

# Results Report 1Q 2019

**1Q**  
3 MONTHS  
2018\* - 2019\*

Revenue (+19,3%)

**COP\$881.701 million** **COP\$1.051.880 million**

Operating Income (+55,5%)

**COP\$283.073 million** **COP\$440.139 million**

Net Income<sup>(1)</sup> (+52,2%)

**COP\$342.336 million** **COP\$520.889 million**

\*1Q 2018: January 1 to March 31, 2018

\*1Q 2019: January 1 to March 31, 2019

(1) When reference is made to net income, it refers to controlling interest + non-controlling interest.

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## GEB

- February 19: GEB announced that it will launch a takeover bid to acquire 100% of Dunas Energía in Peru.
- March 28: The Shareholders' General Meeting was held, presenting and approving the following:
  1. Consolidated and individual financial statements of GEB as of December 2018.
  2. 2018 dividend distribution project: COP\$1.193.533 million, which corresponds to COP\$130 per share (+ 13% vs. 2017).
- March 18: GEB share reached an historical peak price of COP\$2.175 during the quarter, an appreciation of 22,9%, compared to the closing price of 2018 (COP\$1.770).

## TGI

- January 1: The effect resulting from adoption of IFRS 16 in the financial statements is recognized.
- Distribution of dividends to shareholders for USD\$90 million.
- Delivery of the Floresta (Boyacá) and Paratebueno (Cundinamarca) exit points.
- Commissioning of the Gualanday Dina gas pipeline realignment.
- Visit with the ANLA for the evaluation of the Buenaventura - Yumbo Gas Pipeline and start of the environmental diagnosis of the Regasification Plant location.
- Foro Semana: TGI's President highlighted the importance of the Regasification Plant for the future of gas in Colombia.

## Cálidda

- The Company reached 802.660 connected clients in Lima and Callao.
- In April, Fitch Ratings and S&P Global confirmed credit ratings in foreign currency with a stable outlook at BBB and BBB-, respectively.
- Equilibrium (local rating) revalidated the AAA.pe rating, the highest level for Corporate Bonds within Peru.
- Dividends decreed for USD\$59,7 million.

## Contugas

- Disbursement of short-term intercompany loan with EEB Gas S.A.S. for USD\$11,0 million.
- Renewal of short-term loans with local banks for USD\$20,0 million.
- Anticipated fulfillment of the BOOT contract obligation, consisting of the authorization of more than 50.000 customers in year 5, which by the end of February were reported in 50.609.

## Financial Results

This report presents the variations under International Financial Reporting Standards (IFRS) of the comparative financial statements for 1Q 2018 and 1Q 2019 (3 months).

### Revenue

Revenue for 1Q 2019 reached COP \$1,1 billion, an increase of 19,3% compared to the same period of the previous year, in response to the positive dynamics in each of the business lines.

Power transmission: +31,9%; + COP\$32.848 million

- Increase in GEB's revenue, mainly due to the following projects: UPME-04-2014 Reinforcement of the South-West of Heliconia (Antioquia), Pereira (Risaralda), Cali (Valle) and Yumbo (Valle).
- In EEBIS, revenue was generated from the construction of Cempro, Pronico and La Vega lines and substations.

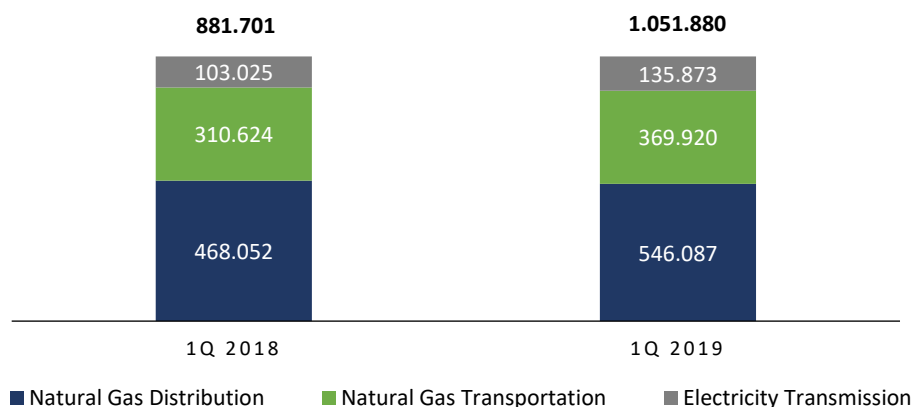
Natural gas transportation: +19,1%; + COP\$59.296 million

- In TGI, the increase occurs as a result of the contracts related to the Cusiana - Vasconia Phase 3 project; the incorporation of the tariff of the delta charge per stamp to the contracts for transportation service, corresponding to the works of the Armenia Loop; and the decrease in hours of contractual suspension for shipper's maintenance.

Natural gas distribution: +16,7%; +COP\$78.035 million

- In Cálida, higher revenue is reported due to the network expansion; and an increase in the distribution of natural gas, as a result of the contracted capacity and the increase in consumption and transportation.

**Graphic Nr. 1 - Revenue by business line (Million COP\$)**



### Costs and expenses

Costs and expenses increased from COP\$611.355 million to COP\$692.904 million from 1Q 2018 to 1Q 2019 respectively, an increase of 13,3%. The behavior for each of the business lines was as follows:

Power transmission: -3,7% - COP\$1.982 million

- GEB: Decrease in maintenance costs and assigned expenses compared to the previous year.
- TRECSA: Reduction in taxes, as a result of less rights of way acquisitions in 1Q 2019 compared to 1Q 2018.

Natural gas transportation: +25,0%; + COP\$27.662 million

- Variation as a result of: Higher depreciation and amortization costs, and an increase in maintenance and repairment orders and contracts (services to third parties for the integrity of gas pipelines, repairment of infrastructure and fees).



Natural gas distribution: +9,2%; +COP\$37.044 million

- Cálida: Increase due to: Cost of sales for network expansion, higher distribution and transportation of natural gas; and personnel costs, contributions and taxes.
- Contugas: Recognition of assets depreciation and impairment.

Regarding administrative expenses, they went from COP\$43.173 million to COP\$61.998 million from 1Q 2018 to 1Q 2019, an increase of 43,6%, due to the increase in taxes, fees and services, insurance, communications and subscriptions.

Other Operating Revenue and Expenses

The net balance of this account corresponds to a net revenue of COP\$81.163 million, an increase of 537,7% versus 1Q 2018 (COP\$12.727 million), as a result of the dividends received from Promigas (COP\$61,385 million), which were accounted for in 2Q in the prior year, highlighting that it is currently an asset available for sale.

