



EPM
**J.P. Morgan 2023 Global
Emerging Markets
Corporate Conference**

March 06-08

Agenda



1. EPM Group Highlights
2. ESG Highlights
3. Regulatory Perspective
4. Hidroituango
5. Afinia
6. Financial results as of Nov. 2022
(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



6 Countries
44 Companies
7 Business Lines

- Power Generation
- Power Transmission
- Power Distribution
- Natural Gas Distribution
- Water
- Wastewater Treatment
- Solid waste management

Ratings:

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

16,851 Employees

Over 9 million Beneficiary people in Latin-America

Assets
COP 74.2 billion
(USD 15,436 million equiv.)

10%

Revenues
COP 29.1 billion
(USD 6,068 million equiv.)

28%

EBITDA
COP 8.9 billion
(USD 1,866 million equiv.)

30%



Figures as of November 30, 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 Highlights

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.
- **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** of the corporate governance framework

SUSTAINABLE DEVELOPMENT GOALS



97.2% coverage in Energy.
6.5 M customers equiv.

Hidroituango: 2,400 MW
Hidropower plant

Tepuy: 83 MW of solar energy

99.3% coverage in solid waste management
906 thousand customers

EPM achieved **100% self-supply of electricity at the Aguas Claras WWTP** using biogas generated in the plant.

30% reduction in maintenance time without the use of water or chemicals at the Bonyic power plant

39 million m³ of water reused in the hydroelectric power generation and Potable water treatment processes

Protection of **9,246 new hectares** totalizing 106,773 protected hectares since 2016

EPM sold **2.13 M international renewable energy certificates (I-REC)**, equivalent to 269,232 tCO₂e avoided

EPM's emission factor in 2021 was **0.0650 tCO₂e/MWh**, while the national electricity factor was 0.1264 tCO₂e/MWh

97.6% coverage in water provision
1.7 M customers equiv.

94.4% coverage in Waste-water treatment
1.6 M customers equiv.

ADASA expanded its production capacity from 1,000 L/s to around **1,400 L/s**

Commitment to gender equity:

- **EPM:** Seal of Labor Equity Equipares Silver level
- **CHEC:** Labor Equity Recognition
- **ENSA:** Award of Happiness – Women Empowerment
- **DELSUR:** International Plan Recognition

EPM first Sustainability-linked loan (SLLP):

- **Amount:** USD 700 MM. **Term:** Dec.2023
- **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 Perspective



- ❑ Increase transfers from NCRE.
- ❑ Full vertical integration in energy
- ❑ Extraordinary powers to the President to create a holding energy company
- ❑ Subsistence Minimum figure and re-targeting subsidies
- ❑ Creation of the figure of energy communities
- ❑ Focus on popular economy

National Development Plan 2022 - 2026

Reform Law 142 and 143 of 1994

- ❑ Changes to the State-Owned Industrial and Commercial Companies regime
- ❑ Allows multi-object for utility companies
- ❑ Adjustment on Superintendence of Residential Public Services (SSPD) competences
- ❑ Subsistence Minimum for all utility services
- ❑ Special regime for organized communities
- ❑ Customer protection regulation
- ❑ Ownership of networks and assets
- ❑ Corporate Governance

- ❑ Energy Transition roadmap
- ❑ Decree 0227 of 2023, President assumes general administration policies and efficiency control of utilities.*

Public policy instruments

CREG and MME Agenda

- ❑ Reliability Charge adjustment (existing plants)
- ❑ Short-term market modernization
- ❑ Spot prices (mitigation supply)
- ❑ Regulation of shortage risks
- ❑ Review of participation limits
- ❑ Remuneration methodology Transmission and Commercialization, Distribution Bases
- ❑ Modification of the Unit Cost tariff formula
- ❑ AMI Implementation and GIDI (
- ❑ Demand aggregator definition and Distributed Energy Resources-DERs (Tr)
- ❑ Regasification services and commercialization of Imported Gas
- ❑ Approval of Gas Commercialization Charges

