

Financial Results Fourth Quarter 2019

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1. Subsequent and Relevant Facts 4Q-19

- In 2019 we reached a consolidated EBITDA of **COP 3.9 trillion**, with a growth of 9.4%¹. All sectors contributed positively to the EBITDA, with the exception of financial sector, due to the liquidation process of Leasing Corficolombiana.
- In 2019, at a consolidated level, we invested **COP 2.1 trillion** in our strategic sectors:
- We further optimized our balance sheet. Double leverage was 131.9% at end-2019; while the debt that finances the equity investment portfolio reached a level of COP 2.9 trillion, with an improvement in conditions as it has extended the average tenor from 6 to **8.2 years**.
- In October, the Colombian Stock Exchange (BVC) renewed the recognition-IR, and mentioned Corficolombiana as one of the IR issuers with the greatest evolution in the 2016-2019 period.
- Corficolombiana's shares stood out as the best performing in the local equity market during 2019; with the common stock recording an increase of 87.8% and the preferred stock 75.9%.

Infrastructure

- Our three fourth generation concessions (4G) under construction closed 2019 with significant progress, ahead of the contractually stipulated. Coviandina has already completed the construction of the main structures and closed 2019 with 64.81% progress and running ahead of the ANI schedule by 6 months. Covipacífico reached 33.85% construction progress, while Covioriente closed the year with 23.13%.
- During 2019, the airports of Cali and Cartagena, in whose concessions Corficolombiana is a shareholder, jointly mobilized more than 11 million passengers, equivalent to a growth of 8.9%.

Energy

- Due to the entry into operation of new expansions in the system, which increased capacity between Cartagena and Barranquilla, Promigas signed a new firm transportation contract, which represented additional revenues of USD 1.6 million in December.
- During 2019, SPEC provided the regasification service for 148 days (non-continuous), delivering 5,836 MCF of natural gas to the National Transportation System.
- Regarding natural gas distribution, at end-2019 Promigas subsidiaries´ had increased in 25 the number of users served, reaching 38% of users in Colombia. On the other hand, Surtigas

¹ For comparability purposes, 2018 EBITDA excludes retroactive and extraordinary revenue related to the signing of the initiation of construction phase of Covioriente and Covipacífico. Without the adjustment, EBITDA growth is -4.5%.

connected user number 800,000. Operations in Peru continue their consolidation with the signing in November by Gasnorp, a subsidiary of Promigas, of the concession contract that will bring natural gas to the Piura region.

- Promigas made its debut in the international capital markets with a successful bond issuance for an amount of USD 400 million. Its Peruvian subsidiary Gases del Pacífico S.A.C acted as co-issuer.

Agroindustry

- The Mavalle rubber project issued Emission Reduction Certificates for an amount of COP 4.93 billion thanks to its reduction of CO2.
- Our investments in agroindustry recovered during 2019 recording a consolidated net income of COP 4 billion (compared to a loss in 2018), due to the rigorous implementation of a strategy focused on achieving crops productivity increases.

Hospitality

- Hoteles Estelar had historical sales levels in the months of November and December, reflected in a 63% occupation rate in 4Q-19 and 8.5% growth in sales compared to the same period of the previous year.

Financial

- On December 20, the Financial Superintendence authorized the early dissolution and voluntary liquidation of Leasing Corficolombiana.
- Consolidation of the Integrated Commercial Model, which entered operation in February to integrate the value offer of Corficolombiana's treasury, with Casa de Bolsa and Fiduciaria Corficolombiana, expanding the customer service and the distribution of transactional products.
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Concesionaria Ruta del Sol (CRDS)

- **Cundinamarca Administrative Court:** In October 2019, the Consejo de Estado modified the suspensive effect of the first instance ruling, decision that was ratified in February 2020 stating that in any case the payment of damages and the ineligibility sanctions will only become effective if the ruling is confirmed in the second instance. In case the ruling is confirmed, this should not affect the execution of the infrastructure projects where Corficolombiana is a shareholder.
- **Superintendency of Industry and Commerce (SIC):** The evidence stage concluded and on December 30th, 2019 the exposition of arguments was held. We are awaiting the presentation of an "Informe Motivado" by the Assistant Superintendent, which is subject to comments by the defendants. Subsequently, the Superintendent must render a final decision.
- **Arbitration Tribunal:** After the arbitration ruling issued on August 6, Episol and other concerned parties filed annulments in order to declare the ruling null. The appeals were based on recurring reasons such as arithmetic errors, lack of competence of the Tribunal to decide over certain matters, and decisions not based on law. The Consejo de Estado has not yet ruled on the appeal.
- On the other hand, on December 4, 2019, Episol filed a constitutional action (tutela) against the ruling, alleging violation of the right to due process and good name, mainly due to the serious errors that the Court incurred in applying art. 20 of Law 1882 of 2018. In a first

instance ruling, the Consejo de Estado denied the tutela action, arguing that the grounds for it were the same invoked in the appeal for annulment. Episol filed an appeal against the sentence, which must be resolved by the Consejo de Estado.

