

Medellin, May 7, 2020

## EPM Group announces consolidated financial results as of December 31, 2019

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter, "EPM Group") is the holding company of a multi-Latin enterprise group formed by 45 companies and one structured entity<sup>1</sup>, that have presence in the provision of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama. Its corporate purpose is the provision of public utilities, mainly in power generation, power transmission and power distribution, gas, water supply, cleaning and waste management business lines.

The figures presented for this quarter are expressed in Colombian Pesos, according to the International Financial Reporting Standards (IFRS). The consolidation process implies inclusion of 100% of the companies where EPM has control. Figures for this period are audited.

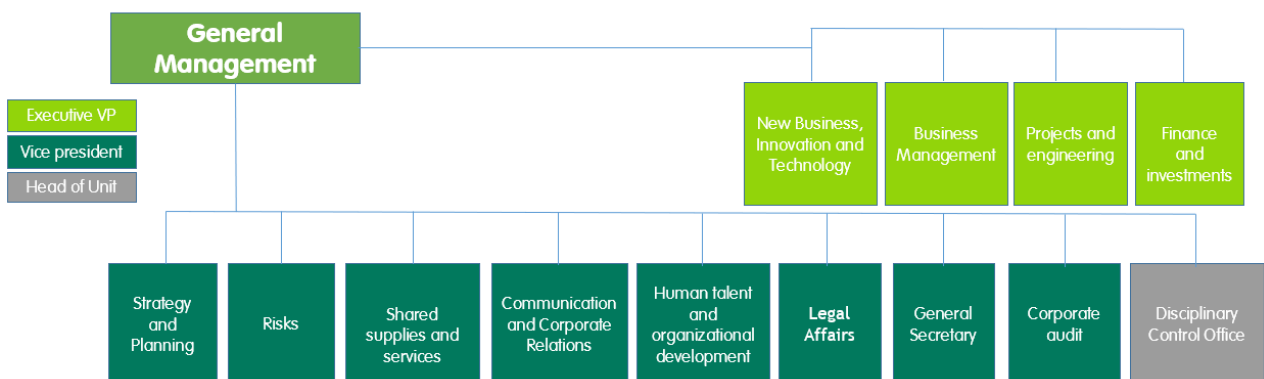
### CONSOLIDATION SCOPE



<sup>1</sup> Autonomous Patrimony Social Financing. Under International Financing Reporting Standards (IFRS), it is considered a structured entity that forms part of the consolidation perimeter of the financial statements of the EPM Group.

## 1. RELEVANT FACTS OF THE QUARTER AND SUBSEQUENT TO THE CLOSING

- In 2019, EPM Group made infrastructure investments to improve its services for COP 3.5 billion, of which COP 2.8 billion were invested in Colombia.
- Thanks to last year's good results, in 2020 the municipality of Medellín will be able to develop social investment programs amounting to COP 1.5 billion, as a result of the transfers.
- Sale of assets: in 2019, assets were sold for COP 729 thousand million (1.34% of ISA, Cururos, EPM Transmisión Chile, Gasoriente, and Promiorente).
- In March, Moody's ratified EPM's international credit rating at Baa3, maintaining the negative outlook and the "investment-grade" level. Following the award of CaribeMar, it reaffirmed the rating, as did Fitch Ratings, which on April 15, ratified EPM's national and international credit risk ratings, at AAA and BBB, respectively, and kept both on rating watch negative.
- Appointments within the Board of Directors: In order to take on the Organization's new challenges to address the strategic focal points, the Mayor of Medellín, Daniel Quintero, appointed Jesús Arturo Aristizábal, Luis Fernando Álvarez and Oswaldo León Gómez as new members of the EPM Board of Directors, retaining five Board members and ensuring continuity.
- Adjustment to the Administrative Structure: The CEO adjusted the administrative structure, separated the General Secretary and Legal Counsel, Human Resources and Technology, and created the Executive Vice Presidency of New Business, Innovation and Technology and three new vice presidencies: Legal Affairs, Strategy and Planning, and Risks.



- Ituango Hydroelectric Project: Considering the milestones achieved and the activities implemented in the last 22 months for the management and reduction of risks, the National Environmental Licensing Authority (ANLA, for the Spanish original) stated on March 02, 2020, as part of Resolution 820 of June 01, 2018, that Sociedad Hidroeléctrica Ituango (holder of the license) is authorized to carry out the works required, according to its technical criteria, in order to optimally dissipate the energy of the dammed water, and thus, ensure the integrity of the spillway and mitigate the risk associated with its continued operation.
- Purchase of assets: EPM Group was the successful bidder of CaribeMar, the southeastern part of the split of Electricaribe which includes the departments of Bolivar, Cesar, Cordoba and Sucre. Through this transaction, EPM becomes the main distributor of the national electricity system. CaribeMar accounts for approximately 12% of the national energy market share. EPM Group will increase its share to 35% of the energy distribution and commercialization market in Colombia, the cap set by law.
- EPM COVID-19 measures:

To preserve health and ensure continued operation:

- The COVID19 Unified Command Post (PMU, for the Spanish original) and the Protocol for Addressing Events and Crises (PADEC, for the Spanish original) were created
- Work shifts: 12x24, rotating every 14 days, according to the need of each process.
- Customer service offices: virtual service.
- Information system for daily monitoring of the state of health/operation in each of the businesses.
- Coordinated work with national and international affiliates to manage the contingency.
- Specific risk analysis for the COVID-19 case
- Confinement of personnel at the power plants.