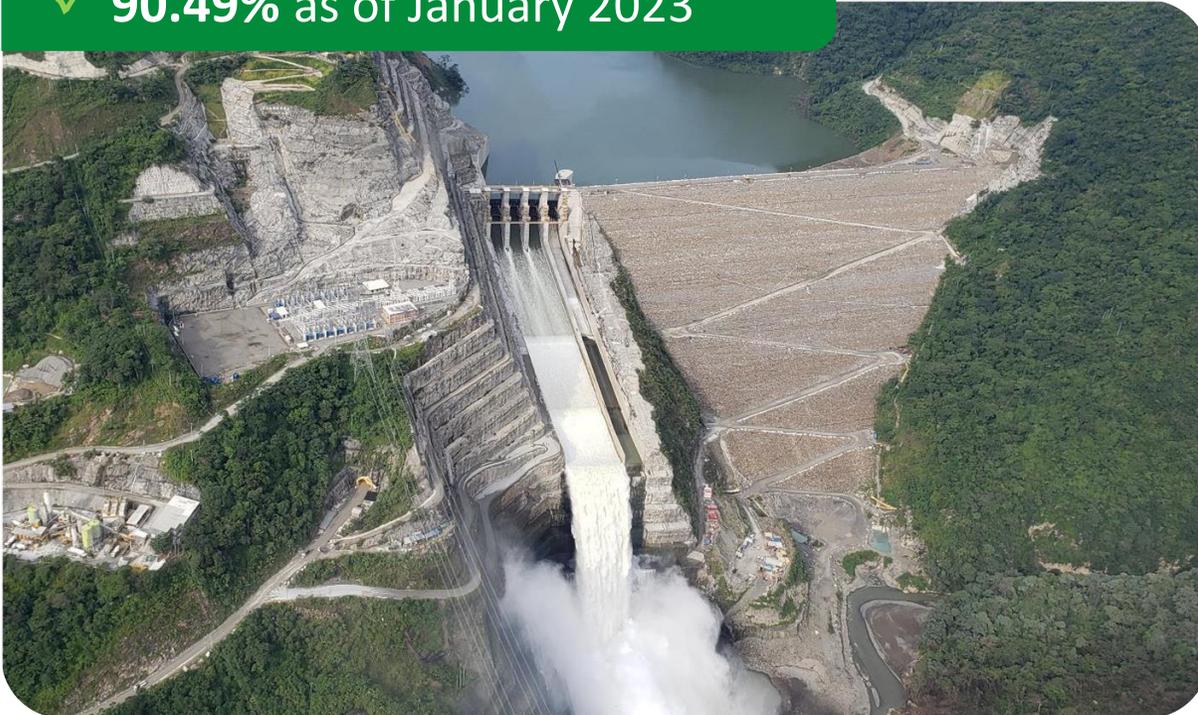
** On March 2, 2023, Council of the State suspended temporarily the application of Decree 0227*

4. Update on Hidroituango



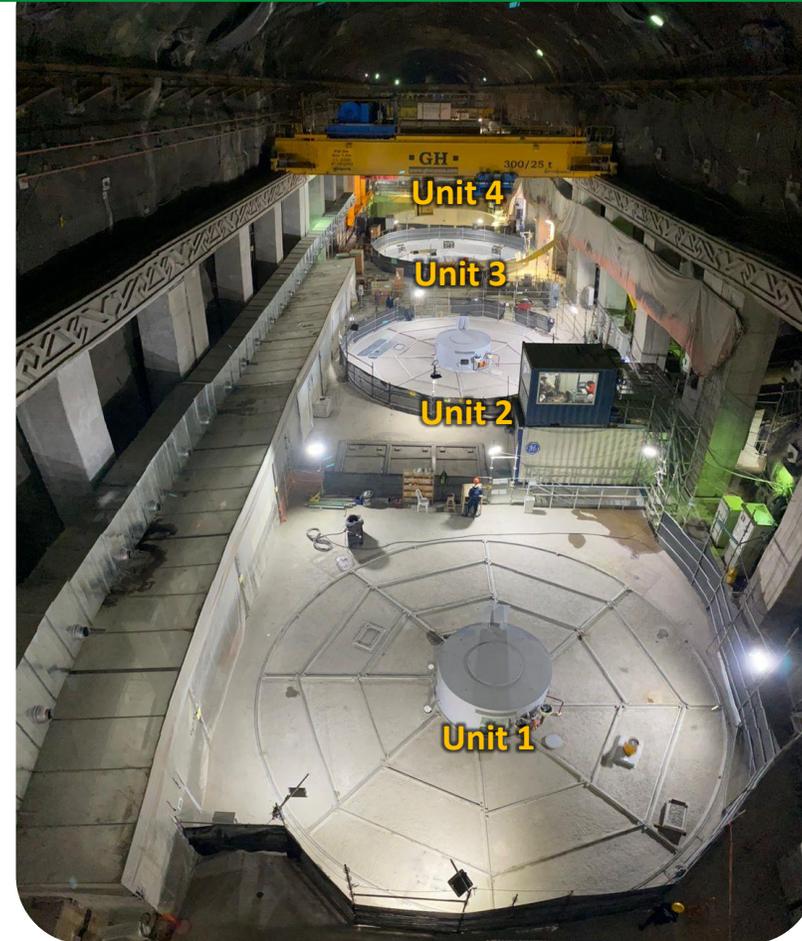
Total work progress

✓ 90.49% as of January 2023



Units 1 and 2 under operation

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



4. Update on Hidroituango



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 January [90.49%] The schedule continue with entry into operation in 2022 of the two first power generation units. Gross investment as of Dec. 2022*: \$18.6 billion. Net investment as of Dec. 2022*: \$14.4 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 	86.1%
	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 	85.9%
	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 	97.5%