- **CRDS Liquidation:** By Order of January 15, 2020, SuperSociedades decreed the opening of the judicial liquidation process of CRDS's assets. Within twenty (20) business days from March 24, creditors must present their claims to the liquidator, presenting proof of the existence and amount.

2. Separate Financial Statements

Financial Results

COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	2019/ 2018
Operating Revenue	816.575	439.572	458.335	1.913.899	1.856.788	-43,9%	-3,0%
Treasury Net Margin	33.175	14.064	5.365	59.738	67.493	-83,8%	13,0%
Treasury Revenue	94.896	78.144	37.340	263.969	264.129	-60,7%	0,1%
Interests - Treasury Funding	61.721	64.080	31.975	204.231	196.636	-48,2%	-3,7%
Commissions revenue	764	656	6.305	16.811	9.308	725,3%	-44,6%
Dividends	8.521	2	3	55.976	71.066	-100,0%	27,0%
EEB	8.519	0	0	46.141	61.789	-100,0%	33,9%
Gas Natural	0	0	0	3.985	3.842	N/A	-3,6%
Others	2	2	3	5.850	5.435	50,0%	-7,1%
Equity Method	774.115	424.850	446.662	1.781.374	1.708.921	-42,3%	-4,1%
Energy & Gas	95.571	110.394	101.251	366.863	414.162	5,9%	12,9%
Infrastructure	690.285	317.258	332.729	1.413.882	1.288.715	-51,8%	-8,9%
Hospitality	7.255	2.678	6.113	17.795	13.722	-15,7%	-22,9%
Agroindustry	-8.249	-2.314	1.685	-7.882	-1.871	120,4%	76,3%
Financial	-11.511	-4.216	118	-11.657	-13.498	101,0%	-15,8%
Others	764	1.050	4.766	2.373	7.691	523,8%	224,1%
Interests - Equity Investment Funding	40.051	39.363	44.124	153.605	161.189	10,2%	4,9%
Provisions, net	15.367	9	1.126	31.223	1.141	-92,7%	-96,3%
Net Financial Income	761.157	400.200	413.085	1.729.071	1.694.458	-45,7%	-2,0%
Administrative Expenses	28.000	27.519	32.091	98.653	109.662	14,6%	11,2%
Personnel Expenses	11.408	12.215	13.552	45.456	50.730	18,8%	11,6%
Commissions and Fees	6.136	4.985	5.571	18.742	18.489	-9,2%	-1,3%
General Expenses	10.456	10.319	12.968	34.455	40.443	24,0%	17,4%
Other Revenue / Expenses	-1.385	-3.053	-1.884	-6.900	-10.888	-36,0%	-57,8%
Income before Taxes	731.772	369.628	379.110	1.623.518	1.573.908	-48,2%	-3,1%
Income tax	3.619	2.051	1.094	15.855	7.601	-69,8%	-52,1%
Net Income	728.153	367.577	378.016	1.607.663	1.566.307	-48,1%	-2,6%

Operating revenue fell 43.9% in 4Q-19 versus 4Q-18 explained by the contribution of the *Equity Method* and by a lower Treasury Margin. The Equity Method fell 42% YoY, given that in 4Q-18 there is an extraordinary revenue related to the retroactive and non-recurring effect of the signing of the initiation of construction phase of Covioriente (COP 337.3 billion). The other sectors reported an improvement in the results, with the exception of the hospitality sector. For the whole year, in addition to Covioriente, the non-recurring effect of the signing of initiation of construction phase of Covipacífico in 2Q-18 is also present. As a result, the equity method shows a 4.1% reduction despite the good performance of the road concession projects and of Promigas.

The Treasury Net Margin fell compared to 4Q-18 and 3Q-19, explained by a non-recurring effect of exchange difference in the investment portfolio registered in 4Q-18. Also the stability of interest

rates during 4Q-19 generated fewer trading opportunities. However, for all of 2019 the Treasury Net Margin registered a growth of 13%.

On the other hand interest expense related to funding of the equity investment portfolio increased both in the quarter and in 2019, in line with the growth of said portfolio.

Total net income for 4Q-19 was COP 378 billion and COP 1.6 trillion for 2019, resulting in a ROAA and ROAE of 11.7% and 22.6%, respectively. If the non-recurring effect related to Covioriente and Covipacífico in 2018 is eliminated, the year-on-year growth in net profit for 2019 would be close to 23%. This growth is explained by the progress in the construction of 4G infrastructure projects and by the good performance of Promigas, as well as by higher dividends received from GEB, as the CFC investment in the company increased in 3Q-18..

Indicators	4Q-18	3Q-19	4Q-19	Year	
				2018	2019
Net Financial Income / Operating Revenue	93,2%	91,0%	90,1%	90,3%	91,3%
Administrative Expenses / Net Financial Income	3,7%	6,9%	7,8%	5,7%	6,5%
ROAE	39,0%	29,7%	22,6%		
ROAA	15,4%	15,0%	22,6%		

Note: ROAA and ROAE calculated as the last twelve months separate net income over average assets and equity for the same period. It does not include the impact of the CRDS impairment, since it is not recurrent.

