



# **EPM**

## **XIX Andean Conference 2021 - CredicorpCapital**

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# epm<sup>®</sup> Team



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# Agenda



1. EPM Group Highlights
2. Afinia
3. Ituango Hydroelectric Project
4. Financial results as of July 2021
5. Liquidity and Debt Strategy



# 1. EPM Group Highlights

Colombia's largest multi-utility Company with presence and leadership across LatAm



## Ratings:

- Moody's: **Baa3**, negative outlook
- Fitch:
  - Local **AAA**
  - International **BB+**
 Rating watch negative

15,498 Employees

25 million Beneficiary people in Latin-America

**Assets** 3%  
COP 65.9 billion (USD 17 billion equiv.)

**Revenues** 26%  
COP 13.8 billion (USD 3.5 billion equiv.)

**EBITDA** 25%  
COP 4.1 billion (USD 1,063 million equiv.)



Figures as of July 31, 2021

# 1. EPM Group Highlights

*EPM is a relevant player among LatAm utilities*



## EPM Group Infrastructure Colombia and LatAm

<b>Power Generation</b>	35 hydro power plants 2 thermal power plants 1 Wind park
<b>Installed Gen. Capacity</b>	3,475MW
<b>Power Distribution</b>	T&D lines: 277,708 Km Substations: 455 Transformers: 353,485
<b>Natural Gas</b>	Distribution network: 8,448 Km
<b>Water</b>	Drinking water network: 6,398 Km Sewage network: 6,552 Km

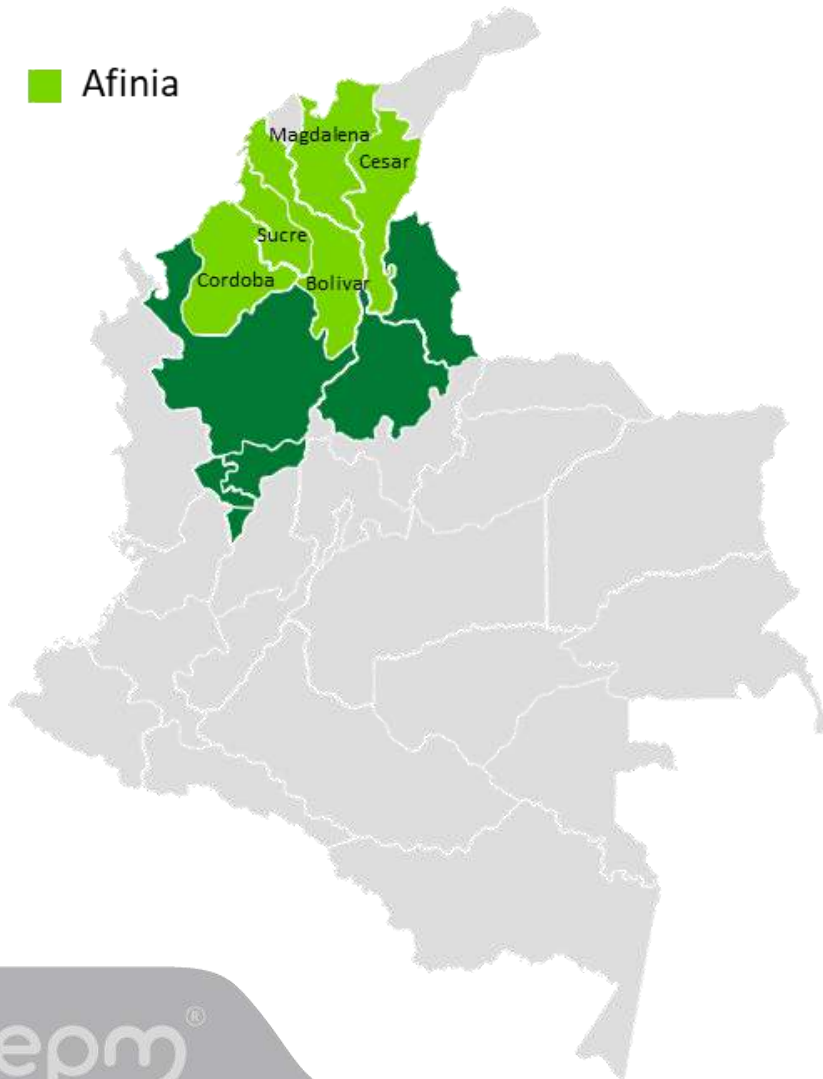
EPM Group Customers (in millions)	2019	2020*	Var. %
Total	12.0	13.9	16%

