



EPM Group's good financial performance in 2022 allows us to continue contributing to the development of the territories and the well-being of the community

- During 2022, EPM Group invested COP 4.8 billion in infrastructure projects
- The business group's results reached COP 4.1 billion in 2022
- The Group generated COP 15.8 billion aggregate value for stakeholders
- EPM Parent Company's result was affected by the updating of the value of the investment in UNE EPM Telecomunicaciones S.A for a value of COP 1 billion

Medellín, Monday March 27, 2023 (@epmestamosahi) | EPM Group contributes to the development of Colombia, Chile, El Salvador, Guatemala, Mexico and Panama - countries where it has presence - and to the transformation of the lives of millions of people. During 2022, the business conglomerate invested COP 4.8 billion in infrastructure projects to guarantee the provision of public services with quality, continuity, coverage and availability.

Last year, the entry into commercial operation of units 1 and 2 of the Hidroituango power plant was highlighted, which add up to an average daily generation of 284 gigawatt-hours, delivering firm and continuous energy to the country, key for energy security and reliability in the coming years. Also highlighted was the progress in the construction of the Tepuy Photovoltaic Solar Park, a project that is in line with the energy transition and will contribute 83 megawatts of non-conventional renewable energy to Colombia's National Interconnected System (SIN).

At the same time, the other segments invested in expansion, modernization, and maintenance. In Gas, the expansion projects, biogas at the San Fernando plant, and in Water Supply and Wastewater Management, the expansion of the primary distribution capacity, as well as the expansion and modernization of the Wastewater Treatment Plants, among other works that guarantee the water supply for the next decades, stood out.

Investment in the Group's international subsidiaries was allocated to the modernization and expansion of systems. These include: the expansion of the Desaladora Norte desalination plant in Chile, the implementation of projects to improve service and customer service, Advanced Metering Infrastructure (AMI) in Guatemala, the expansion and replacement of assets in the distribution system in El Salvador, and the expansion of networks, replacement of assets and loss reduction programs in Panama.

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Meanwhile, the TICSÁ subsidiary, which builds treatment plants for third parties, built treatment plants for the Don Julio tequila plant in the state of Jalisco and for the city of León, in the state of Guanajuato, and a water treatment plant for Mexico City, in Mexico. In Colombia, TICSÁ made progress in the construction of the Tranvía wastewater treatment plant, located in the municipality of Rionegro, in the East Antioquia sub-region.

To finance infrastructure projects in the Energy Transmission and Distribution, Gas, Water Supply and Wastewater Management sectors, EPM signed in December 2022 its first sustainable credit line for USD 700 million with international commercial banks, consolidating its position as one of the leading Colombian state-owned corporations in developing a public credit operation with sustainability criteria.

The domestic Energy and Water subsidiaries disbursed credit resources of COP 0.7 billion, while the international subsidiaries disbursed COP 1.4 billion. All these resources were used to finance the Investment Plan and working capital.

Value generation for stakeholders

During 2022, the EPM Group generated added value of 15.8 billion pesos, 26% more than in the previous year, which translates into greater benefits for stakeholders. In this area, the suppliers obtained 2.5 billion pesos as a result of the goods and services provided to the Organization, the State and the community obtained a joint 2.5 billion pesos through the payment of taxes and contributions that provide resources for the execution of social policy in Colombia and environmental care; likewise, financial providers received resources for 2.4 billion pesos and close to 16 thousand employees of the Business Group obtained 2.1 billion pesos. 1.8 billion pesos were transferred to the District of Medellín, 32% more than in 2021, vital resources for the development of the city and its inhabitants. These figures contribute to the generation of employment and, therefore, to the revitalization of the economy.

Financial results for EPM Group

Last year, the economies where EPM Group has a presence exhibited positive growth rates, although lower than those recorded in 2021, whose expansion was mainly driven by domestic consumption.