Financial Position Statement

Assets in the separate financial statements grew 23.8% compared to 4Q-18 as a result of an increase in the equity investments portfolio, which reached a year-end balance of COP10.2 trillion. The most relevant growth is observed in investments in *Subsidiaries and Associated Companies*, where the infrastructure sector registers an increase of COP 1.9 trillion resulting from the capitalizations made to 4G projects. On the other hand, investments in the financial sector decreased as a result of the transfer of assets and liabilities of Leasing Corficolombiana to other financial institutions in 1Q-19.

COP MM	4Q-18	3Q-19	4Q-19	4Q-19 / 4Q-18	4Q-19 / 3Q-19
Assets	11.956.104	14.135.668	14.798.012	23,8%	4,7%
Cash + Interbank Funds	815.618	2.083.110	1.663.813	104,0%	-20,1%
Cash	540.887	1.725.312	1.242.819	129,8%	-28,0%
Interbank Funds	274.731	357.798	420.994	53,2%	17,7%
Investments	10.983.242	11.655.221	12.814.670	16,7%	9,9%
Subsidiaries & Associated Companies	6.690.579	8.014.599	8.770.143	31,1%	9,4%
<i>Energy & Gas</i>	1.684.914	1.788.820	1.878.464	11,5%	5,0%
<i>Infrastructure</i>	4.108.166	5.310.774	5.976.777	45,5%	12,5%
<i>Hospitality</i>	327.162	336.734	341.202	4,3%	1,3%
<i>Agroindustry</i>	415.599	445.010	475.265	14,4%	6,8%
<i>Financial</i>	127.408	103.702	67.905	-46,7%	-34,5%
<i>Others</i>	27.330	29.559	30.530	11,7%	3,3%
Other Equities Investments	1.078.889	1.447.216	1.468.004	36,1%	1,4%
Fixed Income Investments + Derivatives	3.213.774	2.193.406	2.576.523	-19,8%	17,5%
Other Assets	157.244	397.337	319.529	103,2%	-19,6%

At the end of 2019, cash doubled versus 2018. This is consistent with the evolution of Corficolombiana's funding and its balance structure. The movement in the fixed income and derivatives investment portfolio reflects the treasury's strategy. On the other hand, the changes in

other equities investments show the valorization during the year of the securities in which Corficolombiana has minority interests, particularly Grupo de Energía de Bogotá (+25.4%); as well as the increase of our stake in that company in July 2018 to 5.17%.

COP MM	4Q-18	3Q-19	4Q-19	4Q-19 / 4Q-18	4Q-19 / 3Q-19
Liabilities	6.022.781	6.850.366	7.153.586	18,8%	4,4%
Deposits and Current Liabilities	3.315.581	4.270.548	4.140.683	24,9%	-3,0%
CDs	2.697.903	3.746.410	3.537.782	31,1%	-5,6%
Savings and other funds at sight	617.678	524.138	602.901	-2,4%	15,0%
Money Market Operations	2.575.908	1.936.319	2.406.035	-6,6%	24,3%
Issued Securities		503.410	503.443	N/A	0,0%
Other Liabilities	131.292	140.089	103.425	-21,2%	-26,2%
Equity	5.933.323	7.285.302	7.644.426	28,8%	4,9%
Total Liabilities + Equity	11.956.104	14.135.668	14.798.012	23,8%	4,7%

Liabilities grew 18.8% compared to 4Q-18 and 4.4% vs 3Q-19. CDs and Issued Securities are the items that explain most of this growth. CDs continue to be the main source of funding increasing in 2019 by COP 839.9 billion (31% y/y growth), with an increase in the average term from 4.9 years to 5.1 years compared to 2018. In addition, as inflation increased the effective rate of deposits increased 14 bps.

Furthermore, as a result of a funding strategy that seeks to maintain a mix between CDs and bonds, in line with our investment needs, the average term of the debt that finances the equity investment portfolio increased from 6 years at the end of 2018 to 8.2 years at the end of 2019. Likewise, Corficolombiana's equity strengthened reaching COP 7.6 trillion at the end of the year. As a result, double leverage (equity investments / equity) remained at 131.9%.