*Preliminary figures as of Dec. 31, 2022

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

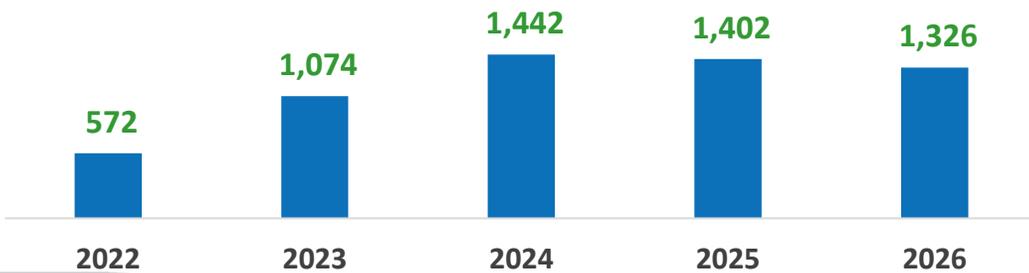
SAIDI

89 hours 2021
74 hours 2022

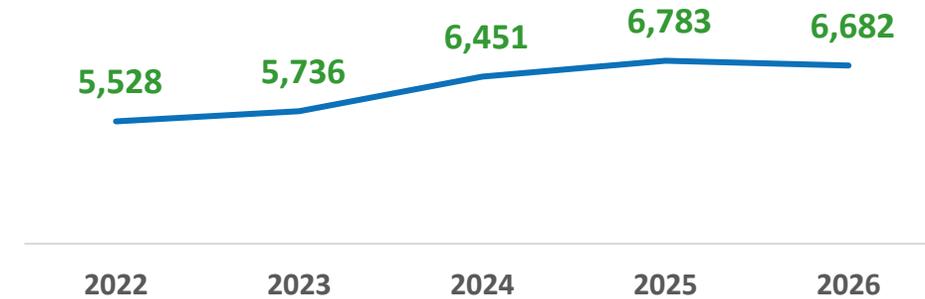
SAIFI

72 Times 2021
52 Times 2022

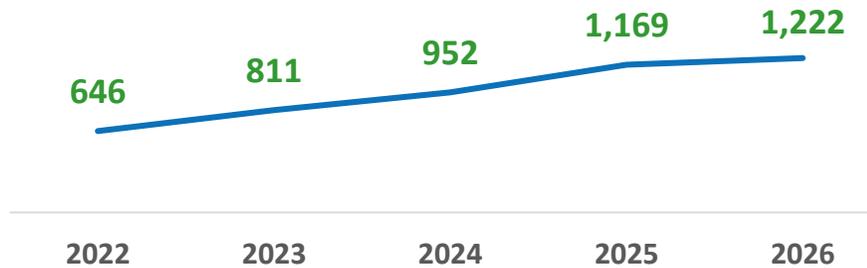
CapEx



Revenues



EBITDA



Figures in COP thousand million

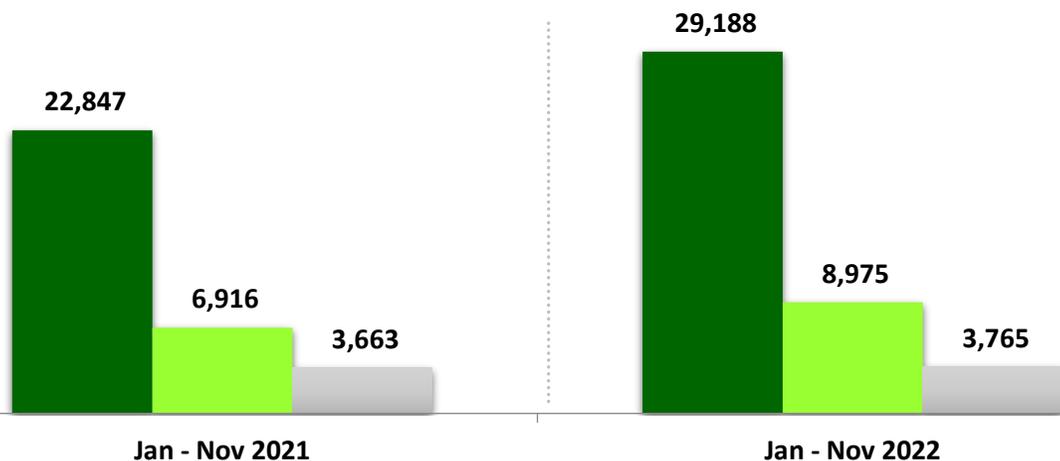
6. Financial Results as of November 30, 2022 (unaudited)

EPM Group Income Statement

Figures in COP thousand million



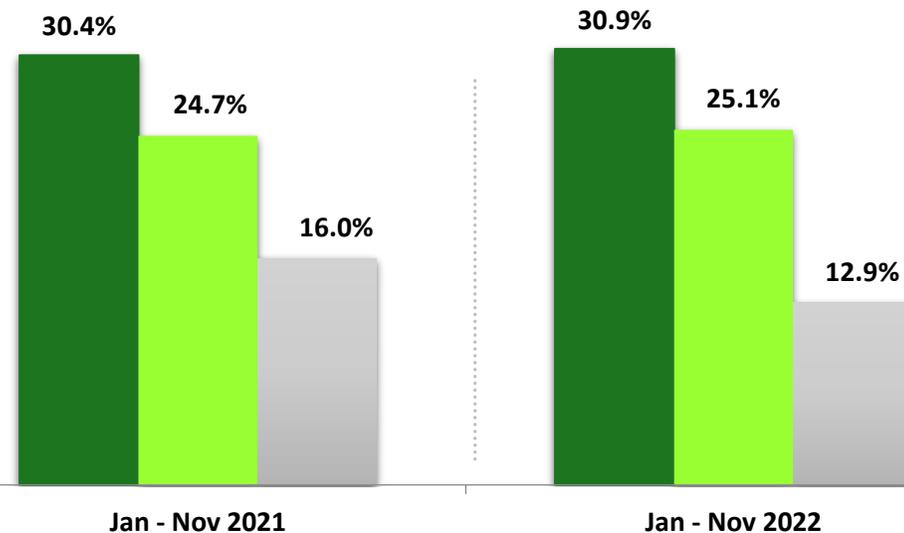
■ Revenues ■ EBITDA ■ Comprehensive income



