

A large, full-canopied green tree with a thick trunk, positioned on the left side of the slide. The tree is set against a white background with green decorative elements: a large green circle on the left and a green hill at the bottom.

3Q2020 Report

November 12, 2020

Agenda



1. Relevant events
2. Update on the Ituango Project
3. Energy Market
4. Financial results as of September 2020 (unaudited)

1. Relevant events subsequent to the closing



Mapfre, the insurance company of the Ituango Project, made a second payment worth USD 100 million on September 15, which added to the USD150 million delivered in December 2019, places the value paid to date for the project contingency compensation at USD250 million Ituango hydroelectric plant.



The National Attorney General's Office installed preliminary virtual working sessions with the participating contracting firms in the Ituango project, prior to the request for extrajudicial conciliation presented by EPM for \$ 9.9 billion, which appointment was rescheduled for November 23 .



On September 29, 2020, the company Desarrollos Hidráulicos de Tampico, a subsidiary of Grupo Ticsa in Mexico, was illegally dispossessed with the exercise of the public force of the treatment plants of Tampico Tamaulipas (Tierra Negra, Morelos and PTOI), by the operating agency. This implies the suspension of the operation of these plants and the beginning of legal processes.

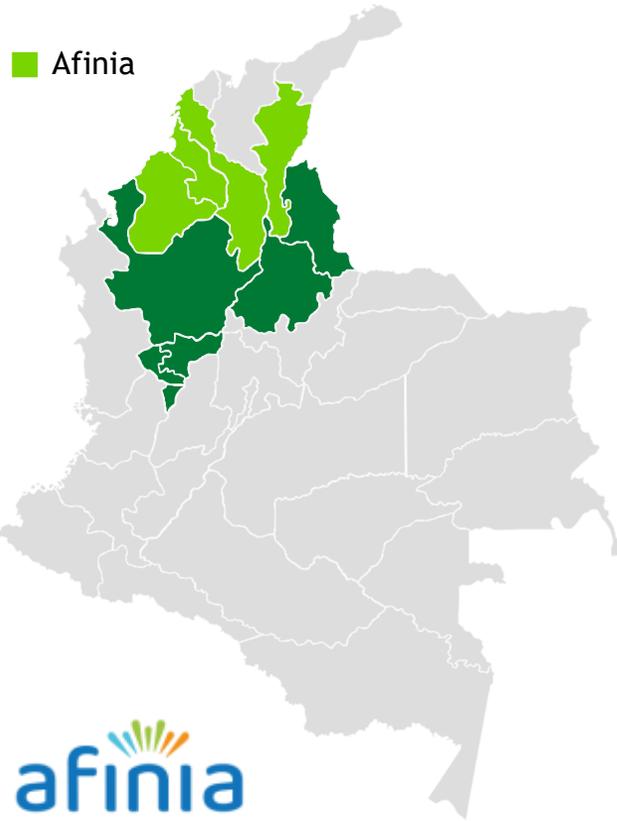


EPM's Executive Vice President of Finance and Investments, Jorge Tabares, submitted his resignation to the company and was in office until November 5, 2020, due to a new opportunity that arose in his professional life. EPM thanks Jorge for all his contribution and commitment to the EPM Group during the years of his management.

1. Relevant events subsequent to the closing



EPM took over, as of October 1, 2020, the operation of the energy distribution service in the regions of Bolivar, Cesar, Cordoba, Sucre and a portion of Magdalena, through its new subsidiary **Afinia**.



Afinia has 12% of the energy distribution and commercialization market in Colombia.

EPM Group reaches 35% market share and has 1.5 million new customers.

Investments of COP 4 billion in the first five years and a total of COP 8 billion in ten years.

Strategy

Implement flexible business strategies

- Accessibility and affordability of utility services
- Strengthening of billing
- Expansion of collection points
- Strengthening of service customer channels

Develop human talent

- Brand positioning
- Business Group DNA
- Training and development
- Employment generation
- Respect for labor rights

Strengthen technical management

- Modernization, expansion and renewal of the network and system
- Operation and corrective maintenance
- Improve quality service

Build trust-based relationship

- Relationship with stakeholders
- Close, transparent and respectful dialogue
- Mutual benefit relationship
- Development of the region

2. Update on the Ituango Contingency



The Ituango Project is expected to start operations by early 2022, and to be fully operational by the end of 2024

Highlights	Civil Work	Milestones Achieved	Pending Completion	% of Completion
<ul style="list-style-type: none"> The Ituango Project is expected to generate an average of 13,930 GWh of energy per year. Total Work Progress as of September 30, 2020 [79.4%] Total progress of the project when it starts to generate with the first unit [91%] Progress corresponding to the schedule with entry into operation in 2022. The impacts that the health emergency caused by COVID-19 may generate in the current schedule continues to be monitored. 	Dam and Spillway	<ul style="list-style-type: none"> Fully operational Dam Fully operational Spillway with two channels 	<ul style="list-style-type: none"> Final stage of abutment injections 	97.7%
	Powerhouse	<ul style="list-style-type: none"> Stabilization of access tunnel Extraction of sediments Works on north zone vault Metal work platform on assembly room 	<ul style="list-style-type: none"> Recovery and stabilization of tunnels and caverns Removal of damaged equipment Reconstruction of control building and generation units 	77.7%
	Pressure Well	<ul style="list-style-type: none"> Completed works in-between pressure wells 1 and 2 	<ul style="list-style-type: none"> Shielding of pressure wells 	73.0%
	Intermediate Discharge Tunnel	<ul style="list-style-type: none"> Partial reinforcement with concrete lining in selected areas Reinforcement of downstream walls 	<ul style="list-style-type: none"> Enlargement of Plug 12 Gate completion and shielding Concrete coating 	70.6%
	Auxiliary Diversion Tunnel (ADT)	<ul style="list-style-type: none"> Closing of both gates to the ADT 	<ul style="list-style-type: none"> Bypass from ADT to tunnel 2 Construction of additional bypass system from the ADT and RDT to the final closing of the RDT. 	62.7%

2. Update on the Ituango Contingency - Financial Impact

Figures in COP thousand million



Project Cost (*)

Concept	Project Cost		
	Before	Current	Variation
Direct Cost	9,993	13,572	3,579
Financial Expenses	1,500	2,599	1,099
Total Cost	11,493	16,172	4,678

Direct Cost: \$3.6 billion increase, mainly in recovery of the main Works and Equipment.

