



# **Empresas Públicas de Medellín E.S.P. and Subsidiaries**

**Unaudited Condensed Consolidated Interim Financial Statements  
September 30, 2020**

**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>
<b>Deferred tax assets related to balances of deferred regulatory accounts</b>		<b>5,281</b>	<b>7,683</b>
<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>
<b>Credit balances of deferred regulatory accounts</b>		<b>17,602</b>	<b>25,610</b>
<b>Total liabilities and credit balances of deferred regulatory 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

  
**Álvaro Guillermo Rendón López**  
 General Manager

  
**Juan Carlos Castro Padilla**  
 Acting Executive Vice-President of Finance  
 and Investments

  
**John Jaime Rodríguez Sosa**  
 Director of Accounting and Costs  
 Professional Card No. 144842-T

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OCI**

For the nine months ended September 30, 2020 and 2019

In millions of Colombian pesos

	Notes	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
<b>Continuing operations</b>					
Sale of goods	15	19,041	13,386	5,195	5,013
Rendering of services	15	13,652,829	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	320,920	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 of 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 accounts</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>

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY


For the nine months ended September 30, 2020 and 2019


In millions of Colombian pesos

	Other comprehensive income														
	Issued capital	Treasury shares	Reserves	Retained earnings	Other components of equity	Equity investments	Defined benefit plans	Cash flow hedging	Conversion differences	Reclassification of properties, plant and equipment to investment property	Result of the period in other comprehensive income of associates and joint ventures business	Assets classified as held for sale	Attributable to Owners of the Company	Non-controlling interests	Total
Balance at January 1, 2019	67	-	2,560,657	15,650,483	(23,323)	2,168,304	(28,381)	(70,503)	817,051	11,796	(3,640)	-	21,082,511	953,707	22,036,218
Profit for the period	-	-	-	1,677,539	-	-	-	-	-	-	-	-	1,677,539	137,075	1,814,614
Other comprehensive income of the period, net of income tax	-	-	-	-	-	510,705	2,135	70,455	63,221	-	(14)	(260)	646,242	3,398	649,640
<b>Comprehensive income for the period</b>	-	-	-	1,677,539	-	510,705	2,135	70,455	63,221	-	(14)	(260)	2,323,781	140,473	2,464,254
Reacquisition of shares	-	(41)	-	-	-	-	-	-	-	-	-	-	(41)	(40)	(81)
Surpluses or dividends decreed	-	-	-	(1,289,652)	-	-	-	-	-	-	-	-	(1,289,652)	(102,101)	(1,391,753)
Movement of reserves	-	-	(229,802)	229,802	-	-	-	-	-	-	-	-	-	-	-
Purchases and sales to uncontrolled participations	-	-	(144)	(38,551)	13,688	(1,090)	(108)	803	(3,088)	-	-	-	(28,490)	(30,282)	(58,772)
Transfers to retained earnings	-	-	-	(47,771)	-	38,703	537	-	-	-	-	-	(8,531)	-	(8,531)
Income tax related to transactions with owners	-	-	-	(35)	-	-	-	-	-	-	-	-	(35)	(33)	(68)
Other movement of the period	-	-	-	135,413	72,991	(155,361)	(1,236)	-	-	-	-	-	51,807	42,402	94,209
<b>Balance at September 30, 2019</b>	<b>67</b>	<b>(41)</b>	<b>2,330,711</b>	<b>16,317,228</b>	<b>63,356</b>	<b>2,561,261</b>	<b>(27,053)</b>	<b>755</b>	<b>877,184</b>	<b>11,796</b>	<b>(3,654)</b>	<b>(260)</b>	<b>22,131,350</b>	<b>1,004,126</b>	<b>23,135,476</b>
Balance at January 1, 2020	67	(41)	2,337,862	17,503,406	68,333	2,794,405	(77,145)	(21,584)	600,765	12,234	(3,914)	-	23,214,388	964,572	24,178,960
Profit for the period	-	-	-	1,121,562	-	-	-	-	-	-	-	-	1,121,562	138,449	1,260,011
Other comprehensive income of the period, net of income tax	-	-	-	-	-	76,199	4,187	308,459	514,581	-	(14)	-	903,412	(119)	903,293
<b>Comprehensive income for the period</b>	-	-	-	1,121,562	-	76,199	4,187	308,459	514,581	-	(14)	-	2,024,974	138,330	2,163,304
Reacquisition of shares	-	(11)	-	-	-	-	-	-	-	-	-	-	(11)	(10)	(21)
Surpluses or dividends decreed	-	-	-	(1,488,302)	-	-	-	-	-	-	-	-	(1,488,302)	(103,440)	(1,591,742)
Movement of reserves	-	-	(49,640)	49,640	-	-	-	-	-	-	-	-	-	-	-
Transfers to retained earnings	-	-	-	27	-	(19)	(8)	-	-	-	-	-	-	-	-
Income tax related to transactions with owners	-	-	-	(6,359)	-	-	-	-	-	-	-	-	(6,359)	(6,068)	(12,427)
Other movement of the period	-	-	-	4,187	-	(47)	-	-	7	-	-	-	4,147	112,076	116,223
<b>Balance at September 30, 2020</b>	<b>67</b>	<b>(52)</b>	<b>2,288,222</b>	<b>17,184,161</b>	<b>68,333</b>	<b>2,870,538</b>	<b>(72,966)</b>	<b>286,875</b>	<b>1,115,353</b>	<b>12,234</b>	<b>(3,928)</b>	<b>-</b>	<b>23,748,837</b>	<b>1,105,460</b>	<b>24,854,297</b>

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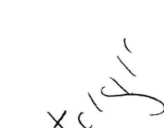
EMPRESAS PUBLICAS DE MEDELLIN E.S.P. AND SUBSIDIARIES  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**


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	308,099
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	9	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>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>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	9	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>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>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>		<b>2,850,854</b>	<b>116,170</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>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

  
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## Empresas Públicas de Medellín E.S.P. and Subsidiaries

### Notes to the unaudited condensed consolidated interim financial statements.

(In millions of Colombian pesos, except when indicated otherwise)

#### Note 1. Reporting Entity

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter, "EPM Group") is the holding company of a multi-latin Enterprise group made up of 44 companies and a structured entity, that have presence in the provision of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama.

Empresas Públicas de Medellín E.S.P. (hereinafter EPM), holding of the EPM Group, is a municipal decentralized entity, created in Colombia through Decision 58 dated August 6, 1955 issued by the Administrative Council of Medellín, as an autonomous public institution. It was transformed into an industrial and commercial government company of municipal order through Decision 069 of December 10, 1997 of the Medellín Council. Due to its legal status, EPM is endowed with administrative and financial autonomy, and its own equity according to Article 85 of Law 489 of 1998. The share capital with which the company was constituted and currently operates, as well as its equity, is of public nature, being its only owner is the Municipality of Medellín. Its main corporate domicile is located at Carrera 58 No. 42-125 in Medellín, Colombia. It has not established a term of duration.

EPM provides domiciliary public utilities of water, sewage, electricity and natural gas distribution. It can also provide the domiciliary public utility of waste management, treatment and disposal of solid waste, as well as the supplementary activities related to each and every one of the mentioned public utility services.

The Group offers its services through the following segments, the activities of which are described in Note 26 Operating Segments: Generation, Distribution and Transmission of Electricity; Natural Gas Distribution and Commercialization; Water; Sewage; Waste Management. Additionally, the Others segment includes participation in the telecommunications business, through associate UNE EPM Telecomunicaciones S.A. and its subsidiaries: Edatel S.A. E.S.P, Orbitel Servicios Internacionales S.A. (OSI), Cinco Telecom Corporation (CTC) and Colombia Móvil S.A.; and associate Inversiones Telco S.A.S. and its affiliate Emtelco S.A.; providing voice, data and Internet utilities, professional services, and data center, among others.

#### Note 2. Significant accounting policies

##### 2.1 Basis for preparation of financial statements

The condensed consolidated interim financial statements were prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for its Spanish initials) and adopted by the Nation's General Accounting Office through Resolution 037 of 2017 and Resolution 049 of 2019 (hereinafter "IFRS adopted in Colombia"). These accounting and financial reporting standards are based on the International Financial Reporting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board (hereinafter, IASB), as well as the interpretations issued by the International Financial Reporting Standards Committee (hereinafter, IFRIC). These financial statements are harmonized with the generally accepted accounting principles in Colombia as set forth in the Annex to Decree 2420 of 2015 and its subsequent amendments.



The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34: Interim Financial Reporting, as adopted in Colombia, following the same accounting policies used in the preparation of the most recent annual Financial Statements of the Group.

These condensed consolidated interim financial statements do not include all the information required for a complete financial statements prepared in accordance with IFRS adopted in Colombia. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2019. A number of new standards are effective from January 1, 2020 but they do not have a material effect on the Group's financial statements

The presentation of condensed consolidated interim financial statements in conformity with IFRS adopted in Colombia requires making estimates and assumptions that affect the amounts reported and disclosed in the financial statements, without undermining the reliability of the financial information. Actual results may differ from said estimates. Estimates and assumptions are constantly revised. Revision of accounting estimates is recognized for the period in which the estimates are revised if the revision affects such period or in the revision period and future periods. The estimates made by the Management when applying the IFRS adopted in Colombia, that have a material effect on the financial statements, and those that imply significant judgments for the annual financial statements, are described in greater detail on Note 4. Significant accounting judgments, estimates, and causes of uncertainty in the preparation of financial statements.

EPM and each of its subsidiaries present separate or individual financial statements, as applicable, for compliance before the controlling entities and for internal administrative follow-up purposes and provide information to the investors.

Assets and liabilities are measured at amortized cost, except for certain financial assets and liabilities and the investment properties that are measured at fair value. Financial assets and liabilities measured at fair value correspond to those that: are classified in the category of fair value assets and liabilities through profit, some equity investments at fair value through other comprehensive income, as well as all finance derivatives, assets and liabilities recognized that are designated as hedged items in a fair value hedging, which recorded value is adjusted with the changes in fair value attributed to the risks object of the hedging.

These unaudited condensed consolidated interim financial statements as at and for the nine months ended September 30, 2020 of the Group. The condensed consolidated interim financial statements of the Group were authorized by the Board of Directors on October 29, 2020.

## 2.2 Presentation currency

Condensed consolidated interim financial statements are presented in Colombian pesos and their figures are stated in millions of Colombian pesos (COP).

## Note 3. Seasonality

The operations of EPM Group are not subject to significant seasonal variances.

## Note 4. Significant accounting judgments, estimates, and causes of uncertainty in the preparation of financial statements

The significant judgments and assumptions applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2019.

## Note 5. Significant transactions and other relevant aspects during the period

As of September 30, 2020, significant transactions and other relevant aspects that occurred during the period, different from those of the normal business of the Group, are related to:

### 5.1 Expenses and other related to the contingency of the Ituango Hydroelectric Project (proyecto Hidroeléctrico Ituango):

- Construction and repair work to mitigate risks have continued.
- Equipment that was rendered unusable by the contingency continues to be sold through auction.
- The Protocol for Addressing Events and Crises (PADEC, for the Spanish original) to prevent the spread of the coronavirus (COVID-19) remains in place. On August 12, 2020, no positive cases of COVID-19 were reported at the project; a total of 903 persons recovered and one passed away.
- On August 10, 2020, EPM submitted a request for prejudicial conciliation to Attorney General 32 Administrative Judicial Division II of Medellín, file 7151, against Mapfre Seguros Generales de Colombia S.A., in connection with the all-risk construction and installation policy. Said conciliation request was submitted mainly in order to maintain all possible channels open to settle any differences that may arise in the future in connection with the process of adjusting the claim event that occurred on April 28, 2018, with the collapse of the Auxiliary Diversion Gallery (GAD) of the Ituango Hydroelectric Project.

During 2020, EPM has continued in the process of quantifying the damages, replacing the equipment and repairing the project in line with the progress made in the diagnosis, design and contracting, which is reported continuously through the adjustment process. Meetings and conversations continue to be held to review with the team of adjusters the damages, instructed repairs and costs incurred, as well as matching such costs to the various indemnity categories of the policy.

As a result of the progress made in this process, on September 15, 2020, Mapfre made a second payment of USD 100 million, which added to the USD 150 million paid in December 2019 totals payments worth USD 250 million to date as indemnity for the contingency. The amount paid corresponds to that recommended by the adjuster, in accordance with the expenses and investments made by EPM in the recovery of the project, and covers the material damages of civil works and replacement of equipment.

- On August 11, 2020, EPM filed a request for out-of-court settlement with the Deputy Attorney General through the Administrative Court of Antioquia and summoned: i) Consorcio Generación Ituango (comprised by the companies Integral Ingeniería de Consulta S.A. - now INTEGRAL S.A. - and Investigaciones Geotécnicas Solingral S.A. - now Integral Ingeniería de Supervisión S.A.S. -), ii) Consorcio CCC Ituango (comprised by Construções e Comércio Camargo Corrêa S.A., Concreto S.A. and Coninsa - Ramón H. S.A.), iii) Consorcio Ingetec-Sedic (comprised by INGETEC S.A. and SEDIC S.A.), iv) Seguros Generales Suramericana S.A., and v) Chubb Seguros, the latter as the insurance company covering fulfillment of the obligations of the summoned consortia, whose purpose is to claim the damages resulting from the contingency of the Ituango Hydroelectric Project, which began on April 28, 2018.

The decision was made following the comprehensive analysis performed by Company experts, legal team, root cause study carried out by the international specialized firm Skava Consulting and thorough review of all the legal documentation.

The request seeks recognition of all costs incurred and estimated, which were valued at \$9.9 billion, corresponding to consequential damages (machinery, loans, interest, care of individuals affected and payments to the Energy and Gas Regulatory Commission (CREG, for the Spanish original) and loss of profit (sale of energy, among others)).

The settlement procedure will last a maximum of three months. If no agreement can be reached, the agent of the Public Ministry will issue the corresponding certification indicating the impossibility of reaching an agreement and the Contentious Administrative Jurisdiction will settle the dispute between EPM and the defendants.

- On August 23, 2020, EPM submitted a request for prejudicial conciliation before the Attorney General 114 Administrative Judicial Division of Medellín, file number 7734, against Mapfre Seguros Generales de Colombia S.A., in connection with the extra-contractual civil liability policy. Said conciliation request was submitted with the main purpose of interrupting the term of expiration and thereby maintain all possible channels open to voluntarily settle any dispute that may arise in the future between the parties in connection with the adjustment process of the claim event that took place on May 12, 2018, when a flash flood of the Cauca River affected certain riverside communities downstream from the project, producing damages to third parties and to community infrastructure.

The adjustment process has continued simultaneously with the process of negotiating settlements with the people affected by partial losses, as well as the reconstruction and repair of the affected community infrastructure. This adjustment process, which has been carried out by mutual agreement, in a coordinated and collaborative manner, has resulted in an advance payment for \$6,169, received in 2019, a surplus balance on this first advance payment for \$609 received in August 2020, and an agreed second payment for \$8,057, of which \$5,000 was received in August 2020, all in accordance with the terms and conditions of the Extra-contractual Civil Liability policy No. 2901311000164.

Regarding to the contingency, the EPM Group has recognized the next items in its consolidated interim financial statements as of September 30, 2020:

- Cost and progress of construction of the Ituango hydroelectric project for \$10,645,279 (see note 7).
- Receivables from the insurance company Mapfre for \$389,891 for impairment of civil works and total loss of machinery and equipment covered by the all-risk and construction policy and \$3,223 for non-contractual civil liability (see note 10).
- Provision of \$46,605 for the attention of those affected in Puerto Valdivia, for compensation of emergent damage, lost profits and moral damage, due to the flooding waters of the Cauca River as a result of the blockage of the project site on April 28, 2018. During 2020, \$31,261 has been recognized as provision and payments of \$20,530 were made (see note 14.1.6).
- Provision of \$5,702 for the attention of persons who had to be evacuated as a result of the event. During 2020, \$6,646 has been recognized as provision and payments for \$5,200 were made (see note 14.1.6).
- Provision of \$99,996 for environmental and social contingencies, established by the specific action plan for the recovery of the parties affected by the events of the occluding of the Cauca River diversion tunnel that the project had on April 28, 2018 and by the closure of floodgates that reduced the flow of the river downstream of the project. During 2020, \$58,694 has been recognized as provision and payments of \$13,552 were made (see note 14.1.1).

- Provision of \$219,926 for the default, from April 2021 to November 2022, to the Intercolombia transporter for the months subsequent to the entry into operation of the connection infrastructure of the Ituango project. During 2020, \$111,296 has been recognized as provision and no payments were made for this concept (see note 14.1.5).
- Provision of \$5,840 for environmental sanctions filed by the National Environmental Licensing Authority (ANLA). During 2020, the provision was updated for \$-1,105 and payments of \$4,919 were made (see note 14.1.6).
- Additionally, during 2020 other expenses of \$2,223 were recognized in the Statement of Comprehensive Income for the attention of the community affected by the contingency (see note 19).

## 5.2 Effect of foreign exchange difference:

At September 30, 2020, a net accumulated expense arising from exchange differences of COP 747,637 was recognized, produced by the accumulated devaluation of the Colombian peso against the US Dollar of 18.36% and a closing rate worth COP 3,878.94. The devaluation that has taken place between January and September 2020 has been produced by the high level of volatility in the financial markets, due to the economic crisis arising from the COVID-19 pandemic, the presidential elections in the United States to be held in November, uncertainty about any reactivation of the economy and development of a vaccine for the COVID-19, as well as a substantial drop in international demand for oil.

In the consolidated statement of financial position, some items as goodwill, other intangibles assets, loans and borrowings, creditors and others account payables, among other, recorded increased for the above effect.

The evolution of the exchange rate in Q2 2020 generated a reversal of COP 603,423 at September 30, 2020, with respect to March 31, 2020. Additionally, during Q3 2020, EPM closed a series of hedging operations on the foreign exchange exposure of its financial debt that have allowed it to gradually decrease the total amount of exposure compared to March 31, 2020. If this type of behavior in the peso-dollar exchange rate continues for the rest of the year, and if the projections of various analysts are fulfilled, the accumulated effect of the devaluation, at the end of 2020, would be much lower than that reported in the first quarter of the year.

## 5.3 COVID-19:

The public utility company sector, and therefore, the companies of the EPM Group, are now facing the health emergency caused by COVID-19, the government measures to deal with the pandemic, the impact of the trade war for oil, and macroeconomic changes resulting from the volatility of international financial markets, which is manifested in the recession of the global economy and the consequent high volatility of the exchange rate.

This results in a risk for the operation of the businesses, which has been affected by the decrease in demand and lower prices given the shift in the application of rate increases and rate indexations, which are normally automatic, because of the measures taken by the government and decisions made by the Group.

### **Government measures in the countries of operation:**

- In Colombia

The Ministry of Health and Social Protection, through Resolution 385/March 12, 2020, declared a health emergency until May 30, 2020, with the aim of preventing and controlling the spread of COVID-19 and mitigating its effects. It was extended until August 31, 2020 by Resolution 844/2020, a date that will be taken as a reference for the extension of the terms of some of the provisions foreseen in the resolutions issued.

The National Government decreed a State of Economic, Social and Ecological Emergency throughout the territory of the Republic, through Decree 417/March 17, 2020, as a consequence of COVID-19, announcing measures to mitigate the adverse effects generated in the social and economic sector.

On the occasion of the declaration of the State of Economic, Social and Ecological Emergency, the Colombian Government has adopted additional measures needed to avert the crisis and prevent the spread of its negative economic effects, and the Government will have the necessary budgetary operations to carry them out.

These measures have also been aimed at the residential public utility sector in order to ensure continuous provision to users and provide them with support and economic relief during the period of confinement, while minimizing the impact on the financial stability of the sector. These measures include:

- Legislative Decree 441/March 20, 2020 of the Ministry of Housing, City and Territory (MVCT, for the Spanish original), which establishes the measures taken in the drinking water and basic sanitation sector to deal with the economic, social and ecological emergency and to ensure the supply of drinking water, thus enabling all citizens to take the hygiene and health measures required to reduce the spread of the COVID-19 virus, including (i) immediate reinstallation and/or reconnection of water service to suspended and/or cut-off residential subscribers, (ii) access to drinking water in sanitary emergency situations, (iii) use of the resources of the General System of Contributions for drinking water and basic sanitation, (iv) suspension of rate increases for the residential public utilities of water and sewage.
- Legislative Decree 517/April 4, 2020 of the Ministry of Mines and Energy (MME), by means of which provisions were issued regarding public utilities of electricity and combustible gas, such as: Ensure the continuous and effective provision of public utilities; grant terms for the payment of the consumption of such utilities; finance the payment with no interest or financial cost for the deferment of the charge; create incentives for timely payment; create the voluntary contribution, among others.
- Decree 528/April 7, 2020 of the MVCT, which establishes measures to ensure the population's access to water, without the economic restrictions that prevent timely payment of bills from justifying failure to provide the service. Therefore, provisions are created so that entities providing the public utilities of water, sewerage, and sanitation can offer users the possibility of deferring payment of bills incurred during the economic, social, and ecological emergency, under the same conditions that are designed to provide public utility providers with liquidity for these purposes. The measures for companies providing public utilities water, sewage and/or sanitation include: (i) deferred payment of the fixed charge and unsubsidized consumption of water, sewage and sanitation utilities, (ii) payment financing without transferring any interest or financial cost to the end user for the deferral of the charge, (iii) as part of the framework of commercial management, they may design options or incentives in favor of their subscribers and/or users who pay their bills in a timely manner during this period, in order to contribute to the recovery of the portfolio and ensure its financial sustainability.

▪ In Chile

The constitutional state of disaster emergency was decreed due to public calamity for 90 days starting on March 18, 2020, extended for another 90 days starting on June 16, 2020, considering the following measures, among others:

- Reconnection of users whose public utilities were suspended or cut off.
- Rate freeze.
- Offer of refinancing plans and interest forgiveness, so that they can qualify for the vital element on a permanent basis.
- Total quarantine of cities with a high percentage of infection.

- Employment protection measures and unemployment benefits (unemployment insurance).
- Transition to teleworking and presence at the offices once a week for some workers.

Issuance of Decree 420/2020 of the Ministry of Finance, published on April 1, 2020, which establishes a series of tax measures, in order to reduce the negative effects that COVID-19 has caused and will continue to have on families, employees, and micro, small and medium-sized enterprises in the country whose normal business operation has been affected, along with their levels of sales, liquidity and working capital.

- In El Salvador

Issuance of Legislative Decrees 601 and 618, and Agreement 565 of the Ministry of Economy, considering the following measures:

- Defer payment of bills issued from 03/20/2020 to 06/20/2020 for the supply of electricity in the months of March, April and May 2020, to be paid over a period of up to 24 months in equal installments from the due date of the deferred period, for residential users with consumptions of less than 250 kWh per month and general users with consumptions of less than 1,000 kWh per month, in addition to the regular charge of the bills of the respective month.
- The bills to be deferred will not have any surcharges for late payment, interest or other penalties.
- Suspend the cutting-off of power supply to all customers for the duration of the emergency, i.e. until 06/20/2020 (tentatively depending on the state of emergency).
- The regulatory body restricted the work to be done on the electric grids to the minimum necessary to maintain service, issued mobility permits for necessary employees and established guidelines for the reporting of operation and maintenance activities during the emergency.
- It was agreed with the country's entire electricity sector that the energy distribution companies would only pay the generators proportionally according to the collection, that is, according to the part of the bill collected, for the months of April, May and June 2020.
- As of June 16, 2020, a process of gradual opening of the economy was established, separating it into 5 phases, with a time horizon of 15 days for each. However, due to the conditions of COVID-19 in the country, which is at its highest level, the first phase is maintained and the following phases are subject to the evaluation of the health emergency situation by health authorities.

- In Guatemala

- Issuance of Decree 15-2020, which states that individuals with consumptions under 200 kWh must be allowed to make payments of up to 12 installments without interest. If the customer exceeds the consumption range of 201 kWh, payments can be allowed at an interest rate of 8% per year.
- Issuance of Government Agreement 074 - Regulations to Decree 15/2020 defining to whom the Decree applies.

- In Mexico

Through the issuance of the Agreement of March 24, 2020, issued by the Ministry of Health, the Government established the preventive measures to mitigate and control health risks posed by the SARS-CoV2 virus (COVID-19) and the Central Bank with monetary and fiscal interventions to stabilize economic conditions, have made the following decisions, among others:

- Travel bans, quarantines, social distancing and closure of non-essential services.
- Suspension of certain credit and loan maturities by financial institutions and persons subject to the oversight by the National Banking and Securities Commission.

- In Panama

On March 13, 2020 the Cabinet Council declared a state of emergency.

Law 152/May 4, 2020 adopts special social measures for the temporary suspension of the payment of public utilities and other measures in response to the National State of Emergency. This Law was regulated by Executive Decree 291 issued by the Ministry of Economy and Finance (MEF) on May 13, 2020.

Resolution AN 16095-ELEC/May 21, 2020, issued by the National Public Utilities Authority, approved the transitional measures to be implemented and applied by the participants of the wholesale electricity market in Panama due to the national emergency decreed due to COVID-19.

#### **Going concern:**

The EPM Group is committed to ensuring the continuity and provision of service, as well as mitigating the impacts of the crisis on its finances, for which it has been implementing measures summarized in: Review the plan for non-mandatory investments and prioritize costs and expenses without jeopardizing the operation and postpone expenditures that do not generate income in the short term. Together with the above, a strategy was implemented to ensure the liquidity of the Group's companies, which involved the disbursement of loans for \$5,020,713 and the placement of bonds in the international capital market for USD750 million equivalent to \$2,727,496, ensuring a strong cash position. Likewise, a Crisis Committee was created, work at home was adopted and teleworking was strengthened in all processes where possible, and biosafety protocols were implemented, in order to ensure the health of the Group's employees, contractors and suppliers.

#### **Financial Impacts:**

The effects of the economic situation in general have resulted in a decrease in collection levels, with the consequent increase in the impairment of accounts receivable from customers and the costs of financing them, in addition, demanding greater working capital. Also, lower income and higher operating costs and expenses have been generated for addressing COVID-19, including lower consumption or demand for public utilities, costs of mandatory reconnections of customers who did not have the utility and those related to the implementation of established biosafety protocols and unbilled default interest.

As of September 30, 2020, the most significant effects on the Group's consolidated interim financial statements are detailed below:

- Lower value on the collection of accounts receivable in the amount of \$359,787 (see Note 10).
- Higher portfolio impairment expense of \$117,338 (see note 10).
- Lower income from ordinary activities in the amount of \$1,076,649 due to lower consumption or demand for public utilities, changes in billed rates, discounts for timely payment and decreases in other services provided (see Note 15).
- Lower costs for the provision of utilities in the amount of \$726,201 related to lower consumption or demand for public utilities, saving measures, reconnections, overhead costs and orders and contracts (see Note 17).
- Increase in administrative and other expenses in the amount of \$11,234 related to personal services, social measures such as contributions and donations (see Notes 18 and 19).
- Lower interest income in the amount of 13,379 related to refinancing of accounts receivable, and unbilled default interest (see Note 20.1).
- Increase in financial expenses in the amount of \$3,915 corresponding to refinancing of credits and loans, cost of financing trade debtors and other financial expenses (see Note 20.2)

#### 5.4 Legal proceedings against the Municipality of Bello:

After approximately nine (9) years of legal proceedings brought against the Municipality of Bello, based on a lawsuit filed by EPM against the administrative act that determined the share and settlement of the capital gain generated by the change in land use in the area where the Company's properties are located, on September 25, 2020, the Fourth Section of the Council of State in a ruling on an appeal against which no further appeals are allowed, declared the nullity of the act and ordered the return in favor of EPM of the amount of \$89,527, which must be duly adjusted for inflation starting on December 29, 2009, the date on which the tax was paid, up to the date on which such obligation is effectively fulfilled. The Municipality of Bello requested clarification of the ruling, which implies that the ruling is not yet final.

#### 5.5 Intervention of the wastewater treatment plants of the subsidiary Desarrollos Hidráulicos de Tampico, S.A. de C.V. by the Water and Sewage Municipal Commission of the Consolidated Region of the River Mouth of Pánuco River (COMAPA, for the Spanish original):

On September 29, 2020, the wastewater treatment plants at Tierra Negra and Morelos and the osmosis and micro filtration wastewater treatment plant received notice on the initiation of administrative proceedings for cancellation by COMAPA, the purpose of which is to verify the legality or illegality of several legal acts related to the public bidding process, award and execution of the Service Provision Contract between COMAPA and DHTAM. Additionally, the same body served notice to DHTAM on issuance of a protective measure, and with use of the public forces performed an eviction of the plant facilities. As explained by COMAPA, the purpose of the protective measure is the precautionary seizure of the properties, rights and holdings, which are to be placed temporarily in deposit at COMAPA, in order to assure adequate continuity of the operations and the effective provision of the services related to wastewater treatment.

The intervention by the authorities of the State of Tamaulipas, Mexico, is based on allegations of irregularities in the bidding process of the contract in 1995, against the civil servants who managed the process. As a result of such act, the subsidiary Desarrollos Hidráulicos de Tampico, S.A. de C.V. has been unable to perform its operations. Consequently, the company's management has implemented a case study and has filed the corresponding legal actions.

#### 5.6 Legal proceedings of the subsidiary Ecoagua de Torreón S.A. de C.V. against the Municipal Water and Sanitation System of the City of Torreón Coahuila:

On January 8, 2020, Mercantile Judge 3 of Torreón issued a ruling declaring the validity of the Arbitration Award in compliance with the protection obtained by the subsidiary Ecoagua de Torreón S.A. de C.V. Said arbitration award is declaratory and released ECOAGUA from payment of the statutory penalty provided for in the Contract in favor of the Municipal Water and Sanitation System of the City of Torreón Coahuila (SIMAS, for the Spanish original), in connection with the following litigation process:

On April 10, 2015, the subsidiary Ecoagua de Torreón S.A. de C.V. sued to seek payment from SIMAS of MXN 160,911,393.32 (One hundred and sixty million, nine hundred eleven thousand, three hundred and ninety-three and 32/100 Mexican pesos) for wastewater treatment services provided from January 1, 2010 to October 21, 2014, and payment of the agreed consideration equivalent to three rates (T1, T2 and T3xQ) from the date of the agreement, October 21, 2014, to the date of the seizure of the plant by SIMAS in April 2015, and payment of the Rate T1 for the valid term of the Contract, i.e., to its termination, as well as payment of late charge interest at a rate of 10% per year and 6% per year, as applicable, damages and costs and expenses arising from this matter, among other consideration.



Below is a description of the manner in which the Company's management plans to make effective the recovery of ordinary mercantile trial, file 311/2015 for the following resolutions of the Fourth Collegiate Tribunal of the Supreme Court of Justice:

- SIMAS was sentenced to pay MXN 160 million plus late charge interest at a rate of 10% per year starting on February 01, 2015.
- SIMAS was sentenced to pay the T1 plus interest at 6% per year, and such amount shall be quantified in the corresponding execution hearing.
- SIMAS was sentenced to pay the T2 and T3XQ accrued from October 22, 2014 to April 27, 2015, plus late charge interest on these items.
- SIMAS was absolved from payment of damages.

The collection of the net, overdue and enforceable amounts shall be carried out by making effective the existing guarantee with BANOBRAS, which is derived from an irrevocable, contingent and revolving credit line. The process of making effective the contingent credit line with BANOBRAS has been initiated. In the event the institution does not acknowledge the enforceable right of ECOAGUA, or is for any reason unwilling to pay the amounts it was sentenced to pay by the court, ECOAGUA will sue BANOBRAS to judicially force it to fulfill the contract.

## Nota 6. Surpluses

The Group transfers on a scheduled basis amounts corresponding to retained earnings ("Surpluses") to the municipality of Medellin, which is the sole owner of the equity of the Group, the amounts paid during the nine months ended September 30, 2020 by EPM are \$1,314,335: \$811,810 ordinary and \$502,525 extraordinary (September 30, 2019 \$1,053,446: \$703,446 ordinary and \$350,000 extraordinary).

## Note 7. Property, plant and equipment, net

The breakdown of the recorded value for property, plant and equipment is as follows:

Property, plant and equipment	September 30, 2020	December 31, 2019
Cost	46,638,300	43,603,770
Accrued depreciation and impairment loss	(9,212,607)	(7,998,115)
<b>Total</b>	<b>37,425,693</b>	<b>35,605,655</b>

*Figures stated in millions of Colombian pesos*

Property, plant and equipment of the EPM Group shows a \$1,820,038 increase compared to 2019, mainly represented by the movement of constructions in progress in the amount of \$972,815. The most representative are the Ituango Project for \$684,052, followed by the expansion projects of Grupo DECA for \$76,079 and ENSA for \$27,437.

