

Medellin, May 13, 2021

## EPM Group announces consolidated financial results as of December 31, 2020

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter, "EPM Group") is the holding company of a multi-Latin enterprise group formed by 44 companies and four structured entities<sup>1</sup>, that have presence in the provision of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama. Its corporate purpose is the provision of public utilities, mainly in power generation, power transmission and power distribution, gas, water supply, cleaning and waste management business lines.

The figures presented for this quarter are expressed in Colombian Pesos, according to the International Financial Reporting Standards (IFRS). The consolidation process implies inclusion of 100% of the companies where EPM has control. Figures for this period are audited.

### CONSOLIDATION SCOPE



<sup>1</sup> Autonomous Patrimony Social Financing of EPM, CHEC, EDEQ, and ESSA. Under International Financing Reporting Standards (IFRS), it is considered a structured entity that forms part of the consolidation perimeter of the financial statements of the EPM Group.

## 1. RELEVANT FACTS OF THE QUARTER AND SUBSEQUENT TO THE CLOSING

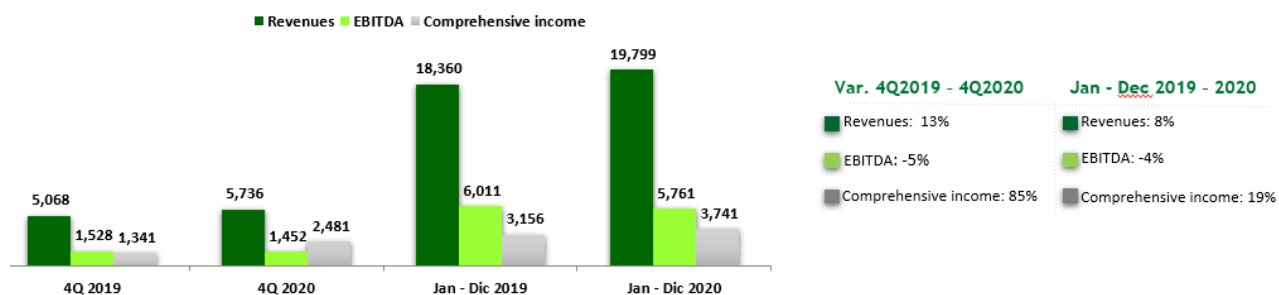
- EPM will transfer COP 1.4 billion to the Municipality of Medellín in 2021, thanks to the positive results obtained in 2020. These resources will contribute to the Municipal social, educational, cultural, sports and other infrastructure investment plans of the capital of Antioquia.
- The total impact of the coronavirus (COVID-19) pandemic on EPM Group during fiscal year 2020 was COP 750,000 million; however, the Group reported net income of COP 3.7 billion, up 19 % compared to the previous year, as a result of the performance of the Group's investments.
- The execution of EPM Group investments in 2020 were for COP 3.1 billion, of which 70% were destined to the Energy business and 30% to the Water business. The investments made in the Ituango Hydroelectric Project for \$ 1.1 billion stand out, followed by EPM the parent company, the international subsidiaries and the power subsidiaries in Colombia.
- On December 22, 2020, EPM signed extensions to the three main contracts of the Ituango Hydroelectric Project: Consulting, Contract Supervision and Construction contracts were extended until December 2021.
- On January 12, 2021, after hearings for reaching a pre-judicial settlement ended, the lawsuits were filed, within the legal terms, before the Administrative Court of Antioquia. In the case of the consortia, for COP 9.9 billion, and before the Arbitration Tribunal of the Chamber of Commerce of Medellín, on the basis of the arbitration clause established in the insurance contract, in the amount of COP 5.5 billion.
- On March 24, 2021, EPM received from the insurance company Mapfre the terms of continuity of the insurance for the Ituango hydroelectric project, with respect to the coverage of All Risk Assembly, Sabotage and Terrorism policy, and from Seguros Generales Suramericana for the Civil Extracontractual Liability policy. These policies became effective from 24 hours on March 24, 2021, some with annual renewals and others extended until the termination of the project.
- The Ituango Hydroelectric Project has recovered on its different fronts in these three years. Before the contingency there was an 84.3% progress of work. After the event, the Project was at 59.6% and at this time, at the end of March, it reached 82.3%.
- On April 7, 2021, EPM and IDB Group signed addendum to the credit agreement signed between the parties on December 29, 2017. In this way, the IDB supports the completion of the construction of the Ituango hydroelectric project. The addendum does not include amendments to the financial conditions of the interest rate or the term of the credit agreement. The total amount of the loan is USD 900 million, of which 50 % has been disbursed to date.
- On April 9, 2021, the rating agency, Fitch Ratings ratified EPM's local and international credit risk ratings at AAA and BBB-, and kept both on rating watch negative.

- Appointment of directors:
  - ✓ On April 5, 2021, Alejandro Calderón Chatet was appointed as the new CEO of EPM, and on April 12, 2021, he submitted a letter of resignation to his nominator, the Mayor of Medellín.
  - ✓ In an extraordinary session of the Board of Directors held on April 13, 2021, the Board of Directors, unanimously, recommended to the Mayor the appointment of Jorge Andrés Carrillo Cardoso as CEO.
  - ✓ The Board of Directors of EPM, in its session of April 30, 2021, approved the appointment of Martha Lucía Durán Ortiz as Executive Vice President of Finance and Investments.
  - ✓ Two other appointments are added to the EPM management team: Mabel López Segura, as Vice President of Communication and Corporate Relations and María Cristina Toro Restrepo, as General Secretary.