Customer Cash Flow Relief:

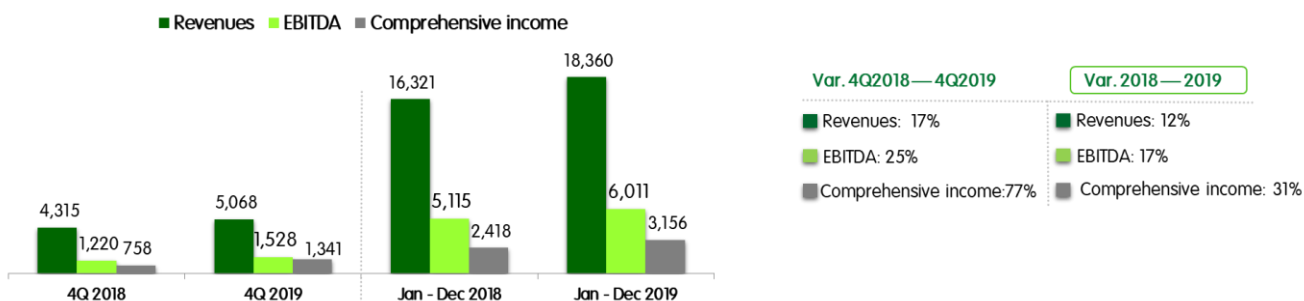
- No suspension of utility services.
- Reinstallation/ reconnection of Water at no charge.
- Rates are frozen for the water segment, without CPI-based increase.
- Reconnection of Power and Gas services to residential customers.
- Suspension of the collection of interest on the non-payment or late payment of Power and Gas services during the mandatory preventive isolation and for up to one more month.

- 100% financed advances on Prepaid Water for 30 m<sup>3</sup> of potable water and sewage service, and Prepaid Energy for 130 kWh of electricity.
- Consumption will continue to be billed and may be refinanced under special conditions, once the contingency has passed.

## 2. FINANCIAL RESULTS AS OF DECEMBER 31, 2019

EPM Group presented the following financial performance compared to the same period of the previous year:

### 2.1 INCOME STATEMENT



Figures in COP thousand million

As of December 31, 2019, **consolidated revenue** totaled COP 18.36 billion with an 12% increase (COP 2.04 billion) with respect to same period of last year, which is mostly explained on: i) in the EPM Parent Company in the power Distribution business for greater commercialization of energy and in Generation for higher sales given the increase in prices and units, because this year it is operating under the Niño Phenomenon, ii) in Ensa, Panama, higher sales in the regulated market, because of greater clients, and higher tariffs due to a greater prices linked to oil prices, and iii) in EEGSA higher units sold and increase of customers.

**EPM Parent Company** showed higher revenues for COP 693 thousand million, International subsidiaries as a whole showed growth for COP 1.13 billion, and the Colombian power subsidiaries whose revenues rose COP 266 thousand million.

**Operating Margin** as of December 2019 was 27%, compared to 22% obtained the previous year.

**EBITDA** totaled COP 6.01 billion, increasing by COP 895 thousand million, 17% in relation to previous year.

**EBITDA Margin** was 33%, compared to 31% obtained the previous year.

**The comprehensive income** for the period was COP 3.16 billion, showing an increase of COP 738 thousand million, 31% in relation to previous year.

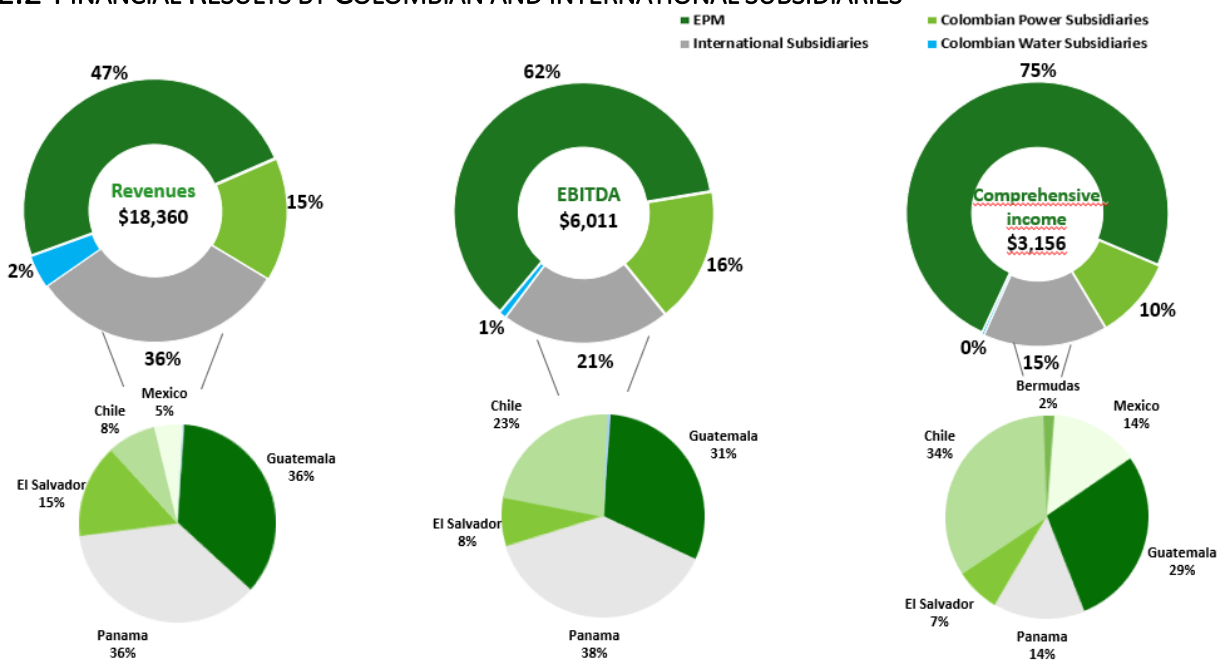
**Net margin** was 17%, compared to 15% obtained the previous year.