The following is the movement of cost, depreciation and impairment of property, plant and equipment:

September 2020	Networks, lines and cables	Plants, pipelines and tunnels	Construction in progress <sup>(1)</sup>	Land and buildings	Machinery and equipment	Communication and computer equipment	Furniture, fixtures and office equipment	Other property, plant and equipment <sup>(2)</sup>	Total
Initial balance cost January 1, 2020	11,944,051	11,548,606	12,177,233	6,151,651	785,430	457,299	138,155	401,345	43,603,770
Additions <sup>(3)</sup>	16,811	23,772	2,050,783	4,227	7,095	8,052	879	494	2,112,113
Advanced payments (amortized) made to third parties	1,635	-	925	-	-	-	-	-	2,560
Transfers (-/+)	577,084	236,997	(900,620)	23,244	35,272	9,849	794	(10,019)	(27,399)
Disposals (-)	(480)	(3,099)	-	(57)	(2,751)	(3,997)	(515)	(919)	(11,818)
Withdrawals (-)	(5,647)	(8,096)	(291,520)	(2,918)	(2,460)	(6,911)	(584)	(67)	(318,203)
Effect due to currency exchange	626,018	239,545	130,656	72,114	87,807	21,734	5,983	12,380	1,196,237
Corporate reorganizations	-	(3)	3	-	-	-	-	(169)	(169)
Other changes	(5,731)	99,239	(17,412)	5,057	1,958	(43)	-	(1,859)	81,209
<b>Final balance cost September 30, 2020</b>	<b>13,153,741</b>	<b>12,136,961</b>	<b>13,150,048</b>	<b>6,253,318</b>	<b>912,351</b>	<b>485,983</b>	<b>144,712</b>	<b>401,186</b>	<b>46,638,300</b>
<b>Accrued depreciation and impairment loss</b>									
Initial balance of accrued depreciation and impairment loss January 1, 2020	(3,632,741)	(2,773,850)	-	(797,216)	(315,173)	(270,668)	(67,215)	(141,252)	(7,998,115)
Depreciation for the period	(333,978)	(241,593)	-	(59,764)	(41,270)	(38,567)	(10,591)	(11,351)	(737,114)
Disposals (+)	165	1,168	-	9	2,676	3,910	505	862	9,295
Withdrawals (+)	3,108	6,222	-	1,069	1,394	6,573	566	233	19,165
Transfers (-/+)	-	-	-	2,282	-	-	-	-	2,282
Effect due to currency exchange	(257,622)	(132,907)	-	(11,092)	(34,119)	(16,396)	(3,180)	(8,125)	(463,441)
Other changes	(291)	(39,710)	-	(280)	(3,590)	(183)	(66)	(559)	(44,679)
<b>Final balance accrued depreciation and impairment loss September 30, 2020</b>	<b>(4,221,359)</b>	<b>(3,180,670)</b>	<b>-</b>	<b>(864,992)</b>	<b>(390,082)</b>	<b>(315,331)</b>	<b>(79,981)</b>	<b>(160,192)</b>	<b>(9,212,607)</b>
<b>Total final balance property, plant and equipment</b>	<b>8,932,382</b>	<b>8,956,291</b>	<b>13,150,048</b>	<b>5,388,326</b>	<b>522,269</b>	<b>170,652</b>	<b>64,731</b>	<b>240,994</b>	<b>37,425,693</b>
<b>Advanced payments made to third parties</b>									
Initial balance January 1, 2020	1,437	-	34,922	-	-	-	-	498	36,857
Movement (+)	1,662	-	23,379	-	-	-	-	-	25,041
Movement (-)	(28)	-	(22,455)	-	-	-	-	-	(22,483)
Difference in exchange adjustment	388	-	999	-	-	-	-	-	1,387
<b>Final balance September 30, 2020</b>	<b>3,459</b>	<b>-</b>	<b>36,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498</b>	<b>40,802</b>

Figures stated in millions of Colombian pesos

December 2019	Networks, lines and cables	Plants, pipelines and tunnels	Construction in progress <sup>(1)</sup>	Land and buildings	Machinery and equipment	Communication and computer equipment	Furniture, fixtures and office equipment	Other property, plant and equipment <sup>(2)</sup>	Total
Initial balance cost January 1, 2019	11,001,434	11,719,710	11,398,786	6,226,917	803,664	436,703	131,663	401,657	42,120,535
Additions <sup>(3)</sup>	41,666	42,666	3,440,154	14,722	20,567	45,121	2,160	46,972	3,654,027
Advanced payments (amortized) made to third parties	502	-	(17,417)	-	-	-	-	(1,804)	(18,720)
Transfers (-/+)	835,602	408,160	(1,636,803)	208,666	40,044	9,580	2,983	(14,853)	(146,621)
Disposals (-)	(9,961)	(4,276)	(6,450)	(1,281)	(1,030)	(5,859)	(133)	(3,091)	(32,079)
Withdrawals (-)	(11,350)	(112,133)	(909,800)	(4,453)	(9,213)	(21,999)	(281)	(21,109)	(1,090,338)
Re-statement due to change of policies <sup>(4)</sup>	346	-	2,229	(204,286)	51	46	18	68	(201,527)
Effect due to currency exchange	36,702	41,534	5,143	3,606	(795)	94	60	(1,155)	85,188
Effect on loss of control of subsidiary	-	(613,662)	(34,205)	(45,762)	(327)	(34)	-	-	(693,990)
Other changes	49,110	66,607	(64,404)	(46,480)	(67,532)	(6,354)	1,685	(5,337)	(72,704)
<b>Final balance cost December 31, 2019</b>	<b>11,944,051</b>	<b>11,548,606</b>	<b>12,177,233</b>	<b>6,151,651</b>	<b>785,430</b>	<b>457,299</b>	<b>138,155</b>	<b>401,345</b>	<b>43,603,770</b>
<b>Accrued depreciation and impairment loss</b>									
Initial balance of accrued depreciation and impairment loss	(3,216,290)	(2,859,219)	(1,039)	(824,201)	(295,444)	(252,556)	(53,790)	(129,397)	(7,631,935)
Depreciation for the period	(401,843)	(291,275)	-	(78,785)	(45,831)	(46,222)	(13,360)	(16,630)	(893,945)
Impairment for the period	-	(1,386)	-	(784)	(39)	(5)	(9)	(20)	(2,243)
Disposals (+)	3,807	2,711	-	255	712	5,191	57	2,297	15,029
Withdrawals (+)	7,848	55,216	-	1,232	6,175	18,806	262	1,999	91,538
Transfers (-/+)	1	-	-	(11)	10	163	116	-	279
Re-statement due to change of policies <sup>(4)</sup>	(34)	-	-	77,001	(15)	(7)	(13)	(28)	76,904
Effect due to currency exchange	(14,616)	(22,836)	(48)	(1,290)	1,230	64	117	393	(36,986)
Effect on loss of control of subsidiary	-	359,575	1,086	25,399	167	29	-	17	386,274
Other changes	(11,615)	(16,635)	-	3,970	17,863	3,871	(596)	115	(3,029)
<b>Final balance accrued depreciation and impairment loss December 31, 2019</b>	<b>(3,632,741)</b>	<b>(2,773,850)</b>	<b>-</b>	<b>(797,216)</b>	<b>(315,173)</b>	<b>(270,668)</b>	<b>(67,215)</b>	<b>(141,253)</b>	<b>(7,998,115)</b>
<b>Total final balance property, plant and equipment</b>	<b>8,311,311</b>	<b>8,774,756</b>	<b>12,177,233</b>	<b>5,354,434</b>	<b>470,257</b>	<b>186,631</b>	<b>70,940</b>	<b>260,092</b>	<b>35,605,655</b>
<b>Advanced payments made to third parties</b>									
Initial balance January 1, 2019	859	-	52,458	-	-	-	-	2,302	55,619
Movement (+)	477	-	38,809	-	-	-	-	7,014	46,301
Movement (-)	25	-	(56,227)	-	-	-	-	(8,819)	(65,020)
Difference in exchange adjustment	76	-	(119)	-	-	-	-	-	(43)
<b>Final balance December 31, 2019</b>	<b>1,437</b>	<b>-</b>	<b>34,922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498</b>	<b>36,857</b>

Figures stated in millions of Colombian pesos

- (1) Includes capitalization of borrowing costs for \$273,017 (2019: \$381,123), the weighted average effective rate used to determine the amount of borrowing costs was 7.68% (2019 8.28%) and 4.15% in USA dollars (2019: 5.19%).
- (2) Includes fleet equipment and vehicles, medical and scientific equipment, property, plant and equipment in assembly, property, plant and equipment in transit and replacement assets, dining room, kitchen, pantry and hotel equipment.
- (3) Includes purchases, capitalizable disbursements that meet recognition criteria, assets received from third parties and costs for decommissioning and removal of property, plant and equipment. At the end of September 2020 and December 2019, no government grants were received.
- (4) Corresponds to property, plant and equipment that as of January 1, 2019 under IFRS 16 were recognized as rights of use.

The following are the main projects under construction:

Project	September 30, 2020	December 31, 2019
Ituango <sup>(1)</sup>	10,645,279	9,961,227
Other projects EPM	1,111,370	958,595
Construction, extension and maintenance of substations, networks, lines and cables of DECA subsidiaries	573,645	497,566
Substations, networks, lines and loss control ESSA	332,982	339,088
Substations, lines and network growth ENSA	257,265	229,828
Expansion of STN, STR, networks, lines and CENS loss control	106,662	93,083
Aguas Nacionales wastewater treatment plant	11,432	-
Substations, networks, lines and loss control CHEC	38,062	34,960
Water and sewerage networks Aguas Regionales EPM	23,139	21,640
Distribution networks and GIS implementation, Delsur	17,582	17,491
Expansion and repositioning of EDEQ plants, networks, lines and cables	11,118	9,234
EMVARIAS Projects - Vaso Altair (phase 3), transfer station and others	14,996	6,987
Hidrosur Projects - Capellan and Corydora	4,367	3,678
Projects Aguas de Malambo- Water and sewage networks	988	2,995
Aguas de Oriente projects	1,159	858
Ticsa Group water treatment plants	2	2
<b>Total</b>	<b>13,150,048</b>	<b>12,177,233</b>

Figures stated in millions of Colombian pesos

- (1) As of September 30, 2020, the Ituango hydroelectric project presented a physical progress of 79.37% (December 31, 2019: 76.7%), the physical progress presented as of the date of the period on which the consolidated financial statements are reported, corresponds to the new version of the project contingency, stabilization and commissioning program (April 2020). As a result of the contingency that occurred on April 28, 2018, caused by a geological event that occluded the Cauca River deviation tunnel with approximately 160 thousand cubic meters of rock and soil, which generated an unscheduled damming, it was necessary to execute additional activities not contemplated in the schedule. Due to the above, a new schedule was made which includes recovery activities and longer terms. For this, the percentage of progress decreases both in what was programmed and what was

executed. This new schedule is susceptible to changes and/or modifications, since the actual state of the underground works is not yet known, and it has not yet been possible to inspect it directly. It is estimated that the first power generation unit could enter into operation by the first quarter of 2022. However, this commissioning date is very dynamic, due to changes in technical variables and the evolution and efficiency of the measures implemented to deal with the contingency.

As a consequence of the above, EPM has prioritized its decisions to protect firstly the communities and the environment and secondly the project infrastructure. Therefore, on May 7, 2018, the decision was made to evacuate the dammed water through the powerhouse of the future power generation plant so that it would be channeled back into the Cauca River, and thus return to its traditional flow and the water level of the dam would drop. On January 16 and February 5, 2019, the water intake gates #2 and #1, respectively, were closed, thus suspending the flow of water through the powerhouse, which allowed the inspection of the main cavern where the powerhouse is located, the transformer areas and beacon 1. With this, the cleaning and water pumping activities began in order to determine the severity of the works, the condition of the powerhouse and the work that must be done for its recovery. Consequently, at the date of the financial statements, although it is true that a large part of the project's works have been explored, some directly and others indirectly, for example through drilling and geophysical tests, as with the southern area of the cave complex, it is not yet possible to have a precise estimate of the total and exact value of the damages associated with the civil works; However, as of September 30, 2020 equipment and civil works have been written off for a value of \$1,273,816; additionally, the project has been tested for impairment, considering the provisions of IAS 36 and no impairment has been evidenced.

The Company is still in the process of quantifying the damages, the replacement of equipment and the repairs of the project as it progresses in its diagnosis, design and contracting, which is reported on a permanent basis as part of the adjustment process. Regarding the indemnity for the damages, the insurer Mapfre has made the following disbursements for material damages to civil works and equipment: on December 4, 2019, COP 525,438 (USD 150 million) and on September 15, 2020, COP 369,700 (USD 100 million).

On May 29, 2019, the closure of one of the two gates of the Auxiliary Deviation Gallery (GAD) was completed, in a new milestone in the project's risk mitigation work. With the closure of the first gate, on the left, the work of nearly three months was completed. After closure of the left GAD gate, the next work will focus on the closure of the right gate to complete the full closure. Subsequently, a 22-meter plug will be built downstream of the tailgate chamber in the axis of the dam.

In July 2019, dam construction was completed, which translates into risk reduction for downstream populations. During September 2019, the dam wall was built on reinforced earth between units 2 and 3 and the material filling in 3A, in units 1 and 2 of the powerhouse cavern; also, heavy equipment was brought into the powerhouse to clean and remove materials from the assembly room to the south sector of the powerhouse, the rehabilitation of the access tunnel to the powerhouse was completed and the road between the north portal of the road tunnel and the road leading to Puerto Valdivia, up to km 13+610, began to be levelled.

On November 8, 2019, urban planning work was completed and the road over the top of the project's dam was handed over to the community of the municipality of Ituango, so that its inhabitants can have continuous mobility to and from their town.

On December 18, 2019, the second gate of the Auxiliary Deviation Gallery (GAD) was closed. The pre-positioning of the GAD, with its two gates duly closed, reduces risks for communities downstream of the works and means the continuation of the project's recovery process.

On January 12, 2020, the pouring of concrete into the hollow created by the contingency between pressure shafts 1 and 2 began, advancing to mark 272 and drilling began for the micropiles, going below the right diversion tunnel floor, in addition to the installation of piping for the application of grout in these micropiles.

In February 2020, the sale process began for the auction of the scrap metal of the project's 19 power transformers, which were under water during the flooding of the powerhouse, causing their complete deterioration.

On February 19, 2020, EPM recommended that National Unified Command Post (PMU, for the Spanish original) No. 146 begin work on the powerhouse to avoid deterioration of the works and risk to the communities. In addition, a report was submitted on the progress made in the Ituango Hydroelectric Project, from July of last year to date.

In March 2020, the ANLA reaffirmed to EPM the provisions of Resolution 0820/2018, indicating that EPM could continue with the engineering works and the works that must be executed, to ensure the integrity of the project and to prevent and mitigate the risks associated with the contingency occurred. This will allow the work to optimally dissipate the energy of the water contained in the reservoir through the turbines that will be housed in the powerhouse.

Additionally, the Protocol for Addressing Events and Crises (PADEC, for the Spanish original) was activated to prevent the spread of the coronavirus (COVID-19). As a result, 1,170 employees of the Ituango Hydroelectric Project were given time off to comply with the mandatory quarantine in their places of origin.

In April 2020, a new version of the timetable was made (April 2020), which includes the additional work requirements that arise as the different work fronts are inspected, to ensure the stability of the project. This version included all the information provided by the equipment manufacturers, as well as the plans of the contractor of the main works, CCCI.

EPM announced that at June 30, 2020, 601 cases had tested positive for COVID-19, of which 243 people had recovered. It was expected that, by the end of July 2020, around 450 people will remain at the project's facilities, to ensure the minimum operational requirements in works and facilities, in order to maintain stable conditions of the works.

During the period, work was inactive on the following work fronts, due to the withdrawal of the Contractor's staff from the main works, to comply with protocols as a result of the COVID-19 pandemic: upper slope of the floodgate area (Romerito), the upper area of the 500 kV substation, the upper southern gallery and concrete galleries in area 435, alternate route on the left margin between km 0+900 and km 1+190, construction of filters and ditches on the shoulder downstream from the dam.

Starting on July 4, 2020, activities at all work fronts were suspended in abidance of the protocols to manage the pandemic produced by COVID-19. By July 15, all personnel had left the site, in fulfillment of the activities of the COVID-19 protocol aimed at addressing the risks for the populations downstream from the project. Afterwards, 3,500 employees from all the companies that participate in performance of the works entered the project, using new technologies for improved control of the virus. Now, the workers are organized into smart cells (bubbles) or close circles of behavior to protect each other and make safe and responsible contacts for the group's protection. Additionally, each worker must use a smart wristband equipped with Bluetooth wireless technology that identifies in a timely manner who has been in close contact, which enables monitoring and controlling in the event any member of a cell reports symptoms associated with the coronavirus. The return of the workers was carried out in a controlled manner in late July and early August, in groups of approximately 400 workers, who entered the area following a bio-safety protocol established for entering, remaining and leaving the facilities.

On August 12, 2020, the Ituango Hydroelectric Project reported zero positive cases of COVID-19; a total of 903 people recovered and one died.

In August 2020, the CCCI consortium resumed its activities. It reported that it has 2,342 employees at the works, and that it has resumed activities in the machine room, overflow channel 1, aspiration tunnels 1 and 2, removal of transformers from the cave, the lower conductor, the slope on the upper part of the floodgate court (Romerito), the 500 kV substation, the floodgate wells, the intermediate discharge, the plug stopper 2 of the right deviation tunnel and the GAD bypass.

At September 2020, emptying out of section 1 to the full section of regrowth of plug 12 for intermediate discharge had been completed, and work began to remove the metal platform installed over the mounting room, to begin performing the treatments. Removal of the 3A filling material and the earth wall set up above units 3 and 4 was completed. The company LITO S.A.S. completed removal of the transformers, and dynamic load testing was performed on the 25-ton bridge crane.

Additions to property, plant and equipment of \$2,112,113 are taken as effective items, less the movement of advances of \$3,945 (2019: \$18,720), capitalized interest of \$273,017 (2019: \$421,543), and environmental and decommissioning provisions of \$22,507.

At the closing of the period, all assets associated with electricity Generation, Distribution, Transmission, Natural Gas Distribution and Commercialization, Water and Wastewater management Cash Generating Units, which have intangible assets with an indefinite useful life, were tested for impairment, obtaining as a result that no there were impairment (2019: \$2,243 impairment in certain components of the ESSA subsidiary).

The most significant commitments for the acquisition of property, plant and equipment of the Group at the cut-off date amount to \$2,414,842; (2019: \$2,487,972).

## Note 8. Investment in subsidiaries

The breakdown of the subsidiaries of the Group at the date of the reporting period is the following:

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)		Colombia	Provides electrical energy utilities purchase, sale and distribution of electrical energy.	92.85%	92.85%	7.15%	7.15%	22/12/1988
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)		Colombia	Provides public energy utilities, operating electricity generating plants, transmission and sub-transmission lines and distribution networks, as well as the marketing, import, distribution and sale of electricity.	80.10%	80.10%	19.90%	19.90%	09/09/1950
Electrificadora de Santander S.A. E.S.P. (ESSA)		Colombia	Provides public electricity utilities and purchases, sells and distributes electricity.	74.05%	74.05%	25.95%	25.95%	16/09/1950
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)		Colombia	Provides public utilities for electrical energy, purchase export, import, distribution and sale of electrical energy. Construction and operation of generating plants, transmission lines and sub-stations and distribution networks.	91.52%	91.52%	8.48%	8.48%	16/10/1952
Elektra Noreste S.A. (ENSA)		Panama	Purchases energy, transports, distributes to customers, transforms voltage, installs, operates and maintains public lighting, and is authorised to generate energy up to a limit of 15% of the maximum demand in the concession area.	51.16%	51.16%	48.84%	48.84%	19/01/1998
Hidroecológica del Teribe S.A. (HET)	(1)	Panama	Finances the construction of the Bonyic hydroelectric project required to satisfy the growth in energy demand in Panama.	99.68%	99.68%	0.32%	0.32%	11/11/1994
Empresa Eléctrica de Guatemala S.A. (EEGSA)		Guatemala	Provides electrical energy distribution services.	80.90%	80.90%	19.10%	19.10%	05/10/1939



Name of the Subsidiary	Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
Gestión de Empresas Eléctricas S.A. (GESA)	Guatemala	Provides advisory and consulting services to electricity distribution, generation and transportation companies.	100.00%	100.00%	-	-	17/12/2004
Almacenaje y Manejo de Materiales Eléctricos S.A. (AMESA)	Guatemala	Provides outsourcing services in the area of materials management.	99.94%	99.94%	0.06%	0.06%	23/03/2000
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	Guatemala	Provides electrical energy commercialization services.	80.52%	80.52%	19.48%	19.48%	05/11/1998
Transportista Eléctrica Centroamericana S.A. (TRELEC)	Guatemala	Provides electricity transmission services.	80.90%	80.90%	19.10%	19.10%	06/10/1999
Enérgica S.A. (ENERGICA)	Guatemala	Provides construction and maintenance services for projects and goods in the electrical sector.	78.19%	78.19%	21.81%	21.81%	31/08/1999
Crediegsa S.A. (CREDIEGSA)	Guatemala	Provides personnel hiring and other administrative services	80.90%	80.90%	19.10%	19.10%	01/12/1992
Distribuidora de Electricidad del Sur (DELSUR)	El Salvador	Transformation, distribution and commercialization of electricity that supplies energy to the south-central zone of El Salvador in Central America.	86.41%	86.41%	13.59%	13.59%	16/11/1995
Innova Tecnología y Negocios S.A. de C.V.	El Salvador	Provision of specialized services in electrical engineering and sale of electrical appliances to the users of electrical energy of the company Delsur.	86.41%	86.41%	13.59%	13.59%	19/10/2010
Aguas Nacionales EPM S.A. E.S.P.	Colombia	Provides public home utilities as water supply, sewerage and sanitation, solid waste treatment and use, complementary activities and engineering services for these public utilities.	99.99%	99.99%	0.01%	0.01%	29/11/2002

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
Aguas Regionales EPM S.A. E.S.P.		Colombia	Guarantee the provision of public home utilities of water, sewage and sanitation and to compensate for the lack of infrastructure for these services i partner municipalities.	69.76%	69.76%	30.24%	30.24%	18/01/2006
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	(8)	Colombia	Provides public home utilities of water supply and sewerage, as well as other complementary activities typical of each of these public utilities.	56.02%	56.02%	43.98%	43.98%	22/11/1999
Aguas de Malambo S.A. E.S.P.	(2)	Colombia	Guarantee the provision of public home water, sewage and sanitation utilities in the jurisdiction of the Municipality of Malambo, Department of Atlántico.	98.52%	98.52%	1.48%	1.48%	20/11/2010
Ecosistemas de Colima S.A. de C.V.	(3)	Mexico	Dedicated to developing the executive project for the wastewater treatment plant, its construction, equipment and operation, conservation and maintenance of sludge stabilization in municipalities of the State of Colima.	100.00%	100.00%	-	-	14/02/2006
Ecosistemas de Tuxtla S.A. de C.V.	(3)	Mexico	Dedicated to the construction, equipment, commissioning, operation and maintenance of a wastewater treatment system with the modality of total recoverable private investment. Develop drinking water and water treatment plant projects.	100.00%	100.00%	-	-	17/11/2006
Ecosistema de Ciudad Lerdo S.A. de C.V.	(3)	Mexico	Subsidiary dedicated to the construction, equipment, commissioning, operation and maintenance for 20 years of a wastewater treatment system in the city of Lerdo Durango, with the total private recoverable investment modality.	100.00%	100.00%	-	-	24/04/2007
Aquasol Morelia S.A. de C.V.	(3)	Mexico	Subsidiary dedicated to the construction of a wastewater treatment plant, as well as the equipment and operation of this plant located in the town of Atapaneo in the Municipality of Morelia Michoacán.	100.00%	100.00%	-	-	13/11/2003
Ecosistemas de Celaya S.A. de C.V.	(3)	Mexico	Dedicated to the development of the executive project for the wastewater treatment plant, as well as the treatment, transportation and final disposal of solid waste and sludge in the plant in the city of Celaya, state of Guanajuato.	100.00%	100.00%	-	-	05/12/2008

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
Desarrollos Hidráulicos de Tampico S.A. de C.V.	(3)	Mexico	Dedicated to the construction, equipment, expansion, improvement, conservation, maintenance and operation of water supply and sewerage services, collection, drainage and wastewater treatment works.	100.00%	100.00%	-	-	25/08/1995
Ecoagua de Torreón S.A. de C.V.	(3)	Mexico	Dedicated to providing operational services for the treatment of wastewater from any source, whether municipal or domestic, as well as the activity related to wastewater treatment.	100.00%	100.00%	-	-	25/10/1999
Proyectos de Ingeniería Corporativa S.A. de C.V.	(3)	Mexico	Provision of design services, engineering in general or construction, professional and technical services to operate, manage, direct and generally carry out all activities that are necessary for the development of activities of any commercial, industrial or service company, in its mode of natural or legal entity.	100.00%	100.00%	-	-	01/08/2008
Corporación de Personal Administrativo S.A. de C.V.	(3)	Mexico	Provision of professional services tending to operate, manage, direct and in general perform all necessary activities for the development of any company of commercial, industrial or services type in its modality of natural or legal entity, as well as the management, selection, hiring and exchange of personnel that carries out functions within the facilities of applicant companies.	100.00%	100.00%	-	-	01/08/2008
Aguas de Antofagasta S.A.		Chile	Construction, and operation of the public utilities of production and distribution of drinkable water and of collection and disposition of served waters through the operation of the sanitation concessions of the Empresa de Servicios Sanitarios de Antofagasta S.A. (now Econssa Chile S.A.), and the provision of other services related to such activities, all in the form and under the conditions established in Decrees with Force of Law numbers 382 and 70, both of 1998, of the Ministry of Public Works, and other relevant regulations. To this end, on 29 December 2003, Aguas de Antofagasta S.A. signed with Empresa de Servicios Sanitarios de Antofagasta S.A. (currently Empresa Concesionaria de Servicios Sanitarios S.A. - Econssa S.A.)	100.00%	100.00%	-	-	28/11/2003

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
			the "Agreement for the transfer of the right to operate sanitary concessions" (Contrato de transferencia del derecho de explotación de concesiones sanitarias), for a total period of 30 years from the date of its signing.					
Empresas Varias de Medellín S.A. E.S.P.		Colombia	Subsidiary dedicated to the provision of solid waste management utility within the framework of integrated solid waste management.	99.93%	99.93%	0.07%	0.07%	11/01/1964
EPM Inversiones S.A.		Colombia	Dedicated to capital investment in national or foreign companies organized as public utilities companies.	99.99%	99.99%	0.01%	0.01%	25/08/2003
Maxseguros EPM Ltd.		Bermuda	Negotiation, contracting and management of reinsurance for policies covering assets.	100.00%	100.00%	-	-	23/04/2008
Panamá Distribution Group S.A. - PDG		Panama	Capital investment in companies.	100.00%	100.00%	-	-	30/10/1998
Distribución Eléctrica Centroamericana DOS S.A. - DECA II		Guatemala	Makes capital investments in companies engaged in the distribution and marketing of electrical energy and in providing telecommunications services.	100.00%	100.00%	-	-	12/03/1999
Inmobiliaria y Desarrolladora Empresarial de América S.A. (IDEAMSA)		Guatemala	Subsidiary dedicated to making investments in real estate.	80.90%	80.90%	19.10%	19.10%	15/06/2006
Promobiliaria S.A.	(4)	Panama	Purchasing, selling, building, modifying, managing, leasing and in general entering into any contract for the disposal, improvement, use and usufruct of real estate not required for the operation owned by the companies that make up the EPM Group.	100.00%	100.00%	-	-	08/09/2015
EPM Latam S.A.		Panama	Make capital investments in companies.	100.00%	100.00%	-	-	17/05/2007
EPM Capital México S.A. de C.V.	(5)	Mexico	Develop infrastructure projects related to energy, lighting, natural gas, telecommunications, sanitation, drinking water plants, wastewater treatment, buildings, as well as their operation, studies and services.	100.00%	100.00%	-	-	04/05/2012

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
EPM Chile S.A.		Chile	Develops energy, lighting, natural gas, telecommunications, sanitation, drinking water, sewage and wastewater treatment plants projects, as well as providing these services and participating in all types of public or private tenders and auctions.	100.00%	100.00%	-	-	22/02/2013
Inversiones y Proyectos Hidrosur SpA		Chile	Participate in all types of tenders, bids, auctions whether public and/or private in the purchase of shares in national or foreign companies. Make strategic alliances, joint ventures and sign business collaboration agreements to bid for tenders, obtain concessions and / or authorizations. To provide all types of advice and services directly or indirectly related to the activities it carries out and in which the company is involved.	100.00%	100.00%	-	-	16/12/2014
Tecnología Intercontinental S.A. de C.V. TICSA	(3)	Mexico	Dedicated to the study, development, promotion and execution of industrial projects, design, manufacture, assembly and installation of machinery, development of technology including commercial representation and trade in general.	100.00%	100.00%	-	-	28/07/1980
Autonomous equity (Patrimonio Autónomo) Financiación Social	(9)	Colombia	Manage the resources and payments of the social financing program created to facilitate the purchase of household appliances, gas appliances and products related to information technology.	100.00%	100.00%	-	-	14/04/2008
EV Alianza Energética S.A.	(6)	Panama	Provision of energy efficiency services and all related services, such as environmental services, marketing and financing of efficiency projects, as well as the provision of energy and technological solutions, production, transformation, purchase, sale and supply of energy, gas and related products such as biogas; consulting services, the performance of studies, reports and projects relating to the above operations and services, as well as those related to the environment and energy saving.	51.00%	51.00%	49.00%	49.00%	22/01/2016

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
Empresas Públicas de Rionegro S.A.S. E.S.P. - EP RIO	(7)	Colombia	Provision of public home utilities, including water supply and sewerage, as well as complementary and related activities to them, specifically the management, operation, maintenance and investment of water supply and sewerage systems in the Municipality of Rionegro, the implementation of programs and projects on the environment and renewable and non-renewable natural resources, to promote sustainable development. In addition, the company will provide maintenance services for the public lighting network in the Municipality of Rionegro.	-	100.00%	-	-	09/12/1996
ENSA Servicios S.A.		Panama	Provision of technical, commercial and any other complementary services to the provision of the electricity service, without limiting the other analogous, related and/or compatible services that constitute an added value to the activities described.	51.16%	51.16%	48.84%	48.84%	29/11/2017

- (1) On 20 December 2019, EPM capitalized Hidroecológica del Teribe S.A. (HET) for \$178,469 (USD\$ 53,717,349.84)
- (2) On 14 June 2019, EPM capitalized Aguas de Malambo S.A. E.S.P. for \$12,000.
- (3) On 15 July 2019, the EPM Group, through its subsidiary Tecnología Intercontinental S.A. de C.V. TICSА, reimburses and cancels the shares subscribed by non-controlling interests, retaining 100% ownership and voting rights.
- (4) On 16 December 2019, EPM Latam S.A. capitalized Promobiliaria S.A. for USD\$ 1,400,000.
- (5) On 2 September 2019, EPM capitalized EPM Capital Mexico S.A. de C.V. for \$74,661.
- (6) On 19 December 2018, the Shareholders' Meeting of EV Alianza Energética S.A. unanimously approved the dissolution of the Company. Consequently, during 2019 the procedures corresponding to this act were initiated and will be continued in 2020.
- (7) On 30 December 2019, in accordance with public deed No. 4641 of the Second Notary Office of Rionegro - Antioquia, registered at the Cámara de Comercio de Oriente Antioqueño Chamber of Commerce on 31 December 2019, the approval of the merger by absorption by which EPM absorbs Empresas Públicas de Rionegro S.A.S. E.S.P. - EP RIO was protocolized. Based on the merger commitment, it was established that, for accounting purposes, the final operation is perfected based on the figures shown in the accounts of the two companies, as of the last day of the month in which the respective deed is executed, i.e. 31 December 2019. Consequently, the operations of Empresas Públicas de Rionegro S.A.S. E.S.P. - EP RIO. (absorbed company) are carried out by EPM (absorbing company) from 1 January 2020.
- (8) In July 2019 EPM capitalized Empresa de Aguas del Oriente Antioqueño S.A. E.S.P. \$1,211.

(9) On 16 July 2020, EPM capitalized Autonomous equity (Patrimonio Autónomo) Financiación Social for \$10,000.

The financial information of the Group's subsidiaries that have significant non-controlling interests as of the date of the reporting period is as follows:

September 30, 2020	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income from ordinary activities	Profit or loss for the Period	Other Comprehensive Income	Total Comprehensive Income	Cash Flows
						Continuing Operations			
Elektra Noreste S.A. (ENSA)	754,597	2,337,538	1,319,159	1,010,772	1,578,783	68,934	112,522	181,456	32,518
Empresa Eléctrica de Guatemala S.A. (EEGSA)	795,409	1,871,821	521,957	1,018,608	1,693,017	113,655	166,381	280,036	21,109
Electrificadora de Santander S.A. E.S.P. (ESSA)	415,741	1,631,707	509,563	864,412	939,825	127,198	-	127,198	155,144
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	212,334	1,005,191	167,795	705,467	628,299	54,101	-	54,101	41,816
Distribuidora Eléctrica del Sur S.A. de C.V. (DELSUR)	215,465	441,993	312,489	197,089	693,986	30,713	8,050	38,763	37,926
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	255,318	954,337	346,462	368,069	621,906	89,594	1,883	91,477	20,183
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	113,271	1,381	30,533	1,385	232,052	12,662	13,471	26,133	6,956
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	93,844	213,326	64,036	83,668	191,079	21,637	(11)	21,626	33,661
Transportista Eléctrica Centroamericana S.A. (TRELEC)	136,993	1,089,746	638,521	3,519	111,613	56,567	80,239	136,806	749
Aguas Regionales EPM S.A. E.S.P.	34,375	159,770	31,683	53,058	44,367	6,793	-	6,793	13,905
Other participations <sup>(1)</sup>	739,401	4,075,993	609,858	548,120	525,506	369,173	59,457	428,630	382,260

Figures stated in millions of Colombian pesos

December 31, 2019	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income from ordinary activities	Profit or loss for the Period	Other Comprehensive Income	Total Comprehensive Income	Cash Flows
						Continuing Operations			
Elektra Noreste S.A. (ENSA)	659,340	1,960,812	1,138,014	889,124	2,417,021	107,816	6,352	114,168	69,466
Empresa Eléctrica de Guatemala S.A. (EEGSA)	549,658	1,611,453	395,863	835,322	2,060,200	100,390	32,968	133,358	18,644
Electrificadora de Santander S.A. E.S.P. (ESSA)	321,713	1,558,855	335,156	850,594	1,195,556	148,540	24,105	172,645	133,587
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	229,499	964,992	231,573	672,756	777,880	65,033	(4,330)	60,703	47,534
Distribuidora Eléctrica del Sur S.A. de C.V. (DELSUR)	172,535	385,611	236,994	178,658	1,040,346	44,112	(4,424)	39,688	23,028
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	244,733	944,416	261,482	383,707	766,819	123,470	(1,045)	122,425	19,874
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	95,011	1,262	25,132	1,122	329,092	12,695	539	13,234	3,479
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	77,132	211,633	43,155	71,474	245,074	35,822	(525)	35,297	19,782
Transportista Eléctrica Centroamericana S.A. (TRELEC)	114,663	897,312	580,416	(24,302)	108,379	45,789	2,633	48,422	3,362
Aguas Regionales EPM S.A. E.S.P.	25,534	143,830	34,000	32,754	56,210	9,932	-	9,932	10,469
Other participations <sup>(1)</sup>	499,893	3,957,809	387,610	486,967	722,615	517,524	7,972	525,496	230,789

Figures stated in millions of Colombian pesos

<sup>(1)</sup> Corresponds to investments in subsidiaries where the non-controlling interest is not significant in terms of equity participation and/or the amount of financial figures of each entity, and includes the following subsidiaries: Hidroecológica del Teribe S.A., Enérgica S.A., Credieegsa S.A., Aguas Nacionales EPM S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Aguas de Malambo S.A. E.S.P., Empresas Varias de Medellín S.A. E.S.P., EPM Inversiones S.A., Inmobiliaria y Desarrolladora Empresarial de América S.A., Innova Tecnología y Negocios S.A. de C.V., EV Alianza Energética S.A. and ENSA Servicios S.A.

Profit or loss for the period, Dividends Paid and Equity Assigned to the Non-Controlling Participation as of the date of the period being reported is as follows:



Non-controlling Participations	September 30, 2020			
	Equity	Profit or loss for the period	Other comprehensive income	Dividends paid
Elektra Noreste S.A.	371,854	33,665	-	-
Electrificadora de Santander S.A. E.S.P. (ESSA)	174,787	33,012	-	38,542
Empresa Electrica de Guatemala S.A. (EEGSA)	215,170	21,706	(240)	13,814
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	98,525	17,828	375	27,921
Transportista Electrica Centroamericana S.A. (TRELEC)	111,666	10,803	-	1,315
Centrales Electricas del Norte de Santander S.A. E.S.P.	29,197	4,588	-	-
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	20,069	4,077	-	8,955
Aguas Regionales S.A. E.S.P.	33,083	2,054	-	-
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	15,801	2,418	-	2,628
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	11,394	1,546	(1)	2,593
Other Non-Controlling Participations <sup>(1)</sup>	23,741	6,751	-	8,369

Figures stated in millions of Colombian pesos

Non-controlling Participations	September 30, 2019			
	Equity	Result of the period	Other comprehensive income	Dividends paid
Elektra Noreste S.A. (ENSA)	336,484	45,127	-	10
Electrificadora de Santander S.A. E.S.P. (ESSA)	173,908	30,969	7,420	35,048
Empresa Electrica de Guatemala S.A. (EEGSA)	183,388	15,682	(1,249)	16,032
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	101,920	17,675	364	28,450
Transportista Electrica Centroamericana S.A. (TRELEC)	89,862	7,094	-	8,150
Centrales Electricas del Norte de Santander S.A. E.S.P.	22,404	2,944	-	-
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	19,386	4,880	(78)	7,853
Aguas Regionales S.A. E.S.P.	30,844	2,818	-	-
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	13,590	1,961	-	867
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	11,956	2,037	(1)	2,203
Other Non-Controlling Participations <sup>(1)</sup>	20,057	5,859	11	5,969

Figures stated in millions of Colombian pesos

Non-controlling Participations	December 31, 2019			
	Equity	Profit or loss for the period	Other comprehensive income	Dividends payed
Elektra Noreste S.A.	289,364	52,704	(431)	10
Electrificadora de Santander S.A. E.S.P. (ESSA)	180,326	38,551	6,256	35,048
Empresa Electrica de Guatemala S.A. (EEGSA)	177,597	19,172	(1,435)	16,008
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	108,243	24,569	(208)	28,450
Transportista Electrica Centroamericana S.A. (TRELEC)	87,060	8,745	-	8,137
Centrales Electricas del Norte de Santander S.A. E.S.P.	24,609	5,515	(367)	-
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	19,319	5,973	(164)	7,853
Aguas Regionales S.A. E.S.P.	31,029	3,003	-	-
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	13,372	2,424	-	777
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	12,442	2,560	(38)	2,188
Other Non-Controlling Participations <sup>(1)</sup>	21,039	7,547	(4)	4,691

Figures stated in millions of Colombian pesos

<sup>(1)</sup> Corresponds to investments in subsidiaries where the non-controlling interest is not significant and includes the following companies: Inmobiliaria y Desarrolladora Empresarial de América S.A., Enérgica S.A, Aguas de Malambo S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Hidroecológica del Teribe S.A., Crediagsa S.A., Aguas Nacionales EPM S.A. E.S.P., Empresas Varias de Medellín S.A. E.S.P. and E.V. Alianza Energética S.A.

