

Medellin, November 12, 2020

## EPM Group announces consolidated financial results as of September 30, 2020

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter, "EPM Group") is the holding company of a multi-Latin enterprise group formed by 44 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 unaudited.

### 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

- Mapfre, the insurance company of the Ituango Project, made a second payment worth USD 100 million on September 15, which added to the USD150 million delivered in December 2019, places the value paid to date for the project contingency compensation at USD250 million Ituango hydroelectric plant.
- The National Attorney General's Office installed preliminary virtual working sessions with the participating contracting firms in the Ituango project, prior to the request for extrajudicial conciliation presented by EPM for \$ 9.9 billion, which appointment was rescheduled for November 23.
- On September 29, 2020, the company Desarrollos Hidráulicos de Tampico, a subsidiary of Ticsa Group in Mexico, was illegally stripped of the treatment plants of Tampico Tamaulipas (Tierra Negra, Morelos and PTOI) by the operating agency, with the help of the public forces. This implies the suspension of the operation of these plants and the beginning of legal processes.
- EPM's Executive Vice President of Finance and Investments, Jorge Tabares, submitted his resignation to the company and was in office until November 5, 2020, due to a new opportunity that arose in his professional life. EPM thanks Jorge for all his contribution and commitment to the EPM Group during the years of his management.
- EPM took over, as of October 1, 2020, the operation of the energy distribution service in the regions of Bolivar, Cesar, Cordoba, Sucre and a portion of Magdalena, through its new subsidiary Afinia.

Afinia has 12% of the energy distribution and commercialization market in Colombia.

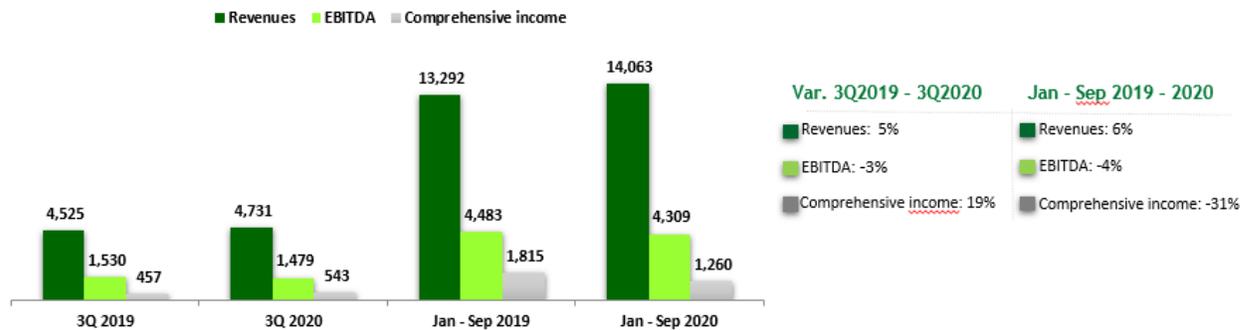
EPM Group reaches 35% market share and has 1.5 million new customers.

Investments of COP 4 billion in the first five years and a total of COP 8 billion in ten years.

## 2. FINANCIAL RESULTS AS OF SEPTEMBER 30, 2020

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 **September 30, 2020**, **consolidated revenue** totaled COP 14.06 billion with an 6% increase (COP 771 thousand million) with respect to same period of last year, which is mostly explained on: i) in the EPM Parent Company in the Generation business for higher energy sales in long-term contracts, included new contracts, and in the Gas business for greater commercialization sales to the thermals, ii) in CHEC, due to higher sales in the Generation business given a better tariff (+\$80/kWh) and greater units sold (+13 GWh), and higher energy sales in the regulated market and long-term contracts, iii) in CENS, for higher energy sales in the regulated market (+30.6 Gwh), and iv) in ESSA, due to a better tariff (+\$66/kWh) and greater units sold (+33 GWh).

**EPM Parent Company** showed higher revenues for COP 781 thousand million, the **Colombian power subsidiaries** whose revenues rose COP 213 thousand million, and the **International subsidiaries** as a whole showed a decrease for COP 115 thousand million.

Consolidated **costs and expenses** totaled COP 10.8 billion, with an 10% increase (COP 1.01 billion), mostly explained by higher commercial operation costs, due to the lower hydraulic generation given the low levels of Colombian reservoirs in the first months of the year, where stands out: i) in EPM, with an increase of 26% (COP 1.06 billion), mainly in the Generation business caused by higher energy purchases and higher gas consumption, ii) in CHEC, with an increase 18% (COP 71 thousand million), associated with higher purchases of energy and gas from the generation business, and iii) at ESSA, with an increase of 7% (COP 47 thousand million), due to a greater amount of purchased energy.

**Operating Margin** as of September 30, 2020 was 23%, compared to 26% obtained the previous year.

**EBITDA** totaled COP 4.3 billion, decreasing by COP 174 thousand million, 4% in relation to previous year.

**EBITDA Margin** was 31%, compared to 34% obtained the previous year.

The **comprehensive income** for the period was COP 1.2 billion, showing a decrease of COP 555 thousand million in relation to previous year, affected mainly by FX expenses for COP 748 thousand million recorded in 2020.

