



EPM

BBVA 2023 Global Corporate Conference

May 3 - 4, 2023

Agenda



1. EPM Group Highlights
2. ESG Performance in 2022
3. Regulatory Policy Signals
4. Update on Ituango Hydroelectric Plant
5. Afinia
6. Financial results as of Dec. 2022 and Mar. 2023 (unaudited)
7. EPM Group CapEx 2023-2026
8. Liquidity and Debt Strategy

1. EPM Group Highlights

Colombia's largest multi-utility Company with presence and leadership across LatAm



Ratings:

- **Moody's: Baa3**, stable outlook
- **Fitch:**
 - Local **AAA**
 - International **BB+**, negative watch



↑
10%

Assets

COP 75.6 billion
(USD 15,712 million equiv.)



↑
28%

Revenues

COP 32.2 billion
(USD 6,699 million equiv.)



↑
30%

EBITDA

COP 9.7 billion
(USD 2,029 million equiv.)

Figures as of December 31, 2022

1. EPM Group Highlights

EPM is a relevant player among LatAm utilities



EPM Group Infrastructure	Colombia and LatAm		
Power Generation	37 hydro power plants 3 thermal power plants 1 Wind park		
Installed Gen. Capacity	4,078.05 MW		
Power Distribution	T&D lines: 300,886 Km Substations: 615 Transformers: 420,072		
Natural Gas	Distribution network: 8,746 Km		
Water	Drinking water network: 6,603 Km Sewage network: 6,539 Km		
EPM Group Customers (in millions)	2021	2022	Var. %
Total	14.4	14.8	3%

2. ESG Performance in 2022

Our strategic direction is aligned with the SDG



ESG Main Targets

- Carbon neutral operations by 2025.
- Protection of **137,000 hectares** of water supply basins by 2025.
- Greater availability of **utility services** through conventional and unconventional solutions.
- Climate change mitigation**: energy efficiency, renewable energy, sustainable mobility and emissions management.
- Contribution** to Sustainable Development Goals
- Continuity and strengthening** of the corporate governance good practices.

97.5% coverage in water provision
1.5 M customers.
Universal Access Col.

Awards and recognitions 2022

- IDB**: most innovative water and sanitation company in Latin America and the Caribbean.
- Pacto Global Red Colombia**: Good Sustainable Development Practices.
- MINCIENCIAS**: energy efficiency utility services sector.
- Andesco**: energy efficiency to the project Optimal distribution planning.
- ASOCODIS**: Ámbar prize for research in the electricity sector.
- CIER**: Solar solution for non-interconnected areas.
- Colsubsidio**: Xpossible award for pilot of individual photovoltaic solar solutions for non-interconnected areas.

SUSTAINABLE DEVELOPMENT GOALS



Energy

97.5% of coverage
6.7 M customers
Universal Access Col.

Gas

86.3% coverage
1.4 M customers
Universal Access Col.

Hidroituango:

2,400 MW
Units 1 and 2 entered commercial operation

Tepuy:

83 MW of solar energy
Progress: 68%

36 million m³ of water reused in the hydroelectric power generation process

13,705 of new ha protected, totaling 120,478 ha protected since 2016.

Environmental Investment in 2022

COP 271,015 M.

EPM first Sustainability-linked loan (SLLP) for USD 700 MM.

Key Performance Indicators:

- #1:** Scope 1 and 2 GHG Emissions measured in Tons of CO₂e. Target 2022-2026: reduction of 73.4%.
- #2:** Rate of water losses per billed user (IPUF) measured in m³/user/month. Target 2022-2026: 6 m³

3. Regulatory Policy Signals

Ministry of Mines and Energy Draft Decree

Guidelines to promote the efficiency and competitiveness of the residential electric power service

- The proposal is part of the development of the "Pact for Tariff Justice". In general, it focuses more on aspects of a regulatory nature than on public policy.
- The most significant adjustments occur in the MEM (*wholesale electricity market*), still leaving many concerns about its scope. Proposals for:
 - Valuation of generation and dispatch resources– Cap Prices
 - Long-term contracting scheme
 - Market Power Mitigation
- Several of the topics covered in the proposal have already been undergoing significant development by the CREG, such as demand participation, contracting schemes, and short-term market modernization.
- Convenient aspects for the system are discussed, such as the PUI (*Last resort service provider*) and distributed generation projects in special areas to reduce losses. However, the proposals do not contain structural guidelines to address the underlying problem.

Presidency of the Republic of Colombia Draft Decree

National Development Plan 2022-2026 "Colombia, World Power of Life"

- The proposed National Development Plan does not so far generate warning signs regarding a significant intervention of electricity and gas services. It is understood that the adjustments expected by the Government go through the Ministry of Mines and Energy Decree proposal.
- Some specific articles on the following topics are highlighted:
 - Reallocation of electricity subsidies to cover the essential level of consumption.
 - Transfers from solar and wind generation up to 6%.
 - Definition of Green Hydrogen and Energy Communities.
 - Vertical integration of activities of the electric power service (generation, transmission, distribution, commercialization and new activities defined by the CREG). The generation-transmission integration will be allowed when the generation is carried out from Non-Conventional Sources of Renewable Energy.
 - Flexibility of investments for Network Operators that have met the quality goals (terms).