### 8.1 Significant restrictions

As of September 30, 2020 and December 31, 2019, the Group does not have any significant restriction to access or use the assets, settle Group liabilities, nor do the non-controlling interests have protective rights that could restrict the Group's ability to access or use the assets and settle liabilities of the subsidiaries or restrict dividends and other capital distributions. Except as indicated in Note 5.5 in relation to the subsidiary Desarrollos Hidráulicos de Tampico, S.A. de C.V.

### 8.2 Consolidated structured entities

As of September 30, 2020 and 2019, the Group has as a consolidated structured entity Patrimonio Autónomo Financiación Social Autonomous equity. The participation in this entity is 100%, the value of the total assets amounts to \$184,886 (2019: \$162,261), the total liabilities to \$10,869 (2019: \$10,884) and the net profit for the period to \$14,744 (2019: \$14,638).

The Group has no obligation to provide financial support to the entity.

## Note 9. Investments in associates

The breakdown of Investment in associates of the Group as at the date of the reporting period is:

Name of associate	Location (country)	Main activity	Percentage of Ownership and Voting Rights		Date of establishment
			September 30, 2020	December 31, 2019	
Hidroeléctrica Ituango S.A. E.S.P.	Colombia	Promotion, design, construction, operation, maintenance and marketing of energy at national and international level of the Pescadero Hituango Hydroelectric Power Plant	46.45%	46.45%	8/06/1998
Hidroeléctrica del Rio Aures S.A. E.S.P.	Colombia	Generation and commercialization of electrical energy through a hydroelectric plant, located in the jurisdiction of the municipalities of Abejorral and Sonsón. of the Department of Antioquia	32.99%	32.99%	14/05/1997
UNE EPM Telecomunicaciones S.A.	Colombia	Provision of telecommunications services information and communication technologies information services and complementary activities.	50.00%	50.00%	23/06/2006
Inversiones Telco S.A.S.	Colombia	Investing in companies whose corporate purpose is based on the provision of business process outsourcing (BPO) services for companies, especially but not limited to telecommunications companies.	50.00%	50.00%	5/11/2013
VE Servicios de Eficiencia Energética S.A.S. <sup>(1)</sup>	Colombia	To carry out all activities, works and services, either its own or those related to the installation, operation and production of energy of each of the energy efficiency projects developed by EV Alianza Energética S.A., such as the provision of energy and technological solutions, production, transformation, purchase, sale and supply of energy, natural gas and related products such as biogas; consulting services.	2.1%	2.10%	21/02/2017

- <sup>(1)</sup> As of September 30, 2020, the Group continues to have significant influence on the financial policy and operating decisions of this company due to representation on the Board of Directors of the entity with 2 of 5 members.

The financial information of the Group's significant associates as of the date of the reporting period is as follows. All the associates are accounted for using the Equity Method in the Consolidated Financial Statements:

September 30, 2020	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Profit or loss for the period	Other comprehensive income	Total comprehensive income	Dividends received
						Continuing operations			
UNE EPM Telecomunicaciones S.A.	1,610,078	7,460,718	1,626,258	5,876,133	3,165,348	(191,630)	-	(191,630)	12,547
Inversiones Telco S.A.S.	187,032	145,347	100,766	80,618	312,558	14,457	-	14,457	4,239
Hidroeléctrica Ituango S.A. E.S.P.	5,209	111,606	924	65,987	-	-	-	-	-
VE Servicios de Eficiencia Energética S.A.S.	2,861	7,424	6,280	-	-	-	-	-	-
Hidroeléctrica del Río Aures S.A. E.S.P.	2,308	12,967	6,652	-	-	-	-	-	-

Figures stated in millions of Colombian pesos

December 31, 2019	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Profit or loss for the period	Other comprehensive income	Total comprehensive income	Dividends received <sup>(1)</sup>
						Continuing operations			
UNE EPM Telecomunicaciones S.A.	1,776,297	6,163,823	1,874,908	4,287,090	4,927,143	519	(147)	372	-
Inversiones Telco S.A.S.	163,965	125,474	88,519	55,996	428,756	9,420	-	9,420	3,103
Hidroeléctrica Ituango S.A. E.S.P.	5,209	111,606	924	65,987	-	-	-	-	-
VE Servicios de Eficiencia Energética S.A.S.	2,861	7,424	6,280	-	1,763	195	-	195	-
Hidroeléctrica del Río Aures S.A. E.S.P.	2,308	12,967	6,652	-	-	(276)	168	(108)	-

Figures stated in millions of Colombian pesos

(1) In 2019, dividends of \$38,483 were received from UNE EPM Telecomunicaciones S.A. declared in 2018.

Financial information of these companies, the basis for applying the Equity Method, is prepared under IFRS adopted in Colombia and adjusted to the Group's accounting policies.

The reconciliation of the summarized financial information with the recorded value of associates in the Consolidated Financial Statements is:

The value of investments in associates at the date of the reporting period is as follows:

Associate	September 30, 2020				September 30, 2019			
	Value of investment				Value of investment			
	Cost	Equity method	Dividends	Total	Cost	Equity method	Dividends	Total
UNE EPM Telecomunicaciones S.A.	2,342,488	(770,837)	(12,547)	1,559,104	2,342,488	(724,335)	-	1,618,153
Inversiones Telco S.A.S.	55,224	24,469	(4,239)	75,454	55,224	19,062	(3,103)	71,183
Hidroeléctrica Ituango S.A. E.S.P.	34,313	(11,134)	-	23,179	34,313	(11,134)	-	23,179
Hidroeléctrica del Río Aures S.A. E.S.P.	2,478	294	-	2,772	2,478	(232)	-	2,246
VE Servicios de Eficiencia Energética S.A.S.	99	(15)	-	84	88	137	-	225
<b>Total value of investment in associates</b>	<b>2,434,602</b>	<b>(757,222)</b>	<b>(16,786)</b>	<b>1,660,593</b>	<b>2,434,591</b>	<b>(716,502)</b>	<b>(3,103)</b>	<b>1,714,986</b>

Figures stated in millions of Colombian pesos

The breakdown of the equity method recognized in profit or loss for the period and in other comprehensive income for the period is as follows:

Associate	September 30, 2020			September 30, 2019		
	Equity-accounted investees for the period		Total	Equity-accounted investees for the period		Total
	Profit or loss for the period	Other comprehensive income		Profit or loss for the period	Other comprehensive income	
UNE EPM Telecomunicaciones S.A.	(88,314)	-	(88,314)	(31,882)	-	(31,882)
Inversiones Telco S.A.S.	7,232	-	7,232	3,483	-	3,483
Hidroeléctrica Ituango S.A. E.S.P.	-	-	-	-	-	-
Hidroeléctrica del Río Aures S.A. E.S.P.	-	-	-	-	-	-
VE Servicios de Eficiencia Energética S.A.S.	-	(14)	(14)	-	(14)	(14)
<b>Total</b>	<b>(81,083)</b>	<b>(14)</b>	<b>(81,097)</b>	<b>(28,399)</b>	<b>(14)</b>	<b>(28,413)</b>

Figures stated in millions of Colombian pesos

### Significant restrictions

As of September 30, 2020, the Group has no significant restrictions on investments in associates relating to the transfer of funds to the Group in the form of cash dividends, or repayment of loans or advances made by the Group, except in the case of UNE EPM Telecomunicaciones S.A. in which at least fifty percent (50%) of the net profit for the period must be distributed as a dividend after appropriation and/or legal, statutory and occasional reserves, provided that the level of consolidated financial debt does not exceed twice the EBITDA for the same period.

## Note 10. Trade and other receivables

The breakdown of trade and other receivables of the Group as of the dates of the periods being reported is as follows:

Trade and other receivables	September 30, 2020	December 31, 2019
<b>Non-current</b>		
Public utilities debtors	632,685	405,894
Impairment loss public utilities	(203,248)	(129,544)
Employee loans <sup>(1)</sup>	124,914	118,360
Impairment loss employee loans	(11)	(2)
Dividends and participations receivable	17	-
Compensations <sup>(2)</sup>	81,023	-
Contracts for the management of public utilities	550,150	546,117
Other services	136	1,021
Other loans	111,575	90,812
Impairment other loans	(19,804)	(18,973)
<b>Total non-current</b>	<b>1,277,437</b>	<b>1,013,685</b>
<b>Current</b>		
Public utilities debtors	4,157,686	3,380,165
Impairment loss public utilities	(456,863)	(401,684)
Employee loans <sup>(1)</sup>	36,699	46,976
Impairment loss employee loans	(103)	(291)
Construction contracts	629	2,001
Dividends and participations receivable	32,982	-
Compensations <sup>(2)</sup>	313,344	466,037
Other services	241,401	244,316
Other loans	716,266	531,090
Impairment other loans	(244,619)	(195,949)
<b>Total current</b>	<b>4,797,422</b>	<b>4,072,661</b>
<b>Total</b>	<b>6,074,859</b>	<b>5,086,346</b>

Figures stated in millions of Colombian pesos

- (1) As part of the employee benefit plan, the company makes loans for home, car, motorcycle, tourism, health and education purchases. Receivables for employee loans are non-interest bearing or have a lower-than-market interest rate for similar loans. Fair value is the present value of all cash flows discounted using the market rate. The difference between the fair value of an employee receivable and the amount paid is recorded as a prepaid expense, which is amortized on a straight-line basis over the term of the credit, recognising a salary expense.
- (2) Includes receivables from Mapfre insurance company for \$389,891 in respect of civil works and total loss of machinery and equipment covered by the all-risk and construction policy and \$3,223 in respect of non-contractual civil liability. Also receivable from the subsidiaries Aguas de Malambo for \$45, CENS for \$13 and CHEC for \$21.

The increase in the non-current portion of accounts receivable is mainly explained by the increase in "utilities" portfolio balances that during the nine months ended as of September 30, 2020 shows an increase of \$226,791, of which \$143,459 are from the increase in the EPM parent company's utility portfolio.

Accounts receivable, in the current portion, show an increase of \$724,761 explained basically by the increase in the public utilities portfolio. The subsidiaries with the greatest variation are EPM parent company with an increase for \$358,844, ESSA, EDEQ, CENS and EMVARIAS.

The aforementioned variations, which are concentrated in the provision of the utility, have been impacted mainly by the effects arising from the COVID-19 health emergency, which caused some of the Group's companies to establish relief plans that have displaced the collection of the portfolio that, compared to the same period last year, shows a 6% decrease, equivalent to \$359,787.

### Impairment of portfolio

The Group measures the value correction for expected losses during the lifespan of the asset using the simplified approach, which consists in taking the present value of credit loss arising from all possible default events at any time during the lifetime of the operation.

This alternative is taken given that the volume of customers is very high and the measurement and control of the risk by stages can lead to errors and to an underassessment of impairment.

The expected loss model corresponds to a forecasting tool that projects the probability of portfolio default in the next twelve months.

Each obligation is assigned an individual probability of default calculated from a probability model that involves sociodemographic, product and behavioral variables.

At the cut-off date, the ageing analysis of receivables at the end of the reporting period that are impaired is:

	September 30, 2020		December 31, 2019	
	Gross recorded value	Lifetime expected credit loss value	Gross recorded value	Lifetime expected credit loss value
<b>Public utilities debtors</b>				
Not past due nor impaired	3,596,759	(181,967)	2,801,324	(128,856)
Less than 30 days	432,404	(37,867)	482,585	(22,265)
30-60 days	84,574	(11,639)	85,575	(10,631)
61-90 days	57,938	(6,657)	38,994	(7,417)
91-120 days	42,109	(9,399)	12,447	(5,765)
121-180 days	122,425	(38,813)	25,134	(12,015)
181-360 days	126,777	(92,164)	67,612	(51,225)
Greater than 360 days	327,384	(281,605)	272,388	(293,053)
<b>Total public utilities debtors</b>	<b>4,790,370</b>	<b>(660,111)</b>	<b>3,786,059</b>	<b>(531,228)</b>
<b>Other debtors</b>				
Not past due nor impaired	1,142,026	(22,716)	1,141,173	(96,378)
Less than 30 days	78,383	(2,171)	90,926	(6,782)
30-60 days	12,151	(1,526)	13,088	(1,983)
61-90 days	71,555	(1,085)	6,756	(1,564)
91-120 days	3,188	(1,905)	85,116	(64,395)
121-180 days	16,949	(7,009)	6,886	(3,020)
181-360 days	94,821	(18,312)	72,256	(14,302)
Greater than 360 days	790,064	(209,813)	630,529	(26,792)
<b>Total other debtors</b>	<b>2,209,137</b>	<b>(264,537)</b>	<b>2,046,730</b>	<b>(215,215)</b>
<b>Total debtors</b>	<b>6,999,507</b>	<b>(924,648)</b>	<b>5,832,789</b>	<b>(746,443)</b>

*Figures stated in millions of Colombian pesos*

The variation in the provision for accounts receivable in the EPM Group amounts to \$178,205, affected by an increase in the accounts receivable and the rolling in their maturities. This variation is mainly concentrated in the EPM parent company and the national energy subsidiaries. This can be seen in the increase in the number of days in the portfolio turnover indicator from 66.4 to 75.1 days compared to the same month last year. At September 30, 2020, it is estimated that as a result of the health emergency caused by COVID-19, the impairment of the Group's accounts receivable has increased by \$117,338.

The reconciliation of the expected credit losses of the portfolio is as follows:

Asset lifetime Expected Credit Losse	September 30, 2020	December 31, 2019
Initial balance	(746,444)	(675,021)
Changes in impairment of receivables held at the beginning of the period	(271,386)	-
Financial assets not derecognized during the Period	1,528	20,281
New financial assets originated or purchased	(133,676)	(408,945)
Cancellations	218,571	362,458
Changes in models/risk parameters	28,867	43,992
Difference in change and other movements	(22,108)	(89,208)
<b>Final balance</b>	<b>(924,648)</b>	<b>(746,443)</b>

Figures stated in millions of Colombian pesos

Portfolio reconciliation is as follows:

Portfolio balance	September 30, 2020	December 31, 2019
Initial balance of financial assets	5,832,790	4,889,239
New financial assets originated or purchased	22,223,367	33,184,954
Write-off of financial assets	(21,278,615)	(31,991,406)
Derecognized financial assets	(1,528)	(20,281)
Changes due to changes that did not result in derecognition	9,074	32,187
Other changes	214,419	(261,904)
<b>Final balance</b>	<b>6,999,507</b>	<b>5,832,789</b>

Figures stated in millions of Colombian pesos

The Group derecognizes, against the impairment of recognized value in a corrective account the values of impaired financial assets when:

- Recorded receivable do not present any certain rights, assets or obligations for the entity.
- Rights or obligations lack documents and suitable support to advance the relevant procedures for their collection or payment.
- It is not possible to collect the right or obligation, due to coercive or judicial jurisdiction.
- It is not possible to legally charge any natural or legal entity for the value of the portfolio.
- When the cost-benefit relationship has been evaluated and established, it is more expensive to advance the collection process than the value of the obligation.

#### Bodies responsible for derecognizing

Within the framework of Group governance, approval bodies have been defined for the derecognition of assets from the financial statements, in order to maintain control over the assets to be written-off.



## Note 11. Other financial assets

The breakdown of other financial assets at the closing of the period is as follows:

Other financial assets	September 30, 2020	December 31, 2019
<b>Non-current</b>		
<b>Derivatives designated as hedging instruments under hedge accounting</b>		
Swap contracts	535,672	34,422
<b>Total derivatives designated as hedging instruments under hedge accounting</b>	<b>535,672</b>	<b>34,422</b>
<b>Financial assets measured at fair value through profit or loss</b>		
Fixed-income securities	47,656	2,406
Variable-income securities	70,450	59,005
Pledged investments	38,926	47,830
Investment in securities	460,684	431,973
<b>Total financial assets measured at fair value through profit or loss</b>	<b>617,716</b>	<b>541,214</b>
<b>Financial assets designated at fair value through other comprehensive income</b>		
Equity instruments <sup>(1)</sup>	2,039,305	1,963,081
<b>Total financial assets designated at fair value through other comprehensive income</b>	<b>2,039,305</b>	<b>1,963,081</b>
<b>Financial assets measured at amortized cost</b>		
Fixed-income securities	1,839	1,619
<b>Total financial assets measured at amortized cost</b>	<b>1,839</b>	<b>1,619</b>
Finance leasing	813	1,231
<b>Total other non-current financial assets</b>	<b>3,195,345</b>	<b>2,541,567</b>
<b>Current</b>		
<b>Derivatives designated as hedging instruments under hedge accounting</b>		
Swap contracts	28,687	11,727
<b>Total derivatives designated as hedging instruments under hedge accounting</b>	<b>28,687</b>	<b>11,727</b>
<b>Financial assets measured at fair value through profit or loss</b>		
Derivatives that are not under hedge accounting	152,151	-
Fixed-income securities	1,657,922	811,865
Pledged investments	20,190	5,970
<b>Total financial assets measured at fair value through profit or loss</b>	<b>1,830,263</b>	<b>817,835</b>
<b>Financial assets measured at amortized cost</b>		
Fixed-income securities	129,453	34,261
Pledged investments	124	126
<b>Total financial assets measured at amortized cost</b>	<b>129,577</b>	<b>34,387</b>
Finance lease	4,448	4,049
<b>Total other assets current</b>	<b>1,992,975</b>	<b>867,998</b>
<b>Total other financial assets</b>	<b>5,188,320</b>	<b>3,409,565</b>

Figures stated in millions of Colombian pesos

<sup>(1)</sup> Financial assets designated at fair value through other comprehensive income

Conventional purchases and sales of financial assets are accounted for by applying the trade date.

The breakdown of equity investments designated at fair value through other comprehensive income is:

Equity investment	September 30, 2020	December 31, 2019
Interconexión Eléctrica S.A. E.S.P. <sup>(1)</sup>	1,991,624	1,915,398
Promioriente S.A. E.S.P.	39,541	39,566
Reforestadora Industrial de Antioquia S.A.	4,947	4,947
Electrificadora del Caribe S.A. E.S.P.	1,385	1,385
Gensa S.A. E.S.P.	594	594
Other <sup>(2)</sup>	1,214	1,191
<b>Total</b>	<b>2,039,305</b>	<b>1,963,081</b>
Accumulated loss for the period	-	(47,620)
Dividends recognized during the period related to investments that are recognized at the end of the period <sup>(3)</sup>	72,840	57,262
<b>Dividends recognized during the period</b>	<b>72,840</b>	<b>9,642</b>

Figures stated in millions of Colombian pesos

<sup>(1)</sup> As of September 30, 2020, the market price of Interconexión Eléctrica S.A. E.S.P. closed at \$20,380 Colombian pesos (as of 31 December 2019: \$19,600 Colombian pesos) per share.

<sup>(2)</sup> Includes investments in: Unidad de Transacciones S.A. de C.V., Terminal de Transporte de Bucaramanga S.A., Duke Energy Guatemala y Cia. S.A., Concentra Inteligencia en Energía S.A.S., Organización Terpel S.A., Sin Escombros S.A.S., Banco Davivienda S.A., Emgesa S.A. E.S.P., Hotel Turismo Juana Naranjo, Central de Abastos de Cúcuta, Fiduciaria Bancolombia P.A. Cadenalco, Fosfonorte S.A., Compañía de Alumbrado Eléctrico San Ana, Compañía de Alumbrado Eléctrico de San Salvador S.A., Cenfer S.A., Credieegsa S.A., Empresa Distribuidora del Pacífico S.A. E.S.P., BBVA, Central Hidroeléctrica de Betania S.A., Acerías Paz del Río S.A.

<sup>(3)</sup> Includes dividends declared by Interconexión Eléctrica S.A. E.S.P. for \$65,964 and Promioriente for \$6,848, Fosfonorte S.A. for \$11, Emgesa for \$6, Organización Terpel S.A. for \$5 and Banco Davivienda S.A. for \$2.

Equity investments indicated in the table above are not held for trading purposes but are rather held for strategic medium- and long-term purposes. The Group Management believes that the classification for these strategic investments provides more reliable financial information, that to reflect changes in their fair value immediately in the results of the period.

## Note 12. Cash and cash equivalents

The composition of cash and cash equivalents at the end of the period is as follows:

Cash and cash equivalents	September 30, 2020	December 31, 2019
Cash on hand and in banks	2,984,815	884,703
Other cash equivalents <sup>(1)</sup>	1,139,871	825,863
<b>Total cash and cash equivalents reported in the statement of financial position</b>	<b>4,124,686</b>	<b>1,710,566</b>
<b>Cash and cash equivalents reported in the statement of cash flows</b>	<b>4,124,686</b>	<b>1,710,566</b>
<b>Restricted funds <sup>(2)</sup></b>	<b>193,289</b>	<b>196,072</b>

Figures stated in millions of Colombian pesos

<sup>(1)</sup> Includes restricted funds \$193,289 (2019: \$196,072) and cash equivalents \$946,582 (2019: \$629,791).

<sup>(2)</sup> Of this \$105,492 (2019: \$46,415) corresponds to non-current restricted cash.

Cash investments mature within three months from their date of acquisition and bear market interest rates for this type of investment.

As of September 30, 2020, and December 31, 2019, the Group has restrictions on cash and cash equivalents as detailed below:

Fund or agreement EPM	Destination	September 2020	December 2019
Sinpro Housing Fund	Contribute to the acquisition of housing and house improvement of the workers who are beneficiaries of the conventional agreement signed between EPM and the unions.	26,902	11,138
Renta premio Corpb. 6972005469	Covering possible contingencies following the acquisition of EPRIO by EPM.	8,990	-
Ituango guarantee account	Deposit the resources (approx. COP 6 billion) that EPM must contribute as backing for issuance of a bank guarantee for the Ituango Project.	6,664	-
Sintraemdes Housing Fund	Contribute to the acquisition of housing and house improvement of the workers who are beneficiaries of the conventional agreement signed between EPM and the unions.	3,911	19,199
Agreement signed between the Metropolitan Area of Valle de Aburra and Empresas Públicas de Medellín E.S.P., Execution Act No. 4 of Framework Agreement No. CT 2015-000783 of 2015	Support the construction of the southern interceptor of the Aburra River - Medellín	1,822	10,760

Fund or agreement EPM	Destination	September 2020	December 2019
Ministry of Mines and Energy - Special Fund <i>Cuota Fomento</i>	Co-financing agreement for the construction, distribution infrastructure and connection to lower income users in the municipalities of Amagá, Santa fé de Antioquia, Sopetrán, San Jerónimo and Ciudad Bolívar. Compressed Natural Gas and connection to users in Don Matías, Entrerriós, San Pedro, Santa Rosa and Yarumal. Agreement No 106: construction of infrastructure to connect users in Valle de Aburrá, La Ceja, La Unión and El Retiro. Agreement No. 179: includes the municipality of Sonsón.	5,757	5,634
International energy transactions	Collateral corresponding to the "compensation" that must be made between the invoice for stock exchange transactions and the advance payments, seeking the actual payment to XM.	-	5,274
Department of Antioquia, Construction Agreement via El Aro - Municipality of Ituango	Manage the resources provided by the Government of Antioquia to co-finance the construction of the El Aro Road - Puerto Valdivia Road Connection Dam Site - Municipality of Ituango	-	2,721
Sinpro Education Fund	Promote the welfare of the workers to meet the needs of payment of tuition, texts and equipment required to advance studies for themselves or their family members.	1,798	1,959
Sintraemdes Education Fund	Promote the welfare of the workers to attend to the payment needs of registration, texts and equipment required to advance studies for themselves or their family members.	4,661	4,330
Cuenca Verde (Green Basin)	Manage resources assigned for compliance with the objectives of the <i>Corporación CuencaVerde</i> .	-	2,167
Contract No. CT-2019-001105	Contract for the supply of energy and power for the unregulated market and support of contracts of the energy distributor and marketer S.A. E.S.P, DICEL S.A. E.S.P.	2,468	2,000
Agreement <i>puntos SOMOS</i> (points)	Provision of services for the operation of the key capabilities associated with the Points element of the Large-Scale Loyalty Program for the EPM Group.	1,768	1,727
Sintraemdes Calamity Fund	Promoting the well-being of workers to meet urgent and unforeseen needs for themselves or their nuclear family group.	1,470	1,415
Sinpro Calamity Fund	Promoting the well-being of workers to meet urgent and unforeseen needs for themselves or their nuclear family group.	258	292

Fund or agreement EPM	Destination	September 2020	December 2019
INTERADMINISTRATIVE CONTRACT Number Pc-2017-001532 From 2017	Construction and intervention of water and sewerage networks in the Pepe Sierra I, Barrios de Jesús, el Progreso and Cañada del Niño neighborhoods	609	1,438
5 Indigenous Schools (Indigenous Peoples') 2019-20 Agreement	Co-finance the development of indigenous educational centres within the framework of the Aldeas (village) program, for the improvement of the quality of life of indigenous communities in the department of Antioquia	832	995
Aldeas (Villages) Program	Use wood that completes its maturation cycle in the forests planted by EPM around its reservoirs, to build social interest housing in the municipalities of Antioquia outside the Aburrá Valley and deliver it to low-income families, preferably in a situation of forced or voluntary displacement.	216	733
Municipality of Medellín - Water	Integrated management of water for human consumption by the inhabitants of the municipality of Medellín.	240	509
Municipality of Guatapé and Cornare	Join efforts to improve technical, economic and social conditions for the implementation of phase 1 of the project to improve the environmental and landscape infrastructure of the Malecón San Juan del Puerto Malecón (harbor), for the development of sustainable tourism in the municipality of Guatapé.	-	448
Motorcycle Repair Fund	Promote welfare of workers who work in the regional market and use motorcycles to perform their work.	24,903	10,400
IDB Credit 2120	Disbursement for the construction of the Bello wastewater treatment plant (WTP).	397	334
Guatapé Autonomous Corporation	Join efforts to improve the technical, economic and social conditions for the execution of phase 1 of the project to improve the environmental and landscape infrastructure of the Malecón San Juan del Puerto (harbor), for the development of sustainable tourism in the municipality of Guatapé.	-	310
INTER-ADMINISTRATIVE AGREEMENT CT -2017-001388 (460007009)	Agreement for the construction of 7 indigenous schools in 5 municipalities	486	253

Fund or agreement EPM	Destination	September 2020	December 2019
Adapted Health Entity Fund and Fosyga Fund	Control and monitoring mechanism for the collection of contributions from the General Social Security Health Contribution System (Régimen Contributivo del Sistema General de Seguridad Social en Salud).	2,010	152
Resource management for the construction of infrastructure in the Madera neighborhood for Emvarias in the La Pradera landfill.	Administration of resources for the construction of infrastructure in wood for Emvarias in the La Pradera landfill.	63	114
Deposits Law 820	Guarantee required by the landlord to the tenant, for the payment of public services. According to Article 15 of Law 820 of 2003 and Regulatory Decree 3130 of 2003.	73	68
Espíritu santo	EPM - Settlement Espíritu Santo	63	61
Municipality of Medellín - Land	Acquisition of land identified and characterized within the watershed protection zones that supply water systems in the municipality of Medellín.	63	61
Agreements with municipalities on public lighting and cleaning rates	Agreement to manage the resources of the territorial entities for the payment to the municipalities with agreements of collection of the rates of public lighting and solid waste collection, resources exempt of the 4x1000 levy.	7,277	50
Bogotá Bolivar Gallery	Adapting Carrera 51 (Bolívar) between 44th (San Juan) and 57th (La Paz) streets and converting this road segment into what will be called La Galería Bolívar.	-	15
Municipality of Medellín - Moravia	Construction, repair and replacement of water and sewage networks and paving in the municipality of Medellín of the roads affected by these works in the Moravia neighborhood.	-	3
IDEA agreement 4600003912	Inter-administrative agreement to join efforts for the design and construction of electricity generation and distribution systems in rural areas in the Department of Antioquia.	-	2
IDEA Agreement 4600003283	Join efforts for the construction of household gas connections in the different sub-regions of the Department of Antioquia under the <i>Gas sin Fronteras</i> (Natural Gas without Borders) program.	1	1

Fund or agreement EPM	Destination	September 2020	December 2019
Contribution of the municipalities of Pueblorrico and Ciudad Bolivar	Agreement for the construction of seven rural indigenous schools	1	1
Ministry of Mines and Energy	Contributions from the Ministry of Mines and Energy in accordance with the provisions of the FAER GGC 430 contract of 2015 for rural electrification works in the Municipality of Ituango	1	1
<b>Total restricted resources EPM</b>		<b>103,704</b>	<b>84,565</b>

Figures stated in millions of Colombian pesos

Fund or agreement CENS	Destination	September 2020	December 2019
BBVA -Miniminas 756 and others	Execution of rural electrification works in the municipalities of the Norte de Santander department	23,974	15,258
BBVA XM Custody Account Bank Guarantees	Warranty and TIES of compliance to cover energy purchase projects.	1,953	1,470
Housing Rotary Fund	Housing loans for CENS S.A. employees	1,721	1,132
AOM Agreement	Management operation, maintenance and replacement of the rural electrification assets built with the resources of the project "Programa de electrificación rural zona del Catatumbo y Provincia de Ocaña, etapa 1, Norte de Santander".	65	65
Gobernación-Davivienda Agreement	Join technical, administrative and financial efforts between Norte de Santander department and Norte de Santander power plants - C.E.N.S. S.A. E.S.P., execute the rural electrification works, of Norte de Santander department.	569	579
<b>Total restricted resources CENS</b>		<b>28,282</b>	<b>18,504</b>

Figures stated in millions of Colombian pesos

Fund or agreement Aguas Nacionales	Destination	September 2020	December 2019
Savings Account ITAU 153148929	Ministerio (Ministry) project	10,812	18,973
Current account Bancolombia 536423	Aguas de Atrato	414	416

General cash	Aguas de Atrato	10	1
<b>Total restricted resources Aguas Nacionales</b>		<b>11,236</b>	<b>19,390</b>

Figures stated in millions of Colombian pesos

Fund or agreement EPM CHILE S.A	Destination	September 2020	December 2019
AES GENER S.A.	COLLATERAL OF 5.000.000	-	16,293
<b>Total restricted resources EPM CHILE S.A</b>		<b>-</b>	<b>16,293</b>

Figures stated in millions of Colombian pesos

Fund or agreement Grupo Ticsa México	Destination	September 2020	December 2019
TRUST BANCO DEL BAJÍO 15892649	Restricted resources ECOSISTEMAS DE COLIMA S.A. DE C.V. - Mexico	4,794	4,954
TRUST BANCO DEL BAJÍO/MULTIVA	Restricted resources ECOSISTEMAS DE TUXTLA S.A. DE C.V. - Mexico	5,090	4,847
TRUST BANCO NACIONAL DE OBRAS Y S	Restricted resources AQUASOL MORELIA S.A. DE C.V. - Mexico	3,073	3,493
TRUST BANCO DEL BAJÍO 15892649	Restricted resources AQUASOL MORELIA S.A. DE C.V. - Mexico	1,306	1,646
TRUST BANCO DEL BAJÍO 15892649	Restricted resources ECOSISTEMAS DE CELAYA S.A. DE C.V. - Mexico	869	930
TRUST BANCO NACIONAL DE OBRAS Y S	Restricted resources ECOSISTEMAS DE CELAYA S.A. DE C.V. - Mexico	409	365
<b>Total restricted resources Grupo Ticsa México</b>		<b>15,541</b>	<b>16,235</b>

Figures stated in millions of Colombian pesos

Fund or agreement Empresas Varias	Destination	September 2020	December 2019
ENCARGO FID 919301039524 - Pradera	Resources for Pradera Payments	15,259	14,196
FL ITAU 859060217 Renting hora	Delegated management contract with the Municipality of Medellín for the service of green area cutting	401	-



FL BBVA 423 Pruning-Felling Agreement (Convenio Poda-Tala)	Delegated management contract with the Municipality of Medellín for the service of green area cutting and tree pruning and felling	32	32
Agreement 18-897796-47 EDU	Agreement with the municipality of Medellín for the collection of temporary debris gathering centers	24	23
FL Occidente INDER	Agreement with INDER for washing bridges and stadium roofs	3	3
Encargo 919301039523 - Pradera	Resources for Pradera Payments	648	3
FL Convenio green areas (zonas verdes) 400054603	Agreement for the service of Green Areas	1	-
<b>Total restricted resources Empresas Varias</b>		<b>16,368</b>	<b>14,257</b>

Figures stated in millions of Colombian pesos

Fund or agreement Empresas Públicas de Rionegro	Destination	September 2020	December 2019
Collateral for Historical Centre works	Deposit in guarantee for the purchase EPRIO Municipality of Rionegro	-	8,736
<b>Total, restricted resources Empresas Públicas de Rionegro</b>		<b>-</b>	<b>8,736</b>

Figures stated in millions of Colombian pesos

Fund or agreement ESSA	Destination	September 2020	December 2019
BBVA Guarantees 0408	XM Bank Account	2,328	3,221
FAER GGC Agreement 411	Rural electrification agreement signed with the Ministry of Mines and Energy	3,118	3,238
Agreement Line 115 Pto Wilches	Rural electrification agreement Pto Wilches - Barrancabermeja line	871	856
Gobernación - ESSA Phase V Agreement	Agreement on rural electrification	449	448
San Gil Public Lighting Agreement	San Gil Public Lighting Agreement	447	333
Public hearings resources agreement Convenio Recursos audiencias públicas	Rural electrification agreement signed with the Ministry of Mines and Energy	1	1
<b>Total restricted resources ESSA</b>		<b>7,214</b>	<b>8,097</b>

Figures stated in millions of Colombian pesos

Fund or agreement Aguas Regionales	Destination	September 2020	December 2019
Execution Act No.1 Framework Convention CT_2019_001417 (Acta de ejecución No.1 Convenio Marco CT_2019_001417)	Preparation of a feasibility study for new sources of water collection for the supply of drinking water in the central zone of the Urabá region.	5,094	5,000
Sintraesmdes housing fund agreement	Housing loans to eligible officials	67	88
<b>Total restricted resources Aguas Regionales</b>		<b>5,161</b>	<b>5,088</b>

