

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Celsia S.A. E.S.P., the electricity Company of Grupo Argos, (hereafter “Celsia”) aiming to consolidate its operations in Colombia and strengthen its capital structure to continue its profitable growth, announces that the Board of Directors authorized an increase in the current position in Empresa de Energía del Pacífico SA E.S.P. (hereafter "EPSA"). In this respect, Celsia will launch a **tender offer (Share Acquisition Public Offer –OPA–** for its initials in Spanish) to purchase up to 14% of additional shares.

The Board of Directors also authorized the Administration to perform all the required formalities for a **Follow-On Public Offer (FPO)** in order to secure the resources needed for the aforementioned purchase of shares and to provide conditions for continued profitable growth. The FPO considers an increase of **up to 350 million** of common shares currently held in reserve and are expected to be offer during 1Q18.

In accordance with the provisions of the corporate By-laws, the issuance of common stock will consider preemptive rights. The FPO intends different methods of participation for existing shareholders and new potential investors.

Increasing ownership in EPSA, a company that contributes with nearly 60% of consolidated Ebitda, represents an attractive investment given the high level of knowledge and experience on managing the asset and the continued positive performance shown since the first investment in 2009. EPSA is also the company currently undertaking a series of expansion projects in Colombia such as Plan5Caribe, 200MW of Solar PV plants and more than 40MW of rooftop solar.

According to the valuation report made by an independent financial advisor, hired for the tender offer (OPA), the Enterprise Value given to EPSA is around COP 7,5 trillion. This value represents an appreciation since the acquisition given mainly to an Ebitda that will reach over COP 780 billion, once Plan 5 Caribe is finished, compared to a COP 362 billion Ebitda in 2009. Once the respective filing of registration statements with the Financial Superintendence of Colombia is completed the price for tender offer will be determined by the Board of Directors.

Finally, the strengthening of the capital structure through a reduction in current debt of Celsia will support the execution of the most important projects for the growth of the company that includes Plan5Caribe, 250 MW of solar farms, more than 40 MW on rooftop solar and the brand new portfolio of products and services across all regions.

The OPA and FPO are conditioned to the approval by the Financial Superintendence of Colombia and will be carried out through the Best Corporate Governance Framework.

Medellín, October 25th, 2017.