Result of operating activities

There is a 55,5% growth in 1Q 2019 compared to 1Q 2018, from COP\$283.073 million to COP\$440.139 million, derived from higher revenue (19,3%), related to projects execution, lower growth of costs and expenses compared to revenue (13,3%), and Promigas dividends. The operating margin was 41,8%.

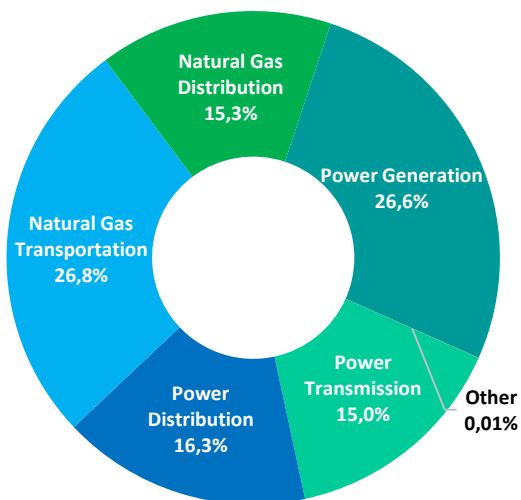
Adjusted consolidated EBITDA

Table Nr. 1 - Consolidated EBITDA

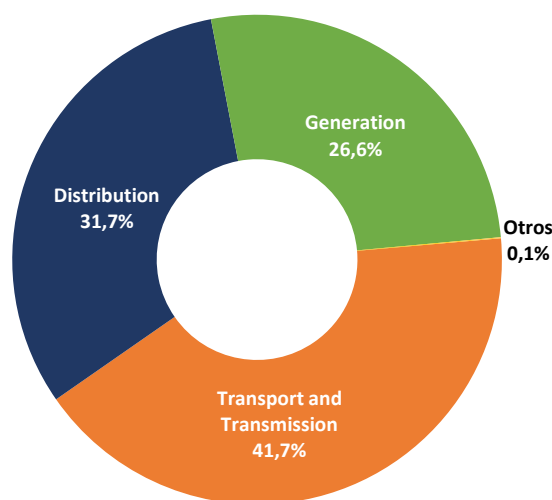
	1Q 2019	1Q 2018	Variation
EBITDA (Million COP\$)	1.410.921	1.143.872	23,3%

The adjusted consolidated EBITDA went from USD\$1,1 billion to COP\$1,4 billion from 1Q 2018 to 1Q 2019, a 23,3% growth, reflecting the profitability and sustainability of the operating activity and the development of the different business lines of the Company.

Graphic Nr. 2 - Consolidated EBITDA by business line



Graph Nr. 3 - Consolidated EBITDA by Segment





**Non-operating income/expenses**

The most significant positive impact comes from the participation method, with an increase of COP\$60.000 million (25,7%) in 1Q 2019 compared to 1Q 2018, followed by a 87,7% decrease in the foreign exchange difference loss, which went from COP\$-10.408 million during 1Q 2018 to COP\$-1.284 million in 1Q 2019, maintaining a correlation with the fluctuations and variations of the exchange rate in the periods analyzed. On the other hand, financial revenue decreased by 56,7% (COP \$30.570 million) in 1Q 2019 compared to 1Q 2018, as a consequence of lower portfolio interest gains due to the execution of funds in temporary investments.

**Taxes**

As for current tax, this expense went from COP\$84.746 million to COP\$87.180 million, when comparing 1Q 2018 to 1Q 2019; an increase of 2,9%.

On the other hand, deferred tax expense increased from COP\$2.615 million to COP\$14.018 million in the periods under analysis, as a result of the regulatory changes in the tax effects regarding the useful lives of fixed assets in TGI and the impact of the Financing Law approved by the Colombian Congress in December 2018 that reduced the income tax rate from 33,0% to 30,0%.

**Net income**

Net income in 1Q 2019 reached COP\$520.889 million, which corresponds to a growth of 52,2% versus 1Q 2018 (COP\$342.336 million). The controlling interest was COP\$495.324 million and the non-controlling interest was COP\$25.565 million.

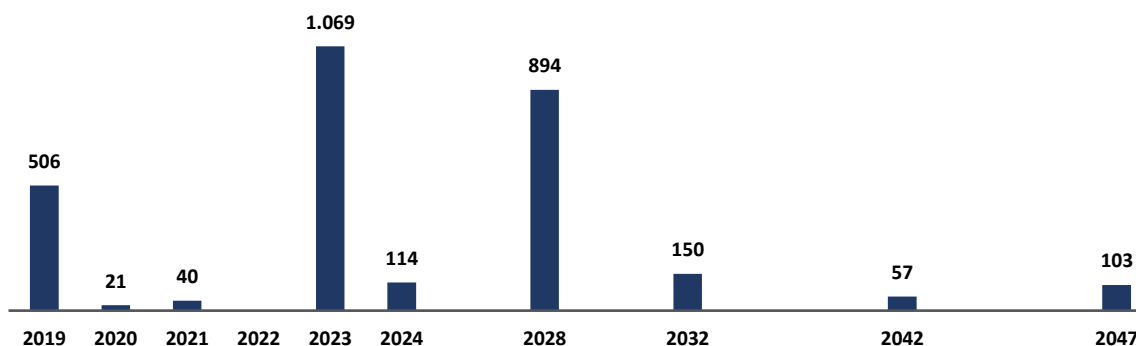
**Debt profile**

**Table Nr. 2 - Classification of debt items**

	Million COP\$			
	Mar-19	Mar-18	Variation	%
EBITDA (LTM)	2.910.586	2.481.390	429.197	17,3%
Total net debt	8.198.365	7.062.129	1.136.236	16,1%
Total Gross Debt	9.349.835	8.167.299	1.182.536	14,5%
Net financial expenses (LTM)	406.791	328.043	78.747	24,0%

Total gross debt reported a 14,5% growth derived from: Local bonds and promissory note from Cálidda on behalf of BBVA; regarding GEB, foreign exchange difference of the syndicated loan; in TGI, the reclassification of IELAH and the effect in foreign exchange difference; and for Contugas, the effect of rates and the reclassification of the syndicated loan to current.

**Graph Nr. 4 - Debt profile- March 2019 - USD\$2.954 Million**



**Table Nr. 3 – Debt ratios**

		Times	
		Mar-19	Mar-18
Total net debt / EBITDA LTM	< 4.0	2,8	2,8
UDM EBITDA / Financial expenses LTM net	> 2.25	7,2	7,6

In accordance with the foregoing, the Group reaches on March 2019 an indicator of Net Total Debt / EBITDA of 2,8x and EBITDA / Net Financial Expenses of 7,2x, standing at the historical averages.