\* Includes Afinia: 1.6 million customers

## 2. Afinia

*Power service supply in the Southern Zone of the Caribbean Region*

■ Afinia



### Highlights

- **Start of operations:** October 1<sup>st</sup>, 2020
- **Colombian energy market share:** 12%
- **Customers:** 1.6 million
- **Collection percentage:** 83% (from 75% in 2020)
- **Energy loss indicator:** 29% (from 35% in 2020)
- **Accumulated commercial demand:** 4,850 GWh (2021)

### Financial information as of June 30, 2021

- **Assets:** COP 3.2 billion
- **Liabilities:** COP 1.4 billion
- **Revenues:** COP 1.9 billion

# 3. Ituango Hydroelectric Project Update



## Significant total work progress:

- ✓ 83.7% as of April 2021
- ✓ 84.1% as of June 2021
- ✓ **85.0%** as of August 2021



# 3. Ituango Hydroelectric Project Update



*Largest hydro-generation power plant in Colombia*



**17% of the country's electricity demand**

**2400 MW** Total Net effective capacity  
**8** Power Generation Units  
of **300MW each**

**5,708 GWh/Year** Firm Energy for Reliability Charge

Firm Energy Obligations (GWh/Year)	Limited date to start operations	Firm Energy for Reliability Charge	Jul-22	Sep-22	Jan-23	Oct-23
3,482	Nov. 2022	<b>By Power Generation Unit</b>	1 Unit	2 Units	3 Units	4 Units
1,141	Nov. 2023	<b>(GWh/Year)</b>	2,234	4,468	5,708	5,708

**97%** of the 2 Firm Energy Obligations of the project would be fulfilled with **2 power generation units.**



# 3. Ituango Hydroelectric Project Update

*Start of operations scheduled for July 2022 - fully operational in 2025*



Highlights	Civil Work	Milestones Achieved	Pending Completion	% of Completion
<ul style="list-style-type: none"> <li>The Ituango Project is expected to generate an average of 13,930 GWh of energy per year.</li> <li>Total Work Progress as of June 30, 2021 [<b>85.00%</b>]</li> <li>Total progress of the project when it starts to generate with the first unit [91%]</li> <li>Progress corresponding to the schedule with entry into operation in 2022 of the two first power generation units.</li> <li>The impacts that the health emergency caused by COVID-19 may generate in the current schedule continues to be monitored.</li> </ul>	<b>Dam and Spillway</b>	<ul style="list-style-type: none"> <li>Fully operational Dam</li> <li>Fully operational Spillway with two channels</li> </ul>	<ul style="list-style-type: none"> <li>Final stage of abutment injections</li> </ul>	99.2%
	<b>Powerhouse</b>	<ul style="list-style-type: none"> <li>Stabilization of access tunnel</li> <li>Extraction of sediments</li> <li>Works on north zone vault</li> <li>Cleaning and removal of damaged equipment from units 1 to 4</li> <li>Assembly of 300-ton bridge cranes</li> </ul>	<ul style="list-style-type: none"> <li>Recovery and stabilization of tunnels and caverns</li> <li>Reconstruction of the control building and generation units</li> </ul>	82.4%
	<b>Pressure Well</b>	<ul style="list-style-type: none"> <li>Completed works in-between pressure wells 1 and 2</li> </ul>	<ul style="list-style-type: none"> <li>Shielding of pressure wells</li> </ul>	77.7%
	<b>Intermediate Discharge Tunnel</b>	<ul style="list-style-type: none"> <li>Partial reinforcement with concrete lining in selected areas</li> <li>Reinforcement of downstream walls</li> <li>Enlargement of Plug 12</li> </ul>	<ul style="list-style-type: none"> <li>Gate completion and shielding</li> <li>Concrete coating</li> </ul>	68.8%
	<b>Right Diversion Tunnel (RDT) and Auxiliary Diversion Tunnel (ADT)</b>	<ul style="list-style-type: none"> <li>Closing of both gates to the ADT</li> </ul>	<ul style="list-style-type: none"> <li>Pre-plug 2 and final plug RDT</li> <li>Construction of additional bypass system from the ADT and RDT to the final closing of the RDT.</li> <li>Expected to be completed in mid-2022</li> </ul>	92.9%

# 3. Ituango Hydroelectric Project Update

Figures in COP thousand million

## Project Cost

Figures subject to variation based on technical findings and design adjustments

Concept	Project Cost		
	Before	Current	Variation
Direct Cost	9,993	15,671	5,677
Financial Expenses	1,500	2,648	1,148
<b>Total Cost</b>	<b>11,493</b>	<b>18,319</b>	<b>6,826</b>

**Direct Cost:** \$5.7 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 July 2021:** \$13.2 billion, of which \$3.2 billion correspond to investments derived from the contingency (considers the removal of assets and insurance payments effect).