Concept	2018	2019	% Var.	2019 USD*
Net Revenues	16,321,343	18,359,614	12	5,602
Costs and administrative expenses	12,727,444	13,389,868	5	4,086
Exchange differences	(264,117)	(55,883)	(79)	(17)
Financial results, net	(778,957)	(919,445)	18	(281)
Investment results, net	47,149	21,521	(54)	7
<b>Profit before taxes</b>	<b>2,597,974</b>	<b>4,015,939</b>	<b>55</b>	<b>1,225</b>
Income tax provision	217,394	810,199	273	247
Discontinued operations	-	48,245	100	15
Regulatory accounts, net	36,957	(98,009)	N.A.	(30)
<b>Comprehensive Income for the period</b>	<b>2,417,538</b>	<b>3,155,976</b>	<b>31</b>	<b>963</b>
Other Comprehensive Income	36,863	374,470	916	114
<b>Total Comprehensive Income for the year</b>	<b>2,454,401</b>	<b>3,530,446</b>	<b>44</b>	<b>1,077</b>
Minority Interest	165,582	171,827	4	52
<b>Total Comprehensive Income for the year attributable to owners of the company</b>	<b>2,288,819</b>	<b>3,358,619</b>	<b>47</b>	<b>1,025</b>

Figures in COP million

\*Figures in COP were converted to USD at an exchange rate of COP/USD 3,277.14 (December 31,2019).

## 2.2 FINANCIAL RESULTS BY COLOMBIAN AND INTERNATIONAL SUBSIDIARIES



Figures in COP thousand million  
The percentages do not include the Other Segment and Eliminations.

**Of the Group's total revenue**, it is important to underscore the fact that Colombia accounts for 64% and foreign subsidiaries for 36%.

**EPM Parent Company accounted for 47%** with a COP 693 thousand million (8%) increase, explained by the segments of:

- i) the **Power Generation** by COP 254 thousand million, due to higher prices, mainly from sales in the energy market, due to the fact that last year the market was developing under the effects of the La Niña phenomenon and this year under the effects of the El Niño phenomenon.
- ii) the **Power Distribution** by COP 497 thousand million, mainly due to higher revenues because of the new tariff framework adjustments, Resolution 015, 2018, and higher commercialization in 168 GWh.
- iii) the **Water Business** by COP 136 thousand million, due to higher consumption (more customers), and higher tariffs.

**International subsidiaries** in turn, accounted for 36% of revenue with net increase of COP 1.13 billion, 20% up on same period of 2018, with the following subsidiaries' growth standing out: **Ensa in Panama** with COP 395 thousand million due to an increase in the number of customers, units sold and the sale price, **EEGSA in Guatemala** with COP 391 thousand million linked to higher sales (+58 GWh), **DelSur in El Salvador** with COP 156

thousand million, due to greater residential and industrial consumption and the tariff increase caused by higher oil prices.

On the other hand, **the Colombian power subsidiaries** accounted for 15%, with 10% increase, with the following subsidiaries standing out: **ESSA** with a COP 80 thousand million increase, due to higher tariff and quantity of energy sold (+79 GWh), because of higher residential consumptions, and **CENS** with an increase of COP 89 thousand million, due to higher tariff and quantity of energy sold (+106 GWh).

**The remaining 2% comes from the Water subsidiaries in Colombia**, with 88% increase and where Aguas Nacionales stands out with a COP 270 thousand million growth, linked to the operation of the new wastewater treatment plant Aguas Claras.

**As to EBITDA**, the Group's Colombian companies accounted for 79% and foreign companies for 21%.

**EPM Parent Company** accounted for 62% of EBITDA with an increase of COP 486 thousand million, with 15% growth compared to previous year, mainly due to the power **generation segment** contribution for COP 175 thousand million, and the **distribution segment** for COP 215 thousand million.

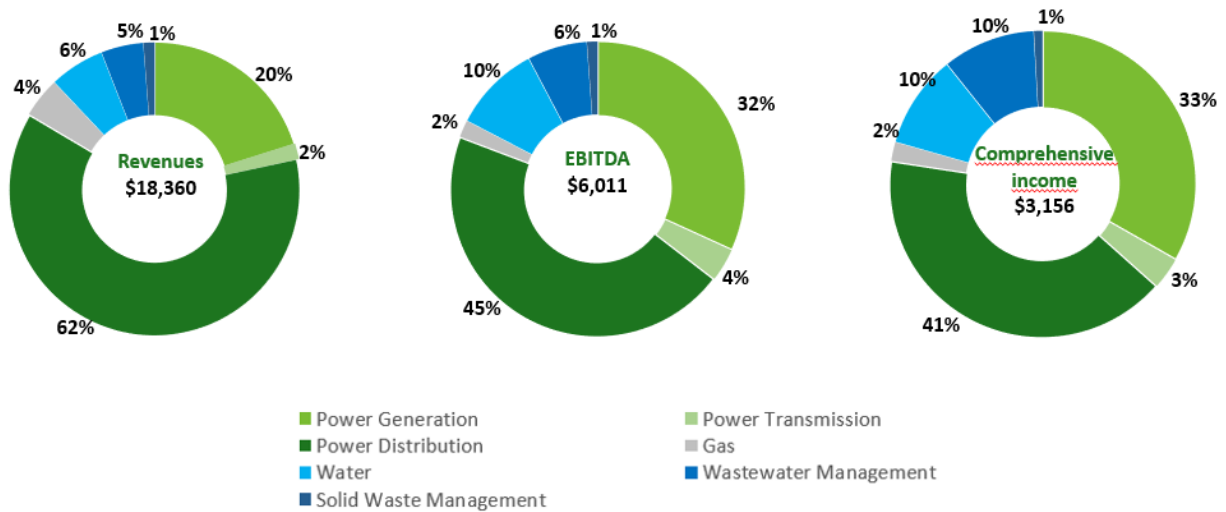
**Colombian Power subsidiaries** accounted for 16%, with individual growth standing out from the following: ESSA with COP 47 thousand million (16%), CENS with COP 40 thousand million (31%), CHEC with COP 40 thousand million (19%), and EDEQ with COP 8 thousand million (12%).

**International subsidiaries** accounted for 21% of the Group's EBITDA, increasing COP 261 thousand million, 19% compared to previous year.

**With respect to net profits**, aspects to point out are:

- Increase in revenues for COP 2,038 thousand million.
- Increase in costs and expenses for COP 662 thousand million.
- Decrease in FX expenses for COP 208 thousand million.
- Increase in financial expenses for COP 140 thousand million.
- Increase in income tax provision for COP 593 thousand million.