**Table Nr. 4 - Debt structure, March 2019**

Obligation	Amount Million COP\$	Original Currency	Coupon (%)	Expiry
Syndicated GEB 2023	2.381.299	USD\$	Libor 6M + 2,15%	Jan-23
CAF GEB	67.888	USD\$	Libor 6M + 1,16%	May-20
Bond- GEB COP 2024 1st Batch	185.983	COP\$	7 years CPI + 3,19% EA	Feb-24
Bond- GEB COP 2032 1st Batch	281.479	COP\$	15 years CPI + 3,85% E.A.	Feb-32
Bond- GEB COP 2042 1st Batch	178.786	COP\$	25 years CPI + 4,04% E.A.	Feb-42
Bond- GEB COP 2024 2nd Batch	129.331	COP\$	7 years IPC + 3,19% EA	Feb-24
Bond- GEB COP 2032 2nd Batch	190.561	COP\$	15 years CPI + 3,85% E.A.	Feb-32
Bond- GEB COP 2047 2nd Batch	325.997	COP\$	30 years CPI + 4,1% E.A.	Feb-47
Financial leasing, GEB and TGI	42.136	COP\$	GEB – DTF+3,75% TGI – DTF+2,9% TA	GEB – Jan 2024 TGI - Jan 2024
TGI Bond	2.367.554	USD\$	Fixed, 5,55% SV	Nov-28
BBVA/Itaú/Scotiabank (TGI - IELAH)	125.862	USD\$	Libor 6M + 0,25%	Aug-19
Cálidda Bond - USD\$	1.012.656	USD\$	Fixed 4,375%	Apr-23
Cálidda Bond - PEN\$	190.705	PEN\$	Fixed 6,46875% per year	Jul-28
Cálidda Credit - Scotiabank	253.364	USD\$	Fixed 4,75% per year	Jun-19
Banco de Crédito del Perú	7.123	USD\$	Fixed 6,05%	Jul-19
Banco de Crédito del Perú	35.468	USD\$	Fixed 5,80%	Sept-19
Banco de Crédito del Perú	6.537	USD\$	Fixed 5,80%	Sept-19
BBVA promissory note	63.496	USD\$	Fixed 2,95% per year	Jun-19
Banco Santander	21.135	USD\$	Fixed 6,80%	Sept-19
Syndicated Loan, Contugas	1.093.088	USD\$	Libor 6M + 3,50%	Sept-19
Trecca - Citibank Credit	262.396	USD\$	Libor 6M + 2,97%	Jun-28
EEBIS - Citibank Credit	126.992	USD\$	Libor 6M + 2,40%	Nov-21
<b>Total Gross Debt</b>	<b>9.349.835</b>			
Interests	66.238			
<b>Total Gross Debt + Interests</b>	<b>9.416.074</b>			
Total Gross Short-Term Debt + Interests	1.464.301			
Total Gross Long-Term Debt + Interests	7.951.773			

### Participation method

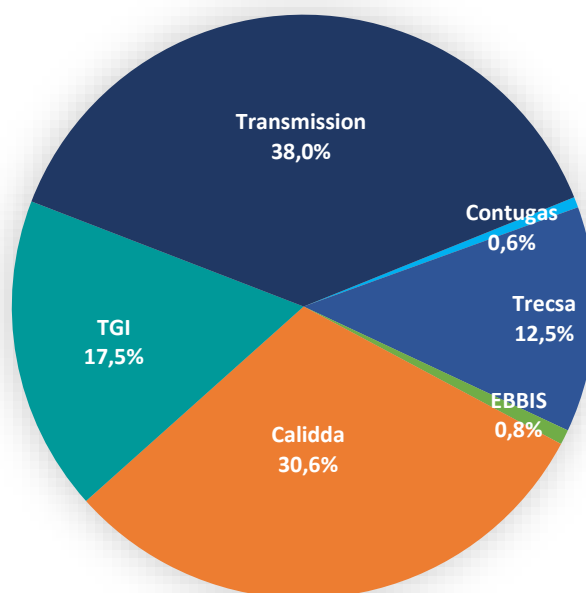
In the equity participation method, the highest contribution in 1Q 2019 comes from Emgesa with 52,0%, followed by Codensa with 29,0% and CTM with 6,6%. It should be noted that joint ventures include companies in Brazil : GOT, MGE, TER and TSP.

**Table Nr. 5 - Participation method**

	1Q 2019 Million COP\$	1Q 2018 Million COP\$
Emgesa	153.558	123.709
Codensa	85.535	68.956
CTM	19.602	14.427
Vanti	16.185	12.085
REP	14.998	11.101
EMSA	3.226	1.473
Joint Ventures	2.259	3.259
<b>Total</b>	<b>295.363</b>	<b>235.010</b>

### Capex

The consolidated executed Capex was USD\$70,0 million during 1Q 2019, concentrated mainly on the transmission business with 38,0% (USD\$26,6 million), followed by Calídda with 30,6% (USD\$21,4 million) and finally TGI with 17,5% (USD\$12,2 million).

**Graph Nr. 5 - Capex 1Q 2019 - USD \$ 70,0 million**

**Table Nr. 6 - Projected annual Capex\***


Company	Base Scenario (Millions USD\$)						Total
	2018	2019P	2020P	2021P	2022P	2023P	
Transmission	140	170	209	89	125	91	<b>825</b>
Trecca and EBBIS	52	52	21	0	0	0	<b>126</b>
TGI	73	85	198	143	143	97	<b>739</b>
Calídda	119	130	60	61	80	75	<b>525</b>
Contugas	13	10	0	9	22	0	<b>54</b>
Other projects	0	0	37	36	39	45	<b>157</b>
<b>Total</b>	<b>396,5</b>	<b>447,0</b>	<b>525,7</b>	<b>338,5</b>	<b>410,3</b>	<b>308,0</b>	<b>2.426,0</b>

\*From 2019 onwards, these are projections and are adjusted annually.