Jan-Nov 2022 vs Jan-Nov 2021

- Revenues: 28%
- EBITDA: 30%
- Comprehensive income: 3%

■ EBITDA margin ■ Operational margin ■ Net Margin



- **Revenues** increased COP 6,341, 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 4,645, 27%, 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 2,059, 30% with respect to previous year, standing out the contribution of the EPM parent company, AFINIA, ENSA, CENS, CHEC, and ESSA.

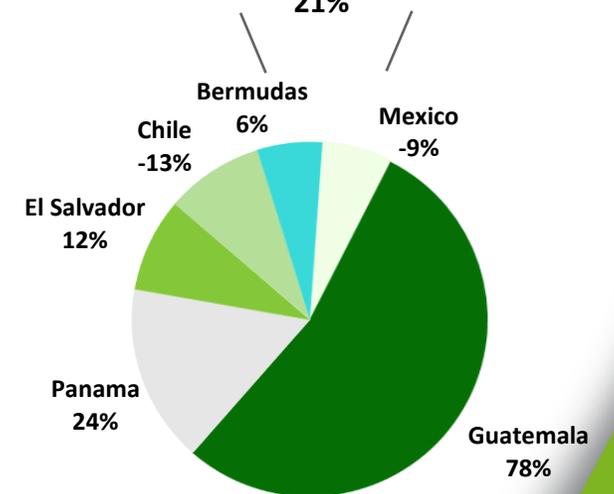
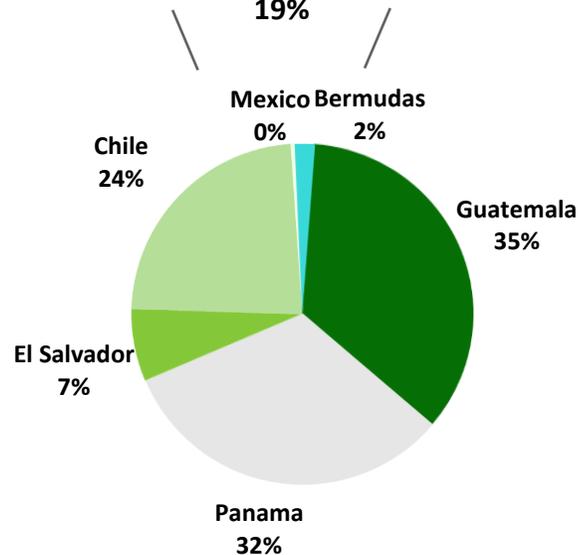
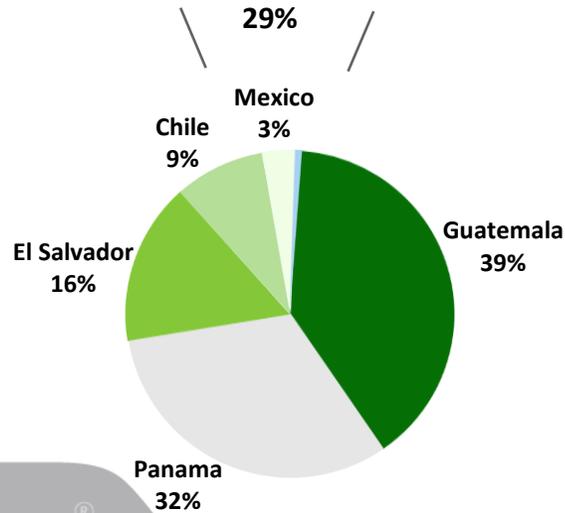
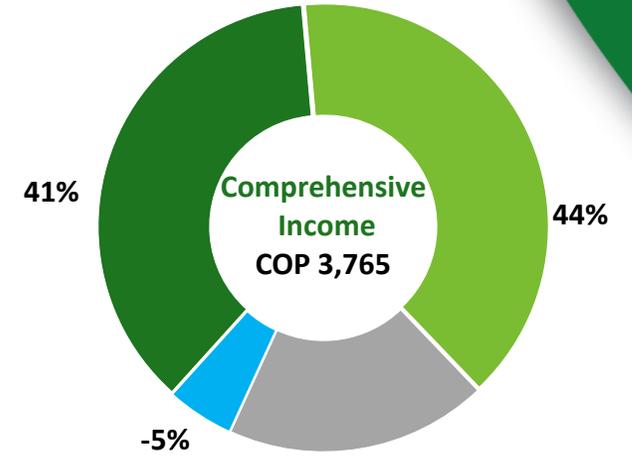
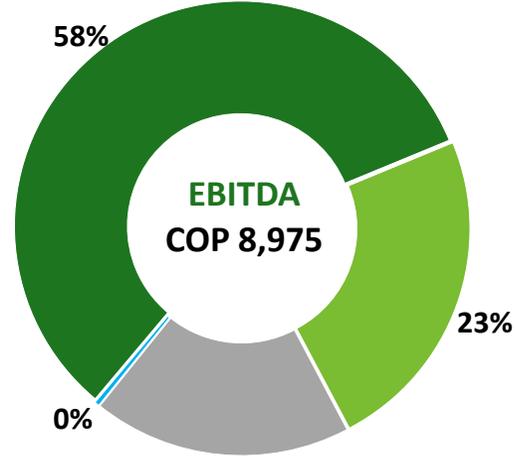
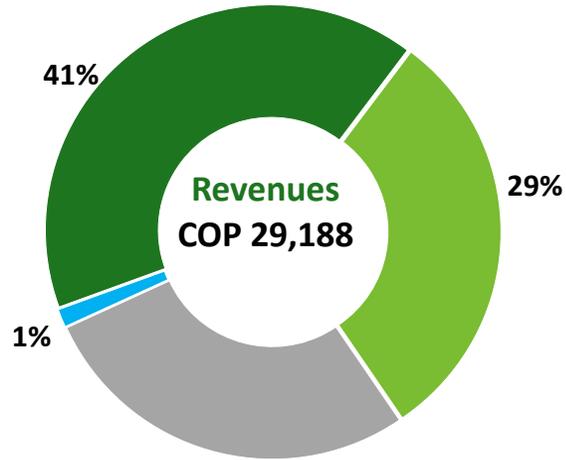
6. Financial Results as of November 30, 2022 (unaudited)