The cost of \$18.3 billion corresponds to the latest version approved by the Board of Directors in July 2021.

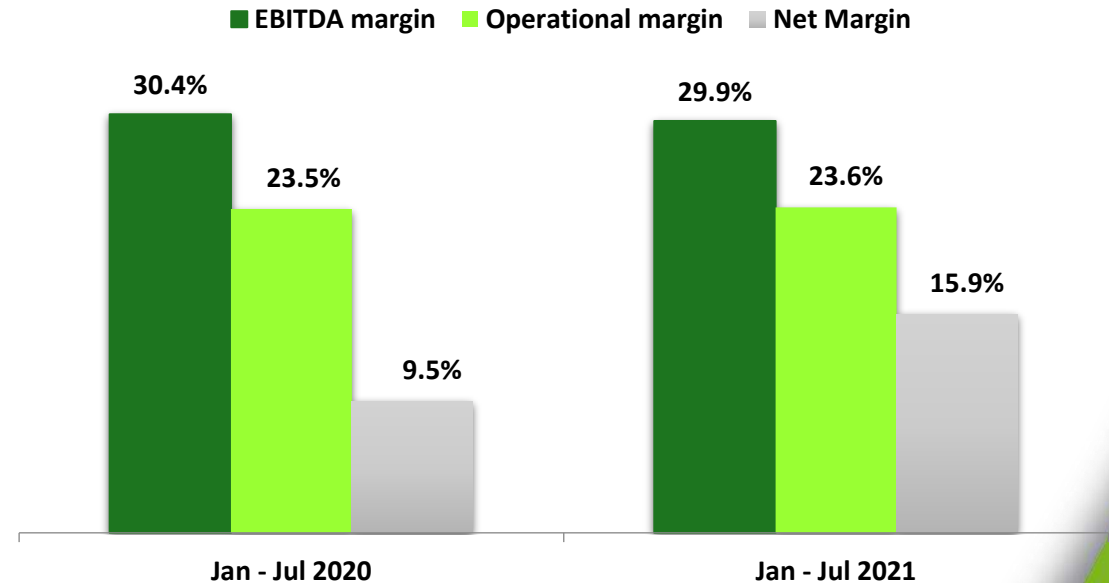
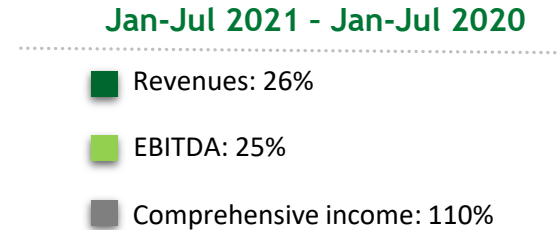
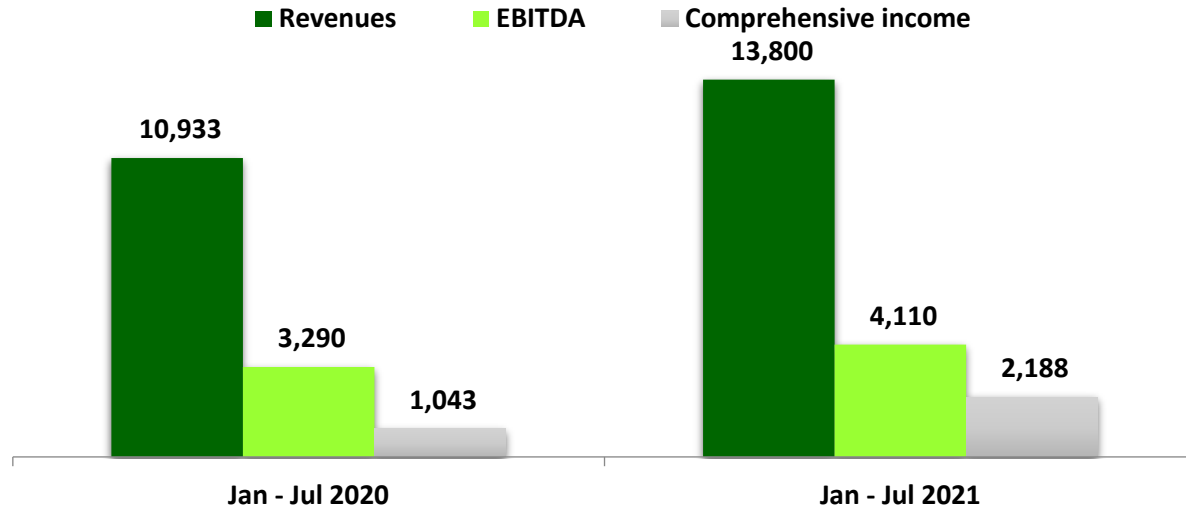
## Third party costs

