

Celsia Presents Outstanding Results in 2021

- **Consolidated Results of 2021:** Consolidated net profit of COP 545 billion, up 60.7%; EBITDA of COP 1.36 trillion, up 10.7%, and revenues of COP 4.11 trillion, up 16.3%.
- The platforms, developed with Cubico Sustainable Investments for the alternative renewable energy and power transmission businesses, accounted for COP 147 billion in revenues for Celsia in 2021.
- At the General Meeting of Shareholders convened for March 23, the Company will propose a dividend per share of COP 309, which amounts to COP 330 billion.
- Other highlights of 2021 include: the third issuance of the green bond program for COP 140 billion, the first loan linked to compliance with ESG indicators totaling COP 500 billion with Bancolombia, the execution of the Works for Taxes program with total investments of COP 101 billion, and others.

Medellín, February 24, 2022. Celsia, Grupo Argos' energy company, reported outstanding financial and operational results at the end of 2021, which show the strength of a sustainable company, with a differentiating organizational culture, committed to energy transformation in the regions where it operates, and with a very clear goal of having an increasingly cleaner generation matrix.

Financial Results

Consolidated income amounted to COP 41 trillion in 2021, reporting an increase of 16.3% from last year. Energy generation contributed COP 1.48 trillion, and its distribution and sales totaled COP 2.63 trillion.

Consolidated EBITDA totaled COP 1.36 trillion, with a reported 10.7% growth. This upward performance is due to the positive evolution of all of the company's segments, coupled with the economic recovery reflected in increased demand for energy.

During the year, net non-recurring income of close to COP 131 billion was reported, associated with the recovery of the provision for the legal process related to the Bajo Anchicayá power plant and the structured closure of Bahía Las Minas.

The sum of a dynamic operating result and non-recurring income led to a consolidated net profit for the year of COP 544.5 billion, 60.7% over the previous year's figure. Net income attributable to controlling shareholders totaled COP 334.5 billion, up 34.2 %.

The Company ended the year with a consolidated debt of COP 4.46 trillion and a leverage ratio of 3.08 times net debt to EBITDA. Compared to 2020, the effect of the devaluation of the Colombian peso in the consolidation of the Central American debt was COP 156 billion.

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"Noteworthy in the 2021 results is the 10.7% growth in consolidated EBITDA, a very good symptom of the strength of our assets, as well as the growth in consolidated net profit of 60.7% and of the controlling company by 34.7%. These results are due to a differentiating organizational culture, an operation focused on enriching the lives of our customers, and partially driven last year by non-recurring revenues. So we have really good news for our shareholders after a very demanding year," said Ricardo Sierra, Celsia CEO.

Customers Benefiting from Improved Service Quality

Today Celsia connects more than 1,240,000 customers with a firm commitment to continue modernizing the networks to offer them better service. To this end, it invested COP 365 billion in substations, new circuits and control systems to improve reliability and make them safer. Of the total invested, COP 154 billion went to the operation in Tolima and COP 211 billion to Valle del Cauca. Network availability stood at 99.88%.

These investments are evidenced by customers in service quality indicators. In Valle del Cauca, the company recorded a SAIDI (System Average Duration Index per customer) of 9.35 hours, an improvement of 4.0%, while the SAIFI (System Average Interruption Frequency) was 6.28x with an improvement of 13.6 %.

In turn, the SAIDI in Tolima was 43.50 hours, while SAIFI reported 26.70x, which improved 23.5 % and 21.9 %, respectively, compared to 2020. Celsia's investment plan in that department continues to remedy the deficiencies accumulated in service quality prior to the company's arrival in that region.

The energy sales business delivered 3,638 GWh in 2021, up 8.4%, of which 2,180 GWh went to the household market, up 1.7%, 1,391 GWh in the business market, up 18.1%, and 67 GWh in photovoltaic energy, up 103.3%.

General Meeting of Shareholders and Dividend Proposal

The Company will hold the General Meeting of Shareholders on March 23 at 10:00 am. Considering the outstanding results, an ordinary dividend will be proposed to the shareholders of COP 253 per share and an extraordinary one of COP 56. This dividend represents COP 330 billion, which reflects the company's commitment to transfer the value it has been creating to shareholders. This dividend represents a yield of more than 7.0% and would place it above the Colcap average.

Presentation of Results by Teleconference

On Friday, February 25, 2021, at 8:00 a.m., Bogotá time, the quarterly results presentation will be broadcast online. To connect, please click on the following link: [Presentation of 2021 fourth quarter results](#). The passcode to enter the meeting is 861921.

