



In the most complex year in its history, EPM Group continued to grow in order to continue contributing to the country's progress and the well-being of its citizens

- **The EPM Group made investments in infrastructure to improve its services for COP 3.5 billion.**
- **The EPM Group generated more than 60,000 jobs in its operations, serving more than 20 million users/clients.**
- **The organization put the Aguas Claras Plant into operation, and with it, reached a treatment of 84% of the wastewater that reaches the Medellín River. It also contributed toward preserving 21,282 hectares of forests in Colombia.**
- **The EPM Group had revenues in 2018 for COP 16.3 billion, of which EPM Parent Company contributed with 49%, foreign subsidiaries with 34% and domestic subsidiaries with 17%.**
- **Thanks to last year's good results, during 2019 the municipality of Medellín will be able to develop social investment programs worth COP 1.3 billion, as a result of the surpluses.**
- **At its meeting on Tuesday, March 26, EPM's Board of Directors approved the 2018 financial statements and the CEO's Management Report.**

In a difficult year due to the contingency presented by the Ituango hydroelectric project, the EPM Group achieved positive financial results in 2018, demonstrating its solidity and growth, and a careful and efficient management of public resources. EPM CEO, Jorge Londoño De la Cuesta, pointed out that "obtaining more revenues in our business group is synonymous with greater social investment, construction of infrastructure projects, protection of the environment and generation of employment. In short, more opportunities for Colombians, which translates into a better quality of life.



With the goal of continuing to be an engine of development in the regions in which it has a presence and contribute to the well-being of millions of people, the business group obtained revenues in 2018 for COP 16.3 billion, with a growth of 9% with respect to 2017. Of this figure, EPM Parent Company contributed COP 8.1 billion, 10% growth compared to 2017.

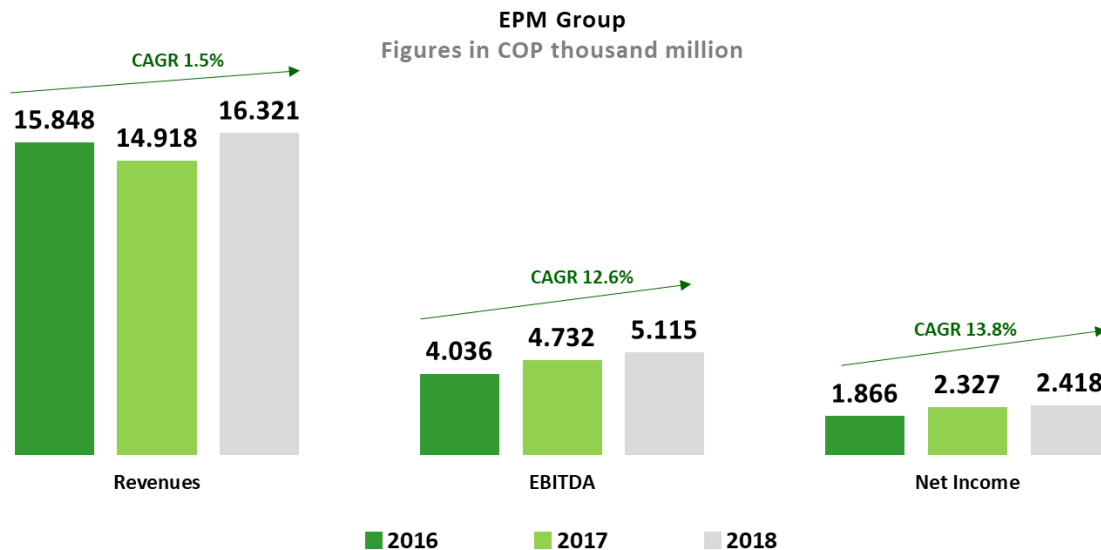
Londoño De la Cuesta indicated that "on the path towards universalization, in 2018 The EPM Group reached coverage of more than 96% in energy services and water supply. In wastewater, we reached 93.30% and in Medellín, in solid waste we reached 99.21%, while in gas we are at 84.63% at the regional level".

EPM's CEO also highlighted that "during 2018 we started up the Aguas Claras Treatment Plant with a positive impact on the water quality of the Medellín River. In addition, our business group undertook directly and together with other players in Colombia, a series of environmental actions that protected 21,282 hectares of forests in 2018, for an accumulated 57,321 hectares in the period 2016–2018, as a legacy for all Colombians.

Major Financial Ratios

The financial results obtained in 2018, both for The EPM Group and for EPM Parent Company, maintain good performance that is reflected in their liquidity, profitability and indebtedness ratios, as follows:

EBITDA: EPM Group's EBITDA was COP 5.1 billion, 8% higher than in 2017. The EBITDA for the EPM Parent Company was COP 3.3 billion, with an increase of 7%. The increase in the Group's EBITDA, with respect to the same period last year, is explained by the better performance of the energy and water businesses in EPM Parent Company and subsidiaries. The EBITDA margin was 31% for the Group and 41% for EPM Parent Company.