4. Update on Ituango Hydroelectric Plant



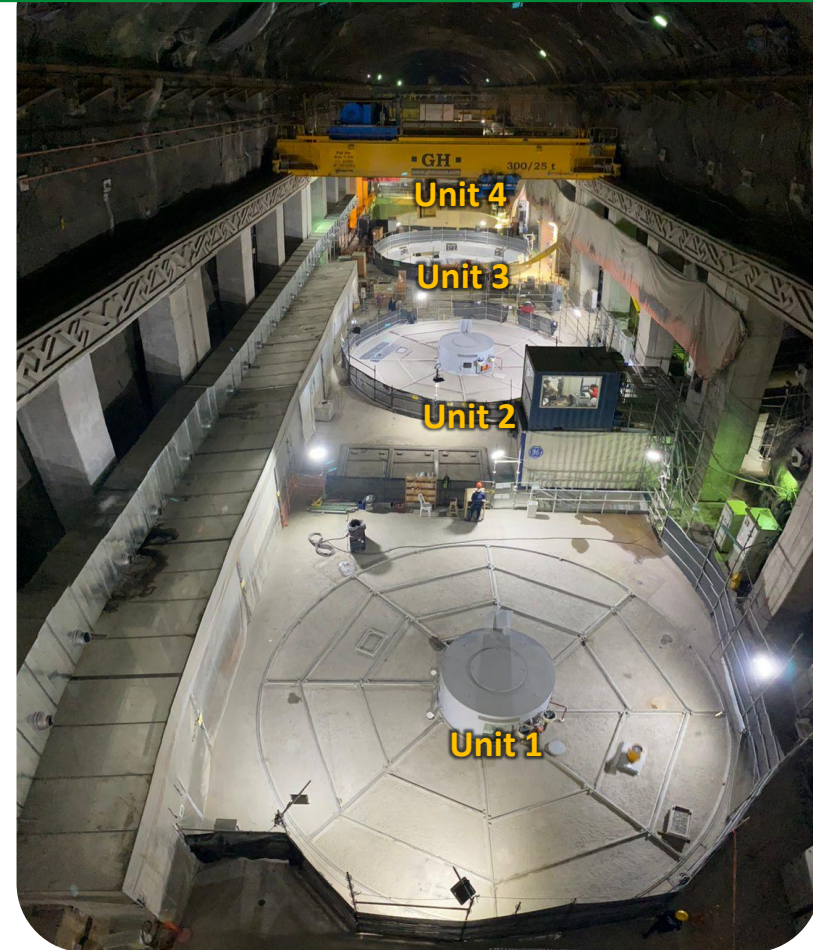
Total Work Progress

✓ 90.82% as of March 2023



Units 1 and 2 in commercial operation

- ✓ Since November 30, 2022
- ✓ 284 GWh average daily generation



4. Update on Ituango Hydroelectric Plant



Highlights	Civil Work	Milestones Achieved	Pending Completion	% of Completion
<ul style="list-style-type: none"> The Ituango Project is expected to generate an average of 13,930 GWh of energy per year. Total Work Progress as of March 2023 [90.82%] Gross investment as of March 31, 2023: \$18.9 billion. Net investment as of March 31, 2023: \$14.7 billion, deducting payments from insurance policies. 	Dam and Spillway	<ul style="list-style-type: none"> Fully operational Dam Fully operational Spillway with two channels 	<ul style="list-style-type: none"> Final stage of abutment injections 	99.3%
	Powerhouse	<ul style="list-style-type: none"> Stabilization of access tunnel Extraction of sediments Works on north zone vault Cleaning and removal of damaged equipment from units 1 to 4 Assembly of 300-ton bridge cranes 	<ul style="list-style-type: none"> Recovery and stabilization of tunnels and caverns Reconstruction of the control building Assembly of generation units 	86.4%
	Pressure Well	<ul style="list-style-type: none"> Completed works in-between pressure wells 1 and 2 	<ul style="list-style-type: none"> Shielding of pressure wells Underwater work in intake structures 	86.4%
	Intermediate Discharge Tunnel	<ul style="list-style-type: none"> Partial reinforcement with concrete lining in selected areas Reinforcement of downstream walls Enlargement of Plug 12 	<ul style="list-style-type: none"> Gate completion and shielding Concrete coating 	66.3%
	Right Diversion Tunnel (RDT) and Auxiliary Diversion Tunnel (ADT)	<ul style="list-style-type: none"> Closing of both gates to the ADT Concrete pouring in said gates was completed. Final plug ADT 	<ul style="list-style-type: none"> Pre-plug 2 and final plug RDT 	97.8%

