

2018 Results

Net income grows as a result of the optimization of the capital structure and the strengthening of Epsa as an operating vehicle in Colombia.

- *In the economic results of the closing of 2018, it stands out: revenues of \$ 3.4 trillion (+ 10.7%), Ebitda added \$ 1.13 trillion (+ 1.0%) and consolidated net income reached \$ 351 billion (+ 39.7%).*
- *Outstanding achievements such as: the additional increase in net profit from the higher participation in Epsa (+ 11.25%); and the decrease in financial expenditure.*
- *These results are added to relevant milestones: consolidation of Epsa as a growth vehicle in Colombia; start-up of the Celsia Solar Bolívar photovoltaic plant and the completion of Plan5Caribe projects in Cartagena and Valledupar.*

Medellín, February 19, 2019. Since 2007, the year in which Celsia focused its investments in the energy sector, it has taken decisive steps to become a relevant player in the sector in Colombia and Central America. Undoubtedly, 2018 was transformational to achieve this purpose, since it consolidated its investments and operations in Colombia through Epsa and optimized the capital structure to reduce financial expenses and accelerate the company's profitable growth.

Positive results in all indicators

Consolidated revenues reached \$ 3.4 trillion with a growth of 10.7%. It stands out the income of distribution and commercialization for \$ 1.3 trillion, generation contributed with \$ 2.0 trillion. Income in Colombia represented 81% of the total, while Central America had a 19% share. **In the fourth quarter revenues were \$ 906 billion**, an increase of 9.9% over the previous year. Colombia contributed \$ 762 billion and Central America USD 45 million.

The **consolidated Ebitda reached \$ 1.13 trillion**, which represents a growth of 1% compared to 2017. Colombia contributed with an Ebitda of \$ 879 billion, representing 77% of the consolidated. Central America contributed USD 87.4 million, contributing 23% of the total EBITDA. **In the fourth quarter, operations generated an Ebitda of \$ 316 billion**, increasing 2.3% and becoming the highest quarterly EBITDA recorded in the last 4 years.

The **consolidated net profit was \$ 351 billion**, increasing 39.7% and the **result attributable to the controller company was \$ 228 billion**, increasing 52.8%, 20% of these profits come from the 11.25% increase in Celsia's stake in Epsa, which today reaches 61.3%. **In the fourth quarter the record of consolidated net profit was \$ 108 billion**, increasing 51.2%. When discounting the minority interest, the **net result attributable to owners of the controller company was \$ 64 billion**.

RELEVANT INFORMATION CELSIA S.A. E.S.P.



The strategy of optimizing the capital structure added to the decrease in interest rates allowed a reduction in financial expense: **net debt at the end of the year amounted to \$ 3.06 trillion with a net debt / Ebitda indicator of 2.7 times** below 3.2 times registered in 2017. **In the year, financial expenses were \$ 295 billion** with a decrease of 10.0%. In the fourth quarter this expense reached \$ 71 billion, decreasing 18.0%.

Thanks to the deductions received for the benefits of Law 1715 and to investments in innovation rated by Colciencias, as well as the recording of a deferred tax income for the adjustment of deferred liabilities due to the gradual reduction of the future rental rate, the company recorded **\$ 151 billion in consolidated income tax with a decrease of 22.5%**. In the fourth quarter, the provision for consolidated income tax recorded \$ 45 billion, a decrease of 26%.

In 2018, **consolidated investments were made for \$ 618 billion**, growing by 20%. In Colombia investments were made for \$ 592 billion and in Central America for USD 10.4 million. By business: \$ 384 billion in transmission and distribution, \$ 171 billion in the generation business and the remaining amount in innovation, support and business continuity.

Highlights that are reflected in 2018 results

- Celsia materialized its corporate reorganization, strengthening Epsa as the growth platform in Colombia, through the sale of some generation assets of its property and the commercial representation of the Meriléctrica plant. This transaction was successfully developed, which improves the organizational capacities and decreases the energy portfolio management expenses.
- Through Epsa, Celsia structured an **issuance of green bonds** worth \$ 420 billion for the development of unconventional renewable energy projects, of which \$ 140 billion have been placed. Thus, it became the first company in the real sector in Colombia to use this financial instrument.
- **Celsia Solar Bolívar started to deliver energy** at the end of 2018. This photovoltaic solar farm has a capacity of 8.1 MW and USD 8 million were invested for its construction.
- The **projects of Plan5Caribe** in the north of Cartagena and Valledupar were completed at the beginning of 2019 and two more are being executed in Barranquilla. Additionally, the company won another public tender for the construction of Tolviejo substation and the assembly of 160 km of new networks that pass through the departments of Córdoba, Sucre and Bolívar.