## 2. FINANCIAL RESULTS AS OF DECEMBER 31, 2020

EPM Group presented the following financial performance compared to the same period of the previous year:

### 2.1 INCOME STATEMENT



Figures in COP thousand million

**As of December 31, 2020**, consolidated **revenue** totaled COP 19.79 billion with an 8% increase (COP 1.4 billion) with respect to same period of last year, which is mostly explained on: i) in the EPM Parent Company (+ COP 1.04 billion) mainly in the Generation business for higher energy sales in long-term contracts, included new contracts, and in the Gas business for greater commercialization sales to the thermals, ii) in Afinia (+ COP 783 thousand million) due to its incorporation to EPM since October, iii) in CENS (+ COP 78 thousand million), for higher energy sales (+37 Gwh) in the regulated market and tariff (+\$52/kWh), and iv) in ESSA (+ COP 78 thousand million) due to a better tariff (+\$54/kWh) but less units sold.

Consolidated **costs and expenses** totaled COP 15.7 billion, with an 7% increase (+ COP 2.27 billion), mostly explained on: i) in EPM (+ COP 942 thousand million) mainly in the Generation business for higher energy purchases in long-term contracts and higher gas consumption, ii) in Afinia (+ COP 890 thousand million) due to its recent incorporation, iii) in Chec (+ COP 126 thousand million) associated with higher purchases of energy and gas from the generation business, and iv) at ESSA (+ COP 97 thousand million) due to a greater amount of purchased energy.

**Operating Margin** as of December 31, 2020 was 21%, compared to 27% obtained the previous year.

**EBITDA totaled** COP 5.8 billion, decreasing by COP 250 thousand million, 4% in relation to previous year.

**EBITDA Margin** was 29%, compared to 33% obtained the previous year.

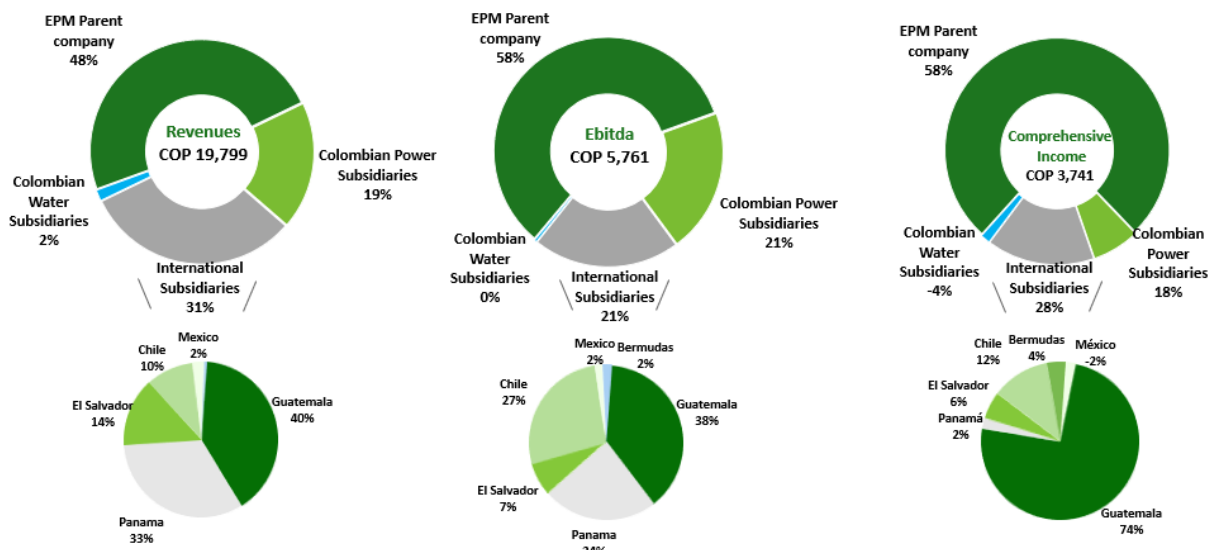
The comprehensive income for the period was COP 3,7 billion, showing an increase of COP 585 thousand million in relation to previous year, and **Net margin** of 19%, compared to 17% obtained in 2019.

Concept	2019	2020	% Var.	2020 USD*
Net Revenues	18,359,614	19,798,912	8	5,768
Costs and administrative expenses	13,389,868	15,669,282	17	4,565
Exchange differences	(55,883)	(374,260)	570	(109)
Financial results, net	(919,445)	(1,110,359)	21	(323)
Investment results, net	21,521	1,572,824	7,208	458
Profit before taxes	4,015,939	4,217,836	5	1,229
Income tax provision	810,199	499,028	(38)	145
Discontinued operations	48,245	-	100	-
Regulatory accounts, net	(98,009)	22,110	N.A.	6
Comprehensive Income for the period	3,155,976	3,740,918	19	1,090
Other Comprehensive Income	374,470	772,305	106	225
Total Comprehensive Income for the year	3,530,446	4,513,223	28	1,315
Minority Interest	171,827	153,502	(11)	45
Total Comprehensive Income for the year attributable to owners of the company	3,358,619	4,359,721	30	1,270

Figures in COP million

\*Figures in COP were converted to USD at an exchange rate of COP/USD 3,432.50 (December 31,2020).

## 2.2 FINANCIAL RESULTS BY COLOMBIAN AND INTERNATIONAL SUBSIDIARIES



Figures in COP thousand million

The percentages do not include the Other Segment and Eliminations.