## 2.3 FINANCIAL RESULTS BY SEGMENTS



Figures in COP thousand million  
The percentages do not include the Other Segment and Eliminations.

### Regarding the results by segment:

**Energy services** accounted for 84% of the Group's revenue, 81% of EBITDA and 77% of net income.

In revenue, the **Power Distribution** and **Power Generation** segments stood out with 62% and 20% participation, respectively.

**Fuel Gas services** contributed 4% of the Group's revenue, 2% of EBITDA and 2% of net income.

**Water supply services** represented 6% of the Group's revenue, 10% of EBITDA and 10% of the net income.

**Waste management services** accounted for 5% of the Group's revenue, 6% of EBITDA and 10% of net income.

**Solid waste management services** accounted for 1% of the Group's revenue, 1% of EBITDA and 1% of net income.



## 2.4 STATEMENT OF FINANCIAL POSITION

Financial Position	2019	2018	% Var.	2019 USD*
<b>Assets</b>				
Current	7,603,831	7,076,563	7	2,320
No Current	47,296,318	45,412,721	4	14,432
<b>Total assets</b>	<b>54,900,149</b>	<b>52,489,284</b>	<b>5</b>	<b>16,753</b>
<b>Liabilities</b>				
Current	7,688,841	9,354,125	(18)	2,346
No Current	23,032,348	21,098,939	9	7,028
<b>Total Liabilities</b>	<b>30,721,189</b>	<b>30,453,065</b>	<b>1</b>	<b>9,375</b>
<b>Equity</b>	<b>24,178,960</b>	<b>22,036,219</b>	<b>10</b>	<b>7,378</b>

Figures in COP million

Figures in COP were converted to USD at an exchange rate of COP/USD 3,277.14 (December 31,2019).

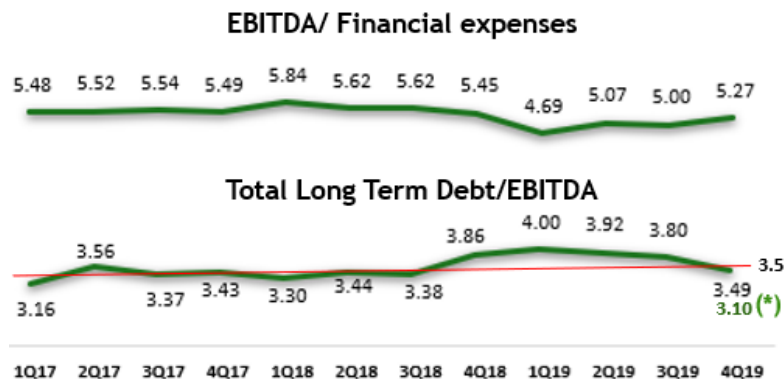
### Regarding the Balance Sheet:

**Equity** totaled COP 24.1 billion, increasing 10%, due to higher earnings in the period. **Liabilities** totaled to COP 30.7 billion, increasing COP 268 thousand million, 1% with respect to the previous year.

The **Group's total assets** rose to COP 54.9 billion, increasing 5% compared to the previous year. **Cash position** as of December 31, 2019 was COP 2.32 billion.

### Regarding ratios:

Ratios	2018	2019
Total debt	58 %	56 %
Financial debt	41 %	40 %
EBITDA/ financial expenses	5.45 X	5.27 X
Total Long Term Debt/EBITDA	3.86 X	3.49 X
Net Debt/EBITDA	3.34 X	3.10 X