## Results of Controlled Companies

### I. GEB Transmission


**Table Nr. 7 - Selected financial indicators, GEB Transmission**

 Grupo Energía Bogotá	Thousand USD\$		
	Mar-19	Mar-18	Variation
Revenue	118.248	90.574	30,6%
Gross income	83.995	61.506	36,6%
EBITDA	80.671	59.852	34,8%
EBITDA Margin (%)	68,2%	66,1%	2,1 pp
Operating income	75.073	55.420	35,5%

**Table Nr. 8 - Overview, GEB Transmission**

 Grupo Energía Bogotá	Mar-19	Mar-18
Availability of infrastructure (%)	99,96	99,99
Compensation for unavailability (%)	0,0059	0,0148
Maintenance program compliance (%)	100	98
Participation in the transmission activity in (%)	19,80	17,71

**Table Nr. 9 - Status of GEB Transmission Projects**

 Grupo Energía Bogotá	Progress	Estimated Annual Revenue (Million USD\$)	Estimated Date of Entry into Operation
Chivor II 230 Kv	57,2%	5,5	4T 2019
Armenia 230 Kv	98,0%	1,3	2T 2019
Tesalia 230 Kv	91,0%	10,9	4T 2019
Sogamoso North 500 Kv	50,0%	21,1	2T 2019
Southwestern reinforcement, 500 Kv	33,2%	24,4	4T 2020
Ecopetrol San Fernando 230 Kv	80,3%	6,0	2T 2019
La Loma STR 110 Kv	52,2%	7,0	3T 2020
Altamira 115 Kv	72,9%	0,7	1T 2019
500 Kv collector	10,7%	21,5	4T 2022
<b>Total</b>		<b>98,3</b>	


At the end of 1Q 2019, the detail of the investment projects is as follows:

- ▶ Through Resolution 4 0187, the Ministry of Mines and Energy approved the request for modification of the date of commissioning of the UPME-02-2009 SE Armenia project for June 18, 2019.
- ▶ The CREG issued Resolution 015 of 2019, which modified the rate of return for the distribution activity.
- ▶ On January 22, GEB declared in commercial operation the UPME 01 of 2014 SE, covering La Loma and associated transmission lines.
- ▶ On February 22, GEB declared the expansion project of SE La Loma in commercial operation. This is a work contemplated in the 2016-2030 UPME Expansion Plan. Resolution 40098 of 2017 of the Ministry of Mines and Energy.
- ▶ Resolution 40328 of 2019: The Ministry of Mines and Energy approved the request for modification of the date of commissioning of the UPME-05-2009 SE Quimbo (Tesalia) project for November 24, 2019.




II. TGI

Table Nr. 10 - TGI selected financial indicators

 TGI	1Q 2019	1Q 2018	Variation
Revenue (Thousand USD\$)	117.960	109.917	7,3%
Operating income (Thousand USD\$)	74.622	70.709	5,5%
EBITDA (Thousand USD\$)	96.052	91.646	4,8%
EBITDA Margin	81,4%	83,4%	-2 pp
Net income (Thousand USD\$)	31.915	22.686	40,7%
Gross total debt / EBITDA LTM	3,5x	3,6x	-
LTM EBITDA / LTM Financial expenses	3,8x	3,9x	-
International credit rating:			
S&P – Corporate Rating – Sept. 28   18:	BBB-, stable		
Fitch – Corporate Rating – Oct. 9   18:	BBB, stable		
Moody's – Bond Rating – Apr. 22   19:	Baa3, stable		

- ▶ The effect resulting from adoption of IFRS 16 in the financial statements is recognized on January 1.
- ▶ Distribution of dividends to shareholders for USD\$90 million.
- ▶ Engagement and diagnosis of indigenous communities in the area of influence of Ballena in Guajira.
- ▶ Visit with the ANLA for the evaluation of the Buenaventura - Yumbo Gas Pipeline and start of the environmental diagnosis of the Regasification Plant location.
- ▶ Meeting with the Ministry of Mines and Energy to review the proposal for the allocation of the stamp to the thermal sector.
- ▶ In case of Naturgas, license plate restriction exemption for gas-operated vehicles and bidirectional operation in Ballena-Barranca for the integration and development of gas markets in the country have been announced.
- ▶ Within the framework of the Semana Forum, TGI's President highlighted the importance of the Regasification Plant for the future of gas in Colombia.

Table Nr. 11 - TGI Overview

 TGI	1Q 2019	1Q 2018	Variation
Transported Volume - Average Mscfd	466,1	425,6	9,5%
Firm contracted capacity – Mscfd	712,0	704,1	1,1%

- ▶ Delivery of the Floresta (Boyacá) and Paratebueno (Cundinamarca) exit points.
- ▶ Commissioning of the Gualanday Dina gas pipeline realignment.
- ▶ Introduction of Gibraltar gas to the TGI system as of February 23. Initially, approximately 6.500 MBTU (Thousands of British Thermal Units) will be received, which are nominated by Vanti.
- ▶ Definition of 2019 CREG's regulatory agenda:
  - Remuneration methodology for natural gas transportation (2Q).
  - Supply chain plan (4Q).
  - Vertical integration rules review (2Q).
  - WACC information source review (4Q)





## Projects in execution

### ► Cusiana Phase IV

Increase the natural gas transportation capacity in 58,0 Mscfd between Cusiana and Vasconia, with the construction of 39,6 Km of 30" diameter loops.

- Expansion of the Gas Compression Station of Puente Guillermo.
- Modifications to the Gas Compression Stations of Miraflores and Vasconia.

Details of the execution:

- Total project investment – USD\$92,3 million
- Total Capex executed to date – USD\$33,1 million
- Total Capex executed 1Q 2019 – USD\$8,3 million
- Physical Work Progress - 56,6%
- Start of operations – 1Q 2020

Initially this project had a total investment of USD\$70,7 million, presenting a difference of USD\$21,6 million compared to that reported for this quarter, which is based on the following reasons:

- Progressive development of the project (conceptual, basic and detail engineering) that, according to the Maturation and Value Creation Model, allows to better define the scope and greater accuracy in cost estimation. Particularly, special crossings and geotechnical works.
- Implementation in the project of the risk mitigation and management plan based on Law 1523 and its regulatory decrees (Decree 2157 of 2017).
- Increase in the amount of steel required, given the greater specified pipe thickness related to the detailed identification of the route due to its closeness to urban settlements, rights of way shared with other high-risk infrastructure, schools and zones of geotechnical instability, required by regulations (ASME B31.8).
- Requirements from ANLA due to change of environmental compensation norms, generating an additional compensation of 30% on the multiplying factors in the areas to be intervened. Greater social investment for social compensation.
- Identification of archaeological rescues resulting from the Prospection, which generate higher costs given the management measures required by the ICANH.

### ► Replacement of Branches

Replacement of 4 branches for reaching their regulatory useful lifespan in accordance with resolution CREG 126 of 2016. Replacement of the following branches of Sur de Bolivar, which represent 16 Km of pipelines (2" diameter) and 12 Km of pipeline (4" diameter):

- Yarigüies – Puerto Wilches Branch
- Cantagallo Industrial Z. – Cantagallo Branch
- Cantagallo – San Pablo Branch
- Total Galán – Casabe – Yondó

Details of the execution:

- Total project investment – USD\$11,6 million
- Total Capex executed to date – USD\$2,2 million
- Total Capex executed 1Q 2019 – USD\$0,2 million
- Physical Work Progress – 34,2%
- Start of operations – 3Q 2019

► **Ballena - Barrancabermeja Bidirectionality**


Conditioning of existing facilities to enable the Barranca-Ballena bidirectionality (excluding interconnection with the Ballena - Cartagena gas pipeline).

