



epm[®]

4Q2023 Report

April 18, 2024



Agenda



- 1. Relevant events at the end of 2023 and subsequent**
- 2. 2023 ESG Performance**
- 3. Update on Hidroituango Power Plant**
- 4. Hidrology and Reservoirs Levels**
- 5. Energy Market**
- 6. Financial results as of December 2023**



1. Relevant events at the end of 2023 and subsequent

Board of Directors and Corporate Governance

- **On January 1st, 2024, Engineer John Alberto Maya took office as CEO of EPM**, who returns to EPM, after having previously held several positions in the company, the last being the executive vice presidencies of Projects and Engineering and Business Management, which he led between 2016 and 2019.
- **The Mayor of Medellín appointed as members of the Board of Directors:** Felipe Bayón Pardo, Luis Felipe Henao Cardona, Josefina Agudelo Trujillo, Luis Fernando Rico Pinzón, Luis Fernando Álvarez Jaramillo, Elena Rico Villegas, Carlos Alberto Arroyave Lema and Gabriel Ricardo Maya.
- **EPM's Board of Directors approved the appointment of new directors in the Vice Presidencies:** Finance and Investments, Legal Affairs, Employee Experience and Organizational Solutions, Communication and Corporate Relations, and Shared Supplies and Services. The executives are complemented by professionals with experience, career and knowledge of EPM, with new talents that come to contribute to the Organization.
- The District Council for Economic and Social Policy - Codpes - determined that EPM will be responsible for ordinary and extraordinary surpluses worth COP 2.07 billion, equivalent to 55% of the profits for the year 2023.

1. Relevant events at the end of 2023 and subsequent



Hidroituango Power Plant

- **Commercial Operation**

The plant is carrying out its commercial operation in a stable manner in its first 4 units (1,200 MW installed). As of March 30, 2024, 1,416 GWh have been generated, which has allowed the national interconnected system to have a sufficient volume of firm energy to face the period of highest level of intensity of the El Niño phenomenon.

- **Civil Works Contract Units 5 to 8**

On December 20, EPM gave the order to start the CYS Consortium, made up of: Yellow River CO. Colombia Branch and Schrader Camargo, for the construction of the final civil works of the Power Plant that will allow the entry into commercial operation of generation units 5 to 8.

- **Insurance Scheme**

Progress continues to be made in strengthening the insurance scheme, which includes:

- ✓ Contracting of the All-Risk Construction and Assembly policy, which covers the civil works under construction of stage 2 of the project, with La Previsora Seguros for USD 50 million, for material damage and loss of profit, valid until September 2027.
- ✓ In addition, the following policies were renewed: with La Previsora Seguros, the All-Risk Material Damage and Loss of Profits coverage for civil works and electromechanical equipment corresponding to units 1 to 4 for an annual term as of March 24, 2024, and an insured limit of USD 250 million. With the insurer Seguros Generales Suramericana S.A., the Extracontractual Civil Liability coverage for the head office under equal technical terms, for an annual term from March 23, 2024.



1. Relevant events at the end of 2023 and subsequent

Risk Ratings

On April 4, 2024, Fitch Ratings affirmed EPM's credit ratings: Local AAA and international BB+ ratings, both rating watch negative.

Subsidiaries

- EPM (as lender) and Afinia (as borrower) signed two inter-company credit agreements worth COP 60 thousand million and COP 695 thousand million, respectively, both with a five-year term, aimed at financing the subsidiary's investment plan.
- Likewise, on December 13th, the capitalization of the subsidiary Afinia was approved for up to COP 250 thousand million.
- EPM capitalized the solid waste management subsidiary Emvarias for COP 16,244 million. This is a first amount that is part of the total of COP 129,158 million to be capitalized between April and July 2024.

Debt strategy

In development of its 2024 financing strategy, EPM signed long-term bilateral loans with four local financial institutions for a total amount of COP 1.09 billion.

Promotion of renewable energy and utility projects

EPM and Japan Bank for International Cooperation (JBIC) signed a Memorandum of Understanding, with the purpose of encouraging the exploration of new opportunities and projects in areas such as hydrogen, renewable energy, electricity transmission and distribution, as well as in the water, sanitation and waste management sectors.



2. 2023 ESG Performance

Our strategic direction is aligned with the SDGs



ESG Main Targets

- **Contribution** to Sustainable Development Goals.
- **Carbon neutral** operations by 2025.
- **Protection of 137,000 hectares** of water supply basins by 2025.
- **Greater availability of utility services** through conventional and unconventional solutions.
- **Climate change mitigation:** energy efficiency, renewable energy, sustainable mobility and emissions management.

2023 Awards & Recognition

- **Awards Lazos a la sostenibilidad 2023:** Closing the Gap project, winner in the "Action for Water" category.
- **2023 CIER Price:** Smart Grids project, as the best innovation platform.
- **Ranking Merco Talent 2023:** EPM ranked 8th among the 100 most attractive companies to work for in Colombia. The company has been in the top 10 of the general ranking for 14 consecutive years.



Energy
97.29% coverage
 6.8 M customers
 EPM Group Universal Access

Gas
86.6% coverage
 1.4 M customers
 Universal Access Colombia



Water Supply
97.5% coverage
 1.7 M customers
 EPM Group Universal Access

Sewage
94.5% coverage
 1.7 M customers
 EPM Group Universal Access

Hidroituango
2,400 MW
 4 units under operation
 (1,200 MW)

Tepuy
83 MW of solar energy
 General Construction
 Progress: 85%

Solid Waste Management
99.3% coverage
 965,257 customers
 Universal Access Colombia

35 million m³ of water reused in the hydropower generation process

11,992 New Protected Ha, totaling **132,470** Ha protected since 2016.