5. Afinia

Power service supply in the Southern Zone of the Caribbean Region



Main indicators

Collection percentage

83.96%
2021

84.09%
2022

Energy loss indicator

28.29%
2021

26.73%
2022

SAIDI

89 hours
2021

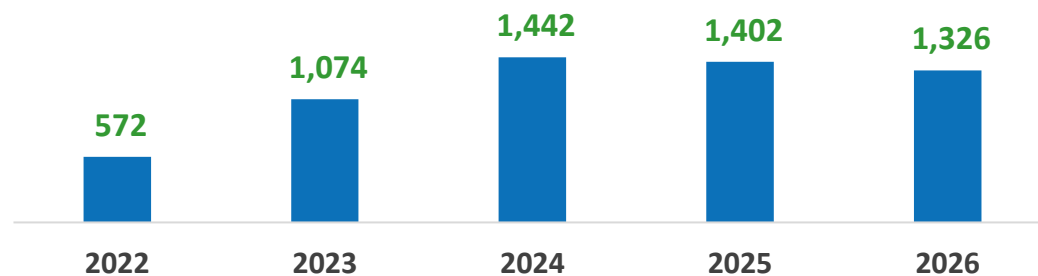
74 hours
2022

SAIFI

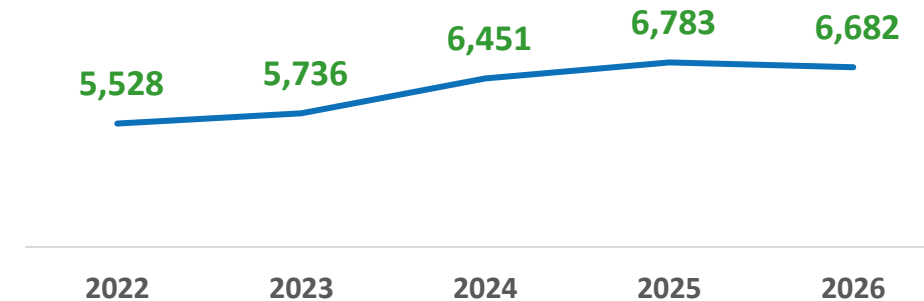
72 Times
2021

52 Times
2022

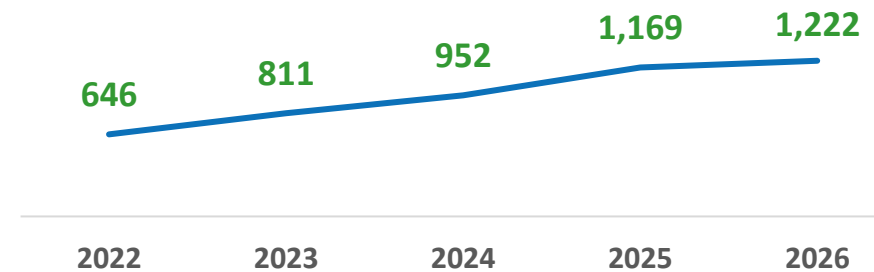
CapEx



Revenues



EBITDA



Figures in COP thousand million

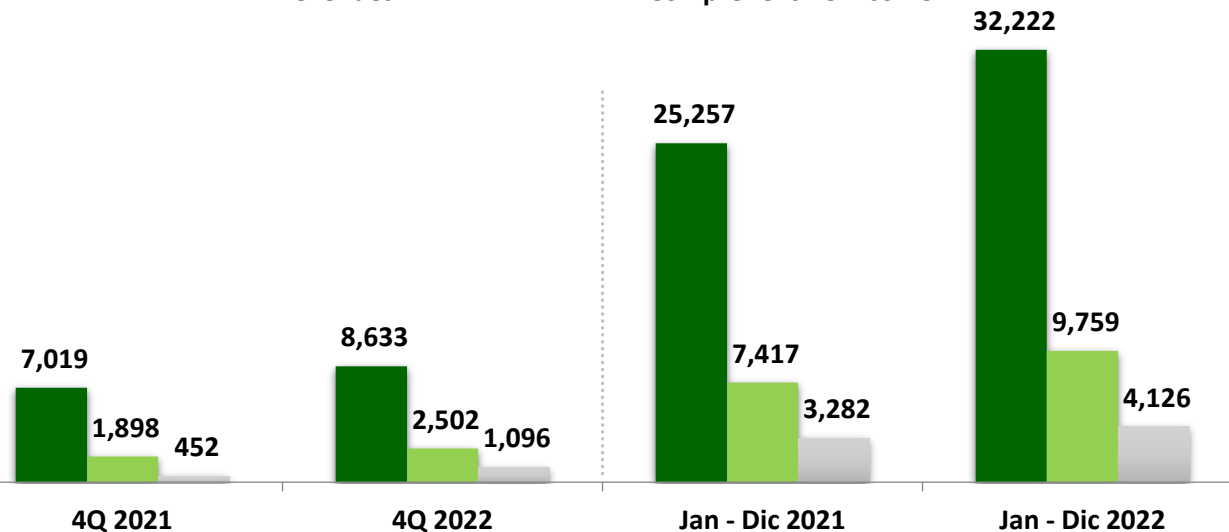
6. Financial Results as of December 31, 2022