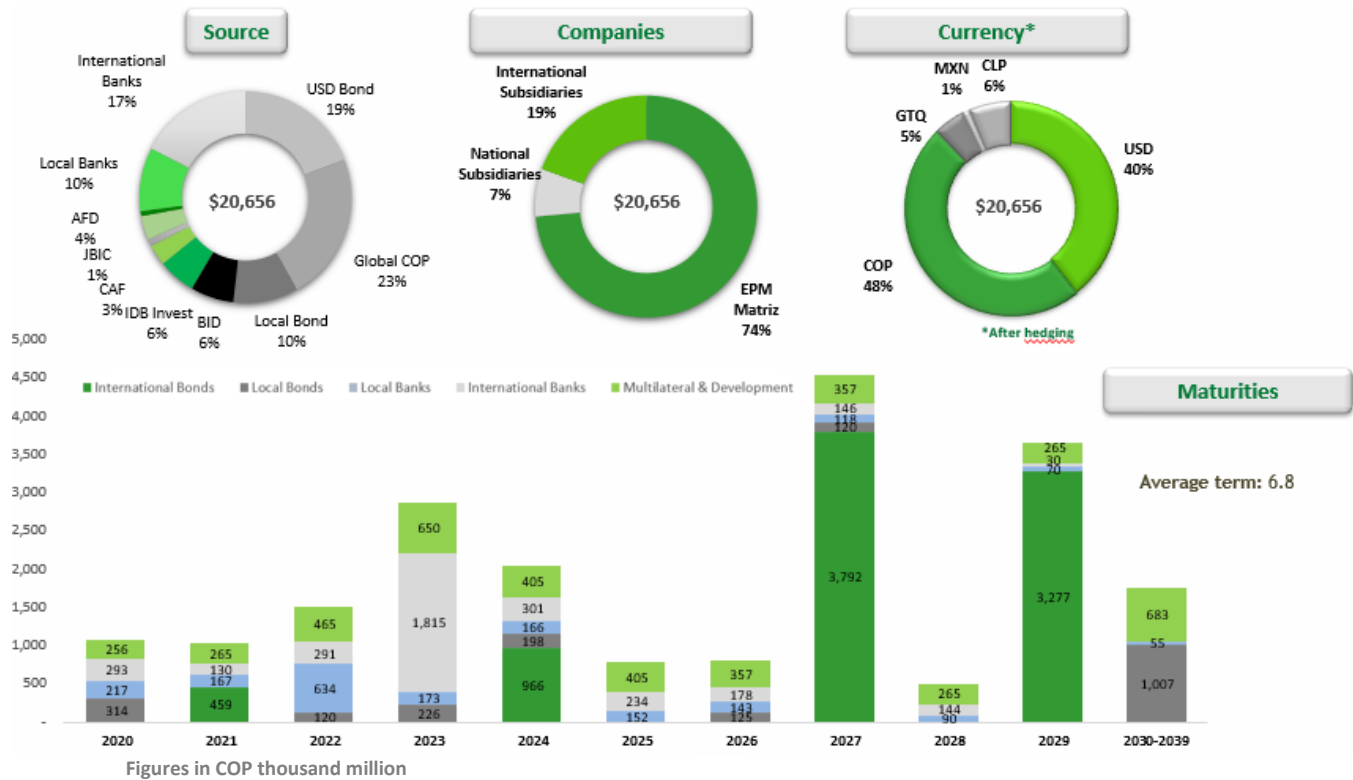
(\*) Net Debt/EBITDA

The Group's Total Debt/Total Assets was 56%, compared to 56% obtained the previous year.

With regard to **debt** ratios:

- EBITDA/Financial expenses reached 5.27x.
- Total Debt/EBITDA was 3.49x, 0.01x under the goal of 3.50x.
- Net Debt/EBITDA: 3.10x

## 2.5 DEBT PROFILE



The debt of EPM Group totaled COP 20.7 billion. As to financing source, 20% of debt corresponds to domestic debt, 23% to Pesos-denominated foreign debt, and 57% to foreign debt hired in other currencies.

Of EPM Group's total debt 74% belongs to EPM parent company.

As to Natural hedging, from inter-company loans granted to international subsidiaries with revenue linked to the US Dollar, EPM has a balance of USD 343 million. At the quarter's close, accumulated foreign-exchange financial hedges totaled USD 71 million.

As to maturities, EPM parent company holds four international bond issues maturing 2024, 2027 and 2029. Years 2023 correspond to loans of ADASA – loan with Scotia Bank and Banco del Estado for USD 355 million). These values are continuously analyzed taking into account the roll-over alternative in order to adjust to needs and comply with the strategic objectives of EPM Group.

## EMPRESAS PUBLICAS DE MEDELLIN E.S.P. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

epm®-Group

For the period from 1 January to 31 December 2019 and 2018

Figures stated in millions of Colombian pesos

	Notes	2019	2018
<b>Continuing operations</b>			
Sale of goods	31	24,222	18,266
Rendering of services	31	17,612,673	15,834,371
Leases	31	111,824	83,110
Other income	32	609,319	325,878
<b>Revenue</b>		<b>18,358,038</b>	<b>16,261,625</b>
Profit on sale of assets	31	1,576	7,311
<b>Total income</b>		<b>18,359,614</b>	<b>16,268,936</b>
Costs of goods sold and services rendered	33	(11,557,807)	(10,689,982)
Administrative expenses	34.1	(1,596,792)	(1,720,698)
Impairment loss on trade receivables	34.2	(77,801)	(69,461)
Other expenses	35	(157,467)	(197,647)
Finance income	36.1	370,837	270,836
Finance expenses	36.2	(1,290,282)	(1,049,793)
Net foreign exchange difference	37	(55,883)	(264,117)
Equity-accounted investees	10 and 11	11,793	(18,017)
Gain on equity investments	38	9,727	65,167
<b>Income for the year before tax</b>		<b>4,015,939</b>	<b>2,595,223</b>
Income tax	39	(810,199)	(210,606)
<b>Profit for the year after taxes from continuing operations</b>		<b>3,205,740</b>	<b>2,384,616</b>
Discontinued operations, net of income tax	40	48,245	(4,034)
<b>Net profit for the year before net movement in balances of deferred regulatory accounts</b>		<b>3,253,985</b>	<b>2,380,582</b>
Net movement in balances of net regulatory accounts related to profit for the year	30	(139,997)	52,884
Net movement in deferred tax related to deferred regulatory accounts related to profit for the year	30	41,988	(15,928)
<b>Net profit for the year and net movement in balances of deferred regulatory accounts</b>		<b>3,155,976</b>	<b>2,417,538</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	20	(72,364)	(2,422)
Equity investments measured at fair value through equity	20	465,395	(3,990)
Income tax related to components that will not be reclassified	20 and 39	149,678	8,567
Equity accounted investees - share of OCI	10 and 20	(243)	(444)
		<b>542,466</b>	<b>1,711</b>
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	20	28,841	3,283
Recognized profit for the year		(54,338)	171,581
Reclassification adjustment		83,179	(168,299)
Exchange differences on translation of foreign operations	20	(216,050)	100,380
Income taxes related to components that can be reclassified	20 and 39	19,268	(67,928)
Equity accounted investees - share of OCI	10 and 20	(55)	(615)
		<b>(167,996)</b>	<b>35,120</b>
<b>Other comprehensive income, net of taxes</b>		<b>374,470</b>	<b>36,831</b>
<b>Total comprehensive income for the year</b>		<b>3,530,446</b>	<b>2,454,369</b>
<b>Profit for the period attributable to:</b>			
Owners of the company		2,985,182	2,258,293
Non-controlling interest		170,794	159,245
		<b>3,155,976</b>	<b>2,417,538</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		3,358,619	2,288,787
Non-controlling interest		171,827	165,582
		<b>3,530,446</b>	<b>2,454,369</b>