Figures stated in millions of Colombian pesos

Fund or agreement EDEQ	Destination	September 2020	December 2019
FL Davienda Housing fund 136270148986 FL- Fiduciedicorp Housing fund 919301005560	Resources aimed at improving the quality of life of workers through the granting of credits for the purchase and improvement of housing.	3,499	2,582
FL Fiduciaria Occidente 1101031000001 FL Dav Cart Colect 608136200000618 FL Dav Fond Bien soc cap 136270162219	Resources allocated to facilitate workers and their families' access to higher education, health, welfare and recreation.	251	240
FL Davienda Motorcycle fund 136270167200	Resources allocated to provide workers with loans to purchase and replace motorcycles for their work.	7	16
FL Davi Calamity fund 136000742868	Resources allocated for events caused by serious and unforeseen situations affecting workers or their families.	11	4
<b>Total restricted resources EDEQ</b>		<b>3,768</b>	<b>2,842</b>

Figures stated in millions of Colombian pesos

Fund or agreement CHEC	Destination	September 2020	December 2019
Special housing fund	Fund created to provide housing loans to CHEC employees, in accordance with the procedure and conditions established in the Collective Labour Convention in force - CCTV, signed between the company's union SINTRAELECOL and CHEC	54	501

XM Custody and Management Account	A fund created to provide guarantees for the operations of energy transactions on the stock exchange, which is managed and controlled by the XM market manager	757	350
CONFA Special Fund	Special fund created for the attention of social programs and cultural extension for CHEC employees; through a contract of delegated administration with the company CONFA	187	200
Building Maintenance Fund	Fund created to attend the maintenance of CHEC buildings, through delegated management contract		150
Environmental Management Administration Fund	Fund to execute the environmental management plans in the area of influence of the CHEC power plants.		100
Special property fund	Fund created for the management of forest conservation properties in the company's watersheds; through a delegated management contract.	40	65
Generation plant maintenance fund	Fund created to attend the civil maintenance of the CHEC minor generation plants, through a delegated management contract.		16
Special Funds <i>Plan de Financiación Social</i> (Social Financing Plan) - PFS	A fund created to attend to microcredits made to users in the company's market, with collection through the energy bill; these credits have more favorable rates and conditions than those offered by the market. This programme was created by the company's Board of Directors.	10	10
Davivienda Erickson Fund	Management and handling of ATL and digital media for advertising and informative spots for CHEC, under the modality of mandate without representation.	7	-
Special Learning Agreement Fund	Fund created to serve the programs of the annual training agenda of CHEC employees; through a delegated management contract.	40	7
<b>Total restricted resources CHEC</b>		<b>1,095</b>	<b>1,399</b>

Figures stated in millions of Colombian pesos

Fund or agreement HET	Destination	September 2020	December 2019
Deposits - ETESA - Occasional market and rural electrification (OER)	ENERGY. security deposit for non-regulated market contract - MNR or Large Customers	535	337
Certificate of deposit - ETESA contract	Energy contract with entity ETESA	337	297

Management Administration Contract (Employees severance)	Employees severance fund deposit	37	22
Services Contract	Deposit in guarantee for Services Contract	11	10
<b>Total restricted resources HET</b>		<b>920</b>	<b>666</b>

*Figures stated in millions of Colombian pesos*

<b>Total restricted resources EPM Group</b>		<b>193,289</b>	<b>196,072</b>
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*Figures stated in millions of Colombian pesos*

### Note 13. Loans and borrowings

The following is the breakdown of the recorded value of loans and borrowings measured at amortized cost:

Loans and borrowings	September 30, 2020	December 31, 2019
<b>Non-current</b>		
Commercial banks loans	5,577,142	3,774,443
Bonds and securities issued	13,280,821	9,748,378
Multilateral banks loans	1,196,342	3,326,049
Development banks loans	994,794	822,669
<b>Total non-current</b>	<b>21,049,099</b>	<b>17,671,539</b>
<b>Current</b>		
Commercial banks loans	2,109,908	1,542,949
Multilateral banks loans	2,010,507	268,895
Bonds and securities issued	913,354	960,026
Development banks loans	792,463	212,596
Other loans	257,500	-
<b>Total current</b>	<b>6,083,732</b>	<b>2,984,466</b>
<b>Total Loans and borrowings</b>	<b>27,132,831</b>	<b>20,656,005</b>

*Figures stated in millions of Colombian pesos*

The breakdown of loans and borrowings is as follows:

Company	Entity or loan	Original Currency	Initial Date	Years	Nominal interest rate	September 30, 2020			
						IRR	Nominal Value	Amortized cost value	Total Amount
AGUAS DE ANTOFAGASTA	Banco del Estado	CLP	14/01/2015	10.00	UF + 2.9%	1.51%	117,986	753	118,738
AGUAS DE ANTOFAGASTA	Banco del Estado	CLP	18/10/2018	5.00	TAB + 0.65%	1.42%	455,436	22,424	477,861
AGUAS DE ANTOFAGASTA	Scotiabank	CLP	18/10/2018	5.00	TAB + 0.65%	1.50%	888,815	43,913	932,728
AGUAS REGIONALES	BANCO POPULAR	COP	1/06/2018	7.25	IBR 3M + 3%	4.25%	10,499	176	10,676
AGUAS REGIONALES	BANCO DE BOGOTA	COP	30/09/2015	10.08	DTF + 2.6%	5.16%	446	4	450
AGUAS REGIONALES	HELM BANK S.A.	COP	16/03/2012	12.00	DTF + -1%	0.81%	2,885	28	2,914
AGUAS REGIONALES	BANCO BILBAO VIZCAYA ARGENTARIA	COP	30/04/2014	10.06	DTF + -0.7%	5.99%	469	4	472
AGUAS REGIONALES	BANCO BILBAO VIZCAYA ARGENTARIA	COP	19/12/2014	10.00	DTF + -0.7%	1.53%	732	2	733
AGUAS REGIONALES	BANCO DAVIVIENDA SA	COP	19/02/2018	10.25	IPC + 4.8%	6.23%	19,375	477	19,852
AGUAS REGIONALES	BANCO POPULAR	COP	21/01/2020	10.25	IBR 3M + 2.9%	4.45%	6,000	126	6,126
AGUAS REGIONALES	BANCO POPULAR	COP	18/03/2020	10.25	IBR 3M + 2.9%	4.42%	2,500	37	2,537
AGUAS REGIONALES	BANCO POPULAR	COP	22/04/2020	10.25	IBR 3M + 2.9%	4.44%	1,900	42	1,942
AGUAS REGIONALES	BANCO POPULAR	COP	22/05/2020	10.00	IBR 3M + 2.9%	4.71%	1,150	5	1,155
AGUAS REGIONALES	BANCO POPULAR	COP	5/06/2020	1.01	IBR 6M + 2.19%	4.63%	5,897	86	5,983
AGUAS REGIONALES	BANCO POPULAR	COP	19/06/2020	10.00	IBR 3M + 2.9%	4.70%	1,350	1	1,351
AGUAS REGIONALES	BANCO POPULAR	COP	21/07/2020	10.00	IBR 3M + 2.9%	4.70%	2,100	20	2,120
AGUAS REGIONALES	BANCO POPULAR	COP	19/08/2020	10.00	IBR 3M + 2.9%	4.69%	2,050	11	2,061
AGUAS REGIONALES	BANCO POPULAR	COP	23/09/2020	10.00	IBR 3M + 2.9%	4.68%	2,800	2	2,802
CENS	Bogotá	COP	15/05/2014	7.00	IBR + 1.88%	4.79%	2,000	28	2,028
CENS	Bogotá	COP	18/12/2015	7.00	IBR + 1.88%	3.76%	5,000	60	5,060
CENS	Bogotá	COP	16/02/2018	10.00	IBR + 2.98%	5.03%	111,989	(165)	111,823
CENS	Popular	COP	15/05/2017	10.00	IBR + 3.35%	5.27%	32,586	602	33,187
CENS	Popular	COP	26/05/2017	10.00	IBR + 3.35%	5.26%	7,473	123	7,596
CENS	Popular	COP	23/06/2017	10.00	IBR + 3.35%	5.28%	5,692	65	5,757
CENS	Popular	COP	29/06/2017	10.00	IBR + 3.35%	5.27%	8,892	95	8,987
CENS	Popular	COP	18/07/2017	10.00	IBR + 3.35%	5.26%	13,082	97	13,179
CENS	Popular	COP	27/07/2017	10.00	IBR + 3.35%	5.35%	5,688	20	5,707
CENS	Popular	COP	23/08/2017	10.00	IBR + 3.35%	5.48%	5,250	(25)	5,225

Company	Entity or loan	Original Currency	Initial Date	Years	Nominal interest rate	September 30, 2020			
						IRR	Nominal Value	Amortized cost value	Total Amount
CENS	Popular	COP	15/09/2017	12.00	IBR + 3.35%	5.44%	5,637	(42)	5,594
CENS	Popular	COP	19/09/2017	10.00	IBR + -1.8%	2.79%	5,331	108	5,439
CENS	Popular	COP	19/09/2017	10.00	IBR + 3.075%	4.89%	10,365	1	10,366
CENS	Popular	COP	17/11/2017	12.00	IBR + 3.35%	5.23%	9,056	172	9,227
CENS	Popular	COP	17/11/2017	10.00	IBR + -1.8%	2.71%	3,873	84	3,957
CENS	Popular	COP	17/11/2017	10.00	IBR + 3.075%	4.75%	7,644	185	7,829
CENS	Popular	COP	18/12/2017	10.00	IBR + 3.35%	5.21%	18,750	266	19,016
CENS	Popular	COP	18/01/2018	9.00	IBR + 3.35%	5.23%	34,688	284	34,971
CENS	Davivienda	COP	29/11/2018	10.00	IPC + 4.3%	6.44%	6,000	136	6,136
CENS	Davivienda	COP	19/12/2018	10.00	IPC + 4.3%	6.47%	15,000	221	15,221
CENS	Davivienda	COP	2/01/2019	10.00	IPC + 4.3%	6.36%	20,000	257	20,257
CENS	Davivienda	COP	18/01/2019	10.00	IPC + 4.3%	6.38%	14,000	135	14,135
CENS	Davivienda	COP	14/06/2019	12.00	IBR + 1.15%	5.35%	20,000	284	20,284
CENS	Davivienda	COP	27/06/2019	12.00	IBR + 1.15%	5.35%	5,713	70	5,783
CENS	Davivienda	COP	28/06/2019	12.00	IBR + 3.47%	5.39%	4,287	36	4,323
CENS	Occidente	COP	16/12/2019	7.00	IBR S.V. + 2.75%	4.68%	35,000	337	35,337
CENS	Occidente	COP	16/01/2020	7.00	IBR S.V. + 2.75%	4.70%	20,000	77	20,077
CENS	Scotiabank	COP	28/01/2020	1.00	IBR S.V. + 1.2%	3.28%	5,000	28	5,028
CENS	Scotiabank	COP	27/03/2020	1.00	IBR S.V. + 1.2%	3.02%	12,500	3	12,503
CENS	BBVA	COP	28/07/2020	7.00	IBR S.V. + 2.9%	4.69%	5,000	41	5,041
CENS	BBVA	COP	28/09/2020	7.00	IBR S.V. + 2.9%	4.66%	12,500	3	12,503
CHEC	BBVA	COP	22/08/2014	10.00	IPC E.A. + 3.5%	5.35%	33,500	254	33,754
CHEC	Corpbanca	COP	22/08/2014	10.00	IPC E.A. + 3.5%	5.35%	25,500	195	25,695
CHEC	Bancolombia	COP	9/02/2018	8.00	IBR + 2.29%	4.29%	44,688	287	44,975
CHEC	Davivienda	COP	27/12/2018	12.00	IBR 1M + 0.388%	2.14%	43,000	36	43,036
CHEC	Davivienda	COP	27/12/2018	12.00	IBR 1M + 0.388%	2.20%	4,475	(9)	4,466
CHEC	Davivienda	COP	20/11/2019	12.00	IBR + 0.388%	2.17%	1,814	(5)	1,809
CHEC	Bancolombia	COP	13/03/2020	1.00	#¡VALOR!	2.69%	53,000	68	53,068
CHEC	Popular	COP	20/04/2020	1.00	IBR + 2.15%	4.03%	50,000	419	50,419
CHEC	Bancolombia	COP	12/05/2020	1.00	IBR + 0.86%	2.72%	87,000	342	87,342

Company	Entity or loan	Original Currency	Initial Date	Years	Nominal interest rate	September 30, 2020			
						IRR	Nominal Value	Amortized cost value	Total Amount
DEL SUR	Davivienda	USD	26/08/2013	10.00	LIBOR 3M + 3.7%	4.07%	48,487	170	48,656
DEL SUR	Davivienda	USD	7/10/2015	10.00	LIBOR 3M + 4.2%	4.07%	42,183	353	42,537
DEL SUR	Davivienda	USD	28/08/2020	1.00	LIBOR 3M + 4%	4.51%	81,458	155	81,613
DEL SUR	Bancolombia	USD	4/09/2020	2.00	5.25%	5.49%	11,289	16	11,305
EDEQ	AV VILLAS	COP	23/06/2016	7.00	IBR + 3.1%	4.87%	1,649	2	1,651
EDEQ	AV VILLAS	COP	15/09/2017	7.00	IBR + 3.1%	5.22%	4,800	(19)	4,781
EDEQ	AV VILLAS	COP	22/02/2019	3.75	DTF T.A. + 2.3%	4.96%	3,311	13	3,324
EDEQ	OCCIDENTE	COP	29/11/2019	7.00	IBR + 2.75%	4.73%	10,000	2	10,002
EDEQ	AV VILLAS	COP	5/11/2019	6.50	IBR + 2.3%	4.22%	10,542	30	10,572
EDEQ	BANCO DE BOGOTA	COP	29/05/2020	7.00	IBR + 2.18%	3.96%	10,000	26	10,026
EDEQ	BANCO DE BOGOTA	COP	19/08/2020	7.00	IBR + 2.18%	3.95%	10,000	46	10,046
EDEQ	AV VILLAS	COP	28/08/2020	0.90	IBR + 2%	3.89%	20,000	72	20,072
ENSA	Bonos	USD	10/07/2006	15.00	7.6%	8.16%	387,894	5,114	393,008
ENSA	Bonos	USD	13/12/2012	15.00	4.73%	3.46%	310,315	1,250	311,565
ENSA	Scotiabank	USD	3/10/2018	5.00	4.25%	4.25%	387,894	968	388,862
EPM	1261 BONOS IPC III TRAMO	COP	21/04/2009	15.00	IPC + 6.24%	8.08%	198,400	3,902	202,302
EPM	1264 BONOS IPC IV TRAM 2	COP	14/12/2010	12.00	IPC + 4.2%	6.01%	119,900	665	120,565
EPM	1265 BONOS IPC IV TRAM 3	COP	14/12/2010	20.00	IPC + 4.94%	6.89%	267,400	1,090	268,490
EPM	1268 BONOS IPC V TRAMO II	COP	4/12/2013	10.00	IPC + 4.52%	6.68%	96,210	(80)	96,130
EPM	1269 BONOS IPC V TRAM III	COP	4/12/2013	20.00	IPC + 5.03%	7.14%	229,190	(1,461)	227,729
EPM	1271 BONOS IPC VI TRAMO II	COP	29/07/2014	12.00	IPC + 4.17%	6.29%	125,000	315	125,315
EPM	1272 BONOS IPC VI TRAM III	COP	29/07/2014	20.00	IPC + 4.5%	6.58%	250,000	(87)	249,913
EPM	1274 BONOS IPC V TRAM IV	COP	20/03/2015	8.71	IPC + 3.65%	6.52%	130,000	431	130,431
EPM	1276 BONOS IPC VII TRAMO II	COP	20/03/2015	12.00	IPC + 3.92%	5.85%	120,000	339	120,339
EPM	1277 BONOS IPC VII TRAM III	COP	20/03/2015	20.00	IPC + 4.43%	6.36%	260,000	1,309	261,309
EPM	1665 BID-1664-1	COP	31/03/2016	9.69	7.8%	8.68%	261,038	8,415	269,453
EPM	2021 BID 2120-1	COP	27/05/2014	9.33	6.272%	8.32%	190,295	(5,274)	185,022
EPM	2179 BANK OF TOKYO-MITSUB	USD	29/09/2008	15.00	Libor 6M + 0.95%	0.18%	193,900	3,557	197,458
EPM	1266 GLOBAL 2021 COP	COP	31/01/2011	10.00	8.375%	14.04%	130,822	4,913	135,735
EPM	1273 GLOBAL 2024 COP	COP	10/09/2014	10.00	7.625%	7.73%	965,745	557	966,302

Company	Entity or loan	Original Currency	Initial Date	Years	Nominal interest rate	September 30, 2020			
						IRR	Nominal Value	Amortized cost value	Total Amount
EPM	5765 AGRARIO	COP	24/06/2014	16.00	IBR + 2.4%	4.67%	116,000	(620)	115,380
EPM	1013 AFD	USD	10/08/2012	14.98	4.311%	4.40%	765,239	4,562	769,801
EPM	2022 BID 2120-2	COP	23/08/2016	17.59	7.5%	8.96%	338,019	(7,400)	330,619
EPM	2016 BNDES	USD	26/04/2016	23.67	4.887%	5.34%	187,980	(3,021)	184,959
EPM	1278 GLOBAL 2027 COP	COP	8/11/2017	10.00	8.375%	8.45%	4,165,519	314,030	4,479,549
EPM	2023 BID 2120-3	COP	8/12/2017	16.30	6.265%	7.47%	168,285	(2,213)	166,072
EPM	1015 CAF	USD	3/10/2016	18.00	Libor 6M + 3.1%	3.58%	775,788	7,505	783,293
EPM	1230 IDB INVEST tramo 12 años	USD	29/12/2017	12.38	Libor 6M + 2.75%	3.95%	1,454,603	(44,548)	1,410,055
EPM	1231 IDB INVEST tramo 8 años	USD	29/12/2017	8.38	Libor 6M + 2.125%	3.60%	290,921	(8,303)	282,617
EPM	1018 BANCOLOMBIA	COP	11/02/2019	3.00	IBR 6M + 2.5%	3.93%	450,000	518	450,518
EPM	1017 HSBC	USD	26/11/2018	3.00	Libor 6M + 1.65%	2.59%	969,735	(4,470)	965,265
EPM	1023 1023 BONOS USD	USD	18/07/2019	10.00	4.25%	4.39%	3,878,940	6,442	3,885,382
EPM	1802024192-9 BANCO POPULAR	COP	5/05/2020	1.00	IBR 6M + 2.1%	4.87%	120,000	2,370	122,370
EPM	2024 BANCO INTERAMERICANO DE DESARROLLO	COP	17/06/2020	13.77	5%	5.88%	365,302	251	365,554
EPM	1279 BONOS USD 2030	USD	15/07/2020	10.58	4.375%	4.59%	2,230,391	(10,278)	2,220,113
EPM	1280 BNP TESORERIA	USD	29/07/2020	1.00	LIBOR 1M + 2.1%	2.25%	775,788	145	775,933
ESSA	Bogotá	COP	10/04/2014	7.00	IBR + 1.88%	4.07%	3,600	27	3,627
ESSA	Bogotá	COP	16/04/2014	7.00	IBR + 1.88%	4.10%	2,000	13	2,013
ESSA	Bogotá	COP	30/04/2015	7.00	IBR + 1.88%	3.97%	5,200	21	5,221
ESSA	Bogotá	COP	27/01/2016	7.00	IBR + 1.88%	3.98%	8,250	25	8,275
ESSA	Bogotá	COP	16/02/2016	7.00	IBR + 1.88%	4.02%	7,150	2	7,152
ESSA	Bogotá	COP	28/03/2016	7.00	IBR + 1.88%	3.89%	3,850	(12)	3,838
ESSA	Bogotá	COP	14/04/2016	7.00	IBR + 1.88%	4.00%	5,100	20	5,120
ESSA	Bogotá	COP	1/07/2016	12.00	IBR + 3.15%	5.12%	16,500	119	16,619
ESSA	Bogotá	COP	19/08/2016	12.00	IBR + 3.15%	5.10%	6,600	3	6,603
ESSA	Bogotá	COP	13/10/2016	12.00	IBR + 3.15%	5.13%	7,650	35	7,685
ESSA	Bogotá	COP	11/11/2016	12.00	IBR + 3.15%	5.20%	29,750	(61)	29,689
ESSA	Bogotá	COP	5/12/2016	12.00	IBR + 3.15%	5.19%	6,800	(34)	6,766
ESSA	Bogotá	COP	14/12/2016	12.00	IBR + 3.15%	5.15%	12,750	(77)	12,673
ESSA	Bogotá	COP	11/01/2017	12.00	IBR + 3.15%	5.12%	13,119	68	13,187



Company	Entity or loan	Original Currency	Initial Date	Years	Nominal interest rate	September 30, 2020			
						IRR	Nominal Value	Amortized cost value	Total Amount
ESSA	Bogotá	COP	16/01/2017	12.00	IBR + 3.15%	5.11%	8,744	43	8,787
ESSA	Bogotá	COP	15/05/2017	12.00	IBR + 3.15%	5.13%	9,000	(3)	8,997
ESSA	BBVA	COP	14/06/2017	12.00	IBR + 3.56%	5.64%	8,750	(41)	8,709
ESSA	BBVA	COP	29/06/2017	12.00	IBR + 3.56%	5.48%	7,000	(8)	6,992
ESSA	BBVA	COP	13/07/2017	12.00	IBR + 3.56%	5.58%	9,000	68	9,068
ESSA	BBVA	COP	28/09/2017	12.00	IBR + 3.56%	5.60%	13,500	(75)	13,425
ESSA	BBVA	COP	12/10/2017	12.00	IBR + 3.56%	5.57%	4,625	37	4,662
ESSA	BBVA	COP	30/10/2017	12.00	IBR + 3.56%	5.56%	4,625	25	4,650
ESSA	BBVA	COP	29/11/2017	12.00	IBR + 3.56%	5.61%	6,475	(6)	6,469
ESSA	BBVA	COP	11/12/2017	12.00	IBR + 3.56%	5.60%	3,700	(11)	3,689
ESSA	BBVA	COP	14/12/2017	12.00	IBR + 3.56%	5.60%	12,950	(46)	12,904
ESSA	BBVA	COP	26/12/2017	12.00	IBR + 3.56%	5.64%	83,250	(587)	82,663
ESSA	Bogotá	COP	26/12/2017	12.00	IBR + 3.15%	4.93%	9,500	10	9,510
ESSA	BBVA	COP	29/10/2018	12.00	IBR + 2.91%	4.88%	40,000	737	40,737
ESSA	BBVA	COP	28/11/2018	12.00	IBR + 2.91%	4.87%	6,000	78	6,078
ESSA	BBVA	COP	26/12/2018	12.00	IBR + 2.91%	4.88%	54,000	450	54,450
ESSA	Popular	COP	28/12/2018	12.00	IBR + 2.91%	4.81%	106,000	813	106,813
ESSA	Popular	COP	27/12/2019	12.00	IBR + 2.91%	4.79%	94,000	725	94,725
ESSA	Occidente	COP	28/07/2020	1.00	IBR + 2.7%	4.63%	30,000	246	30,246
ESSA	Occidente	COP	5/08/2020	1.00	IBR + 2.7%	4.58%	30,000	213	30,213
ESSA	Davivienda	COP	4/09/2020	3.00	IBR + 2.1%	3.88%	15,000	41	15,041
ESSA	Davivienda	COP	4/09/2020	1.00	IBR + 2.1%	3.96%	20,000	58	20,058
ESSA	Bogotá	COP	30/09/2020	1.00	IBR + 2.98%	4.78%	20,000	-	20,000
ESSA	Comisiones	COP	31/07/2020	1.00	LIBOR + 0%	0.00%	-	(107)	(107)
GRUPO DECA	Banco Industrial	GTQ	20/12/2018	10.00	TAPP + -6.8%	6.00%	130,029	(118)	129,911
GRUPO DECA	Banco América Central	GTQ	21/12/2018	10.00	TAPP + -6.81%	5.99%	76,224	(95)	76,128
GRUPO DECA	Banco Agromercantil	GTQ	24/01/2019	10.00	TAPP + -6.87%	5.93%	159,422	1,293	160,715
GRUPO DECA	Banco América Central	USD	21/12/2018	10.00	LIBOR 90 + 2.26387%	3.18%	116,368	(2,260)	114,108
GRUPO DECA	Banco Internacional	USD	19/12/2018	10.00	TAPP + -1.25%	5.12%	19,395	4	19,398
GRUPO DECA	Banco Agromercantil	USD	24/01/2019	10.00	LIBOR 90 + 3.05%	3.97%	23,274	(314)	22,960

Company	Entity or loan	Original Currency	Initial Date	Years	Nominal interest rate	September 30, 2020			
						IRR	Nominal Value	Amortized cost value	Total Amount
GRUPO DECA	Banco Industrial	USD	15/12/2017	1.00	TAPP + -1.5%	4.91%	58,184	-	58,184
GRUPO DECA	Banco Industrial	GTQ	27/05/2020	1.00	TAPP + -6.8%	5.85%	49,819	-	49,819
GRUPO DECA	Banco De Desarrollo Rural	USD	22/03/2020	1.00	TAPP + -1.2%	4.83%	38,789	-	38,789
GRUPO DECA	Banco Industrial	GTQ	20/12/2018	10.00	TAPP + -6.8%	6.00%	166,397	-	166,397
GRUPO DECA	Banco América Central	GTQ	26/12/2018	10.00	TAPP + -6.81%	5.99%	76,722	-	76,722
GRUPO DECA	Banco Agromercantil	GTQ	25/01/2019	10.00	TAPP + -6.87%	5.93%	159,422	1,538	160,960
GRUPO DECA	Banco América Central	USD	26/12/2018	10.00	LIBOR 90 + 2.26387%	3.17%	38,789	-	38,789
GRUPO DECA	Banco Internacional	USD	19/12/2018	10.00	TAPP + -1.25%	5.12%	19,395	-	19,395
GRUPO DECA	Mercom Bank LTD	USD	25/01/2019	10.00	LIBOR 90 + 3.05%	3.95%	23,274	136	23,410
GRUPO DECA	Bancolombia Panamá	USD	25/01/2019	10.00	LIBOR 90 + 3.05%	3.96%	93,094	544	93,639
GRUPO DECA	Bancolombia Panamá	USD	16/07/2019	1.00	LIBOR 30 + 2.07%	2.24%	38,789	-	38,789
GRUPO DECA	Banco Industrial	GTQ	25/04/2019	5.00	TAPP + -6.25%	6.59%	310,873	(199)	310,674
TICSA	Santander	MXN	14/06/2016	7.00	TIIE + 2.15%	7.01%	24,998	275	25,273
TICSA	Santander	MXN	14/06/2016	10.00	TIIE + 2.15%	7.77%	46,812	239	47,051
TICSA	Santander	MXN	14/06/2016	14.00	TIIE + 2.15%	7.79%	18,319	217	18,536
TICSA	Interacciones	MXN	1/08/2007	15.33	TIIE + 3%	7.51%	13,449	1,725	15,173
TICSA	Banco del Bajío	MXN	31/07/2013	14.67	TIIE + 2.75%	8.48%	60,283	1,455	61,738
TICSA	Santander	MXN	25/05/2018	1.00	TIIE + 3%	7.55%	4,953	-	4,953
TICSA	Bank of America	MXN	4/12/2018	1.00	TIIE + 2.25%	6.80%	9,456	-	9,456
TICSA	Davivienda	COP	17/02/2020	1.00	7.5%	7.50%	875	10	885
TICSA	Davivienda	COP	12/03/2020	1.00	7.6%	7.60%	1,000	12	1,012
TICSA	Davivienda	COP	2/04/2020	1.00	8%	8.00%	1,333	16	1,349
TICSA	Banorte	MXN	14/05/2020	1.00	TIIE + 3.7%	8.25%	1,477	-	1,477
TICSA	Davivienda	COP	17/06/2020	1.00	7.6%	7.60%	1,250	15	1,265
<b>Total</b>							<b>26,770,492</b>	<b>362,339</b>	<b>27,132,831</b>

Figures stated in millions of Colombian pesos

Interest paid on loans as of September 30, 2020 was \$746,019 (as of September 30, 2019: \$1,004,657).

The net exchange difference as of September 30, 2020 assumed associated with debt was \$-1,110,777 (as of September 30, 2019: \$-454,076).

The information of bonds issued is as follows:

Subseries	Original currency	Initial date DD/MM/YYYY	Years	Nominal interest rate	September 30, 2020				Amount awarded								
					IRR	Nominal value	Amortized cost value	Total amount	Amount awarded 2019	Amount awarded 2018	Amount awarded 2017	Amount awarded 2016	Amount awarded 2015	Amount awarded 2014	Amount awarded 2013	Amount awarded 2012	
A10a	COP	4/12/2013	10	IPC + 4.52%	6.68%	96,210	-80	96,130	96,210	96,210	96,210	96,210	96,210	96,210	96,210	96,210	-
A10a	COP	20/03/2015	9	IPC + 3.65%	6.52%	130,000	431	130,431	130,000	130,000	130,000	130,000	130,000	130,000	-	-	-
A12a	COP	14/12/2010	12	IPC + 4.2%	6.01%	119,900	665	120,565	119,900	119,900	119,900	119,900	119,900	119,900	119,900	119,900	119,900
A12a	COP	29/07/2014	12	IPC + 4.17%	6.29%	125,000	315	125,315	125,000	125,000	125,000	125,000	125,000	125,000	125,000	-	-
A12a	COP	20/03/2015	12	IPC + 3.92%	5.85%	120,000	339	120,339	120,000	120,000	120,000	120,000	120,000	120,000	-	-	-
A15a	COP	21/04/2009	15	IPC + 6.24%	8.08%	198,400	3,902	202,302	198,400	198,400	198,400	198,400	198,400	198,400	198,400	198,400	198,400
A20a	COP	14/12/2010	20	IPC + 4.94%	6.89%	267,400	1,090	268,490	267,400	267,400	267,400	267,400	267,400	267,400	267,400	267,400	267,400
A20a	COP	4/12/2013	20	IPC + 5.03%	7.14%	229,190	-1,461	227,729	229,190	229,190	229,190	229,190	229,190	229,190	229,190	229,190	-
A20a	COP	29/07/2014	20	IPC + 4.5%	6.58%	250,000	-87	249,913	250,000	250,000	250,000	250,000	250,000	250,000	250,000	-	-
A20a	COP	20/03/2015	20	IPC + 4.43%	6.36%	260,000	1,309	261,309	260,000	260,000	260,000	260,000	260,000	260,000	-	-	-
A5a	COP	20/03/2015	5	IPC + 2.72%	0.00%	-	-	-	120,000	120,000	120,000	120,000	120,000	120,000	-	-	-
A6a	COP	29/07/2014	6	IPC + 3.57%	0.00%	-	-	-	125,000	125,000	125,000	125,000	125,000	125,000	125,000	-	-
International bond	COP	31/01/2011	10	8.375%	14.04%	130,822	4,913	135,735	130,822	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
International bond	COP	10/09/2014	10	7.625%	7.73%	965,745	557	966,302	965,745	965,745	965,745	965,745	965,745	965,745	965,745	-	-
International bond	COP	8/11/2017	10	8.375%	8.45%	4,165,519	314,030	4,479,549	3,530,000	2,300,000	2,300,000	-	-	-	-	-	-
International bond	USD	18/07/2019	10	4.25%	4.39%	3,878,940	6,442	3,885,382	3,277,140	-	-	-	-	-	-	-	-
International bond	USD	15/07/2020	11	4.375%	4.59%	2,230,391	-10,278	2,220,113	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>						<b>13,167,516</b>	<b>322,086</b>	<b>13,489,602</b>	<b>9,944,807</b>	<b>6,556,845</b>	<b>6,556,845</b>	<b>4,256,845</b>	<b>4,256,845</b>	<b>3,626,845</b>	<b>2,161,100</b>	<b>1,835,700</b>	

Figures stated in millions of Colombian pesos, the exchange rate used was the MRR at the closing of each period

The detail of the international bonds issued by the Group's subsidiaries is as follows:

ENSA:

Subseries	Original currency	Initial date DD/MM/YYYY	Years	Nominal interest rate	September 30, 2020				Amount awarded								
					IRR	Nominal value	Amortized cost value	Total amount	2019	2018	2017	2016	2015	2014	2013	2012	
Preference bonds	USD	10/07/2006	15	7.6%	8.16%	387,894	5,114	393,008	-	-	-	-	-	-	-	-	0
Corporate bonds	USD	13/12/2012	15	4.73%	3.46%	310,315	1,250	311,565	-	-	-	-	-	-	-	-	141,458
<b>TOTAL</b>						<b>698,209</b>	<b>6,364</b>	<b>704,573</b>									<b>141,458</b>

Figures stated in millions of Colombian pesos, the exchange rate used was the MRR at the closing of each period

In 2020, EPM Group had the following significant changes related to loans and borrowings:

#### New loans

##### January

- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Banco de Occidente for \$20,000 and Scotiabank for \$10,000.
- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$6,000.

##### February

- Tecnología Intercontinental S.A. (TICSA): Banco Davivienda for \$1,375.

##### March

- EPM parent company: BNDES for USD \$0.17 million.
- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$2,500.
- Central Hidroeléctrica de Caldas (CHEC): Bancolombia for \$53,000.
- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Scotiabank for \$25,000.
- Tecnología Intercontinental S.A. (TICSA): Banco Davivienda for \$1,500.
- Empresa de Distribución de Energía del Noreste de Panamá S.A. (ENSA): Davivienda for USD \$15 million, Citibank for USD \$12 million and Banesco for USD \$30 million.

##### April

- EPM parent company: HSBC for USD \$250 million.
- Tecnología Intercontinental S.A. (TICSA): Banco Davivienda for \$1,666.
- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$1,900.

##### May

- EPM parent company: Banco Popular for \$120,000.
- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$1,150.
- Central Hidroeléctrica de Caldas (CHEC): Bancolombia for \$87,000.
- Empresa de Energía del Quindío S.A. E.S.P. (EDEQ): Bancolombia for \$20,000 and Banco de Bogotá for \$10,000.
- Tecnología Intercontinental S.A. (TICSA): Banorte for MXN \$12 million.
- Grupo DECA: Banco Industrial S.A. for GTQ \$200 million.

##### June

- Tecnología Intercontinental S.A. (TICSA): Banco Davivienda for \$1,500.
- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$7,247.

##### July

- EPM parent company: Banco BNP Paribas for USD \$200 million, Issuance of international bonds for USD \$575 million, reopening global bonds year 2017 for \$ 635,519.
- Electrificadora de Santander (ESSA): Banco de Occidente for \$30,000.
- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Banco BBVA for \$5,000.
- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$2,100.

## August

- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$2,050.
- Electrificadora de Santander (ESSA): Banco de Occidente for \$30,000.
- Empresa de Energía del Quindío S.A. E.S.P. (EDEQ): Banco AV Villas for \$20,000 and Banco de Bogotá for \$10,000.
- Delsur: Banco Davivienda for USD \$21 million.

## September

- Aguas Regionales EPM S.A. E.S.P.: Banco Popular for \$2,800.
- Delsur: Banco Davivienda for USD \$2.9 million.
- Electrificadora de Santander (ESSA): Banco Davivienda for \$35,000 and Banco de Bogotá for \$20,000.
- Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS): Banco BBVA for \$12,500.