Details of the execution:

- Total project investment – USD\$2,6 million
- Total Capex executed to date – USD\$0,2 million
- Total Capex executed 1Q 2019 – USD\$0,1 million
- Physical Work Progress - 22,8%
- Start of operations – 4Q 2019

### III. Cálidda

**Table Nr. 12 - Cálidda selected financial indicators**

	Thousand USD\$		
	1Q 2019	1Q 2018	Variation
 Revenue	156.417	143.745	8,8%
Operating income	33.846	21.758	55,6%
EBITDA	41.810	31.876	31,2%
EBITDA Margin (%)	26,7%	22,2%	4,5 pp
Net income	20.432	12.019	70,0%
Debt / EBITDA LTM	2,8x	2,6x	-
UDM EBITDA / LTM Financial expenses	8,9x	8,1x	-

► Cálidda maintains the right of distribution and operation of the only natural gas distribution network in Lima and Callao:


- Total Capex executed 1Q 2019: USD\$21,4 million.
- Gas pipeline: 10.035 Km.
- Market coverage: 81,0%.
- Billed volume: 772 Mscfd.
- Total customers: 802.660

**Table Nr. 13 - Cálidda Overview**

	Mar-19
 Total number of clients	802.660
Number of potential customers	990.083
Total network extension (Km)	10.035
Volume sold (Mscfd)	772
Penetration of the network (%)	81

- In April, Fitch Ratings and S&P Global confirmed credit ratings in foreign currency with a stable outlook at BBB and BBB-, respectively.
- Equilibrium (local rating) revalidated the AAA.pe rating, the highest level for Corporate Bonds within Peru.
- Dividends decreed for USD \$59,7 million.

**IV. Contugas**
**Table Nr. 14 - Contugas selected financial indicators**


	Thousand USD\$		
	1Q 2019	1Q 2018	Variation
Operating revenue	18.399	18.965	-3,0%
Gross Profit	9.568	7.316	30,8%
Gross margin	52,0%	38,6%	13,4 pp
Operating income	1.062	1.633	-35,0%
EBITDA	6.699	2.971	125,5%
EBITDA Margin (%)	36,4%	15,7%	20,7 pp
Net income	-5.624	-3.802	47,9%

- ▶ Disbursement of short-term intercompany loan from EEB Gas S.A.S. for USD \$11,0 million.
- ▶ Disbursement of short-term loan for an amount equivalent to USD\$2,25 million to finance transitory liquidity needs.
- ▶ The request for approval was registered before the Ministry of Finance of Colombia for GEB and TGI to grant their guarantee for the subscription of a new syndicated loan for USD\$355,0 million.
- ▶ Renewal of short-term loans with local banks for USD \$20,0 million.
- ▶ Anticipated fulfillment of the BOOT contract obligation, consisting of the connection of more than 50.000 customers in year 5, which by the end of February were reported in 50.609
- ▶ Recognition of assets and liabilities from IFRS 16 adoption.

**Table Nr. 15 - Contugas Overview**

	Mar-19
Number of clients	50.738
Sales volume (Mscfd)	42,1
Transported volume (Mscfd)	471,3
Firm contracted capacity (Mscfd)	160,4
Network length (Km)	1.366

**V. Trecca**
**Table Nr. 16 - Trecca selected financial indicators**

	Thousand USD\$		
	1Q 2019	1Q 2018	Variation
Revenue	4.655	4.761	-2,2%
Operating income	1.282	2.553	-49,8%
EBITDA	2.611	906	188,2%
EBITDA Margin (%)	56,1%	19,0%	37,1 pp
Net income	-656	-1.811	-63,8%


- ▶ In March 2019, the Third Semiannual Report of the work progress compliance in the PET - 001 - 2009 project was presented, meeting the obligations of the contract signed with the Ministry of Energy and Mines of Guatemala (MEM).
- ▶ In accordance with the policy adopted by the Group, TRECSA implemented International Standard IFRS 16, applying it to lease agreements.

**VI. EEBIS Guatemala**

- ▶ In accordance with the policy adopted by the Group, EEBIS implemented International Standard IFRS 16, applying it to lease agreements.
- ▶ At the end of 2018, the construction of 100% of the Anillo Pacifico Sur project (APS) was completed; therefore, in March 2019, all the files were registered for the recognition of toll revenue before the National Electric Energy Commission (CNEE). This electric power transmission project allows to connect the generation plants of the five most important mills in the country to the National Interconnected System of Guatemala (main network).

## Results of Non-Controlled Companies

**I. Codensa**
**Table Nr. 17 - Codensa selected financial indicators**


 Grupo Enel	Million COP\$			Million USD\$		
	1Q 2019	1Q 2018	Variation	1Q 2019	1Q 2018	Variation
Revenue	1.310.843	1.163.101*	12,7%	418	408	2,6%
Contribution margin	521.250	452.839	15,1%	166	158	4,8%
EBITDA	391.828	333.318	17,6%	125	117	7,2%
EBITDA Margin (%)	29,9%	28,7%	1,2 pp	29,9%	28,6%	1,3 pp
Net income	160.640	129.084	24,4%	51	45	12,8%
Dividends paid	154.284	93.195	65,5%	49	33	50,3%

\* For comparability purposes, the impact of IFRS 15 is included, presenting compensations to customers as a lower value of revenue.

- ▶ Revenue showed an increase in 1Q 2019 compared to the same period of 2018, mainly explained by:
  - Growth in energy demand in the Enel-Codensa area of influence by 2,3% YTD, mainly in tolls, which registered an increase of 4,9% compared to the same period of the previous year. On the other hand, the regulated market grew 1,1%, especially driven by the residential segment.
  - Better results in value-added products and services, especially in public lighting, due to greater recognition of building units given the modernization plan implemented.
  - Increase in the regulated energy tariff due to the growth of the generation component, explained by the strong price increase in the power commodities market, which resulted from the low hydrology caused by a moderate El Niño phenomenon in the first quarter of the year; and also by the increase in the Producer Price Index (PPI) and the Consumer Price Index (CPI), to which the distribution and commercialization components are indexed, respectively.
- ▶ EBITDA registered an increase compared to Q1 2018, explained by the growth in revenue, and the correct management of the fixed and variable costs described below, which grow at much lower rates than revenue, consolidating an outstanding growth in this line:
  - Increase in cost of sales (+10,8%) attributable to the price increase in the spot power commodities market, due to the El Niño phenomenon.
  - Increase in personnel expenses (+6.1%) due to the salary adjustment made every year and higher staff compared to the previous year, in order to leverage the investment plan that is being executed.
  - Increase in operating and maintenance expenses (+6,1%) mainly reflecting the indexation to the CPI of most of the fixed operating expenses and an increase in costs related to customer service, caused by the increase of rainfall in the area of influence of the Company, especially in March.