**Of the Group's total revenue**, it is important to underscore the fact that Colombia accounts for 69% and foreign subsidiaries for 31%.

**EPM Parent Company accounted for 48%** with a COP 1.04 billion (12%) increase, explained by the segments of:

- i) the **Power Generation** by COP 930 thousand million, due to higher energy sales in long-term contracts, included new contracts.
- ii) the **Gas Business** by COP 284 thousand million, mainly due to greater commercialization sales to the thermals.

On the other hand, **the Colombian power subsidiaries** accounted for 19%, with 34% increase, mainly because of the incorporation of Afinia to the Group EPM.

**International subsidiaries** in turn, accounted for **31%** of revenue with net decrease of COP 408 thousand million, -6% compared to 2019. The following subsidiaries growth stand out: **EEGSA** with COP 179 thousand million and **TRELEC** with COP 45 thousand million in **Guatemala**, mainly associated with the exchange effect in the conversion of quetzales to pesos, and **Adasa in Chile** for \$ 74 thousand million, due to higher consumption in the unregulated market and greater customers in the regulated market, given that in 2019 there was less water available due to the high plateau winter emergencies and red tide.

**The remaining 2% comes from the Water and Solid Waste Management subsidiaries in Colombia**, with 11% decrease, where Aguas Nacionales stands out with a COP 70 thousand million drop, linked to a lower valuation of the interconnection contract.

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

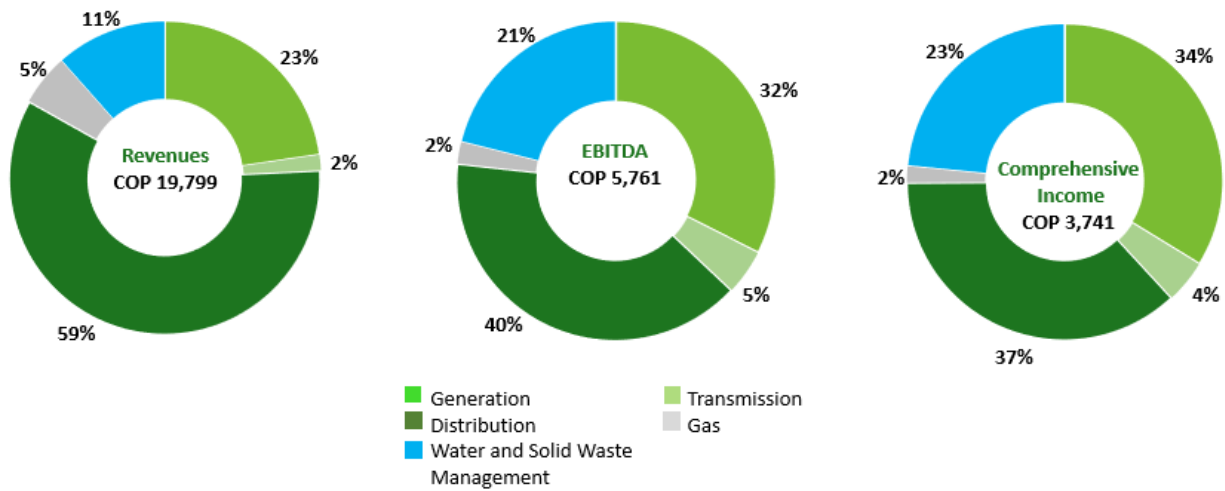
**EPM Parent Company** accounted for 58% of EBITDA with a decrease of COP 225 thousand million, with 6% decrease compared to previous year.

**Colombian Power subsidiaries** accounted for 21%, standing out CENS with COP 18 thousand million (11%). **International subsidiaries** accounted for 21% of the Group's EBITDA, decreasing COP 84 thousand million (6%) compared to previous year.

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

- Increase in revenues for COP 1.4 billion.
- Increase in costs and expenses for COP 2.3 billion.
- Increase in FX expenses for COP 318 thousand million.
- Increase in other revenues associated to investments for COP 1.55 billion as of result to the business combination of Afinia.
- Decrease in financial expenses for COP 191 thousand million.
- Decrease in income tax provision for COP 311 thousand million.

## 2.3 FINANCIAL RESULTS BY SEGMENTS



Figures in COP thousand million  
The percentages do not include the Other Segment and Eliminations.

### Regarding the results by segment:

**Energy services** accounted for 84% of the Group's revenue, and 77% of EBITDA.

In revenue, the **Power Distribution and Power Generation** segments stood out with 59% and 23% participation, respectively.

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

**Water and Solid Waste Management services** represented 11% of the Group's revenue, and 21% of EBITDA.

## 2.4 STATEMENT OF FINANCIAL POSITION

Financial Position	2020	2019	% Var.	2020 USD*
<b>Assets</b>				
Current	12,257,539	7,603,831	61	3,571
No Current	51,521,248	47,296,318	9	15,010
<b>Total assets</b>	<b>63,778,787</b>	<b>54,900,149</b>	<b>16</b>	<b>18,581</b>
<b>Liabilities</b>				-
Current	9,443,948	7,688,841	23	2,751
No Current	27,207,646	23,032,348	18	7,926
<b>Total Liabilities</b>	<b>36,651,594</b>	<b>30,721,189</b>	<b>19</b>	<b>10,678</b>
<b>Equity</b>	<b>27,127,194</b>	<b>24,178,960</b>	<b>12</b>	<b>7,903</b>

Figures in COP million

Figures in COP were converted to USD at an exchange rate of COP/USD 3,435.50 (December 31,2020).

