



Relevant Information



Regarding a letter of Consorcio CCC Ituango that has been circulating in different mass media on the continuity or non-continuity of the Ituango Hydroelectric Project works contract, EPM informs the following:

1. Said letter was received on Friday morning, October 22, 2021.
2. We have held meetings with Consorcio CCC Ituango even before the ruling issued by the Office of the Comptroller General of the Republic, aimed at resolving issues related to costs, the project's schedule and clarity on the consortium's members, and all these matters must be resolved before deciding on any contract extension. Unfortunately, it has not been possible to obtain approval from the Consortium, despite the numerous proposals made by the Company.
3. EPM, aware of the proceedings in progress at the Office of the Comptroller General of the Republic, has developed strategies to enable it to face the possible scenarios that may arise as a result. For this reason, EPM has deployed an Action Plan aimed at addressing the possibility that some contractors of the Project will not be able or do not wish to continue performing the works. The Company has been forced to use foresight, given the announcement of the Office of the Comptroller General of the Republic to investigate 26 individuals and legal entities for alleged fiscal responsibility for losses of COP 4.3 billion. The above is compounded by the filing for corporate reorganization made by some of the consortium members before the Companies Superintendence.
4. This week, EPM told the Consortium representatives that the Company has always been interested in the continuity of the Ituango Hydroelectric Project. For this reason, it proposed to the Consortium, if it is in their interest and taking into accounting that it is their right, to nominate as soon as possible assignee companies to replace it for the effects of Project performance.

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In the same document approving the assignment a contract extension would be granted in order to continue the works with the assignees. In order to decide on this option, the parties agreed to hold a new meeting next Tuesday, October 26.

5. It is important to clarify that the replacement of any of the current project contractors or consortium members is not a situation that depends on EPM's desires. It would be a consequence of the possibility that the ruling on fiscal responsibility becomes final, which would lead the current contractors to lose legal and financial capacity, taking into consideration that this would produce supervening ineligibility, pursuant to the provisions of article 9 of Law 80/1993.
6. Based on the possibilities granted by law, including the assignment of the contract and the search for a new contractor, EPM would seek to ensure a smooth handover to assure the adequate completion of the future power generation plant.

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