- ▶ Net income increased, reflecting the growth of operating income and a lower effective tax rate after the tariff reduction for 2019. This effect was partially offset by an increase in financial expenses, as a result of a higher average debt balance compared to 2018, due to the need to finance the Company's important investment plan.
- ▶ The net financial debt increased compared to the figure registered at the end of 2018, as a result of the robust investment plan executed by the Company, which implied the refinancing of debt maturities reported during the first three months of the year.
- ▶ Investments increased significantly compared to the same period of the previous year, focused on projects to improve the quality of service, such as the implementation of telecontrol and smart metering systems, as well as new customer connections, underground networks and maintenance of the operating asset base.


**Table Nr. 13 - Codensa Overview**

 Grupo Enel		Mar-19
Number of clients		3.458.579
Market share		21,3%
National energy demand (GWh)		17.362
Codensa demand zone (GWh)		3.704*
Loss index (%)		7,8
Control		Enel Energy Group
Participation of GEB		51,5% (36,4% ordinary, 15,1% preferential without right to vote)

\*Net demand excluding losses.

## II. Emgesa

**Table Nr. 19 - Emgesa selected financial indicators**


 Grupo Enel	Million COP\$			Million USD\$		
	1Q 2019	1Q 2018	Variation	1Q 2019	1Q 2018	Variation
Operating revenue	956.821	877.859	9,0%	305	307	-0,7%
Contribution margin	601.051	554.850	8,3%	192	194	-1,1%
EBITDA	552.509	504.380	9,5%	176,1	176,4	-0,2%
EBITDA Margin (%)	57,7%	57,5%	0,2 pp	57,7%	57,5%	0,2 pp
Net income	291.181	234.095	24,4%	93	82	13,6%
Dividends paid	154.284	130.206	18,5%	49	46	7,6%

- ▶ Operating revenue during 1Q 2019 increased compared to the same period of 2018, due to the optimal commercial strategy focused on better management in the conditions of new contracts in the non-regulated market, aligned with an increase in power prices in the power commodities market, given the low hydrology observed during the first months of the year, and a greater growth of prices in contracts due to PPI.
- ▶ EBITDA showed an annual increase, reflecting the growth of revenue and active management of operating costs and expenses. The above was partially offset by the observed increase in fuel costs, given the increase in thermal generation of the Termozipa plant.



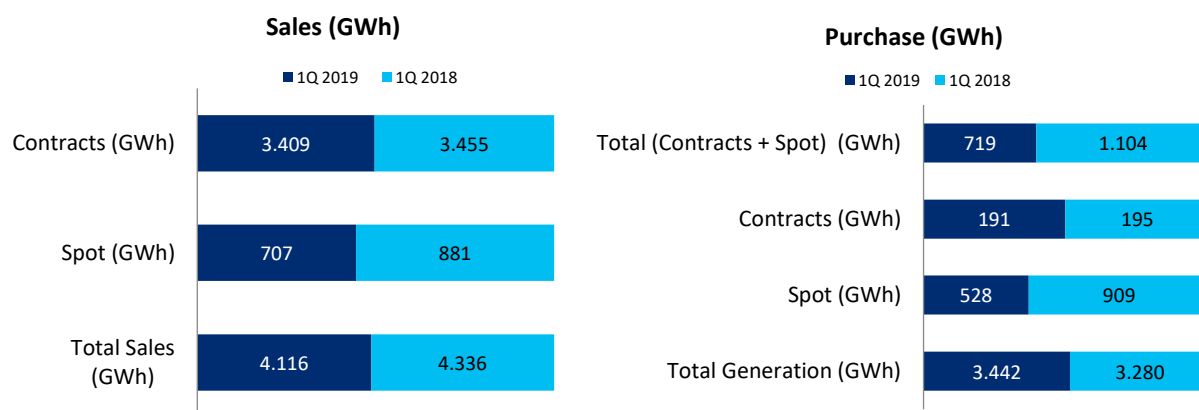
- ▶ Net income increased during 1Q 2019 compared to the same period of the previous year, due to the effects explained above and as a result of:
  - The reduction in net financial expense explained by a decrease in the average balance of debt during the period, as well as a lower cost of debt coming from a lower CPI level during 2019 compared to the previous year, taking into account that 64,0% of the debt is indexed to CPI.
  - A lower effective tax rate after the reduction of the income tax rate by 4 points in 2019.

**Table Nr. 20- Emgesa overview**

 Grupo Enel	Mar-19
Gross installed capacity (MW)	3.501
Availability of plants (%)	90,3
Generation (Gwh)	3.442
Sales (Gwh) *	4.116
Control	Enel Energy Group
Participation of GEB	51.5% corresponding to: 37.4% ordinary shares and 14.1% preferred shares without voting rights


- ▶ The net financial debt was reduced compared to the previous year since the cash flow generated by the operation has been sufficient to meet the investment needs and the payment of dividends to the shareholders.
- ▶ Investments reached a total of COP\$36.216 million in 1Q 2019, mainly focused on the project to extend the useful life and installation of batteries in the Termozipa plant; investments associated with the water concession of the Bogotá River and execution of the hydroelectric power plant maintenance plan.

**Graphic Nr. 6 - Emgesa generation transactions**



- ▶ Regarding demand, the total sales in terms of Gwh decreased 5,1%, with a concentration of 82,8% in the contract mechanism and 17,2% in the spot market.
- ▶ In terms of supply, there was a 34,9% decrease, regarding contracts; a 2,1% drop was observed from 195 GWh to 191 GWh. The Spot market also fell to 528 GWh, compared to 909 GWh in Q1 2018.