Concept	Amounts accrued	Payments
Shelters Support	57	51
Affected Care and Compensation	73	36
Backup cost and Reliability Charge Guarantee	213	213
Contingency and environmental sanction	146	53
Payment to transmitter	228	0
Contingency attention	77	77
<b>Total</b>	<b>794</b>	<b>430</b>

# 4. Financial Results as of July 31, 2021 (unaudited)

## EPM Group Income Statement

Figures in COP thousand million



- Revenues increased COP 2,868, 26% (7% without Afinia), explained mainly by higher revenues from de new subsidiary Afinia, energy sales in the Distribution Business, and by sales to the thermals in the Gas Business.
- Consolidated costs and expenses increased COP 2,178, 26%, explained by Afinia, due to its incorporation in 2020.
- EBITDA increased COP 820, 25% with respect to previous year, standing out the contribution of the EPM parent company, Aguas Nacionales, ESSA, CHEC, ADASA and DECA.
- Comprehensive income decreased COP 1,145, due to increase in:
  - ✓ Revenues for COP 2,868.
  - ✓ Costs and expenses for COP 2,178.
  - ✓ FX revenues for COP 551.
  - ✓ Income tax provision for COP 59.

# 4. Financial Results as of July 31, 2021 (unaudited)

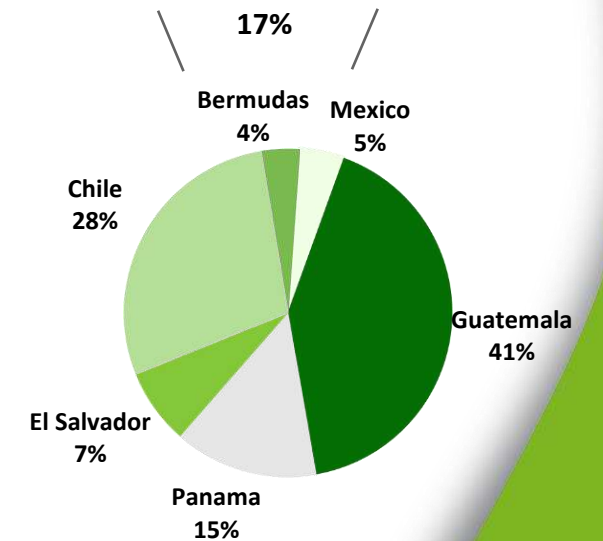
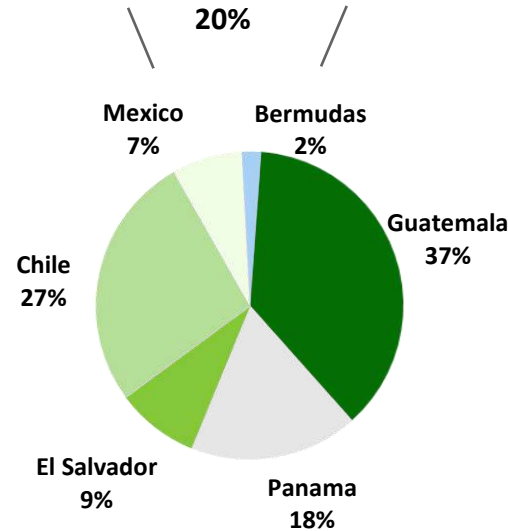
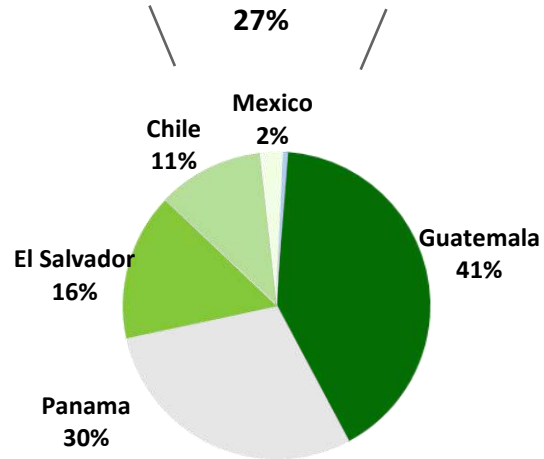
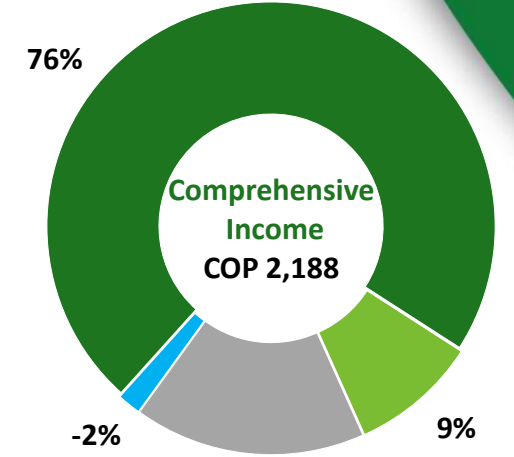
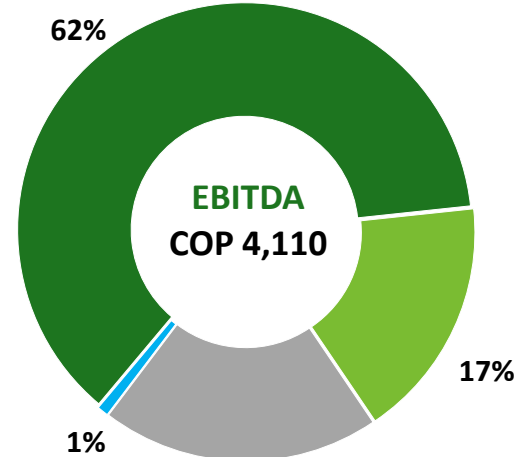
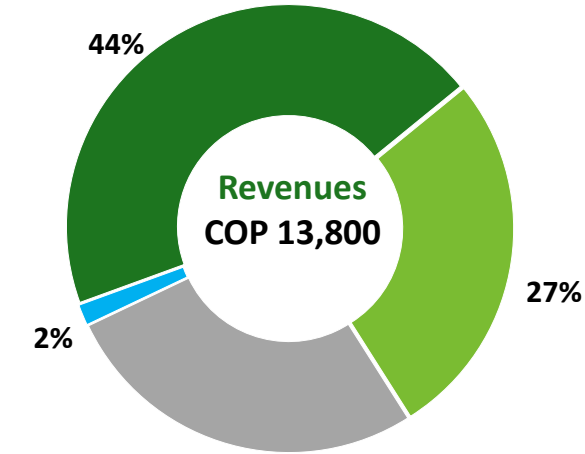
## EPM Group by Colombian and International Subsidiaries

