

>>Welcome to the webcast of the first quarter for Group EPM. This event will be led by the Executive Vice President of Finance and Investment, Martha Lucia Duran Ortiz, and Juan Carlos Sampedro, who is the Director of Capital Management for EPM. My name is Martha Vasquez, I am part of Corporate Communications and I will be your moderator today.

We have our interpreter, Claudia Urreta, she will be doing this conference interpretation. For those of you who want to listen to the event in English, please click on the icon that is at the top left of your screen and use the option "Default Value" and then "English."

We have a presentation by our Executive Vice President Martha Duran Ortiz and at the end we will have a Q&A session. You can start adding your questions in the questions module of your screens so we can answer them all by the end of this webcast, which is being recorded.

Now I will give the floor to Martha Lucia Duran Ortiz, who is the Executive Vice President of Finance and Investment. She started on April 30th and she is an Economist from El Rosario University. She also has a broad experience in finance structuring, negotiations and follow-up of public investments, and also strategic processes that have been financed by multilateral banking. She also had experience in the Housing Ministry and the Public Service Superintendency. Let's welcome Martha Lucia Duran Ortiz, Executive Vice President of Finance and Investments for EPM Group.

Good morning and welcome to the presentation of the results of the first quarter 2021. First and foremost, I want to thank you for your attendance and your interest in this information that we will be presenting to you.

As of the agenda, first we have relevant facts after the closing of 2020. Then, we have the progress or an update on the Ituango hydroelectric project. Then, we will conduct an analysis on the energy market and finally, we will be presenting financial results as of March 2021.

In terms of the relevant facts after the closing, as you all may know, Jorge Andres Carrillo took office as the CEO. He has a career path in the utility sector and the environmental sector. He was also Vice Minister of Water and Basic Sanitation and Deputy Superintendent for Water, Sewage and Waste Collection. He has also been the President of the Potable Water and Basic Sanitation Regulatory Commission, CRA. He has also been an advisor to the Board of Directors of the Colombian Geological Service, the National Water Council and the National Environmental Council, as well as a member of the Inter-sectoral Commission on Climate Change. He also served as a member of the Board of Directors of EPM.

As of other relevant facts, we also want to tell you on May 25th the Board of Directors authorized to initiate the necessary procedures to change total ownership of our interest in UNE and Telco.

It's also important to highlight that EPM was ranked fifth in the operating income report of the 1,000 largest companies in Colombia for 2020. This report was presented by the Superintendency of Partnerships.

Continuing with the agenda, we will show you an update on the Ituango project. We wanted to start operations by July 2022 so it can be fully operational in 2025. Here we can see the progress on the civil works. We had a 76.7% progress as of December 2019, 80.6% as of December 2020, and on April 2021 the progress was 83.7%.

We hope to start operations for the first power generation unit by July 2022 and the second power generation unit by September 2022. The total cost as of today for the project is USD 4.3 billion and USD 3.4 billion dollars have been invested so far. This cost may be subject to variations, depending on technical reviews and also the adjustments to the design that are required.

Next slide, please. We hope that the project generates in average 13,930 GWh per year. This progress that we are showing here on the slide is meeting all the technical schedule or timeline, as I mentioned before. We continuously monitor all the impacts that have been generated by the health emergency caused by COVID-19 but we had significant progress on the main civil works.

As for the dam and the spillway, the progress is 99.1%. It is in its final stage and there are two canals. The powerhouse, which is a very key component of this project, we have an 80.5% of completion. There was a stabilization of the access tunnel. All the sediments were extracted. The cleaning and removal of damaged equipment was also conducted. There was an assembly of a 30-ton rig crane, which is fully operational and by doing this, it helps by assembling the generation units one and two.