3. Consolidated Financial Statements

Financial Results

COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	4Q-19 / 3Q-19	2019 / 2018
Operating Revenue Real Sector	2.787.608	2.426.866	2.805.890	8.121.085	9.302.244	0,7%	15,6%	14,5%
Cost of Sales	1.078.580	1.310.798	1.713.382	3.780.072	4.997.869	58,9%	30,7%	32,2%
Gross Margin of Real Sector	1.709.028	1.116.068	1.092.508	4.341.013	4.304.375	-36,1%	-2,1%	-0,8%
Equity Method and Dividends	61.185	59.601	53.123	248.263	283.965	-13,2%	-10,9%	14,4%
Net Financial Expenses	-76.061	-213.844	-72.073	-305.809	-453.868	5,2%	66,3%	-48,4%
Financial Revenue, net of provisions	137.926	71.778	170.552	514.790	491.275	23,7%	137,6%	-4,6%
Interests Expenses	213.987	285.622	242.625	820.599	945.143	13,4%	-15,1%	15,2%
Personnel and General Expenses	324.887	223.136	277.904	938.265	951.560	-14,5%	24,5%	1,4%
Depreciations, Amortizations and Provisions	276.820	83.521	134.840	610.136	473.092	-51,3%	61,4%	-22,5%
Other Revenues / Expenses	47.632	30.173	48.029	242.095	141.564	0,8%	59,2%	-41,5%
EBITDA	1.582.871	1.016.248	964.583	4.083.128	3.898.415	-39,1%	-5,1%	-4,5%
Net Income before taxes	1.140.077	685.342	708.842	2.977.162	2.851.384	-37,8%	3,4%	-4,2%
Net income from discontinued operations	3.407	-3.046	1.901	-383	-44.285	-44,2%	162,4%	n.a
Income tax	321.130	179.198	221.644	908.261	802.936	-31,0%	23,7%	-11,6%
Net Income	822.354	503.098	489.099	2.068.518	2.004.163	-40,5%	-2,8%	-3,1%
Controlling Net Income	725.766	360.701	383.640	1.620.159	1.531.288	-47,1%	6,4%	-5,5%

Note: The Operating Revenue Real Sector includes income from leasing of SPEC and from Financial Asset of Promigas.

In 4Q-19 the consolidated controlling net income reached COP383.6 billion while the EBITDA reached COP 964.6 billion. The reduction in both versus 4Q-18, is explained again by the effect of the initiation of construction of Covioriente in 4Q-18.

For the full year 2019, the controlling net income reached COP1.53 trillion; where stands out the contribution of the infrastructure sector for COP 1.28 trillion and of the gas sector, led by Promigas, for COP 410 billion. If the retroactive and non-recurring effect of the initiation of construction phase of Covipacífico and Covioriente in 2018 is eliminated, the year-on-year growth in controlling net income would be approximately 20%. Interest expense increases 13.4% as construction of gas and infrastructure projects progresses.

The contribution by sector to the consolidated financial results for the 4Q-19 shows the relevant contribution of the infrastructure and energy components. During the quarter, all sectors contributed positively to EBITDA, with the exception of the financial sector, given the lower profit from Corficolombiana's treasury.

4Q-19 COP MM								Adjustments &		Total
	Holding	Financial	Energy	Infrastructure	Hospitality	Agroindustry	Dividends & Other	Eliminations		
Income from Non-Financial Sector			211.230	486.353	12.802	12.412	1.005	-21.132	702.669	
EBITDA	-13.288	-5.553	401.146	545.718	16.420	9.403	4.323	6.413	964.583	
Net Income	-57.412	-7.202	192.314	340.660	7.725	8.748	3.787	479	489.099	
Controlling Net Income	-57.412	-7.444	92.617	349.870	5.609	8.593	3.770	-11.962	383.640	

Income from non-financial sector: Gross Operating Margin, excluding SPEC leasing and Financial Asset (infrastructure projects) of Promigas - Personnel and General Expenses - Depreciations and Amortizations + Other Revenues and Expenses. Holding: corresponds to expenses of Corficolombiana's equity investment business. Financial: Includes Corficolombiana, except for income and expenses of the equity investment business, and its financial subsidiaries. Dividends & Others: Corficolombiana's dividends and MPU received from the companies that don't consolidate plus Tesicol, Lehner and Energy Holdings.

Energy & Gas

COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	4Q-19 / 3Q-19	2019 / 2018
Revenue from Sale of Goods and Services	956.849	1.268.944	1.559.652	3.636.051	4.743.290	63,0%	22,9%	30,5%
Revenue Financial Asset (concession) Promigas	28.591	55.242	55.242	205.803	217.616	93,2%	0,0%	5,7%
Cost of Sales and Services	653.126	903.700	1.187.225	2.370.776	3.339.915	81,8%	31,4%	40,9%
Gross Operating Margin	332.314	420.485	427.669	1.471.077	1.620.992	28,7%	1,7%	10,2%
Equity Method and Dividends	48.992	52.942	50.070	173.683	195.095	2,2%	-5,4%	12,3%
Net Financial Expenses	-57.397	-72.343	-70.184	-246.345	-271.364	-22,3%	3,0%	-10,2%
Financial Revenue, Net of provisions	23.312	20.520	27.690	86.259	96.337	18,8%	34,9%	11,7%
Interest Expenses	80.709	92.863	97.874	332.604	367.701	21,3%	5,4%	10,6%
Personnel and General Expenses	92.789	79.215	105.191	310.071	334.039	13,4%	32,8%	7,7%
Depreciations, Amortizations and Provisions	56.478	54.345	85.351	219.092	262.885	51,1%	57,1%	20,0%
Other Revenues / Expenses	33.359	16.483	29.345	96.042	88.192	-12%	78%	-8%
EBITDA	349.709	431.003	401.146	1.493.803	1.600.747	14,7%	-6,9%	7,2%
Net Income before taxes	208.001	284.008	246.358	965.295	1.035.990	18,4%	-13,3%	7,3%
Income tax	11.798	39.897	54.044	191.327	183.180	358,1%	35,5%	-4,3%
Net Income	196.203	244.111	192.314	773.968	852.810	-2,0%	-21,2%	10,2%
Minority Interest	10.145	17.510	9.476	50.055	44.178	-6,6%	-45,9%	-11,7%
Controlling Net Income before Consolidation Adjustments	186.058	226.601	182.838	723.913	808.632	-1,7%	-19,3%	11,7%
Controlling Net Income	97.689	114.460	92.617	367.624	409.801	-5,2%	-19,1%	11,5%