Financial Expenses: \$1.1 billion increase, due to a greater period of construction (accounting effect, does not correspond to additional debt).

Total invested as of September 2020: \$11.8 billion, of which \$2.1 billion correspond to investments derived from the contingency (considers the removal of assets and insurance payments effect).

The cost of \$ 16.2 billion corresponds to the latest version approved by the Board of Directors in July 2020.

Third party costs

Concept	Amounts accrued	Payments
Shelters Support	55	49
Affected Care and Compensation	77	30
Backup cost and Reliability Charge Guarantee	213	213
Contingency and environmental sanction	129	29
Payment to transmitter	220	0
Contingency attention	73	73
Total	766	394

Pending Financial Resources to be executed (*)

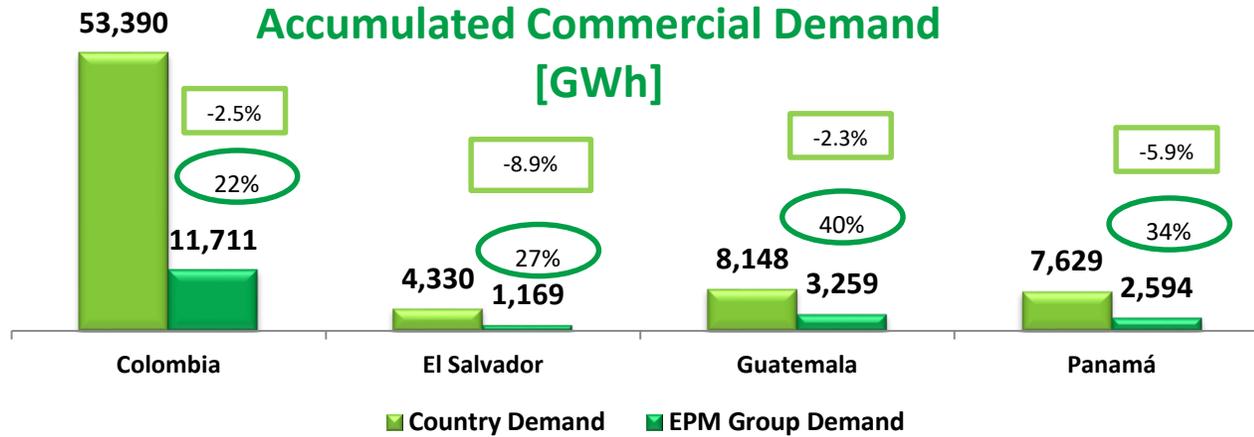
Contingency Investments: It is estimated that additional resources of up to \$ 1.8 billion will be invested in works associated with the contingency.

Contingency expenses: in the financial projections, a value of up to \$ 0.4 billion, of which has been executed \$ 0.18 billion (Without reliability Charge Guarantee).

(*) Figures subject to variation based on technical findings and design adjustments

3. Energy Market

EPM Group Commercial Power Demand



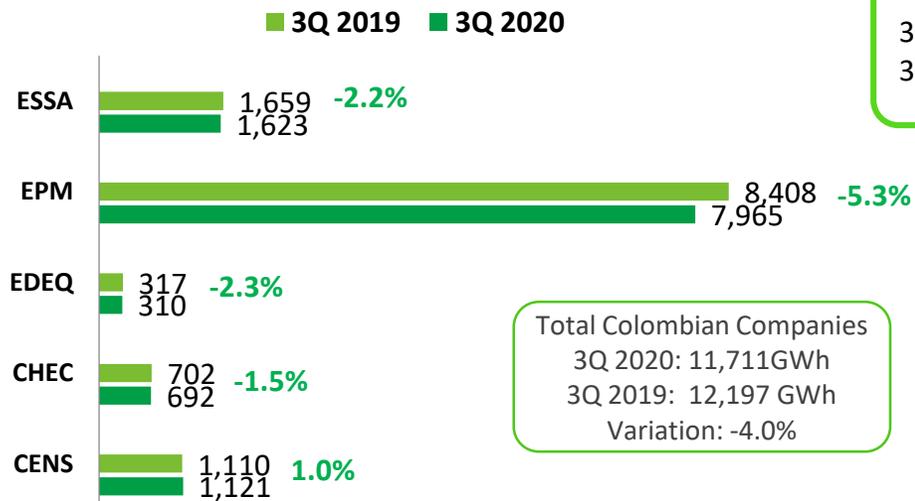
□ % Country's demand variation
3Q2020 vs 3Q2019

○ % EPM Group country demand's share.