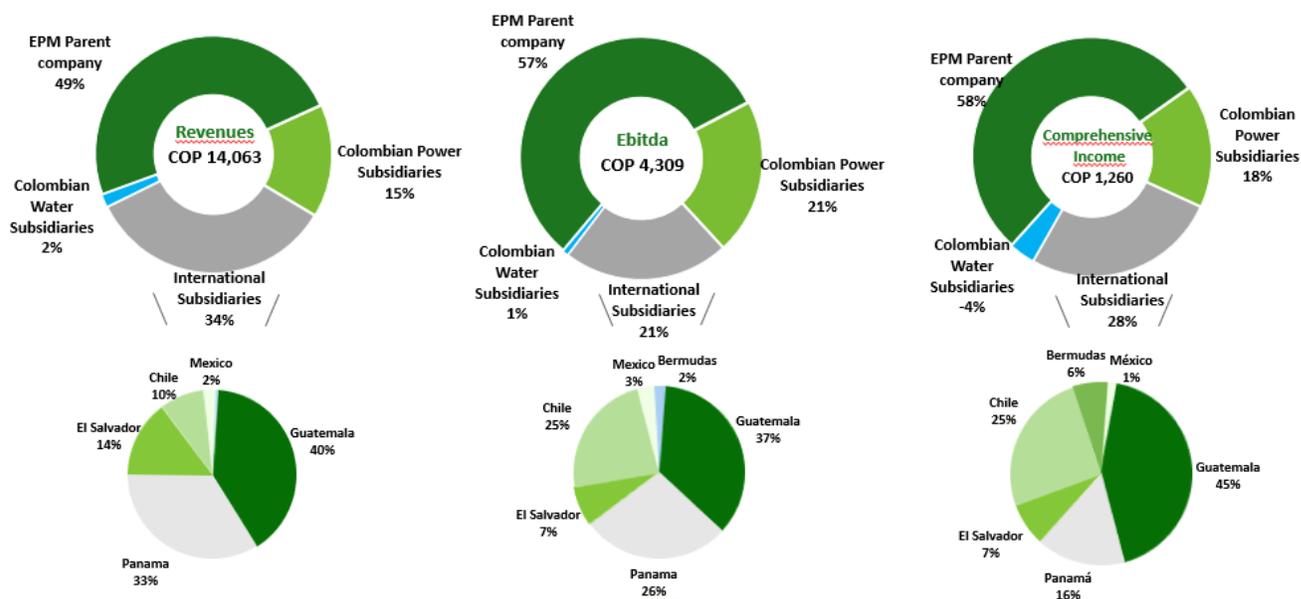
**Net margin** was 9%, compared to 14% obtained the previous year.

Concept	2019	2020	% Var.	2020 USD*
Net Revenues	13,291,875	14,062,624	6	3,625
Costs and administrative expenses	9,843,253	10,858,492	10	2,799
Exchange differences	(308,099)	(747,637)	143	(193)
Financial results, net	(726,869)	(758,538)	4	(196)
Investment results, net	(18,779)	(8,242)	(56)	(2)
Profit before taxes	2,394,875	1,689,715	(29)	436
Income tax provision	533,932	438,687	(18)	113
Discontinued operations	13,803	-	100	-
Regulatory accounts, net	(60,131)	8,983	N.A.	2
Comprehensive Income for the period	1,814,614	1,260,011	(31)	325
Other Comprehensive Income	649,639	903,293	39	233
<b>Total Comprehensive Income for the year</b>	<b>2,464,253</b>	<b>2,163,305</b>	<b>(12)</b>	<b>558</b>
Minority Interest	140,474	138,330	(2)	36
<b>Total Comprehensive Income for the year attributable to owners of the company</b>	<b>2,323,780</b>	<b>2,024,975</b>	<b>(13)</b>	<b>522</b>

Figures in COP million

\*Figures in COP were converted to USD at an exchange rate of COP/USD 3,878.94 (September 30,2020).

## 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 66% and foreign subsidiaries for 34%.

EPM Parent Company accounted for 49% with a COP 781 thousand million (12%) increase, explained by the segments of:

- i) the **Power Generation** by COP 738 thousand million, due to higher energy sales in long-term contracts, included new contracts.
- ii) the **Gas Business** by COP 209 thousand million, mainly due to greater commercialization sales to the thermals.
- iii) the **Power Distribution** by COP 77 thousand million, due to higher energy commercialization.

On the other hand, the **Colombian power subsidiaries** accounted for 15%, with 10% increase, with the following subsidiaries standing out: **CHEC** with a COP 82 thousand million, due to higher tariff (+\$80/kWh) and quantity of energy sold (+13 GWh), **CENS** with an increase of COP 71 thousand million, due to higher quantity of energy sold (+30.6 GWh), and **ESSA** with a COP 52 thousand million increase due to higher tariff (+\$66/kWh), and quantity of energy sold (+33 GWh),

**International subsidiaries** in turn, accounted for 34% of revenue with net decrease of COP 115 thousand million, -2.3% compared to 2019. The following subsidiaries growth stand out: **EEGSA in Guatemala** with COP 203 thousand million, mainly associated with the exchange effect in the conversion of quetzals to pesos, since locally it presented a decrease of 3%, and **Adasa in Chile** for \$ 37 thousand million, due to higher consumption in the unregulated

market and greater customers in the regulated market, given that in 2019 there was less water available due to the high plateau winter emergencies and red tide.

**The remaining 2% comes from the Water and Solid Waste Management subsidiaries in Colombia**, with 12% decrease, where Aguas Nacionales stands out with a COP 39 thousand million drop, linked to a lower valuation of the interconnection contract.

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

**EPM Parent Company** accounted for 57% of EBITDA with a decrease of COP 274 thousand million, with 10% decrease compared to previous year.