### Regarding the Balance Sheet:

**Equity** totaled **COP 27.1 billion**, increasing 12%, due to the combine effect of higher total comprehensive income and the record of surpluses to the Municipality of Medellín for \$ 1.49 billion, \$ 812 thousand million ordinary and \$ 677 thousand million extraordinary, paying the total during the period.

**Liabilities** totaled to **COP 36.7 billion**, increasing COP 5.9 billion, 19% with respect to the previous year, mainly explained by the increase in financial debt (20%), as a result of the FX effect and new debt.

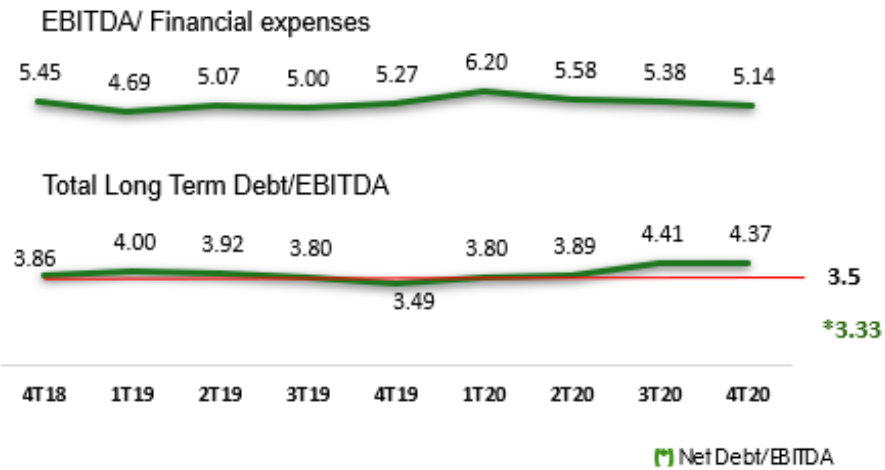
**The Group's total assets** rose to **COP 63.78 billion**, increasing 16% compared to the previous year.

**Cash position** as of December 31, 2020 was **COP 5.62 billion**.



Regarding ratios:

Ratios	2019	2020
Total debt	56 %	57 %
Financial debt	40 %	41 %
EBITDA/financial expenses	5.27 X	5.14 X
Total Long Term Debt/EBITDA	3.49 X	4.37 X
Net Debt/EBITDA	3.10 X	3.33 X



The **Group's Total Debt/Total Assets** was 57%, compared to 56% obtained the previous year.

With regard to **debt** ratios:

- The EBITDA/Financial expenses reached 5.14x.
- The Total Debt/EBITDA was 4.37x, 0.87x above the goal of 3.50x.
- Net Debt/EBITDA: 3.33x.

## 2.5 DEBT PROFILE



The debt of EPM Group totaled COP 24.6 billion. As to financing source, 18% of debt corresponds to domestic debt, 22% to Pesos-denominated foreign debt, and 60% to foreign debt hired in other currencies.

Of EPM Group's total debt 76% belongs to EPM parent company.

As to Natural hedging, from inter-company loans granted to international subsidiaries with revenue linked to the US Dollar, EPM has a balance of USD 335 million.

At the quarter's close, accumulated foreign-exchange financial hedges totaled USD 1,407 million.

As to maturities, EPM parent company holds four international bond issues maturing 2024, 2027, 2029 and 2031. Years 2023 correspond to loans of ADASA – loan with Scotia Bank and Banco del Estado for USD 286 million). These values are continuously analyzed taking into account the roll-over alternative in order to adjust to needs and comply with the strategic objectives of EPM Group.

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

As of December 31, 2020 and 2019

Amounts stated in millions of Colombian pesos

	Notes	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	5	37,651,696	35,605,655
Investment property	6	165,119	140,354
Goodwill	7	3,123,221	2,895,451
Other intangible assets	7	2,684,858	2,350,612
Right-of-use assets	15	571,222	609,412
Investments in associates	11	1,643,033	1,758,462
Investments in joint ventures	12	32,467	82
Deferred tax assets	41	726,806	220,026
Trade and other receivables	13	1,276,757	1,013,685
Other financial assets	14	3,441,279	2,541,567
Other assets	17	93,104	106,914
Cash and cash equivalents (restricted)	19	110,920	46,415
<b>Total non-current assets</b>		<b>51,520,482</b>	<b>47,288,635</b>
<b>Current assets</b>			
Inventories	18	477,338	391,244
Trade and other receivables	13	4,179,728	4,072,661
Assets for current income tax	41	416,267	169,185
Other financial assets	14	2,411,864	867,998
Other assets	17	785,297	438,592
Cash and cash equivalents	19	3,987,044	1,664,151
<b>Total current assets</b>		<b>12,257,538</b>	<b>7,603,831</b>
<b>Total assets</b>		<b>63,778,020</b>	<b>54,892,466</b>
Debit balances of deferred regulatory accounts	31	767	-
Deferred tax assets related to deferred regulatory account balances	31	-	7,683
<b>Total assets and debit balances of deferred regulatory accounts</b>		<b>63,778,787</b>	<b>54,900,149</b>
<b>Equity</b>			
Issued capital	20	67	67
Treasury shares		(52)	(41)
Reserves	20	2,298,987	2,337,862
Accumulated other comprehensive income	21	4,079,876	3,304,761
Retained earnings	20	16,057,923	14,518,224
Net profit for the year	20	3,584,538	2,985,182
Other components of equity		71,537	68,333
<b>Equity attributable to owners of the company</b>		<b>26,092,876</b>	<b>23,214,388</b>
Non-controlling interests	20	1,034,317	964,572
<b>Total equity</b>		<b>27,127,193</b>	<b>24,178,960</b>