As for the other two components, the tunnel's progress is 76.1%. Completed works in between pressure wells one and two as for the immediate discharge tunnel, the progress is 67.7%. There was lining that was also conducted and the reinforcement of downstream walls. Finally, the right diversion tunnel or RDT has a very important percentage of 92.5%, as well as the auxiliary diversion tunnel. As you can see, we are meeting all the requirements of the timeline. Currently, we have around 7,000 employees working there and we are doing fine with the Ituango project.

Next slide, please. Now, let's talk about the energy market. In the first quarter of 2021, there was a drop in the electricity demand in all the countries where the group has presence, basically due to the slowdown of the industrial and commercial sectors and due to the mandatory lockdowns that have been implemented by different countries in order to react or to slow down the pandemic. In Colombia, the accumulated energy demand was 17,000 GWh, which represents a drop with respect to the previous year, specifically in the unregulated market.

In other countries where we have our presence, in Central America and El Salvador, there was also a decrease rate in the demand of 0.3%. In Guatemala, the electrical consumption reached a growth of 3.6%, which means that the economy continued to gain momentum in the first quarter. In Panama, there was also a decrease rate which means that the economy has continued to be impacted due to the effects of the pandemic.

The aggregated commercial demand of EPM Group increased 1.5% during this period basically due to Afinia's incorporation to the group's companies as of October 2020 so in the first quarter of this year there was a demand around 2,000 GWh.

As for the international environment, the companies recorded a decrease in the demand of 0.5%. Here, we need to highlight COMEGSA in Guatemala, which had a favorable behavior because there was an increase in demand of 9.5% and there is also a recovery on the demand of 3.5%. EEGSA, that serves unregulated market, presented an increase of 0.03% and finally, ENSA didn't have a very good result with an increase rate of 5% due to the loss in the pace due to the effects of COVID in Panama.

As for the spot price, in Colombia the electricity prices decreased by 44.2% basically due to a higher water contribution of the aggregated dam of the national interconnected system and lower use of the thermal resource. In El Salvador the average spot price was reduced in 7.1% in comparison with the first quarter of 2020. Here we need to remember the high reliability on bunkers' prices and therefore the variations on this material affect the spot prices of energy.

In the case of Guatemala, the spot price increased 41% and in Panama prices were higher because there was a high influence on the lower use of water resources plus the spot price has been affected by the prices of fuel because the thermal park is important in terms of the market share, the use of these resources based on coal and oil byproducts.

As for EPM, the generation was 9.5% higher compared to the same period in 2020 and basically this was due to the contribution of the water plants.

As for Bonyic in Panama, there was higher generation due to these higher water contributions in the same period.

In Colombia, these economic figures are showing an economic recovery, even though this was interrupted by the constraints that were imposed in order to slow down the second wave of contagion of COVID. Increased rates for GDP are kept and this also matches the projections that were conducted by the World Bank that show an increase of 5.9% in terms of GDP.

In Chile, there was a boost in personal consumption based on the withdrawals of pension funds and the transfers conducted by the government.

In Guatemala, the dynamism of the economic activity was influenced by the family remittances and fair trade.

As for Mexico, there was a slowdown in the recovery pace due to the increase of the pandemic especially between December last year and February this year.

In El Salvador, family remittances showed an important annual increase of 30.4%, which is basically explained by the economic support measures imposed in the U.S.

Another variable that is important is inflation in most of these economies where the EPM Group has presence. Increase in inflation was due to higher prices in raw materials and some depreciation effects of the different currencies. Here, it is worth noting that the federal bank here in Colombia keeps inflation at 3% for this year.

As for exchange rate, at the close of the first quarter there was a devaluation of the currencies against the dollar with the exception of Guatemala, which showed a slight appreciation or increase.

As for investment execution, investments in infrastructure that were executed during the first quarter of the year totaled COP 700,568 million. We can highlight all the investments in Ituango, which represent 37% of the total and the EPM parent company, which represents also a relevant percentage of 36%. Our international subsidiaries represent 12%.