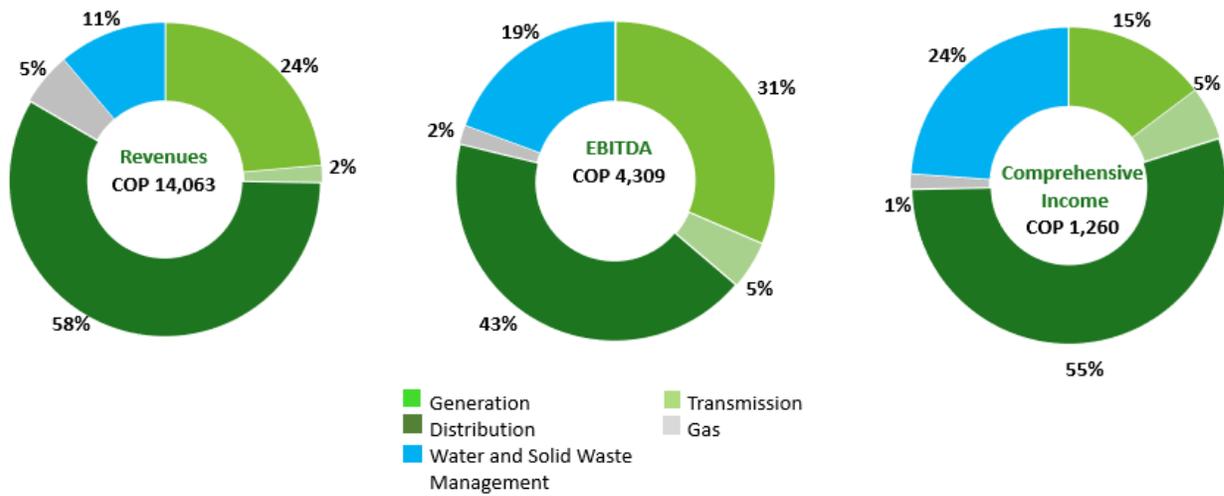
**Colombian Power subsidiaries** accounted for 21%, with individual growth standing out from the following: CENS with COP 26 thousand million (22%), and CHEC with COP 14 thousand million (18%).

**International subsidiaries** accounted for 21% of the Group's EBITDA, decreasing COP 17 thousand million compared to previous year.

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

- Increase in revenues for COP 771 thousand million.
- Increase in costs and expenses for COP 1,015 thousand million.
- Increase in FX expenses for COP 440 thousand million.
- Decrease in financial expenses for COP 32 thousand million.
- Decrease in income tax provision for COP 95 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, and 79% of EBITDA.

In revenue, the **Power Distribution and Power Generation** segments stood out with 58% and 24% participation, respectively.

**Fuel Gas services** contributed 5% of the Group's revenue, and 2% of EBITDA.

**Water and Solid Waste Management services** represented 11% of the Group's revenue, and 19% of EBITDA.

## 2.4 STATEMENT OF FINANCIAL POSITION

Financial Position	2020	2019	% Var.	2020 USD*
<b>Assets</b>				
Current	12,073,644	7,603,831	59	3,113
No Current	50,709,215	47,296,318	7	13,073
<b>Total assets</b>	<b>62,782,859</b>	<b>54,900,149</b>	<b>14</b>	<b>16,186</b>
<b>Liabilities</b>				-
Current	11,065,971	7,688,841	44	2,853
No Current	26,862,589	23,032,348	17	6,925
<b>Total Liabilities</b>	<b>37,928,560</b>	<b>30,721,189</b>	<b>23</b>	<b>9,778</b>
<b>Equity</b>	<b>24,854,299</b>	<b>24,178,960</b>	<b>3</b>	<b>6,407</b>

Figures in COP million

Figures in COP were converted to USD at an exchange rate of COP/USD 3,878.94 (September 30,2020).

### Regarding the Balance Sheet:

**Equity** totaled **COP 24.1 billion**, increasing 3%, due to the combine effect of higher total comprehensive income and the record of surpluses to the Municipality of Medellín for \$ 1.49 billion, \$ 812 thousand million ordinary and \$ 677 thousand million extraordinary, paying \$ 1.31 billion.

**Liabilities** totaled to **COP 37.9 billion**, increasing COP 7.2 billion, 23% with respect to the previous year, mainly explained by the increase in financial debt of \$ 6,4 billion, as a result of the FX effect and new debt; and the other payables for \$ 696 thousand million, mainly for the balance payable of the surpluses decreed to the Municipality of Medellín.

**The Group's total assets** rose to **COP 62.78 billion**, increasing 14% compared to the previous year.

**Cash position** as of September 30, 2020 was **COP 5.59 billion**.

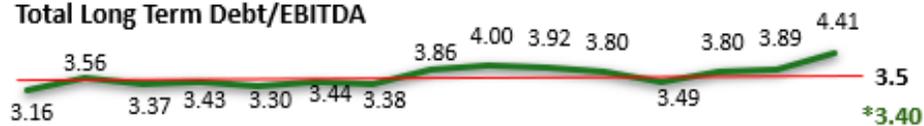
Regarding ratios:

Ratios	2019	2020
Total debt	58 %	60 %
Financial debt	42 %	45 %
EBITDA/financial expenses	5.00 X	5.38 X
Total Long Term Debt/EBITDA	3.80 X	4.41 X
Net Debt/EBITDA	3.35 X	3.40 X