**III. Vanti**
**Table Nr. 21 - Vanti selected financial indicators**


	Million COP\$		
	1Q 2019	1Q 2018	Variation
Revenue	585.549	542.950	7,8%
Operating income	80.193	73.682	8,8%
EBITDA	90.247	84.957	6,2%
EBITDA Margin (%)	15,4%	15,6%	-0,2 PP
Net income	64.743	48.360	33,9%
Net debt / EBITDA LTM	4,1x	4,9x	-
LTM EBITDA / LTM Financial expenses	14,1x	10,7x	-

- ▶ In January, the appointment of María Cecilia Bertrán Lavergne for the Economic Financial Unit of Vanti was made.
- ▶ During 1Q 2019, brand communication continued through social networks and media.
- ▶ Approval of dividends by the Shareholders' General Meeting.
- ▶ On March 28, work began in Transmilenio stations at Calle 80, and on April 10 at the temporary North station.

**Table Nr. 22 - Vanti Overview**

	Mar-19
Sales volume (Mm3)	552
Number of clients	2.265.259
Control	Brookfield
Participation of GEB	25%

**IV. REP Perú**
**Table Nr. 23 - REP selected financial indicators**

	Thousand USD\$		
	1Q 2019	1Q 2018	Variation
Revenue	41.181	38.729	6,3%
Operating income	19.055	16.754	13,7%
EBITDA	29.626	27.347	8,3%
EBITDA Margin (%)	71,9%	70,6%	1,3 pp
Net income	11.952	9.707	23,1%
Net debt / EBITDA LTM	1,9x	2,3x	-
LTM EBITDA / LTM Financial expenses	12,0x	9,9x	-

- ▶ On March 19, 2019, the following decisions were made:
  - The REP Board appointed Carlos Mario Caro to represent, on behalf of Red de Energía del Perú SA, the General Management of Consorcio Transmataro S.A.
  - Mr. Bernardo Vargas Gibsone was appointed as Chairman of the Board for the period 2019 to 2021.

- Mr. Rafael Simón Herz Stenberg was appointed as Vice Chairman of the Board for the period 2019 to 2021.
- The Shareholders' Compulsory Meeting decreed dividends for USD\$60 million, reflected by the profits of 2018 and a portion of the accumulated profits.

**Table Nr. 24 - REP Overview**

		Mar-19
Availability of infrastructure (%)		99,4
Compensation for unavailability (USD\$)		221.370
Maintenance program compliance (%)		63,6
Transmission lines or Network (Km)		6.341

**V. CTM Perú**
**Table Nr. 25 - CTM selected financial indicators**

	Thousand USD\$		
	1Q 2019	1Q 2018	Var %
Revenue	61.402	46.733	31,4%
Operating income	43.087	28.551	50,9%
EBITDA	56.575	41.933	34,9%
EBITDA Margin (%)	92,1%	89,7%	2,4 pp
Net income	15.620	12.616	23,8%
Net debt / EBITDA LTM	4,4x	5,6x	-
LTM EBITDA / LTM Financial expenses	4,3x	4,2x	-

- On March 19, 2019, the following decisions were made:
- The CTM Board appointed Red de Energía del Perú SA as General Manager of CTM
  - The Shareholders' Compulsory Meeting authorized the issuance of International Bonds up to a maximum amount of USD\$400.000.000, which will be issued outside Peru.
  - The Shareholders' Compulsory Meeting decreed dividends for USD\$65 million, reflected by the profits of 2018 and a portion of the accumulated profits.

**Table Nr. 26 - CTM Overview**

		Mar-19
Market demand (Gwh)		4.409
Availability of infrastructure (%)		99,6
Maintenance program compliance (%)		70,4
Transmission lines or Network (Km)		4.261



## Appendixes

### Appendix 1. Financial Statements

Table Nr. 27 - Income Statement

	Million COP\$		Variation	
	1Q 2019	1Q 2018	Var COP\$	%
<b>Revenue</b>				
Natural gas distribution	546.087	468.052	78.035	16,7%
Natural gas transportation	369.920	310.624	59.296	19,1%
Power transmission	135.873	103.025	32.848	31,9%
<b>Total Revenue</b>	<b>1.051.880</b>	<b>881.701</b>	<b>170.179</b>	<b>19,3%</b>
<b>Costs and Expenses</b>	<b>-611.741</b>	<b>-598.628</b>	<b>-13.113</b>	<b>2,2%</b>
Natural gas distribution	-441.571	-404.527	-37.044	9,2%
Natural gas transportation	-138.424	-110.762	-27.662	25,0%
Power transmission	-50.911	-52.893	1.982	-3,7%
Administrative costs	-61.998	-43.173	-18.825	43,6%
Other revenue (expenses), net	81.163	12.727	68.436	537,7%
<b>Result of operating activities</b>	<b>440.139</b>	<b>283.073</b>	<b>157.066</b>	<b>55,5%</b>
Financial revenue	23.337	53.907	-30.570	-56,7%
Financial expenses	-135.468	-131.885	-3.583	2,7%
Foreign exchange difference revenue (expense), net	-1.284	-10.408	9.124	-87,7%
Participation method in related-parties and joint ventures	295.363	235.010	60.353	25,7%
<b>Earnings before taxes</b>	<b>622.087</b>	<b>429.697</b>	<b>192.390</b>	<b>44,8%</b>
Current	-87.180	-84.746	-2.434	2,9%
Deferred	-14.018	-2.615	-11.403	436,1%
<b>Net income</b>	<b>520.889</b>	<b>342.336</b>	<b>178.553</b>	<b>52,2%</b>
<b>Controlling Interest</b>	495.324	328.794	166.530	50,6%
<b>Non-controlling Interest</b>	25.565	13.542	12.023	88,8%