Next. As of March 1st 2021, consolidated revenue totaled COP 5.61 billion, which represents an increase of 18% compared to the same period in the previous year. This behavior can be explained basically in EPM by the distribution business, thanks to higher energy sales and in the gas business due to greater commercialization sales to the thermal plants. This behavior, as I mentioned before, is also due to the incorporation of Afinia to the EPM Group, which took place in October 2020.

In ADASA, there were also higher sales to the miners in the unregulated market and an increase in clients in the regulated market. Operational margin as of March 2021 was kept in 25%. As for Ebitda, it totaled COP 1.8 billion, which represents an increase of 14% in comparison to the same period in the previous year due to lower costs in the commercial operations and the low levels of the dam due to El Niño phenomenon.

The comprehensive result for the period was COP 856 billion, showing an increase of COP 1.1 billion in comparison to the previous year so this is why we have this behavior due to the inflation.

Next slide. This is an analysis by national and international subsidiaries. Of the group's total revenue, it is important to highlight that Colombia's operation contributed 73% and foreign subsidiaries 27%.

EPM parent company accounted for 44%, with an increase of COP 161 billion, which was due to the distribution business and higher energy sales in terms of gas due to higher sales to thermal plants. Similarly, energy subsidiaries contributed and they had an increase of 102% due to Afinia's incorporation to our group.

International subsidiaries accounted for 27% of revenue and had a net decrease of COP 140 billion, which represents a decrease compared to 2020. However, we would like to highlight that there was an increase of certain subsidiaries such as ADASA in Chile due to higher consumption in the unregulated market and a higher number of customers in the regulated market. Also, in COMEGSA, in Guatemala, COP 9 billion and TRELEC, COP 9 billion and this is linked to a higher rate due to some regulatory adjustments that were conducted. The

remaining 2% corresponds to water and cleaning subsidiaries, which had an increase of 8% and here we can highlight Aguas Nacionales, it stands out. It had an increase in the rate.

As for Ebitda, the Colombian companies of the group accounted for 80% and the ones overseas accounted for 20%. EPM parent company accounted for 63% of Ebitda, 23% more compared to the previous year.

As for Colombian energy subsidiaries, they accounted for 16% and we can stand out the increase of CHEC, which was 54%. International subsidiaries accounted for 20% of the group's Ebitda, increasing by 5% compared to the previous year.

Finally, as for net income we need to highlight costs and expenses.

Next slide, please. Now let's analyze the business by segments. Energy services accounted for 85% of the group's revenue and 76% of Ebitda. We also need to highlight the distribution and power generation segments that had a share of 63% and 20%, accordingly.

Field gas services contributed with 5% of the group's revenue and 3% of Ebitda. Similarly, water and solid waste management services represented 10% of the group's revenue and 21% of Ebitda.

Next slide, please. In this chart we can see that the Ebitda margin for EPM was 31% and the Ebitda variation for the group was 14%. In the Ebitda by subsidiaries, we need to highlight the positive contribution of EPM by COP 212 billion, which represents an increase of 23%. As for national energy subsidiaries, they contributed by 16% and here we can highlight the CHEC had with a variation of 54% and ESSA, which also had a variation of 8%.

International subsidiaries contributed with 20% of the group's Ebitda. They increased COP 18 billion. Here we can highlight that ADASA had an increase of COP 9 billion, basically due to the increase in the water treatment capacity. In DECA group there was an increase of COP 20 billion, 18%, due to an increase in rates.

Next slide, please. Very quickly on this slide we can see the Ebitda by segments so we can see that all the segments contributed to the increase of the Ebitda and there was a comprehensive increase close to 4% in the last two years.

As for the balance sheet, we have an equity of COP 26.2 billion. There was a decrease because there was a combined effect of the comprehensive result of the period and there was also a decrease in terms of dividends to the municipality of Medellin and COP 300 billion were paid. Liabilities were COP 34.2 billion. There was an increase of 38.4% and this is explained due to certain transfers that were already recorded.