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

As of December 31, 2020 and 2019

Amounts stated in millions of Colombian pesos

	Notes	2020	2019
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings and loans	22	20,687,484	17,671,539
Creditors and other accounts payable	23	619,099	601,393
Other financial liabilities	24	1,320,326	916,917
Employee benefits	26	1,021,447	931,492
Income tax payable	41	33,701	33,701
Deferred tax liabilities	41	1,978,080	2,243,327
Provisions	28	592,862	491,930
Other liabilities	29	954,417	116,440
<b>Total non-current liabilities</b>		<b>27,207,416</b>	<b>23,006,739</b>
<b>Current liabilities</b>			
Borrowings and loans	22	3,900,318	2,984,466
Creditors and other accounts payable	23	3,086,015	2,534,254
Other financial liabilities	24	577,488	416,661
Employee benefits	26	284,489	247,466
Income tax payable	41	197,380	363,584
Taxes, contributions and rates	27	376,960	222,368
Provisions	28	690,892	589,977
Other liabilities	29	330,406	330,064
<b>Total current liabilities</b>		<b>9,443,948</b>	<b>7,688,840</b>
<b>Total liabilities</b>		<b>36,651,364</b>	<b>30,695,579</b>
Credit balances of deferred regulatory accounts	31	-	25,610
Deferred tax liabilities related to balances of deferred regulatory accounts	31	230	-
<b>Total liabilities and credit balances of deferred regulatory accounts</b>		<b>36,651,594</b>	<b>30,721,189</b>
<b>Total liabilities and equity</b>		<b>63,778,787</b>	<b>54,900,149</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Mónica María Ruiz Arbeláez**  
 Deputy General Manager  
 Certification Attached

**Miguel Alejandro Calderón Chatet**  
 Executive Vice-President of Finance and Investments

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

## EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

Amounts stated in millions of Colombian pesos

	Notes	2020	2019
<b>Continuing operations</b>			
Sale of goods	32	27,928	24,222
Rendering of services	32	19,201,942	17,648,656
Leases	32	96,741	111,841
<b>Total Revenue</b>		<b>19,326,611</b>	<b>17,784,719</b>
Other income	33	471,794	573,303
Income for sale of assets	34	507	1,592
<b>Total income</b>		<b>19,798,912</b>	<b>18,359,614</b>
Costs of goods sold and services rendered	35	(13,508,628)	(11,557,807)
Administrative expenses	36	(1,772,997)	(1,596,792)
Impairment loss on accounts receivable		(295,471)	(77,801)
Other expenses	37	(92,187)	(157,467)
Financial income	38.1	157,273	370,837
Financial expenses	38.2	(1,267,632)	(1,290,282)
Net foreign exchange difference	39	(374,260)	(55,883)
Share of loss of equity accounted investees	11 and 12	(91,970)	11,793
Gain on equity investments	40	1,664,795	9,727
<b>Income for the year before tax</b>		<b>4,217,835</b>	<b>4,015,939</b>
Income tax	41	(499,028)	(810,199)
<b>Profit for the year after taxes from continuing operations</b>		<b>3,718,807</b>	<b>3,205,740</b>
Discontinued operations, net of income tax	42	-	48,245
<b>Profit of the year before net movement in balances of deferred regulatory accounts</b>		<b>3,718,807</b>	<b>3,253,985</b>
Net movement in balances of net regulatory accounts related to profit for the year	31	30,534	(139,997)
Net movement in deferred tax related to deferred regulatory accounts related to profit for the year	31	(8,423)	41,988
<b>Profit for the year and net movement in deferred tax related to deferred regulatory accounts</b>		<b>3,740,918</b>	<b>3,155,976</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	21	(52,321)	(72,364)
Equity investments measured at fair value through equity	21	596,104	465,395
Equity accounted investees - share of OCI	11 and 21	(825)	(243)
Income tax related to components that will not be reclassified	21 and 41	14,025	149,678
		<b>556,983</b>	<b>542,466</b>
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	21	(27,458)	28,841
Reclassified to profit or loss for the year		(402,757)	(54,338)
Effective portion of changes in fair value		375,299	83,179
Exchange differences on translation of foreign operations	21	230,765	(216,050)
Equity accounted investees - share of OCI	11 and 21	872	(55)
Income taxes related to components that can be reclassified	21 and 41	11,142	19,268
		<b>215,321</b>	<b>(167,996)</b>
<b>Other comprehensive income, net of taxes</b>		<b>772,304</b>	<b>374,470</b>
<b>Total comprehensive income for the year</b>		<b>4,513,222</b>	<b>3,530,446</b>
<b>Profit for the year attributable to:</b>			
Owners of the company		3,584,538	2,985,182
Non-controlling interest		156,380	170,794
		<b>3,740,918</b>	<b>3,155,976</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		4,359,720	3,358,619
Non-controlling interest		153,502	171,827
		<b>4,513,222</b>	<b>3,530,446</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

Mónica Maria Ruiz Arbeláez  
Deputy General Manager  
Certification Attached

Miguel Alejandro Calderón Chatet  
Executive Vice-President of Finance and Investments

