



The Hidroituango project is at 84.3% progress, the same as prior to the start of the contingency in April 2018.

- **EPM updated the investment to finish the project by an additional COP 2.1 billion**
- **The Project's total investment stands at COP 18.3 billion.**
- **This increased investment will be financed mainly by the internal generation of funds and the divestment plan in affiliates where EPM does not have control.**
- **Hidroituango will contribute to more competitive tariffs in Colombia and will meet 17% of the national demand with renewable energy.**

EPM updated the value of the investments required for the completion of the Ituango Hydroelectric Project by COP 2.1 billion, resources that will ensure the entry into commercial operation of the first two generation units in the second half of 2022 and the remaining six units between 2023 and 2025.

After the Company updates the figures, the total investment in the Project will be COP 18.3 billion.

"In these three years of Project recovery we have been able to advance to a point where we can now know with greater certainty the investment required to complete the future power plant and deliver the energy to the National Electricity Grid required by the country to continue growing," said Jorge Andrés Carrillo Cardoso, CEO of EPM.

After the contingency that arose in April 2018, when the first estimates of the investment required for the recovery of the Project were made, the level of uncertainty was high, due to the fact that there were difficulties in accessing all the project fronts, a situation that has been overcome. As the areas that were flooded for 10 months, including the powerhouse and the complex of tunnels and caverns, have recovered, the damage and the work required to complete the recovery and stabilization of Hidroituango have been identified with greater precision.



With Good Energy

This updated assessment of the Project's investments continues to show that the decision to continue with the work is the right one and adds great value for EPM's power generation business, since the cash flow between the years 2022-2061 continues to have a positive incremental Net Present Value (NPV) and an incremental Internal Rate of Return (IRR) higher than the cost of capital.

Once the new power plant goes into operation, the positive results expected to be obtained will allow EPM to continue being a leading company in the energy sector, contributing to the development plans of the municipality of Medellín and the areas in which the Company has a presence. And to move forward with its infrastructure investment plans and continue to offer the community public services with high standards of quality, continuity and coverage.

When it enters commercial operation with its eight units, the new plant will generate an average of 13,500 GWh/year, which is expected to generate net commercial revenues of between COP 1.5 and 1.7 billion per year by 2025, depending on market conditions and prices.

The benefits of Hidroituango's start-up

With the start-up of Hidroituango, the country's energy supply will increase by 17% with a renewable energy source, which has two major effects: greater competitiveness in energy tariffs at the national level, and a significant contribution to fulfilling the commitments to reduce emissions assumed by Colombia in the Paris agreements. In times of drought, the new Ituango plant will replace energy equivalent to a 750 MW thermal plant, with lower costs and clean energy.

It is important to note that these updated investments required by the Project for its operation will not increase electricity tariffs, since in Colombia we are in a competitive market.

CEO Carrillo Cardoso said that "with the EPM Group's financial soundness and credit rating, plus the positive progress in managing the insurance and reinsurance claims for the contingency, the internal generation of funds and the divestment plan that the Board of Directors and EPM's management are preparing to submit to the Medellín Council in coordination with the Municipal Administration, it is possible to leverage these new



investments and meet the timetable for the project's entry into operation and completion".

To date, the Company has received USD 250 million for the coverage of the "All Risks Construction" policy, and close to COP 16,900 million for the coverage of the civil liability policy (damages caused to third parties and community infrastructure after the flash flood of May 12, 2018), and is moving forward with the claims processes with the insurance and reinsurance companies.

EPM, as is its traditional practice, maintains extensive and timely communications with the risk rating agencies, as well as with the financial public in general, to allow them to objectively evaluate the information related to the Company and the Project.

Timetable

When reviewing the schedule of activities that are being developed, William Giraldo Jiménez, vice president of EPM's Power Generation Projects, stated that "among the most important works needed for the completion of Hidroituango are the recovery of the southern area of the powerhouse and the assembly of power generation units 5 to 8, as well as the definitive plugging of the right deviation tunnel and the auxiliary deviation gallery".

The executive added that "these resources also guarantee the continuity and completion of the investments defined in the Specific Action Plan for the recovery of the Bajo Cauca region of Antioquia".

With the completion of the works and the start-up of Hidroituango, there will be an increase in energy supply, boosting the country's confidence, contributing to its development and competitiveness, and providing better market prices and more competitive rates for users. The Project's positive evolution and this new energy that EPM will be bringing to the country are part of the contribution to a harmonious life for a better world.