Figures in COP thousand million



■ EPM Parent Company  
■ International Subsidiaries

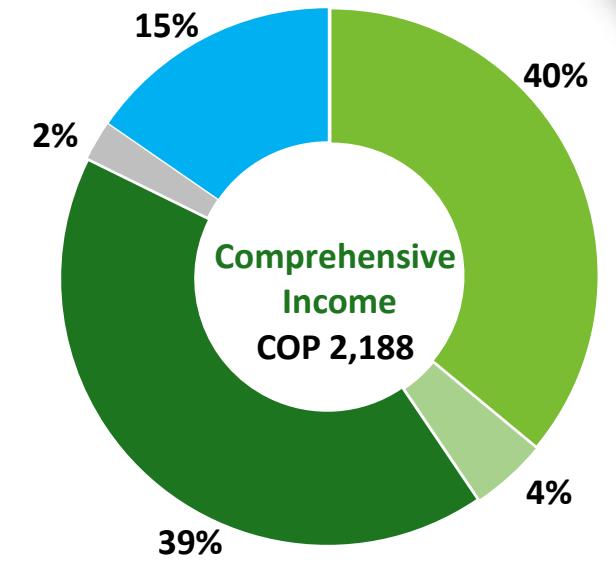
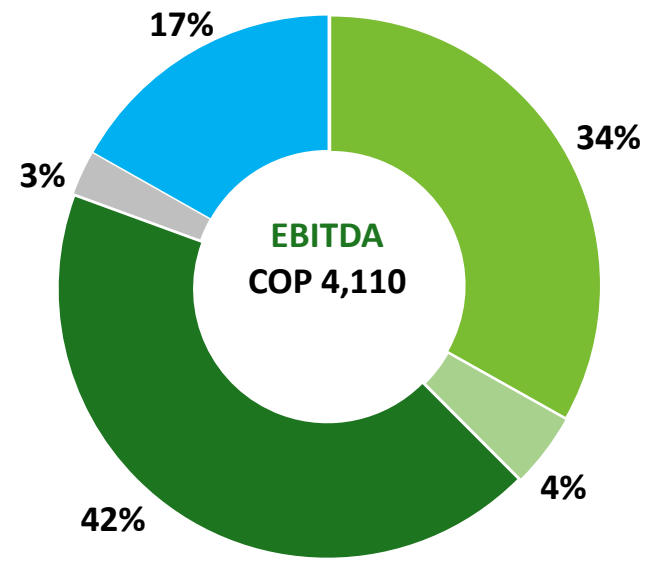
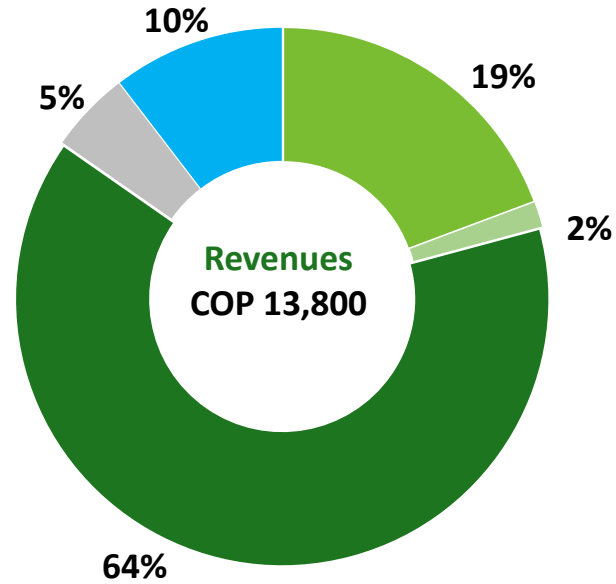
■ Colombian Power Subsidiaries  
■ Colombian Water Subsidiaries