Total assets of the group were COP 64 billion, which represented an increase of 1%. Cash position as of March 2021 was COP 4.63 billion, which shows very good availability in terms of cash and as for hedging and debt indexes, the total debt of the group was 59% compared to a 60% in 2019.

We had the Ebitda/financial expenses ratio that was 6.16 times, which in our opinion reflects an excellent coverage or hedging for interests. Total debt over Ebitda was 4.36 times and the net debt over Ebitda was 3.53 times. These results in part are linked to the pre-funding strategy that was conducted last year.

We think that we have a very diversified portfolio of our debt, based on the sources of funding. EPM Group's debt was COP 25 billion. 18% of this debt corresponds to domestic debt. 21% foreign debt in Colombian pesos, while 71% represents foreign debt in other currencies. Out of the total debt, 76% corresponds to EPM parent company. After hedging, the group has 24% of its debt expressed in USD, out of which 7% is among international subsidiaries and 17% in the EPM parent company, which has some natural hedging elements that come from intercompany loans.

At this quarter closing, financial hedging was USD 1.5 million. As for maturities, EPM parent company holds four international bond issuances maturing in 2024, 2027, 2029 and 2031. These values are being analyzed consistently in order to ensure the achievement of our strategic goals.

This is the presentation of the results of the first quarter so now let's go to the Q&A session.

As of now, if you haven't included your question please use the questions module on your screen and we will try to answer each of these questions.

I will start with the first one. "How are the Mapfre payments being conducted? Have there been any compensations?" So I will give the floor to Vice President Martha Lucia Duran.

Thank you so much, Martha. The last payment was received on the second semester of 2020. This year we expect to receive COP 200 billion approximately.

Second question. "How was the Ituango project affected by the blockades?"

We were locked for four days but the situation was quickly solved and it did not affect the execution of the project.

The third question. "What are the scheduled days for the commencement of the operations of the Ituango hydropower project?"

According to our timeline or our schedule, the first unit will start operations by July 2022. Two additional units by September 2022. Three more units in January 2023 and the last four units by October 2023. That is the proposed schedule or timeline.

The fourth question has to do with the process of starting operation in Afinia. We started operations in October last year. We have been able to improve collection. When we started our operation, the collection was 75%. So far we have reached an 84% collection rate. As for the quality of service, we have been able to reduce the power outages and we are serving around 1.5 million users. Those are the most important highlights and the progress that we have made with Afinia.

Let me remind you that you can start adding your questions in the questions module. We will be answering them as we get them.

"With this environment, would you like to repurchase some of the debt and issue a new one with a lower interest rate?"

Pedro will give us the answer. He is the one in charge of capital management.

Thank you so much for this question. Actually, we have seen that trend in the market and certain days of this month of June. The fact is that we don't plan to buy more debt.

Let's answer another question. Remember that you can add your questions on the module on the screen. We will get it here directly so we can ask your question publicly to Martha and also to Juan Carlos Sampedro.

We have another question. "How do you see the current credit rating?"

Well, the discussions that EPM has with the rating companies such as Moody's and Fitch, they have had those in their reports.

And as for the situation in terms of environmental licensing, which currently is being normalized due to the clear position that the ANLA has had and the PMU with respect to the continuity and the possibility to continue the construction of the project until it starts its operations. Therefore, we do not identify an imminent risk, at least with respect to the actions that can be managed by EPM in terms of the risk associated with a change in the credit rating.

I will ask the seventh question. "How has the Hidroituango project been affected by the seizure of the account of certain vendors?" So Juan Carlos will continue with the answers.

Yes, the controllership took some measures on some of the participating companies in the Ituango project. Some of the members of the designing consortium Integral in particular and some other participants of the consortium, for instance **DIC [0:40:14.4]**, we haven't seen this so far and we haven't seen this in the construction consortium or the design consortium. So far this hasn't created an impact on the timeline of the project. In some discussions that EPM has had basically in real time with them we have identified a permanent interest in moving forward with the project until its full completion. Basically the situation that we had with these precautionary measures that were undertaken by the controllership.