The accompanying notes are an integral part of the financial statements

## EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION

epm® Group

As of 31 December 2019 and 2018

Figures stated in millions of Colombian pesos

	Notes	2019	2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	5	35,605,655	34,488,599
Investment property	6	140,354	91,382
Goodwill	7	2,895,451	3,032,267
Other intangible assets	7	2,350,612	2,315,958
Right-of-use assets	14	609,412	-
Investments in associates	10	1,758,462	1,746,487
Investments in joint ventures	11	82	82
Deferred tax assets	39	220,026	249,700
Trade and other receivables	12	1,013,685	929,475
Other financial assets	13	2,541,567	2,312,368
Other assets	16	106,914	112,192
Cash and cash equivalents (restricted)	18	46,415	22,343
<b>Total non-current assets</b>		<b>47,288,635</b>	<b>45,300,853</b>
<b>Current assets</b>			
Inventories	17	391,244	409,665
Trade and other receivables	12	4,072,661	3,284,742
Current income tax assets	39	169,185	118,400
Other financial assets	13	867,998	1,234,305
Other assets	16	438,592	453,411
Cash and cash equivalents	18	1,664,151	1,576,039
<b>Total current assets</b>		<b>7,603,831</b>	<b>7,076,562</b>
<b>Total assets</b>		<b>54,892,466</b>	<b>52,377,415</b>
Debit balances of deferred regulatory accounts	30	-	111,868
Deferred tax assets related to deferred regulatory account balances	30	7,683	-
<b>Total assets and debit balances of deferred regulatory accounts</b>		<b>54,900,149</b>	<b>52,489,283</b>

## EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2019 and 2018

Figures stated in millions of Colombian pesos

	Notes	2019	2018
<b>Equity</b>			
Issued capital	19	67	67
Treasury shares		(41)	-
Reserves	19	2,337,862	2,560,657
Accumulated other comprehensive income	20	3,304,761	2,894,627
Accumulated profit	19	14,518,224	13,392,190
Net profit for the year	19	2,985,182	2,258,293
Other components of equity		68,333	(23,323)
Equity attributable to owners of the company		<u>23,214,388</u>	<u>21,082,511</u>
Non-controlling interests	19	964,572	953,707
<b>Total equity</b>		<b>24,178,960</b>	<b>22,036,218</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	21	17,671,539	16,029,141
Trade and other payables	22	601,393	502,769
Other financial liabilities	23	916,917	491,571
Employee benefits	25	931,492	858,515
Income tax payable	39	33,701	33,701
Deferred tax liabilities	39	2,243,327	2,556,008
Provisions	27	491,930	474,148
Other liabilities	28	116,440	119,527
Total non-current liabilities		<u>23,006,739</u>	<u>21,065,380</u>
<b>Current liabilities</b>			
Loans and borrowings	21	2,984,466	4,805,659
Trade and other payables	22	2,534,254	2,698,694
Other financial liabilities	23	416,661	347,100
Employee benefits	25	247,466	251,260
Income tax payable	39	363,584	91,264
Taxes, contributions and rates	26	222,368	191,281
Provisions	27	589,977	778,219
Other liabilities	28	330,064	190,648
Total current liabilities		<u>7,688,840</u>	<u>9,354,125</u>
<b>Total liabilities</b>		<b>30,695,579</b>	<b>30,419,505</b>
Credit balances of deferred regulatory accounts	30	25,610	-
Deferred tax liabilities related to balances of deferred regulatory accounts	30	-	33,560
<b>Total liabilities and credit balances of deferred regulatory accounts</b>		<b>30,721,189</b>	<b>30,453,065</b>
<b>Total liabilities and equity</b>		<b>54,900,149</b>	<b>52,489,283</b>

The accompanying notes are an integral part of the financial statements.

# Fourth Quarter 2019 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the period from 1 January to 31 December 2019 and 2018  
Figures stated in millions of Colombian pesos

epm<sup>®</sup> Group

	Notes	2019	2018
<b>Cash flows from operating activities:</b>			
<b>Net profit for the period</b>		<b>3,155,976</b>	<b>2,417,538</b>
<b>Adjustments to reconcile the net profit for the period to the net cash flows used in operating activities:</b>			
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	33 and 34	1,140,099	992,108
Impairment of property, plant and equipment, right of use assets and intangible assets	8	2,254	6,052
Impairment of receivables	34.2	230,343	122,614
Reversal of loss of receivables	34.2	(152,542)	(53,153)
Net foreign exchange difference gains	37	55,883	264,117
Proceeds from valuation of investment property	32	(51,808)	(4,352)
Proceeds from valuation of financial instruments and hedge accounting	36.1 and 36.2	(33,066)	24,479
Provisions, post-employment and long-term defined benefit plans	34	240,896	541,557
Government subsidies applied	32	(1,023)	(2,091)
Deferred income tax	39.3	(233,502)	(357,497)
Current income tax	39.3	1,043,701	574,890
Share of loss of equity-accounted investees	10	(11,793)	18,017
Proceeds from interest	36.1	(248,044)	(214,351)
Interest expenses	36.2	1,214,993	929,969
Proceeds from disposition of property, plant and equipment, right-of-use assets and intangible assets	31 and 35	(1,538)	(3,148)
Proceeds from disposition of financial instruments	38	47,534	3,043
Dividends from investments	38	(57,262)	(68,209)
Other non-cash income and expenses, net	32 and 35	(167,844)	38,816
		<b>6,173,257</b>	<b>5,230,399</b>
<b>Net changes in operating assets and liabilities:</b>			
Change in inventories		18,878	2,386
Change in trade and other receivables		(217,220)	(514,522)
Change in other assets		99,965	105,108
Change in trade and other payables		(139,144)	197,318
Change in employee benefits		(53,052)	(32,979)
Change in provisions		(368,479)	(38,476)
Change in other liabilities		376,587	(21,268)
Interest paid		(1,612,421)	(1,268,260)
Income tax paid		(804,930)	(741,178)
Income tax refund		1,255	374,974
<b>Net cash from operating activities</b>		<b>3,474,696</b>	<b>3,293,502</b>
<b>Net cash from investing activities:</b>			
Acquisition and capitalization of subsidiaries or businesses		(20)	-
Disposition of subsidiaries and businesses		471,808	-
Acquisition of property, plant and equipment	5	(3,260,864)	(3,704,438)
Disposition of property, plant and equipment	5	18,589	138,953
Acquisition of intangible assets	7	(316,068)	(90,759)
Disposition of intangible assets	7	44,096	19,433
Disposition of investment property	6	2,165	-
Acquisition of investments in financial instruments		(452,875)	(1,604,528)
Disposition of investments in financial instruments		1,074,060	612,789
Interest received		3,335	4,498
Dividends received from subsidiaries		(92)	-
Dividends received from associates and joint ventures	10	41,600	-
Other dividends received	13	56,132	64,488
Compensation received	4	531,607	-
Other cash from investing activities		(64,517)	95,823
<b>Net cash used in investing activities</b>		<b>(1,851,044)</b>	<b>(4,463,741)</b>

