

First Quarter 2022 Results

With consolidated net profit of COP 166 billion (+43.4%), Celsia continues on its upward path of value creation.

- Q1 results: Consolidated revenue for the quarter totaled COP 1.3 trillion (+33.6%), consolidated EBITDA was COP 455 billion (+35.2%), and consolidated net profit was COP 166 billion(+43,4%).
- The quarter's results were favored by factors such as: asset strength, higher generation and energy sales price, and grid use and connection revenues driven by higher IPPI.
- The investment platforms reported positive growth in both revenues and EBITDA. In sustainable growth projects, the company has 6 solar farms under construction totaling close to 100 MW of installed capacity.
- As regards ESG matters, we can highlight the alliance with Grupo Éxito for planting one million native trees through the ReverdeC program; and the creation of an investment platform with Grupo Bancolombia Capital for the development of solar generation projects in companies of up to 7.99 MW.

Medellín, May 04, 2022. Celsia, a Grupo Argos energy company, reported its financial results for the first quarter of 2022, highlighting positive growth in all indicators, thanks to the strength of its assets and favorable market conditions during the period.

Financial Results

Consolidated revenue totaled COP 1.3 trillion (up +33.6% from 2021). Operations in Colombia reached revenues of COP 1.13 trillion, representing 86.3%, driven by higher generation and better sales prices; and Central America totaled COP 180 billion, contributing 13.7%.

Consolidated EBITDA reached COP 455 billion (+35.2%), led mainly by the positive contribution of all businesses in Colombia. Colombia's EBITDA was COP 417,205 billion (+44.3%), while Central America's was COP 37,554 billion (-20.4%) due to the dry period, which affected hydroelectric power generation and increased the amount of energy purchases at a much higher price.

EBITDA margin for the quarter was 34.7%, an improvement of 43 bps compared to the same period of the previous year.

Consolidated net profits totaled COP 166 billion (+43.4 %). Net earnings attributable to controlling shareholders totaled COP 102.700 billion, up +23.0 %).

For the quarter, **investments totaled almost COP 355 billion**, underscoring the investments associated with expansion and technological updating of the networks, as well as the growth of solar farms.

The Company ended the quarter with a **consolidated debt of COP 4.80 trillion** and a leverage ratio of 3.03 times net debt to EBITDA.

"We reported very good first-quarter results, thanks to the strength of our assets and very favorable market conditions. EBITDA reached COP 455 billion and consolidated income was COP 166 billion, an increase of 43.4% compared to the same period of the previous year, which is very good news for our shareholders. We also continue at a very good pace with growth projects focused on clean energy and the development of new energy efficient products and services to enrich the lives of our customers," said Ricardo Sierra, Celsia CEO.

Investment platforms

The asset management model in investment platforms continues to deliver important results: Caoba, in the transmission business, and C2 Energía, in the non-conventional renewable energy generation business, both developed with *Cubico Sustainable Investments*.

In the first quarter, the company reported revenues of more than COP 9 billion for the services it provides to the platforms (especially operation and maintenance), growing by more than 66.0%, thanks to the addition of more assets.

- The Caoba transmission platform recorded growth of 14.5% in revenues and 15.1% in EBITDA. This platform currently has assets of COP 1.4 trillion and an expansion projection for the next four years of more than COP 1.0 trillion.
- The C2 Energía solar platform grew 31.6% in revenues and 21.2% in EBITDA and continues to add assets, with 6 projects under construction this year that will add close to 100 MW of installed capacity. Between now and next year, the company will reach a total operating capacity of 300 MW.
- Tesorito, the thermal platform, is in the final phase of construction of the plant, which will start operating the second half of the year, with 200 MW of gas-fired generation capacity, energy equivalent to the consumption of approximately 950,000 homes.

Sustainable Growth

In order to continue promoting alternative renewable energy and efficient electricity consumption in companies, Celsia, together with Grupo Bancolombia Capital, created an investment platform aimed at facilitating the development of solar generation projects and energy supply services generated by alternative sources, with a capacity of up to 7.99 MW per project. This platform is expected to exceed 160 MW installed for different customers in the next five years.

In Valle, the first substation fitted with smart equipment was put into operation, with digital technology for its processes. This substation will increase energy availability or capacity by 25 MVA to meet the increased demand in the municipalities of Vijes, Restrepo and the rural district of Rozo, in Palmira. The investment was in excess of COP 21 billion and created 95 jobs during the construction phase. Between this year and next, the company expects to build 5 additional smart substations in Valle and Tolima.