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

# Fourth Quarter 2020 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2020 and 2019  
Amounts stated in millions of Colombian pesos

epm<sup>®</sup>-Group

	Notes	2020	2019
<b>Cash flows from operating activities:</b>			
<b>Profit for the year</b>		<b>3,740,918</b>	<b>3,155,976</b>
<b>Adjustments to reconcile the net profit for the year to the net cash flows used in operating activities:</b>			
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	35 and 36	1,265,623	1,140,099
Impairment of property, plant and equipment, right of use assets and intangible assets	8	200,267	2,254
Impairment loss on accounts receivable	13	295,471	77,801
Write down inventories, net	35	848	36
Gain / loss due to exchange difference	39	374,260	55,883
Gain / loss due to valuation of investment property	33	18,250	(51,808)
Result for valuation of financial instruments and hedge accounting	38.1 and 38.2	44,027	31,910
Result of compensation for activities associated with investment flow	33	(192)	(78,295)
Provisions, post-employment and long-term defined benefit plans	36	311,982	240,896
Provisions for tax, insurance and reinsurance obligations and financial updating	36 and 38.2	29,086	2,455
Government subsidies applied	33	(30,782)	(1,023)
Deferred income tax	41	(237,239)	(233,502)
Current income tax	41	736,268	1,043,701
Share of loss of equity-accounted investees	9 and 11	91,970	(11,793)
Interest and yield income	38.1	(77,563)	(251,812)
Interest and commission expenses	38.2	1,119,023	1,222,527
Gain / loss due to disposal of properties, plant and equipment, right-of-use assets, intangibles and investment property	32, 33 and 34	55	(1,538)
Result from withdrawal of property, plant and equipment, right of use assets, intangible assets and investments	37	14,767	99,458
Gain / loss due to disposal of financial instruments	40	-	47,534
Non-effective recoveries	33	(111,208)	(310,004)
Gain / loss from discontinued operations, net of income tax	42	-	(48,245)
Result of deferred regulatory accounts	31	(22,110)	98,009
Gain / loss from due to disposal of Investments in subsidiaries	40	192	-
Gain / loss from business combinations	40	(1,592,003)	-
Dividend income from investments	14	(72,984)	(57,262)
		<b>6,098,926</b>	<b>6,173,257</b>
<b>Net changes in operating assets and liabilities:</b>			
Change in inventories		(38,772)	18,878
Change in trade and other receivables		943,027	(217,220)
Change in other assets		(135,223)	99,965
Change in creditors and other accounts payable		374,585	(139,144)
Change in labor obligations		(1,877)	(53,052)
Change in provisions		(177,451)	(368,479)
Change in other liabilities		320,173	376,587
<b>Cash generated from operating activities</b>		<b>7,383,388</b>	<b>5,890,792</b>
Interest paid		(1,310,429)	(1,612,421)
Income tax paid		(1,140,994)	(804,930)
Income tax refund		46,785	1,255
<b>Net cash provided by operating activities</b>		<b>4,978,750</b>	<b>3,474,696</b>
<b>Cash flows from investing activities:</b>			
Acquisition of subsidiaries or business, net of cash acquired		554,720	(20)
Disposal of subsidiaries or business		(192)	471,808
Purchase of property, plant and equipment	5	(3,165,459)	(3,260,864)
Disposal of property, plant and equipment	5	3,048	18,589
Purchase of intangible assets	7	(278,216)	(316,068)
Disposal of intangible assets	7	671	44,096
Disposal of investment properties		507	2,165
Purchase of investments in financial assets		(2,177,248)	(452,875)
Disposal of investments in financial assets		382,341	1,074,060
Interest received		4,236	3,335
Dividends received from subsidiaries		-	(92)
Dividends received from associates and joint business	11	16,786	41,600
Other dividends received	14	72,965	56,132
Compensation received	5.1	369,700	531,607
Other cash flows from investment activities		20,350	(64,517)
<b>Net cash flow used in investing activities</b>		<b>(4,195,791)</b>	<b>(1,851,044)</b>

# Fourth Quarter 2020 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2020 and 2019  
Amounts stated in millions of Colombian pesos

epm<sup>®</sup>-Group

	Notes	2020	2019
<b>Cash from financing activities:</b>			
Acquisition of own shares		(21)	(81)
Obtaining of borrowings and loans	22	6,424,523	9,297,603
Payments of borrowings and loans	22	(2,896,219)	(9,425,148)
Transaction costs due to issuance of debt instruments		(28,553)	(13,146)
Payments of liabilities for financial leasing		(46,525)	(40,883)
Dividends or surpluses paid to Medellín Municipality	42	(1,488,319)	(1,289,652)
Dividends or surplus paid to non-controlling interests	9	(104,256)	(103,162)
Subsidies of capital		460	154
Payments of capital of derivatives designated as cash flow hedges		19,586	156,514
Acquisition of non-controlling interests		175	(60,197)
Payment of pension bonds		(7,712)	(26,091)
Other cash from financing activities		(3,422)	43,570
<b>Net cash flows provided / (used in) by financing activities</b>		<b>1,869,717</b>	<b>(1,460,519)</b>
<b>Net increase in cash and cash equivalents</b>			
Effects of variations in exchange rates in the cash and cash equivalents		(265,278)	(50,948)
Cash and cash equivalents at beginning of the year	19	1,710,566	1,598,381
<b>Cash and cash equivalents at end of the year</b>	19	<b>4,097,964</b>	<b>1,710,566</b>
Restricted resources	19	541,788	196,072

The accompanying notes are an integral part of these Consolidated Financial Statements.