EBITDA/ Financial expenses



Total Long Term Debt/EBITDA



1Q17 2Q17 3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19 4Q19 1Q20 2Q20 3Q20

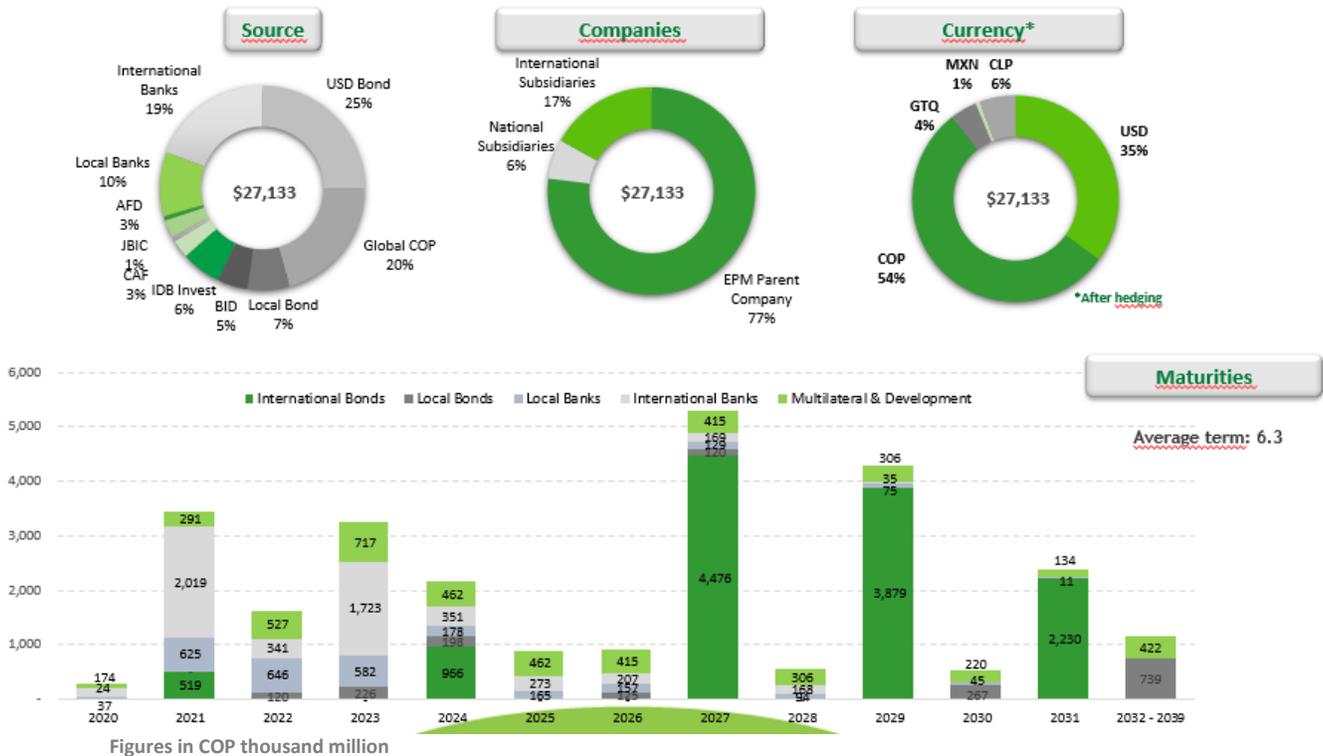
Net Debt/EBITDA

The **Group's Total Debt/Total Assets** was 60%, compared to 58% obtained the previous year.

Regarding **debt** ratios:

- The EBITDA/Financial expenses reached 5.38x.
- The Total Debt/EBITDA was 4.41x, 0.91x above the goal of 3.50x.
- Net Debt/EBITDA: 3.40x.

## 2.5 DEBT PROFILE



The debt of EPM Group totaled COP 27.1 billion. As to financing source, 17% of debt corresponds to domestic debt, 20% to Pesos-denominated foreign debt, and 63% to foreign debt hired in other currencies.

Of EPM Group's total debt 77% 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 336 million.

At the quarter's close, accumulated foreign-exchange financial hedges totaled USD 900 million.

As to maturities, EPM parent company holds four international bond issues maturing 2024, 2027, 2029 and 2031. Years 2023 correspond to loans of ADASA – loan with Scotia Bank and Banco del Estado for USD 347 million). These values are continuously analyzed considering the roll-over alternative in order to adjust to needs and comply with the strategic objectives of EPM Group.