Environmental Investment in 2023
COP 384,406 M.





3. Update on Hidroituango

Total Work Progress

✓ 92.66% as of March 2024



Powerhouse North Zone: Units 1 to 4.

- Gross investment as of December 31, 2023: COP 21.1 billion.
- Net investment as of December 31, 2023: COP 16.9 billion, deducting payments from insurance policies.

First Stage

Units 1 to 4 in commercial operation

- ✓ With the first 4 units of 300 MW each, 1,200 MW of installed capacity were completed.
- ✓ Warranty inspection maintenance is performed every 1,000 hours to each generation unit.

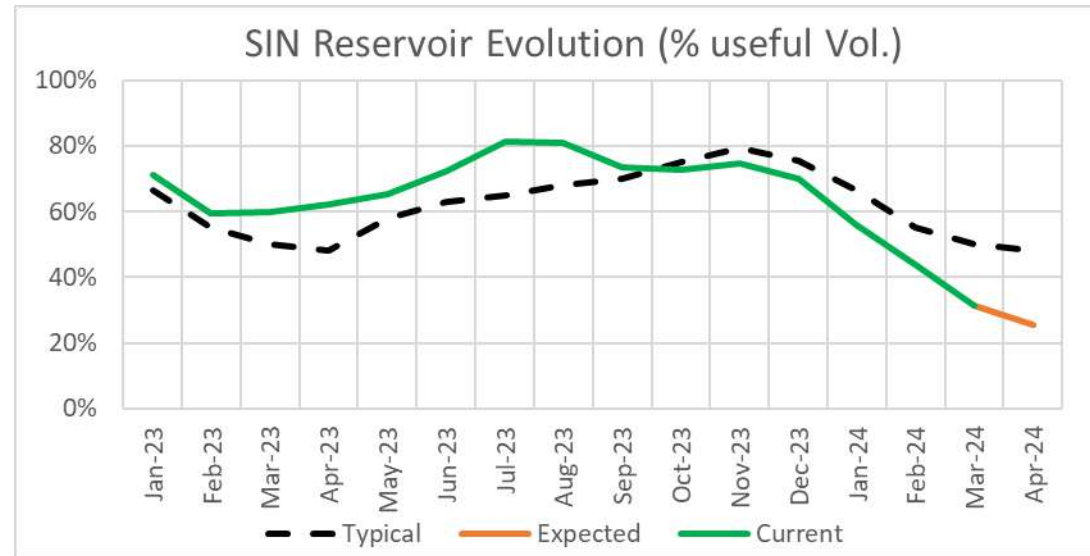
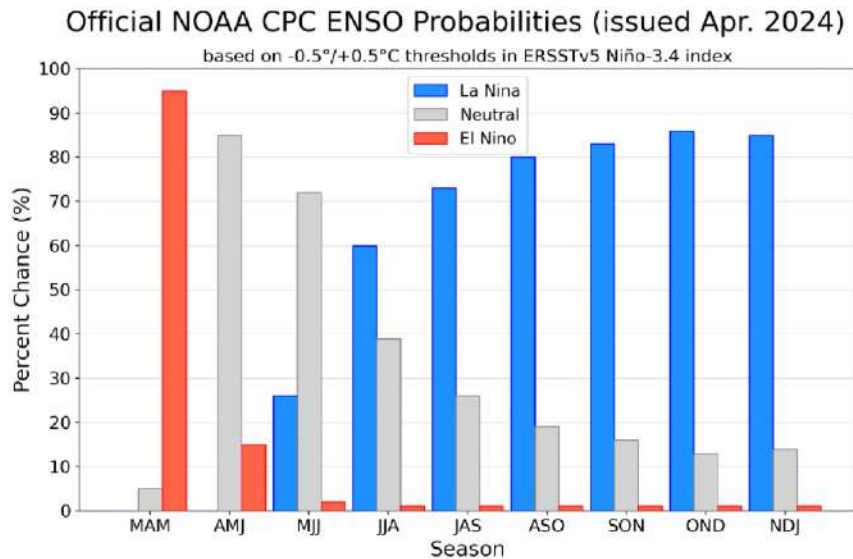
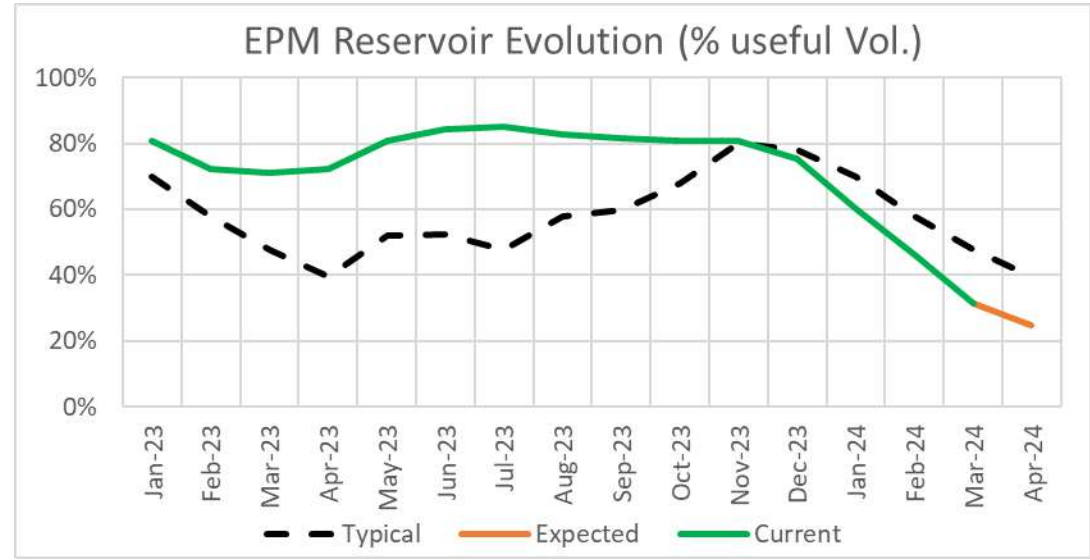
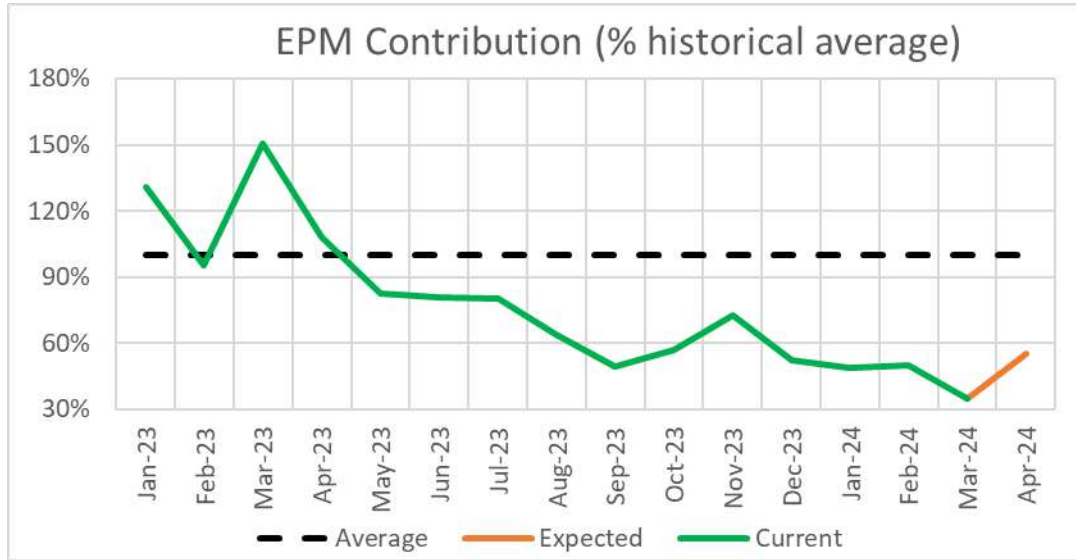
Second Stage

