



Sale Program of the shares owned by Empresas Públicas de Medellín E.S.P. in ISA S.A. E.S.P.– Second Stage

Empresas Públicas de Medellín E.S.P. (“EPM”) hereby presents to the general public and to the interested investors the following document explaining in a preliminary and indicative manner how the second stage of the sale program of the shares owned by EPM in ISA S.A. E.S.P. (“ISA”) will take place. Throughout the second stage of the sale program (“Second Stage”), EPM will offer up to 95.886.654 ordinary shares of ISA owned by EPM (the “Shares”), equivalent to 8,66% of the subscribed and paid-in capital of such company (the “Transaction”).

I. ANTECEDENTS

- 1.1. The Board of Directors of EPM, in the meeting held on July 31st, 2018, authorized the management of the company to initiate the required procedures in order to sell EPM’s equity stake in ISA, equivalent to 10,17% of the outstanding shares of such company.
- 1.2. Through Accord 090 of 2018 the Municipal Council of Medellin authorized the sale of the EPM’s shareholding in ISA, among other equity participations.
- 1.3. In accordance with Law 226 of 1995 (“Law 226”), the Board of Directors of EPM approved the sale program of EPM’s equity stake in ISA in the meeting held on January 29th, 2019, as recorded on Minute No. 1660 (the “Sale Program”).
- 1.4. The sale of EPM’s equity stake in ISA will take place in accordance with the rules and procedures set forth in Law 226, the Sale Program and all other documents issued under the Sale Program.
- 1.5. The first stage of the Sale Program, directed to the special condition recipients established in articles 3 of Law 226, 16 of Law 798 of 2002 and 4.1 of the Sale Program (the “First Stage”), concluded on May 31st, 2019.
- 1.6. On the Second Stage set forth in the Sale Program, EPM will offer up to 95.886.654 ordinary shares of ISA owned by EPM, equivalent to 8,66% of the subscribed and paid-in capital of such company.
- 1.7. On July 26, 2019, through the relevant information mechanism of the Superintendence of Finance of Colombia (“SFC” as per its acronym in Spanish), EPM announced the initiation of the Second Stage of the Sale Program.

II. RECIPIENTS

In the Second Stage of the Sale Program EPM will offer the Shares to natural or legal persons, either domestic or foreign, or other investment vehicles, with legal capacity to participate in the shareholding of ISA, through a mechanism that guarantees broad publicity and free concurrence. The rules and procedures applicable to the sale of the Shares in the Second Stage shall be detailed in the sale regulation to be issued by EPM for the Second Stage (the “Second Stage Sale Regulation”).

Foreign investors shall comply with applicable Colombian laws, including but not limited to any foreign exchange regulations and antitrust and competition regulations. Additionally, on the basis of the principles set forth in Law 226 the Second Stage Sale Regulation can establish pre-qualification mechanisms for the interested investors.

III. PRICE

The minimum price per share and the payment rules for the Shares will be defined by EPM in the Second Stage Sale Regulation and in the respective notice of offer. In any case, the minimum price per share for the Second Stage cannot be lower than the fixed price established for the First Stage.

In accordance with the provisions of the Sale Program, the Shares shall be paid in cash, in Colombian legal currency or in US dollars, at the discretion of EPM, pursuant to the terms and conditions established in the Second Stage Sale Regulation.

IV. ADJUDICATION MECHANISM

The adjudication and transfer of the Shares in the Second Stage will take place through the Colombian Stock Exchange - *Bolsa de Valores de Colombia S.A.* (“BVC” as per its acronym in Spanish) as a variable income special operation to be regulated in detail in the Second Stage Sale Regulation, in accordance with the rules and procedures set forth in the applicable laws, as well as in the General Regulation of the BVC and in the BVC’s Circular. The Shares will be adjudicated in accordance to the mechanism finally defined in the Second Stage Sale Regulation.

Taking into account that the sale of the Shares will be made through the BVC, each interested investor must submit their acceptances to the offer formulated by EPM in the Second Stage through a stockbroker duly authorized by the Colombian Superintendence of Finance.

The commission caused by the submission of acceptances to the offer made by EPM in development of the Second Stage, as well as all other costs and expenses, either direct or indirect, related to the participation in the Second Stage, shall be borne by each interested investor. EPM will not be responsible in any case for said costs and expenses, whatever the result of the adjudication of the Shares in the Second Stage. Likewise, interested investors shall be the only responsible for undertaking all the activities required to submit their acceptances.

The sale of the Shares in the Second Stage will be governed by Law 226, the rules established in the Sale Program, in the Second Stage Sale Regulation, in the notice offer released by EPM within the Second Stage and all other documents of the Second Stage of the sale process, which shall be applicable to all investors who decide to participate in the Second Stage of the sale process.

V. DURATION

The Second Stage shall remain in force until the earlier to occur between: (i) the date in which the Second Stage is understood to be completed in accordance with the Second Stage Sale Regulation, and (ii) December 31st, 2019. The Second Stage Sale Regulation may set forth mechanisms necessary in order for the adjudication and payment of the Shares to take place before December 31st, 2019.

VI. INFORMATION OF THE SALE PROCESS

In the following websites the Sale Program and other information related to ISA and the electricity sector in Colombia have been published:

- English website: <https://www.epm.com.co/site/home/sala-de-prensa/noticias-y-novedades/proceso-de-venta-de-activos-de-epm-cuestionario-de-preguntas-y-respuestas/venta-de-acciones-en-isa-ingles>
- Spanish website: <https://www.epm.com.co/site/home/sala-de-prensa/noticias-y-novedades/proceso-de-venta-de-activos-de-epm-cuestionario-de-preguntas-y-respuestas/venta-de-acciones-en-isa>

The Second Stage Sale Regulation, its addendums, notices, regulatory bulletins and all other relevant documents for the Second Stage of the Sale Program will also be published on these websites.

Additionally, public information of ISA is available in the SFC's Stock Market Information System on the website www.superfinanciera.gov.co. In the "Relevant Information" section, the interested investors may access all the information that ISA must submit to the SFC in accordance with the provisions of Decree 2555 of 2010 and other applicable securities market regulations in Colombia. This considering that the ordinary shares of ISA are registered in the National Registry of Securities and Issuers administered by the SFC.

VII. COMMUNICATIONS

All communications related to the Transaction should be addressed to:

Santander Banca de Inversión Colombia S.A.S.

Attention: Camilo Márquez Duque
Address: Calle 93a # 13 - 24
Telephone: (57 1) 743 42 22 ext. 70 602
E-mail: cmarquez@santander.com.co

Attention: Andrés Felipe Sánchez
Address: Calle 93a # 13 - 24
Telephone: (57 1) 743 42 22 ext. 70 603
E-mail: afsanchez@santander.com.co

With copy to:

Empresas Públicas de Medellín E.S.P.

Attention: Juan Camilo Martínez Cadavid
Address: Carrera 58 No.42- 125 Medellín, Colombia
Telephone: (574) 3804346
E-mail: juan.martinez.cadavid@epm.com.co

Attention: María Aracelly Gallego Muñoz
Address: Carrera 58 No.42- 125 Medellín, Colombia
Telephone: (574) 3805492
E-mail: maria.gallego@epm.com.co

VIII. OTHER MATTERS

The present document has an informative nature, therefore EPM reserves the right to modify, at its sole discretion and at any time, the information established herein in relation with the development of the Second Stage. In this sense, no variation or alteration of the information contained herein will entitle potential investors or any other person to present any claim against EPM or Santander, or their respective directors, officers, partners, employees, agents, representatives, advisors or consultants.