EPM Group Income Statement

Figures in COP thousand million



■ Revenues ■ EBITDA ■ Comprehensive income

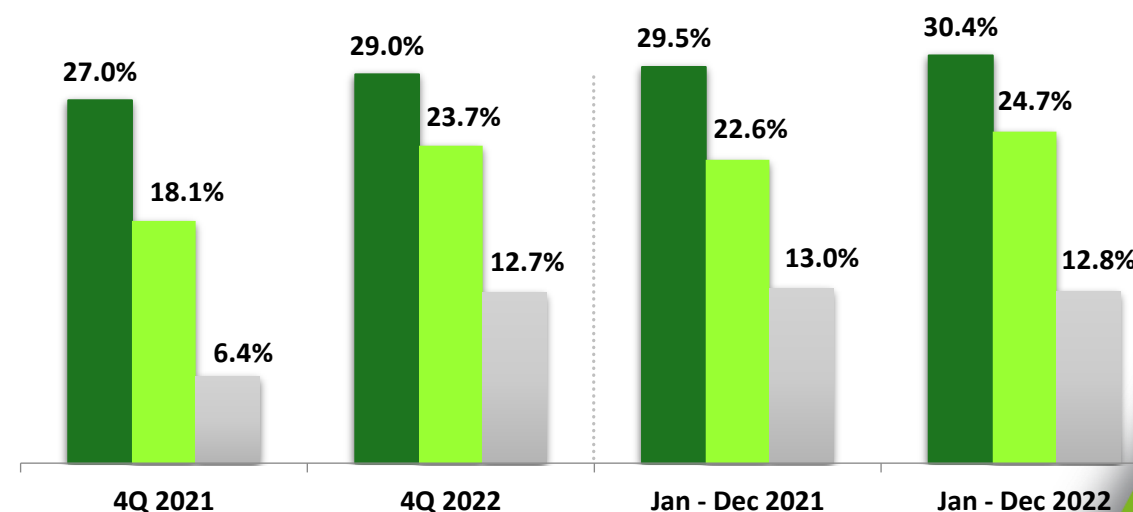


Var. 4Q2022 - 4Q2021

Jan. - Dec. 2022 - 2021

Revenues: 23%	Revenues: 28%
EBITDA: 32%	EBITDA: 32%
Comprehensive income: 143%	Comprehensive income: 26%

■ EBITDA margin ■ Operational margin ■ Net Margin

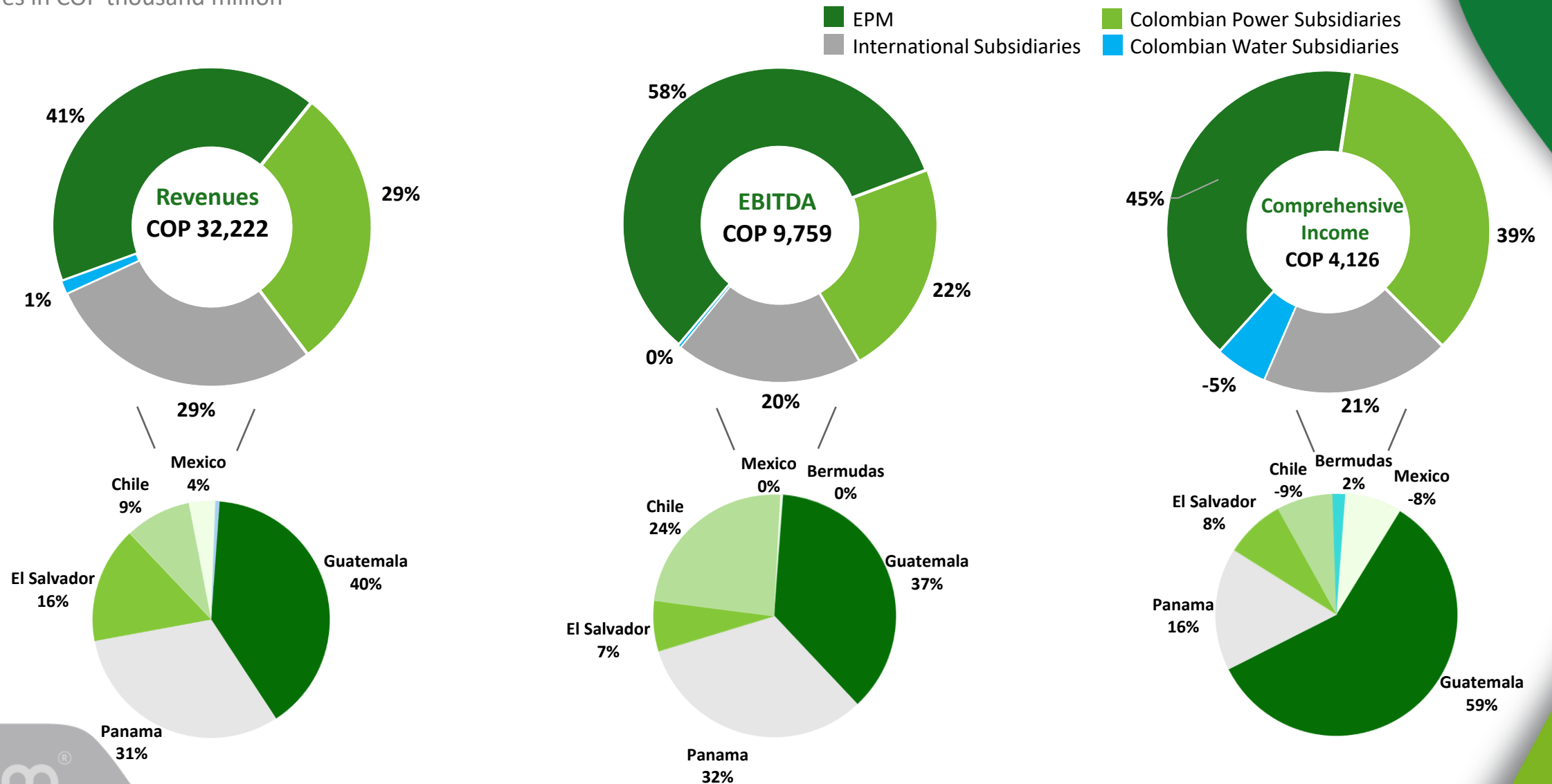


- **Revenues** increased COP 6,966, 28%, mainly explained by higher revenues in the distribution business of Colombian and international companies given the higher demand and rise in tariffs.
- **Costs and expenses** increased COP 4,718, 24%, explained by a higher cost of the commercial operation given the increase in energy purchases of the energy distribution companies at a higher price.
- **EBITDA** increased COP 2,342, 32% with respect to previous year, standing out the contribution of the EPM parent company, AFINIA, ENSA, CENS, CHEC, and ESSA.