Other Important Events of the Year

- More than 20 MW of solar energy capacity went into operation.
- Investments of COP 365 billion were made in networks and technological upgrades to provide greater service reliability to customers in Valle and Tolima.
- The El Tesorito Thermal Power Plant Project, with a 200 MW capacity, is at 70% progress in its construction.
- In financial matters, we highlight the third issue of the green bond program for COP 140 billion for a term of 12 years.
- Similarly, the first loan totaling COP 500 billion for a term of 8 years with Bancolombia, linked to compliance with ESG indicators, was executed. This loan will enable the company to reduce its interest rate by up to 100 basis points by meeting goals on three fronts: i) reducing the intensity of CO2 emissions, ii) restoring ecosystems by planting native trees under the ReverdeC program, and iii) promoting gender equity in the workplace. The proceeds will be used to improve the Company's maturity profile and conditions and does not represent an increase in its level of indebtedness.
- Celsia invested more than COP 47.9 billion in social programs that benefited more than 389,000 people in aspects such as improving community infrastructure, developing community strengthening processes, productive projects, actions to strengthen energy efficiency and promoting education.
- Also noteworthy is the execution of the Works for Taxes program with projects totaling COP 101 billion, benefiting more than 116,000 people in the departments of Cauca, Tolima and Antioquia with different projects that included the provision of furniture and computer equipment for schools and road construction and improvement.

Main Summary Consolidated Financial Figures

	Units	4T2021	4T2020	Δ	2021	2020	Δ
Revenue	COP million	1.212.648	897.536	35,1%	4.110.735	3.536.007	16,3%
Gross earnings	COP million	387.029	299.571	29,2%	1.281.352	1.158.030	10,6%
EBITDA	COP million	402.404	335.688	19,9%	1.368.464	1.236.089	10,7%
<i>EBITDA margin</i>	%	33,2%	37,4%	-11,3%	33,3%	35,0%	-4,8%
Net earnings	COP million	235.281	86.483	172,1%	544.566	338.879	60,7%
Net earnings to controlling shareholders	COP million	117.237	55.528	111,1%	334.547	249.320	34,2%

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Celsia S.A.

Consolidated Statement of Financial Position

At December 31, 2021 and 2020

(Values expressed in millions of Colombian pesos)

	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment, net	6	9.074.663	8.353.654
Right-of-use assets	7	82.060	77.313
Intangible assets, net	8	323.489	353.692
Goodwill	9	986.782	958.924
Investments in associates and joint ventures	10	298.372	152.358
Other financial investments	11	245.985	98.140
Other non-financial assets	14	115.071	98.423
Trade and other accounts receivable, net	12	217.534	289.372
Deferred tax assets	29	2.585	2.189
Total non-current assets		11.346.541	10.384.065
Current assets			
Cash and cash equivalents	13	252.799	399.547
Derivative financial instruments	32	1.592	-
Trade debtors and other accounts receivable, net	12	829.557	599.488
Inventories	15	133.104	167.136
Other non-financial assets	14	55.189	59.137
Current tax assets	29	47.416	24.079
Non-current assets held for sale	16	15.290	177.207
Total current assets		1.334.947	1.426.594
Total assets		12.681.488	11.810.659
Liabilities and shareholders' equity			
Equity			
	17		
Issued capital		267	267
Share issue premium		1.822.196	1.822.196
Reserves		2.308.379	2.306.188
Current period net profit		334.547	249.320
Other comprehensive income		656.700	390.318
Retained earnings		246.672	302.435
Retained earnings in opening balance sheet		20.585	20.585
Other equity interests		(542.983)	(542.983)
Equity attributable to controlling shareholders			4.846.363
Non-controlling interest		1.475.558	1.192.329
Total equity, net		6.321.921	5.740.655

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Liabilities

Non-current liabilities

Financial debt	18	3.982.114	3.382.519
Liabilities for right-of-use assets	7	54.850	58.430
Trade and other accounts payable	21	111.674	106.865
Deferred tax liabilities	29	417.240	325.585
Employee benefits	19	121.408	140.894
Total non-current liabilities		4.687.286	4.014.293

Current liabilities

Financial debt	18	492.083	483.336
Derivative financial instruments	32	-	43.474
Liabilities for right-of-use assets	7	13.408	2.795
Trade liabilities and other accounts payable	21	831.295	692.408
Provisions	20	159.928	217.789
Current tax liabilities	29	72.562	70.448
Employee benefits	19	63.542	59.718
Other liabilities	22	31.691	30.179
Liabilities associated with assets held for sale	16	7.772	455.564
Total current liabilities		1.672.281	2.055.711
Total liabilities		6.359.567	6.070.004
Total liabilities and equity		12.681.488	11.810.659

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Celsia S.A.

