

Relevant information

Medellin, June 14, 2019

With respect to the information disclosed by some media outlets on the EPM Balance Sheet for Tax Purposes, EPM would like to clarify:

The Balance Sheet for Tax Purposes calculated by the MTTF - , although real, only reflects the actual cash transactions in a given period and does not consider the items covering the corresponding deficit. This is done in accordance with the methodology of the Non-Financial Public Sector (NFPS), as required by the National Government for the estimation of the Fiscal Deficit, and as a tool for monitoring and compliance with the Fiscal Rule. In other words, it is a methodology that seeks to measure and reflect, mainly, the state of the Colombian public sector entities' Public Finances, and constitutes a fundamental tool for the analysis of the fiscal sustainability of the National Government.

In summary, the deficit estimation methodology is one specific to Public Finances, and they are not compatible with all the items that Corporate Finances do consider to define the cash needs and its coverage. These are the aspects followed by the financial markets, which are precisely the entities that finance the deficit and really monitor the company's real cash generation capacity, its investment decisions and its financing.

For EPM, as indicated by the MTTF, the deficit is explained by:

- Operating Revenue of own income equivalent to \$8.981 billion, made up of: Operating Revenue, financial returns, dividends and other revenue.
- Total payments, equivalent to \$9.958 billion, are composed of: Operation (includes surplus paid to the Municipality of Medellín), commercial operation, taxes, interest payments and commissions, and infrastructure investments the latter representing 28% of total payments.

This generates a 2018 deficit of \$977 billion, but does not consider the sources of financing obtained from leveraging investments and covering the deficit. This procedure would apply by 2019, according to estimates by the Ministry of Finance and Public Credit.

estamos ahí.