**Conversion of US dollar-denominated loans to Colombian pesos**

- EPM parent company: Some of the IDB's loans have the possibility of currency conversion, which allows the conversion of the US dollar balance into Colombian pesos, thus eliminating the exchange risk of the exposed balance. On June 17, 2020, EPM carried out a currency conversion to the IDB 2120 credit for USD \$104 million.

**Financial Covenants**

The EPM Group has several financial covenants, established in the loan agreements signed with the French Development Agency (AFD), Inter-American Development Bank (IDB), Development Bank of Latin America (CAF), National Bank for Economic and Social Development (BNDES), HSBC, IDB Invest and a guarantee by the Japan Bank for International Cooperation (JBIC).

As of September 30, 2020, the following covenant does not meet the established contractual limit:

Covenant	Credit type	September 30, 2020	December 31, 2019	Limit
DEBT/EBITDA LTM		4.41	3.49	3.50
Financial liability *	JBIC - AFD	25,740	20,988	
EBITDA last twelve months		5,837	6,011	

\* The financial liability for the Debt/EBITDA calculation does not consider treasury credit and transitories, amortized cost and pension

Contractually, one of the management structures to avoid defaulting on these types of covenants is the issuance of waivers by creditors.

It should be noted that when the EPM Group exceeds the agreed Debt/EBITDA covenant, it does not cause the direct activation of the declaration of default by the banks, nor of early payment, since this is a contractual action subject to the decision of the bank(s) regarding whether or not to exercise such declaration, in addition to having remedial periods agreed in the contracts to deal with a possible default.

The EPM Group must report compliance with the Long-term Financial Debt/EBITDA indicator to the Japan Bank for International Cooperation (JBIC) quarterly and to the French Development Agency (AFD) semiannually.

The EPM Group has obtained the required waiver with the AFD and JBIC, for the closing of June 2020. The waiver required for the review of the month of September is currently being processed.

### IDB Invest contract management

On December 29, 2017 EPM and BID Invest signed a bank credit contract, which to date has a principal balance of USD 450 million.

After signing, the parties agreed to sign an amendment to the credit contract in order to incorporate a series of technical, environmental and institutional commitments. The agreed deadline for closing this amendment was July 31, 2020. As of the September 30, 2020 financial statements reporting date, said amendment had not been signed.

BID Invest and EPM are holding discussions to correct the above and to normalize their contractual relationship through an amendment of the original contract. In EPM's view, such discussions are being held in a context of dialog and interest by both parties to reach a positive understanding that enables maintaining a long-term business relationship.

According to Colombian regulations on public debt, the amendment to the contract must be approved by the Ministry of Public Finance and Credit before it is signed.

### Default events

During the reporting period, the EPM Group has not defaulted on any principal or interest payment of its loans.

## Note 14. Provisions, Contingent Liabilities and Contingent Assets

### 14.1. Provisions

The reconciliation of provisions is as follows:

September 30, 2020	Dismantling and restoration <sup>(1)</sup>	Onerous contracts <sup>(2)</sup>	Lawsuits	Contingent consideration on business combinations <sup>(3)</sup>	Warranties <sup>(4)</sup>	Other provisions <sup>(5)</sup>	Total
Initial balance	173,117	32,246	275,820	134,841	108,630	357,253	1,081,907
Additions	29	-	21,396	-	-	44,182	65,607
Uses (-)	(15,618)	(26,711)	(5,615)	(1,495)	-	(58,648)	(108,087)
Unused amounts reversed (-)	(9,028)	-	(15,186)	(109)	-	(10,708)	(35,031)
Adjustment for changes in estimates	57,293	629	2,293	18,167	107,384	43,900	229,666
Capitalizable dismantling	22,507	-	-	-	-	-	22,507
Foreign Currency Exchange Effects	-	-	3,692	16,535	-	-	20,227
Financial update	5,425	411	5,299	901	3,912	2,086	18,034
Effect in foreign exchange translation	815	-	6,568	-	-	42,528	49,911
<b>Final balance</b>	<b>234,540</b>	<b>6,575</b>	<b>294,267</b>	<b>168,840</b>	<b>219,926</b>	<b>420,593</b>	<b>1,344,741</b>
Non-current	211,519	-	87,230	162,234	219,926	134,057	814,966
Current	23,021	6,575	207,037	6,606	-	286,536	529,775
<b>Total</b>	<b>234,540</b>	<b>6,575</b>	<b>294,267</b>	<b>168,840</b>	<b>219,926</b>	<b>420,593</b>	<b>1,344,741</b>

*Figures stated in millions of Colombian pesos*

As of September 30, 2020, the significant behavior of the Group's provisions is:

- (1) Increase for \$ 61,423 originated basically for the updated of the environmental and social recovery plan of the Ituango Hydroelectric project provision for \$ 45,009, which included lines associated with “evaluation of the current condition of concentrations of mercury, lead, nickel, chromium, cadmium and arsenic, methylmercury in fish, water, sediments and suspended material, cyanobacteria in water and possible health effects of the riparian inhabitants of the middle and lower basin of the Cauca River ”and the Humboldt Framework Agreement: Biodiversity (Standardization of monitoring in the middle and lower basin of the Cauca River, fulfillment of pending commitments in the compensation plan, analysis of a possible reserve area), among others. On the other hand, through CREG resolution 136 of 2020, published in the Official Gazette on July 15, 2020, the restart of operations of the Jepirachi Wind Farm is allowed, until 2023, which led to the activation of the provision for \$ 9,640.
- (2) Decrease in the amount of \$25,671 originated by the approach of the end of the provision of the fuel supply and transportation contract signed between EPM and TGI-Transportadora de Gas Internacional S.A. E.S.P, with a termination date in 2020.
- (3) Increase of \$33,999 due to the adjustment in the valuation of the contingent consideration |with Espiritu Santo Energy S. de R.L., which is affected by the recording of the exchange difference in the amount of \$16,535, whose exchange rate used to value the liability was \$3,760.38.
- (4) Increase of \$111,296 originated by the updated provision in the amount of \$74,693 of the guarantee signed with Interconexión Eléctrica S.A. (ISA), due to the delay in the startup of the Ituango Hydroelectric Project, in which was taken into account the equivalent of 5 months, with an obligation begin date from April 2021 to November 2022 (20 months).
- (5) Increase for \$63,340 originated by the updated provision, for people affected -indemnified of the Ituango hydroelectric project, for \$30,064, which included lines associated with the construction of community infrastructure - Puerto Valdivia community center, Puerto Valdivia School Marco A. Rojo, construction and connectivity adaptation of the Puerto Valdivia district, among others.

#### 14.1.1 Dismantling and restoration

The Group is obliged to incur costs for decommissioning or restoring its facilities and assets, in the following events:

- Recall of transformers containing PCBs (Polychlorinated Biphenyls). The Group has committed to the decommissioning of these assets from 2008 to 2026, covered by Resolution 222 of 15 December 2011 of the Ministry of Environment and Sustainable Development and the Stockholm Convention of 22 May 2008. Applies in Colombia, Panama and El Salvador. The provision is recognized at the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are estimated costs, CPI and fixed rate TES. As of September 30, 2020, the national subsidiaries that contribute to this item are ESSA with \$961, CENS with \$396, EPM with \$307, EDEQ with \$273 and CHEC with \$237 and the international subsidiaries that contribute are ENSA with \$721 and DELSUR with \$4,361.
- Solid waste management utility in Colombia, for the disposal of solid waste by the subsidiary EMVARIAS requires land on which cells or vessels are built for the deposit of solid waste, a landfill, being necessary to restore it through a series of activities aimed at making its closure, decommissioning and post-closure. The obligation begins from the moment the landfill is in optimal conditions for the final disposal activity and goes until the environmental regulatory body, by means of a resolution, decrees the completion of the closure, decommissioning and post-closure stage. This obligation is defined in the RAS 2000 (Technical Regulations on Drinking Water and Basic Sanitation), which establishes the basic

criteria and minimum environmental requirements that solid waste management systems must meet in order to mitigate and minimize the impacts of design, construction, commissioning, operation, maintenance, decommissioning, completion, and closure activities. As of September 30, 2020, this item ended at \$23,984.

- Dismantling of the Jepírachi wind farm located in the department of La Guajira, in the towns of Cabo de la Vela and Puerto Bolívar in Colombia, that through CREG resolution 136 of 2020, published in the Official Gazette on July 15, 2020, the restart of operations of the Jepírachi Wind Farm is allowed, until 2023, which led to the activation of the provision for \$9,640. As of September 30, 2020, the provision had a balance for \$17,809.
- In EPM, provision for environmental impact in the construction of infrastructure projects: this arises as a legal obligation derived from the granting of the environmental license to compensate for the loss of biodiversity during the construction phase, as well as compensation for the subtraction of reserve areas, affectation of prohibited species and forest use; obligations that are formalized through resolutions of the ANLA (National Environmental Licensing Authority), CAR - Regional Autonomous Corporation and / or MADS - Ministry of Environment and Sustainable Development. The execution of the biotic environmental compensations of the project extends beyond the time in which the asset begins to operate technically, being necessary to implement the figure of the provision with the intention that these expenditures remain as greater value of the construction in course. The Group has committed to compensate the loss of biodiversity, subtraction and closures from 2016 to 2019 according to the resolutions: Res. 1313/2013 ANLA, Res. 519/2014 ANLA, Res LA. 0882/04/08/2014 ANLA, Res. 1166/2013 MADS, Res. 1852/2013 CAR, Res. 2135/2014 CAR, Resolution 1189/22/07/2104 MADS, Res. 1120907/17-03-2015 CORNARE, Res. 141011206/16-10-2014 CORANTIOQUIA, Res LA. EIA1-9872 21/04/2014 CVS, among others. The provision is recognized for the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are estimated costs, CPI and TES fixed rate. As of September 30, 2020, the main subsidiaries contributing to this concept are EPM with \$11,781, ESSA with \$4,723 and CENS with \$62.
- Environmental compensation and compulsory investment of 1%: Law 99 of 1993, established the mandatory nature of environmental licensing for the development of any activity that could cause serious damage to renewable natural resources or the environment, or introduce considerable or noticeable modifications to the landscape and depending on the type of activity, the size and location of the project, and assigned the powers in relation to environmental licensing to the National Environmental Licensing Authority, the Regional Autonomous Corporations, or the metropolitan areas.

Article 321 of Law 1955 of 2019 indicates that all holders of an environmental license who have investments pending as of 25 May 2019 may benefit from the percentage increase in the value of the liquidation basis of the compulsory investment of not less than 1%, according to the year of commencement of activities authorized in the environmental license and defined the requirements and procedures to update pending investments and benefit from new terms of execution subject to the approval of the ANLA.

As of September 30, 2020, the EPM Group has obligations of this type amounting to \$68,930 related to the use of water taken directly from natural sources in the current projects in Hidroituango, Porce III, Porce II, and La Sierra. In accordance with the law, the executed values of 1% are Hidroituango for \$53,456, Porce III for \$10,173, Porce II for \$4,802 and La Sierra for \$499.

Additionally, as of September 30, 2020, EPM includes a provision of \$128,591 for environmental contingencies, established by the specific action plan for the recovery of the parties affected by the events of the occluding of the Cauca River diversion tunnel at the Hidroituango project on 28 April 2018; by the closing of floodgates in 2019 that reduced the flow of the river downstream of the project; and by the events that may arise from the pending technical milestones to be reached, typical of the contingency, as well as from the execution of the project itself. During 2020, \$58,694 has been recognized



between estimated expense and interest and payments have been made for \$13,552. The balance of the provision as of September 30, 2020 amounted to \$ 99,996.

The specific action plan for recovery should consider three framework programs:

- a. Recovery of affected bogs
- b. Recovery of affected fish fauna
- c. Re-establishment of the aquatic habitats located in the affected area

These three programs correspond to the environmental component as a response to the identifying of the caused damage, as well as the discretionary actions. Also included are social programs, economic activities, infrastructure, and risk management, among others.

The different actions are to be developed between the municipalities of Valdivia to Nechí, however, if they are identified in the municipalities that are part of La Mojana, will also be the subject of intervention.

#### 14.1.2 Onerous Contracts

As of September 30 2020, \$6,575 have been recognized by the Group for the contract of fuel supply and transportation signed between EPM and TGI-Transportadora de Gas Internacional S.A. E.S.P., with the objective of supporting the Termosierra plant and obtaining the income from the reliability charge established by the Energy and Gas Regulatory Commission, presenting payments to the same period for \$26,712.

The main assumptions considered for calculating the provision are the costs associated to the contract with the conditions stated each quarter, utilization factor or suspension of payments for contract maintenance, LIBOR rate, fixed rate in Colombian pesos TES (public debt titles issued by the Colombian Government), MRR for the quarter and macroeconomic environment.

The main assumptions used for future events are to maintain the following assumptions in 2020: Suspension of the contract for 30 days every year and its benefit rights for 15 days each year for generation of the Termosierra plant and the rest of the time would be paid without using the contract (only fixed costs).

#### 14.1.3 Lawsuits

This provision covers the estimated probable losses related to labour, administrative, civil and tax lawsuits arising in the operations of the companies of the Group. The main assumptions considered for calculating the provision are: Average CPI (consumer price index) to actual data in previous years and projected data in future years, fixed rate TES in Colombian pesos to discount, estimated value to be paid, and the estimated payment date for those lawsuits rated as probable. As of today, no future events have been foreseen that may affect the calculation of the provision.

In order to minimize the uncertainty that may arise regarding estimated dates of payment and values to be paid in a lawsuit rated as probable, the companies of the Group that operate in Colombia uses business rules based on statistic studies to obtain the average length of processes per action as well as case law to estimate the maximum amounts the law defines for the value of the extra-economic or intangible claims when they exceed their amount, as described below:

#### Average duration of processes per action

##### Administrative and tax processes

Type of legal action or procedure	Average length (in years)
Abbreviated	4
Petition for compliance	4
Group action	6
Representative actions	4
Conciliation (pre-trial)	2
Partie civile proceedings	4
Contractual (Breach of contract)	13
Survey and demarcation	5
Executive	5
Singular executive	3
Expropriation	4
Comprehensive reparation incident (criminal)	2
Imposition of easements	4
Nullification of administrative acts	5
Nullification and reinstatement of rights	10
Nullification and reinstatement of labour rights	11
Ordinary	7
Ordinary of membership	5
Accusatorial criminal (Law 906 of 2004)	4
Division's lawsuit	4
Protection of consumer rights	6
Police Grievance	3
Right to reclaim	7
Direct compensation	12
Oral	5

#### Labor processes

Type of legal action or procedure	Average length (in years)
Labor Solidarity	3.5
Pension	3.5
Extra hours	3.5
Job reinstatement	4
Salary scale equalization	3.5
Unfair dismissal compensation	3.5
Reassessment of social benefits	3.5
Compensation work accident	4
Refund of the health/pension contribution	4

### Application of case law

**Typology:** the values of claims for compensation of extra-patrimonial damages will be recorded according to the following typology:

- Non-material damage.
- Damage to health (physiological or biological damage), from a physical or psychophysical injury.
- Damage to relationship life.
- Damage to constitutional and conventional property.

The values of other extra-matrimonial claims not recognized by the jurisprudence will not be recorded, unless it can be inferred from the claim that, despite its name, it corresponds to one of the accepted typologies. Nor shall claims for extra-patrimonial compensation for damage to property be recorded.

**Quantification:** The amounts of extra-patrimonial damage claims will be recorded uniformly as follows, regardless of its typology:

Direct victim compensation	100 Monthly Minimum Legal Wage Enforced (MMLWE)
Indirect victim compensation	50 Monthly Minimum Legal Wage Enforced (MMLWE)

- **For subsidiaries in Chile:** Regarding to the probable payment date of the trials, the type of process and the previous cases are taken into consideration. In this sense, the labor process, being oral and only two hearings, has a maximum duration of six months, except in specific cases where there are problems in notifying the lawsuit. In civil processes since are lengthy processes and the instances available may take at least two years, the estimated time for the lawsuits currently being processed by the subsidiary Aguas de Antofagasta S.A., considering their state of progress, should be until 2019.

**Amounts:** to determine the amount of the judgments, first the amount of the claim by the plaintiff is considered, for applying case law in that regard is unfeasible, the amounts will vary depending on the Court and the cause to ask.

Additionally, in civil trials, the amounts of the indemnities will depend on the court that dictates it, given that Chile possesses no case-law-system. What a civil judge cannot do and less the appellate and supreme court, is to confer figures greater than plaintiffs' demands.

- **For subsidiaries in Panama:** regarding the estimated date of payment, each case is evaluated in a particular way with external legal advisors, for which the average duration of similar processes is taken into consideration.

**Amounts:** estimated amounts to pay for a lawsuit is determined based on the amount of the plaintiff claim and an analysis of the specific condition that motivates the claim in order to determine the recognition of a possible loss. For this we use the appreciation of external legal advisors of each company and in certain cases with the support of insurance advisors in case of requiring an actuarial valuation.

- **For subsidiaries in El Salvador:** the estimated date of payment for administrative or judicial proceedings is assessed based on the average length for the resolution of similar processes, obtained from statistical data over the 20 years of operation of the subsidiaries.

**Amounts:** estimate amounts of lawsuits are determined based on the amount of the initial claim filed against the company. Such amounts are not recorded as the likelihood of an unfavorable outcome is more than remote, but less than probable.

Detail for each type of process is as follows:

Company	Third party (Plaintiff)	Complaint	Amount
EPM	Oscar Elías Arboleda Lopera	Solidarity. The shareholders claim to have worked for Empresa Antioqueña de Energía S.A. E.S.P., performing different tasks, all of the plaintiffs worked for more than 10 years; they state that upon the dissolution and liquidation of said company there was a substitution of employers with Empresas Públicas de Medellín E.S.P., since it carried out the same activities without continuity, was the owner of all of EADE upon its liquidation and was obliged to all labor claims. In total, there are 173 plaintiffs.	103,664
	Dragados Porce II Consortium	To pay the plaintiffs, among others, the sums of money resulting from the return of all the compensation illegally deducted by EPM in the hiring process No. CD002376.	28,293
	Misc. Labour	Other proceedings for amounts less than \$1,056.	12,316
	Misc. Administratives	Other proceedings for amounts less than \$1,066.	6,047
	Municipio de Yumbo (Valle)	Industry and commerce and its complementary notices and boards and public lighting.	5,021
	John Walter Jaramillo	That the dismissal be declared null and void, with the respective salaries and increases, the social benefits during all the time that they remain untied; in the same way it will be on behalf of the claiming party the contributions to the social security until it is effectively reintegrated.	4,198
	Dragados Porce II Consortium	That EPM be ordered to recognize and pay the amount of the damages caused in the good name of the companies that constituted the CONSORTIUM DRAGADOS CONCRETO PORCE II.	4,213
	Oliver Antonio Aguirre Soto	That the nullity of the conciliation act signed due to a defect in the consent is decreed and consequently, the reestablishment of the work contract, the reimbursement, the payment of all the salaries and benefits not received, in the same way that the contributions to the social security are cancelled from the moment of the dismissal and until the moment when the plaintiff is effectively reimbursed.	3,229

Company	Third party (Plaintiff)	Complaint	Amount
	Temporary Union Energía Solar S.A. y Estructuras Arbi Ltda.	Declare that the tender submitted by the applicants to the tender No ES-2043-GI called by EPM was legally capable of being taken into account at the time of the award of the respective contract under tender No ES-2043-GI	2,093
	Construcciones Pico y Pala Ltda.	The decisions of EPM 95070 of 5 April 1999, by which contract 1/DJ-682/15 concluded between EPM and Consorcio Trainco S.A. was unilaterally terminated, and the decision of EPM 113701 of 15 March 2000, by which the appeal for reversal of decision 95070 of 5 April 1999 was dismissed, are invalid.	1,867
	Humberto Hernando Gómez Franco	Declare EPM administratively and patrimonially responsible for the injuries suffered by Mr. HUMBERTO HENANDO GOMEZ FRANCO, when he was electrocuted by high voltage cables owned by the defendant entity, on 23/10/2013, in the property of Mr. Antonio Lopera, located in the sector of La Virgen, in the Vereda Hoyorrico jurisdiction of the Municipality of Santa Rosa de Osos.	1,790
	Francisco Javier Muñoz Usman	That the nullity of the conciliation act signed due to a defect in the consent is decreed and consequently the reestablishment of the work contract, the reimbursement, the payment of all the salaries and benefits left to be received, in the same way that the contributions to the social security are cancelled from the moment of the dismissal and until when the actor is effectively reintegrated.	1,676
	Misc. Tax	Other tax proceedings with an amount less than \$857.	1,471
	Carlos Olimpo Cardona	That the plaintiffs be reinstated to the same position or office or another of equal or superior category that they had been performing, which as a consequence, by way of compensation, all the salaries and legal social benefits ceased to be received must be cancelled, in addition to all the contributions caused in favor of the Integral Social Security System.	1,309
	Seguros del Estado S.A.	In the event the policy is made effective, to sentence EPM to reimburse to the insurer the duly	1,295

Company	Third party (Plaintiff)	Complaint	Amount
		updated amount paid for the indemnity. USD 285,000	
	Accesorios y Sistemas S.A.	Declare the nullity of resolution 3077 of 12/11/200, issued by the General Manager of EPM, by which it was resolved to declare the realization of the quality risk and correct operation of the vehicles subject to contract 090321557.	1,249
	EMPRIO	EMPRIO PPA	1,195
	Consultel Ltda.	To declare EPM responsible for breach of contract No. 299901-26731, the purpose of which is to "build internal and external gas networks and connect clients to the natural gas distribution system of EPM in Valle de Aburrá and its related works and activities."	1,131
	TRAINCO S.A.	Declare null and void resolutions 161052 of 03/05/2001, issued by EPM, by means of which contract 2101870 concluded between EPM and Trainco S.A. and 178702 of 06/07/2001 were unilaterally settled.	1,091
	Didier De Jesús Restrepo Montoya	The claimants seek payment of moral damages presumably caused by their eviction from their homes installed on a property owned by EPM to build the Porce III Hydroelectric Project, and that their eviction was ordered by the Municipality of Anorí Mayor's Office.	1,066
	Omar Augusto Lugo Hoyos	Decree the nullity of the conciliation act signed due to a defect in the consent and consequently order the reinstatement of the employment contract, the reimbursement, the payment of all the salaries and benefits not received, in the same way that the contributions to the social security are cancelled from the moment of the dismissal and until the actor is effectively reintegrated.	1,057
	Dragados Porce II Consortium	Record difference in exchange Account 271005 Litigation No. 14000857 and 14000832	3,902
	Corantioquia - Corporación Autónoma Regional del Centro de Antioquia (Environmental Authority)	As a result of the declaration of invalidity of Resolution No. 130 TH1106 - 8318 of June 7, 2011, to sentence Corantioquia to recalculate the rate for use of water intake from Riogrande charged in invoice No. TH1195 dated April 11, 2011, for the	858

Company	Third party (Plaintiff)	Complaint	Amount
		2010 year, in accordance with the provisions of Decree 155/2004, and refund to EPM the excess amount paid.	
<b>Total EPM</b>			<b>190,031</b>
<b>EEGSAG</b>	Tax management	Tax Adjustment lawsuit	33,811
<b>Total EEGSAG</b>			<b>33,811</b>
<b>CHEC</b>	Claudia Viviana Morales and others	Moral and material damages	5,839
	Ana Constanza Aguirre Soto and others Otros	Profit Cessation/Material-Moral Damage	5,067
	Oscar Emilio Castañeda Valencia and others	Travels expenses - Social security contributions	3,591
	Cartones Y Papeles Del Risaralda S.A.	Repair and payment of material damage	2,109
	Hernán Gil Galvis and others	Conventional pension	859
	Andrés Mauricio Alzate Benjumea and others	Reinstatement of office, reinstatement of social benefits and moratoriums	817
	Rubiela Loaiza De Gómez and others	Pension Replacement	726
	Luis Alberto Merchán Gómez and others	Material damages/ Moral damages	720
	Amparo Lozano Sanz and others	Salary adjustment, social benefits and pension	618
	Hernando De Jesús Ocampo Jiménez	Contract reality	471
	Diego Hernando Grajales Grajales and others	Trade Union Jurisdiction	409
	Alba Lucía Saldarriaga Toro	Salary and performance adjustment	403
	Maria Noralba Flórez Arias	Payment 100% pension allowance	358
	Camilo Donado Barcelo	Termination Without Just Cause - Refund	292
Jorge Enrique Arias Ocampo and others	Reinstatement of office, reinstatement of salaries and Severances for unfair dismissal	201	
Mario Romero Londoño	Employer's fault - work accident	199	

Company	Third party (Plaintiff)	Complaint	Amount
	William Agudelo Valencia	Recognition of conventional pension	190
	Jairo Antonio Amariles Marulanda	Public Excuses and Compensation Payments	142
	Misc. Labour	14 Wage Premium (Mesada 14) - installments of pension	63
	María Isabel Hurtado De Gómez	Recognition and payment of pension and retroactive replacement	51
	Angelmira Garcés Candamil	Compensation for property damage	26
<b>Total CHEC</b>			<b>23,151</b>
<b>CENS</b>	Elsa Reyes De Buitrago	Recognize and pay the differences that derive from the mathematical operation to obtain the indexation of the first pensionable month, in their condition of pensioners and/or pensioner substitutes to the totality of the plaintiffs	2,380
	Other labour lawsuits, with amounts inferior to \$250 million	Other labor processes (23) with an amount less than \$250 million.	2,219
	Jesús Efraín Ibarra Ochoa	Declare that the retirement pension recognised by CENS is compatible with the old-age pension recognised by the ISS Pensiones, now Colpensiones	1,107
	William Alexis Ramírez	cease payment of public lighting to the municipality of Cúcuta, repayment of public lighting balances to the municipality, payment of contractual and non-contractual damages Claim: \$928,023,004.78 Incentive: 15% of the value recovered by the Municipality.	1,136
	Carmen Alicia Rodríguez	That the differences derived from the mathematical operation tending to obtain the indexation of the first pensionable month, in their condition of pensioners and/or pension substitutes, be recognized and paid to the totality of the shareholders.	940
	José Francisco Arango Bautista	Material damages/moral damages/life damages in relation.	781
	Hayber Humberto Bermúdez Peñaloza	Moral damage to the injured party /Health damage. /Damage to conventional and constitutionally protected goods or rights. /Moral damage for the injured party's child. /Damage to conventional goods or rights for the child/moral damage in	815



Company	Third party (Plaintiff)	Complaint	Amount
		favour of the parents. /Damage to conventional goods or rights of the parents.	
	Ermelina Pérez De Rivera	That it is declared that CENS has the obligation to continue to pay the totality of the contributions to health as an acquired right in favour of the actors and consequently it is ordered to continue to pay 12% on the pension allowance as a legally acquired right in accordance with the collective agreement in force at the time of retirement.	688
	Carlos Omar Rincón Carrillo	The lawsuit claims the recognition and payment of the transportation assistance discounted by the contractor, expenses assumed for the maintenance of the work tools, social benefits, layoffs and the interest thereon, vacations, service premium, and the moratorium compensation referred to in Article 99 of Law 50 of 1990.	683
	Yesid Jaimes	Declare that the applicants have the right, throughout their lives, to have their pensions adjusted in accordance with the parameters indicated in Article 1 of Law 71 of 1988 and not in accordance with those established in Article 14 of Law 100 of 1993, order CENS to pay the applicants retroactively	550
	Carmen Rosa Galvis Urbina	declare CENS and the Temporary Union Engineering and Services to be non-contractually liable for the damage caused to the applicant by the death of Freddy Diaz /Moral damages/ consolidated and future material damages.	487
	Alexander Pineda Riobo	Claim for assistance of transportation for workers of a contractor company and failure to provide assistance for layoffs and failure to pay social benefits /\$374,619,803	394
	Ana Victoria Rivera Mantilla	Refund of 12% pensioner health contributions // According to the lawsuit, this is more than 50 times the monthly minimum wage for each of the plaintiffs // The provision corresponds to the following value: According to	328

Company	Third party (Plaintiff)	Complaint	Amount
		the lawsuit, this is more than \$312,496,800	
	Bersaline Ortiz Llanez	It demands that the loss of the possibility of carrying out "other virtual activities be repaired, which, although they do not produce a financial return, make existence pleasant". To determine these values of PHYSIOLOGICAL DAMAGE	333
	Mercedes Quintero Muñoz	That the differences derived from the mathematical operation to obtain the indexation of the first pensionable month be recognized and paid, likewise CENS is condemned to cancel the interests at the legal maximum.	256
	José Javier Velandia	That Cens and Comyconta be declared administratively and extra-contractually liable for the damages caused by the disqualification of Mr. José Velandia/failure to work/Moral damages, for the pain suffered by Mr. José Velandia when he lost his job, since he worked for 17 years as an installation and measuring technician.	168
	Sociedad Palmas la Llana SAS	Declare Cens civilly responsible in the modality of extra-contractual civil liability for damages of various kinds / emergent damage / lost profits / moral damage.	130
<b>Total CENS</b>			<b>13,395</b>
<b>Aguas de Antofagasta S.A.</b>	Gobernación Marítima and others	100 PESOS; 45,000 PESOS; 45.000 PESOS; 150 PESOS and 400 PESOS	3,947
	Morales and others con ADASA and others.	M\$220.000.	1,120
	Sanctioning file SISS N° 4222-2018 and others	100 UTA; 50 UTA; 100 UTA; 200 UTA; 500 UTA; 80 UTA; 300 UTA; 200 UTA; 420 UTA; 150 UTA; 100 UTA	6,588
	Balcazar/Full Glass and others	M\$30.000; M\$1.000; M\$5.000; M\$11.000; M\$6.000; M\$4.000; M\$4.500; M\$100.000.	815
	Toledo/Proyecto Montajes Eléctricos y Construcción Ltda. and another	M\$7.000; M\$10.000.	86
	Aguas de Antofagasta	100 UTM	25

Company	Third party (Plaintiff)	Complaint	Amount
<b>Total Aguas de Antofagasta S.A.</b>			<b>12,581</b>
	Samuel Prada Cordero and others	Lost profit/emerging damage and other proceedings for amounts less than \$215 million	1,584
	Luis Antonio Manrique Hernández	Claim for full and ordinary compensation for material damages in respect of the consolidated loss of earnings arising from the occupational accident	604
	Johana Andrea Granados Olarte	Payment for \$30.000.000, por loss of profit. Payment for \$300.000.000, Material and moral damage	490
	Gerardo Vargas Barón	Claim for a disability pension of common origin for the following aspects.	434
	Gloria Edilse Gámez	Claim for death of Mr. Omar Méndez Lozano and an order for payment of moral and material damages	450
	Osmel Rodríguez	Workplace accident claim	414
	Mary Consuelo Abaunza Salazar	The ELECTRIFICADORA DE SANTANDER ESSA is condemned to respond patrimonially by solidarity with the contractor Javier Sánchez Gómez to the payment of the patrimonial and extra patrimonial damages owed because of the death of the worker Arley David Ospina Abaunza who loses his life in a work accident due to the conditions exposed in the facts.	406
	Martha Cecilia Rodríguez Ardila	The applicants request that ESSA be declared liable for all the damages caused to the applicants as a result of the events in which Mr Hugo Feliz Duarte Rojas died. 1000 grams of gold, in events that occurred on January 9, 1991.	380
	Diana Rocío Rivera Galeano and others	Declare that the work accident in which Mr. Juan Alberto Granados Ramírez lost his life occurred through the proven fault of his employer. That it be declared that ELECTRIFICADORA DE SANTANDER is jointly and severally liable with the employer for the value of the compensation to which the legitimate successors, such as his daughter and his surviving permanent companion, are entitled.	368
	Ana Aydee Prada Ochoa	Payment of Compensation for the death of Mr. Alirio Silva Pimiento in a work accident in the Municipality of San Joaquin, due to a power failure.	328

Company	Third party (Plaintiff)	Complaint	Amount
	Ana Mides Díaz Palacio	That the defendants PROING and ESSA be jointly and severally ordered to recognize and pay total and ordinary compensation for material damages in respect of consolidated and future loss of earnings, for objective and subjective moral damages and damages in relation to and life claimed in this lawsuit as a result of the work accident in which worker Pedro Nel Díaz Díaz lost his life.	325
	Carolina Herrera De Ortiz	Workplace accident claim	283
	Gabriel Antonio Villegas Murcia	Declare that between Gabriel Antonio Villegas Murcia and FUREL S.A. there existed an individual contract of employment for an indefinite period, in verbal form, within the time limits from 5 November 2011 to 15 July 2014 Declare that Mr. Gabriel Antonio Villegas Murcia suffered an accident at work on November 29, 2011, while carrying out his duties as a moto liner, in the execution of activities for the defendant.	307
	Jorge Eliseo Chaparro Murcia	Declare that ESSA is administratively responsible for the death of Ernesto Chaparro Urueña as a result of an electric shock and consequently order the payment of 100 minimum wages to each of the applicants	284
	Carlos Eduardo Solano	declare that ESSA is administratively liable for the damage caused to the applicants as a result of the death of Mauricio Solano Camacho and pay the applicants moral and material damages	268
	María Yasmina Sanabria Mejía	Declare ELECTRICADORA DE SANTANDER S.A ESP, CHARTIS SEGUROS, SEGUROS DEL ESTADO, H-V CONSTRUCTORES LTDA, CPI CENTRAL DE PROYECTOS E INGENIERIA LTDA and CARLOS JULIO HERRERA SUAREZ, administratively and extra contractually liable for the damages caused to the plaintiff as a result of the indiscriminate felling of trees that caused erosion on the property owned by my attorney-in-fact, and invasion of private property.	245
<b>Total ESSA</b>			<b>7,170</b>

Company	Third party (Plaintiff)	Complaint	Amount
EMVARIAS	Jhon Edwar Lara Posada and others	Contract reality	2,318
	LIZ NORMA BEDOYA MOLINA	Salary leveling request	521
	LUZ MARLENY ROJO ZAPATA	Retirement pension	209
	JESUS ANTONIO MURILLO	Substitute compensation or return of balances	51
	MIGUEL ANGEL BERMUDEZ ROLDAN	Labour responsibility for solidarity with COOMULTREVV	46
	NORMA LUCÍA AGUDELO SÁNCHEZ	Pension replacement	32
	LUZ FABIOLA ARBOLEDA	Restoration of compensation (pension bond paid by emvarias)	26
	ALVARO ANTONIO SANCHEZ ALVAREZ	Labor solidarity	25
<b>Total EMVARIAS</b>			<b>3,228</b>
Aguas Nacionales	Wilber Leibin Castillo Borja and others	That the company's financial responsibility be declared upon the death of the plaintiff's wife, allegedly caused by a traffic accident in a rainwater collection grid.	2,848
	Jesús Enrique Acevedo Ruiz	Warranty call: Contract reality. Payment of legal and extralegal salaries and social security benefits, legal compensation and moratoriums, monetary correction, extra and ultra petita sentence and payment of procedural costs.	1,412
	Alberto Guerrero Castro	Reimbursement of salaries, benefits and social security, compensation for moratorium	502
	Maribeth González	To declare the municipality of Quibdó and Aguas del Atrato administratively responsible for all moral and material damages and for the alteration of existing conditions caused to Mrs. Maribeth González and others, produced by the accident suffered by the party I represent.	154
	Fray Noe Betancurt Taborda	Solidarity, compensation for job stability reinforced by health, compensation law 361 of 1997 and compensation moratorium, payment of social benefits	153

Company	Third party (Plaintiff)	Complaint	Amount
	María Aceneth García Bejarano	To declare administrative and property liability for the damages caused to Mrs. María Aceneth García Bejarano and others, for the events that took place on August 12, 2017, at the Marmolejo landfill where the minor Yair Steward Valencia García lost his life.	133
	Ideraldo Ortíz Galván	To sentence the employer Consorcio Aguas de Aburrá HHA identified with TIN No. 900.511.276-3 and the other sued parties, in solidarity, jointly or separately, to pay reparations to the party I represent, Mr. Ideraldo Ortíz Galván, to appoint him to a position of equal or better conditions than those he held at the time of termination of the work contract.	84
	Natalia López Montoya	The existence of the employment relationship, payment of salaries, social benefits, compensation, moratorium sanction of Article 65 CST is declared.	20
<b>Total Aguas Nacionales</b>			<b>5,306</b>
ENSA	Arístides Contreras and others	Civil procedure - residents of Tuscany	1,144
	ASEP	Civil lawsuit against Res.12581	582
	Oswall Dall Amico and others VS M&D y ENSA	Lawsuit against ENSA for solidarity in the payment of acquired rights	481
<b>Total ENSA</b>			<b>2,207</b>
EDEQ	Willson Grisales Henao and others	Declaration of employer's liability in the work accident suffered by Mr. Wilson Grisales Henao in events that occurred on October 17, 2012 while performing electrical work on the farm the mountain path Peking municipality of Quimbaya by the contractor of EDEQ INGELEL S.A.S, therefore.	1,537
	Julián Fernando Martínez Santamaría	Julián Fernando Martínez Santamaría, former ENECON worker, filed a lawsuit seeking declaration that he was dismissed without just cause; he also requests sentencing EDEQ by virtue of the joint responsibility of the parties.	9
<b>Total EDEQ</b>			<b>1,546</b>
DEL SUR	SIGET and others	Claim for bad tax classification	675
	Misc. Clients	Reimbursement for higher interest charges	519

Company	Third party (Plaintiff)	Complaint	Amount
	Claiming damaged equipment "La Trinidad Ltda. de C.V. NC 900111700" Project and others	Claiming damaged equipment	391
	Misc. Labour	Claiming employee benefits	156
	Alcaldía Municipal de San Salvador	Municipal Taxes for Pole Installation	37
	Alcaldía San Esteban Catarina	Fee for use of poles and installation of structures	24
<b>Total DELSUR</b>			<b>1,802</b>
<b>AGURAB</b>	HLB FAST & ABS AUDITORES LTDA.	Direct Repair requesting that the Regional Office of Occidente S.A. E.S.P. of the patrimonial damage caused to the shareholder by the omission in payment for services rendered up to September 2010 order the payment of default interest.	39
<b>Total AGURAB</b>			<b>39</b>
<b>Total recognised lawsuits</b>			<b>294,267</b>

*Figures stated in millions of Colombian pesos*

#### 14.1.4 Contingent consideration - on business combination

Corresponds to contingent considerations related to the acquisition of the subsidiaries Espiritu Santo Energy S. de R.L. and Empresas Varias de Medellín S.A. E.S.P. - EMVARIAS. The balance as of September 30, 2020 amounted to \$153,196 and \$15,664, respectively, for a total provision in the Group of \$168,840.