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OCI

For the nine months ended September 30, 2020 and 2019

In millions of Colombian pesos

	Note	September 30, 2020	September 30, 2019	For the three months September 30, 2020	For the three months September 30, 2019
<b>Continuing operations</b>					
Sale of goods	15	19,041	13,386	5,195	5,013
Renting of services	15	13,852,829	13,020,146	4,564,050	4,452,462
Leases	15	69,595	82,399	22,167	30,333
<b>Total revenue</b>		<b>13,741,465</b>	<b>13,115,931</b>	<b>4,591,412</b>	<b>4,487,808</b>
Other income	16	320,820	175,110	139,745	36,698
Income from sale of assets	15	241	833	23	292
<b>Total income</b>		<b>14,062,626</b>	<b>13,291,874</b>	<b>4,731,180</b>	<b>4,524,798</b>
Costs of goods sold and services rendered	17	(9,352,064)	(8,539,103)	(3,045,391)	(2,940,961)
Administrative expenses	18	(1,307,525)	(1,096,591)	(523,503)	(403,833)
Impairment loss on accounts receivable	10	(157,625)	(41,071)	(91,872)	(13,460)
Other expenses	19	(41,281)	(166,488)	(16,697)	(23,228)
Financial income	20.1	152,491	274,085	26,393	96,649
Financial expenses	20.2	(911,029)	(1,000,954)	(348,606)	(367,346)
Net foreign exchange difference	21	(747,637)	(308,099)	(24,727)	(424,591)
Share of loss of equity accounted investees	9	(81,083)	(28,399)	4,231	(17,807)
Gain on equity investments		72,841	9,620	13	(55,834)
<b>Profit for the period before taxes from continuing activities</b>		<b>1,689,714</b>	<b>2,394,874</b>	<b>711,021</b>	<b>374,387</b>
Income tax expense	22	(438,687)	(533,932)	(184,443)	86,238
<b>Profit for the period after taxes of continuing operations</b>		<b>1,251,027</b>	<b>1,860,942</b>	<b>526,578</b>	<b>460,625</b>
Discontinued operations, net of income tax		-	13,803	-	13,803
<b>Profit for the period before net movement in balances of deferred regulatory</b>		<b>1,251,027</b>	<b>1,874,745</b>	<b>526,578</b>	<b>474,428</b>
Net movement in balances of net regulatory accounts related to the result of the period		12,456	(85,996)	23,953	(25,006)
Net movement in deferred tax related to deferred regulatory accounts related to the results of the period		(3,472)	25,865	(7,212)	7,506
<b>Profit for the period and net movement in deferred tax related to deferred regulatory accounts</b>		<b>1,260,011</b>	<b>1,814,614</b>	<b>543,319</b>	<b>456,928</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurement of defined benefit plans		4,423	1,003	5,081	271
Equity investments measured at fair value through equity		76,196	518,022	154,427	52,602
Income tax related to components that will not be reclassified		(99)	271	(224)	(57)
		<b>80,520</b>	<b>519,296</b>	<b>159,284</b>	<b>52,816</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
<b>Cash flow hedges:</b>					
Reclassified to profit or loss for the period		307,499	36,151	304,275	20,697
Effective portion of changes in fair value		516,133	(31,871)	461,821	585
Exchange differences on translation of foreign operations		(208,634)	68,022	(157,546)	20,112
Equity accounted investees – share of OCI	9	514,328	60,170	172,379	151,206
Non-current assets held for sale		(14)	(14)	(2)	(17)
Income tax related to the components that may be reclassified		-	(260)	-	(260)
		960	34,297	(129)	29,158
		<b>822,773</b>	<b>130,344</b>	<b>476,523</b>	<b>200,784</b>
<b>Other comprehensive income, net of taxes</b>		<b>903,293</b>	<b>649,640</b>	<b>635,807</b>	<b>253,600</b>
<b>Total comprehensive income for the period</b>		<b>2,163,304</b>	<b>2,464,254</b>	<b>1,179,126</b>	<b>710,528</b>
<b>Profit for the period attributable to:</b>					
Owners of the company		1,121,562	1,677,539	500,853	415,743
Non-controlling interest		138,449	137,075	42,466	41,185
		<b>1,260,011</b>	<b>1,814,614</b>	<b>543,319</b>	<b>456,928</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the company		2,024,974	2,323,780	1,138,899	672,494
Non-controlling interest		138,330	140,474	40,227	38,034
		<b>2,163,304</b>	<b>2,464,254</b>	<b>1,179,126</b>	<b>710,528</b>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements

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

As of September 30, 2020 and December 31, 2019

In millions of Colombian pesos

	Notes	September 30, 2020	December 31, 2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	7	37,425,693	35,605,655
Investment property		143,632	140,354
Goodwill		3,270,552	2,895,451
Other intangible assets		2,669,971	2,350,612
Right-of-use assets		584,962	609,412
Investments in associates	9	1,660,593	1,758,462
Investments in a joint ventures		82	82
Deferred tax assets		274,634	220,026
Trade and other receivables	10	1,277,437	1,013,685
Other financial assets	11	3,195,345	2,541,567
Other assets		95,541	106,914
Cash and cash equivalents (restricted)	12	105,492	46,415
<b>Total non-current assets</b>		<b>50,703,934</b>	<b>47,288,635</b>
<b>Current assets</b>			
Inventories		488,249	391,244
Trade and other receivables	10	4,797,422	4,072,661
Assets for current tax assets		196,935	169,185
Other financial assets	11	1,992,975	867,998
Other assets		578,868	438,592
Cash and cash equivalents	12	4,019,194	1,664,151
<b>Total current assets</b>		<b>12,073,643</b>	<b>7,603,831</b>
<b>Total assets</b>		<b>62,777,577</b>	<b>54,892,466</b>
Deferred tax assets related to balances of deferred regulatory		5,281	7,683
<b>Total assets and debit balances of deferred regulatory accounts</b>		<b>62,782,858</b>	<b>54,900,149</b>
<b>Equity</b>			
Issued capital		67	67
Treasury shares		(52)	(41)
Reserves		2,288,222	2,337,862
Accumulated other comprehensive income		4,208,106	3,304,761
Retained earnings		16,062,599	14,518,224
Net profit for the period		1,121,562	2,985,182
Other components of equity		68,333	68,333
<b>Equity attributable to Owners of the Company</b>		<b>23,748,837</b>	<b>23,214,388</b>
Non-controlling interests		1,105,460	964,572
<b>Total equity</b>		<b>24,854,297</b>	<b>24,178,960</b>