Statement of Income and Other Comprehensive Income

At December 31, 2021 and 2020

(Values expressed in millions of Colombian pesos)

	Notes	2021	2020
Operating revenues			
Revenue	23	4.110.735	3.536.007
Cost of sales	24	(2.829.383)	(2.377.976)
Gross earnings		1.281.352	1.158.031
Other income	25	129.165	49.621
Administrative expenses	26	(311.498)	(302.815)
Other expenses	25	(182.416)	(27.472)
Equity method, net	27	(1.857)	(4.650)
Earnings before financial costs		914.746	872.715
Financial income	28	105.396	28.846
Financial costs	28	(321.072)	(354.771)
Exchange difference, net	28	35.719	(3.556)
Pre-tax income		734.789	543.234
Income tax	29	(190.223)	(204.355)
Current period net profit		544.566	338.879
Earnings attributable to:			
Controlling shareholders		334.547	249.320
Non-controlling shareholders		210.019	89.559
		544.566	338.879
Earnings per share from continuing operations (in COP)	30		
Basic earnings from continuing operations		508,95	316,72
Diluted earnings from continuing operations		508,95	316,72
Other comprehensive income:	17		
Items that will not be re-classified in the report			
Valuation of investments in equity instruments		(5.316)	(2.774)
Measurements of defined benefit plans		20.119	4.272
Items that will be re-classified after the report			
Difference in currency translation of subsidiaries abroad		206.585	70.488
Share in other comprehensive income of joint ventures		23.114	(14.373)
Total other comprehensive income		244.502	57.613
Other comprehensive income attributable to:			
Controlling shareholders		266.381	63.590
Non-controlling shareholders		(21.879)	(5.977)
Total other comprehensive income		244.502	57.613
Comprehensive income attributable to:			
Controlling shareholders		600.928	312.910
Non-controlling shareholders		188.140	83.582
Total annual comprehensive income		789.068	396.492

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CELSIA S.A.

Separate Statements of Financial Position

At December 31, 2021 and 2020

(Values expressed in millions of Colombian pesos)

	NOTES	2021	2020
Assets			
Non-current assets			
Property, plant and equipment, net	6	114.011	122.583
Right-of-use assets	7	7.088	9.211
Intangible assets, net	8	275	198
Investments in subsidiaries	9	5.381.345	4.754.799
Investments in associates	10	-	128
Other financial investments	11	121.326	86.139
Prepayments and other non-financial assets	14	916	-
Trade and accounts receivable related entities net	12	568.333	868.285
Total non-current, assets		6.193.294	5.841.343
Current assets			
Cash and cash equivalents	13	2.038	5.000
Trade debtors and other accounts receivable related entities, net	12	31.628	33.763
Inventories	15	2.268	2.431
Prepayments and other non-financial assets	14	5.601	2.200
Current tax assets	27	6.142	15
Total current, assets		47.677	43.409
Total assets		6.240.971	5.884.752
Liabilities and shareholders' equity			
Equity			
Issued capital	16	267	267
Share issue premium		1.822.196	1.822.196
Reserves		2.623.296	2.621.105
Current period net profit		341.851	282.524
Other comprehensive income		586.014	376.817
Retained earnings and losses		(8.943)	13.615
Retained earnings in opening balance sheet		20.585	20.585
Total net equity		5.385.266	5.137.109
Liabilities			
Non-current liabilities			
Financial debt	17	626.085	452.115
Liabilities for right-of-use assets	7	5.478	7.330
Trade and other accounts payable	20	111.674	106.865
Deferred tax liabilities	27	14.773	9.755
Employee benefits	18	-	452
Total non-current liabilities		758.010	576.517
Current liabilities			
Financial debt	17	4.727	1.723
Liabilities for right-of-use assets	7	1.974	1.628
Trade debtors and other accounts payable related entities, net	20	83.132	118.365
Provisions	19	878	34.173
Current tax liabilities	27	942	8.584
Employee benefits	18	6.033	6.605
Other non-financial liabilities	21	9	48
Total current liabilities		97.695	171.126
Total liabilities		855.705	747.643

RELEVANT INFORMATION CELSIA S.A.



Total liabilities and equity

6.240.971

5.884.752

CELSIA S.A.