The main assumptions considered in the calculation of the contingent consideration related to the acquisition of Espiritu Santo are: the estimated date of occurrence of the milestones associated with the contingent payment, the associated probability of occurrence and additionally, the discount of the payment flows was considered by applying a discount rate (LIBOR rate) in accordance with the risk of the liability. To date, no future events that could affect the calculation of the provision have been evidenced.

The main assumption used in the future events of the contingent consideration related to the acquisition of EMVARIAS are: ongoing lawsuits against EMVARIAS at the date of the transaction, definition of the year of materialization of each lawsuit, definition of the related amount to each of the disputes, estimate of future contingent outlays related to the estimated lawsuits for each year and discount rate (TES fixed rate) to discount future contingent expense flows. To date, there have been no future events that could affect the calculation of the provision.

#### 14.1.5 Warranties

In December 2018, the Group at the head of EPM created a provision for warranties with an amount of \$107,797 (approximately USD 3.5 million per month) which covered the default that would be incurred from January to October 2021, to the Intercolombia carrier for the months after the entry into operation of the infrastructure connection of the Ituango project. During 2020, \$111,296 has been recognized between estimated expense and interest and no payments have been made for this concept. The balance of this item as of September 30, 2020 is \$219,926.

#### 14.1.6 Other provisions

The Group's subsidiaries that contribute to other provisions are:

EPM in Colombia: includes the detail of the following provisions: a) for events focused on the quality of life of employees and their families, such as: employer policy, multiplier points, *Somos* program, technical reserve and provision for high cost and catastrophic illness; b) provisions regarding environmental sanctioning procedures and sanctions imposed by the competent authorities; c) provisions related to the contingency of the Hidroituango project.

The main assumptions considered for the calculation of each type of provisions are:

**Employer policy:** Awarded to EPM workers as an extralegal benefit. An aggregate deductible was contracted from July 1, 2019 to July 31, 2020, for \$4,000. The main assumptions considered in the calculation for each type of provision are fixed rate TES discount rate, estimated value to be paid and estimated date of payment. To date, no future events that could affect the calculation of the provision have been evidenced. The balance of the provision as of September 30, 2020 amounts to \$8,114.

**Somos Program:** works under the point accumulation modality. According to the behavior of the statistics the points are counted with a probability of 80% of redemption. The balance of the provision as of September 30, 2020 amounts to \$101.

**Technical reserve:** The basis for calculating the reserve is that corresponding to all service authorizations issued and which on the cut-off date have not been redeemed, except those corresponding to authorizations with more than twelve months of issue or those which, at least four months after they have been issued, are known not to have been used. The balance of the provision as of September 30, 2020 amounts to \$9,741.

**High cost and catastrophic illness:** The basis for calculating this provision is that corresponding to the analysis of the entire population of members and beneficiaries of the Adapted Health Entity (EAS) of EPM, who suffer from any of the authorized pathologies. The balance of the provision as of September 30, 2020 amounts to \$16,913.

For the other provisions described, the main assumptions considered in the measurement are estimated life expectancy, estimated payment date, estimated payment value, discount rate calculated with reference to market yields of bonds issued by the National Government.

**Environmental sanctioning procedure:** Corresponds to sanctions imposed on EPM for not implementing environmental management measures for the execution of works or executing them without the respective authorization or modification of the environmental license. As of September 30, 2020, there is a record of \$6,145 for four fines imposed by the ANLA and one by Corantioquia. From the ANLA, the first for having obstructed the course of the "Quebrada Tenche" water source by filling it with stone material; the second for building or modifying a tunnel without prior authorization and disposing of excess material on the road to San Andrés de Cuerquia; The third related to the adaptation of the slopes on which the geomembrane was installed and the waterproofing of the soil surrounding the solid waste disposal cell in the "BOLIVIA" landfill; and the fourth for having initiated activities related to the construction of the Auxiliary Deviation System (SAD) and its associated infrastructure within the Ituango Project without having previously processed and obtained the modification of the environmental license. For its part, Corantioquia declared EPM environmental liable for carrying out intervention in natural forests in March 2014 in Village (Vereda) las Palmas in the municipality of Envigado without having applied. The balance as of September 30, 2020 is \$6,145 due to a payment performed for \$4,919 to the National Environmental Fund - FONAM-.

#### Sanctions:

As of September 30, 2020, the Group has a balance for \$5,007 regarding to penalties imposed by the Superintendence of Residential Public Utilities (SSPD) for exceeding the limits of the ITAD (Quarterly Index of Discontinuity), with respect to the historical average and above the range of indifference. This



indicator measures the amount of non-transmitted electricity. The subsidiaries that contribute to the balance of this provision are: EPM with \$ 1,216, EDEQ with \$ 1,141, CENS with \$ 1,106, CHEC with \$ 1,105 and ESSA with \$ 439.

#### Ituango contingency:

- In EPM, provision for \$76,937 for the Contingency of the Hidroituango Project that caused the rising of the waters of the Cauca River as a consequence of the blockage that the project had on May 12, 2018. This provision covers the care of the affected people of Puerto Valdivia, for compensation of emergent damage, lost profit, moral damage and reparation to the community infrastructure. Likewise, in 2019, the recognition of the effects of economic activities was added to this provision. As of September 30, 2020, \$31,261 has been recognized between estimated expense and interest and payments for \$20,530 have been made. As of September 30, 2020, the balance of the provision amounts to \$46,605.
- In EPM, provision recognized for \$55,022 for the attention of the affected families and evacuated; the maintenance of shelters and the payment of economic support, due to the situation generated by the declaration of the red alert for the evacuation of the populations located downstream of the dam, as a result of the clogging of the Auxiliary Deviation Gallery - GAD on April 28, 2018, which consequently caused the contingency of the Ituango Hydroelectric Project. During 2020, \$ 6,646 has been recognized between estimated expense and interest and payments have been made for \$5,200. As of September 30, 2020, the balance of the provision amounts to \$5,702.
- Provision of \$13,179 corresponding to sanctions imposed by the National Environmental Licensing Authority -ANLA to EPM for not implementing environmental management measures for the execution of works or executing them without the respective authorization or modification of the environmental license. Among them are: a) obstruction of the channel of the water source "Quebrada Tenche" when filling it with stone material; b) construction of the tunnel or modification without previous authorization and disposal of excess material on the road to San Andrés de Cuerquia; c) beginning of activities related to the construction of the Auxiliary Deviation System (SAD) and its associated infrastructure within the Ituango Project, without having previously processed and obtained the modification of the environmental license. During 2020, \$-1,105 has been recognized between estimated expense and interest and payments have been made during this period in the amount of \$4,919. The balance of the provision as of September 30, 2020 amounts to \$5,840.

Aguas Nacionales in Medellín - Colombia: includes provision for disputes brought by the CICE and HHA consortia of a contractual, non-judicial nature. The CICE consortium built the Interceptor Norte. The HHA Consortium is responsible for the construction of the Wastewater Treatment Plant in Bello and the points under discussion relate to time, design engineering and financial issues. The main assumptions considered in the calculation for each type of provision are the same as those applied to lawsuits provision. The balance of the provision as of September 30, 2020 amounts to \$8,734.

CENS - Norte de Santander - Colombia: includes provision for expected losses on construction contracts. The balance of the provision as of September 30, 2020 amounts to \$88.

ADASA in Chile: includes the provision related to the return of the working capital existing at the end of the concession term of the Sanitary Concession Transfer Agreement, signed between the Company and Econsa Chile S.A. The balance of the provision as of September 30, 2020 amounts to \$33,707.

ENSA in Panama: includes the provision related to compensation to customers for non-compliance with service quality standards, which are regulated by the National Public Services Authority of Panama (ASEP). The balance of the provision as of September 30, 2020 amounts to \$26,797.

TICSA in Mexico: includes provisions related to: contractual obligations, electricity expenses and other expenses related to plant construction projects. The balance of the provision as of September 30, 2020 amounts to \$5,679.

DELSUR in El Salvador: includes provision related to customer claims for improper collections, voltage variations, damage to electrical appliances, among others. The balance of the provision as of September 30, 2020 amounts to \$1,097.

#### 14.1.7 Estimated payments

The estimate of the dates on which the Group may have to disburse payments related to contingent liabilities included in the consolidated statement of financial position at the cut-off date, is the following:

Estimated payments provisions	Dismantling and restoration	Onerous contracts	Lawsuits	Contingent consideration on business combinations	Warranties	Other provisions	Total
To one year	46,125	9,579	62,201	6,606	-	123,353	247,864
To two years	80,594	-	153,295	1,210	219,926	87,658	542,683
To three years	59,689	-	9,610	3	-	22,561	91,863
To four or more years	76,800	-	41,493	161,021	-	100,319	379,633
<b>Total</b>	<b>263,208</b>	<b>9,579</b>	<b>266,599</b>	<b>168,840</b>	<b>219,926</b>	<b>333,891</b>	<b>1,262,043</b>

*Figures stated in millions of Colombian pesos*

#### 14.2. Insurance technical reserves

Technical reserves associated with insurance contract obligations are as follows:

Insurance technical reserves	September 30, 2020	December 31, 2019
Payable Loss Reserve	86,123	93,613
Incurred But Not Reported (IBNR) Reserve	81,350	68,729
Unearned Premium Reserve (UPR)	78,744	39,748
<b>Total</b>	<b>246,217</b>	<b>202,090</b>

*Figures stated in millions of Colombian pesos*

Movement of Insurance Technical Reserves is as follows:

September 30, 2020	Initial balance	Adjustment in technical reserves	Final balance
Payable Loss Reserve	93,613	(7,490)	86,123
Incurring But Not Reported (IBNR) Reserve	68,729	12,621	81,350
Unearned Premium Reserve (UPR)	39,748	38,996	78,744
<b>Total</b>	<b>202,090</b>	<b>44,127</b>	<b>246,217</b>

Figures stated in millions of Colombian pesos

December 31, 2019	Initial balance	Adjustment in technical reserves	Final balance
Payable Loss Reserve	129,491	(35,878)	93,613
Incurring But Not Reported (IBNR) Reserve	49,804	18,925	68,729
Unearned Premium Reserve (UPR)	39,912	(164)	39,748
<b>Total</b>	<b>219,207</b>	<b>(17,117)</b>	<b>202,090</b>

Figures stated in millions of Colombian pesos

### 14.3. Contingent liabilities and contingent assets

The breakdown of contingent liabilities and contingent assets, which are not recognized in the financial statements, is as follows:

Type of contingency	Contingent liabilities	Contingent assets
Lawsuits	1,213,987	174,868
Warranties	255,269	131
Others	438,344	-
<b>Total</b>	<b>1,907,600</b>	<b>174,999</b>

Figures stated in millions of Colombian pesos

The Group has disputes or proceedings currently pending before courts, administrative bodies and arbitrators.

The main pending lawsuits and judicial and extrajudicial disputes to which the Group is party as of the court date are indicated below:

#### 14.3.1 Contingent liabilities

Company	Third party (Plaintiff)	Complaint	Amount
EPM	ISAGEN S.A. E.S.P.	Order EPM to compensate ISAGEN for the damages it suffered as a result of the fire and the consequent unavailability of the Guatapé plant.	314,423
	Misc. Administrative	310 lawsuits under \$6,923 with an average of \$796.	246,666
	Hidroeléctrica Ituango S.A.	Value of the execution for the fines of constraint at the date of filing of the lawsuit. Such amount will be increased by interest on arrears, and for each day of delay.	113,812

Company	Third party (Plaintiff)	Complaint	Amount
	Aura De Jesús Salazar Mazo	They request 100 SMLMV for the affectation of the mining activity; for moral damages which are assessed in the equivalent of 200 SMLMV for each of the persons in the group, approximately 113.	40,222
	Aura De Jesús Salazar Mazo	Collective right, approximately 113 persons, each claiming \$1,133,400 for consolidated loss of earnings and \$78,753,854 for future loss of earnings, for destroying, interrupting and cutting the ancestral roads of La Herradura that lead from the Alto Chiri trail in the municipality of Briceño to the village of Valle de Toledo.	31,195
	Obras Civiles E Inmobiliarias S.A - Oceisa	Declare that EPM's failure to comply with its main obligation to deliver studies and designs prevented the execution of the contract by OCEISA and that it is not contractually liable for those portions of the work which could not be executed by third parties due to events beyond the control of the parties which prevented the normal execution of the contract.	17,643
	Misc. Labour	195 lawsuit less than \$1,238 with an average of \$91	17,807
	Luis Fernando Anchico Indaburo	Declare EPM administratively responsible, as the cause of the anti-legal damage due to the destruction of the fishing resource of the Montecristo swamp complex, which is due to the construction of the PHI (Ituango Hydroelectric Project) and requests the recognition and payment of a minimum wage for each family nucleus from February 2019 until the sentence is issued, this is denominated by the defendants as consolidated loss of profit.	15,462
	Luis Fernando Anchico Indaburo	Declare EPM administratively responsible, as the cause of the anti-legal damage by having destroyed the fishing resource of the Montecristo marshes complex, which is due to the construction of the PHI (Ituango Hydroelectric Project); that a minimum wage be recognized and paid for each family nucleus from February 2019 until the sentence is issued and the recognition of a future loss of profit that goes from the moment of the sentence until the probable life span of each of the plaintiffs.	15,456
	Nueva Esperanza Joint Venture	To declare EPM in breach of contract and that it created an imbalance in Contract CT-2013-000641, whose purpose was to perform the construction works and electromechanical assembly of the 230 kV Guavio - Nueva Esperanza transmission lines and related reconfiguration of Paraíso - Nueva Esperanza - Circo and Paraíso - Nueva Esperanza - San Mateo.	12,072

Company	Third party (Plaintiff)	Complaint	Amount
	Maikol Arenales Chaves	Declare EPM administratively responsible, as the cause of the anti-legal damage by having destroyed the fishing resource of the Montecristo swamp complex, which is due to the construction of the PHI (Ituango Hydroelectric Project) and requests the recognition and payment of a minimum wage for each family nucleus from February 2019 until the sentence is issued, this is called by the defendants as consolidated loss of earnings.	11,539
	Maikol Arenales Chaves	Declare EPM administratively responsible, as the cause of the anti-legal damage by having destroyed the fishing resource of the Montecristo marshes complex, which is due to the construction of the PHI (Ituango Hydroelectric Project); that a minimum wage be recognized and paid for each family nucleus from February 2019 until the sentence is issued and the recognition of a future loss of profit that goes from the moment of the sentence until the probable life span of each of the plaintiffs.	11,539
	Javier Maure Rojas	Declare EPM administratively responsible, as the cause of the anti-legal damage by having destroyed the fishing resource of the Montecristo marshes complex, which is due to the construction of the PHI (Ituango Hydroelectric Project) and requests the recognition and payment of a minimum wage for each family nucleus from February 2019 until the sentence is issued, this is called by the plaintiffs as a consolidated loss of earnings.	9,741
	Javier Maure Rojas	Declare EPM administratively responsible, as the cause of the anti-legal damage by having destroyed the fishing resource of the Montecristo marshes complex, which is due to the construction of the PHI (Ituango Hydroelectric Project); that a minimum wage be recognized and paid for each family nucleus from February 2019 until the sentence is issued and the recognition of a future loss of profit that goes from the moment of the sentence until the probable life span of each of the plaintiffs.	9,741
	INMEL Ingeniería S.A.S.	Order EPM to compensate Consorcio Línea BGA for the damages suffered, in proportion to its participation in the contractor consortium (80%), after the submission of the offer, execution and completion of contract CT 2016 001695, where unforeseen situations and circumstances not attributable to the contractor occurred that substantially varied the defined execution conditions and made compliance more onerous for the contractor and which the contractor failed to comply with while refusing to restore the financial or economic balance of the contract.	8,023

Company	Third party (Plaintiff)	Complaint	Amount
	CONINSA RAMÓN H S.A.	That EPM, failed to comply with contract No. 2/DJ-2183/43 and its additional agreements, (bilateral modification acts) signed with EL CONSORCIO CONINSA S.A.- CONSTRUCCIONES E COMERCIO CAMARGO CORRÁ S.A., due to the non payment of the damages suffered by El Consorcio Contratista, during the execution and development of the contract.	6,923
	Moraine Olave De Larios	Relatives of a former Integral worker who died in Ituango, claiming full compensation for damages, for moral damages caused. Solidarity.	5,543
	Rosa Disney Quintero Flórez	The families of deceased former employees of the contractor Consorcio Redes de Iguaná, made up of the companies Sanear S.A. and Paecia S.A.S., are suing. Seguros del Estado S.A., Sociedad Estudios Técnico S.A.S. and Seguros Generales Suramericana S.A. are also being sued.	1,239
	Ciudadela Comercial Unicentro Medellín PH	Declare the nullity of the administrative act issued by EPM with filed 20190130037817 of February 27, 2019. Order the reinstatement of the plaintiff's rights by ceasing the collection of the electric energy tax contemplated by Law 142 of 1994, Law 143 of 1994 and Law 223 of 1995; and, make the refund of the amounts paid for such concept from January 1, 2017 and until the date of judicial notification that ends the process.	305
<b>Total EPM</b>			<b>889,351</b>
	Consorcio CICE (Dispute)	Dispute of a contractual nature. To recognize excess costs related with damages, clogging, slower progress and over-usage of tunnel boring machines' tools. To recognize longer stay at the site due to the presence of unforeseeable physical conditions and several claims for cost overruns.	61,123
	Darly Bibiany Cabezas and Others	Other proceedings for amounts less than \$277 million	1,219
	Seguros Comerciales Bolívar S.A.	Monetary recognition for damages caused to one of the Insurer's clients due to a rainstorm in March 2006 that caused flooding.	632
	Compañía Colombiana de Consultores S.A.S.	Declare AGUAS NACIONALES EPM S.A. ESP failed to comply with contract No. 2014-90000-00147 and consequently that it be liquidated in court, that it be declared responsible for the damages suffered by the plaintiff COMPAÑÍA COLOMBIANA DE CONSULTORES S.A.S., and that it be ordered to pay.	577
	Rosalba Valoyes Palomeque	Based on Article 90 of the National Constitution, declares the municipality of Quibdó, Aguas Nacionales EPM S.A. ESP, INGECOR S.A.S. to be administratively and jointly liable for all the damages caused by the injuries to Mrs. Rosalba Valoyes Palomeque.	567

Company	Third party (Plaintiff)	Complaint	Amount
<b>Total Aguas Nacionales</b>			<b>64,118</b>
	Autoridad Nacional de los Servicios Públicos	For non-compliance with the technical service quality standard	24,490
	Inversiones Chugani and Others	Claim for material damages	1,474
	Fernando Guerra and Others	Labor claim	393
	SEGURITAS, INC. and Others	Claim for damages and labor	1,164
<b>Total ENSA</b>			<b>27,521</b>
	Gerson Obed Peña Muñoz and others	They demand the return of the money collected from the public lighting tax in the municipality of Armenia, as they consider this collection to be illegal.	71,795
	Fabián Alexander Bedoya Machado and others	Other proceedings with an amount less than \$533.	2,773
	Danielly Arcila de Gil and Others	The defendants are declared administratively, extra-contractually, jointly and patrimonially responsible for the injuries suffered by Mrs. Danielly Arcila de Gil, which are a consequence of the fall suffered by an iron hook that is part of the cover of the junction box, which is made of concrete and belongs to the MUNICIPALITY OF ARMENIA, the PUBLIC COMPANIES OF ARMENIA - E. S.P.; and the EMPRESA DE ENERGIA DEL QUINDÍO S.A. E.S.P. PUBLIC SERVICES COMPANY - EDEQ.	2,737
<b>EDEQ</b>	Maria Amparo Fernández Gil	That he be ordered to pay all damages, due to the death of Mr. Otálvaro Sánchez	2,199
	Diana Rocío Vargas Álzate and others	Demand for direct reparation for the death of the minor JOAN MANUEL VARGAS PELÁEZ, which occurred on November 16, 2013 at Finca La Molienda Quindiana. (village Baraya- Montenegro Quindío)	991
	John Jairo López Pérez and others	EDEQ is being sued for the damages allegedly suffered by the plaintiffs in the death by electrocution of Jhon Esteban López Henao, which occurred on November 4, 2016 at the Lotería del Quindío building	829
	Sandra Milena Sánchez	That the Co-defendants be declared administratively responsible for the facts and omissions that caused the death of Mr. Otálvaro Sánchez, and that as a consequence of such declaration the Co-defendants be condemned.	617
<b>Total EDEQ</b>			<b>81,941</b>
<b>ESSA</b>	Briceida Oviedo de Rodríguez and Others	Other miscellaneous provisions. Proceedings with an amount less than \$500 million	11,460

Company	Third party (Plaintiff)	Complaint	Amount
	Tomon Ltda	Requests that the existence of a Strategic Alliance contract between ESSA and the Temporary Union "San Gil Iluminado" be declared.	9,346
	Carlos Gerardo Hernández Flórez	Declare the Department of Santander, Municipality of Betulia and Electrificadora de Santander S.A. ESP as administratively responsible, jointly and severally or individually, as the case may be, for the material and moral damages caused to Mr. Carlos Gerardo Hernández Flórez due to the failure or lack of service of the administration for the events that occurred on January 7, 2015 that caused the fire in the municipality of Betulia Santander and affected his property called Finca Vistahermosa.	5,441
	APH Servicios Eléctricos S.A. Tomon Ltda., Kesman Overseas Limited., Inversiones El Prado	Requests that the existence of a Strategic Alliance contract between ESSA and the Temporary Union "San Gil Iluminado" be declared.	5,716
	Gerrsson Enmanuel Duarte Pabón	Declare the ESSA responsible for the damages caused to Gerson Duarte and his family (4 people), for the damages derived from the inadequate location of the energy networks that caused the electrocution of the actor on July 30, 2011, when he was working on the property located at Cll 10 con cr. 14 no. 10-37 neighborhood San Antonio de Piedecuesta. Order the ESSA for the material and moral damages derived from the described event that in the actor's opinion are equivalent to the sum of \$2,128,885,110	2,826
	Promotora Agrotropical Colombiana SAS	Failure to comply with the commercial offer No. ON-013-2008 of October 3, 2008 is declared. The ESSA is ordered to pay \$886,313,271.31 in damages.	1,216
	Gabriel Méndez Jaimes	ESSA be declared administratively responsible for the damages caused to the Plaintiff.	1,034
	Blanca Sepúlveda Oviedo and others	Moral damages/loss of earnings/health damage. Proceedings with an amount less than \$993	8,448
<b>Total ESSA</b>			<b>45,487</b>
<b>CHEC</b>	María Marleny Montoya De García and Others	Material and moral damages, imposing of electric energy rights of way in contract performance due to electrical accident.	27,834
	Municipio de Salamina	Energy no longer generated and marketed	6,052
	Jorge Augusto Manzur Macias and another	Material damages	3,071
	Armando de Jesús Zapata Sossa and others	Direct compensation for moral and material damages	2,283



Company	Third party (Plaintiff)	Complaint	Amount
	José Gustavo Morales Guarín	Injury compensation	1,527
	Positiva Compañía de Seguros S.A.	Return of mathematical capital reserve	1,175
	Suministros y Proyectos Tecnológicos Eléctricos SYPELC	Restitution of unauthorized cost overruns and discounts in contract	681
<b>Total CHEC</b>			<b>42,623</b>
<b>Emvarias</b>	Jac Vainillal and others	Direct repair	10,999
	Junta de Acción Comunal La Cejita	Declarations	9,480
	William Alberto Giraldo Ocampo and Others	Contract reality (36 proceedings)	5,717
	Gabriel Hernán Rúa and others	Direct repair	3,855
	Jesús Gregorio Valencia Valencia and others	Other proceedings with an amount less than \$982	2,352
<b>Total Emvarias</b>			<b>32,403</b>
<b>CENS</b>	Jeison Orlando Ortiz Valenzuela and Others	Other administrative proceedings for amounts less than \$899 million	7,160
	Mariana Bautista Ortiz	Declare the NACION-CENTRALES ELÉCTRICAS DEL NORTE DE SANTANDER S.A. E.S.P. civil, administrative, patrimonial and extra-contractual liable for the damages caused to the plaintiffs as a result of the death of Mr RAMON ALIPIO ALVAREZ PAEZ (Q.E.P.D.) on 26 April 2016, as a consequence of an electrical discharge produced by a high voltage cable.	2,473
	María Riquilda Poveda Murillo	Declare that the Nation, the Ministry of Mines, the Superintendency of Residential Public Utilities (SSPD), EPM, the Centrales Electricas del Norte de Santander S.A. E.S.P. (CENS) and the municipality of Cúcuta must pay for the damages produced by the injuries suffered by the minor Alirio Ignacio Poveda Murillo.	2,316
	Orlando Emiro Contreras Velasco	Declare that the applicants are entitled, throughout their pensionable lives, to have their pensions adjusted in accordance with the parameters indicated in Article 1 of Law 71 of 1988 and not in accordance with those set out in Article 14 of Law 100 of 1993, and order CENS to pay the applicants retroactively the sums which have not been paid and which have been settled when the largest increase is applied	2,105

Company	Third party (Plaintiff)	Complaint	Amount
	Paht Construcciones S.A.S.	Order the settlement of Contract CT-2015-000070, entered into by the parties, where CENTRALES ELECTRICAS DEL NORTE DE SANTANDER S.A E.S.P., must readjust the contractual equity in favor of PAHT CONSTRUCCIONES S.A.S., with the application of the theory of unforeseen circumstances.	1,677
	Geomara Carreño	For moral damages the sum of 1300 smlmv. Damage in life in relation / material damages - / lost profits.	1,479
	Nubia Boada Dueñas	The lawsuit requests the continuation of the payment of 12% of the monthly pension, the reimbursement of the contributions discounted from the moment of the compatibility of the pension duly indexed and the payment of moratorium interest of article 141 of Law 100 of 1990, plus the costs of the process.	1,454
	Eleida Carrascal Velásquez	Obtain the recognition and payment by CENS and the Department of Norte de Santander, in favor of the applicant, of the value of the material damages (consequential damages, loss of earnings and moral or immaterial damages) caused to her by the total destruction of the business establishment called Ferretería y Materiales Diego Alejandro, in events that occurred on February 5, 2015, which caused damage to her assets and patrimonial income.	1,169
	Sara Franco Guerrero	Order CENS S.A E.S.P. and ELECTRONING S.A.S. to pay for moral damages. 100 SMLMV to each of the applicants and the direct victim / order CENS S.A E.S.P and ELECTRONING S.A.S to pay for the life damages in relation to 100 SMLMV to each of the applicants.	901
	Luvier Sánchez Sánchez	It is requested that CENS and the other defendants be declared liable for the damages caused to Mr. Luvier Sánchez Sánchez and the other applicants, requesting payment of material and immaterial damages.	934
<b>Total CENS</b>			<b>21,668</b>
<b>Aguas Regionales</b>	María Inés Osorio Montoya	That the MUNICIPALITY OF APARTADÓ AND/OR REGIONAL WATERS EPM S.A ESP, jointly and severally or independently are administratively responsible for the omission in the fulfillment of their constitutional and legal duties for the death of the young Cesar Augusto Jiménez Osorio (q.e.p.d) determined by the injuries suffered in the events that occurred on June 1st, 2016 in the city of Apartadó.	3,245

Company	Third party (Plaintiff)	Complaint	Amount
	Wilson de Jesús Legarda Palacio	Declare that between Mr. WILSON DE JESÚS LEGARDA PALACIO and EMPRESAS MANPOWER DE COLOMBIA, identified with Nit 890.916.868-8 an employment contract was entered into, which began on June 1, 2015 and was effective until June 28, 2018, date on which the employer decided to unilaterally and unfairly terminate the employment contract.	60
<b>Total Aguas Regionales</b>			<b>3,305</b>
<b>Aguas de Antofagasta</b>	Lawsuit C-4372-2019 Soto with ADASA	M\$200.000.-	1,024
	Lawsuit 12.050/73 Investigación Sumaria, Gobernación Marítima.	30.000 pesos	1,303
	Diaz with ADASA	M\$200.000.-	1,034
	Robledo con Soc. MYC ingeniería and Others	Other proceedings for amounts less than \$843 million	1,957
<b>Total Aguas de Antofagasta</b>			<b>5,318</b>
<b>Aguas de Malambo</b>	Nelson Mercado Luna	Payment of invoice No. 0095 by virtue of supposed works carried out to attend emergency in Cra 22 with Calle 22 of the Municipality of Malambo.	216
	Fabian Bacca Jiménez	Recognition by Aguas de Malambo of an employment relationship acquired in 2015 and 2016 in which he worked as a temporary employee of the company S.A.S. and, consequently, payment of holidays, bonuses, severance pay, bonus for signing the agreement and compensation for dismissal without just cause.	20
	Emer Enrique Conrado Anguila and others	The Nation is declared administratively responsible Municipality of Malambo Department of Atlántico, Instituto nacional de Infraestructura (ANI) Concessionary firm, Autopista del Sol SAS. Aguas de Malambo S.A. ESP. responsible for material damages, health to other goods and or rights conventionally and constitutionally protected and in general any other type that is shown to have been caused by the failure to provide the service.	16
<b>Total Aguas de Malambo</b>			<b>252</b>
<b>Total contingent liabilities - Lawsuits</b>			<b>1,213,987</b>

*Figures stated in millions of Colombian pesos*

Regarding the uncertainty of the estimated payment date and the estimated value payable, the same business rules indicated in note 14.1.3 Lawsuits apply to contingent liabilities

## Warranties

Company	Third party (Plaintiff)	Complaint	Amount
ELEKTRA NORESTE S.A.	Compañías Generadoras	Performance guarantee to provide credit security and compliance with obligations under power purchase agreements.	166,773
	Autoridad Nacional de los Servicios Públicos	Performance bond to guarantee compliance with obligations under the Concession Agreement.	58,184
	Empresa de Transmisión Eléctrica, S.A.	Bank guarantee to ensure payment of one month's billing for the Transmission System.	14,159
	Empresa de Transmisión Eléctrica, S.A.	Letter of credit as a guarantee of payment of energy purchase costs in the occasional market.	10,516
	Ente Operador Regulador del El Salvador	Letter of credit as a guarantee of payment of energy purchase costs in the occasional market.	1,819
<b>Total ELEKTRA NORESTE S.A.</b>			<b>251,451</b>
CHECSA	María Marleny Montoya De García	Material damages	3,818
<b>Total CHEC</b>			<b>3,818</b>
<b>Total contingent liabilities - warranties</b>			<b>255,269</b>

Figures stated in millions of Colombian pesos

## Others-Controversies

Company	Third party (Plaintiff)	Complaint	Amount
AGUNAL	Consorcio HHA (Dispute)	There is a dispute of a contractual, non-legal nature, related to the construction of the Aguas Claras Power Plant, in connection with the term, engineering, design and financial aspects.	438,344
<b>Total AGUNAL</b>			<b>438,344</b>
<b>Total contingent liabilities - Others</b>			<b>438,344</b>

Figures stated in millions of Colombian pesos

## 14.3.2 Contingent assets

Company	Third party (Plaintiff)	Complaint	Amount
	Municipality of Bello	Reimbursement of monies paid by EPM, for the determination and liquidation of the capital gain effect, PTAR Bello.	119,763

Company	Third party (Plaintiff)	Complaint	Amount
	La Nación Ministerio de Salud y Protección Social	MINSALUD has the legal and constitutional obligation to recognize and cancel the value of the services rendered to members in relation to medicines and/or procedures, interventions or elements not included in the Compulsory Health Plan (POS).	8,267
	Constructora Monserrate Colombia SAS	de To legally declare the expropriation in favor of EPM E.S.P. for assignment to the Project “Expansion of Primary Distribution Capacity in the western area of Medellín-Cadena Occidente Tanque Calazans” the property called Lot 7, located in the area Altos de Calazans, in the Municipality of Medellín, owned by Sociedad Constructora Monserrate de Colombia S.A.S.	6,896
	Other administrative	Processes (83) for amounts less than \$746.	3,972
	Interconexión Eléctrica S.A. E.S.P. ISA	To declare that Interconexión Eléctrica S.A. E.S.P., ISA is civilly responsible for not recognizing to EPM, the value that corresponds to it, of the remuneration that ISA received between the years 1995 to 1999, for the line modules that correspond to assets of use of the STN in the Playas and Guatapé substations represented by it, in which there is shared property, value that to date has not been realized, generating an enrichment without cause by increasing the patrimony of the defendant at the expense and to the detriment of the patrimony of the plaintiff.	3,824
	Poblado Club Campestre Ejecutivo S.A.	Declare the Poblado Club Campestre Ejecutivo S.A., Optima S.A. Vivienda y Construcción and the Municipality of Envigado responsible for the damage to the collector owned by EPM, which collects and transports the waste water from the sanitary basin of the La Honda stream in the Municipality of Envigado, and indemnify EPM for the value of all the patrimonial damages that are proven for the damage to the collector that collects and transports the waste water from said sanitary basin.	3,502