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

As of September 30, 2020 and December 31, 2019

In millions of Colombian pesos

	Notes	September 30, 2020	December 31, 2019
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	13 and 24	21,049,099	17,671,539
Creditors and others accounts payable		813,423	601,393
Other financial liabilities		909,494	916,917
Employee benefits		1,013,057	931,492
Income tax payable		33,701	33,701
Deferred tax liabilities		2,084,709	2,243,327
Provisions	14	814,966	491,930
Other liabilities		126,539	116,440
<b>Total non-current liabilities</b>		<b>26,844,988</b>	<b>23,006,739</b>
<b>Current liabilities</b>			
Loans and borrowings	13 and 24	6,083,732	2,984,466
Creditors and others account payable		3,017,982	2,534,254
Other financial liabilities		453,543	416,661
Employee benefits		268,574	247,466
Income tax payable		183,575	363,584
Taxes contributions and rates payable		199,915	222,368
Provisions	14	529,775	589,977
Other liabilities		328,875	330,064
<b>Total current liabilities</b>		<b>11,065,971</b>	<b>7,688,840</b>
<b>Total liabilities</b>		<b>37,910,959</b>	<b>30,695,579</b>
Credit balances of deferred regulatory accounts		17,602	25,610
<b>accounts</b>		<b>37,928,561</b>	<b>30,721,189</b>
<b>Total liabilities and equity</b>		<b>62,782,858</b>	<b>54,900,149</b>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements

**EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the nine months ended September 30, 2020 and 2019  
In millions of Colombian pesos

	Notes	September 30, 2020	September 30, 2019
<b>Cash flows from operating activities:</b>			
<b>Profit for the period</b>		<b>1,260,011</b>	<b>1,814,614</b>
<b>Adjustments for:</b>			
Depreciation and amortization of property, plant and equipment, right of use assets and intangible assets	17 and 18	937,069	856,989
Impairment loss on accounts receivable, net	10	157,625	41,071
Write down inventories, net	17	154	(555)
Change in exchange difference	21	747,637	308,039
Result for valuation of investment properties	16	(1,114)	-
Change in valuation of financial instruments and hedge accounting	20.1 and 20.2	18,270	(1,433)
Result of compensation for activities associated with investment flows	16	(192)	-
Provisions, post-employment and long-term defined benefit plans	18	302,698	137,003
Provisions for tax, insurance and reinsurance obligations and financial updating	18 and 20.2	18,713	-
Government subsidies applied	16	(896)	(752)
Deferred income tax	22	(195,263)	(55,210)
Current income tax	22	633,950	589,142
Share of loss of equity accounted investees	3	81,083	28,399
Interest income and yields	20.1	(78,609)	(167,280)
Interest and commissions expenses	20.2	800,845	895,582
Gain due to disposal of property, plant and equipment, right of use assets, intangible assets and investments properties	15, 16 and 19	86	(784)
Result from withdrawal of property, plant and equipment, right of use assets, intangible assets and investments properties	19	7,523	129,656
Proceeds from disposition of financial instruments		-	47,620
Non effective recoveries	16	(102,168)	(52,431)
Result from discontinued operations, net of income tax.		-	(39,881)
Result of deferred regulatory accounts		(8,983)	60,131
Dividends from investments	11	(72,840)	(57,239)
		<b>4,505,599</b>	<b>4,532,741</b>
<b>Change in:</b>			
Inventories		(97,011)	(13,849)
Trade and other receivables		(753,226)	(244,107)
Other assets		(115,744)	(7,239)
Creditors and other accounts payable		335,983	(253,397)
Employee benefits		65,909	40,249
Provisions		(44,930)	(88,535)
Other liabilities		61,149	19,229
		<b>3,957,729</b>	<b>3,985,092</b>
<b>Cash generated from operating activities</b>		<b>3,957,729</b>	<b>3,985,092</b>
Interest paid		(777,608)	(1,059,785)
Income tax paid		(859,703)	(508,540)
Income tax refund		45,857	322
		<b>2,366,275</b>	<b>2,417,089</b>
<b>Net cash from operating activities</b>		<b>2,366,275</b>	<b>2,417,089</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	7	(1,852,802)	(1,986,343)
Proceeds from sale of property, plant and equipment	7	2,438	10,150
Purchase of intangible assets		(159,833)	(188,004)
Proceeds from sale of intangible assets		502	46,428
Proceeds from investment properties		275	-
Acquisition of investments in financial instruments		(1,023,163)	(142,567)
Proceeds from sale of investments in financial instruments		197,669	439,918
Interest received		1,296	670
Dividends received from subsidiaries		-	(92)
Dividends received from associates and joint business	3	16,786	38,483
Other dividends received		39,895	33,705
Compensation received	5.1	369,700	-
Other cash from investing activities		4,816	11,982
		<b>(2,402,421)</b>	<b>(1,735,670)</b>
<b>Net cash used in investing activities</b>		<b>(2,402,421)</b>	<b>(1,735,670)</b>
<b>Cash flows from financing activities:</b>			
Acquisition of own shares		(21)	(81)
Obtaining of borrowings and loans	13	5,683,773	9,019,200
Payments of borrowings and loans	13	(1,442,501)	(8,567,364)
Transaction costs due to issuance of debt instruments		(21,492)	(4,772)
Payments of liabilities for financial leasing		(34,360)	(36,265)
Dividends or surpluses paid	6	(1,314,335)	(1,053,446)
Dividends or surplus paid to non-controlling interests	8	(104,137)	(104,582)
Subsidies of capital		152	154
Payments of capital of derivatives designated as cash flow hedges		19,586	129,725
Net purchases from non-controlling interests		-	(58,773)
Payment of pension bonds		(3,758)	-
Other cash from financing activities		104,093	110,955
		<b>2,887,000</b>	<b>(565,249)</b>
<b>Net cash flows provided / (used in) by financing activities</b>		<b>2,887,000</b>	<b>(565,249)</b>
<b>Net increase in cash and cash equivalents</b>			
Effects of variations in exchange rates in the cash and cash equivalents		(436,733)	(222,937)
Cash and cash equivalents at the beginning of period	12	1,710,565	1,598,382
		<b>4,124,686</b>	<b>1,491,615</b>
<b>Cash and cash equivalents at end of the period</b>	<b>12</b>	<b>4,124,686</b>	<b>1,491,615</b>
Restricted resources	12	<b>193,289</b>	<b>157,111</b>