EPM Group by Colombian and International Subsidiaries

Figures in COP thousand million



■ EPM
■ International Subsidiaries
■ Colombian Power Subsidiaries
■ Colombian Water Subsidiaries

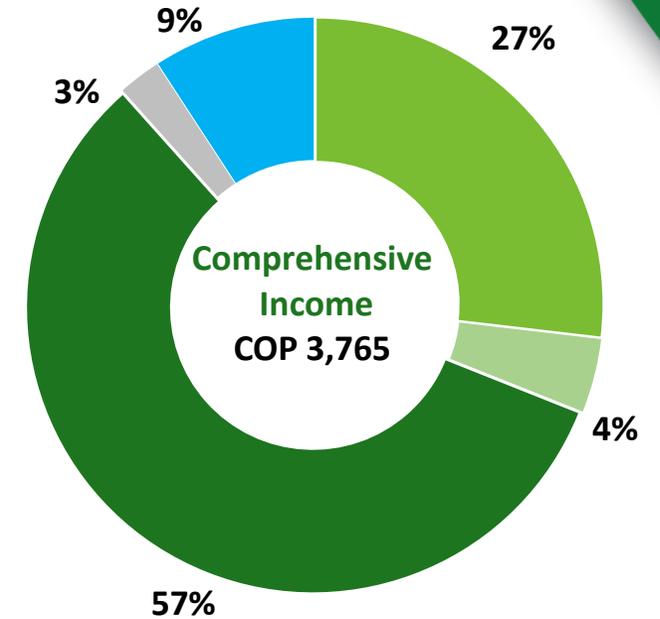
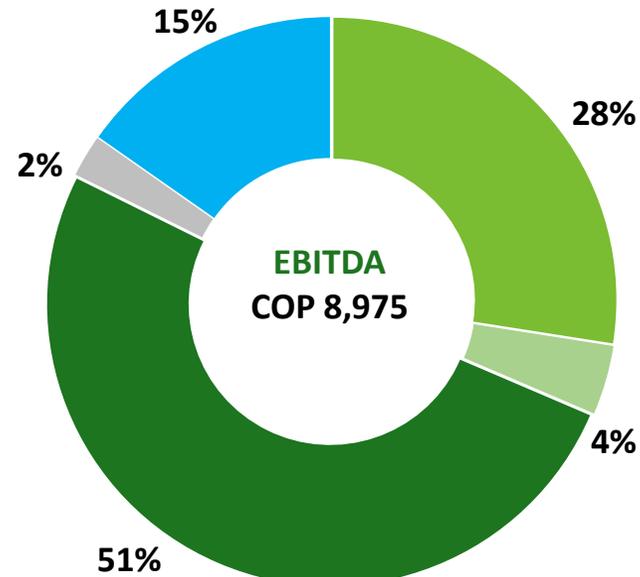
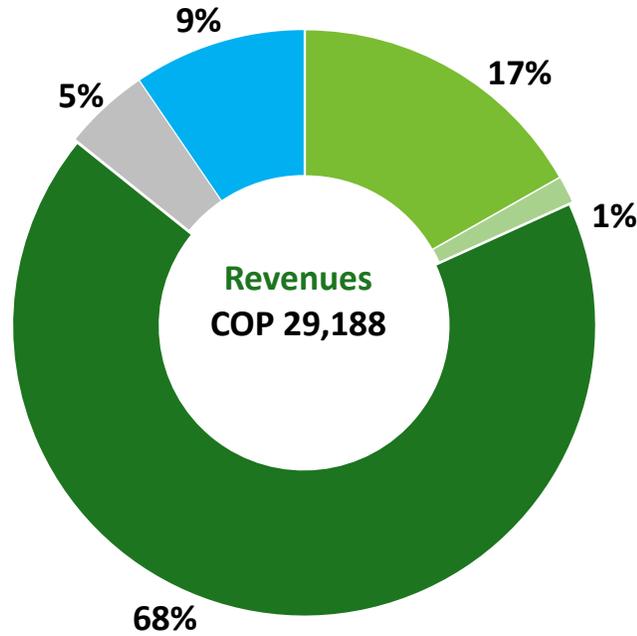


The percentages do not include the other segments and eliminations.