*Note: Comercial demand reported depends on the clients that each Company attends directly, regardless of the distribution network they are connected (regulated plus non regulated).
The Country's demand reported does not consider energy exports.*

3Q = Third Quarter

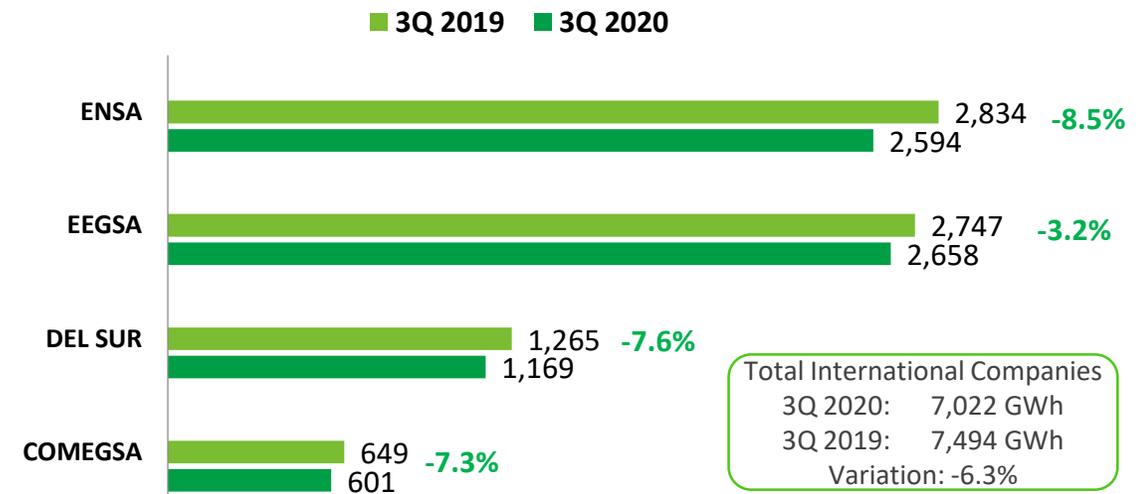
Colombian companies GWh



Total EPM Group
3Q 2020: 18,733 GWh
3Q 2019: 19,691 GWh
Variation: -4.9%

Total Colombian Companies
3Q 2020: 11,711 GWh
3Q 2019: 12,197 GWh
Variation: -4.0%

International companies GWh



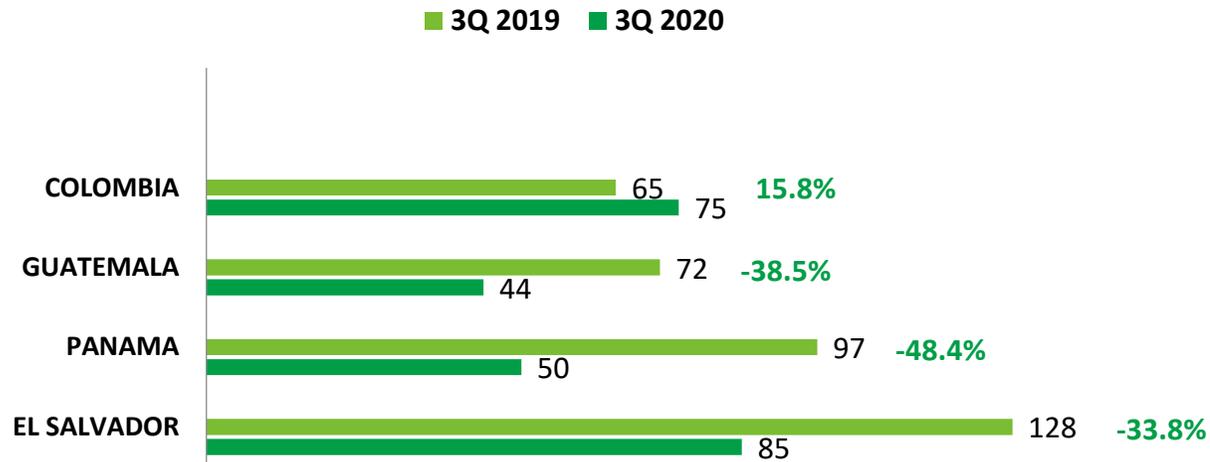
Total International Companies
3Q 2020: 7,022 GWh
3Q 2019: 7,494 GWh
Variation: -6.3%

3. Energy Market



Spot price USD/MWh and Power Generation EPM (GWh)

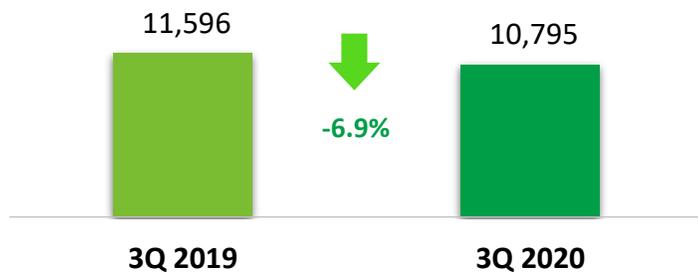
Spot Price USD/MWh



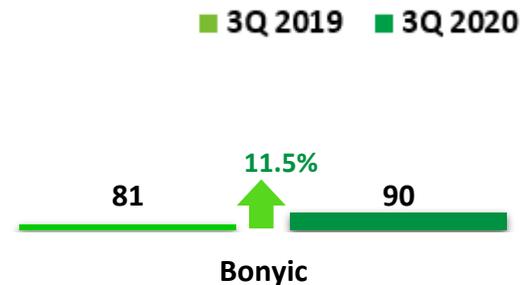
During 3Q2020:

- In Colombia, the spot price increased 15.8%, due to a lower water contribution from the added SIN reservoir, higher demand and greater use of the thermal resource.
- In the other countries it decreased, mainly due to higher hydrology and lower fuel prices.