Note: The revenue from sale of goods and services includes SPEC's leasing revenue: COP 57,746 million in 3Q-18 , COP 58,445 million in 2Q-19 and COP 59,449 million in 3Q-19. The EBITDA considers revenue from non-banking lending activities (Brilla), registered in financial revenue net of provisions, and the revenue from financial assets (concessions).

Gross operating margin grew 28.7% in 4Q-19 compared to the same quarter of the previous year. Promigas benefited from the subscription of new transport contracts, higher construction revenues and the increase in sales driven by the commercialization of natural gas.

The gas distribution business continues to grow reaching more than 4.7 million users in Colombia and Peru with a growth of more than 400 thousand users compared to 2018, mostly in Peru.

Cálidda continues with the gas massification plan promoted by the Peruvian government. The company began to serve 7 new towns and cities during 2019 and reached 952,684 users and 1,080,943 ringed homes in Lima and El Callao with 88% of coverage. To year-end distributed 5,928 MM m3 of natural gas, with an increased demand in the generation segment. Separately, Quavii ended 2019 with 87,486 users, globally exceeding the BOOT goal of 73,277 users at the end of year 2. To date, it has 194,130 ringed homes. The company closed the year with 38 contracts signed with industries and now is entering the fishing sector. During 2019, it distributed 43 MM m3 of natural gas and continued working to consolidate its position and the coverage in its concession area in northern Peru.

Turning to transportation, capacity between Cartagena and Barranquilla increased as a result of the entry into operation of new extensions in the Promigas pipeline. Likewise firm transportation contracts grew, representing additional revenues of USD 1.6 million in December for Promigas. Furthermore, during 2019, SPEC provided the regasification service for 148 days (non-continuous) to deliver 5,836 MPC of natural gas to the National Transportation System.

Finally, income and costs for construction registered a change in accounting policy. Therefore, starting in 2019, in addition to the capitalizations made, the progress of the projects during the year is recognized.

Infrastructure







COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	4Q-19 / 3Q-19	2019 / 2018
Revenue from Sale of Goods and Services	1.668.565	981.145	1.059.031	3.790.414	3.845.631	-36,5%	7,9%	1,5%
Cost of Sales and Services	360.385	342.654	458.194	1.156.980	1.403.033	27,1%	33,7%	21,3%
Gross Operating Margin	1.308.180	638.491	600.837	2.633.434	2.442.598	-54,1%	-5,9%	-7,2%
Equity Method and Dividends	1.093	2.229	-590	9.161	3.053	-154,0%	-126,5%	-66,7%
Net Financial Expenses	-10.265	-127.151	16.631	-14.007	-150.152	262,0%	113,1%	-972,0%
Financial Revenue, Net of provisions	15.777	-29.308	111.201	87.105	119.551	604,8%	479,4%	37,2%
Interest Expenses	26.042	97.843	94.570	101.112	269.703	263,1%	-3,3%	166,7%
Personnel and General Expenses	125.520	47.080	74.968	237.830	230.484	-40,3%	59,2%	-3,1%
Depreciations, Amortizations and Provisions	176.170	20.849	41.362	334.475	180.979	-76,5%	98,4%	-45,9%
Other Revenues / Expenses	6.678	9.240	1.846	103.055	17.333	-72,4%	-80,0%	-83,2%
EBITDA	1.197.225	582.337	545.718	2.466.248	2.189.148	-54,4%	-6,3%	-11,2%
Net Income before taxes	1.003.996	454.880	502.394	2.159.338	1.901.369	-50,0%	10,4%	-11,9%
Net income from discontinued operations	-176	-4	-100		-164	43,2%	-2400,0%	N/A
Income tax	302.586	134.584	161.634	684.580	598.223	-46,6%	20,1%	-12,6%
Net Income	701.234	320.292	340.660	1.474.582	1.302.982	-51,4%	6,4%	-11,6%
Minority Interest	370.256	45.964	473.838	746.072	631.446	28,0%	930,9%	-15,4%
Controlling Net Income before Consolidation Adjustments	330.978	274.328	-133.178	728.510	671.536	-140,2%	-148,5%	-7,8%
Controlling Net Income	695.131	306.770	349.870	1.395.040	1.278.696	-49,7%	14,0%	-8,3%

Gross operating margin fell in 4Q-19 compared to 4Q-18; due to the non-recurring effect in 4Q-18 of the initiation of construction of Covioriente and to a lower revenue registered in Coviandina. Our three fourth-generation (4G) concessions under construction presented significant progress, running ahead of the contractually anticipated:

Concession	Phase	% Project progress Dec / 18	% Project progress Sep / 19	% Project progress Dec / 19
Coviandina	Construction	38.4%	58.0%	64.8%
Covipacífico	Construction	14.0%	27.6%	33.9%
Covioriente	Construction	12.8%	19.6%	23.1%
Covimar	Pre- Construction	2.6%	3.3%	3.9%

In 2020, the maximum levels of execution will be reached, entering the final phase of construction in the following two years. We expect that at year-end 2020 Coviandina will exceed 80% and Covipacífico y Covioriente 50% of progress. All three projects invested more than COP 1.3 trillion in the year 2019.