6. Financial Results as of November 30, 2022 (unaudited)

EPM Group by Segments

Figures in COP thousand million

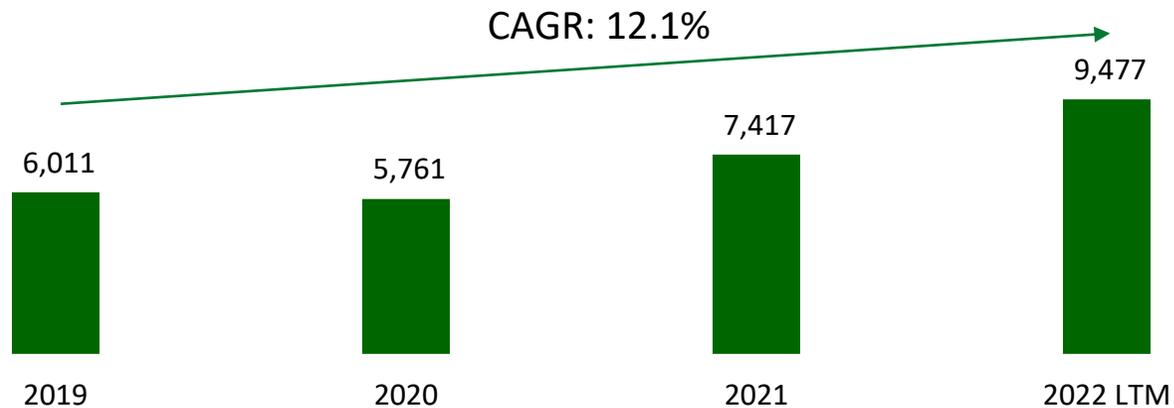
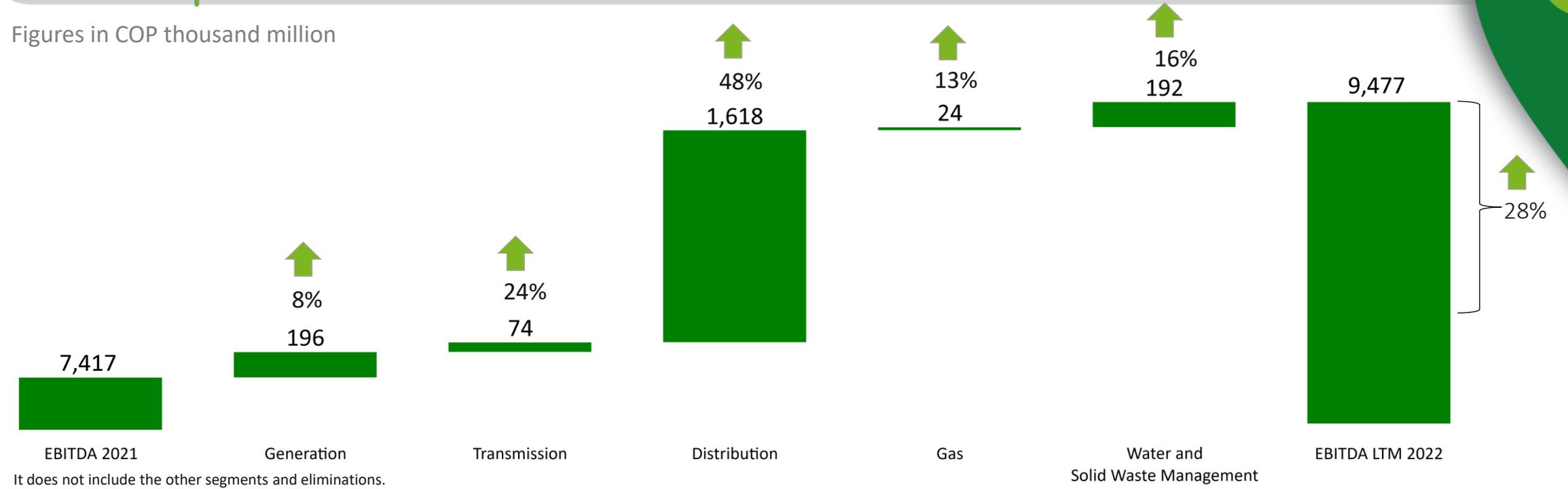


- Generation
- Distribution
- Water and Solid Waste Management
- Transmission
- Gas