This performance was favorable in a context of global economic slowdown, characterized by a sustained increase in inflation, increases in benchmark interest rates, coupled with social and political uncertainty and the persistence of external supply shocks.

Inflation continued to grow at levels above the central banks' targets, being more pronounced in Colombia and Chile and, to a lesser extent, in Panama. In turn, the foreign exchange markets were highly volatile in response to interest rate increases by the FED (the U.S. Federal Reserve System), commodity price movements, remittance flows, the country risk premium and portfolio investment inflows and outflows.

In this environment of volatility and uncertainty, in 2022 EPM Group obtained a good financial performance, with the following results:

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Results	Grupo EPM	Variation	EPM Parent Co.	Variation
Revenues	COP32,2	+ 28 %	COP13,5	+ 20 %
Operational Results	COP8	+ 39 %	COP4,9	+ 37 %
Operational Margin	25 %		36 %	
EBITDA	COP9,8	+ 32 %	COP5,7	+ 25 %
EBITDA Margin	30 %		43 %	
Comprehensive Income	COP4,1	+ 26 %	COP3	- 10 %
Net Margin	13 %		23 %	

Figures in COP billion

Of Grupo EPM's EBITDA of COP 9.8 billion, the Energy Distribution segment contributed 50% with COP 4.9 billion. The 48% increase was mainly due to growth in electricity sales and growth of customers.

Energy power generation accounted for 29% of EPM Group's EBITDA, at COP 2.9 billion. Its growth was 17%, thanks to more energy sales in the Stock Exchange, due to higher generation from reservoir reserves and water contributions from the effects of the La Niña Phenomenon and long-term energy contracts, among other factors.

The Water, Water Supply, Wastewater Management and Solid Waste Management segments together contributed 15% of the Group's EBITDA, mainly due to an increase in customers and tariffs, in accordance with the Colombian regulatory framework.

Costs and expenses grew 4 points below revenues, where commercial operation costs were impacted by macroeconomic factors such as the Consumer Price Index (CPI) and the Market Representative Rate (MRR), causing energy purchases at a higher price.

Percentage contribution of EPM Parent Company and subsidiaries to EBITDA and to EPM Group's results:

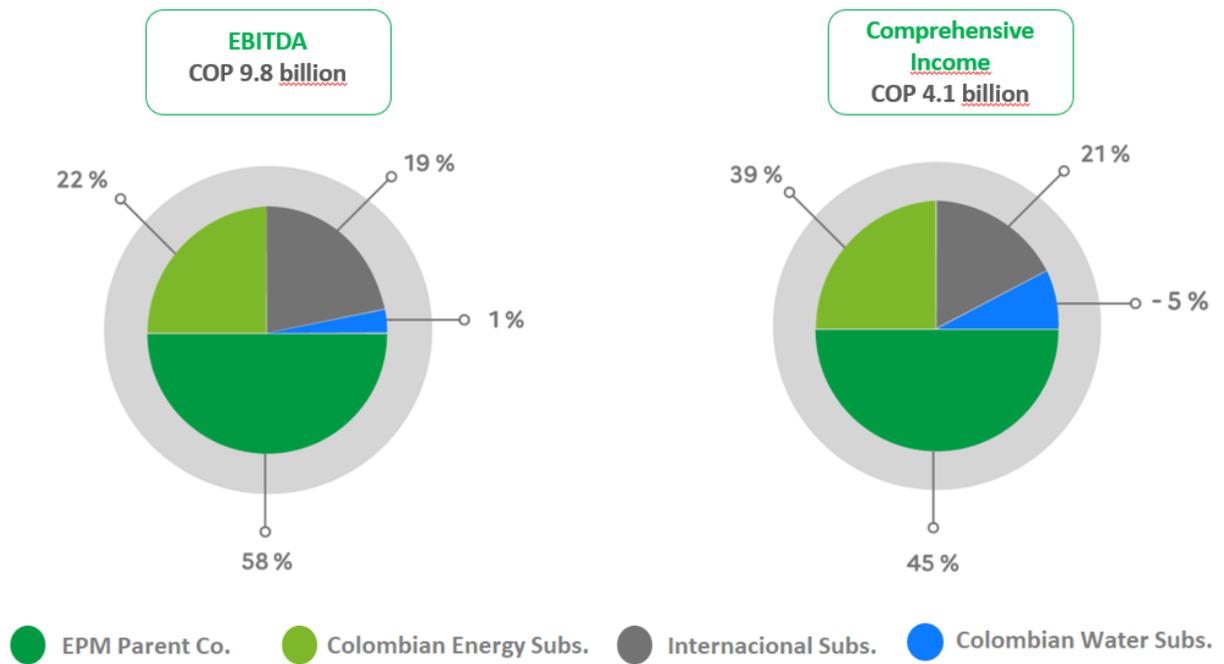
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Figures that contribute to the development