On the other hand, the Average Daily Traffic in the concessions that are in operation had a reduction of 5.3% versus 4Q-18 and 4.1% in the year. Traffic was impacted by traffic restriction with the temporary closure of the Bogotá - Villavicencio road, in charge of Coviandes and now of Coviandina, presenting a reduction of 22.2% versus 4Q-18.

Concession	Average Daily Traffic (ADT)			2018	2019	4Q-19 / 4Q-18	2019 / 2018
	4Q-18	3Q-19	4Q-19				
 COVIANDES CONCESIONARIA DE LOS ANDES	32.320	6.055		29.575	20.675	-22,2%	-30,1%
 CCFESA	28.231	27.910		26.802	27.937	1,9%	4,2%
 Pisa	35.196	34.651		33.485	34.674	2,1%	3,5%
 CONCESIONARIA PANAMERICANA	5.539	5.098		5.203	5.297	0,0%	1,8%
 Concesionaria Vial del Pacifico	7.331	6.663		6.729	7.023	-1,4%	4,4%
 Concesionaria Vial del Oriente	16.094	18.925		15.342	16.703	-3,3%	8,9%
Total	124.711	99.302		117.137	112.308	-5,3%	-4,1%
				Bogotá-Villavicencio road is excluded		0,7%	4,6%

*Chirajara - Villavicencio is the concessioned section for construction. Coviandina additionally has the (administration, operation and maintenance) AOM of the entire Bogotá-Villavicencio corridor, which was delivered on November 6.

In relation to Coviandes, it is important to remember that in November the concession contract 444-94 was reversed with the delivery of the Bogotá-Villavicencio corridor to the ANI, which in turn handed it over to Coviandina. Coviandes will continue to carry out works that have already been

contracted, including the reconstruction of the Chirajara bridge and stabilization works at kilometer 58.

Finally, despite the increase in the interest expense related to the debt of the projects that are progressing construction, the net financial expense has benefited in the quarter due to the exchange difference related to the debt in dollars of Covioriente. Provisions expense falls versus 4Q-18, since in that period an expense of COP 111.8 billion was recorded for impairment in the value of Episol's investment in CRDS.

Hospitality

COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	4Q-19 / 3Q-19	2019 / 2018
Revenue from Sale of Goods and Services	93.428	94.068	104.674	342.084	375.672	12,0%	11,3%	9,8%
Cost of Sales and Services	32.442	32.864	36.502	119.778	131.328	12,5%	11,1%	9,6%
Gross Operating Margin	60.986	61.204	68.172	222.306	244.344	11,8%	11,4%	9,9%
Equity Method and Dividends	-	-	-	0	0	N/A	N/A	N/A
Net Financial Expenses	-2.388	-4.282	-4.538	-8.522	-15.309	-90,1%	-6,0%	-79,6%
Financial Revenue, Net of provisions	-437	-385	-712	-1.074	-1.821	-63,0%	-85,1%	-69,5%
Interest Expenses	1.951	3.897	3.826	7.448	13.488	96,1%	-1,8%	81,1%
Personnel and General Expenses	46.420	50.801	55.721	177.424	202.006	20,0%	9,7%	13,9%
Depreciations, Amortizations and Provisions	2.603	3.224	3.355	10.619	13.186	28,9%	4,1%	24,2%
Other Revenues / Expenses	2.238	2.039	3.706	6.554	9.330	65,6%	81,8%	42,3%
EBITDA	16.915	12.623	16.420	52.077	52.500	-2,9%	30,1%	0,8%
Net Income before taxes	11.813	4.936	8.264	32.295	23.173	-30,0%	67,4%	-28,2%
Income tax	2.456	906	539	6.479	3.895	-78,1%	-40,5%	-39,9%
Net Income	9.357	4.030	7.725	25.816	19.278	-17,4%	91,7%	-25,3%
Minority Interest	1.482	759	1.122	4.867	3.644	-24,3%	47,8%	-25,1%
Controlling Net Income before Consolidation Adjustments	7.875	3.271	6.603	20.949	15.634	-16,2%	101,9%	-25,4%
Controlling Net Income	6.887	2.777	5.609	17.993	13.278	-18,6%	101,9%	-26,2%

The hospitality sector's gross operating margin grew by 11.8% in 4Q-19 compared to 4Q-18 and 11.3% compared to 3Q-19. This is the result of growth in sales, since the number of rooms sold in Colombia grew 10.2%, where the Hotel Cartagena de Indias continues to consolidate, increasing the number of rooms sold by 42.3% compared to 4Q-18. Likewise, the average occupancy (59.08%) reached its highest level in history and was more than 2 percentage points above Cotelco's average occupation in 2019. Including the operations in Peru and Panama, the number of rooms sold grew 9.9% compared to 4Q-18; where organic growth has been positive since the number of rooms sold in comparable hotels (without taking into account the ones that left and entered) was 7.7% compared to 4Q-18.