Units 5 to 8

- ✓ **Powerhouse: 87%**
 - Pending completion: recovery and stabilization of tunnels and caverns in the South zone, and assembly of generation units 5 to 8.
- ✓ **Pressure Wells: 89.6%**
 - Pending completion: Recovery of conduction tunnels 5 to 8.
- ✓ **Right Diversion Tunnel: 98.8%**
 - Pending completion: Pre-plug 2 and final plug. Expected to be concluded by 4Q2024.
- ✓ **Intermediate Discharge Tunnel: avance del 67.3%**
 - Pending completion: gate completion and shielding and concrete coating.



4. Hidrology and Reservoirs Levels

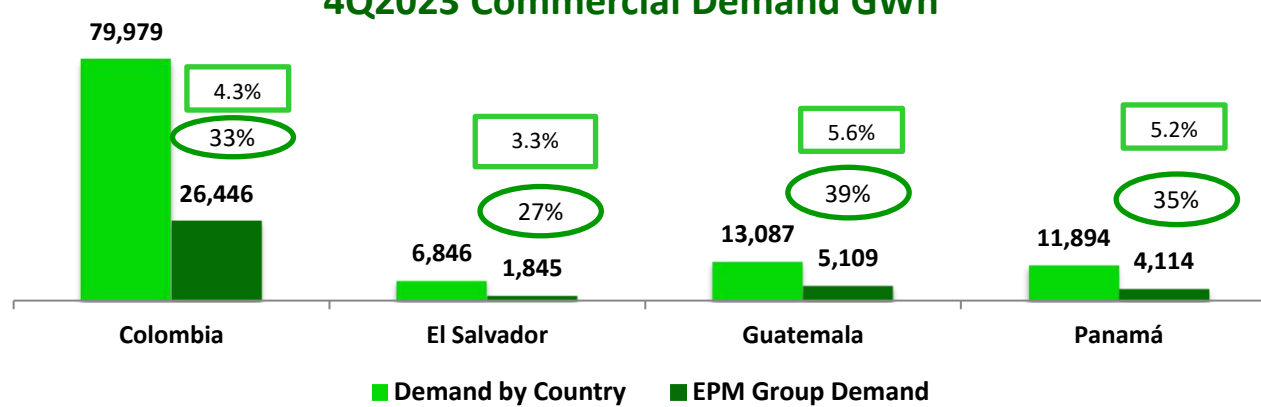




5. Energy Market