The accompanying notes are an integral part of the Consolidated Interim Financial Statements

# Third Quarter 2020 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## CONDENSED SEPARATED STATEMENT OF PROFIT OR LOSS AND OCI

For the nine months ended September 30, 2020 and 2019  
In millions of Colombian pesos

epm<sup>®</sup>

		September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Continuing operations					
Sale of goods	15	3,341	4	1,527	4
Rendering of services	15	6,887,346	6,236,914	2,365,831	2,155,359
Leases	15	32,858	37,499	10,366	12,008
<b>Total revenue</b>		<b>6,923,545</b>	<b>6,274,417</b>	<b>2,377,724</b>	<b>2,167,371</b>
Other income	16	238,320	106,277	99,667	15,895
Income from sale of assets	15	46	230	1	91
<b>Total income</b>		<b>7,161,911</b>	<b>6,380,924</b>	<b>2,477,392</b>	<b>2,183,357</b>
Costs of goods sold and services rendered	17	(4,288,945)	(3,336,921)	(1,403,848)	(1,135,841)
Administrative expenses	18	(814,311)	(631,206)	(362,952)	(251,420)
Impairment loss on trade receivables	10	(62,575)	(4,764)	(45,915)	(2,823)
Other expenses	19	(23,111)	(151,368)	(7,630)	(16,298)
Financial income	20.1	177,696	282,199	58,050	99,627
Financial expenses	20.2	(794,306)	(854,244)	(313,792)	(310,698)
Net foreign exchange difference	21	(747,347)	(305,944)	(10,017)	(422,132)
Share of loss of equity accounted investees	8	690,170	601,314	284,860	212,975
Gain on equity investments		89,612	12,714	0	(52,731)
<b>Profit of the period before taxes from continuing activities</b>		<b>1,388,794</b>	<b>1,992,704</b>	<b>676,148</b>	<b>304,016</b>
Income tax expense	22	(204,578)	(373,671)	(127,912)	(3,145)
<b>Profit for the period after taxes of continuing operations</b>		<b>1,184,216</b>	<b>1,619,033</b>	<b>548,236</b>	<b>300,871</b>
<b>Net profit for the period</b>		<b>1,184,216</b>	<b>1,619,033</b>	<b>548,236</b>	<b>300,871</b>
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans		3,038	6,276	3,566	2,629
Equity investments measured at fair value through equity		76,188	489,544	154,417	52,613
Equity accounted investees - share of OCI	8	(10,836)	31,487	10,136	1,471
		<b>68,390</b>	<b>527,307</b>	<b>168,119</b>	<b>56,713</b>
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges:		310,576	41,434	303,810	22,492
Reclassified to profit or loss for the period		519,210	(26,589)	461,356	2,380
Effective portion of changes in fair value		(208,634)	68,022	(157,546)	20,112
Income tax related to the components that may be reclassified		-	32,707	-	28,694
Reclassified to profit or loss for the period		-	40,666	-	28,694
Reclassification adjustment		-	(7,959)	-	-
Equity accounted investees - share of OCI	8	491,652	68,568	89,380	60,163
Reclassified to profit or loss for the period		491,652	68,568	89,380	60,163
		<b>802,228</b>	<b>142,709</b>	<b>393,190</b>	<b>111,350</b>
<b>Other comprehensive income, net of taxes</b>		<b>870,618</b>	<b>670,016</b>	<b>561,309</b>	<b>168,062</b>
<b>Total comprehensive income for the period</b>		<b>2,054,834</b>	<b>2,289,049</b>	<b>1,109,545</b>	<b>468,933</b>

The accompanying notes are an integral part of the Separated Interim Financial Statements

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## CONDENSED SEPARATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2020 and December 31, 2019