RELEVANT INFORMATION CELSIA S.A. E.S.P.



A year full of recognitions

- Celsia enters for the first time the Dow Jones Sustainability Index of the Integrated Latin American Market (MILA) - Pacific Alliance.
- It is ranked 6th of the best places to work in Colombia according to the *Great Place to Work Institute*.
- He obtains the 50th position in the Corporate Reputation Monitor in Colombia and the third in the energy, gas and water sector.
- The company obtained the bronze category in the electricity sector for the first time in the recent publication of the *RobecoSam Sustainability Yearbook*.

The company announces its General Assembly of Shareholders and the proposed distribution of profits

Celsia will convene the **ordinary meeting of the General Assembly of Shareholders** that will be **held in Medellín, on March 27, 2019, at 10:00 am, in Plaza Mayor Medellín**, located at 41st Street No. 55-80, Medellín, Antioquia.

At said meeting, the Board of Directors and the Presidency of Celsia will place to the consideration of the Assembly a dividend equivalent to \$ 184 per share, representing an increase of 8.2% with respect to the dividend per share approved the previous year.

Conference Call 4Q18

February 20, 2019 at 8 a.m., Bogota time, the online transmission of the presentation of quarterly results will be made. To connect, click on the following link: [Fourth quarter 2018 conference call](#).

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Consolidated statement of financial position¹

Celsia S.A. E.S.P.

Years ended December 31, 2018 and December 31, 2017

Values expressed in thousands of COP

	2018	2017
Assets		
Non-current assets		
Property, plant and equipment	7.598.157	7.183.979
Assets acquired under financial lease	194.682	88.130
Intangible assets, net	357.499	353.651
Financial investments	99.746	105.408
Other non-financial assets	9.770	16.284
Trade and other non-current receivables, net	6.292	41.889
Goodwill	952.737	905.899
Deferred tax asset	91.546	131.515
Total non-current assets	9.310.429	8.826.755
Current assets		
Cash and cash equivalents	444.622	172.438
Other non-financial assets	79.620	73.090
Trade debtors and other accounts receivable, net	526.120	515.319
Inventories	255.700	174.717
Tax assets	75.361	67.965
Total current assets	1.381.423	1.003.529
Total assets	10.691.852	9.830.284

¹ Quarterly Financial Statements available in the Valuation Kit published on the Shareholders' website, <https://www.celsia.com/en/Financial-information/Analyst-valuation-Kit>
Information subject to approval by the General Shareholders Meeting.

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Liabilities and shareholders' equity

Equity

Subscribed and paid-in capital	267	185
Issue premiums	1.822.196	365.442
Reserves	2.467.051	2.465.196
Net annual profit (loss)	227.834	149.147
Other comprehensive income	316.132	196.838
Earnings made from other comprehensive income	10.513	-
Retained earnings	(60.908)	(26.305)
Retained earnings in opening balance sheet	20.585	20.585
Other equity participations	(405.668)	-

Total equity attributable to the controlling shareholder

4.398.002	3.171.088
-----------	-----------

Non-controlling interests

1.006.354	1.265.806
-----------	-----------

Total net equity

5.404.356	4.436.894
-----------	-----------

Liabilities

Non-current liabilities

Financial liabilities	2.956.750	3.340.786
Trade liabilities and other accounts payable	92.411	85.612
Deferred tax liabilities	423.894	494.132
Employee benefits	134.248	138.911

Total non-current liabilities

3.607.303	4.059.441
-----------	-----------

Current liabilities

Financial liabilities	669.054	578.396
Trade liabilities and other accounts payable	627.646	424.404
Provisions	234.359	209.731
Tax liabilities	53.991	48.208
Employee benefits	46.128	40.116
Other liabilities	49.015	33.094

Total current liabilities

1.680.193	1.333.949
-----------	-----------

Total liabilities

5.287.496	5.393.390
-----------	-----------

Total liabilities and equity

10.691.852	9.830.284
------------	-----------

RELEVANT INFORMATION
CELSIA S.A. E.S.P.



Consolidated statement of income

Celsia S.A. E.S.P.