EPM Group Power Generation in Colombia [GWh]



International Subs. Power Generation [GWh]



4. Financial Results as of September 30, 2020

Macroeconomic Scenario



Concept	Colombia	Mexico	Panama	Chile	El Salvador	Guatemala
CPI (annual variation)	1.44%	2.06%	Abr -1.82%	2.06%	-0.65%	3.16%
CPI (YTD)	1.97%	4.01%	Abr -2.38%	3.09%	-0.38%	4.97%
PPI/WPI (annual variation)	1.10%	4.33%	N.A.	4.87%	0.30%	N.A.
PPI/WPI (YTD)	1.20%	4.52%	N.A.	11.32%	-0.08%	N.A.
Exchange rate (month-end)	3,878.94 COP/USD	22.14 MXN/USD	N.A.	784.46 CLP/USD	N.A.	7.79 GTQ/USD
Devaluation/Revaluation (YTD)	18.36%	17.39%	N.A.	5.35%	N.A.	1.13%



CPI: Consumer Price Index

PPI: Producer Price Index. In Colombia corresponds to the internal supply index.

WPI: Wholesale Price Index

N.A.: Not Available

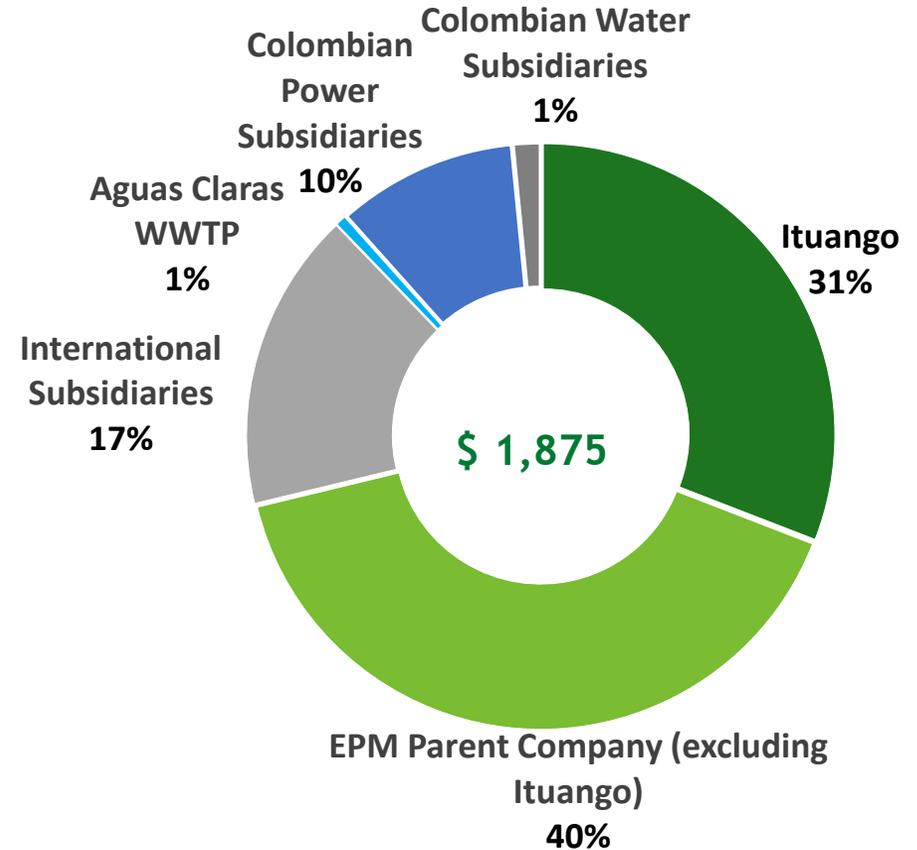


4. Financial Results as of September 30, 2020

CapEx EPM Group

Figures in COP thousand million

EPM Group	Jan-Sep 2020
Ituango	579
EPM Parent Company (excluding Ituango)	756
International Subsidiaries	311
Aguas Claras WWTP	11
Colombian Power Subsidiaries	188
Colombian Water Subsidiaries	29
Total	1,875



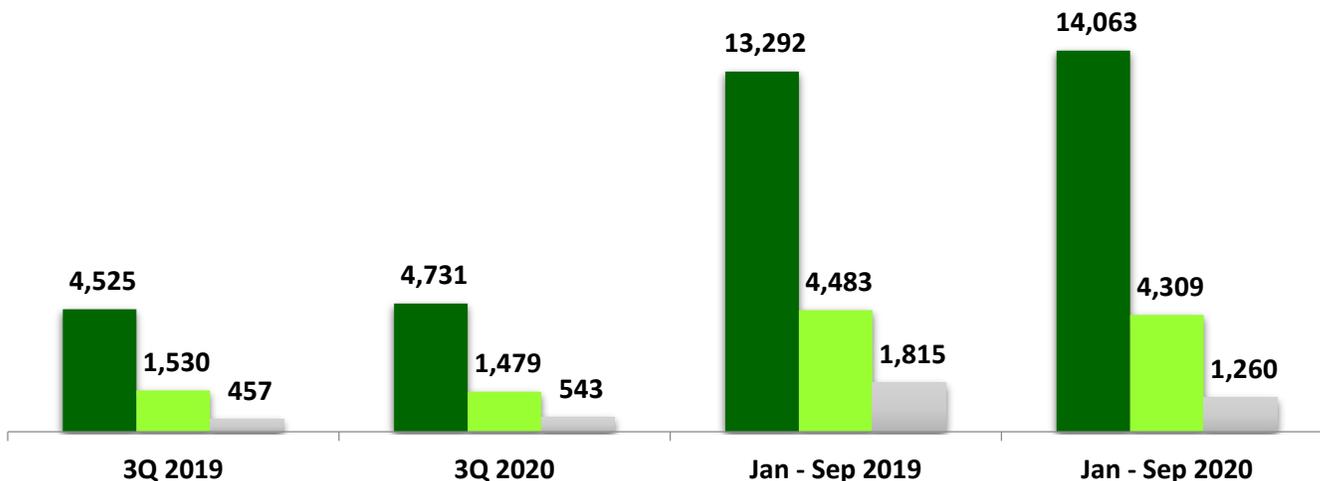
4. Financial Results as of September 30, 2020 (unaudited)