6. Financial Results as of November 30, 2022 (unaudited)

EPM Group EBITDA

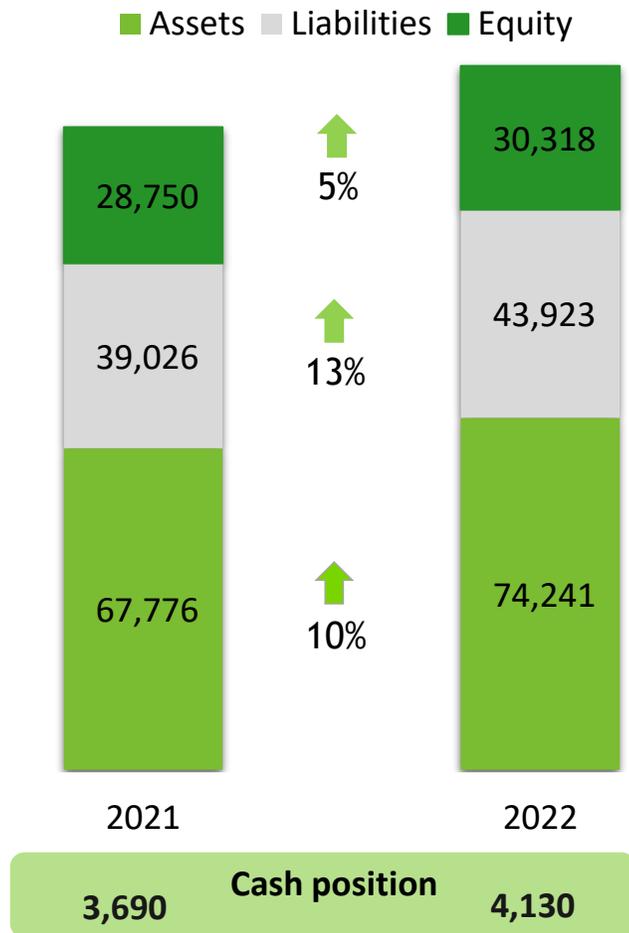
Figures in COP thousand million



6. Financial Results as of November 30, 2022 (unaudited)

EPM Group Statement of Financial Position

Figures in COP thousand million

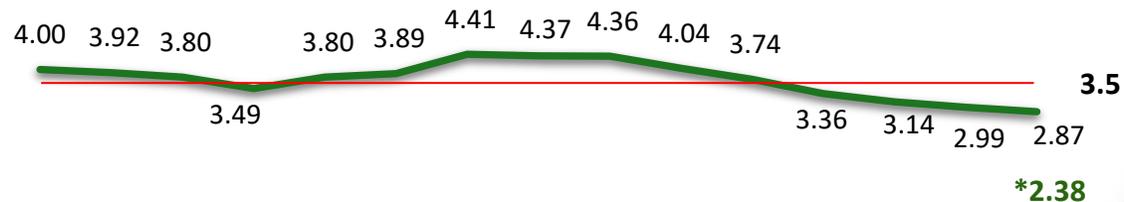


Ratios	2021	2022
Total Debt	58 %	59 %
Financial Debt	41 %	41 %
EBITDA/financial expenses	6.32 X	4.88 X
Long-Term Debt/EBITDA	3.70 X	2.87 X
Net Debt/EBITDA	3.01 X	2.38 X

EBITDA/ Financial expenses



Total Long Term Debt/EBITDA



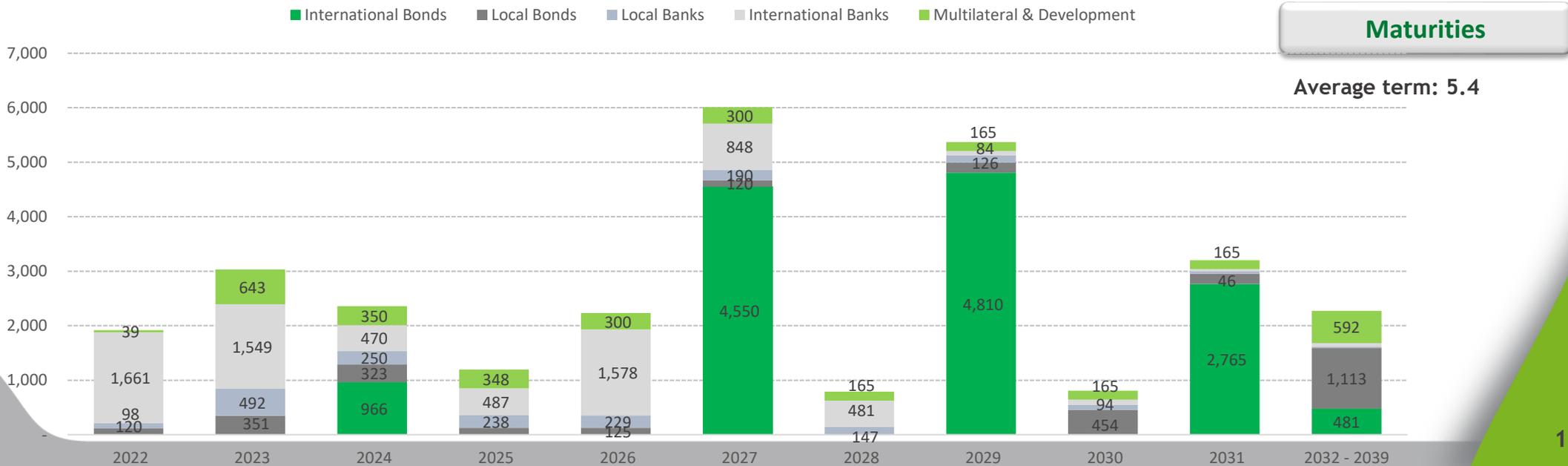
1Q19 2Q19 3Q19 4Q19 1Q20 2Q20 3Q20 4Q20 1Q21 2Q21 3Q21 4Q21 1Q22 2Q22 3Q22