# 4. Financial Results as of July 31, 2021 (unaudited)

## EPM Group by Segments

Figures in COP thousand million

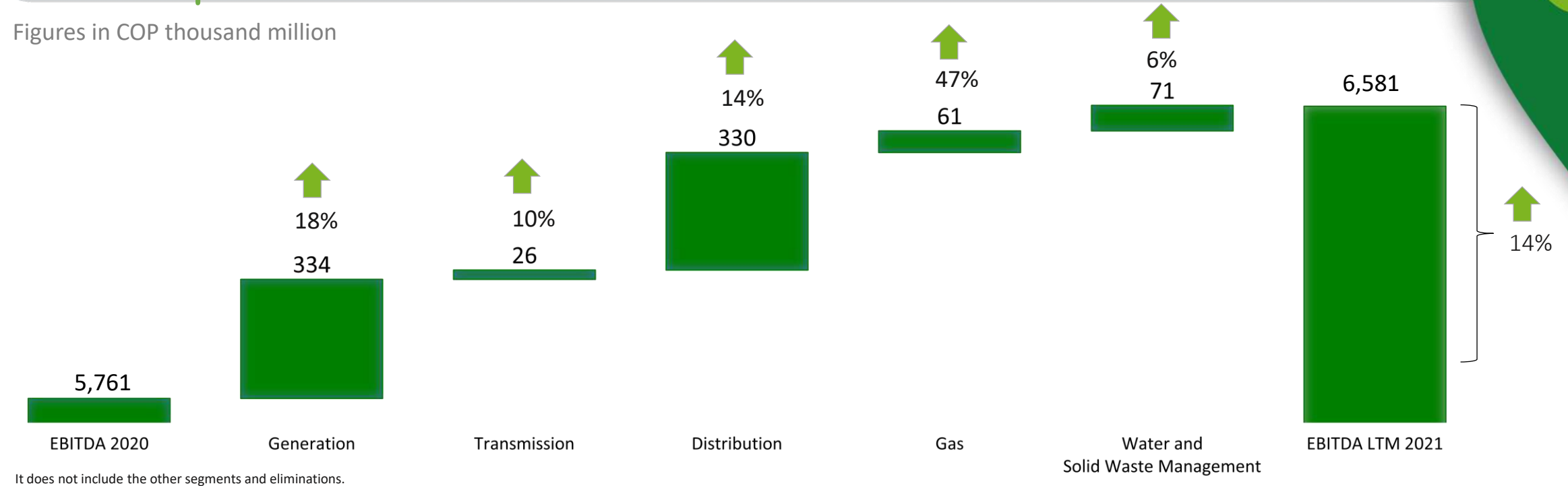


- Generation
- Distribution
- Water and Solid Waste Management
- Transmission
- Gas