Company	Third party (Plaintiff)	Complaint	Amount
	Construcoes e Comercio Camargo Correa S.A.	To declare that the firms Organización Coninsa & Ramón Hache S.A. and Construções e Comércio Camargo Corrêa S.A., incorporated as a consortium, in partial breach of contract No. 2/DJ-2183/47 signed with EPM, for civil works construction of the San Fernando Wastewater Treatment Plant, for having failed to fulfill certain contractual clauses contained in the Terms and Conditions of the Public Bidding Process regarding tax deductions and payments, ordering payment of the Value Added Tax (VAT) amounts that the Contractor charged EPM, as an excess price paid for essential goods to build the contracted public works, notwithstanding having profited from a tax exclusion granted by the national government.	2,159
	Other Tax	Processes with a value of less than \$746.	65
	Fiduciaria Bogotá S.A. - FIDUBOGOTÁ S.A.	TO IMPOSE in favor of EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. a power transmission easement, on the lot of land or property called LA BOCA DEL PANTANO, with real estate registration No. 50 C-1497258 located in a rural area of the Municipality of Madrid (Cundinamarca) for the 500 Kv transmission lines, and for one (1) tower point (with its landings) of the Transmisión Nueva Esperanza project.	946
	Corantioquia - Corporación Autónoma Regional del Centro de Antioquia (Environmental Authority)	To declare the invalidity of Article Five of Resolution No. 130 TH - 1302 - 9864 issued by the Tahamies Territorial Director of "Corantioquia" in connection with the rate for usage of surface water for the 2011 year, using as source Río Grande, in volumes of 19.5 m3/s; reimburse Empresas Públicas de Medellín E.S.P. the excess amount paid on the rate for usage of surface water, Dec. 155 - 4742, Hydrological Unit: Magdalena - Cauca Rivers, from January 1 to December 31, 2011, charged in invoice TH - 1927 dated April 30, 2012. To sentence Corantioquia to recognize and pay to EPM legal interest, current interest and late charge interest that have legally accrued; to pay legal expenses and costs pursuant to the provisions of article 188 of Law 1437/2011 and associated regulations.	649
	Seguros Generales Suramericana S.A.	Requests issuance of payment order against Compañía Suramericana de Seguros S.A. in favor of EPM, in the amount of COP 554,723,669.21, plus late charge interest since September 23, 2002.	746

Company	Third party (Plaintiff)	Complaint	Amount
	Municipio de Caloto	To declare invalid: - Resolution No. 035/2012 (declaring that the exceptions proposed by EPM against the payment order have not been proved, and ordering to continue enforcement), and Resolution No. 039/2012, (deciding on the motion for reconsideration).//2). For the effects of reestablishment, for the Municipality of Caloto to reimburse EPM all amounts related to local tax (ICA) it has paid, by virtue of the arguments in this lawsuit, and for such amount to be returned with commercial interest.//3). To sentence the Municipality to payment of legal expenses.	746
	Municipality of Envigado	To declare the nullity of the administrative act contained in Resolutions 2656 of August 13, 2007 and 4176 of October 26 corresponding to the sanction imposed for the alleged violation of Municipal Decree 259 of August 14, 2002; to declare the inapplicability of Decree 259 of August 14, 2002 of the Municipality of Envigado (Antioquia), "By means of which urbanistic sanctions are established", for being contrary to the Political Constitution, the Law and the Regime of Public Home Services. Order by way of restoration of rights, that EPM be refunded \$655'460,000 for the sanction imposed on the administrative acts whose nullity is requested.	881
<b>Total EPM</b>			<b>152,416</b>
<b>CENS</b>	Dirección de Impuestos y Aduanas DIAN	Declare the nullity of the official revision settlement >No 072412015000018 of September 14, 2015 and Resolution No 007521 of October 4, 2016.	10,096
	Dirección de Impuestos y Aduanas DIAN	Declare the nullity of a) Resolution issued by the Dirección de Impuestos y Aduanas Nacionales DIAN, notified to CENS on September 15, 2015. b) Resolution issued by the Dirección de Impuestos y Aduanas Nacionales DIAN, notified to CENS, which resolves the appeal for reconsideration filed by CENS against the official review assessment, ORDER the defendant to make the refund of the amount of money paid by CENS S.A E.S.P, for the higher Income and Complementary Tax and the sanction for inaccuracy with the current interest and moratoriums in accordance with the provisions of article 863 of the Tax Statute.	4,154

Company	Third party (Plaintiff)	Complaint	Amount
	Ramon Alfonso Galvis Gerardino and others	To impose in favor of CENS S.A. E.S.P. public rights of way for electricity transmission over properties and plots of land. To build the required electrical infrastructure as specified by the project. 2. To allow traffic along the rights of way area by its personnel and contractors. 3. To remove crops and other obstacles. 4. To build temporary roads and/or use existing ones to reach the rights of way area. 5. To prohibit planting of trees that may block the rights of way. 6. To register the court order of the rights of way.	2,137
	Consorcio CDE Ltda.	Obtain cancellation of the resources owed in favour of CENS	969
	Rubén Darío Sanchez and others	Other proceedings for amounts less than \$121 million	483
<b>Total CENS</b>			<b>17,839</b>
<b>Aguas Regionales</b>	Municipality of Chigorodó	Issue a payment order in favor of Aguas de Urabá S.A. E.S.P. and against the MUNICIPALITY OF CHIGORODÓ, for sewage and aqueduct subsidies owed in 2008, 2009 and 2010.	768
	Municipio de Chigorodó	To sentence the defendant to payment of legal expenses. To pay late charge interest calculated at the highest rate certified by the Financial Superintendence for consumer loans that have accrued to the date of full payment of the obligation.	1,002
	Corpourabá - Corporación para el Desarrollo Sostenible del Urabá	Declare the nullity of the 1. Settlement of Tax No. 6509 of the remuneration rate corresponding to the municipality of Apartadó for the period January to December 2014, given that it does not correspond to the reality of the charges dumped by the sewerage users of the company Aguas de Urabá S.A. E.S.P. in the urban area of the municipality of Apartadó (Antioquia)	398
	Misc. Tax	Other miscellaneous Tax	606
<b>Total Aguas Regionales</b>			<b>2,774</b>
<b>Aguas de Malambo</b>	Municipality of Malambo	A payment order is hereby issued against the Municipality of Malambo - Atlántico and in favor of Aguas de Malambo S.A. ESP. for the following sums of money: \$1,446,217,806.90 for the concept of capital represented in the promissory note 01 of 2011 that is contributed. For the interest on arrears of the above capital from December 31, 2012 at the rate of 28.76% effective per annum until the obligation is cancelled.	1807
<b>Total Aguas de Malambo</b>			<b>1,807</b>



Company	Third party (Plaintiff)	Complaint	Amount
Emvarias	Marta Nelly Quintero R.	Mortgage executive	27
<b>Total Emvarias</b>			<b>27</b>
Aguas Nacionales	Superintendencia of Residential Utilities Public	To declare the invalidity of the administrative acts issued by the entity containing the official calculation of the Special Contribution for the year 2018 File No. 20185340037336 dated 2018/09/06 and Resolution No. SSPD 20185000132915 of November 27, 2018, deciding on the appeal motion filed by Aguas Nacionales.	3
<b>Total Aguas Nacionales</b>			<b>3</b>
CHEC	Cesar Augusto Ocampo Arenas	Retirement pension	2
<b>Total CHEC</b>			<b>2</b>
<b>Total contingent assets - lawsuits</b>			<b>174,868</b>

*Figures stated in millions of Colombian pesos*

#### Warranties

The Group has provided the following warranties:

Company	Third party (Plaintiff)	Complaint	Amount
ESSA	Seguros del Estado	Constituted and granted with the purpose of covering litigious process against the Municipality of Bucaramanga	131
<b>Total ESSA</b>			<b>131</b>
<b>Total contingent assets - warranties</b>			<b>131</b>

*Figures stated in millions of Colombian pesos*

#### Estimated payments and collections

The estimated dates on which the Group expects to make payments related to the contingent liabilities or receive collections related to the contingent assets included in this note to the consolidated statement of financial position at the cut-off date are as follows:

Estimated payments and collections	Contingent liabilities	Contingent assets
To one year	168,996	4,502
To two years	55,768	18,287
To three years	69,070	131,056
To four years and beyond	1,364,414	34,770
<b>Total</b>	<b>1,658,248</b>	<b>188,615</b>

Figures stated in millions of Colombian pesos

## Note 15. Revenue

For presentation purposes, the Group breaks down its revenues from the services it provides according to the lines of business in which it participates and the way in which management analyses them. The detail of income is as follows:

Revenue	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Sales of goods	19,041	13,386	5,195	5,013
<b>Rendering of services</b>				
Electricity generation service <sup>(1)</sup>	3,648,507	3,017,424	1,228,734	1,001,473
Electricity transmission service	259,506	212,203	95,260	72,500
Electricity distribution service <sup>(2)</sup>	8,895,895	8,808,333	2,936,463	3,023,197
Inter-segments electricity elimination	(1,509,086)	(1,217,782)	(509,936)	(412,297)
Fuel gas service <sup>(3)</sup>	652,632	628,716	232,354	224,730
Sewage service <sup>(4)</sup>	533,868	516,804	178,508	174,420
Water service <sup>(4)</sup>	961,285	882,655	339,048	310,031
Solid waste treatment service <sup>(5)</sup>	183,901	179,652	61,295	60,697
Insurance and reinsurance services	23,430	9,941	9,053	4,915
IT Services	271	298	108	142
Construction contracts	33,819	32,798	11,975	4,635
Other services	179,884	153,792	66,689	58,162
Refunds	(211,083)	(204,688)	(85,500)	(70,143)
<b>Total rendering of services</b>	<b>13,652,829</b>	<b>13,020,146</b>	<b>4,564,050</b>	<b>4,452,462</b>
Leases	69,595	82,399	22,167	30,333
Income from sale of assets <sup>(6)</sup>	241	833	23	292
<b>Total revenue</b>	<b>13,741,706</b>	<b>13,116,764</b>	<b>4,591,435</b>	<b>4,488,100</b>

Figures stated in millions of Colombian pesos

- (1) The increase in generation service revenues arises from higher energy sales through long-term contracts; contracts based on the expected energy generation from the Ituango Project, and higher spot market prices. Additionally, there was a lower refund for reliability charges due to a lower level of generation arising from low rainfall. At the CHEC subsidiary, they increased by 53% or \$49,557.
- (2) The increase in revenue from the distribution service arises from the increase in energy commercialization service revenues of the national subsidiaries at a higher price. In contrast, the international subsidiaries reported lower demand and lower average prices, although they benefited from the higher exchange rate.
- (3) Revenue from the Gas business grew mainly due to higher sales in the regulated market, in the unregulated market and in the secondary market, and because of higher rates.
- (4) In water, revenue increased mainly because of ADASA, which in 2019 was substantially affected by red tide and the highlands rainy season. Furthermore, in EPM Holding Company, in water and sanitation, there were higher consumptions and discharges and increases by rate structures applied in February. In contrast, TICSА reported lower sanitation revenues due to delays in construction projects.
- (5) Increase due to the rise in the leachate rates from \$3,280.76 to \$8,940.64 per ton. It also reflects the 2020 decline in cutting, felling and special services.
- (6) Disclosure is made under the income item of disposal of property, plant and equipment, rights of use, intangible assets and investment properties in the cash flow statement.

At September 30, 2020, the impacts of the coronavirus (COVID-19) pandemic that have been estimated in relation to revenues from ordinary activities are: lower consumption or demand for utilities by (\$803,234), lower billed rates by (\$208,412), discount for timely payment in domestic subsidiaries according to Resolution 517/2020 for (\$18,709) and lower amounts in other revenues from ordinary activities, mainly from construction contracts of subsidiary TICSА, by (\$46,294).

The Group recognizes all its revenue from the satisfaction of performance obligations and most of its contracts with customers are for less than one year.

The Group recognized the following values in the period, for contracts in force as of the cut-off date:

September 30, 2020	Liability balance at the beginning of the period	Liability balance at the end of the period
Contract of uniform conditions for regulated utilities <sup>(1)</sup>	20,459	5,648
Non-regulated market - (NRM) or large customers <sup>(2)</sup>	10,098	7,263
Other contracts with customers	6,216	5,039
<b>Total</b>	<b>36,773</b>	<b>17,950</b>

*Figures stated in millions of Colombian pesos*

September 30, 2019	Liability balance at the beginning of the period	Liability balance at the end of the period
Contract of uniform conditions for regulated utilities <sup>(1)</sup>	16,904	15,612
Non-regulated market - (NRM) or large customers <sup>(2)</sup>	34,642	7,263
Other contracts with customers	4,685	4,279
<b>Total</b>	<b>56,231</b>	<b>27,154</b>

*Figures stated in millions of Colombian pesos*

- (1) Contracts with uniform conditions are those through which the EPM Group, provides residential public utilities in exchange for a price, which will be set according to the current rates, and according to the use of the service by customers, subscribers or property owners and that the users who benefit from the services provided by EPM, accept and abide by all the provisions defined therein.
- (2) In Colombia, Resolution 131 of December 23, 1998 issued by the Energy and Gas Regulatory Commission (CREG, for the Spanish original) establishes the conditions for the supply of electricity to large consumers and Article 2 thereof indicates the limits for a user to contract the supply of electricity on the competitive market. This resolution allows the signing of contracts with large consumers to establish prices by mutual agreement for the supply of electricity. The purpose of the contract is to supply electricity to the consumer, as an unregulated user, to meet its own demand.

Another important contract is the representation agreement with XM, which manages the Wholesale Energy Market in Colombia, attending to the commercial transactions of market agents.

The contract liabilities primarily relate to the advance consideration received from customers for rendering of services, for which revenue is recognized over time. The amount of \$36,773 recognized in contract liabilities at the beginning of the period has been recognized as revenue during the current period. The balance at the end of the period of \$17,950, which is expected to occur over the next twelve months.

The Group recognized revenue from ordinary activities for asset construction agreements within the scope of IAS 11 - Construction contracts at the cut-off date of \$33,819 (2019: \$32,798).

In contracts with customers, no revenues were recognized during the period from performance obligations satisfied in prior periods.

For these contracts, the outstanding value of unmet performance obligations could not be identified since they do not have a stipulated termination date.

## Note 16. Other income

The breakdown of other income is as follows:

Other income	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Compensations <sup>(1)</sup>	102,348	27,931	10,828	6,602
Recoveries <sup>(2)</sup>	122,404	73,852	83,145	1,088
Other income from ordinary activities	32,461	38,379	10,008	18,864
Commissions	25,300	24,929	8,064	8,527
Income for financing component	21,942	-	21,942	-
Remainings	8,196	862	2,495	138
Uses	4,705	5,263	2,207	1,314
Goods and services sales margin	1,841	2,082	575	704
Professional fees	827	1,060	165	(803)
Government grants applied	896	752	316	264
<b>Total other income</b>	<b>320,920</b>	<b>175,110</b>	<b>139,745</b>	<b>36,698</b>

Figures stated in millions of Colombian pesos

(1) It includes the indemnity received due to loss of profit from the low rainfall policy for \$65,848, of the policy for the claim event that occurred in 2017 at the Playas Hydroelectric Plant for \$23,871, and the claim event occurred in the Curazo transmission line of the CHEC subsidiary for \$9,402.

(2) At EPM, it includes \$73,832 for start-up of operations of the Jepirachi Wind Farm, allowed by CREG Resolution 136/2020.

This item includes \$102,168 (September 2019, \$52,431) in non-cash recoveries disclosed in the cash flow statement.

(3) It includes the following items disclosed in the cash flow statement: \$1,114 (September 2019, \$-) arising from the valuation of investment properties; \$192 for indemnities for damages to assets; \$76 for gains in the derecognition of rights of use, disclosed in the income statement under disposal of property, plant and equipment, rights of use, intangible assets and investment properties.

## Note 17. Costs of goods sold and services rendered

The breakdown of costs of services rendered is as follows:

Costs of Services Rendered	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Energy purchases on the energy stock exchange (Bolsa de Energía) and / or in the short term <sup>(1)</sup>	2,616,643	1,383,881	755,533	430,460
Energy purchases in batches and/or long-term	2,335,378	3,128,574	768,036	1,130,862
Use of lines, networks and ducts	1,100,439	967,880	377,998	316,508
Personal services <sup>(2)</sup>	671,312	617,203	217,773	199,219
Depreciations	673,159	608,821	241,678	220,676
Orders and contracts for other services	428,251	462,403	152,728	157,577
Cost of natural gas distribution and/or marketing <sup>(3)</sup>	404,979	251,799	131,239	91,622
Maintenance and repair orders and contracts	235,484	264,659	89,996	96,059
Licenses, contributions and royalties	118,215	114,325	36,778	36,516
Consumption of direct inputs	116,164	82,091	37,365	28,806
Amortizations	122,519	112,591	48,863	37,916
Insurance	87,216	85,771	27,981	33,512
Materials and other operating costs	90,632	121,649	31,553	43,804
General	72,358	71,072	31,073	26,936
Taxes and Fees	66,948	63,380	25,708	16,665
Fees	50,310	57,924	18,697	21,349
Other cost of public goods and utilities for sale <sup>(5)</sup>	33,084	22,619	10,797	8,964
Amortization of right-of-use	31,408	26,492	10,489	9,625
Commercial and financial management of the service	23,962	23,173	7,982	7,208
Public utilities	19,240	18,351	5,821	6,098
Commercialized goods	13,919	13,017	4,932	4,870
Leases	12,016	15,698	4,169	6,792
Costs associated with transactions in the wholesale market	9,819	8,034	3,336	2,962
Exhaustion	7,237	7,510	1,352	2,189
Cost for connection <sup>(4)</sup>	6,220	6,065	1,657	2,399
Liquefied natural gas	5,098	3,948	1,835	1,242
Cost of losses in the provision of water service	54	173	22	125
<b>Total costs of services rendered</b>	<b>9,352,064</b>	<b>8,539,103</b>	<b>3,045,391</b>	<b>2,940,961</b>

Figures stated in millions of Colombian pesos

- (1) Greater purchases of energy in long-term contracts due to new contracts based on the power generation expected from the Ituango project and an increase in purchases on the stock exchange due to lower generation given the low rainfall at higher prices.
- (2) Increase due to hires, salary increase and employee benefits, fees and services.
- (3) The increase is explained by the increase in demand and the higher price impacted by the exchange rate.
- (4) It includes in EPM parent company the impacts of the coronavirus (COVID-19) pandemic of \$2,247 that were allocated for the reconnection of public utilities.

Additionally, at September 30, 2020, other impacts of the pandemic have been estimated in connection with service provision costs, including: lower costs associated with consumption or demand for services for \$-707,933; cost savings efforts for \$-32,120, higher reconnection costs for \$2,556 and biosafety measures associated with overhead, personal services, orders and contracts for \$9,049.

- (5) It includes \$154 (September 2019: \$-555) corresponding to write down inventories, net.

## Note 18. Administrative expenses

The breakdown of administrative expenses is as follows:

Administrative expenses	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
<b>Personnel expenses</b>				
Payroll expenses	365,535	338,139	118,034	114,611
Social security expenses	77,603	84,896	26,962	28,584
Pension expenses <sup>(6)</sup>	35,502	34,073	11,809	11,315
Other post-employment benefit plans different from pension <sup>(6)</sup>	3,920	4,009	1,362	1,377
Other long-term benefits	3,173	3,001	1,071	999
Termination benefits <sup>(6)</sup>	1,629	(2,298)	578	(7,293)
Benefits in interest rates to employees	6,426	9,194	2,053	2,144
<b>Total personnel expenses</b>	<b>493,788</b>	<b>471,014</b>	<b>161,869</b>	<b>151,737</b>
<b>General expenses</b>				
Taxes, contributions and fees	131,983	139,244	40,858	41,490
Provision of guarantees <sup>(1) (6)</sup>	107,384	10,403	73,523	9,297
Commissions, fees and services	80,302	84,634	33,551	35,153
Environmental expenses <sup>(2) (6)</sup>	57,238	33,418	44,502	30,924
Depreciation of property, plant and equipment	56,717	53,390	17,959	17,503
Provision for contingencies <sup>(4) (6)</sup>	53,067	28,839	38,984	14,658
Maintenance	50,492	44,110	18,275	15,894
Other miscellaneous provisions <sup>(3) (6)</sup>	41,091	27,857	6,695	14,981
Intangibles	36,951	28,808	15,881	11,359
General insurance	30,847	13,838	13,321	5,133
Amortization of intangibles	29,851	26,315	10,173	9,187
Amortization of right-of-use assets	16,177	21,870	5,456	8,579
Other general expenses	15,794	18,769	5,707	3,852
Surveillance and private security	15,069	13,796	4,995	4,599
Licenses and safe conduct	9,808	6,894	483	415
Services of cleaning, cafeteria, restaurant and laundry	8,400	8,155	2,729	2,863
Advertising and publicity	8,198	11,935	3,990	5,049
Communications and transport	6,879	6,321	2,072	2,328
Christmas lighting	6,311	6,135	3,617	3,091
Public utilities	5,765	7,127	2,801	2,426
Promotion and publications	5,427	6,413	1,980	3,027
Legal expenses	5,117	4,536	1,704	2,022
Studies and projects	4,836	8,818	2,712	4,153
Leasing	3,993	(7,245)	1,316	(2,728)
Printed matter, publications, subscriptions and affiliations	3,863	2,573	745	901
Apprenticeship contracts	3,417	3,713	1,124	1,308
Information processing	2,427	1,844	792	694
EAS technical reserve <sup>(6)</sup>	2,229	45	1,536	(978)
Materials and supplies	2,165	2,389	800	1,101
Photocopies	1,840	1,576	614	679
Fuels and lubricants	1,586	1,876	590	710
Management contracts	1,433	1,306	770	552
Industrial safety	1,359	211	397	80
Others <sup>(5)</sup>	5,721	5,664	982	1,794
<b>Total general expenses</b>	<b>813,737</b>	<b>625,577</b>	<b>361,634</b>	<b>252,096</b>
<b>Total</b>	<b>1,307,525</b>	<b>1,096,591</b>	<b>523,503</b>	<b>403,833</b>

Figures stated in millions of Colombian pesos

- (1) It corresponds to the updating of the provision in the EPM parent company for the default, from April 2021 to November 2022, of transporter Intercolombia for the months following the startup of the Ituango project connection infrastructure.
- (2) Increase for the updating of the provision corresponding to the Ituango environmental and social recovery plan for \$56,819.
- (3) Growth explained by the updating of provisions, mainly in EPM parent company in the provision for the Espíritu Santo contingent consideration which accounted for an expense of \$18,065.
- (4) This increase is explained at EPM by the increase in provisions, mainly the provision to assist those affected by the Ituango Project, which represented expenses for \$30,214.
- (5) It includes the following items: \$629 for provision on onerous contracts and \$8 for loss of construction contracts, which are disclosed under the item of provisions, defined-benefit and long-term post-employment plans in the cash flow statement. Also, a \$681 provision on insurance and reinsurance is disclosed under the item of provisions on tax obligations, insurance and reinsurance and financial updating of the cash flow statement.
- (6) It is disclosed under the item of provisions on defined-benefit and long-term post-employment plans in the cash flow statement.

Additionally, at September 30, 2020, the estimated impact of the coronavirus (COVID-19) pandemic on administrative expenses include a \$5,231 increase for biosafety measures and other outlays associated with handling the COVID-19 and which had effects on overhead and personal services.

## Note 19. Other expenses

The breakdown of other expenses is as follows:

Other expenses	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
Other ordinary expenses <sup>(1)</sup>	15,331	24,316	5,814	7,951
Contributions to non-corporate entities	11,967	11,159	3,631	3,466
Loss on asset disposal <sup>(2)</sup>	7,522	129,648	2,667	11,432
Effective interest	2,791	-	2,791	-
Arbitral awards and extrajudicial conciliations	2,512	977	1,493	310
Donations	634	137	41	23
Court rulings	524	251	260	46
<b>Total</b>	<b>41,281</b>	<b>166,488</b>	<b>16,697</b>	<b>23,228</b>

*Figures stated in millions of Colombian pesos*

- (1) It includes the EPM parent company's \$3,148 contribution to equip the Intensive Care Unit of the University Healthcare Provider of the University of Antioquia and the subsidiaries' contributions and



donations to hospitals and vulnerable population in the amount of \$2,855, as social measures to deal with the coronavirus (COVID-19).

It also includes the EPM parent company's expenses of \$2,223 to care for the community affected by the contingency of the Ituango Hydroelectric Project.

- (2) Decrease explained by the EPM parent company of the partial write-off of assets affected by the contingency of the Ituango project in the amount of \$106,465 recognized in June 2019.

## Note 20. Financial Income and Expenses

### 20.1 Financial income

The breakdown of financial income is as follows:

Financial income	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
<b>Interest revenue:</b>				
Bank deposits <sup>(3)</sup>	25,735	30,164	6,589	8,251
Interest income from financial assets at amortized cost <sup>(3)</sup>	269	29	250	9
Interests by debtors and arrears <sup>(1) (3)</sup>	44,896	132,594	(6,631)	41,778
Restricted use funds <sup>(3)</sup>	1,929	-	532	-
Resources received in administration <sup>(3)</sup>	192	-	180	-
Inflation indexation gains <sup>(3)</sup>	8	7	2	2
Gains from valuation of financial instruments at fair value <sup>(2)</sup>	44,497	75,788	12,058	33,892
Gains from valuation of financial instruments at amortized cost <sup>(2)</sup>	4	223	(100)	148
Non-hedging derivative financial instruments valuation profit <sup>(2)</sup>	236	-	(5,174)	-
Gains (loss) from trust rights <sup>(2)</sup>	29,146	30,795	17,735	11,645
Other financial income <sup>(3)</sup>	5,579	4,485	952	924
<b>Total financial income</b>	<b>152,491</b>	<b>274,085</b>	<b>26,393</b>	<b>96,649</b>

Figures stated in millions of Colombian pesos

- (1) Decrease due to the suspension of the collection of default interest from users due to the implementation of pandemic (COVID -19) relief measures for \$13,002.
- (2) Reduction in the valuation of financial instruments and trust rights explained by the market's behavior, which has produced significant devaluations that are thus reflected in the portfolio of temporary investments. They are included in the income statement item for valuation of financial instruments and hedge accounting in the cash flow statement.
- (3) It is disclosed under the interest and yields item of the cash flow statement.

As of September 30, 2020, the impacts of the coronavirus (COVID-19) pandemic that have been estimated in relation to financial revenues are lower customer refinancing revenues in the amount of (\$377).

## 20.2 Financial expenses

The breakdown of financial expenses is as follows:

Financial expenses	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
<b>Interest expenses:</b>				
Interests for lease liabilities <sup>(3)</sup>	43,887	50,024	14,456	16,834
Other interest expenses <sup>(3)</sup>	23,249	28,544	10,420	12,197
<b>Total interests</b>	<b>67,136</b>	<b>78,568</b>	<b>24,876</b>	<b>29,031</b>
Short-term internal public credit operations	-	882	-	187
Long-term internal public credit operations	-	176,413	-	58,176
Long-term external public credit operations <sup>(1) (3)</sup>	6,308	488,291	1,815	171,168
Short-term internal financing operations <sup>(1) (3)</sup>	41,856	43,459	16,729	18,551
Long-term internal financing operations <sup>(3)</sup>	193,718	55,386	56,513	18,759
Short-term external financing operations <sup>(3)</sup>	8,058	-	8,058	-
Long-term external financing operations <sup>(3)</sup>	462,920	46,318	173,965	15,210
Financial instruments for hedging purposes <sup>(3)</sup>	12,478	-	8,489	-
Securities that do not constitute public credit operations or financing operations	488	413	167	145
Fees other than the amounts included when determining the effective interest rate <sup>(3)</sup>	7,884	5,853	3,331	2,766
Other financial expenses <sup>(2)</sup>	110,183	105,371	54,663	53,353
<b>Total financial expenses</b>	<b>911,029</b>	<b>1,000,954</b>	<b>348,606</b>	<b>367,346</b>

Figures stated in millions of Colombian pesos

- (1) Reduction at the EPM parent company for partial and total pre-payment of the loans of Bancolombia and Banco Popular, renegotiation of interest rates and payment upon maturity of the terms of certain local bond issues.
- (2) At EPM, it includes the loss of value of financial investments and other investments for \$66,758 and financial updating of provisions for \$15,084, mainly for valuation of the provisions for the Ituango Project: \$3,911 provision for guarantee, \$1,875 provision for the environmental and social recovery plan, and \$1,047 provision to assist those affected, which are reflected in increased financial expenses.

For the effects of presentation, in the cash flow statement: \$92,152 (September 2019, \$105,371) are disclosed under the income statement item for valuation of financial instruments and hedge accounting and \$18,032 (September 2019, COP-) are disclosed under the item of provisions on tax obligations, insurance and reinsurance and financial updating.

At September 30, 2020, the impact of the coronavirus (COVID-19) pandemic on higher financial expenses has been estimated at a net amount of \$3,915, for refinancing of credits and loans, cost of financing trade receivables and other financial expenses.

- (3) It is disclosed under the heading of expenses for interests and commissions of the statement of cash flows.

## Note 21. Net foreign exchange difference

The effect of transactions in foreign currency was as follows:

Net Exchange Difference	September 30, 2020	September 30, 2019	For the three months ended September 30, 2020	For the three months ended September 30, 2019
<b>Exchange Difference Revenue</b>				
<u>Own position</u>				
For goods and services and other	15,061	11,635	(2,373)	(142,227)
For liquidity	235,250	73,641	158,299	71,773
Accounts receivable	170,620	134,801	82,738	52,566
Other adjustments for foreign exchange	1,454	37,228	(1,522)	9,909
<u>Financial operation</u>				
Gross income	86,016	270,729	5,479	177,412
Debt hedging	239,762	-	175,537	-
<b>Total Exchange Difference Revenue</b>	<b>748,163</b>	<b>528,034</b>	<b>418,158</b>	<b>169,433</b>
<b>Exchange Difference Expenses</b>				
<u>Own position</u>				
For goods and services and other	(20,486)	(11,362)	(7,422)	(10,009)
For liquidity	(6,663)	(29,199)	3,505	140,414
Accounts receivable	-	(9,479)	-	(1,884)
Other adjustments for foreign exchange	(32,096)	(61,289)	843	(29,415)
<u>Financial operation</u>				
Gross expenses	(1,436,555)	(724,804)	(439,811)	(693,130)
<b>Total exchange difference expenses</b>	<b>(1,495,800)</b>	<b>(836,133)</b>	<b>(442,885)</b>	<b>(594,024)</b>
<b>Net Exchange Difference</b>	<b>(747,637)</b>	<b>(308,099)</b>	<b>(24,727)</b>	<b>(424,591)</b>

Figures stated in millions of Colombian pesos

The rates used for the conversion of foreign currency in the consolidated financial statements are:

Currency	Code	Exchange to USD as of September 30		Exchange rate as of September 30		Average exchange rate as of September 30	
		2020	2019	2020	2019	2020	2019
United States Dollar	USD	-	-	3,878.94	3,462.01	3,750.22	3,399.46
Guatemalan quetzal	GTQ	7.79	7.74	498.19	447.55	483.45	441.15
Mexican peso	MXN	22.08	19.74	175.71	175.34	173.38	173.70
Chilean peso	CLP	787.82	728.20	4.92	4.75	4.85	4.74

The accumulated net expense of \$747,637 corresponds mainly at the EPM parent company to the restatement of the debt in US dollars, associated with the accumulated devaluation of the Colombian peso by 18.36% and a closing rate of \$3,878.94.

## Note 22. Income tax

As of September 30, 2020, the effective rate of income tax was 25.96% (as of September 30, 2019, 22.29%). The variation in the effective rate originated from a combined effect of items, such as:

- Greater value of the special deductions granted by the Colombian regulations in aspects such as, investments in real productive fixed assets.
- Application of tax benefits by the regime of Colombian Holding Companies - CHC.
- Decrease in the nominal income tax rate in Colombia that went from 33% in 2019 to 32% in 2020.
- A lower reimbursement in 2020 on the special deduction for real productive fixed assets and derecognition of assets of the Ituango contingency at the parent company.
- Reduction in pre-tax profit due to the effect of greater eliminations in the consolidation of permanent items under the equity method.

## Note 23. Information to be disclosed on related parties

EPM, the parent company of the EPM Group, is a decentralized industrial and commercial company of municipal order, whose sole owner is the Municipality of Medellín. Its capital is not divided into shares.

Related parties of the Group are subsidiaries, associates and joint ventures, including subsidiaries of associates and joint ventures, key management personnel, as well as entities over which key management personnel may exercise control or joint control and post-employment benefit plans for the benefit of employees.

Balances and transactions between EPM Group companies have been eliminated in the consolidation process and are not disclosed in this note. The total value of the transactions performed by the Group with its related parties during the corresponding period is shown below:

Transactions and balances with related parties	Income <sup>(1)</sup>	Costs/ Expenses <sup>(2)</sup>	Amounts receivable <sup>(3)</sup>	Amounts payable <sup>(4)</sup>	Guarantees received <sup>(5)</sup>
<b>Associates:</b>					
September 2020	63,160	28,226	3,071	8,944	-
December 2019	70,363	32,728	6,815	4,693	-
<b>Key management personnel from the company or its controller:</b>					
September 2020	2	13,982	1,264	3,713	1,532
December 2019	5	27,090	790	2,738	1,082
<b>Other related parties:</b>					
September 2020	77,957	81,823	25,974	180,673	-
December 2019	58,499	80,039	18,956	4,552	-

Figures stated in millions of Colombian pesos

(1) Income from transactions with associates corresponds to the sale of services related to information and communication technologies, information services and the complementary activities related to them. Income generated with other related parties corresponds mainly to the sale of electricity, the rendering of public utilities and financial services. Detail of the income obtained by the Group from its related parties is as follows:

	Income	September 2020	December 2019
Associates	Sale of goods and services	40,581	49,351
	Others	22,579	21,012
Key personnel of the company's management or its controller	Sale of goods and services	2	5
	Others	-	-
Other related parties	Sale of goods and services	62,110	50,976
	Interests	-	-
	Fees	6,845	3,764
	Others	9,002	3,759
<b>Total income from related parties</b>		<b>141,119</b>	<b>128,868</b>

Figures stated in millions of Colombian pesos

(2) Corresponds to costs and expenses arising from transactions involving the purchase of electricity, the acquisition of goods and services, including services related to communications and complementary activities, with associates and other related parties. The detail of costs and expenses incurred by the Group with its related parties is as follows:

	Costs and expenses	September 2020	December 2019
Associates	Purchase of goods and services	26,587	30,664
	Fees	1,638	2,047
	Others	1	17
Key personnel of the company's management or its controller	Purchase of goods and services	9,371	4,224
	Fees	1,134	54
	Others	3,477	22,812
Other related parties	Purchase of goods and services	39,425	51,175
	Interests	4	1
	Fees	8,674	8,268
	Others	33,719	20,595
<b>Total costs and expenses incurred with related parties</b>		<b>124,031</b>	<b>139,856</b>

Figures stated in millions of Colombian pesos

(3) The Group keeps receivables from its related parties arising from the sale of electricity, the rendering of public utilities, the sale of services associated with information and communications technologies and information services, among others. The EPM Group classifies its receivables using criteria that enable it to prioritize the management of their recovery through the agencies responsible for them or collection entities. The collection applies according to the billing cycle with respect to public home utilities.

