

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Results 1Q18 Celsia Starts 2018 with an Outstanding Quarter in Both EBITDA and Net Profit

- A 20% increase in the EBITDA, a 262% increase in the net profit and a 14% increase in consolidated revenue mark the results of the Company's first quarter.
- Celsia started the year with a share issuance, with which it managed to raise COP 1.47 trillion, giving it the right conditions to drive profitable growth projects for the Organization.
- Out of the main events of the quarter, the start of work on the following projects stand out: the San Andrés Small Hydroelectric Power Plant in Antioquia; Celsia's second solar farm, this time in Bolívar; and the Plan5Caribe project in the Department of Atlántico.
- To date, more than 5,000 clients have joined the new era for energy with products such as conventional energy, efficient lighting, backup energy, cooling districts and the home portfolio.

Medellín, May 4, 2018. Celsia, an energy company of Grupo Argos, started the year with outstanding operating results as part of the share issuance that enabled the Organization to increase its shareholding in Epsa to 61% and to reduce the leverage level by COP 719 billion. *"The results of all our operations enabled us to obtain the best EBITDA for a first quarter and reinforce our commitment to all our shareholders who supported us in the share issuance. Similarly, discipline in application of resources has enabled an increase in the profit of the controlling shareholder to more than COP 50 billion thanks to the lower interest and a greater shareholding in the income of Epsa,"* indicated **Ricardo Sierra Fernández, Celsia CEO.**

The financial results of the first quarter produced the highest EBITDA in the Company's history for this period, due to some increasingly more profitable transactions, added to some positive market conditions. Furthermore, important news was announced for the Organization's growth, especially in the generation and distribution businesses with the start of work on the San Andrés Small Hydroelectric Power Plant in Antioquia, the solar farm in Bolívar, and the sixth Plan5Caribe project, this time in the Department of Atlántico.

The new businesses and transformation of the client experience keep consolidating with important results. As regards solar energy, 4 MW-solar roofs have been already installed and other 14 MW are in the installation process. To date, more than 5,000 clients have been connected to the new era of energy, with products such as conventional energy, efficient lighting, backup energy, cooling districts and the home portfolio. Additionally, the first point of sale and electricity advice was opened in Palmira for the residential segment. At this service center, clients can renovate their home, always striving for energy efficiency, and they have the opportunity to interact and learn about all the products and their benefits.

Main Results:

The **EBITDA** was around COP 290 billion, a **20% increase** from the same period last year. Operations in Colombia contributed with an EBITDA of COP 210 billion due to the positive performance of the spot market price, greater generation and lower administrative expenses. EBITDA in Central America amounted to USD 28 million.

The **consolidated net profit** was COP 79 billion, **up 262%** from last year and the second highest quarterly value recorded since mid-2014. In this indicator, the income attributable to the controlling shareholder recorded earnings of COP 51 billion, a figure much higher than the COP 608 million obtained last year.

The **consolidated revenue** amounted to COP 847 billion, an **increase of 14%** from last year. Operations in Colombia contributed COP 660 billion, 18% higher than in the same quarter of 2017, and in Central America, they amounted to USD 65 million, a 5% increase. Information to highlight in the region is the increase in wind power generation in Costa Rica, which went up 38% in the quarter, due to greater wind speed in the season.

In terms of businesses, the contribution of the generation business in Colombia was COP 324 billion, up 22%; and revenue from the T&D business amounted to COP 67 billion and took into account the revenue from the Plan5Caribe projects that started operations in 2017: La Guajira and Valledupar. In turn, the sales business obtained revenue of COP 231 billion, which represents an increase of 9%. Other revenue recorded around COP 13 billion due to the contribution of new businesses such as solar power, sale of backup generators, the Nuestro Montería Cooling District and the sales of the home portfolio.

The **consolidated cost of sales** recorded COP 592 billion, up 13% from last year, mainly due to the greater use of gas in Zona Franca Celsia to respond to the demand on the Caribbean Coast in February. In contrast, the cost of sales in Central America was 19% lower.

Investments in Colombia amounted to COP 89 billion, of which: COP 41 billion were for investments in Plan5Caribe; COP 34 billion for expansion of the STR and SDL, civil works and the start of construction of the San Andrés Power Plant (Antioquia); and COP 14 billion were invested in business continuity and maintenance. The investments made in Central America to date amount to COP 868 million.

The debt at the end of the first quarter amounted to COP 3.01 trillion, 20% less than in December 2017, thanks to the payment of liabilities in Celsia and to its operations in Central America related to the issuance of shares. As a result, interest expenses decreased by COP 7,414 million in this quarter.

Relevant Events of the Quarter

- Beginning of the construction of the San Andrés Small Hydroelectric Power Plant (Antioquia), which will contribute a capacity of 19.9 MW, will provide electricity to 25,000 households and will generate approximately 150 direct and indirect jobs in the construction stage.
- Beginning of the construction works of Celsia Solar Bolívar, the Company's second solar farm, which will be located in the Municipality of Santa Rosa de Lima (Bolívar). It will have

an installed capacity of 8.06 MW, and it is estimated that it will generate 15.5 GWh/year, with which it will provide electricity to around 7,400 households.

- Launching of the sixth of the seven projects awarded to the Company in Plan5Caribe: the construction of the Norte Substation of 110 kV, the increase in the capacity of the Nueva Barranquilla Substation, and the construction of 5 km of the underground distribution network in dual circuit.
- The General Meeting of Shareholders was held, where a dividend of COP 170 per share was approved, a 31% increase from the dividend last year.
- Celsia came in ninth place in the Private Social Investment Index (IISP, for the Spanish original) in Colombia, which measures the voluntary social investment that companies make with their revenue, the information on corporate governance, supplier management, inclusion, gender quality and environmental investment.
- The foundations delivered 12 renovated schools in terms of energy and water in the departments of Antioquia, Atlántico and Valle del Cauca, which benefitted 3,600 students.
- Installation of the first two charging stations for electric vehicles in Cali at Universidad ICESI and Universidad Javeriana, and two more in Medellín at Escuela de Ingeniería de Antioquia and Universidad CES.

Presentation of Results by Teleconference

On May 7, 2018, at 8:00 a.m., Bogotá time, the presentation of the quarterly results will be broadcast online. To connect, please click the following link:

[Presentation of 2018 first quarter results](#)

Financial Statements: [click here](#)