In 2022, EPM Group's net income was COP 4.1 billion, growing 26% compared to the previous year, where better operating results allowed offsetting the behavior of high interest rates, the exchange rate effect and the higher income tax rate applied in Colombia.

For the same period, the profit of EPM Parent Company was COP 3 billion, 10% lower than the previous year, which includes the result of the subsidiaries through the equity method for COP 1.6 billion, which means that the subsidiaries contributed 53% to the profit of the Parent Company. The decrease in the Parent Company's results is due to the updating of the value of the telecommunications investment due to industry trends, competitive dynamics, new business models and spectrum renewal.

It should be noted that the EPM Group joined the National Government's Pact for Tariff Justice, which sought a reduction in energy tariffs in Colombia, in view of the significant increase in the Producer Price Index (PPI). This proposal implied a contribution of COP 340 thousand million over a 12-month period, an 8.7% rate reduction for resellers that primarily service customers from socioeconomic levels 1 and 2, and a higher unit cost per kilowatt of electricity. For all other companies with long-term contracts, it implies a 4.7% rate reduction.

In 2022, close to 6.7 million customers of the services of the national energy companies of the EPM Group benefited from the application of the Tariff Option, a mechanism that allows electric energy service marketers to moderate abrupt increases in the tariff in order to make it easier for users to pay their bills.

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The increase in liabilities was related to the accumulated devaluation during the year, which amounted to 21%, the third highest in Colombia during this century, and generated an increase in the restatement to Colombian pesos of the debt balances of foreign subsidiaries. Within this context, the Company implemented actions in the development of its foreign exchange risk hedging strategy that allowed it to significantly mitigate its risk profile in the face of currency volatility and minimize a material impact on the financial results for the year.

EPM received dividends for COP 580 billion, of which 85% came from the subsidiaries, and the rest by non-controlled companies.

Statement of Financial Position	Grupo EPM	Variation	EPM Parent Company	Variation
Assets	COP75,6	+ 12 %	COP59,5	+ 6 %
Liabilities	COP44,6	+ 14 %	COP30,2	+ 8 %
Equity	COP31	+ 8 %	COP29,3	+ 4 %

Figures in COP billion

Financial ratios

Debt/EBITDA: at EPM Group this ratio closed at 2.95 compared to 3.35 in 2021. In EPM Matriz it was 3.92; compared to 4.38 for the same period of the previous year. The positive behavior of this ratio shows that both EPM Group and the Parent Company increased the capacity to pay the debt, as a result of the better financial results.

Financial indebtedness: for the EPM Group was 41% and for EPM Parent Company it was 40%, which shows an adequate financial structure for a Group that is intensive in infrastructure investments and in line with the companies of the sector.

The financial performance of EPM Group reflects the solidity that has characterized it and translates into the continuity and evolution of the provision of utility services that contribute to improving the quality of life of people and the development of the territories where it is present.

In its capacity of external auditor, the firm Deloitte issued a clean opinion on EPM's separate and consolidated financial statements.

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