(*) Net Debt/EBITDA

6. Financial Results as of November 30, 2022 (unaudited)

EPM Group Debt Profile

Figures in COP thousand million

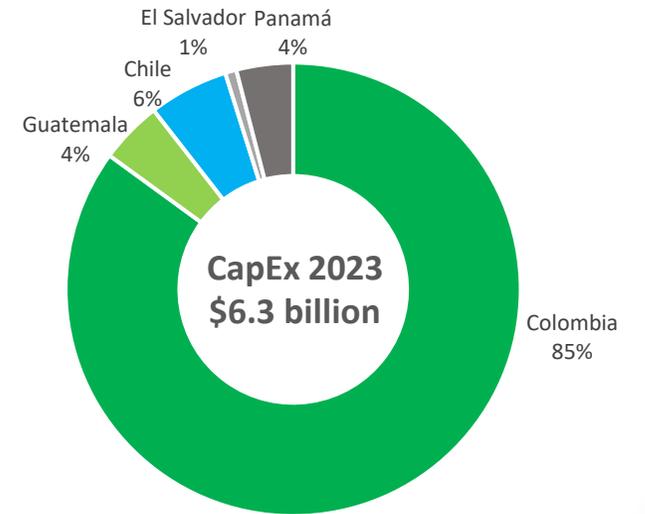
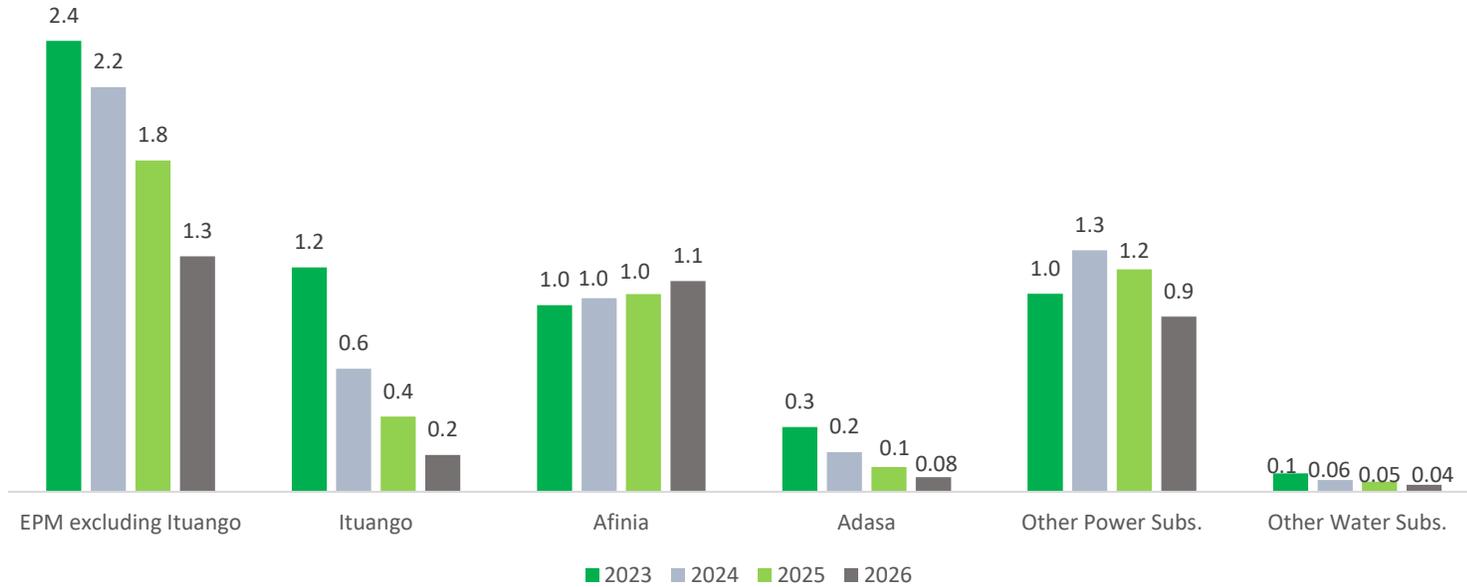


7. EPM Group CapEx 2023-2026

Figures in COP billion



Total CapEx 2023-2026: \$ 20.4 billion



Energy: 79%
 Water: 21%

8. Liquidity and debt strategy



EPM Group cash position as of November 2022: COP 4.1 billion

Committed Lines

BNDES

Amount: USD 111 MM

Balance to be disbursed: USD 18 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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