6. Financial Results as of December 31, 2022

EPM Group by Colombian and International Subsidiaries

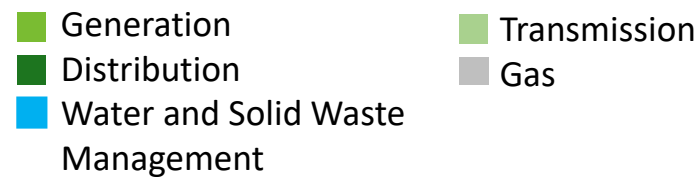
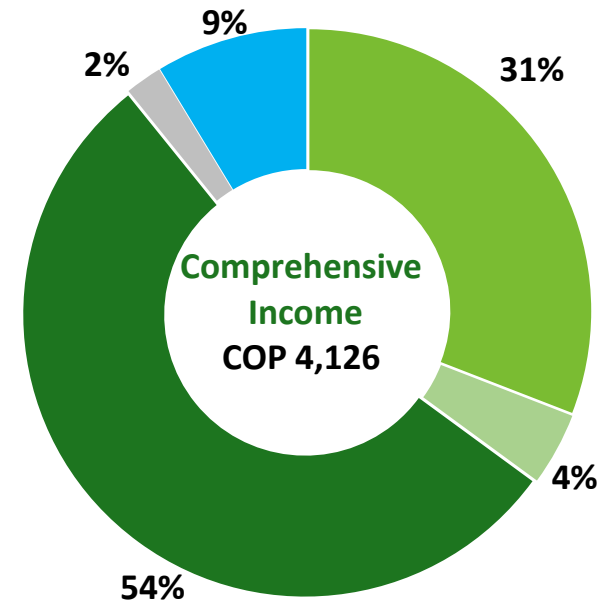
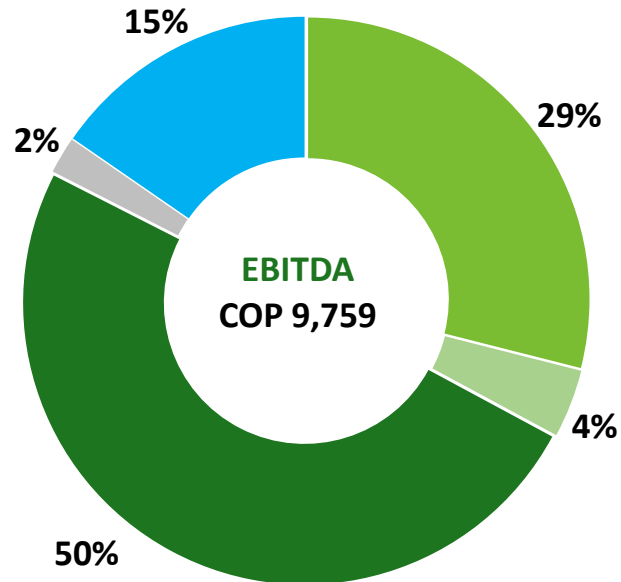
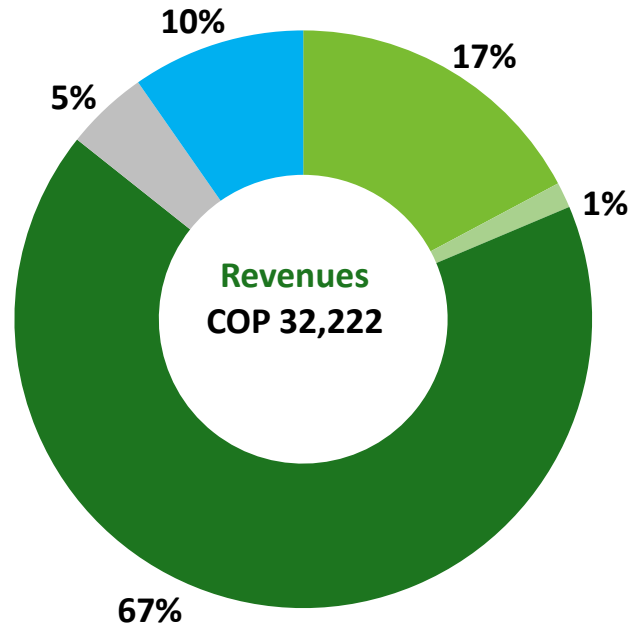
Figures in COP thousand million



6. Financial Results as of December 31, 2022

EPM Group by Segments

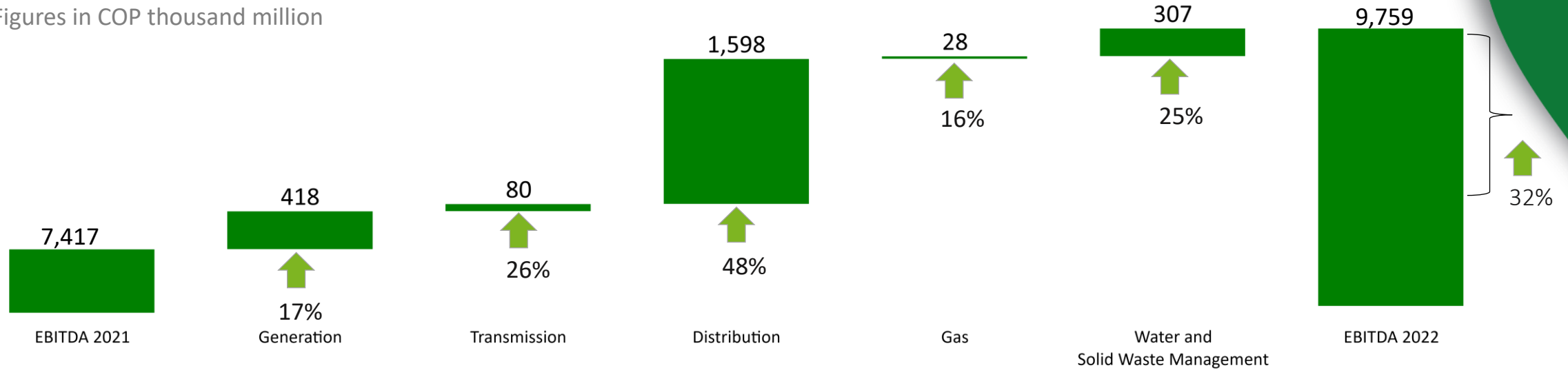
Figures in COP thousand million



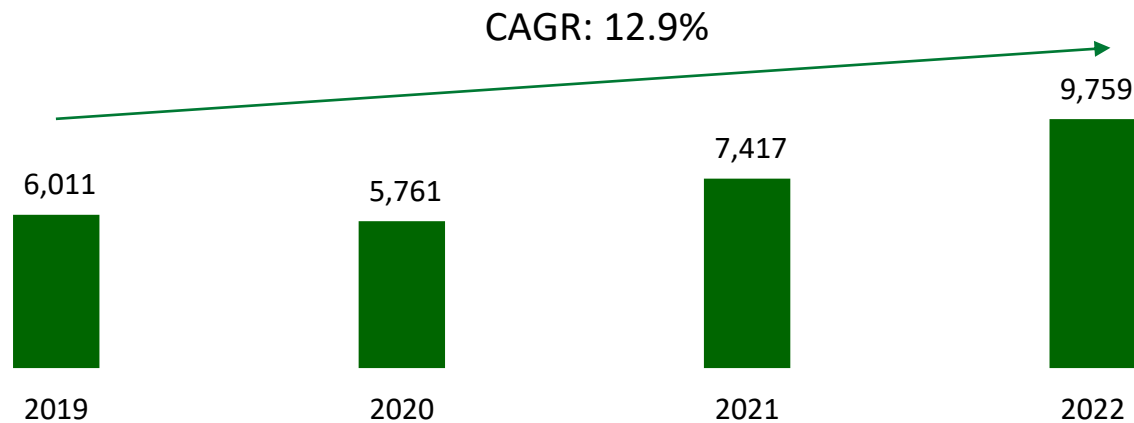
6. Financial Results as of December 31, 2022

EPM Group EBITDA

Figures in COP thousand million



It does not include the other segments and eliminations.

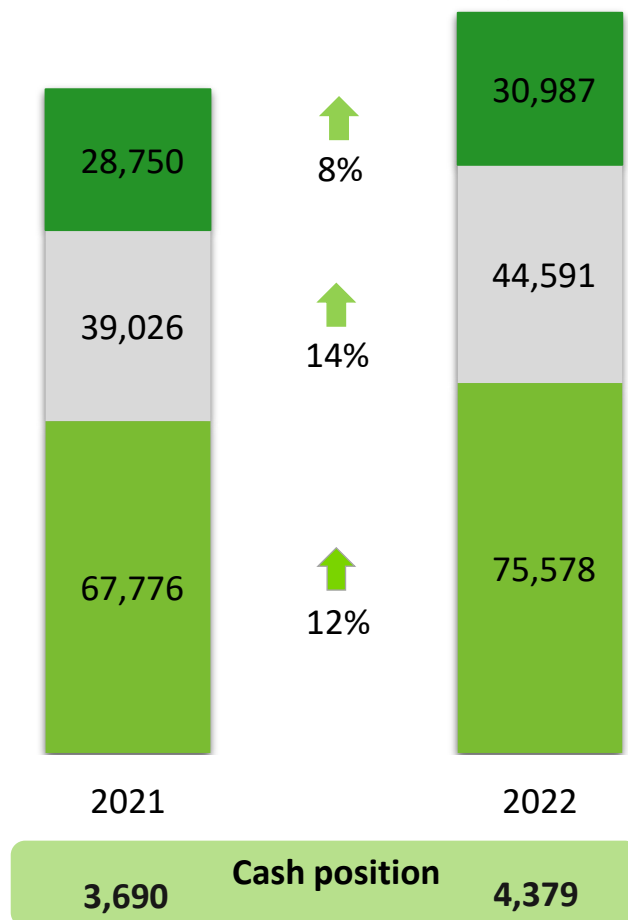


6. Financial Results as of December 31, 2022

EPM Group Statement of Financial Position

Figures in COP thousand million

■ Assets ■ Liabilities ■ Equity

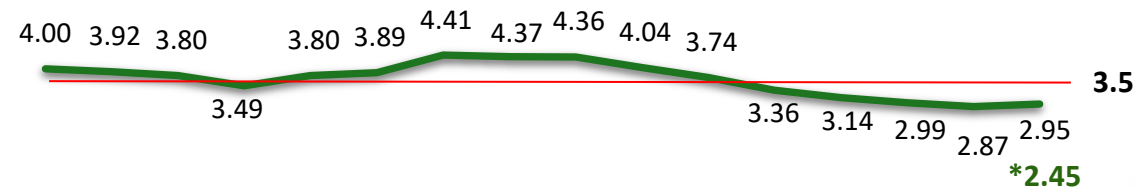


Ratios	2021		2022	
Total Debt	58	%	59	%
Financial Debt	40	%	41	%
EBITDA/ financial expenses	6.18	X	4.71	X
Long-Term Debt/EBITDA	3.35	X	2.95	X
Net Debt/EBITDA	2.79	X	2.45	X