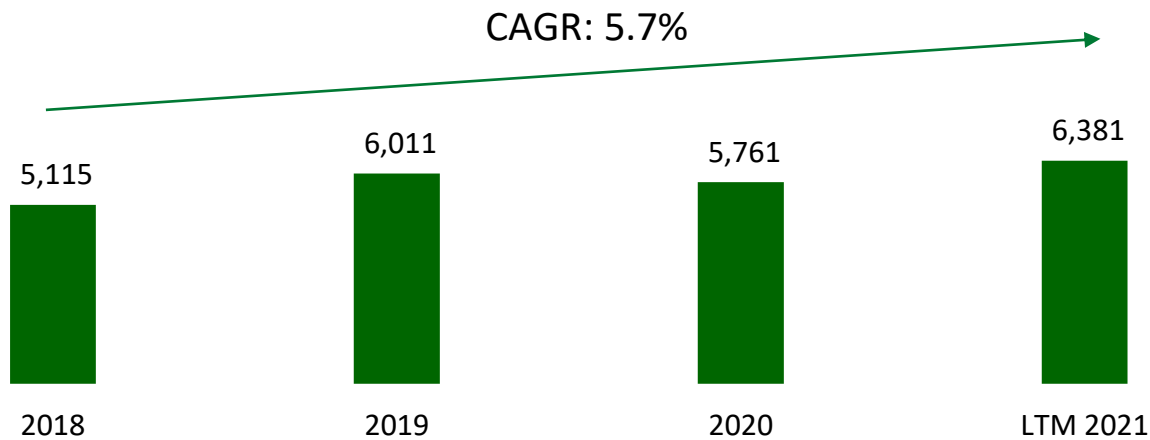
# 4. Financial Results as of July 31, 2021 (unaudited)

## EPM Group EBITDA

Figures in COP thousand million



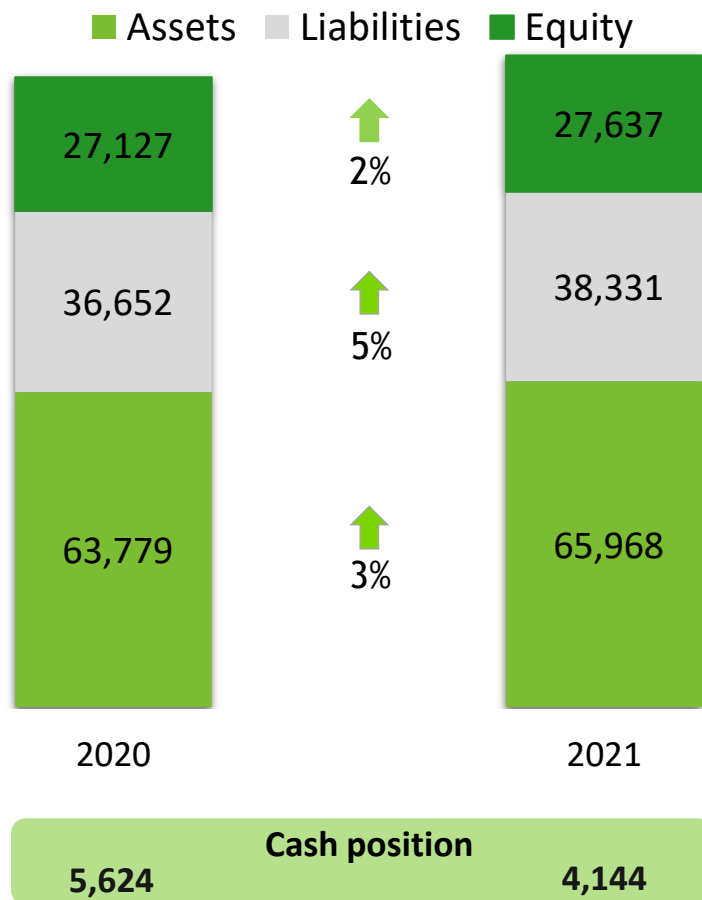
It does not include the other segments and eliminations.