EPM Group Commercial Power Demand

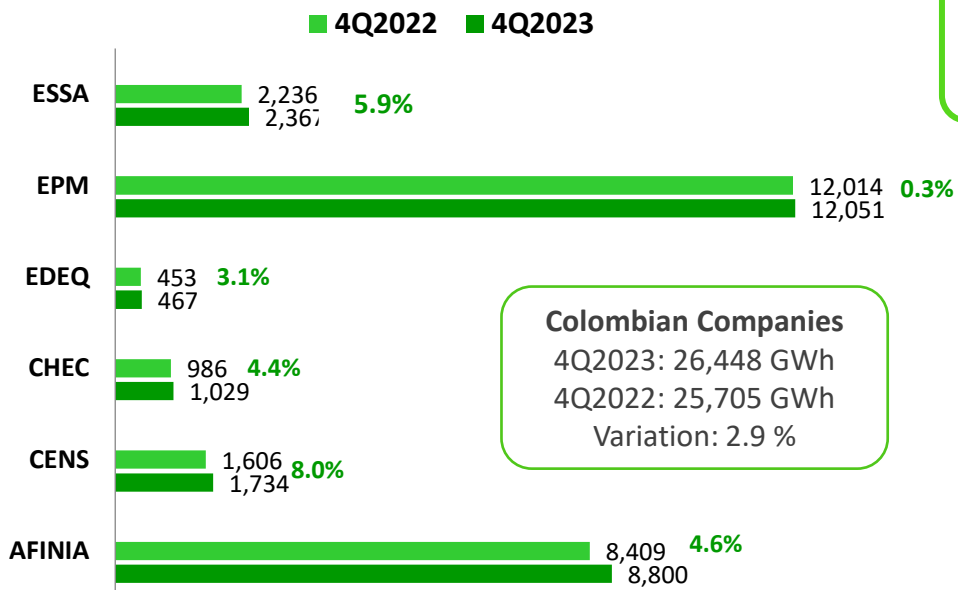
4Q2023 Commercial Demand GWh



% Country's demand variation 4Q2023 vs 4Q2022
 % EPM Group country demand's share.

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

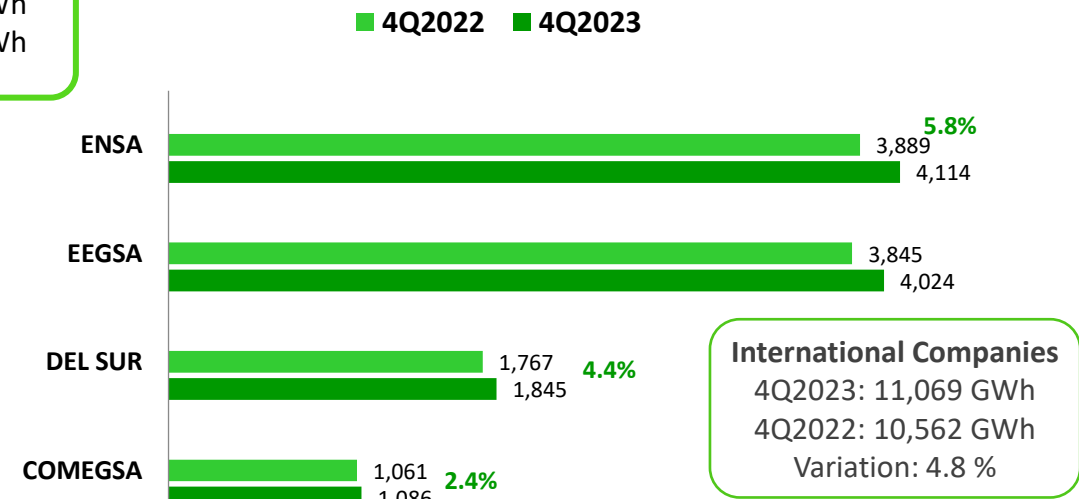
Colombian Companies GWh



Total EPM Group
 4Q2023: 37,517 GWh
 4Q2022: 36,267 GWh
 Variation: 3.4 %

Colombian Companies
 4Q2023: 26,448 GWh
 4Q2022: 25,705 GWh
 Variation: 2.9 %

International Companies GWh

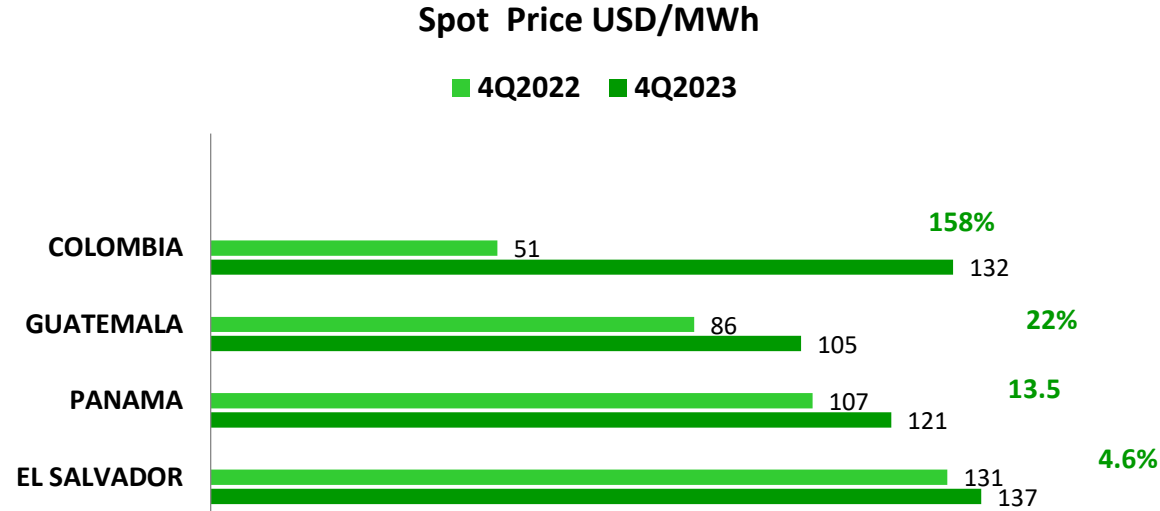


International Companies
 4Q2023: 11,069 GWh
 4Q2022: 10,562 GWh
 Variation: 4.8 %