  
**Mónica María Ruiz Arbeláez**  
Deputy General Manager  
Certification Attached

  
**Miguel Alejandro Calderón Chatet**  
Executive Vice-President of Finance and Investments

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



# Fourth Quarter 2020 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2020 and 2019  
Amounts stated in millions of Colombian pesos



	Notes	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	5	28,279,579	26,431,775
Investment property	6	152,365	126,822
Goodwill	7	260,950	260,950
Other intangible assets	7	550,895	537,497
Right of use assets	14	2,053,169	2,060,120
Investments in subsidiaries	8	9,027,864	7,406,556
Inversiones in associates	9	2,434,417	2,434,417
Investments in joint ventures	10	99	99
Trade and other receivables	12	1,726,355	1,513,822
Other financial assets	13	3,106,955	2,458,334
Other assets	16	79,943	94,757
Cash and cash equivalents (restricted)	18	71,708	17,787
<b>Total non-current assets</b>		<b>47,744,299</b>	<b>43,342,936</b>
<b>Current assets</b>			
Inventories	17	150,189	118,871
Trade and other receivables	12	2,172,577	2,222,783
Assets for current income tax	39	232,864	34,413
Other financial assets	13	2,139,736	557,208
Other assets	16	135,391	115,020
Cash and cash equivalents	18	792,923	861,236
<b>Total current assets</b>		<b>5,623,680</b>	<b>3,909,531</b>
<b>Total assets</b>		<b>53,367,979</b>	<b>47,252,467</b>
<b>Liabilities and Equity</b>			
<b>Equity</b>			
Issued capital		67	67
Reserves	19	1,609,297	1,704,818
Accumulated other comprehensive income	20	4,180,155	3,207,197
Retained earnings	19	18,015,300	16,702,294
Net profit for the year	19	2,539,915	2,706,035
Other components of equity	19	64,455	64,390
<b>Total equity</b>		<b>26,409,189</b>	<b>24,384,801</b>



EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2020 and 2019  
Amounts stated in millions of Colombian pesos



	Notes	2020	2019
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings and loans	21 and 41	16,414,803	13,783,442
Creditors and other accounts payable	22	13,012	3,726
Other financial liabilities	23	2,964,617	2,447,689
Employee benefits	25	394,712	351,968
Income tax payable	39	30,331	30,331
Deferred tax liabilities	39	1,859,510	2,002,164
Provisions	27	485,975	412,151
Other liabilities	28	31,411	31,774
<b>Total non-current liabilities</b>		<b>22,194,371</b>	<b>19,063,245</b>
<b>Current liabilities</b>			
Borrowings and loans	21 and 41	2,232,020	1,409,169
Creditors and other accounts payable	22	987,660	1,061,083
Other financial liabilities	23	478,710	337,205
Employee benefits	25	171,020	144,372
Income tax payable	39	88,426	140,636
Taxes, contributions and rates	26	222,393	116,424
Provisions	27	389,092	334,691
Other liabilities	28	195,098	260,841
<b>Total current liabilities</b>		<b>4,764,419</b>	<b>3,804,421</b>
<b>Total liabilities</b>		<b>26,958,790</b>	<b>22,867,666</b>
<b>Total liabilities and equity</b>		<b>53,367,979</b>	<b>47,252,467</b>

The accompanying notes are an integral part of the financial statements

**Mónica María Ruiz Arbeláez**  
Deputy General Manager  
Certification Attached

**Miguel Alejandro Calderón Chatet**  
Executive Vice-President of Finance and Investments

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

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

Amounts stated in millions of Colombian pesos



	Notes	2020	2019
<b>Continuing operations</b>			
Sale of goods	30	4,922	733
Rendering of services	30	9,465,193	8,484,806
Leases	30	43,565	51,520
<b>Income from ordinary activities</b>		<b>9,513,680</b>	<b>8,537,059</b>
Income for sale of assets	32	120	384
Other income	31	384,610	312,319
<b>Total income</b>		<b>9,898,410</b>	<b>8,849,762</b>
Costs of goods sold and services rendered	33	(5,870,970)	(4,548,376)
Administrative expenses	34	(1,053,454)	(902,731)
Impairment loss on accounts receivable	12	(59,169)	(26,287)
Other expenses	35	(60,827)	(131,067)
Financial income	36.1	179,402	340,584
Financial expenses	36.2	(1,101,520)	(1,103,798)
Net foreign exchange difference	37	(364,146)	(46,542)
Share of loss of equity accounted investees	8	671,716	866,903
Gain on equity investments	38	574,021	12,822
<b>Income for the year before tax</b>		<b>2,813,463</b>	<b>3,311,270</b>
Income tax	39	(273,548)	(605,235)
<b>Profit for the year after taxes from continuing operations</b>	19	<b>2,539,915</b>	<b>2,706,035</b>
<b>Net profit for the year</b>	19	<b>2,539,915</b>	<b>2,706,035</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit plans	20 and 39	(17,431)	(35,969)
Equity investments measured at fair value through equity	20 and 39	596,096	622,447
Equity accounted investees - share of OCI	20 and 39	162,520	(189,209)
Income tax related to components that will not be reclassified	20 and 39	4,439	141,668
		<u>745,624</u>	<u>538,937</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
<b>Cash flow hedges</b>			
Recognized profit for the year	20 and 39	(24,071)	34,119
Reclassification adjustment		(399,369)	(49,060)
		<u>375,299</u>	<u>83,179</u>
<b>Equity accounted investees - share of OCI</b>			
Recognized profit for the year	20 and 39	241,365	(203,917)
		<u>241,365</u>	<u>(203,917)</u>
<b>Income taxes related to components that can be reclassified</b>			
Recognized profit for the year	20 and 39	10,086	17,673
Reclassification adjustment		121,948	33,643
		<u>(111,862)</u>	<u>(15,970)</u>
		<u>227,380</u>	<u>(152,125)</u>
<b>Other comprehensive income, net of taxes</b>	39	<b>973,004</b>	<b>386,812</b>
<b>Total comprehensive income for the year</b>		<b>3,512,919</b>	<b>3,092,847</b>