Years ended December 31, 2018 and December 31, 2017

Values expressed in thousands of COP

	YTD		Quarter	
	2018	2017	4Q 2018	4Q2017
Operating income				
Revenue from ordinary activities	3.424.430	3.094.036	905.597	823.902
Cost of sales	(2.413.591)	(2.099.640)	(615.987)	(548.254)
Gross profit	1.010.839	994.396	289.610	275.647
Other revenue	12.584	13.630	950	2.652
Administration expenses	(222.990)	(233.393)	(58.331)	(58.569)
Other expenses	(28.804)	(15.061)	(7.648)	(858)
Participation in results of associates and joint ventures	108	(1.713)	135	(1.491)
Earnings before financial costs	771.737	757.859	224.715	217.382
Financial revenue	11.914	15.422	3.740	803
Financial costs	(294.754)	(326.819)	(71.455)	(87.208)
Exchange rate difference, net	13.294	82	(3.488)	1.745
Earnings before tax	502.191	446.544	153.512	132.722
Revenue (expenditure) for taxes	(151.492)	(195.578)	(45.449)	(61.267)
Net income for the period	350.699	250.966	108.063	71.455
Earnings attributable to:				
Controlling shareholders	227.834	149.147	63.829	39.328
Non-controlling interests	122.865	101.819	44.234	32.129
	350.699	250.966	108.063	71.457

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Pro-forma Consolidated Statement of Comprehensive Income - Colombia²

Values expressed in millions of Colombian pesos

	2018	2017
Generation of electric power	1.296.046	1.113.676
Retail marketing	1.014.381	894.047
Use and connection of networks	277.647	264.701
Marketing of gas and transport	120.587	51.727
Other operational services	54.352	41.360
Revenue	2.763.013	2.365.510
Cost of sales	(1.939.405)	(1.547.099)
Gross profit	823.607	818.411
Gross Margin	29,8%	34,6%
Other revenue	9.730	12.798
Administrative expenses	(184.567)	(187.640)
Other expenses	(21.817)	(13.323)
Participation in results of associates and joint ventures	108	(1.711)
Earnings Before Financial Expenses	627.062	628.535
Financial result - financial income	16.720	14.431
Financial result - financial costs	(192.041)	(226.174)
Exchange rate difference, net	15.155	(1.844)
Earnings before taxes	466.895	414.948
Income tax	(146.704)	(199.472)
Net Profit	320.192	215.476
Net margin	11,6%	9,1%
Profit Attributable		
To controlling shareholders	202.589	113.983
To non-controlling shareholders	117.602	101.492
Profit	320.192	215.475

² Quarterly Financial Statements available in the Valuation Kit published on the Shareholders' website, <https://www.celsia.com/en/Financial-information/Analyst-valuation-Kit>
Information subject to approval by the General Shareholders Meeting.

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Pro-forma Consolidated Statement of Comprehensive Income - Central America

Values expressed in millions of dollars

	2.018	2.017
Generation of electric power	224,22	245,28
Retail marketing	0	0,00
Use and connection of networks	0	0,00
Marketing of gas and transport	0,00	0,00
Other operational services	1,17	1,56
Revenue	225,40	246,84
Cost of sales	(161,32)	(187,47)
Gross profit	64,08	59,37
Gross Margin	28,4%	24,1%
Other revenue	1,00	0,28
Administrative expenses	(13,05)	(15,49)
Other expenses	(2,30)	(0,59)
Earnings Before Financial Expenses	49,73	43,57
Financial result - financial income	1,66	11,91
Financial result - financial costs	(38,68)	(33,42)
Exchange rate difference, net	0,00	0,00
Earnings before taxes	12,71	22,05
Income tax	(1,53)	(1,29)
Net profit	11,18	23,34
Net margin	5,0%	9,5%
Profit Attributable		
To controlling shareholders	9,19	23,31
To non-controlling shareholders	1,99	0,04
Profit	11,18	23,35

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Individual statement of financial position³

Celsia S.A. E.S.P

Years ended December 31, 2018 and December 31, 2017

Values expressed in thousands of COP

	2018	2017
Assets		
Non-current assets		
Property, plant and equipment	167.384	404.368
Intangible assets, net	989	2.779
Financial investments	5.062.670	3.673.236
Trade debtors and other non-current receivables, net	475.280	1.497
Goodwill	-	15.842
Deferred tax asset	53.274	77.428
Current assets	5.759.597	4.175.150
Cash and cash equivalents	92.290	5.975
Other non-financial assets	4.023	4.497
Trade debtors and other accounts receivable, net	311.015	337.013
Inventories	2.121	2.507
Tax assets	27.574	35.320
Total current assets	437.023	385.312
Total assets	6.196.620	4.560.462

³ Quarterly Financial Statements available in the Valuation Kit published on the Shareholders' website, <https://www.celsia.com/en/Financial-information/Analyst-valuation-Kit>
Information subject to approval by the General Shareholders Meeting.