In millions of Colombian pesos



	Notes	September 30, 2020	December 31, 2019
<b>Activo</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	7	27,542,860	26,431,775
Investment property		126,565	126,822
Goodwill		260,950	260,950
Other intangible assets	8	537,371	537,497
Investments in subsidiaries	9	8,144,865	7,406,556
Investments in associates		2,434,417	2,434,417
Investments in a joint ventures		99	99
Trade and other receivables	10	2,060,064	2,060,120
Other financial assets	11	1,917,940	1,513,822
Cash and cash equivalents (restricted)	12	3,077,491	2,458,334
Other assets		65,361	17,787
		82,649	94,757
<b>Total non-current assets</b>		<b>46,250,632</b>	<b>43,342,936</b>
<b>Current assets</b>			
Inventories		140,461	118,871
Trade and other receivables	10	2,621,217	2,222,783
Assets for current tax assets		62,285	34,413
Other financial assets	11	1,629,414	557,208
Other assets		174,686	115,020
Cash and cash equivalents	12	2,927,445	861,236
<b>Total current assets</b>		<b>7,555,508</b>	<b>3,909,531</b>
<b>Total assets</b>		<b>53,806,140</b>	<b>47,252,467</b>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Issued capital		67	67
Reserves		1,609,297	1,704,818
Accumulated other comprehensive income		4,077,787	3,207,197
Retained earnings		18,011,057	16,702,294
Net profit for the period		1,184,216	2,706,035
Other components of equity		64,458	64,390
<b>Total equity</b>		<b>24,946,882</b>	<b>24,384,801</b>

# Third Quarter 2020 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## CONDENSED SEPARATED STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2020 and 2019

In millions of Colombian pesos

**epm**<sup>®</sup>

	Notes	September 30 2020	September 30 2019
<b>Cash flows from operating activities:</b>			
<b>Profit for the period</b>		<b>1,184,216</b>	<b>1,619,033</b>
<b>Adjustments for:</b>			
Depreciation and amortization of property, plant and equipment, right of use assets and intangible assets	17 and 18	1,477,873	1,257,001
Impairment loss on accounts receivable, net	10	468,193	433,573
Change in exchange difference	21	62,575	4,763
Change in valuation of financial instruments and hedge accounting	20	747,347	305,944
Provisions, post-employment and long-term defined benefit plans	18	3,297	(48,103)
Provisions for tax, insurance and reinsurance obligations and financial updating	14	252,352	93,481
Deferred income tax	22	15,083	-
Current income tax	22	(126,432)	105,749
Share of loss of equity accounted investees	8	331,010	267,922
Interest income and yields	20	(690,170)	(601,314)
Interest and commissions expenses	20	(114,234)	(181,893)
Gain due to disposal of property, plant and equipment, right of use assets, intangible assets and investments properties	15, 16 and 19	712,464	785,456
Result from withdrawal of property, plant and equipment, right of use assets, intangible assets and investments properties	19	(44)	(230)
Proceeds from disposition of financial instruments		2,043	-
Non effective recoveries		-	47,620
Dividends from investments	11	(95,999)	-
Other non-cash income and expenses, net	16 and 19	(89,612)	(60,334)
		-	104,367
		<b>2,662,089</b>	<b>2,876,034</b>
<b>Change in:</b>			
Inventories		(21,590)	6,232
Trade and other receivables		(300,245)	45,437
Other assets		(47,387)	(69,544)
Creditors and other accounts payable		(117,989)	(361,793)
Employee benefits		63,223	46,521
Provisions		(40,916)	(70,681)
Other liabilities		56,966	39,923
<b>Cash generated from operating activities</b>		<b>2,254,151</b>	<b>2,512,129</b>
Interest paid		(668,885)	(915,072)
Income tax paid		(507,945)	(320,948)
Income tax refund		34,413	-
<b>Net cash from operating activities</b>		<b>1,111,734</b>	<b>1,276,109</b>
<b>Cash flows from investing activities:</b>			
Acquisition and capitalization of subsidiaries or ventures	8	(10,000)	(87,872)
Purchase of property, plant and equipment	7	(1,440,100)	(1,345,802)
Proceeds from sale of property, plant and equipment	7	54	306
Purchase of intangible assets		(23,517)	(13,714)
Proceeds from sale of intangible assets		-	31
Proceeds from investment properties		257	-
Acquisition of investments in financial instruments		(821,598)	(113,931)
Proceeds from sale of investments in financial instruments		28,853	274,022
Dividends received from subsidiaries, associates and joint ventures	8 and 9	252,588	641,450
Other dividends received	11	39,884	32,268
Loans to economic associates	23	(198,215)	67,376
Compensation received		369,700	-
Other cash from investing activities		(31,322)	(42,336)
<b>Net cash used in investing activities</b>		<b>(1,833,416)</b>	<b>(588,202)</b>
<b>Cash flows from financing activities:</b>			
Obtaining of borrowings and loans	13	4,612,201	7,463,935
Payments of borrowings and loans	13	(509,049)	(7,403,327)
Transaction costs due to issuance of debt instruments	13	(21,492)	(5,865)
Payments of liabilities for financial leasing		(8,381)	(6,636)
Dividends or surpluses paid	6	(1,314,335)	(1,053,446)
Payments of capital of derivatives designated as cash flow hedges		19,586	129,725
Payment of pension bonds		(3,029)	-
Other cash from financing activities		9,931	139,289
<b>Net cash flows provided / (used in) by financing activities</b>		<b>2,785,432</b>	<b>(736,325)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,063,750</b>	<b>(48,418)</b>
Effects of variations in exchange rates in the cash and cash equivalents		50,032	23,013
<b>Cash and cash equivalents at the beginning of period</b>		<b>879,024</b>	<b>835,779</b>
<b>Cash and cash equivalents at end of the period</b>	12	<b>2,992,806</b>	<b>810,374</b>
Restricted resources	12	103,703	79,099

The accompanying notes are an integral part of the Separated Interim Financial Statements

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