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the period from 1 January to 31 December 2019 and 2018  
Figures stated in millions of Colombian pesos

epm®-Group

	Notes	2019	2018
Cash from financing activities			
Acquisition of own shares		(81)	-
Obtaining of loans and borrowings	21	9,297,603	6,700,282
Payment of loans and borrowings	21	(9,425,148)	(3,455,320)
Transaction costs by issuance of debt instruments		(13,146)	(65,212)
Payment of finance lease liabilities		(40,883)	(1,040)
Dividends or surpluses paid to owners (Municipio de Medellín)	19.3	(1,289,652)	(1,503,504)
Dividends or surplus paid to non-controlling interests	7	(103,162)	(126,389)
Capital grants		154	353
Payments of capital of derivatives designated as cash flow hedges	24	156,514	-
Net purchases from non-controlling interests		(60,197)	-
Payment of pension bonds		(26,091)	-
Other cash from financing activities		43,570	83,899
<b>Net cash flows (used in) / provided by financing activities</b>		<b>(1,460,519)</b>	<b>1,633,069</b>
<b>Net increase in cash and cash equivalents</b>		<b>163,133</b>	<b>462,830</b>
Effects of movements in exchange rates on cash and cash equivalents		(50,948)	(55,663)
Cash and cash equivalents at beginning of the year	18	1,598,381	1,191,214
<b>Cash and cash equivalents at end of the year</b>		<b>1,710,566</b>	<b>1,598,381</b>
Restricted resources	18	196,072	173,375

The accompanying notes are an integral part of the financial statements

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January to 31 December, 2019 and 2018

Figures stated in millions of Colombian pesos



	Notes	2019	2018
<b>Continuing operations</b>			
Sale of goods	30	733	30
Rendering of services	30	8,448,933	7,849,388
Leases	30	51,520	47,536
Other income	31	348,207	236,655
<b>Income from ordinary activities</b>		<b>8,849,393</b>	<b>8,133,609</b>
Income for sale of assets	30	369	23,596
<b>Total income</b>		<b>8,849,762</b>	<b>8,157,205</b>
Costs of goods sold and services rendered	32	(4,548,376)	(4,462,036)
Administrative expenses	33	(902,731)	(1,138,953)
Impairment loss on trade receivables	12	(26,287)	(39,737)
Other expenses	34	(131,067)	(173,100)
Finance income	35.1	340,584	262,217
Finance costs	35.2	(1,103,798)	(817,548)
Net foreign exchange difference	36	(46,542)	(207,444)
Equity-accounted investees	9	866,903	809,606
Gain on equity investments	37	12,822	102,968
<b>Profit for the year, net of tax</b>		<b>3,311,270</b>	<b>2,493,178</b>
Income tax	38	(605,235)	(148,356)
<b>Profit for the year after taxes from continuing operations</b>	19	<b>2,706,035</b>	<b>2,344,822</b>
<b>Net profit for the year</b>	19	<b>2,706,035</b>	<b>2,344,822</b>
<i>Other comprehensive income</i>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans	20 and 38	(35,969)	372
Equity investments measured at fair value through equity	20 and 38	622,447	(24,810)
Income tax related to components that will not be reclassified	20 and 38	141,668	5,396
Equity accounted investees - share of OCI	20 and 38	(189,209)	(41,274)
		<u>538,937</u>	<u>(60,316)</u>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
<b>Cash flow hedges</b>	20 and 38	34,119	2,777
Recognized profit for the year		(49,060)	171,076
Reclassification adjustment		83,179	(168,299)
<b>Income taxes related to components that can be reclassified</b>	20 and 38	17,673	(67,764)
Recognized profit for the year		33,643	(77,717)
Reclassification adjustment		(15,970)	9,953
<b>Equity accounted investees - share of OCI</b>	20 and 38	(203,917)	115,586
Recognized profit for the year		(203,917)	115,586
		<u>(152,125)</u>	<u>50,599</u>
<b>Other comprehensive income, net of taxes</b>	38	<b>386,812</b>	<b>(9,717)</b>
<b>Total comprehensive income for the year</b>		<b>3,092,847</b>	<b>2,335,105</b>

The accompanying notes are an integral part of the financial statements



EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATE STATEMENT OF FINANCIAL POSITION

31 December, 2019 and 2018

Amounts stated in millions of Colombian pesos



	Notes	2019	2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	5	26,431,775	27,040,487
Investment property	6	126,822	77,829
Goodwill	7	260,950	260,950
Other intangible assets	7	537,497	477,315
Investments in subsidiaries	8	7,406,556	7,290,431
Investments in associates	9	2,434,417	2,434,417
Investments in joint ventures	10	99	99
Right of use assets	14	2,060,120	-
Trade and other receivables	12	1,513,822	2,012,782
Other financial assets	13	2,458,334	2,221,695
Cash and cash equivalents	18	17,787	-
Other assets	16	94,757	100,742
<b>Total non-current assets</b>		<b>43,342,936</b>	<b>41,916,747</b>
<b>Current assets</b>			
Inventories	17	118,871	117,334
Trade and other receivables	12	2,222,783	1,628,488
Current income tax assets	38	34,413	2,037
Other financial assets	13	557,208	990,676
Other assets	16	115,020	104,483
Cash and cash equivalents	18	861,236	835,779
<b>Total current assets</b>		<b>3,909,531</b>	<b>3,678,797</b>
<b>Total assets</b>		<b>47,252,467</b>	<b>45,595,544</b>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Issued capital		67	67
Reserves	19	1,704,818	1,961,034
Accumulated other comprehensive income	20	3,207,197	2,917,113
Accumulated profit	19	16,702,294	15,332,345
Net profit for the year	19	2,706,035	2,344,822
Other components of equity		64,390	49,944
<b>Total equity</b>		<b>24,384,801</b>	<b>22,605,325</b>