Together with Parex Resources Colombia, which conducts oil exploration and exploitation activities, Celsia inaugurated its first solar farm located in Casanare. The solar farm has an installed capacity of 3 MW with an annual energy production of 5.9 GWh/year, equivalent to the

energy consumed monthly by 3,000 families in Colombia, avoiding emissions of approximately 3,500 tons of CO₂ in the first year.

Environmental, Social and Corporate Governance (ESG) Commitment

In social and environmental matters, the company partnered with Grupo Éxito to promote the planting of one million native trees in Colombia through the campaign "Recuperamos el Verde" (Let's Recover the Green): #UnÁrbolAlaVez. The goal is that Grupo Éxito, together with its employees, partners, customers and suppliers, will contribute 500,000 trees and Celsia 500,000 additional trees, which will be planted through the ReverdeC program in strategic ecosystems to increase forest cover and the ecological restoration of the country's watersheds.

Presentation of results by teleconference

On Thursday, May 05, 2022, 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 Q1 2022 results](#)

The passcode to join the meeting is: 462445

Main Consolidated Financial Figures

Consolidated	Units	1T2022	1T2021	Variation
Revenue		1,309,468	980,476	33.6%
Gross earnings	COP	428,429	314,792	36.1%
EBITDA	(millions)	454,759	336,321	35.2%
EBITDA Margin	%	34.7%	34.3%	1.2%
Net earnings	COP	165,955	115,767	43.4%
Controlling net income	(millions)	102,689	83,504	23.0%

Main Separate Financial Figures

Financial	Units	1T2022	1T2021	Variation
Revenue		125,369	96,484	29.9%
Equity method income	COP	109,995	85,352	28.9%
Gross earnings	(millions)	118,944	90,056	32.1%
Net earnings	COP	102,150	87,070	17.3%
	(millions)			

Consolidated statement of income
For the interim periods ending on March 31
(Values expressed in thousands of COP)

	March 2022	March 2021
Revenue		
Revenues from ordinary activities	1,309,468,303	980,476,205
Cost of sales	(881,039,487)	(665,684,128)
Gross earnings	428,428,816	314,792,077
Other income	3,819,190	2,650,674
Administrative expenses	(78,599,573)	(75,006,579)
Other expenses	(16,115,456)	(20,462,099)
Equity method, net	12,265,740	(424,212)
Earnings before financial costs	349,798,717	221,549,861
Financial income	5,121,000	8,384,012
Financial costs	(97,610,691)	(71,337,951)
Exchange difference, net	2,549,656	11,118,746
Earnings before tax	259,858,682	169,714,668
Income tax	(93,903,203)	(53,947,938)
Earnings of the period, net	165,955,479	115,766,730
Earnings attributable to:		
Controlling shareholders	102,688,672	83,504,070
Non-controlling interests	63,266,807	32,262,660
	165,955,479	115,766,730
Earnings per share from continuing operations (in COP)		
Basic profits from continuing operations	155.10	108.20
Diluted profits from continuing operations	155.10	108.20

Consolidated Statement of Financial Position
For the interim periods ending on March 31, 2022, and December 31, 2021
(Values expressed in thousands of COP)

