



Relevant information

Arbitral Tribunal Award convened by Sociedad Hidroeléctrica Ituango against EPM

Medellin, December 14, 2023

The relevant information reported on December 7, 2023, related to the award rendered within the framework of the Arbitral Tribunal promoted by the company Hidroeléctrica Ituango S.A. against EPM, in which the breach of the BOOMT Contract was discussed, is covered.

The financial impacts on EPM derived from the award are as follows:

1. The Arbitral Tribunal declared that EPM is obliged to assume - as it has done so far - the costs, increased costs, and expenses of all kinds, including financial expenses due to the collapse of the diversion work called Auxiliary Diversion System - SAD - and its Auxiliary Diversion Gallery - GAD - until its complete completion and restitution. This means that EPM will not be able to transfer these costs to be incorporated into the actual cost of the project for the purposes of calculating the remuneration to the HI company.

On this point, it is important to clarify that, although this is a conviction against EPM, it does not require it to make any payment in favor of Hidroitango. It is simply depriving him of exercising a right granted to him by the contract, in particular, that of transferring such costs to the project once the milestone of completion of the civil works is met, among others.

2. The Arbitral Tribunal ordered EPM to pay Hidroitango the sum of COP 781,828,888,350, for the concept of the "Penal Clauses of Enforcement for Breach of Milestones". Specifically, the breach of Milestone 7 of the BOOMT Contract, relating to the "closing of gates and beginning of the filling of the reservoir", was declared.

According to the decision, EPM has a period of five (5) days, after the execution of the award, to decide whether to pay Hidroitango the penalty clause of enforcement in cash or if it prefers to subtract it from the cost of the Project for the purposes of calculating the Remuneration.

In order for the award to be enforceable and final, it is necessary that the requests for clarification, supplementation and/or addition submitted by the parties are resolved, or that the terms to do so expire without either of them doing so.

3. The Arbitral Tribunal also ordered EPM to pay Hidroitango the sum of COP 2,547,5215,599 for the costs of the process, once the award is enforceable and final.



1. It is important to clarify that the Court denied HI the claims for compensation for loss of profits, on the grounds that they were premature.

Finally, we reiterate that EPM continues to evaluate the appropriateness of exercising legal actions and remedies in defense of its interests.

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