 million.

Cash Flow (COP million)	Total
EBITDA	1,123,681
(+) Working capital net needs	(50,252)
(-) Taxes	(220,262)
Total Operating Cash Flow	**853,166**
Investment Cash Flow	
(-) CapEx + investments	(516,531)
Total Investment Cash Flow	**(516,531)**
Company's Free Cash Flow	**336,634**
(+/-) Net borrowings and financial	**(338,492)**
(+) Other revenue	58,273
(-) Other expenses	(91,953)
(+) Financial yields and other	12,880
(+/-) Net dividends	(171,447)
Exchange rate effect	1,285
Total Financing Cash Flow	**(529,454)**
Total Cash Flow for the Period	**(192,819)**
(+) Initial cash balance	365,257
Final Cash Balance	**172,438**



Financial Statements: Click Here

Celsia separate financial statements

In the first quarter of the year, COP 60,444 million in revenue were recorded in Celsia's Separate Financial Statements, up 43% from 2017.

Electric power generation in the quarter was up 1% from the same period in 2017 recording a total of 57 GWh, of which Río Piedras dispatched 29 GWh (+4% Y/Y) and Hidromontañitas dispatched 28 GWh (+5% Y/Y). Meriléctrica did not dispatch energy in the quarter and its revenue was mainly from the reliability charge.

The net earnings in the quarter amounted to COP 51,227 million.

Financial Ratios

Celsia Separate Financial Statements:

	Unit	1Q2018	Dec-2017
Solvency and debt indicators			
Liability/Asset (Level of debt)	%	21%	29%
Current liability/Total liability (short term)	%	30%	25%
Liquidity indicators			
Current ratio (Current assets / Current liabilities)	Times	2,47	1,18
Cash and cash equivalents	COP mill.	3.743	5.976
Profitability indicators	**Unit**	**1Q2018**	**1Q2017**
Gross Margin	%	32%	38%
Operating margin	%	13%	-6%

Main variations:

Less debt as a result of the strategy to optimize the consolidated capital structure.

Larger margins thanks to greater sales of gas in 2018 and a higher price of the wholesale contracts (some related to the spot market price).

Celsia Consolidated Financial Statements:

	Unit	1Q2018	Dec-2017
Solvency and debt indicators			
Liability/Asset (Level of debt)	%	49%	55%
Current liability/Total liability (short term)	%	29%	25%
Liquidity indicators			
Current ratio (Current assets / Current liabilities)	Times	0,77	0,75
Cash and cash equivalents	COP mill.	214.552	172.438
Profitability indicators	**Unit**	**1Q2018**	**1Q2017**
Gross Margin	%	30%	29%
Operating margin	%	23%	20%

Main variations:

Less debt as a result of the strategy to optimize the consolidated capital structure.

Larger margins by taking advantage of good market conditions in both Central America and Colombia.

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