- (4) Payment policy, generally, is 30 days from the date of the invoice.
- (5) Collaterals and endorsements received correspond to mortgage collateral on housing loans granted to key management personnel.

Transactions between the Group and its related parties are carried out under conditions equivalent to those that exist in transactions between independent parties, in terms of their purpose and conditions.

#### Transactions and balances with government-related entities

Surpluses paid during the period were \$1,314,335: \$811,810 ordinary and \$502,525 extraordinary (September 2019 \$1,053,446: \$703,446 ordinary and \$350,000 extraordinary).

#### Compensation to the Board of Directors and key Personnel of the Group:

Compensation to the members of the Board of Directors and key management personnel of the Group is as follows:

Description	September 2020	December 2019
Wages and other short-term employee benefits	26,077	27,274
Pensions and other post-employment benefits	729	564
Other long-term employee benefits	537	1,156
<b>Compensation to key management personnel</b>	<b>27,343</b>	<b>28,994</b>

*Figures stated in millions of Colombian pesos*

Amounts disclosed are those recognized as costs or expenses during the period report for compensation to key management personnel.

## Note 24. Capital management

Capital of the Group includes indebtedness through the Capital Market, Commercial Banks, Development Banks, Development Agencies and Multilateral Banks, at national and international levels.

The Group manages its capital in order to plan, manage and assess the attainment of financial resources in the national and international financial markets, for strategic investments, and investment projects, through several options that optimize costs, guarantee the stability of adequate financial indicators and adequate credit rating, and minimize financial risk. For this, the following capital management policies and processes have been defined:

**Financing Management:** financing management comprises the performance of all long-term credit operations, in order to guarantee the timely availability of the resources required for the normal operation of the Group and to materialize the investment and growth decisions, striving to optimizing financing costs.

The Group has not made any changes to its capital management objectives, policies and processes during the period ended the cut-off date, nor has it been subject to external capital requirements.

In order to face the changes in the economic conditions, the Group implements proactive management mechanisms for its financing, enabling as far as it is feasible, different financing alternatives, so that at the time performance of any long-term credit operation is required, there will be access to the source that each time has availability of competitive market conditions at the necessary time.

Below are presented the values that the Group manages as capital:

Capital management	September 30, 2020	September 30, 2019
<b>Bonds and loans</b>		
Commercial bank loans	7,687,050	6,085,422
Multilateral bank loans	3,206,849	3,819,651
Development bank loans	1,787,257	1,056,760
Bonds and securities issued	14,194,175	11,093,566
Other loans	257,500	10,067
<b>Total debt</b>	<b>27,132,831</b>	<b>22,065,466</b>
<b>Total capital</b>	<b>27,132,831</b>	<b>22,065,466</b>

*Figures stated in millions of Colombian pesos*

## Note 25. Measurement of fair value on a recurring and non-recurring basis

The methodology established in IFRS 13 -Fair value measurement specifies a hierarchy in the assessment techniques based on whether the variables used in the determination of the fair value are observable or not.

The Group determines the fair value on a recurring and non-recurring basis, as well as for disclosure purposes:

- Based on prices quoted in assets or liabilities markets identical to those the Group can access on the measurement date (level 1).
- Based on inputs applied on valuation methodologies commonly used by market participants, which are different from observable quoted prices for assets or liabilities, directly or indirectly (level 2).
- Based on internal valuation techniques of cash flow discounts or other valuation models, using variables estimated by the Group that are non-observable for the asset or liability, in absence of variables observed in the market (level 3).

### Assessment techniques and variables used in the Group for measurement of fair value for recognition and disclosure:

**Cash and cash equivalents:** include fixed income instruments and trust duties. The latter reflects the balance of the Collective Investment Funds (CIF) held by the EPM Group. These funds are used as a savings and investment mechanism and are managed by trust companies. Through these funds, resources are invested in a portfolio of assets which are restated to fair value. The EPM Group uses the market approach as a valuation technique for this item. These items are classified in level 1 of the fair value hierarchy.

**Fair value investments through profit or loss and through equity:** corresponds to investments made to optimise surplus liquidity, i.e. all those resources that are not immediately allocated to the development of the activities that constitute the corporate purpose of the companies. Additionally, includes the resources given to a financial institution as collateral for the sale of the Los Cururos Wind Farm and EPM Transmisión Chile. The EPM Group uses the market approach as a valuation technique, these items are classified in level 1 of the fair value hierarchy.

**Equity investments:** corresponds to the resources placed in participative securities of national or foreign entities, represented in shares or parts of societal interest. The methodologies used are: the market price for those listed on the stock exchange (level 1) and the discount of cash flows for the remaining ones (level 3).

**Trust rights:** corresponds to the rights arising from the conclusion of commercial trust contracts. The EPM Group uses the market approach as a valuation technique, these items are classified in level 1.

**Derivative instruments:** The Group uses derivative financial instruments such as forward contracts, futures contracts, swaps and options to hedge various financial risks, primarily interest rate, foreign exchange and commodity price risks. Such derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. The Group uses as a valuation technique for swaps the discounted cash flow, in an income approach. The variables used are: Interest rate swap curve for dollar-denominated rates, to discount dollar flows; and external interest rate swap curve for Colombian peso-denominated rates, to discount flows in Colombian pesos. These items are classified in level 2 of the fair value hierarchy. Additionally, for the climate derivative put option, the Monte Carlo method is used as a valuation technique, which simulates the non-financial variable (rainfall measured at two weather stations located in the watersheds of two of the most important rivers in EPM's area of influence: Rio Abajo and Riogrande I) in a number of situations or possible scenarios for a given event, including the limits and present value of the flows defined in the contract. This item is classified at Level 3 of the fair value hierarchy because it uses variables that are not derived from observable market data.

**Receivables:** comprised by the receivable from the business combination for the acquisition of the subsidiary Empresas Públicas de Rionegro. For its valuation, the discount of payment flows is considered, applying the weekly collection rates for 360-day CDT published by Banco de la República; and the receivable associated with the contract for the steady supply of liquid fuel (ACPM) for the Termoeléctrica La Sierra and Termodorada plants, which is updated according to the value of the fuel unit stated in the contract. Both items are classified in level 3 of the fair value hierarchy.

**Investment property:** are properties (land or buildings, considered in their entirety or in part, or both) held (by the Group in its own name or under a finance lease) to earn income, capital gains or both, rather than:

- Their use in the production or supply of goods or services, or for administrative purposes; or
- Their sale in the ordinary course of business.

The Group uses two valuation techniques for these items. Within the market approach, the comparative or market method is used, which consists of deducting the price by comparison of transactions, supply and demand and valuation results of similar or comparable properties, after adjustments of time, conformation and location. Within the cost approach, the residual method is used, which is applied only to buildings and is based on the determination of the updated cost of construction, less depreciation for age and condition. Both items are classified in level 3 of the fair value hierarchy.

**Contingent considerations:** originated by the business combinations in the acquisitions of the subsidiaries Espiritu Santo Energy S. de R.L. and Empresas Varias de Medellín S.A E.S.P. - EMVARIAS, the discount of payment flows is considered by applying the following discount rates: Libor rate and TES rate, respectively. These items are classified in level 3 of the fair value hierarchy.

**Other accounts payable:** this is the premium payable on the climate derivative whose valuation technique is the average of expected future flows, discounted at a risk-free rate plus a spread that takes into account the possibility of non-payment (own credit risk). This item is classified at Level 3 of the fair value hierarchy because it uses variables that are not derived from observable market data, such as own credit risk.

The following table shows for each of the fair value hierarchy levels, the Group's assets and liabilities measured at fair value on a recurring basis at the cut-off date:



Fair value on a recurring basis - September 30, 2020	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	946,582	-	-	946,582
<b>Total negotiable or designated at fair value (See Note 12)</b>	<b>946,582</b>	<b>-</b>	<b>-</b>	<b>946,582</b>
Fixed income securities	1,705,577	-	-	1,705,577
Equity securities investments at fair value	70,450	-	-	70,450
Investments pledged as collateral	59,117	-	-	59,117
<b>Total other investments at fair value (See Note 11)</b>	<b>1,835,144</b>	<b>-</b>	<b>-</b>	<b>1,835,144</b>
Variable income securities other equity investments	2,031,301	-	8,004	2,039,305
<b>Total other equity investments (See Note 11)</b>	<b>2,031,301</b>	<b>-</b>	<b>8,004</b>	<b>2,039,305</b>
Investment in securities	460,684	-	-	460,684
<b>Total investment in securities (See Note 11)</b>	<b>460,684</b>	<b>-</b>	<b>-</b>	<b>460,684</b>
Options	-	-	152,151	152,151
Derivative swaps	-	564,359	-	564,359
<b>Total derivatives (See Note 11)</b>	<b>-</b>	<b>564,359</b>	<b>152,151</b>	<b>716,510</b>
Other receivables	-	-	23,982	23,982
<b>Total debtors</b>	<b>-</b>	<b>-</b>	<b>23,982</b>	<b>23,982</b>
Investment properties urban and rural land	-	-	127,071	127,071
Investment properties buildings and houses	-	-	16,561	16,561
<b>Total investment properties</b>	<b>-</b>	<b>-</b>	<b>143,632</b>	<b>143,632</b>
<b>Liabilities</b>				
Provisioning - business combination	-	-	168,840	168,840
<b>Total contingent consideration (See Note 14)</b>	<b>-</b>	<b>-</b>	<b>168,840</b>	<b>168,840</b>
Other accounts payable	-	-	138,042	138,042
<b>Total other accounts payable</b>	<b>-</b>	<b>-</b>	<b>138,042</b>	<b>138,042</b>
Derivative liability swaps	-	2,266	-	2,266
<b>Total derivative liabilities</b>	<b>-</b>	<b>2,266</b>	<b>-</b>	<b>2,266</b>
<b>Total fair value on a recurring basis</b>	<b>5,273,711</b>	<b>562,093</b>	<b>20,888</b>	<b>5,856,691</b>

Figures stated in millions of Colombian pesos

Fair value on a recurring basis - December 31, 2019	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	629,791	-	-	629,791
<b>Total negotiable or designated at fair value (See Note 12)</b>	<b>629,791</b>	<b>-</b>	<b>-</b>	<b>629,791</b>
Fixed income securities	814,271	-	-	814,271
Equity securities investments at fair value	59,005	-	-	59,005
Investments pledged as collateral	53,800	-	-	53,800
<b>Total other investments at fair value (See Note 11)</b>	<b>927,077</b>	<b>-</b>	<b>-</b>	<b>927,077</b>
Variable income securities other equity investments	1,955,134	-	7,947	1,963,081
<b>Total other equity investments (See Note 11)</b>	<b>1,955,134</b>	<b>-</b>	<b>7,947</b>	<b>1,963,081</b>
Trust in management	431,973	-	-	431,973
<b>Total trust rights (See Note 11)</b>	<b>431,973</b>	<b>-</b>	<b>-</b>	<b>431,973</b>
Future contracts	-	-	-	-
Derivative Swaps	-	46,148	-	46,148
<b>Total derivatives (See Note 11)</b>	<b>-</b>	<b>46,148</b>	<b>-</b>	<b>46,148</b>
Other receivables	-	-	51,638	51,638
<b>Total debtors</b>	<b>-</b>	<b>-</b>	<b>51,638</b>	<b>51,638</b>
Investment properties urban and rural land	-	-	123,377	123,377
Investment properties buildings and houses	-	-	16,977	16,977
<b>Total investment properties</b>	<b>-</b>	<b>-</b>	<b>140,354</b>	<b>140,354</b>
<b>Liabilities</b>				
Provisioning - business combination	-	-	134,841	134,841
<b>Total contingent consideration (See Note 14)</b>	<b>-</b>	<b>-</b>	<b>134,841</b>	<b>134,841</b>
<b>Total fair value on a recurring basis</b>	<b>3,943,975</b>	<b>46,148</b>	<b>65,098</b>	<b>4,055,222</b>

*Figures stated in millions of Colombian pesos*

During 2020 and 2019 no transfers have been made in the Group between the fair value hierarchy levels, either for transfers in or out of the levels.

The following tables present a reconciliation of the Group's assets and liabilities measured at fair value on a recurring basis using unobservable inputs (classified in level 3 of the fair value hierarchy) as of September 30, 2020 and December 31, 2019:

Changes in Level 3 of the Fair Value Hierarchy September 30, 2020	Initial balance	Changes through profit or loss	Changes through other comprehensive income	Purchases	Sales and transfers To level 3	Final balance
<b>Assets</b>						
Variable income securities other equity investments	7,947	-	57	-	-	8,004
<b>Total other equity investments (See Note 11)</b>	<b>7,947</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>8,004</b>
<b>Options</b>						
Options	-	9,919	-	142,232	-	152,151
<b>Total derivatives</b>	<b>-</b>	<b>9,919</b>	<b>-</b>	<b>142,232</b>	<b>-</b>	<b>152,151</b>
<b>Other receivables</b>						
Other receivables	51,638	(27,656)	-	-	-	23,982
<b>Total debtors</b>	<b>51,638</b>	<b>(27,656)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,982</b>
<b>Investment properties</b>						
Investment properties urban and rural land	107,398	-	19,948	-	(275)	127,071
Investment properties buildings and houses	32,956	-	(16,395)	-	-	16,561
<b>Total investment properties</b>	<b>140,354</b>	<b>-</b>	<b>3,553</b>	<b>-</b>	<b>(275)</b>	<b>143,632</b>
<b>Liabilities</b>						
Provisioning - business combination	134,841	33,999	-	-	-	168,840
<b>Total contingent consideration (See Note 14)</b>	<b>134,841</b>	<b>33,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,840</b>
<b>Other accounts payable</b>						
Other accounts payable	-	(4,190)	-	142,232	-	138,042
<b>Total other accounts payable</b>	<b>-</b>	<b>(4,190)</b>	<b>-</b>	<b>142,232</b>	<b>-</b>	<b>138,042</b>

Figures stated in millions of Colombian pesos

Changes in Level 3 of the Fair Value Hierarchy December 31, 2019	Initial balance	Changes through profit or loss	Changes through other comprehensive income	Sales and transfers To level 3	Final balance
<b>Assets</b>					
Variable income securities other equity investments	54,515	-	(11,090)	(35,478)	7,947
<b>Total other equity investments (See Note 11)</b>	<b>54,515</b>	<b>-</b>	<b>(11,090)</b>	<b>(35,478)</b>	<b>7,947</b>
<b>Other receivables</b>					
Other receivables	48,180	3,458	-	-	51,638
<b>Total debtors</b>	<b>48,180</b>	<b>3,458</b>	<b>-</b>	<b>-</b>	<b>51,638</b>
<b>Investment properties</b>					
Investment properties urban and rural land	70,301	39,667	88	(2,658)	107,398
Investment properties buildings and houses	21,080	11,849	27	-	32,956
<b>Total investment properties</b>	<b>91,381</b>	<b>51,516</b>	<b>115</b>	<b>(2,658)</b>	<b>140,354</b>
<b>Liabilities</b>					
Provisioning - business combination	169,392	(34,551)	-	-	134,841
<b>Total contingent consideration (See Note 14)</b>	<b>169,392</b>	<b>(34,551)</b>	<b>-</b>	<b>-</b>	<b>134,841</b>

Figures stated in millions of Colombian pesos

The recorded value and estimated fair value of the Group's assets and liabilities that are not recognized at fair value in the consolidated statement of financial position, but require disclosure at fair value, as of September 30, 2020 and December 31, 2019 are as follows:

September 30, 2020	Recorded value	Level 2	Total
<b>Assets</b>			
Account receivable (public utilities debtors)	4,130,260	3,748,447	3,748,447
Employees loans	161,499	162,761	162,761
Construction contracts	629	494	494
Other accounts receivable	1,782,471	1,637,975	1,637,975
<b>Total Assets</b>	<b>6,074,859</b>	<b>5,549,677</b>	<b>5,549,677</b>
<b>Liabilities</b>			
Development bank loans	1,787,257	1,787,364	1,787,364
Multilateral bank loans	3,206,849	3,206,849	3,206,849
Commercial bank Loans	7,687,051	7,723,116	7,723,116
Bonds and securities issued	14,194,175	14,279,441	14,279,441
Other liabilities	257,500	171,976	171,976
<b>Total Liabilities</b>	<b>27,132,832</b>	<b>27,168,746</b>	<b>27,168,746</b>
<b>Total</b>	<b>(21,057,973)</b>	<b>(21,619,069)</b>	<b>(21,619,069)</b>

Figures stated in millions of Colombian pesos

December 2019	Recorded value	Level 2	Total
<b>Assets</b>			
Account receivable (public utilities debtors)	3,254,831	3,294,299	3,294,299
Employees loans	165,042	167,529	167,529
Construction contracts	2,001	2,001	2,001
Other accounts receivable	1,660,250	1,652,240	1,652,240
<b>Total Assets</b>	<b>5,082,124</b>	<b>5,116,069</b>	<b>5,116,069</b>
<b>Liabilities</b>			
Development bank loans	1,035,266	1,035,266	1,035,266
Other bonds and securities issued	9,648,198	9,648,198	9,648,198
Multilateral bank loans	3,594,944	3,594,944	3,594,944
Commercial bank Loans	5,317,391	5,317,391	5,317,391
Bonds and securities issued	1,060,207	1,060,207	1,060,207
<b>Total Liabilities</b>	<b>20,656,005</b>	<b>20,656,005</b>	<b>20,656,005</b>
<b>Total</b>	<b>(15,573,881)</b>	<b>(15,539,936)</b>	<b>(15,539,936)</b>

Figures stated in millions of Colombian pesos

As of September 30, 2020 and December 31, 2019, there were no items in levels 1 and 3.

## Note 26. Operating segments

### 26.1 Information by segments

For management purposes, the Group is organized into segments based on its products and services, and has the following eight operating segments on which information is presented:

- Electricity Generation Segment, which activity consists in the generation of electric power and commercialization of large electric power blocks, from the acquisition or development of a portfolio of power proposals for the market.
- Electricity Distribution Segment, which activity consists in transporting electric power through a set of lines and substations, with their associated equipment, which operate at voltages below 220 kv, the commercialization of energy to the end user of the regulated market and the development of related and complementary activities. It includes the Regional Transmission System (STR), the Local Distribution System (SDL), the public lighting utility and the provision of associated services.
- Electricity Transmission Segment, which activity consists in the transportation of energy in the National Transmission System (STN), consisting of the set of lines, with their corresponding connection equipment, operating at voltages equal to or greater than 220 KV. The National Transmitter (TN) is the legal entity that operates and transports electricity in the STN or has established a company whose purpose is the undertaking of such activity.
- Segment of Natural Gas Distribution and Commercialization, which activity consists of the gas conduction from the city gate to the final user, through medium-pressure and low-pressure pipes. It includes the sale of natural gas by different systems, among them distribution by network, vehicular natural gas, compressed natural gas and service stations.
- Water Segment, which activity consists of conceptualizing, structuring, developing and operating systems to provide water. It includes performing commercial management of the portfolio of services related to water supply for different uses, in addition to the use of the productive chain, specifically in the production of energy, and the supply of raw water.
- Sewage Segment, includes the activities of conceptualizing, structuring, developing and operating wastewater and solid waste management systems, in addition to the use of the productive chain, specifically in the production of energy and natural gas.
- Waste Management Segment, includes performing commercial management related to these services and the use of biosolids and other byproducts of wastewater treatment and solid waste management.
- Others Segment, which corresponds to the other activities not included in the segments mentioned above. Comprises: Entidad Adaptada de Salud (EAS) and Medical and Dental Services Unit, billing and collection services for third parties, income received from investment properties (leases), social financing, EATIC Laboratory tests, provision of the specialized transport service and services associated with information and communication technologies, information services and related activities.

The Group has not added operating segments to conform these eight reportable segments; however, it performs the activity of energy sale, which consists in the purchase of electricity in the wholesale market and its sale to other market agents or to regulated or non-regulated end users. Therefore, the Group includes its financial information in the corresponding segments of this activity.

Management supervises the results of operating segments separately in order to decide on the allocation of resources and assess their performance. Each segment performance is assessed on the basis of the profit or loss from operations before taxes and discontinued operations and is measured uniformly through profit or loss from operations of the Consolidated Financial Statements.

Transfer prices between operating segments are agreed as between independent parties in a manner similar to that agreed with third parties.

September 30, 2020	Electricity generation	Electricity transmission	Electricity distribution	Natural gas distribution and commercialization	Water	Sewage	Waste management	Other segments	Total segments	Inter-segments eliminations	Consolidated
Income outer customers	2,577,421	183,140	8,807,443	658,603	958,998	586,569	185,707	104,745	14,062,626	-	14,062,626
Inter-segment income	1,139,516	79,006	355,808	191,487	20,296	9,567	549	62,617	1,858,846	(1,858,846)	-
<b>Total income</b>	<b>3,716,937</b>	<b>262,146</b>	<b>9,163,251</b>	<b>850,090</b>	<b>979,294</b>	<b>596,136</b>	<b>186,256</b>	<b>167,362</b>	<b>15,921,472</b>	<b>(1,858,846)</b>	<b>14,062,626</b>
Costs and expenses without depreciation, amortization, provisions and impairment of PP&E and intangibles	(2,249,203)	(53,983)	(7,152,487)	(764,143)	(487,716)	(265,139)	(129,951)	(169,317)	(11,271,939)	1,811,900	(9,460,039)
Depreciation, amortization, provisions and impairment of PP&E and intangibles	(401,616)	(39,817)	(481,183)	(16,240)	(155,687)	(84,610)	(29,436)	(15,371)	(1,223,960)	24,410	(1,199,550)
Impairment loss on accounts receivable	(6,275)	1,055	(125,433)	(3,468)	(12,777)	(2,276)	(1,404)	(7,020)	(157,598)	(27)	(157,625)
Other expenses	(10,961)	(633)	(19,162)	(548)	(8,161)	(2,401)	(44)	(76)	(41,986)	705	(41,281)
Interest income and gains	19,792	609	78,719	11,029	17,313	53,109	2,968	21,951	205,490	(103,584)	101,906
Finance income (other than interest income and gains)	11,711	285	9,360	4,104	2,190	4,093	3,901	14,917	50,561	24	50,585
<b>Total financial income</b>	<b>31,503</b>	<b>894</b>	<b>88,079</b>	<b>15,133</b>	<b>19,503</b>	<b>57,202</b>	<b>6,869</b>	<b>36,868</b>	<b>256,051</b>	<b>(103,560)</b>	<b>152,491</b>
Interest expenses	(166,435)	(28,602)	(259,631)	(30,695)	(81,887)	(100,693)	(3,250)	(232,170)	(903,363)	110,401	(792,962)
Finance expenses (other than interest)	(59,755)	(409)	(17,416)	(2,406)	(23,460)	(5,154)	(7,501)	(2,990)	(119,091)	1,024	(118,067)
<b>Total financial expenses</b>	<b>(226,190)</b>	<b>(29,011)</b>	<b>(277,047)</b>	<b>(33,101)</b>	<b>(105,347)</b>	<b>(105,847)</b>	<b>(10,751)</b>	<b>(235,160)</b>	<b>(1,022,454)</b>	<b>111,425</b>	<b>(911,029)</b>
Net foreign exchange difference	(593,990)	(44,040)	(134,542)	(18,161)	(53,763)	(31,388)	(1)	128,239	(747,646)	9	(747,637)
Share of loss of equity accounted investees	-	-	-	-	-	-	-	(74,793)	(74,793)	(6,290)	(81,083)
Gain on equity investments	-	-	2,657	-	-	4	-	70,195	72,856	(15)	72,841
<b>Profit of the period before taxes</b>	<b>260,205</b>	<b>96,611</b>	<b>1,064,133</b>	<b>29,562</b>	<b>175,346</b>	<b>161,681</b>	<b>21,538</b>	<b>(99,073)</b>	<b>1,710,003</b>	<b>(20,289)</b>	<b>1,689,714</b>
Income Tax	(57,049)	(22,427)	(319,765)	(9,630)	(390)	(26,455)	(2,176)	(5,345)	(443,237)	4,550	(438,687)
Net movement of regulatory accounts related to profit or loss for the period	-	-	8,984	-	-	-	-	-	8,984	-	8,984
<b>Profit for the period</b>	<b>203,156</b>	<b>74,184</b>	<b>753,352</b>	<b>19,932</b>	<b>174,956</b>	<b>135,226</b>	<b>19,362</b>	<b>(104,418)</b>	<b>1,275,750</b>	<b>(15,739)</b>	<b>1,260,011</b>
Total assets without investments in associates and joint ventures and deferred regulatory liabilities	22,882,859	2,220,121	17,437,794	1,413,484	7,724,888	5,535,168	375,048	12,917,674	70,507,036	(9,390,134)	61,116,902
Investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	1,660,675	1,660,675	-	1,660,675
Deferred assets related to regulatory account balances	-	-	5,281	-	-	-	-	-	5,281	-	5,281
<b>Total assets and liabilities balances of deferred regulatory accounts</b>	<b>22,882,859</b>	<b>2,220,121</b>	<b>17,443,075</b>	<b>1,413,484</b>	<b>7,724,888</b>	<b>5,535,168</b>	<b>375,048</b>	<b>14,578,349</b>	<b>72,172,992</b>	<b>(9,390,134)</b>	<b>62,782,858</b>
Total liabilities	14,041,884	1,267,529	10,998,251	941,108	4,090,257	2,430,627	312,504	5,663,873	39,746,033	(1,835,074)	37,910,959
Deferred liabilities related to regulatory account balances	-	-	17,602	-	-	-	-	-	17,602	-	17,602
<b>Total liabilities and credit balances of deferred regulatory accounts</b>	<b>14,041,884</b>	<b>1,267,529</b>	<b>11,015,853</b>	<b>941,108</b>	<b>4,090,257</b>	<b>2,430,627</b>	<b>312,504</b>	<b>5,663,873</b>	<b>39,763,635</b>	<b>(1,835,074)</b>	<b>37,928,561</b>
Additions of non-current assets	1,031,557	62,348	626,621	6,293	373,700	117,482	13,905	40,042	2,271,948	-	2,271,948

Figures stated in millions of Colombian pesos

September 2019	Power Generation	Power Transmission	Power Distribution	Natural Gas	Water Supply	Wastewater Management	Solid Waste Management	Others	Total segments	Inter-Segments Eliminations	Consolidated
Revenue Outer Customers	2,055,315	158,895	8,720,314	632,866	883,840	569,500	180,854	90,290	13,291,874	-	13,291,874
Inter-Segment Revenue	874,488	55,756	346,917	8,341	26,977	42,926	613	48,234	1,404,252	(1,404,252)	-
<b>Total Revenue, Net</b>	<b>2,929,803</b>	<b>214,651</b>	<b>9,067,231</b>	<b>641,207</b>	<b>910,817</b>	<b>612,426</b>	<b>181,467</b>	<b>138,524</b>	<b>14,696,126</b>	<b>(1,404,252)</b>	<b>13,291,874</b>
Costs and Expenses without Depreciation, Amortization, Provisions and Impairment of Property, Plant & Equipment and Intangibles	(1,386,542)	(53,754)	(6,979,485)	(564,607)	(444,966)	(287,162)	(125,086)	(169,380)	(10,010,982)	1,332,941	(8,678,041)
Depreciation, Amortization, Provisions and Impairment of Property, Plant & Equipment and Intangibles	(228,555)	(33,907)	(435,407)	(15,379)	(135,268)	(74,046)	(26,387)	(20,635)	(969,584)	11,931	(957,653)
Accounts Receivable Impairment	6,646	1,393	(27,550)	426	(9,809)	(5,654)	(747)	(6,159)	(41,454)	383	(41,071)
Other Expenses	(136,327)	(478)	(17,532)	(1,010)	(4,860)	(4,569)	(2,132)	(412)	(167,320)	832	(166,488)
Profit for Interests and Gains	46,426	1,034	116,405	31,567	32,393	71,412	4,988	61,538	365,763	(172,204)	193,559
Financial Income (Different from Interests and Gains)	28,711	1,886	21,919	8,441	5,245	7,898	2,164	6,962	83,226	(2,700)	80,526
<b>Total Financial Income</b>	<b>75,137</b>	<b>2,920</b>	<b>138,324</b>	<b>40,008</b>	<b>37,638</b>	<b>79,310</b>	<b>7,152</b>	<b>68,500</b>	<b>448,989</b>	<b>(174,904)</b>	<b>274,085</b>
Expenses for Interests	(273,341)	(40,044)	(261,946)	(39,038)	(66,558)	(120,294)	(4,471)	(242,922)	(1,048,614)	158,887	(889,727)
Financial Expenses (Different from interests)	(35,686)	(2,067)	(23,871)	(2,837)	(27,165)	(5,098)	(6,656)	(6,142)	(109,522)	(1,705)	(111,227)
<b>Total Financial Expenses</b>	<b>(309,027)</b>	<b>(42,111)</b>	<b>(285,817)</b>	<b>(41,875)</b>	<b>(93,723)</b>	<b>(125,392)</b>	<b>(11,127)</b>	<b>(249,064)</b>	<b>(1,158,136)</b>	<b>157,182</b>	<b>(1,000,954)</b>
Net Exchange Difference	(256,928)	(10,380)	(51,562)	(5,866)	(3,899)	(10,268)	-	30,804	(308,099)	-	(308,099)
Equity Method for Participation in Profits of Associates and Joint Ventures	-	-	-	-	-	-	-	(25,815)	(25,815)	(2,584)	(28,399)
Effect due to Participation in Equity Investment	-	-	1,830	-	-	-	-	9,127	10,957	(1,337)	9,620
<b>Earnings for the Period Before Taxes</b>	<b>694,207</b>	<b>78,334</b>	<b>1,410,032</b>	<b>52,904</b>	<b>255,930</b>	<b>184,645</b>	<b>23,140</b>	<b>(224,510)</b>	<b>2,474,682</b>	<b>(79,808)</b>	<b>2,394,874</b>
Income Tax	(164,350)	(15,235)	(434,025)	(15,100)	(44,955)	8,953	1,433	65,647	(597,632)	63,700	(533,932)
Discontinued operations, net of income tax	(4,833)	1,011	-	-	-	-	-	-	(3,822)	17,625	13,803
Net Movement of Regulatory Accounts related to Profit for the period	-	-	(60,131)	-	-	-	-	-	(60,131)	-	(60,131)
<b>Net Profit for the Period</b>	<b>525,024</b>	<b>64,110</b>	<b>915,876</b>	<b>37,804</b>	<b>210,975</b>	<b>193,598</b>	<b>24,573</b>	<b>(158,863)</b>	<b>1,813,097</b>	<b>1,517</b>	<b>1,814,614</b>
Total Assets without Investments in Associates and Joint Ventures and Debit Balances of Deferred Regulatory Accounts	21,594,268	2,090,240	15,818,381	1,282,448	6,431,227	5,433,150	423,331	11,837,555	64,910,600	(10,966,400)	53,944,200
Investments in Associates and Joint Ventures accounted for using the Equity Method	-	-	-	-	-	-	-	1,715,068	1,715,068	-	1,715,068
Debit Balances of Deferred Regulatory Accounts	-	-	28,024	-	-	-	-	-	28,024	-	28,024
<b>Total Assets and Debit Balances from Deferred Regulatory Accounts</b>	<b>21,594,268</b>	<b>2,090,240</b>	<b>15,846,405</b>	<b>1,282,448</b>	<b>6,431,227</b>	<b>5,433,150</b>	<b>423,331</b>	<b>13,552,623</b>	<b>66,653,692</b>	<b>(10,966,400)</b>	<b>55,687,292</b>
Total Liability	13,141,769	1,260,707	9,864,994	834,211	3,063,607	2,402,979	356,032	5,085,423	36,009,722	(3,466,313)	32,543,409
Deferred Liabilities related to Balances of Regulatory Accounts	-	-	8,407	-	-	-	-	-	8,407	-	8,407
<b>Total Liabilities and Credit Balances of Deferred Regulatory Accounts</b>	<b>13,141,769</b>	<b>1,260,707</b>	<b>9,873,401</b>	<b>834,211</b>	<b>3,063,607</b>	<b>2,402,979</b>	<b>356,032</b>	<b>5,085,423</b>	<b>36,018,129</b>	<b>(3,466,313)</b>	<b>32,551,816</b>
Additions of Non-current Assets	1,041,855	123,160	657,807	12,083	417,082	210,394	8,423	33,557	2,504,361	-	2,504,361

Figures stated in millions of Colombian pesos

## 26.2 Information by geographic area

### Revenue from outer customers

Country	September 30, 2020	September 30, 2019
Colombia (country of residence of EPM)	9,194,682	8,361,654
Guatemala	1,960,481	1,776,621
Panama	1,620,254	1,849,912
El Salvador	695,880	786,656
Chile	457,383	397,967
Mexico	112,443	111,305
Ecuador	44	371
Bermuda	23,430	9,941
International inter-segment eliminations	(1,971)	(2,553)
<b>Total countries other than Colombia</b>	<b>4,867,944</b>	<b>4,930,220</b>
<b>Total consolidated income</b>	<b>14,062,626</b>	<b>13,291,874</b>

*Figures stated in millions of Colombian pesos*

Revenue information is based on customer location.

There is no customer in the Group who generates more than 10% of its revenue.

### Non-current assets

Country	September 30, 2020	December 31, 2019
Colombia (country of residence of EPM)	33,908,660	32,823,008
Chile	3,596,110	3,074,627
Panama	2,795,460	2,365,809
Guatemala	2,796,502	2,367,158
El Salvador	402,104	348,644
Mexico	10,812	12,627
<b>Total countries other than Colombia</b>	<b>9,600,988</b>	<b>8,168,865</b>
<b>Total non-current assets</b>	<b>43,509,648</b>	<b>40,991,873</b>

*Figures stated in millions of Colombian pesos*

For these purposes, non-current assets include property, plant and equipment, intangible assets and investment property including assets from the acquisition of subsidiaries and goodwill.



## Note 27. Events after the reporting period

### Acquisition of Caribe Mar de la Costa S.A.S. E.S.P., (Afinia):

On October 1, 2020, through the EPM Holding Company and EPM Latam S.A., with equity interests of 85% and 15%, respectively, the Group acquired control over the new subsidiary Caribe Mar de la Costa S.A.S. E.S.P. (Afinia), as the new electricity service provider in the Caribbean region, covering the departments of Bolívar, Córdoba, Sucre, Cesar and part of Magdalena. With the arrival of Afinia, the EPM Group will cover approximately 35% of Colombia's electricity distribution and commercialization market. In this new business, estimated investments of around COP 4 billion are expected over the next five years of operation. The investments will be made in electricity infrastructure (substations and lines, distribution networks, network assurance), and additional investments in information technology and operations technology. The main focus areas of the investment plan are aimed at covering the growth in demand and improving the quality and reliability of the service, renovating the electricity transmission and distribution system and reducing its vulnerability.

After the date of presentation of the condensed consolidated interim financial statements and before the date of authorization of their publication, no other relevant events were presented that would imply adjustments to the figures.