5. Energy Market

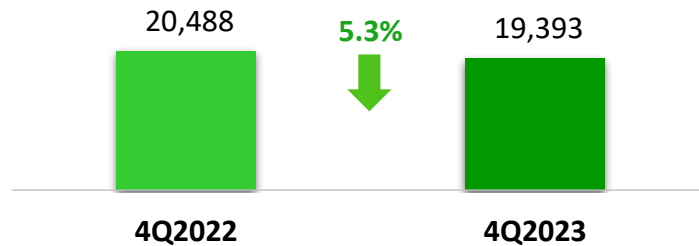
Spot Price USD/MWh and EPM Power Generation (GWh)



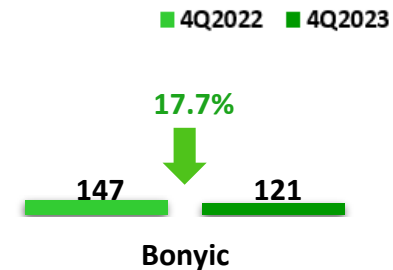
During 4Q2023:

In all the countries in which the EPM Group is present, the spot price increased, mainly due to the decrease in water input and greater use of thermal resources.

EPM Group Power Generation in Colombia [GWh]



International Subs, Power Generation [GWh]

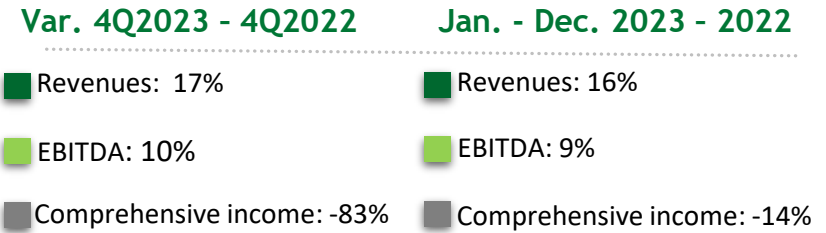
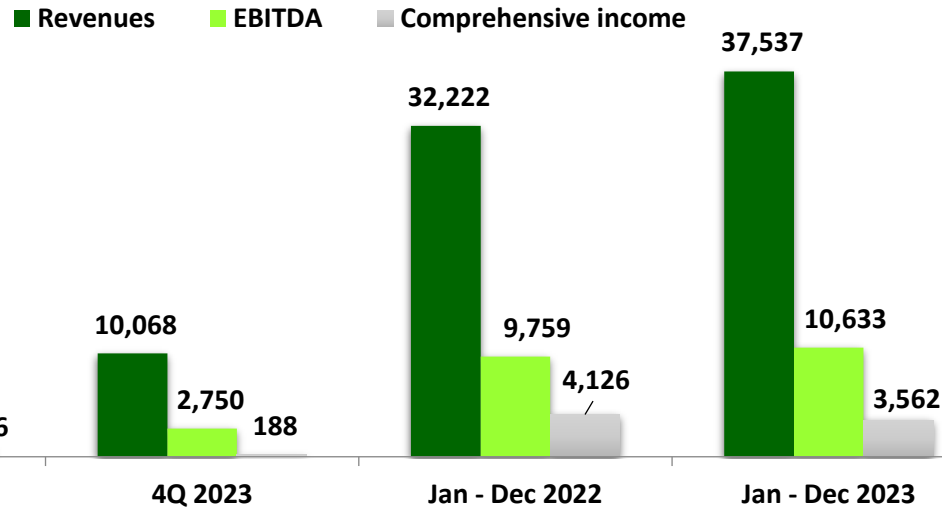