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Liabilities and shareholders' equity

Equity

Subscribed and paid-in capital	267	185
Issue premiums	1.822.196	365.442
Reserves	2.467.051	2.465.196
Net annual profit	542.751	183.750
Other comprehensive income	313.459	195.794
Earnings made from other comprehensive income	10.513	-
Retained earnings	3.102	3.102
Retained earnings in opening balance sheet	20.585	20.585
Total net equity	5.179.924	3.234.054

Liabilities

Non-current liabilities

Financial liabilities	451.850	883.488
Trade liabilities and other accounts payable	92.381	85.612
Deferred tax liabilities	9.831	30.022
Employee benefits	3.541	1.642
Total non-current liabilities	557.603	1.000.764

Current liabilities

Financial liabilities	293.091	228.077
Trade liabilities and other accounts payable	133.799	75.163
Provisions	220	220
Tax liabilities	970	365
Employee benefits	5.220	4.678
Other liabilities	25.793	17.141
Total current liabilities	459.093	325.644
Total liabilities	1.016.696	1.326.408
Total liabilities and equity	6.196.620	4.560.462

RELEVANT INFORMATION
CELSIA S.A. E.S.P.



Individual statement of income

Celsia S.A. E.S.P

Years ended December 31, 2018 and December 31, 2017

Values expressed in thousands of COP

	YTD		Quarter	
	2018	2017	2018	2017
Operating income				
Ordinary activities income	257.982	190.042	66.255	62.485
Cost of sales	(154.168)	(101.353)	(34.493)	(30.800)
Gross profit	103.814	88.689	31.762	31.685
Other revenue	313.641	1.177	312.996	428
Administration expenses	(50.109)	(61.350)	(15.895)	(11.620)
Other expenses	(5.193)	(4.971)	(298)	(270)
Participation in results of associates and joint ventures	241.856	251.552	85.348	85.723
Earnings before financial expenses	604.009	275.097	413.913	105.946
Financial revenue	20.529	21.317	2.606	3.380
Financial costs	(74.086)	(102.172)	(19.034)	(26.133)
Exchange rate difference, net.	21.935	(371)	4.119	311
Earnings before tax	572.387	193.871	401.604	83.504
Revenue for taxes	(29.636)	(10.121)	(22.858)	(9.573)
Net income for the period	542.751	183.750	378.746	73.931

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Celsia separate financial statements

Revenues in Celsia separated in the fourth quarter reached 66,255 million (+ 6% YoY). Revenues for the year totaled 257,982 million (+ 35.8% YoY). The increase is mainly due to higher volumes of gas traded due to the events of restrictions in the Caribbean Region.

Power generation in the quarter totaled 76 GWh and was 1% lower than in the same period of 2017. Rio Piedras generated 40 GWh (-4% Y / Y), Hydromontañas 36 GWh (+ 2% Y / Y) and Meriléctrica did not generate during the period acting as a support plant for the system and receiving its income from Reliability Charge.

The net profit in the quarter was 378,746 million (+ 412% YoY). It is important to note that the value of net income considers the profit on sale of the assets traded with Epsa, which totals 314,917 million. Without considering said sale, the individual net profit would have been 227,834 million.

Financial ratios⁴

Celsia separate financial statements

Solvency and debt indicators

Liability/Asset (Level of debt)

Current liability/Total liability (short term)

Liquidity indicators

Current ratio (Current assets / Current liabilities)

Cash and cash equivalents

Unit	4Q2018	Dec-2017
%	16%	29%
%	45%	25%
times	0.95	1.18
COP mill.	92.290	5.976

Lower level of indebtedness due to the optimization of the recent capital structure

Profitability indicators

Gross Margin

Operating margin

Unit	4Q2018	4Q2017
%	48%	51%
%	24%	32%

Lower margins due to an increase in the cost of commercialized gas and higher administration expenses

Celsia consolidated financial statements

Solvency and debt indicators

Liability/Asset (Level of debt)

Current liability/Total liability (short term)

Liquidity indicators

Current ratio (Current assets / Current liabilities)

Cash and cash equivalents

Unit	4Q2018	Dec-2017
%	49%	55%
%	32%	25%
times	0.82	0.75
COP mill.	444.622	172.438

Lower level of indebtedness due to the optimization of the recent capital structure

Profitability indicators

Gross Margin

Operating margin

Unit	4Q2018	4Q2017
%	32%	33%
%	26%	26%

⁴ Balance comparisons compared to December last year. Comparisons of results, against the same period of the previous year.