EPM Group Income Statement

Figures in COP thousand million

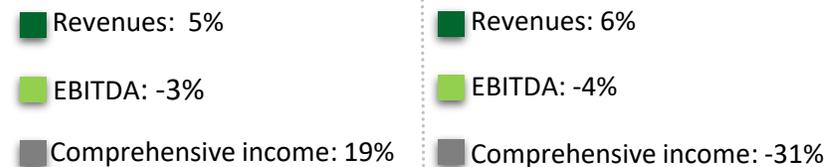


■ Revenues ■ EBITDA ■ Comprehensive income

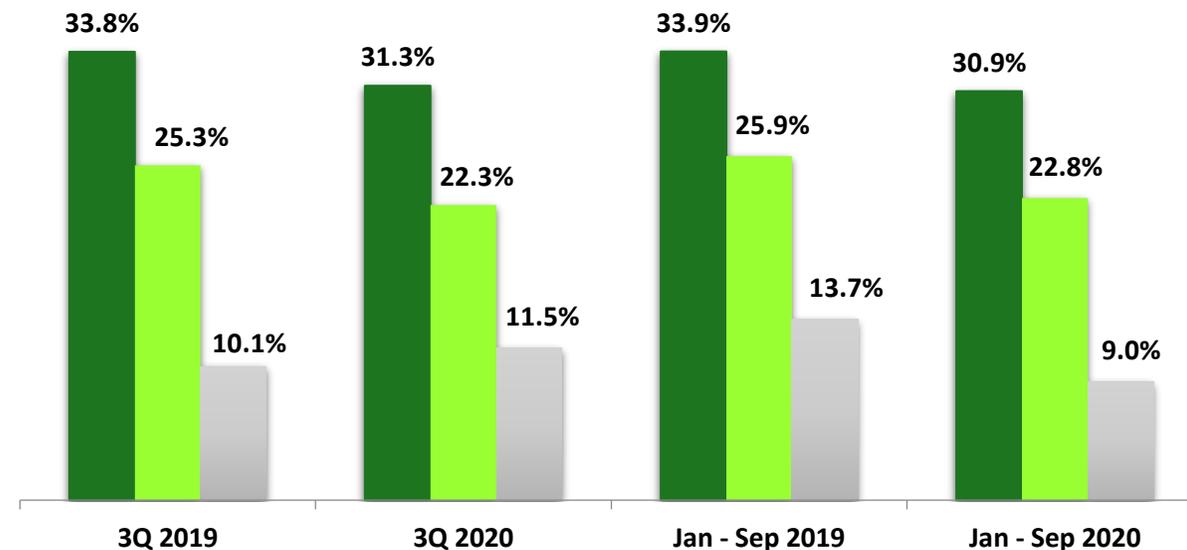


Var. 3Q2019 - 3Q2020

Jan - Sep 2019 - 2020



■ EBITDA margin ■ Operational margin ■ Net Margin

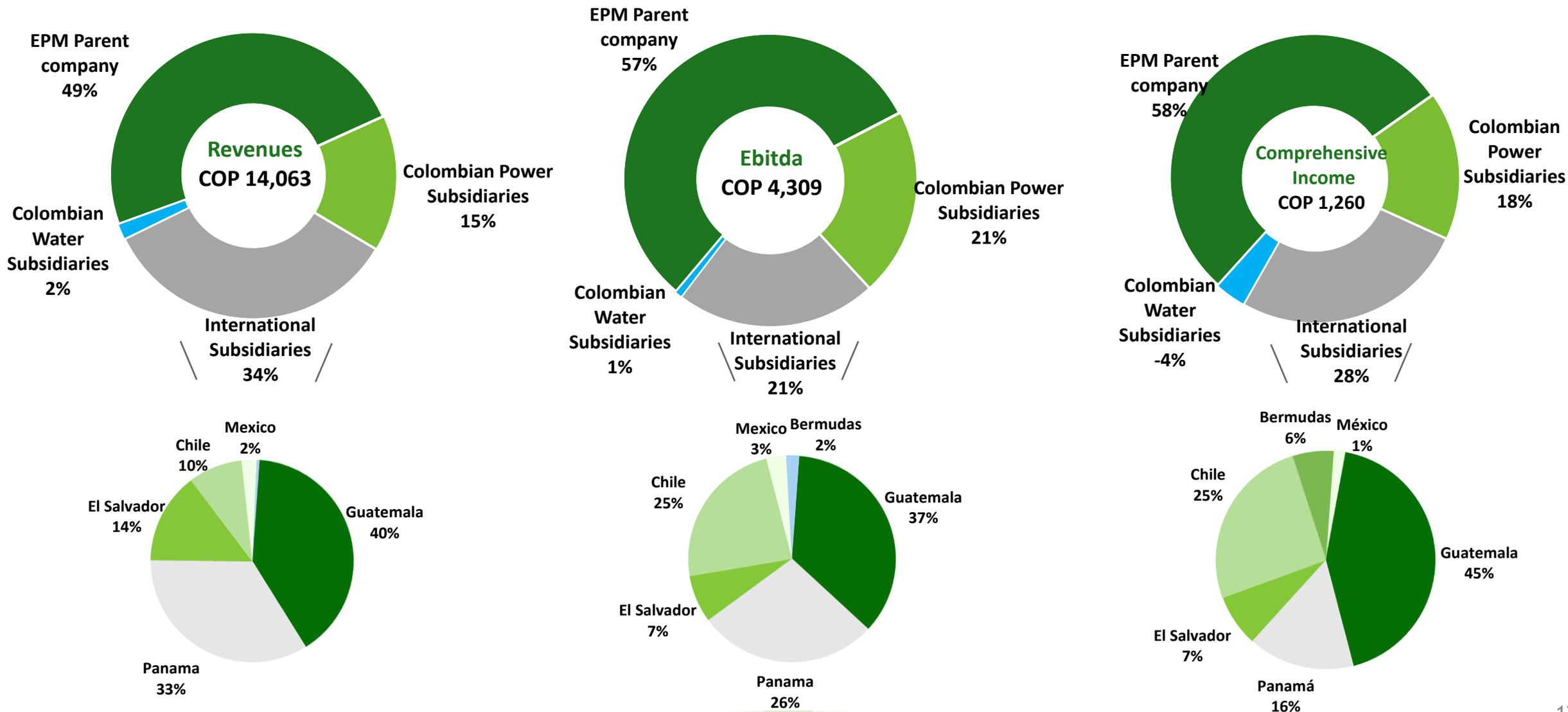


- Revenues increased COP 771, 6%, explained mainly by higher energy sales in long-term contracts in the Generation business, and for greater commercialization sales and to the thermals in the Gas business.
- EBITDA decreased COP 174, 4% with respect to previous year, with a positive contribution of the national power subsidiaries CENS, CHEC and ESSA, and the international subsidiaries Adasa from Chile, Deca from Guatemala, and Het from Panama.