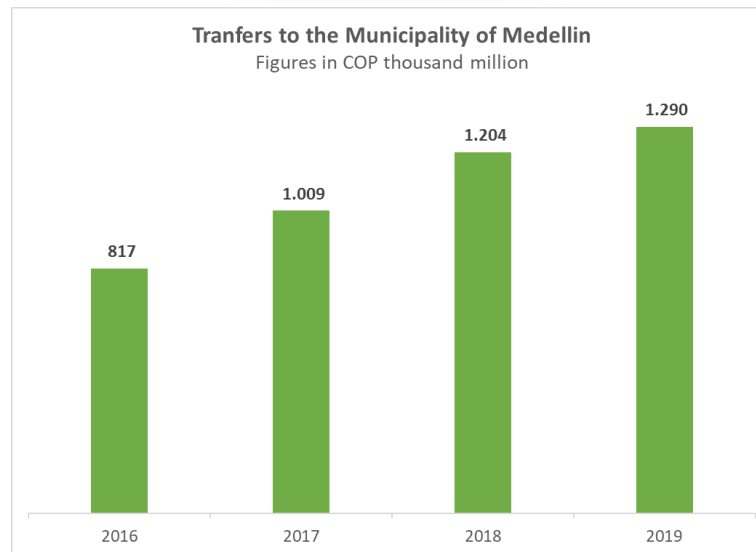


Net Profit: COP 2.4 billion was the Group's result, showing a 4% increase. For EPM Parent Company it was COP 2.3 billion, an increase of 7%. The Group's net profit margin was 15%, lower than the previous year's margin of 16%. At EPM Parent Company, it was 29%, down from 30% in 2017.

Return on equity: in the Group it was 12%, the same as at the end of 2017. At EPM Parent Company, this profitability was 11%, similar to that of 2017.

Financial indebtedness: for Group and EPM Parent Company, they were 41% and 40%, respectively, compared to 38% and 33% in 2017. This increase is explained by loan disbursements to fund the overall investment plan and the Ituango Hydroelectric Project.

Transfers: in 2018, transfers of COP1.2 billion were paid to the Municipality of Medellín, equivalent to 55% of net profit in 2017. Thanks to the excellent performance of the organization during the year, the Municipality of Medellín will receive transfers close to COP1.3 billion in 2019.



Distributed Added Value: The EPM Group generated Added Value of COP 8.6 billion, thus contributing to the development of the territories in which it has a presence. It notes that suppliers of goods and services received COP 1.4 billion, which is reflected in a significant contribution to employment generation and economic growth. In this same vein we also highlight the COP 216,000 million that went to communities and environmental improvement.

That is how we achieve the results

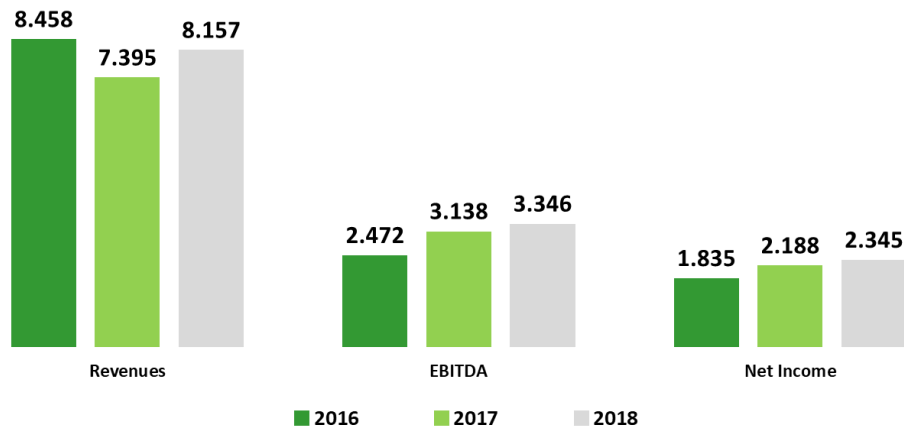
Over the last years, the EPM Group has taken on important challenges and has made decisions that have allowed it not only to guarantee the continuity of its operations, to face contingencies, but also to remain on the path of sustainability of the territories where it operates.

The main financial variables that measure the results of its operation showed growth during the last three years. The constant annual growth rate (CAGR) of the EBITDA, which represents the Group's capacity to generate cash in its operation, was 12.6%.

Revenues growth in 2018 was mainly due to higher sales of energy and gas to large customers, as well as the increase in the number of users/customers and the rate change in the water business associated with the investments in its infrastructure. On the other hand, the growth of The EPM Group expenses was 1%, thanks to the commitment of its employees to adapt to the challenges derived from the contingency, which generated savings against the budget for the period for COP 421,000 million.



EPM Parent Company
Figures in COP Thousand Million



Other Figures

EPM Group

- **Total Assets:** COP 52.5 billion, with 11% growth.
- **Liabilities:** COP 30.5 billion, with 15% growth.
- **Equity:** COP 22 billion, with 6% growth.
- **Cash and cash equivalents:** COP 2.6 billion.

EPM Parent Company

- **Total Assets:** COP 45.6 billion, with 15% growth.
- **Liabilities:** COP 23 billion, with 27% growth.
- **Equity:** COP 22.6 billion, with 5% growth.
- **Cash and cash equivalents:** COP 1.7 billion.