6. Financial Results as of December 31, 2023

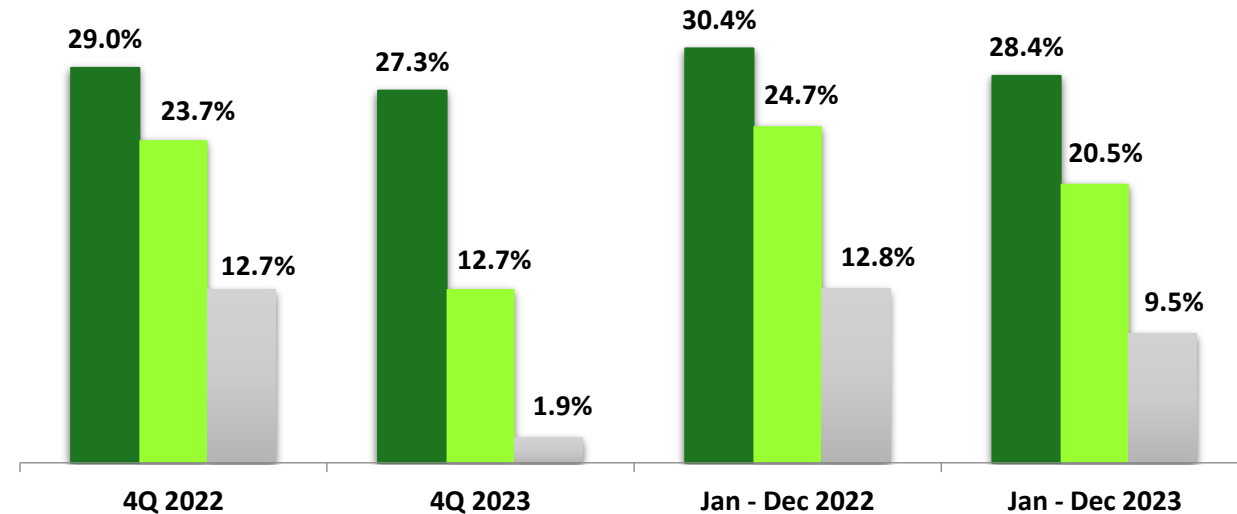
EPM Group Income Statement

Figures in COP thousand million



- **Revenues** increased COP 5,314, 16%, mainly explained by higher revenues in the Energy Distribution business, due to a higher tariffs and units sold, highlighting EPM parent company and the international subsidiaries of Guatemala and Panama.
- **Costs and expenses** increased COP 5,591, 23%, explained by a higher cost of the commercial operation given the increase in energy purchases of the energy distribution companies at a higher price.
- **EBITDA** increased COP 874, 9% with respect to previous year, standing out the contribution of the EPM parent company and the Generation Business, and the international subsidiaries DELSUR, EEGSA, and ADASA.

EBITDA margin Operational margin Net Margin

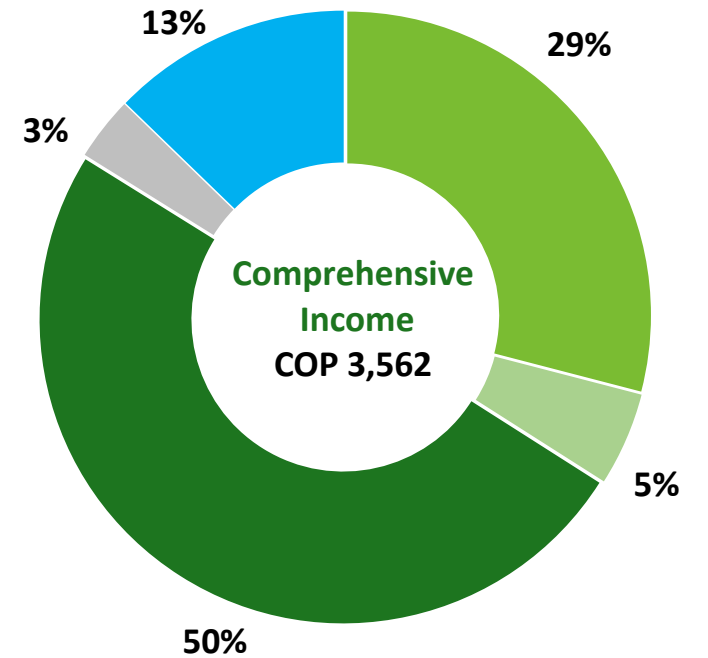
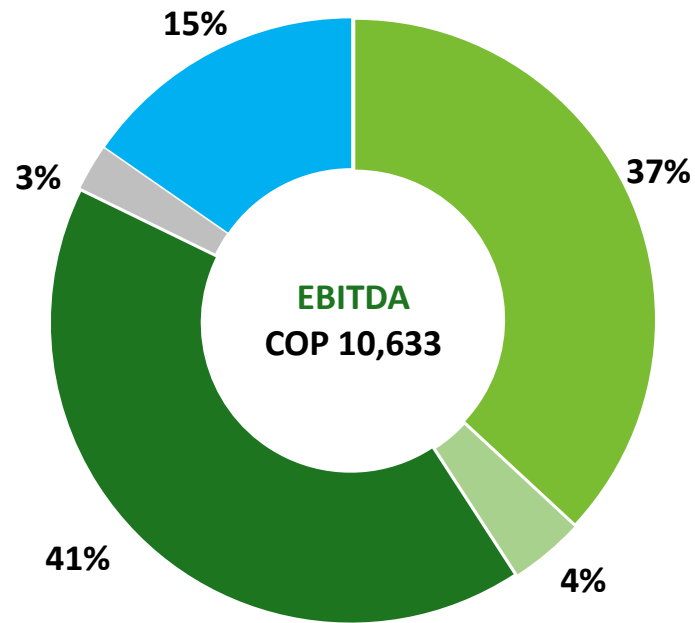
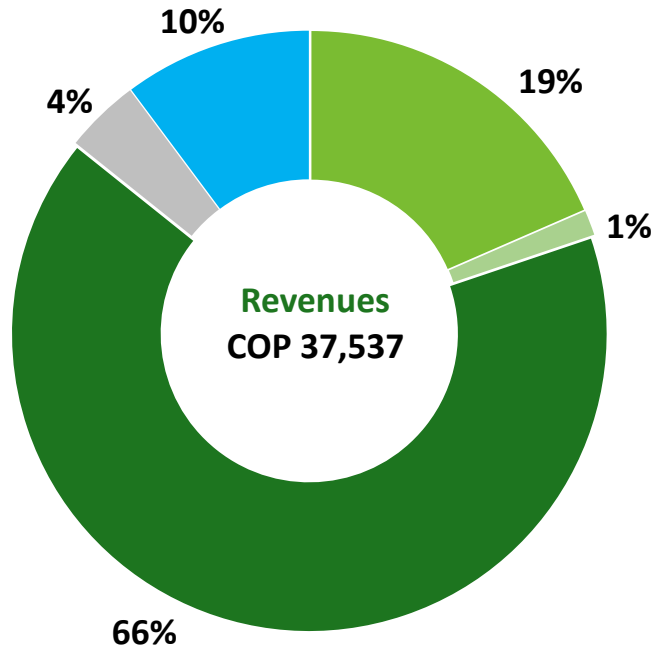