	Mar-22	Dec-21
Assets		
Non-current assets		
Property, plant and equipment, net	9,209,328,870	9,074,663,043
Right-of-use assets	81,996,447	82,060,402
Intangible assets, net	324,097,279	323,489,284
Goodwill	948,626,865	986,781,743
Investments in associates and joint ventures	308,832,597	298,372,220
Other financial investments	238,281,124	245,985,331
Other non-financial assets	108,471,915	115,071,033
Trade debtors and other accounts receivable, net	264,787,828	217,533,561
Deferred tax assets	604,082	2,584,849
Total non-current assets	11,485,027,007	11,346,541,466
Current assets		
Cash and cash equivalents	288,213,422	252,799,348
Derivative financial instruments	32,300	1,591,851
Trade debtors and other accounts receivable, net	795,339,707	829,557,417
Inventories	139,821,329	133,104,315
Other non-financial assets	74,179,006	55,188,800
Current tax assets	87,315,692	47,416,467
Non-current assets held for sale	13,584,912	15,289,566
Total current assets	1,398,486,368	1,334,947,764
Total assets	12,883,513,375	12,681,489,230
Liabilities and Equity		
Equity		
Issued capital	267,493	267,493
Share issue premium	1,822,194,921	1,822,194,921
Reserves	2,319,608,293	2,308,379,050
Earnings of the period, net	102,688,672	334,546,584
Other comprehensive income	482,987,436	656,699,511
Retained earnings	239,368,031	246,672,210
Retained earnings in opening balance sheet	20,585,359	20,585,359
Other equity interest	-542,983,070	-542,983,070
Equity attributable to controlling shareholders	4,444,717,135	4,846,362,058
Non-controlling interests	1,435,366,881	1,475,559,167
Total equity, net	5,880,084,016	6,321,921,225
Liabilities		
Non-current liabilities		
Borrowings	4,147,482,528	3,982,114,327
Liabilities for right-of-use assets	56,428,967	54,849,839
Trade debtors and other accounts payable	113,392,800	111,674,023
Deferred tax liabilities	444,501,061	417,240,074
Employee benefits	121,037,774	121,408,499
Other liabilities	5,184	-
Total non-current liabilities	4,882,848,314	4,687,286,762
Current liabilities		
Borrowings	671,874,828	492,082,966
Liabilities for right-of-use assets	10,108,298	13,408,029
Trade liabilities and other accounts payable	1,182,202,810	831,295,169
Provisions	17,522,202	159,928,456
Current tax liabilities	153,278,008	72,561,852
Employee benefits	49,538,029	63,542,241
Other liabilities	32,361,666	31,690,879
Liabilities associated with assets held for sale	3,695,204	7,771,651
Total current liabilities	2,120,581,045	1,672,281,243
Total liabilities	7,003,429,359	6,359,568,005
Total liabilities and equity	12,883,513,375	12,681,489,230

CELSIA'S SEPARATE FINANCIAL RESULTS

Separate income

First quarter income totaled COP 125,369 billion. Income from the equity method accounted for 87.7% of total revenues and amounted to COP 109,995 billion. Celsia Colombia S.A. E.S.P.'s results were outstanding. The Company, (f/k/a EPSA), attained COP 117,724 billion, up 57.7% year-over-year. Revenue totaled COP 15,374 billion, up 38.1%, and is associated with the Meriléctrica plant reliability charge, which this year was received in full due to the plant's availability, and income from risk management.

Celsia Colombia's good results for the quarter are explained by:

- Increased energy production (+18.8%) and energy sales in contracts (+23.6%).
- Increased energy sold on the spot market (+20.2%) at a higher price. The average spot market price for the quarter was 294.5 COP/kWh, an increase of 50.4%.
- Increase of 30.2% in revenues from grid use and connection and the sale of energy contracts due to PPI performance.
- Celsia Colombia's consolidated EBITDA grew 44.3% to COP 412,393 billion, while consolidated net earning was COP 179,208 billion, up 58.7% year-over-year.

Costs, expenses and other separate net expenses

In the first quarter, operating costs were COP 6,426 billion, with a slight decrease due to the fact that in the same period the previous year, costs were recorded for purchases and contracting necessary for the change of the 207 MVA transformer at the Meriléctrica plant. Administrative expenses totaled COP 7,296 billion, up 17.9% compared to the same quarter of the previous year.

In other net expenses, COP 5,342 billion were recorded, an increase of 3.9% due to the approval by the Assembly of the donation to Fundación Grupo Argos in the amount of COP 5,281 billion.

Separate financial revenue and costs

Financial income was COP 12,628 billion, an increase of 50.5% in the first quarter, mainly due to interest income of COP 12,593 billion.

Financial costs amounted to COP 19,104 billion and grew 107.0%, mainly due to the increase in debt indexation. The CPI has risen nearly 700 bps in the previous year while the Central Bank of Colombia's intervention interest rate has risen 325 bps.

Separate taxes

In the first quarter there was a tax loss and therefore a deferred tax income of COP 3,187 billion compared to the previous year's expense of COP 4,499 billion.

Separate net earnings

First quarter net income grew 17.3% to COP 102,250 billion, mainly due to good business and investment performance and income recorded under the equity method.