In line with the growth in sales and due the coverage of some personnel vacancies, personnel and general expenses grew 9.7% in the year. As a result, EBITDA remained relatively stable. The increase in interest expenses reflects the fact that the interests related to the Cartagena project were no longer capitalized and have been recorded in the income statement since 2019.

Agroindustry

Our investments in agroindustry registered a recovery in 4Q-19. The gross operating margin grew 102.2% YoY, which led the consolidated net income to reach COP 8.6 billion (compared to a loss in

4Q-18). For the entire year, the gross operating margin grew 25%. This was possible due to the rigorous implementation of an strategy focused on achieving crop productivity increases.

COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	4Q-19 / 3Q-19	2019 / 2018
Revenue from Sale of Goods and Services	36.974	29.779	42.781	135.004	136.104	15,7%	43,7%	0,8%
Cost of Sales and Services	29.818	26.146	28.311	111.572	106.812	-5,1%	8,3%	-4,3%
Gross Operating Margin	7.156	3.633	14.470	23.432	29.292	102,2%	298,3%	25,0%
Equity Method and Dividends	97	191	86	1.383	1.469	-11,3%	-55,0%	6,2%
Net Financial Expenses	-2.532	-4.755	-465	-8.857	-8.103	81,6%	90,2%	8,5%
Financial Revenue, Net of provisions	-722	-2.762	1.639	-345	520	326,9%	159,3%	250,7%
Interest Expenses	1.810	1.993	2.104	8.512	8.623	16,2%	5,6%	1,3%
Personnel and General Expenses	9.327	7.585	13.187	33.293	39.156	41,4%	73,9%	17,6%
Depreciations, Amortizations and Provisions	16.252	2.193	1.831	20.189	6.695	-88,7%	-16,5%	-66,8%
Other Revenues / Expenses	9.083	5.474	12.960	26.265	29.599	42,7%	136,8%	12,7%
EBITDA	6.211	2.492	9.403	18.734	18.666	51,4%	277,4%	-0,4%
Net Income before taxes	-11.775	-5.235	12.033	-11.259	6.406	202,2%	329,9%	156,9%
Income tax	-28	-143	3.285	248	3.821	11832,1%	2397,2%	1440,7%
Net Income	-11.747	-5.092	8.748	-11.507	2.585	174,5%	271,8%	122,5%
Minority Interest	397	-126	163	129	623	-58,9%	229,4%	382,9%
Controlling Net Income before Consolidation Adjustments	-12.144	-4.966	8.585	-11.636	1.962	170,7%	272,9%	116,9%
Controlling Net Income	-8.423	-2.843	8.593	-6.872	4.043	202,0%	402,3%	158,8%

Regarding Pajonales, during 2019 a positive behavior was seen in the cultivation of rice, managing to harvest 2,991 hectares, growing 8% in the area suitable for mechanized transplanting of rice and increasing the area dedicated to the production of pangola grass with a 138% with an increase of 14% in the productivity of this crop. Turning to Unipalma, a decrease of 3.2% y/y in the cost of production of RFF (Cluster of Fresh Fruit) was achieved. Likewise, in line with this implementation and due to the actions taken during 2018 (where we eradicated 774 hectares with lethal wilt), by the end of 2019 the cases of this disease had been reduced by 31%. On the other hand, the Mavalle rubber project issued Emission Reduction Certificates for the amount of COP 4.93 billion.

Additionally, the provision expense is reduced since 4Q-18 registered the provision of Pizano's litigation rights.

Financial

COP MM	4Q-18	3Q-19	4Q-19	2018	2019	4Q-19 / 4Q-18	4Q-19 / 3Q-19	2019 / 2018
Equity Method and Dividends	23	32	83	372	476	260,9%	159,4%	28,0%
Margin from Financial Activities	49.330	37.764	33.888	158.532	165.088	-31,3%	-10,3%	4,1%
Interest Income Expenses, net provisions	21.691	48.903	28.733	121.776	116.293	32,5%	-41,2%	-4,5%
Interest Expenses	72.108	68.834	43.368	262.240	215.397	-39,9%	-37,0%	-17,9%
Other Financial Revenues, net	99.747	57.695	48.523	298.996	264.192	-51,4%	-15,9%	-11,6%
Personnel and General Expenses	42.640	36.504	41.615	161.297	147.354	-2,4%	14,0%	-8,6%
Depreciations, Amortizations and Accounts Receivable Provisions	24.045	3.147	2.967	22.617	9.776	-87,7%	-5,7%	-56,8%
Other Revenues / Expenses	5.143	1.180	3.123	15.748	6.079	-39,3%	164,7%	-61,4%
Operating Income	9.837	-7.743	-5.553	28.576	-15.648	-156,4%	28,3%	-154,8%
Net Income before taxes	-12.189	-675	-7.488	-9.262	14.513	38,6%	-1009,7%	256,7%
Net income from discontinued operations		-3.115	2.008	-	-44.583	N/A	164,5%	N/A
Income tax	4.093	3.576	1.722	24.592	12.390	-57,9%	-51,8%	-49,6%
Net Income	-16.282	-7.366	-7.202	-33.854	-42.460	55,8%	2,2%	-25,4%
Controlling Net Income	-15.253	-7.813	-7.444	-32.988	-43.392	51,2%	4,7%	-31,5%