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# Fourth Quarter 2020 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATED STATEMENT OF CASH FLOWS

For the years ended December 31, 2020 and 2019

Amounts stated in millions of Colombian pesos



	Notes	2020	2019
<b>Cash flows from operating activities:</b>			
<b>Profit for the year</b>		<b>2,539,915</b>	<b>2,706,035</b>
Adjustments to reconcile the net profit for the year to the net cash flows used in operating activities:		1,162,799	1,200,765
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	33 and 34	623,980	577,736
Impairment loss on accounts receivable	12	59,169	26,287
Impairment of investments in subsidiaries, associates and joint ventures	11	879,062	-
Gain / loss due to exchange difference	37	364,146	46,542
Gain / loss due to valuation of investment property	6	17,040	(51,943)
Result for valuation of financial instruments and hedge accounting	36	16,343	(12,286)
Provisions, post-employment and long-term defined benefit plans	34	240,617	149,286
Provisions for tax, insurance and reinsurance obligations and financial updating	27	20,990	-
Deferred income tax	39	(124,209)	4,678
Current income tax	39	397,757	600,558
Share of loss of equity-accounted investees	8	(671,716)	(866,903)
Interest and yield income	36	(111,754)	(231,394)
Interest and commission expenses	36	996,539	1,011,776
Gain / loss due to disposal of properties, plant and equipment, right-of-use assets, intangibles and investment property	32 and 35	2,296	(383)
Gain / loss due to retirement of properties, plant and equipment, right-of-use assets, intangibles and investment property	35	4,073	85,097
Gain / loss due to disposal of financial instruments	13	-	47,534
Non-effective recoveries	31	(98,451)	(125,464)
Gain / loss from Business combinations	38	(1,353,203)	-
Dividend income from investments	13	(99,880)	(60,356)
		<b>3,702,714</b>	<b>3,906,800</b>
<b>Net changes in operating assets and liabilities:</b>			
Change in inventories		(31,317)	(1,044)
Change in trade and other receivables		(106,046)	216,657
Change in other assets		(25,024)	(4,887)
Change in creditors and other accounts payable		(261,240)	12,473
Change in labor obligations		32,573	(1,947)
Change in provisions		(133,771)	(211,661)
Change in other liabilities		132,977	259,961
<b>cash provided by operating activities</b>		<b>3,310,866</b>	<b>4,176,352</b>
Interest paid		(1,160,598)	(1,454,068)
Income tax paid		(682,542)	(517,659)
Income tax refund		34,413	-
<b>Net cash provided by operating activities</b>		<b>1,502,139</b>	<b>2,204,625</b>
<b>Cash flows from investing activities:</b>			
Acquisition and capitalization of subsidiaries or ventures	8	(505,311)	(266,341)
Disposal of subsidiaries or business	8	-	782
Purchase of property, plant and equipment	5	(2,220,833)	(2,370,622)
Disposal of property, plant and equipment	35	(2,289)	541
Purchase of intangible assets	7	(48,402)	(40,888)
Disposal of investment properties	6	256	2,165
Purchase of investments in financial assets	13	(1,681,502)	(124,285)
Disposal of investments in financial assets	13	76,646	808,731
Dividends received from subsidiaries, associates and joint business	8 and 9	386,980	697,521
Other dividends received	13	72,826	56,137
Loans to economic associates		30,981	317,989
compensation received	5	369,700	531,607
Other cash flows from investment activities		16,786	23,883
<b>Net cash flow used in investing activities</b>		<b>(3,504,162)</b>	<b>(362,780)</b>

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

## SEPARATED STATEMENT OF CASH FLOWS

For the years ended December 31, 2020 and 2019

Amounts stated in millions of Colombian pesos



	Notes	2020	2019
<b>Cash from financing activities:</b>			
Obtaining of borrowings and loans	21	4,612,201	7,463,935
Payments of borrowings and loans	21	(1,225,080)	(8,067,058)
Transaction costs due to issuance of debt instruments	21	(28,553)	(14,695)
Payments of liabilities for financial leasing	23	(11,580)	(10,010)
Dividends or surpluses paid	19	(1,488,319)	(1,289,652)
Payments of capital of derivatives designated as cash flow hedges	13	19,586	156,514
Payment of pension bonds	23	(6,435)	(19,515)
Other cash from financing activities		177,618	(30,898)
<b>Net cash flows (used in) / provided by financing activities</b>		<b>2,049,438</b>	<b>(1,811,379)</b>
<b>Net increase in cash and cash equivalents</b>			
Effects of variations in exchange rates in the cash and cash equivalents		(61,808)	12,778
Cash and cash equivalents at beginning of the year		879,024	835,779
<b>Cash and cash equivalents at end of the year</b>	18	<b>864,631</b>	<b>879,023</b>
Restricted resources	18	<u>97,417</u>	<u>84,565</u>

The accompanying notes are an integral part of the financial statements

**Mónica María Ruiz Arbeláez**  
Deputy General Manager  
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