6. Financial Results as of December 31, 2023



EPM Group by Segments

Figures in COP thousand million



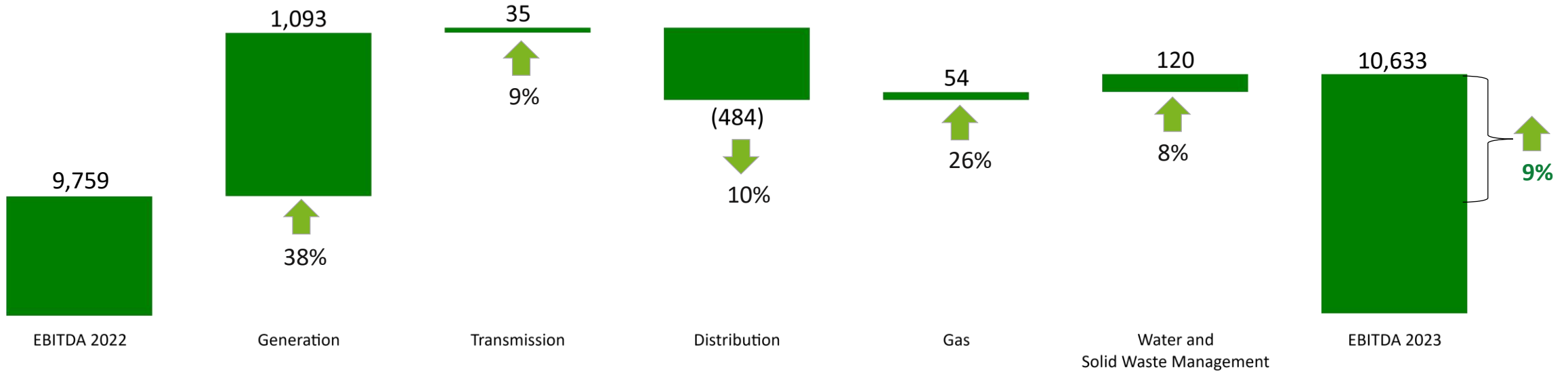
- Power Generation
- Power Distribution
- Water and Solid Waste Management
- Gas
- Power Transmission

6. Financial Results as of December 31, 2023

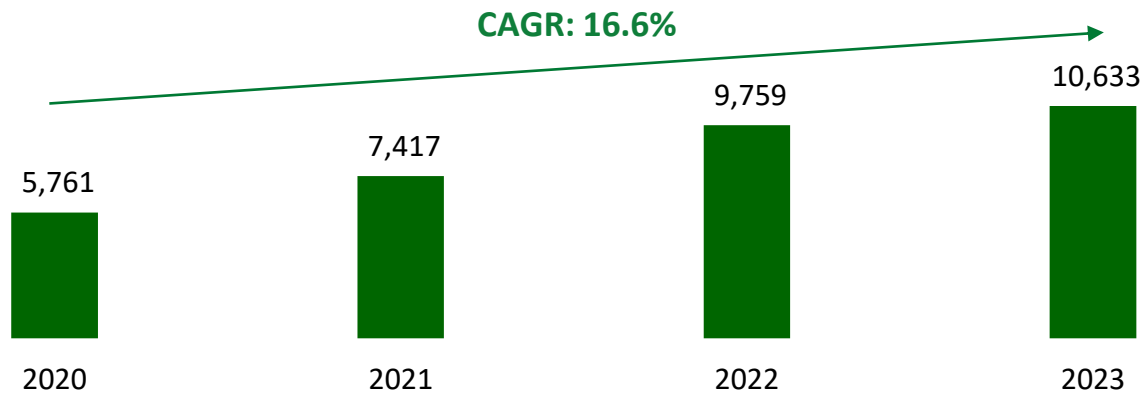


EPM Group EBITDA

Figures in COP thousand million



It does not include the other segments and eliminations.

