

EPM received new payment of USD 100 million from Mapfre for the coverage of the contingency of the Ituango Hydroelectric Project

- Insurance company, Mapfre, has already paid EPM USD 250 million for the contingency that took place on the project
- The work is moving forward in reducing the risks for the communities located downstream from the dam
- The assembly of the first two generation units will begin in November, with the aim of starting operations in 2022

Medellín, September 15, 2020 | Mapfre, the insurance company of the Ituango Hydroelectric Project, made a second payment on September 15, for USD 100 million, which added to the USD 150 million paid in December 2019, placing the value paid to date for the compensation of the contingency at USD 250 million.

The amount paid corresponds to that recommended by the Adjustor, in accordance with the expenses and investments made by EPM in the recovery of the project, which will generate 17% of the electricity that the country needs to continue growing and contributing to the well-being of the Colombian people.

It is important to note that this second advance payment is for material damage of civil works and the replacement of equipment. The Company is still in the process of quantifying the damages, the replacement of equipment and the repairs of the project as it progresses in its diagnosis, design and

contracting, which is reported on a permanent basis as part of the adjustment process.

Advance Payment

On Wednesday, December 4, 2019, Mapfre made the payment to EPM for USD 150 million, an amount also recommended by the Adjustor, related to the material damage of civil works of the Ituango Hydroelectric Project.

EPM has a policy with an insured limit of USD 2,556 million for material damage of infrastructure and equipment. It also has coverage for the delay in the startup of the hydroelectric plant (money not received due to the damages resulting from the contingency) worth USD 628 million; these amounts set the maximum liability of the insurance company.

Full Steam Ahead

Since the contingency of the Ituango Hydroelectric Project was reported on April 28, 2018, EPM has spared no effort or resources to protect the lives of the communities and its employees, protect the environment, and technically move forward with the work.

After getting over the coronavirus (COVID-19) cases, the Ituango Hydroelectric Project is in full swing, with nearly 3,200 workers on different fronts, with the aim and commitment to start operating the first power generation units in 2022.

The work is currently concentrated on stabilizing caverns and galleries, the intermediate discharge tunnel, the stabilization of the rock mass at the top of the spillway shafts, the operation of the spillway gates, the electrical substation, road maintenance and monitoring reservoir, dam and spillway behavior.

EPM remains committed to provide its constant collaboration to Mapfre, its reinsurers, adjustor, agents and other advisors in the process of adjusting the contingency, in accordance with the terms and conditions of the policy.