# 4. Financial Results as of July 31, 2021 (unaudited)

## EPM Group Statement of Financial Position

Figures in COP thousand million

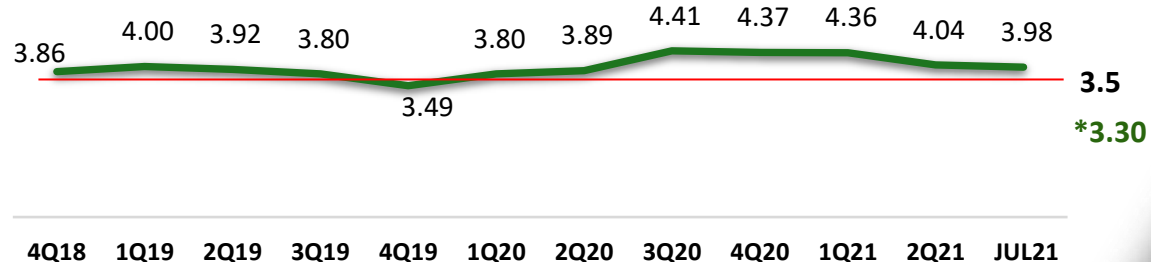


Ratios	2020	2021
Total debt	61 %	58 %
Financial debt	46 %	41 %
EBITDA/financial expenses	5.50 X	6.06 X
Total Long Term Debt/EBITDA	4.44 X	3.98 X
Net Debt/EBITDA	3.51 X	3.30 X

### EBITDA/ Financial expenses



### Total Long Term Debt/EBITDA

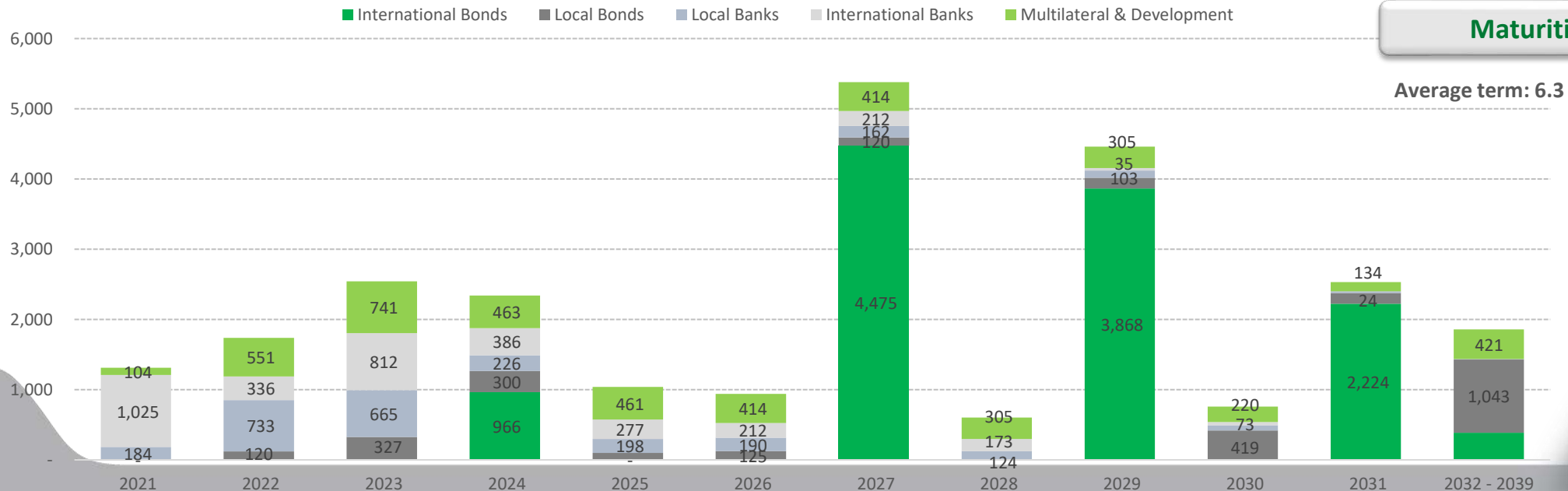


(\*) Net Debt/EBITDA

# 4. Financial Results as of July 31, 2021 (unaudited)

## EPM Group Debt Profile

Figures in COP thousand million





# 5. Liquidity and debt strategy



Cash position as of August 31, 2021 : COP 4.9 billion – EPM Group  
COP 2.0 billion – Parent Company

## Committed Lines

### IDB Invest

Amount: USD 900 MM

Balance to be disbursed: USD 450 MM\*

Term: 4 years

Maximum date: Apr.14,2022

\* Subject to compliance previous conditions to disbursement

### BNDES

Amount: USD 112 MM

Balance to be disbursed: USD 63 MM

Term: 6.5 years

Maximum date: Dec.2022

## Credit lines under development

### Development bank

Amount: USD 200 MM

Term: 10 years

Use of proceeds: General investment plan in Power Distribution and Water

### International banks

Amount: minimum USD 250 MM

Term: 5 years

Use of proceeds: Debt management operation.

Short term facilities: USD 200 MM

Use of proceeds: General corporate purposes.

## Other financing sources of interest

➤ Local Capital Market

➤ International Capital Market

➤ Local Banks

*Sources in permanent monitoring to identify market opportunities*

## Divestment Plan

➤ Une-Tigo



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