EBITDA/ Financial expenses



Total Long Term Debt/EBITDA



1Q19 2Q19 3Q19 4Q19 1Q20 2Q20 3Q20 4Q20 1Q21 2Q21 3Q21 4Q21 1Q22 2Q22 3Q22 4Q22

(*) Net Debt/EBITDA

6. Financial Results as of March 31, 2023 (Unaudited)

EPM Group Main Results

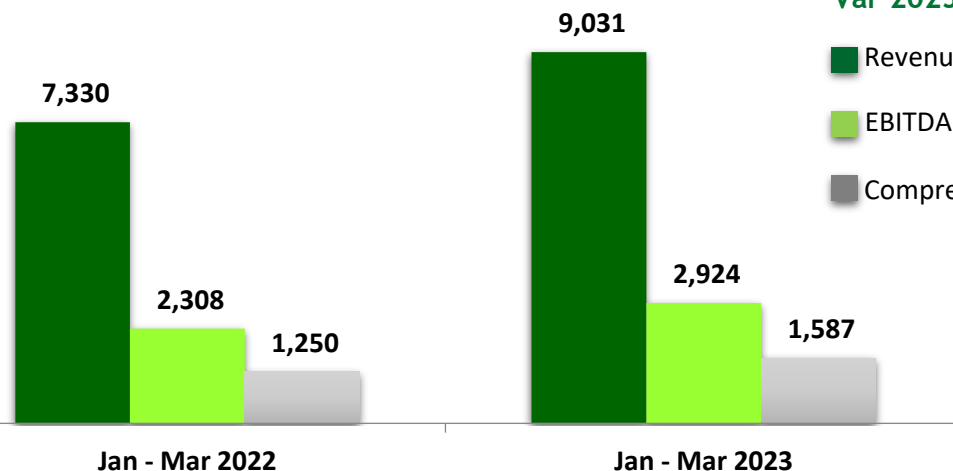
Figures in COP thousand million



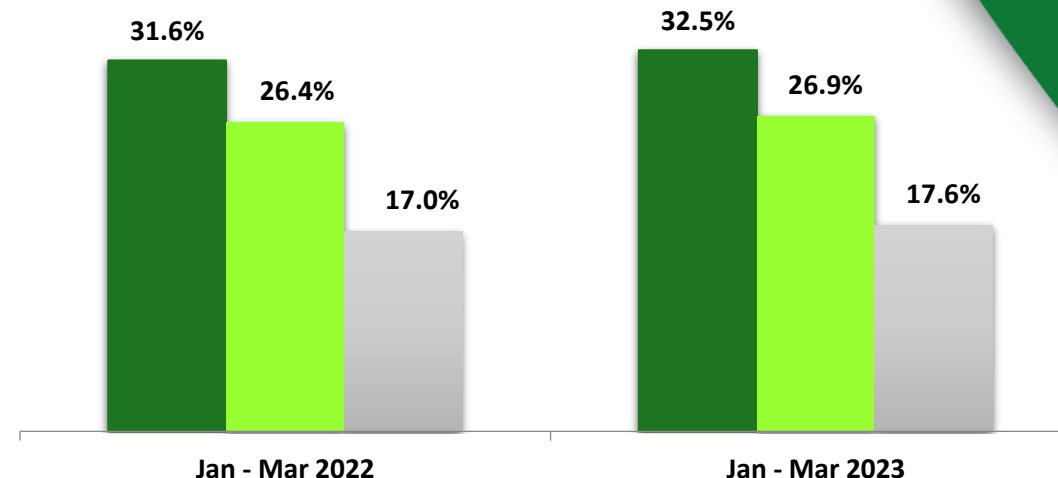
■ Revenues ■ EBITDA ■ Comprehensive income

Var 2023 - 2022

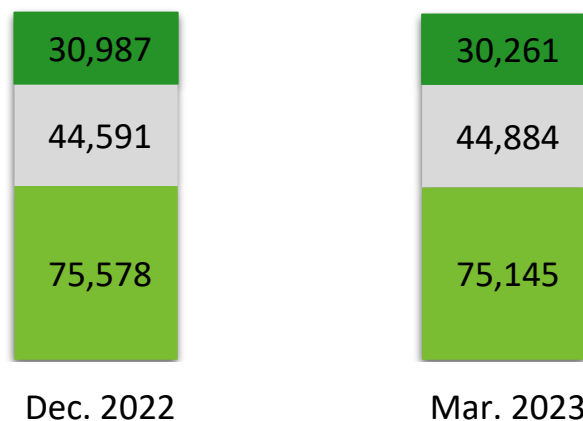
■ Revenues: 23%
■ EBITDA: 27%
■ Comprehensive income: 27%