**Table Nr. 28 – Balance Sheet**

	Million COP\$		Variation	
	Mar-19	Dec-18	Var COP\$	%
<b>Asset</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1.151.470	1.128.112	23.358	2,1%
Investments	77.883	28.198	49.685	176,2%
Accounts receivable	826.786	769.660	57.126	7,4%
Accounts receivable from related parties	912.775	242.360	670.415	276,6%
Tax assets	114.120	80.859	33.261	41,1%
Inventory	163.580	160.581	2.999	1,9%
Assets available for sale	722.633	722.633	0	0,0%
Other assets	18.647	25.312	-6.665	-26,3%
<b>Total current assets</b>	<b>3.987.894</b>	<b>3.157.715</b>	<b>830.179</b>	<b>26,3%</b>
<b>Non-current asset</b>				
Investments in associates and joint ventures	6.621.556	7.184.261	-562.705	-7,8%
Property, plant and equipment	10.109.574	10.158.128	-48.554	-0,5%
Investment properties	29.780	29.781	-1	0,0%
Investments	10.761	12.385	-1.624	-13,1%
Accounts receivable	165.081	149.523	15.558	10,4%
Commercial credit	82.666	84.618	-1.952	-2,3%
Intangible assets	4.256.736	4.308.278	-51.542	-1,2%
Tax assets	102.120	109.246	-7.126	-6,5%
Deferred tax assets	23.431	67.576	-44.145	-65,3%
Other assets	19.333	19.334	-1	0,0%
<b>Total non-current assets</b>	<b>21.421.038</b>	<b>22.123.130</b>	<b>-702.092</b>	<b>-3,2%</b>
<b>Total asset</b>	<b>25.408.932</b>	<b>25.280.845</b>	<b>128.087</b>	<b>0,5%</b>
<b>Liability and Equity</b>				
<b>Current liabilities</b>				
Financial obligations	1.464.301	1.543.977	-79.676	-5,2%
Accounts payable	1.574.616	475.955	1.098.661	230,8%
Accounts payable to related parties	73.347	7	73.340	1047714,3%
Allowances for employee benefits	74.379	93.803	-19.424	-20,7%
Other provisions	35.633	39.443	-3.810	-9,7%
Liability for taxes	131.975	47.938	84.037	175,3%
Other liabilities	236.001	205.892	30.109	14,6%
<b>Total current liabilities</b>	<b>3.590.252</b>	<b>2.407.015</b>	<b>1.183.237</b>	<b>49,2%</b>
<b>Non-current liabilities</b>				
Financial Obligations	7.951.773	8.081.825	-130.052	-1,6%
Tax liabilities	362	1.164	-802	-68,9%
Allowances for employee benefits	150.030	148.006	2.024	1,4%
Other provisions	229.388	229.471	-83	0,0%
Deferred tax liabilities	1.349.006	1.406.726	-57.720	-4,1%
Other liabilities	56.366	13.583	42.783	315,0%
<b>Total non-current liabilities</b>	<b>9.736.925</b>	<b>9.880.775</b>	<b>-143.850</b>	<b>-1,5%</b>
<b>Total liabilities</b>	<b>13.327.177</b>	<b>12.287.790</b>	<b>1.039.387</b>	<b>8,5%</b>



Table Nr. 28 – Balance Sheet

	Million COP\$		Variation	
	Mar-19	Dec-18	Var COP\$	%
<b>Equity</b>				
Issued capital	492.111	492.111	0	0,0%
Share placement premium	837.799	837.799	0	0,0%
Reserves	3.509.829	2.999.690	510.139	17,0%
Retained Income	4.980.063	6.189.340	-1.209.277	-19,5%
Other comprehensive income	1.887.501	2.037.511	-150.010	-7,4%
<b>Total controlling interest</b>	<b>11.707.303</b>	<b>12.556.451</b>	<b>-849.148</b>	<b>-6,8%</b>
Non-controlled interest	374.452	436.604	-62.152	-14,2%
<b>Total equity</b>	<b>12.081.755</b>	<b>12.993.055</b>	<b>-911.300</b>	<b>-7,0%</b>
<b>Total liability and equity</b>	<b>25.408.932</b>	<b>25.280.845</b>	<b>128.087</b>	<b>0,5%</b>

**Table Nr. 29 – Cash Flow Statement**

	Million COP\$	
	Mar-19	Mar-18
<b>Cash flow from operating activities</b>		
<b>Net income</b>	<b>520.889</b>	<b>342.336</b>
<b>Adjustments to reconcile the net income with the net cash provided by operating activities:</b>		
Income taxes recognized in results	101.198	87.361
Income, participation method in related parties and joint ventures	-295.362	-235.011
Financial expenses	135.468	131.885
Financial revenue	-23.337	-53.907
Depreciation and amortization	120.153	102.859
Loss (income) on sale or disposal of fixed assets	10	791
Foreign exchange difference	1.284	10.408
Provisions (recoveries) net	5.045	-545
	<b>565.348</b>	<b>386.177</b>
<b>Net changes in assets and liabilities of the operation:</b>		
Accounts receivable	-117.923	-34.186
Inventories	-4.560	6.600
Other assets	-1.563	-646
Accounts payable	-117.477	-160.910
Provisions for employee benefits	-28.489	-14.071
Provisions	-1.658	4.392
Other liabilities	23.666	-24.083
Taxes paid	-24.712	-36.656
<b>Net cash flow provided by operating activities</b>	<b>292.632</b>	<b>126.617</b>
<b>Investment activity cash flow</b>		
Dividends received	144.492	124.803
Revenue from sale of fixed assets	0	12
Interests received	18.133	22.593
Loans to related parties	0	13.063
Increase in investments	-64.534	-280.463
Property, plant and equipment acquisition	-140.194	-125.306
Acquisition of investment properties	0	-326
Acquisition of intangible assets	-81.131	-56.059
<b>Net cash flow (used in) provided by investment activities</b>	<b>-123.234</b>	<b>-301.683</b>
<b>Financing activity cash flow</b>		
Interests paid	-149.702	-164.806
Loans received	41.430	2.139.096
Loans paid	-45.518	-2.265.001
<b>Net cash flow used in financing activities</b>	<b>-153.790</b>	<b>-290.711</b>
Net Cash (Deduction) Increase	15.608	-465.777
Effect on changes in the foreign exchange rate of cash held in foreign currency	7.751	1.262
<b>Cash and cash equivalent at the beginning of the year</b>	<b>1.128.112</b>	<b>1.569.685</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>1.151.470</b>	<b>1.105.170</b>



## Appendix 2. Legal note

*This document contains words such as “anticipate”, “believe”, “expect”, “estimate” and others with similar meaning. Any information that is different from the historical information, including, but without limiting to that which refers to the Company’s financial situation, its business strategy, its plans and management objectives, corresponds to forecasts.*

*Forecasts in this report were made under assumptions related to the economic, competitive, regulatory and operational environment of the business and took into account risks beyond the Company’s control. Forecasts are uncertain and they may not materialize. One may also expect that unexpected events or circumstances occur. As a result of the foregoing, actual results may differ significantly from forecasts herein contained. Therefore, forecasts in this report must not be considered as true facts. Potential investors must not take into account the forecasts or assumptions herein contained, neither should they base their investment decisions thereupon.*

*The Company expressly waives any obligation or commitment to distribute updates or revisions of any of the forecasts herein contained.*

*The Company’s past performance may not be considered as a pattern of its future performance.*

*The figures presented correspond to the figures reported by the subsidiary or associate companies at the time of this report. The figures are unaudited and may change over time.*

## Appendix 3. Terms and definitions

- ▶ Kscfd: Thousand standard cubic feet per day.
- ▶ Mscfd: Million standard cubic feet per day.
- ▶ Average – Mscfd: It is the average of the transported volume per day during the quarter under analysis.
- ▶ LTM: Last Twelve Months
- ▶ Pp: percentage points.

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