

NET INCOME OF ENEL-EMGESA INCREASED BY 21% IN THE FIRST NINE MONTHS OF 2019

Bogota, October 25th 2019

Financial results 9M 2019

	9M 2019	9M 2018	VARIATION %
<i>Millions of Pesos (COP)</i>			
REVENUES	3,065,180	2,751,017	+11.4%
EBITDA	1,799,168	1,624,223	+10.8%
EBIT	1,622,887	1,460,990	+11.1%
NET INCOME	958,241	791,240	+21.1%
NET FINANCIAL DEBT ⁽¹⁾	2,518,682	2,907,125 ⁽²⁾	-13.4%
INVESTMENTS	168,579	148,125	+13.8%

(1) Short-term financial debt + Long-term financial debt - Cash and other financial assets

(2) Figures as of 31 December 2018, including IFRS 16 impact for purposes of comparing figures

Lucio Rubio, Country Manager of Enel in Colombia, commented: *“The results achieved by Enel-Emgesa during 3Q 2019 are very positive, because besides they reflect increases in revenues and EBITDA, we managed to position the company as the largest power generator in Colombia delivering nearly 22.6% of energy to the system in this period”.*

Revenues as of September 2019 evidenced an increase compared to the same period in 2018, mainly explained by:

- Increase in spot market revenues derived from higher prices during 2019, in line with the hydrological deficit registered primarily in Antioquia.
- Improvement in energy sales through contracts indexed to the stock market price.

EBITDA grew, reflecting the increase in revenues, which were partially offset by:

- Higher energy purchase costs, in line with a steeper stock price of energy
- Higher fuel costs, product of the increase in thermal generation compared to the previous year.

EBIT increased during the first nine months of 2019 compared to the previous year, with a positive variation of 9.6% in depreciation and amortization, given the start of operation of new assets as part of the company's investment plan.

The **Net Income** increased during this 3Q compared to the previous year, gaining in turn from the following aspects:

- Lower net financial expenses caused by a decrease in the average debt balance compared to the previous year, as well as lower debt costs due to a lower Consumer Prices Index (CPI) level during 2019.
- A lower effective tax rate after the 4% reduction of the income tax rate for 2019.

Net Financial Debt evidenced a significant decrease with respect to the previous year end, due to the cash optimization strategies implemented by the Company, allowing to meet the investment needs and the

dividends payment to shareholders with the company's own cash generation.

Investments during the first 9M increased compared with the same period of 2018, and were mainly focused on the useful life extension project and environmental improvement at the Termozipa plant, and others associated with the execution of the maintenance plan for hydroelectric power plants.

Operating results 9M 2019

	9M2019	9M2018	VARIATION %
GWh(*)			
TOTAL GENERATION COLOMBIA	52,199	51,264	+1.8%
ENEL- EMGESA GENERATION	11,789	10,925	+7.9%
CONTRACT SALES	11,303	11,541	-2.1%
SPOT MARKET SALES	2,702	2,520	+7.2%
PLANT AVAILABILITY	90.4%	93.2%	-2.6%

(*) Estimated figures

During 3Q 2019, the Enel-Emgesa's **generation** increased up to September 2019 compared to the same period in 2018, driven both by hydroelectric power plants generation, supported by the company's own reservoirs levels, and by the thermal power plants (derived from the energy stock price levels, explained by a deficit of the system's water contributions).

As of September 30, 2019, Enel-Emgesa's generation represented 22.6% of the total generation of the National Interconnected System (SIN), becoming the largest generator of the system.

- The **total energy production** of Enel-Emgesa was as follows:
 - 96.0% hydroelectric: 5.4% higher than last year, marked by a larger useful water volume of the company's own reservoirs.
 - 4.0% thermal: 157.8% higher than the same period in 2018, given a greater generation of the Termozipa thermal power plant.

The availability of the power plants decreased by 2.6% as of September 2019 compared to the same period last year, mainly due to scheduled maintenance.

Dividends:

As of September 2019, Enel-Emgesa has paid 429,065 million COP in dividends to its shareholders.

	9M2019	9M2018
<i>Figures in millions of pesos</i>		

Current assets	877,414	987,191
Non-current assets	8,180,234	8,042,152
Current liabilities	1,463,267	1,669,605
Non-current liabilities	3,118,346	3,344,048
Equity	4,476,035	4,015,690
Revenues	3,065,180	2,751,017
Costs	(1,106,030)	(980,523)
Contribution margin	1,959,150	1,770,494
Earnings before interests and taxes (EBIT)	1,622,887	1,460,990
Earnings before taxes (EBT)	1,416,882	1,233,320
Net income	958,241	791,240

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