■ EBITDA margin ■ Operational margin ■ Net Margin



■ Assets ■ Liabilities ■ Equity

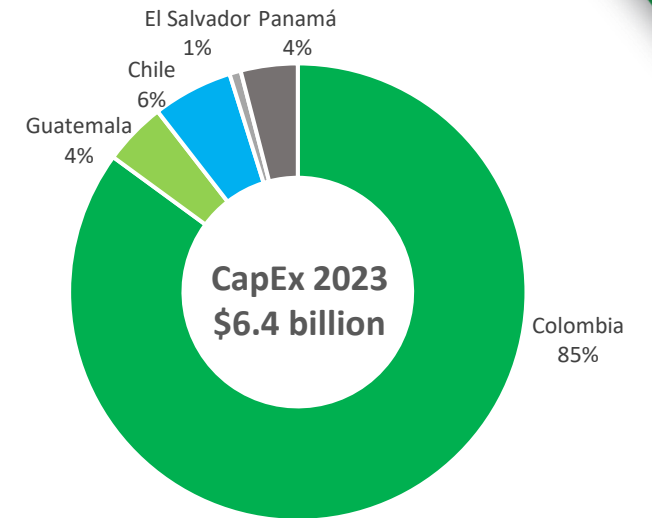
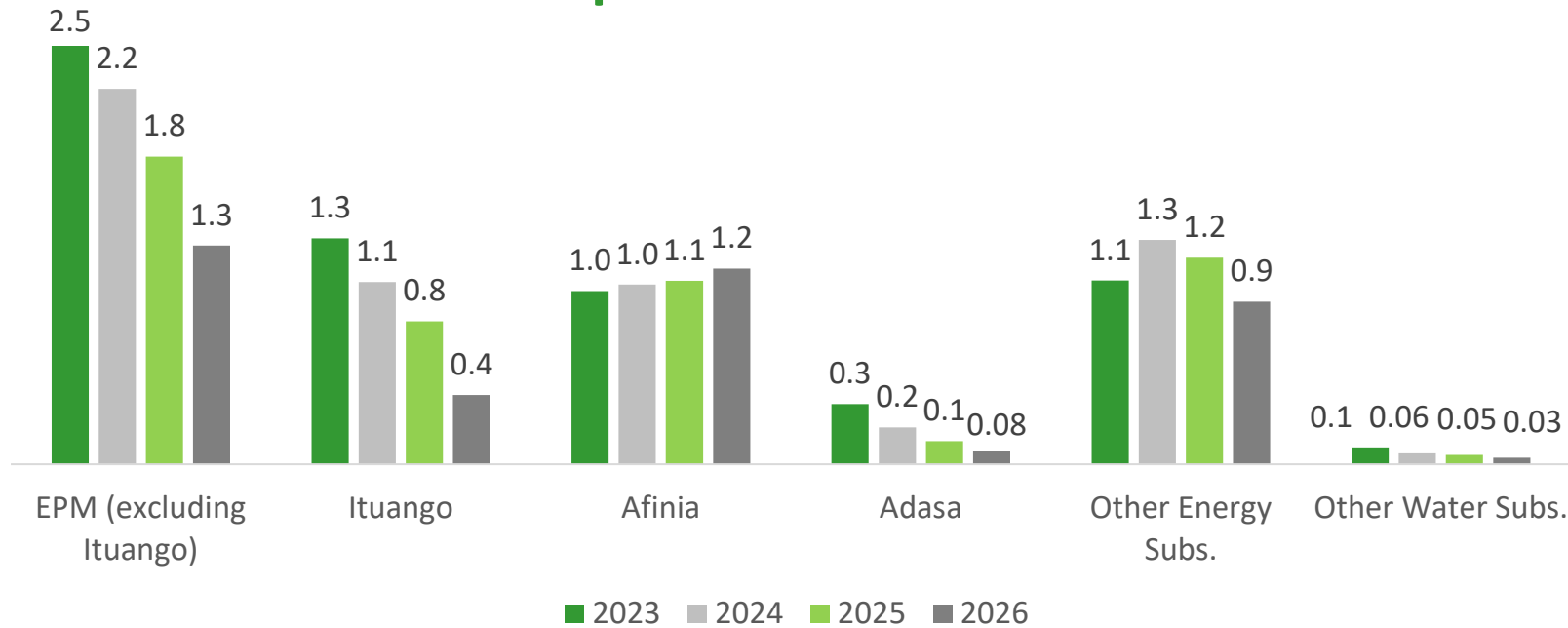


Ratios	Mar. 2022		Mar. 2023	
Total Debt	60	%	60	%
Financial Debt	41	%	40	%
EBITDA/financial expenses	6.44	X	4.15	X
Long-Term Debt/EBITDA	3.13	X	2.71	X
Net Debt/EBITDA	2.42	X	2.31	X

7. EPM Group CapEx 2023-2026

Figures in COP billion

CapEx 2023-2026: COP 21.5 billion



Energy: 80%



Water: 20%

8. Liquidity and debt strategy



EPM Group cash position as of March 2023: COP 3.7 billion

Committed Lines

BNDES

Amount: USD 111 MM

Balance to be disbursed: USD 0,6 MM

Term: Dec. 2023

International Commercial Banks

Amount: USD 700 MM

Balance to be disbursed: USD 400 MM

Term: Dec. 2023

Banking facilities

AFD

Amount: EUR 180 MM

Term: 10 years

Use of proceeds: *General Capex plan*

Authorization of the Ministry of Finance
and Public Credit: Feb.28, 2023

Other financing sources*

- **Local and International Capital Markets**
- **Development banks**
- **Local Banks**
- **International banks**

**Sources in permanent monitoring to identify market opportunities*



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