- Comprehensive income decreased COP 555, 31%, due to :
 - ✓ Increase in revenues for COP 771.
 - ✓ Increase in costs and expenses for COP 1,015.
 - ✓ Increase in FX expenses for COP 440.
 - ✓ Decrease in income tax provision for COP 95.

4. Financial Results as of September 30, 2020 (unaudited)

EPM Group by Colombian and International Subsidiaries

Figures in COP thousand million

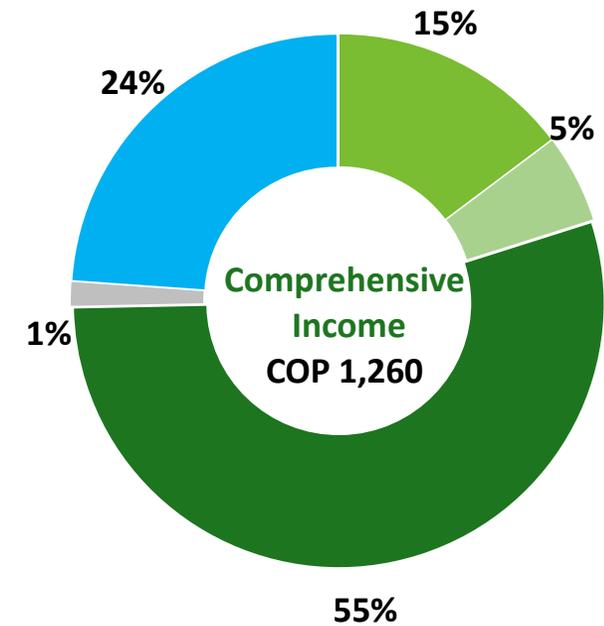
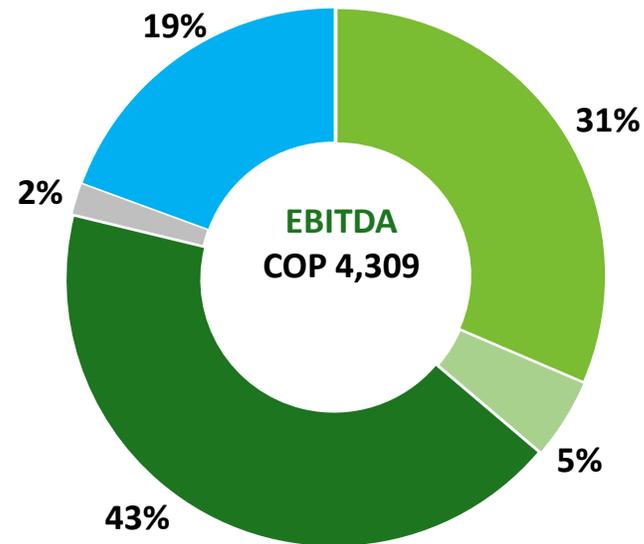
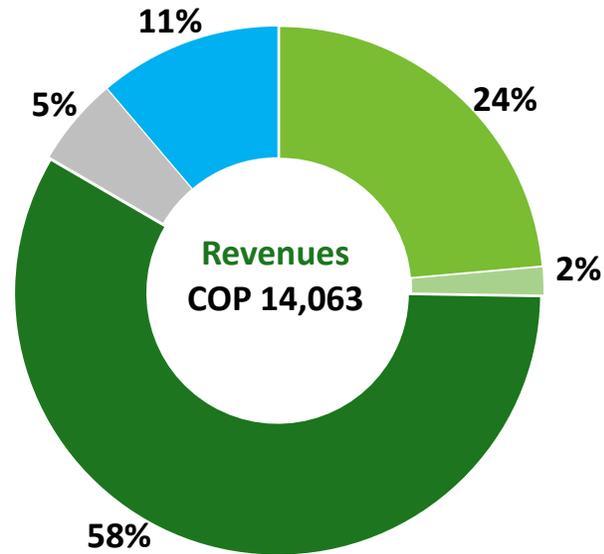


The percentages do not include the Other Segment and Eliminations.

4. Financial Results as of September 30, 2020 (unaudited)

EPM Group by Segments

Figures in COP thousand million

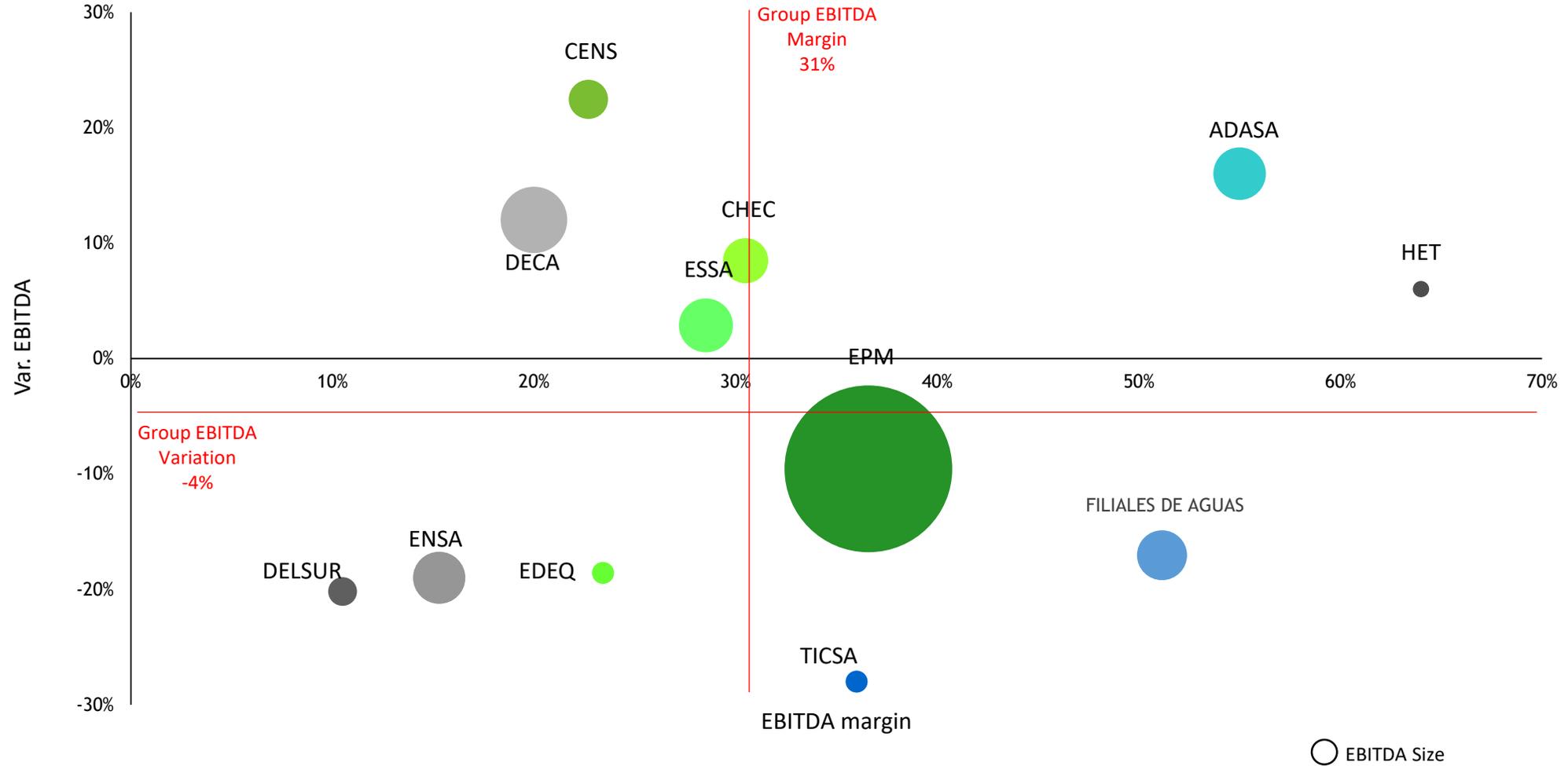


- Generation
- Distribution
- Water and Solid Waste Management
- Transmission
- Gas