Separate Statement of Income and Other Comprehensive Income

At December 31, 2021 and 2020

(Values expressed in millions of Colombian pesos)

	NOTES	2021	2020
Revenue	22	338.025	366.616
Cost of sales	23	(23.468)	(23.312)
Gross earnings		314.557	343.304
Other income	24	41.685	295
Administrative expenses	25	(29.185)	(32.955)
Other expenses	24	(12.100)	(6.931)
Earnings before financial costs		314.957	303.713
Financial income	26	39.915	44.410
Financial costs	26	(51.651)	(46.748)
Exchange difference, net	26	41.499	(2.590)
Pre-tax income		344.720	298.785
Income tax		(2.869)	(16.261)
Earnings of the period, net		341.851	282.524
Earnings per share from continuing operations (in COP)	28		
Basic earnings from continuing operations		319,49	264,05
Diluted earnings from continuing operations		319,49	264,05
Other comprehensive income	16		
Items that will not be reclassified after the annual report:			
Losses of investments in equity instruments expressed at their fair value through other comprehensive income		(5.211)	(2.826)
Actuarial earnings (losses)		14.655	3.104
Items that will be reclassified after the annual report:			
Exchange difference in transactions with foreign currency		184.700	62.721
Hedge accounting		15.053	(9.359)
Total other comprehensive income of the period		209.197	53.640
Total annual comprehensive income		551.048	336.164

Celsia's Separate Financial Statements

In the fourth quarter of the year, COP 124.063 million in income was reported in Celsia's Separate Financial Statements (+29,8% YoY). Year-to-date revenues totaled COP 338.025 million (-16.6% Y/Y).

Ordinary activities reported expenses of COP 163,443 million, explained by the recording of investment impairments related to the liquidation of assets of Bahía Las Minas, which was offset

RELEVANT INFORMATION CELSIA S.A.



by income from the equity method, totaling COP 287,507 million (+258.2% YoY), thanks to the good results of the companies in which the Company has an interest.

Cost of sales amounted to COP 7.039 million, an increase of 2.4% compared to last year, mainly due to the costs associated with the operation of Merilétrica, which delivered 24.5 GWh in the quarter.

Administrative expenses amounted to COP 7,547 million, 10.8% lower YoY, mainly due to lower tax accruals and lower depreciation and amortization

EBITDA¹ for the quarter was COP 112,719 million (+33.9% YoY) and for the accumulated year it amounted to COP \$298,113 million.

In the non-operational area, it should be noted that impairment of the investment in BLM was reclassified to the income from ordinary activities line in the fourth quarter. This applies both to the values applied in previous quarters of the year and to the new value applied in view of the progress in the liquidation and sale process of such assets. It is important to remember that these impairments must be applied in the separate statement, but have no impact on consolidated Celsia S.A. as a result of the normal eliminations of the consolidation process.

Financial expenses totaled COP 16,713 million, up 92.3 % on Q4 2020, mainly due to the greater value of indexes.

The net exchange difference recorded an income of COP 21,932 million, down 216.3% from the same period in 2020. The increase is mainly due to an increase in foreign exchange income related to insurance operations.

The income tax provision totaled COP 758 million (-109.6% Y/Y), which current tax amounted to COP 3,293 (-28.5% Y/Y) and deferred tax totaled COP 2,535 million (-79.8% Y/Y).

Net income in the quarter totaled COP 129,818 million (+93.4% Y/Y). Year-to-date earnings totaled COP 341,851 million (+21.0% Y/Y).

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.

¹ EBITDA holding: includes income/expense under the equity method.

1. Financial ratios

Celsia Consolidated Financial Statements

Liquidity and debt ratios	Unit	4T2021	Dec 2020
Liability/Asset (level of debt)	%	51%	51%
Current/Total liabilities (short term)	%	26%	34%
Current ratio (current assets / current liabilities)	Times	0,80	0,69
Cash and cash equivalents	COP million	252.799	399.547
Profitability ratios	Unit	4T2021	4T2020
Gross margin	%	32%	33%
Operating margin	%	24%	26%

Current liabilities decrease due to lower current liabilities held for sale and non-current liabilities increase to support growth activities.

Celsia's Separate Financial Statements

Liquidity and debt ratios	Unit	4T2021	Dec 2020
Liability/Asset (level of debt)	%	14%	13%
Current/Total liabilities (short term)	%	11%	23%
Current ratio (current assets / current liabilities)	Times	0,49	0,25
Cash and cash equivalents	COP million	2.038	5.000
Profitability ratios	Unit	4T2021	4T2020
Gross margin	%	94%	93%
Operating margin	%	88%	84%

The proportion of current liabilities is lower compared to December 2020, due to the increase of long-term debt in Q4 2021.