Separate statement of income
For the interim periods ending on March 31
(Values expressed in thousands of COP)

	2022	2021
Revenues from ordinary activities	125,369,485	96,483,784
Cost of sales	(6,425,624)	(6,427,288)
Gross earnings	118,943,861	90,056,496
Other income	63,570	9,075
Administrative expenses	(7,296,069)	(6,190,248)
Other expenses	(5,405,627)	(5,161,486)
Earnings before financial costs	106,305,735	78,713,837
Financial income	12,627,808	8,392,840
Financial costs	(19,103,981)	(9,228,448)
Exchange difference, net	(866,876)	13,690,917
Earnings before tax	98,962,686	91,569,146
Income tax	3,187,052	(4,499,392)
Earnings of the period, net	102,149,738	87,069,754
Earnings per share from continuing operations (in COP)		
Basic profits from continuing operations	95.47	81.38
Diluted profits from continuing operations	95.47	81.38

Separate Statement of Financial Position
For the interim periods ending on March 31, 2022, and December 31, 2021
(Values expressed in thousands of COP)

	Mar-22	Dec-21
Assets		
Non-current assets		
Property, plant and equipment, net	111,426,741	114,010,989
Right-of-use assets	6,706,296	7,087,818
Intangible assets, net	254,714	275,347
Investments in subsidiaries	5,220,768,650	5,381,345,433
Investments in associates	-	-
Other financial investments	120,756,170	121,325,641
Prepayments and other non-financial assets	998,460	916,312
Trade debtors and accounts receivable related entities, net	562,340,091	568,333,533
Total non-current, assets	6,023,251,122	6,193,295,073
Current assets		
Cash and cash equivalents	8,812,305	2,037,016
Trade debtors and other accounts receivable related entities, net	204,860,829	31,628,109
Inventories	2,315,338	2,268,137
Prepayments and other non-financial assets	5,810,843	5,600,757
Current tax assets	7,670,725	6,141,757
Total current assets	229,470,040	47,675,776
Total assets	6,252,721,162	6,240,970,849
Liabilities and Equity		
Equity		
Issued capital	267,493	267,493
Share issue premium	1,822,194,921	1,822,194,921
Reserves	2,634,525,607	2,623,296,364
Annual earnings, net	102,149,738	341,850,763
Other comprehensive income	502,971,200	586,014,771
Retained losses	-8,943,199	-8,943,199
Retained earnings in opening balance sheet	20,585,359	20,585,359
Total net equity	5,073,751,119	5,385,266,472
Liabilities		
Non-current liabilities		
Borrowings	680,925,067	626,085,092
Liabilities for right-of-use assets	5,626,399	5,477,947
Trade debtors and other accounts payable	113,392,799	111,674,023
Deferred tax liabilities	11,585,606	14,772,658
Total non-current liabilities	811,529,871	758,009,720
Current liabilities		
Borrowings	6,799,038	4,727,099
Liabilities for right-of-use assets	1,471,062	1,974,083
Trade debtors and other accounts payable related entities, net	354,007,108	83,132,182
Provisions	877,802	877,802
Current tax liabilities	1,116,920	942,069
Employee benefits	3,155,655	6,032,879
Other non-financial liabilities	12,587	8,543
Total current liabilities	367,440,172	97,694,657
Total liabilities	1,178,970,043	855,704,377
Total liabilities and equity	6,252,721,162	6,240,970,849

Indicators

Consolidated

Liquidity and debt indicators	Unit	1T2022	Dec. 2021
Liability / Asset (level of debt)	%	54.4%	50.1%
Current liabilities / Total liability (short term)	%	30.3%	26.3%
Current ratio (current assets / current liabilities)	Times	0.66	0.80
Cash and cash equivalents	Millions	\$288,213	\$252,799
Profitability indicators	Unit	1T2022	1T2021
Gross margin	%	32.7%	32.1%
Operating margin	%	26.7%	24.5%

Separate

Liquidity and debt indicators	Unit	1T2022	Dic. 2021
Liability / Asset (level of debt)	%	18.9%	13.7%
Current liabilities / Total liability (short term)	%	31.2%	11.4%
Current ratio (current assets / current liabilities)	Times	0.62	0.49
Cash and cash equivalents	Millions	\$8,812	\$2,037
Profitability indicators	Unit	1T2022	1T2021
Gross margin	%	94.9%	93.3%
Operating margin	%	89.1%	86.9%