4. Financial Results as of September 30, 2020 (unaudited)

EPM Group EBITDA

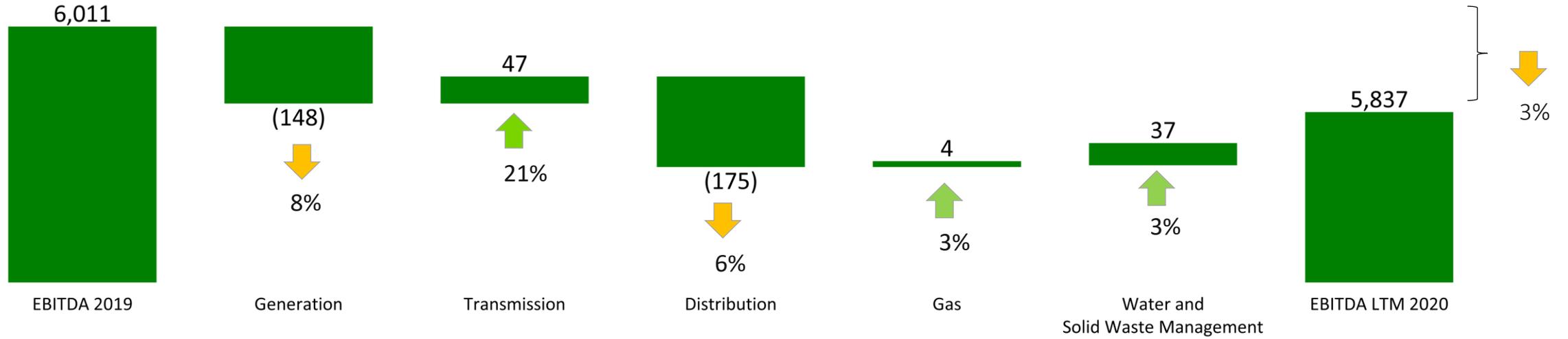
Figures in COP thousand million



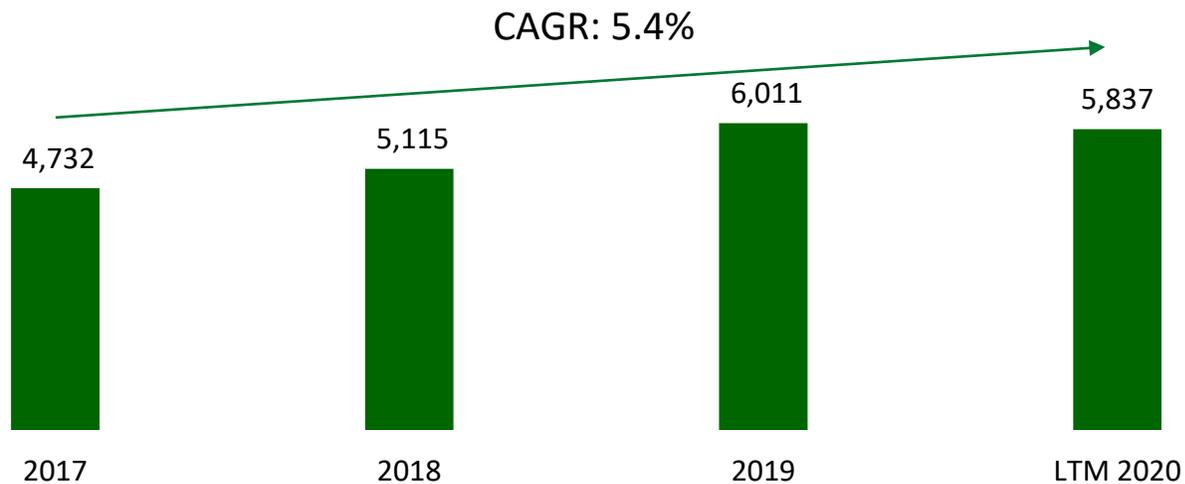
4. Financial Results as of September 30, 2020 (unaudited)

EPM Group EBITDA

Figures in COP thousand million



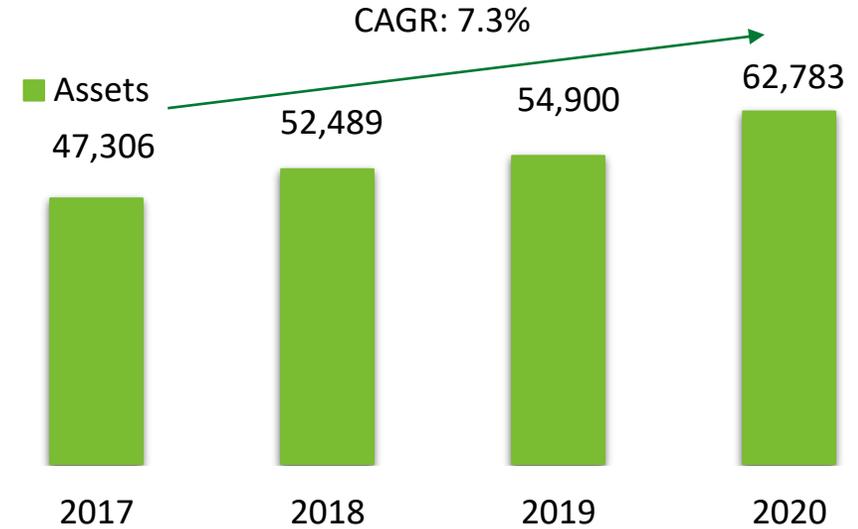
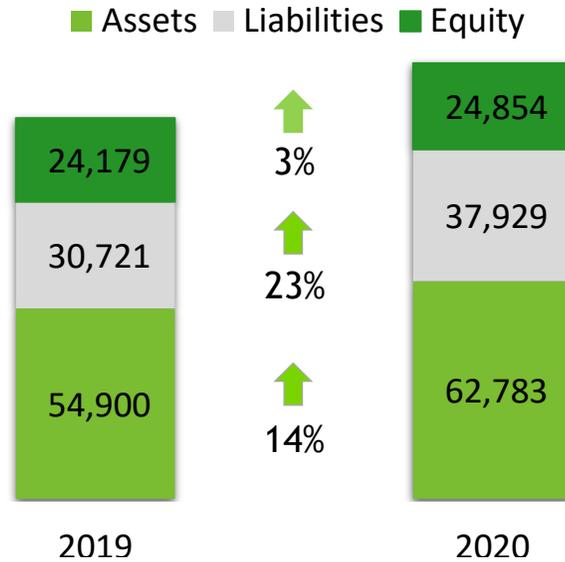
It does not include the Other Segment and eliminations.



4. Financial Results as of September 30, 2020 (unaudited)

EPM Group Statement of Financial Position

Figures in COP thousand million



Ratios	2019	2020
Total debt	58 %	60 %
Financial debt	42 %	45 %
EBITDA/financial expenses	5.00 X	5.38 X
Total Long Term Debt/EBITDA	3.80 X	4.41 X
Net Debt/EBITDA	3.35 X	3.40 X

Cash position as of September 30, 2020 was \$ 5.59 billion

EBITDA/ Financial expenses



Total Long Term Debt/EBITDA



1Q17 2Q17 3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19 4Q19 1Q20 2Q20 3Q20

4. Financial Results as of September 30, 2020 (unaudited)

Debt Profile

Figures in COP thousand million



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Thank you!