The eight question. "What are the estimated Ebitda margins for 2021, 2022, 2023 and 2024?"

Well, the estimates are close to an Ebitda margin that is around 27% for 2021. For 2022 it's 31%. For 2023, 31% and 2024, 34%. Those are our projections so far.

Let me remind you that you can share your enquiries or concerns through the module. We have received eight questions so far. Let's remember that this module for questions is enabled and we can give you an answer through our Financial Vice President.

"How have the protests affected the projects?"

As we mentioned before in our most critical operation, in the Ituango project we had some blockades at the entrance of the project but these did not affect the execution and didn't have any significant impact on the project. As for gas, due to the blockades we had certain difficulties in terms of service delivery but there were no material damages. As for the rest of the operations, we didn't have any considerable impacts.

Let's go to another question. "How much do you expect to collect with UNE's sale?"

Well, so far we are just starting the process based on the authorization that was given by our Board of Directors but the estimated value depends on the structuring that we are just starting and the final value of the operation we estimate to have by the end of 200 but still we do not have that value. It depends on the structuring and the final sale.

"In that sense, can you share an update? What are the next steps in the potential sale of UNE Telecomunicaciones and what are the deadlines?"

And I will give the floor to Juan Carlos.

Since this is a sale of an asset in a public entity, it requires the approval of the Medellin's council. Once we have that approval and in case that the Council approves this change of ownership, we will proceed with the next steps and once we have completed the second stage, we will start issuing an offer to the market.

Thank you so much, Juan Carlos.

Let's continue with another question. "What's going on with the judicial procedures and the suits that were published last year?"

We haven't had any material progress so far. That law suit was filed in February and this is a process that will take some time based on the local regulation and there hasn't been any material progress in this quarter.

Last question. "Is there another debt operation in the future?"

At group level, we have moved in several fronts. We've executed in Chile a local issuance of bonds for ADASA. It was very successful. It allowed us to have an anticipated payment with the commercial banking sector in Chile. We are very close to have an operation with ENSA's subsidiary. We are awarding an operation of ENSA. It is a USD 100 million amount. We have the maturity of one bond in July 2021.

Also, [ASAU \[0:47:03.1\]](#) is a subsidiary that had an operation of USD 30 million that allows it to extend maturities of a loan that was supposed to mature this year and the EPM parent company has been making some progress. There is one loan with a commercial bank. We hope we can close this deal by September this year. It is in the structuring stage and second,

we are also structuring another operation to serve certain investments in water and distribution.

Question number 14. "What is the expectation of future energy prices once Hidroituango starts its operations?"

Although this is a topic that hasn't been made public by EPM, it is clear that the entry of Hidroituango will have an impact on the prices but we consider that we will have an effect between 2022 and 2023 associated to the rest of the water resources of the sector and the commencement of operations of other projects in the country. Since the units will start operations between 2022 and 2025, the impact doesn't happen once at a time. It will have a gradual effect and there is also an increase in the demand that offsets that gap or that variation.

Let me remind you that you can continue to send your questions. We will continue to receive your questions through the module. Please remember that this conference is being recorded so it will be available through www.epm.com.co.

Question 15. "What would be the destination of the sale of UNE's assets?"

It is still unclear. As I mentioned before, it depends on the process and we were estimating that these resources could be used for projects and investments that we consider strategic for the delivery of our services. But I think this is something that we have the authorization by the Board but we still have certain steps to take but the idea is that this is in alignment with our projects and the generation of value.

We don't have any more concerns or questions through the module so I think we can conclude this Q&A session so I will give the floor back to Martha Lucia Duran so she can give us her feedback. Thank you so much everyone for your participation and we want to continue having these spaces with you so we can answer all your questions and concerns and we can continue by providing clear and accurate information so you can have first-hand information about the status of our company and its projects so thank you so much for your attendance and have a nice day.