



Statement



The EPM Insurance Scheme Allows to Witness Market Confidence in the Completion of the Ituango Hydroelectric Project

As published in Relevant Information through the Financial Superintendence of Colombia, EPM received from the insurance company, Mapfre, the terms for the renewal of the insurance policy for the Ituango Hydroelectric Project (PHI) terms for the renewal of the insurance policy. Likewise, it received from Seguros Generales Suramericana, the terms for the Extra-contractual Civil Liability insurance policy. These came into effect as of midnight of March 24, 2021. Some of these policies are subject to annual renewals, whereas others extendable until completion of the project. Later, the coverages for merchandise transport and finished civil works were confirmed, which also have coverage as of March 24, 2021.

In addition, as an alternative to the All Risk Construction policy, whose coverage was not provided by any company, despite the efforts of the Company, EPM established as a risk-transfer mechanism a self-insurance fund worth USD 23 million which allows them, within the statistical estimations, to manage the majority of the insurable eventualities that may affect the development of the project. This mechanism which is currently operating, complements the entire insurance scheme and allows to comprehensively manage the IHP risks.

Despite the effects of the COVID-19 pandemic and the insurance and re-insurance markets' context - reflected in market restrictions and lack of interest in covering certain risks, in addition to the complexities of the IHP - EPM was able to maintain an adequate risk-transfer system. It is important to mention that, since this is a damaged project, as occurs with any other good or asset affected by a contingency, the insurance companies have reservations or restrictions for their assurance and, in this sense, the simple fact of maintaining an insurance scheme mainly with the same insurance and reinsurance companies allows to evidence market confidence in the adequate development and completion of the project.

Also, in the framework of the insurance obligations for the IHP acquired with regard to its funding and the Company's interest in having the best insurance scheme for the project, EPM has acted with full diligence by achieving the best conditions

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possible in the insurance and re-insurance market, to comply with the previously acquired commitments.

Apart from that and understanding that during the construction phase, other risks may arise, EPM has continued the management of the project's insurance, aided by their insurance brokers and their captive Maxseguros, via the search for and hiring of other coverages that allow, where possible, under the terms of the insurance and re-insurance markets, to strengthen its insurance scheme.

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