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATE STATEMENT OF FINANCIAL POSITION

31 December, 2019 and 2018

Amounts stated in millions of Colombian pesos



	Notes	2019	2018
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	21	13,783,442	12,050,033
Trade and other payables	22	3,726	4,483
Other financial liabilities	23	2,447,689	2,054,762
Employee benefits	25	351,968	305,695
Income tax payable	38	30,331	30,331
Not deferred tax liabilities	38	2,002,164	2,156,828
Provisions	27	412,151	360,917
Other liabilities	28	31,774	32,136
<b>Total non-current liabilities</b>		<b>19,063,245</b>	<b>16,995,185</b>
<b>Current liabilities</b>			
Borrowings and Loans	21	1,409,169	3,794,580
Creditors and others payables	22	1,061,083	1,017,938
Other financial liabilities	23	337,205	285,867
Employee benefits	25	144,372	139,497
Income tax payable	38	140,636	25,697
Taxes contributions and rates payable	26	116,424	108,195
Provisions	27	334,691	489,052
Other liabilities	28	260,841	134,208
<b>Total current liabilities</b>		<b>3,804,421</b>	<b>5,995,034</b>
<b>Total liabilities</b>		<b>22,867,666</b>	<b>22,990,219</b>
<b>Total liabilities and equity</b>		<b>47,252,467</b>	<b>45,595,544</b>

The accompanying notes are an integral part of the financial statements

# Fourth Quarter 2019 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATED STATEMENT OF CASH FLOWS

For the period from 1 January to 31 December, 2019 and 2018

Figures stated in millions of Colombian pesos

	Notes	2019	2018
<b>Cash from operating activities:</b>			
<b>Net profit for the year</b>		<b>2,706,035</b>	<b>2,344,822</b>
<b>Adjustments to reconcile the net profit for the year to the net cash flows used in operating activities:</b>		<b>1,200,765</b>	<b>1,053,594</b>
Depreciation and amortization of property, plant and equipment, right of use assets and intangible assets	5, 7 and 14	577,736	503,178
Impairment of receivables	12	88,730	68,366
Reversal of loss for impairment of receivables	12	(62,443)	(28,630)
Gain / loss due to exchange difference	36	46,542	207,444
Proceeds from valuation of investment property	6	(51,943)	(1,597)
Proceeds from valuation of financial instruments and hedge accounting		(36,413)	21,033
Provisions, post-employment and long term defined benefit plans		149,286	483,518
Government subsidies applied		-	(1,146)
Deferred income tax	38	4,678	(226,916)
Current income tax	38	600,558	375,272
Share of loss of equity-accounted investees	8	(866,903)	(809,606)
Proceeds from interest	35	(229,336)	(220,889)
Interest expenses	35	1,087,959	739,507
Proceeds from disposition of property, plant and equipment, right of use assets and intangible assets	5	(383)	(23,563)
Proceeds from disposition of financial instruments	13	47,534	-
Dividends from investments	8	(60,356)	(102,968)
Other adjustments		(94,481)	70,591
<b>Net changes in operating assets and liabilities:</b>		<b>3,906,800</b>	<b>3,398,416</b>
Change in inventories		(1,044)	(764)
Change in trade and other receivables		216,657	(53,717)
Change in other assets		(4,887)	166,810
Change in trade and other payables		12,473	(108,872)
Change in employee benefits		(1,947)	15,593
Change in provisions		(211,661)	(70,189)
Change in other liabilities		259,961	97,319
		<b>269,552</b>	<b>46,180</b>
Interest paid		(1,454,068)	(1,004,667)
Income tax paid		(517,659)	(448,757)
Income tax refund		-	308,895
<b>Net cash from operating activities</b>		<b>2,204,625</b>	<b>2,300,067</b>
<b>Net cash from investing activities:</b>			
Acquisition and capitalization of subsidiaries or ventures	8	(266,341)	(10,453)
Disposal of subsidiaries and business	8	782	15,000
Acquisition of property, plant and equipment	5	(2,370,622)	(2,626,682)
Disposal of property, plant and equipment	5	541	116,245
Acquisition of intangible assets	7	(40,888)	(49,372)
Disposal of intangible assets	7	-	154
Disposal of investment property	6	2,165	40,034
Acquisition of investments in financial instruments		(124,285)	(1,085,878)
Disposal of investments in financial instruments		808,731	139,623
Dividends received from subsidiaries, associates and joint ventures	8 and 9	697,521	383,796
Other dividends received	13	56,137	64,486
Loans to economic associates	39	317,989	(51,654)
compensation received	5	531,607	-
Other cash from investing activities		23,883	(8,906)
<b>Net cash used in investing activities</b>		<b>(362,780)</b>	<b>(3,073,607)</b>
<b>Cash from financing activities:</b>			
Obtaining of loans and borrowings	21	7,463,935	3,763,343
Payment of loans and borrowings	21	(8,067,058)	(856,594)
Transaction costs by issuance of debt instruments	21	(14,695)	(60,866)
Payment of finance lease liabilities	23	(10,010)	(987)
Dividends or surplus paid	19	(1,289,652)	(1,503,504)
Payments of capital of derivatives designated as cash flow hedge	24	156,514	-
Payment of pension bonds	25	(19,515)	-
Other cash from financing activities		(30,898)	7,322
<b>Net cash flows (used in) / provided by financing activities</b>		<b>(1,811,379)</b>	<b>1,348,714</b>
<b>Net increase in cash and cash equivalents</b>		<b>30,466</b>	<b>575,174</b>
Effects of movements in exchange rates on cash and cash equivalents		12,778	26,079
Cash and cash equivalents at beginning of the year	18	835,779	234,526
<b>Cash and cash equivalents at end of the year</b>	<b>18</b>	<b>879,023</b>	<b>835,779</b>
Restricted resources	18	84,565	79,823

The accompanying notes are an integral part of the financial statements

For more information, contact Investor Relations [investorelations@epm.com.co](mailto:investorelations@epm.com.co)

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