Financial sector includes the financial subsidiaries, namely Casa de Bolsa and Fiduciaria Corficolombiana) and Corficolombiana's treasury business. On December 20, Financial Superintendence authorized the voluntary liquidation of the remaining assets of Leasing Corficolombiana. Consequently, this entity is excluded from the EBITDA calculations in 4Q-19.

The margin from financial activities fell 31.3% compared to the same period of the previous year, mainly due to the transfer of assets from Leasing Corficolombiana and a lower margin from Corficolombiana's treasury.

Statement of Financial Position

Total consolidated assets of the Corporation reached COP 31.8 trillion with an annual growth of 21.2%. Assets grew mainly by the item related to the assets of concession agreements as a result of the progress made in the construction of the 4G concessions; and for the investments associated with the 100 MPCD expansion project of the Jobo-Majaguas gas pipeline and as gas distribution companies grow their network.

COP MM	4Q-18	3Q-19	4Q-19	4Q-19 / 4Q-18	4Q-19 / 3Q-19
Assets	26.244.927	30.490.125	31.812.173	21,2%	4,3%
Cash + Interbank Funds	2.044.470	3.880.707	3.695.501	80,8%	-4,8%
Investments	5.981.548	5.251.618	5.848.493	-2,2%	11,4%
Associated Companies and Joint Ventures	759.222	759.075	752.060	-0,9%	-0,9%
Other Variable Income Investments	1.634.370	2.033.607	2.225.990	36,2%	9,5%
Fixed Income + Derivatives	3.587.956	2.458.936	2.870.443	-20,0%	16,7%
Loan Portfolio + Account Receivables, net	3.848.795	3.854.579	3.612.740	-6,1%	-6,3%
Portfolio	2.302.236	1.775.183	1.690.239	-26,6%	-4,8%
Accounts Receivable	1.546.559	2.079.396	1.922.501	24,3%	-7,5%
Fixed Asset	2.536.430	2.745.049	2.778.019	9,5%	1,2%
Assets in Concession Agreements	10.633.163	13.419.349	14.553.403	36,9%	8,5%
Financial Asset	5.118.682	6.431.731	7.031.915	37,4%	9,3%
Intangible Asset	5.514.481	6.987.618	7.521.488	36,4%	7,6%
Other Assets	1.200.521	1.338.823	1.324.017	10,3%	-1,1%

Cash and Interbank Funds account is consistent with the evolution of the funding and structure of Corficolombiana's balance sheet, and with movements in cash of the 4G concessions. The 6.1% reduction in Loan Portfolio plus Accounts Receivable versus 4Q-18 is mainly explained by the transfer of assets from Leasing Corficolombiana to Banco de Bogotá and Banco de Occidente, done during 1Q-19.

COP MM	4Q-18	3Q-19	4Q-19	4Q-19 / 4Q-18	4Q-19 / 3Q-19
Liabilities	18.126.238	20.962.104	21.844.119	20,5%	4,2%
Deposits	3.805.028	4.188.987	4.067.504	6,9%	-2,9%
Interbank Funds	2.560.805	2.018.985	2.457.579	-4,0%	21,7%
Financial Obligations	7.112.413	9.729.698	9.694.372	36,3%	-0,4%
Credits	4.260.125	6.789.337	5.501.607	29,1%	-19,0%
Issued Securities	2.852.288	2.940.361	4.192.765	47,0%	42,6%
Other Liabilities	4.647.992	5.024.434	5.624.664	21,0%	11,9%

Interbank Funds and *Deposits* are mainly related to the operation of Corficolombiana. On the other hand, the increase in *Financial Obligations* is explained by the securities issued for COP 500 billion by Corficolombiana in 3Q-19 and the international issuance of Promigas for USD 400 million in 4Q-19. Likewise, the increase in credits mainly reflects the debt for the construction of 4G projects; while compared to 3Q-19, it has a reduction equivalent to the issuance of Promigas bonds, resources that were used to refinance loans.

Equity grew 22.8% compared to the same quarter of the previous year, due to the capitalization of 2018 profits.

COP MM	4Q-18	3Q-19	4Q-19	4Q-19 / 4Q-18	4Q-19 / 3Q-19
Controlled Equity	6.033.706	7.340.921	7.697.662	27,6%	4,9%
Minority Interest	2.084.983	2.187.100	2.270.392	8,9%	3,8%
Equity	8.118.689	9.528.021	9.968.054	22,8%	4,6%