

## **In the first half of 2022, the revenues of EPM Group totaled COP 15 billion and profits totaled COP 2.1 billion**

- The business group created Added Value in the amount of COP 7.3 billion
- The Group's investments in infrastructure projects totaled COP 2 billion
- Of the COP 1.8 billion that EPM will transfer to the Municipality of Medellín during 2022, COP 1.2 billion were paid in the first half.

EPM Group reported revenues of COP 15 billion, EBITDA of COP 4.7 billion and net profits of COP 2.1 billion in the first half of 2022, which enabled it to contribute to the development of the territories where it is present and to transform the lives of millions of people through investments in major infrastructure projects to provide public utility services of high quality, continuity, coverage, and availability.

"In the first six months of 2022 we made investments worth COP 2 billion in several projects we have undertaken in the Generation, Distribution and Water segments and other initiatives. These projects, in addition to enhancing public utilities infrastructure, have been major contributors to job creation and to driving the economy, at a challenging time for the world economy, which is characterized by inflationary pressures and rising interest rates," said Jorge Andrés Carrillo Cardoso, CEO of EPM.

Of these COP 2 billion, COP 1.4 billion were investments made by the EPM Parent Company, a driver for development in the territories where it is present, with the creation of opportunities for more people. This figure includes COP 887 thousand million allocated to the development of Hidroituango, which is scheduled to start operations with the first two units next October, as a contribution to the country's energy stability and to the wellbeing of Colombians.

In the first half of 2022, in addition to the COP 2 billion in infrastructure investments, EPM Group created Added Value in the amount of COP 7.3 billion, an increase of 19% compared to the same period in 2021. In this regard, suppliers of goods and services, the government, the community, and the environmental initiatives received a total of COP 2.2 billion, a 49% increase compared to the same period last year, which translates into more drive for the economy, more job opportunities, the protection of natural resources, quality of life and development for the various stakeholders.

It should be highlighted that of the total surplus to be transferred, in the amount of COP 1.8 billion during 2022, EPM has already paid the Municipality of Medellín COP 1.2 billion, up 28% compared to June 2021, which represents more resources for social investment in the capital of Antioquia.

### **Results that add to development**

Thanks to high rainfall levels in Colombia, and especially in Antioquia, because of La Niña phenomenon, the overall water levels at the reservoirs of the country's hydraulic power generation system increased from

73% to 81%, while those of EPM increased from 90% to 100%. Thanks to this, total electric power generation by EPM Group in the first half of the year was 9,578 GWh, up 8% compared to the same period in 2021, which had an important weight in the financial results of the first half of 2022.

Carrillo Cardoso highlighted that the organization's diversified business portfolio and its presence in Mexico, Panama, Guatemala, El Salvador, Colombia, and Chile were also key drivers of the results that were achieved. "Of the COP 15 billion in revenue achieved by the Group in the first half on 2022, the EPM Parent Company contributed 41%, the foreign subsidiaries 28% and Colombian power and water subsidiaries 31%.<sup>1</sup> Of total EBITDA for COP 4.7 billion, the EPM Parent Company contributed 57%, the Colombian power and water subsidiaries 25%, and foreign subsidiaries 18%<sup>1</sup>. The Group's EBITDA margin was 31%, up one percentage point compared to the same period last year", said the CEO of EPM.

Of the COP 1.2 billion net income reported by the Group, the EPM Parent Company contributed 53%, the foreign subsidiaries 17%, and the Colombian power and water subsidiaries 30%.<sup>2</sup> The Distribution segment contributed 55% to the consolidated result, Generation 29%, Transmission 4%, Gas 2%, Water Supply 7% and Wastewater and Solid Waste Management 3%<sup>1</sup>. The net profit margin was 14%, two percentage points less than in the same period last year.

The Power Distribution segment accounted for 68% of the revenues of EPM Group, at COP 10.9 billion. The 34% increase was mainly due to growth in electricity sales and growth of customers.

Power generation accounted for 17% of consolidated revenues, at COP 2.7 billion. It grew by 10% compared to 2021. This good performance was achieved thanks to higher electricity sales in the spot market and long-term power contracts, among other factors.

Natural Gas accounted for 5% of revenues, at COP 768 billion. Its 23% increase was due to an increase in customers, greater consumption, and higher sales to thermal power plants. On its part, Transmission accounted for 1%.

The segments related to Water contributed 9% of total revenues, distributed as follows: Water Supply posted revenues of COP 866 thousand million, up 14%. This increase is explained by more customers and higher rates in accordance with the Colombian regulatory framework; Wastewater Management posted revenues of COP 561 thousand million, up 29%, driven by increases in customers, consumption, and rates; and Solid Waste Management posted revenues of COP 141 thousand million, up 6%, due to an increase in provision of waste collection services due to more customers.

### **EPM Parent Company, a solid company**

The EPM Parent Company<sup>3</sup>, which will turn 67 years old next August 6, reported revenues of COP 6.2 billion in the first half of 2022, up 17% compared to 2021. During this period, EBITDA totaled COP 2.7 billion, up 17%, with EBITDA margin of 43%.

Net income of the EPM Parent Company totaled COP 1.9 billion, up 8% compared to 2021, for a margin of 30%. This net profit includes the results of the subsidiaries through the equity method, amounting to

COP 823 thousand million, up 42% compared to the same period in 2021. Consequently, the subsidiaries accounted for 43% of net income of the EPM Parent Company.

The EPM Parent Company received dividends for COP 136 billion, of which 97% were paid by the subsidiaries, and the rest by non-controlled companies.

## Financial position of EPM Group

**Total assets:** COP 69 billion, with 2% growth.

**Liabilities:** COP 40.7 billion, with 4% growth.

**Equity:** COP 28.3 billion, down 2%.

**Investments in infrastructure:** COP 2 billion.

## Financial Position of the EPM Parent Company

**Total assets:** COP 56.4 billion, with 1% growth.

**Liabilities:** COP 28.9 billion, with 4% growth.

**Equity:** COP 27.4 billion, down 2%.

**Investments in infrastructure:** COP 1.4 billion.

## Financial ratios of EPM Group

**Financial indebtedness:** Stood at 41 % both at the EPM Group and the EPM Parent Company.

**Debt/EBITDA ratio:** at EPM Group, this ratio closed at 2.99 compared to 4.03 in 2021. At the EPM Parent Company, it stood at 4.17, compared to 5.17 at the same date last year.

**Total debt/EBITDA ratio:** 3.21 for EPM Group and 4.43 for the EPM Parent Company.

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### Footnotes

1. Percentages do not include the Other segment and eliminations.
2. The parent company percentage excludes the results of the subsidiaries through the equity participation method. Percentages do not include the Other segment and eliminations.
3. Empresas Públicas de Medellín E.S.P. is the parent company of a business group made up of 44 companies and 5 structured entities, with a presence in the provision of public services in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama.