



Medellín, July 28, 2020

## **EPM Group earned revenues of COP 9.3 billion in the first half of this year.**

- **In the first half of 2020, the Municipality of Medellín received more than COP 1 billion in EPM transfers, which are fundamental for social investment and the well-being of thousands of people in the city.**
- **EPM Group's revenues recorded a growth of 6%. Net income for the first six months of the year was COP 717 thousand million.**
- **The business group's investments amounted to COP 1.2 billion, focused on providing services with continuity, quality and coverage, which contributed to the revitalization of the economy and the creation of jobs.**

In the first half of 2020, impacted globally by the coronavirus (COVID-19) pandemic, which has implied significant financial challenges for the Organization, EPM Group's revenues amounted to COP 9.3 billion, a 6% growth over the previous year. From these revenues, the EPM Parent Company has a share of 50%, with a growth of 12%.

For the January-June period, the business group's operating income totaled COP 2.1 billion, with a decrease of 7% and a margin of 23%; EBITDA was COP 2.8 billion, with a decrease of 4%, of which the EPM Parent Company has a share of 60% and the Group's net income was COP 717 thousand million, while the EPM Parent Company's was COP 636 thousand million.

Of the COP 1.488 thousand million in transfers to the Municipality of Medellín for 2020, EPM has made payments of COP 1.044 thousand million, which contribute to social investment in the city's inhabitants, providing well-being to thousands of people.

Although the exercise of the first half of the year was positive, the results were impacted by lower cash income and higher costs in the provision of services, due to the effects caused by the extended dry season and the low hydrology in Colombia. It was also influenced by the lower demand associated with economic activity, as a result of the coronavirus (COVID-19)



pandemic and the cost overruns due to the special measures implemented by EPM during the country's mandatory preventive isolation, with a combined effect on the Company of approximately COP 320 thousand million.

There is also a net expense, without affecting cash, due to the exchange difference of COP 723 thousand million, resulting from a restatement of the debt in US dollars associated with the 14.70% accumulated devaluation of the Colombian peso. The quarter saw a COP 612 thousand million reversal in spending due to the exchange difference compared to March, given the revaluation of the Colombian peso during the second quarter of 2020.

In the first half of the year and despite the coronavirus (COVID-19) pandemic, EPM Group made significant investments in infrastructure projects for COP 1.2 billion, which have been essential to boost the economy and creating jobs, in one of the most challenging times in the history of humanity. At July 2020, the business group had 14,046 direct employees.

## **Impacts of the pandemic**

The National Government issued Legislative Decree 517/2020, which determines measures related to the deferred payment of the utilities of gas and electricity for socioeconomic levels 1 and 2, as part of the framework of the State of Economic, Social and Ecological Emergency declared by Decree 417/2020.

Thus, as a result of the health emergency, the EPM Parent Company has granted relief to facilitate the payment of utilities by the most vulnerable individuals, which have had impacts on the portfolio, such as:

***Precargas por la vida (financing program) for prepaid utilities:*** there were 473,974 for electricity and 11,568 for water, amounting to COP 27,500 million and COP 1,900 million, respectively.

**10% discount for timely payment:** has benefited 460,000 electricity customers with an accumulated value of COP 5,156 million; 285,000 gas



customers with an accumulated value of COP 1,141 million and 480,000 water customers, with an accumulated value of COP 1,930 million.

**Deferrals for failure to pay bill:** the value amounts to COP 167 thousand million, of which COP 125 thousand million was applied to regulated market electricity and gas utilities and COP 42 thousand million to water and sanitation utilities.

**Financing fee freezing:** amounted to COP 16 thousand million.

With respect to the voluntary contribution associated with the National Government's "**Comparto mi energía**" (**Share My Energy**) initiative to benefit the country's neediest families, the EPM Parent Company has received COP 1,194 million from businesses, industries and households of socioeconomic levels 4, 5 and 6.

In addition, the EPM Parent Company contributed COP 3,138 million to equip the Intensive Care Unit of the University of Antioquia's Health Care Provider, as a measure to address the coronavirus (COVID-19). In addition, the Company allocated COP 1,213 million for the acquisition of mainly biosecurity elements, and COP 2,098 million for the reconnection of public utilities.

## Financial situation of the EPM Group

**Total assets:** COP 57.3 billion, up 4%.

**Liabilities:** COP 33.6 billion, up 9%.

**Equity:** COP 23.7 billion, down 2%.

**Investments in infrastructure:** COP 1.2 billion.

## Financial Situation of the EPM Parent Company

**Total assets:** COP 49 billion, up 4%.

**Liabilities:** COP 25.2 billion, up 10%.

**Equity:** COP 23.8 billion, down 2%.

**Investments in infrastructure:** COP 889 thousand million.

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### Information for Journalists

EPM Group Corporate Communication Department | Vice Presidency of Corporate Communications and Relations  
Juan José García Villegas | +57 (4) 380 65 62 | 310 823 89 42 | [juan.garcia.villegas@epm.com.co](mailto:juan.garcia.villegas@epm.com.co)