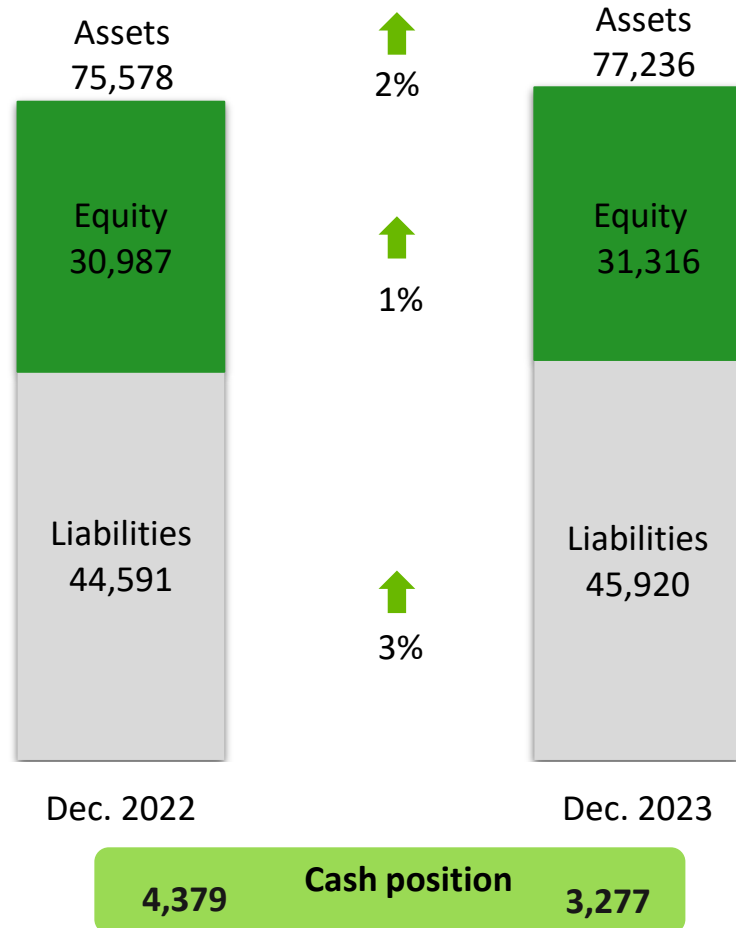




6. Financial Results as of December 31, 2023

EPM Group Statement of Financial Position

Figures in COP thousand million

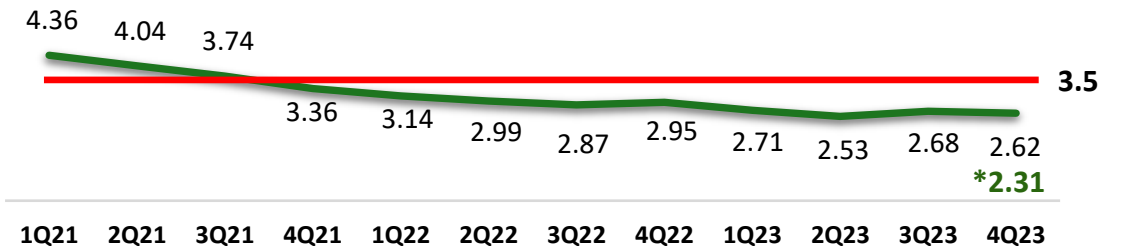


Ratios	2022	2023
Total Debt	59 %	59 %
Financial Debt	41 %	39 %
EBITDA/financial expenses	4.71 X	3.61 X
Long-Term Debt/EBITDA	2.95 X	2.62 X
Net Debt/EBITDA	2.45 X	2.31 X

EBITDA/ Financial expenses



Total Long Term Debt/EBITDA



(*) Net Debt/EBITDA

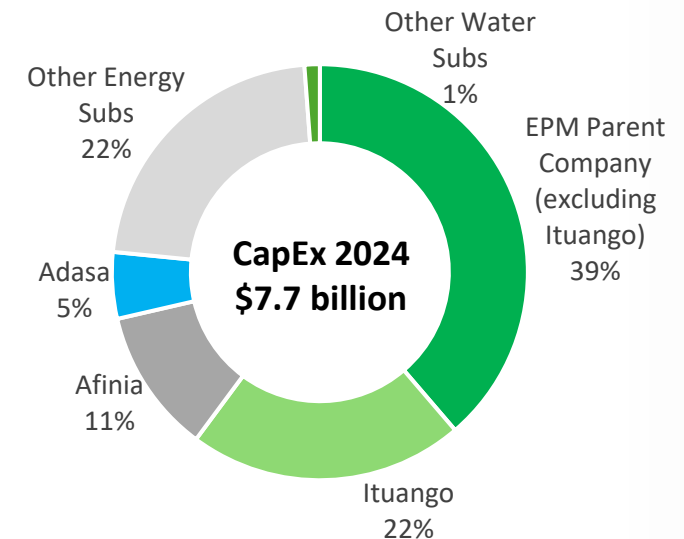
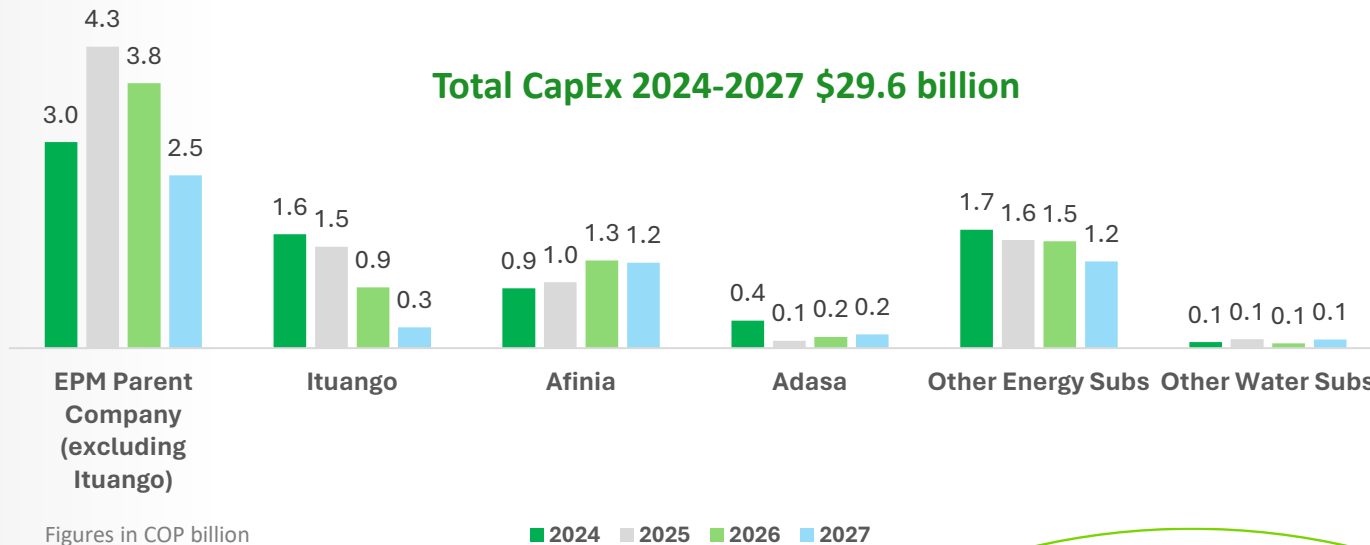
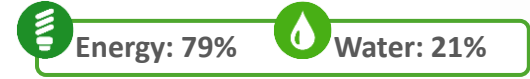
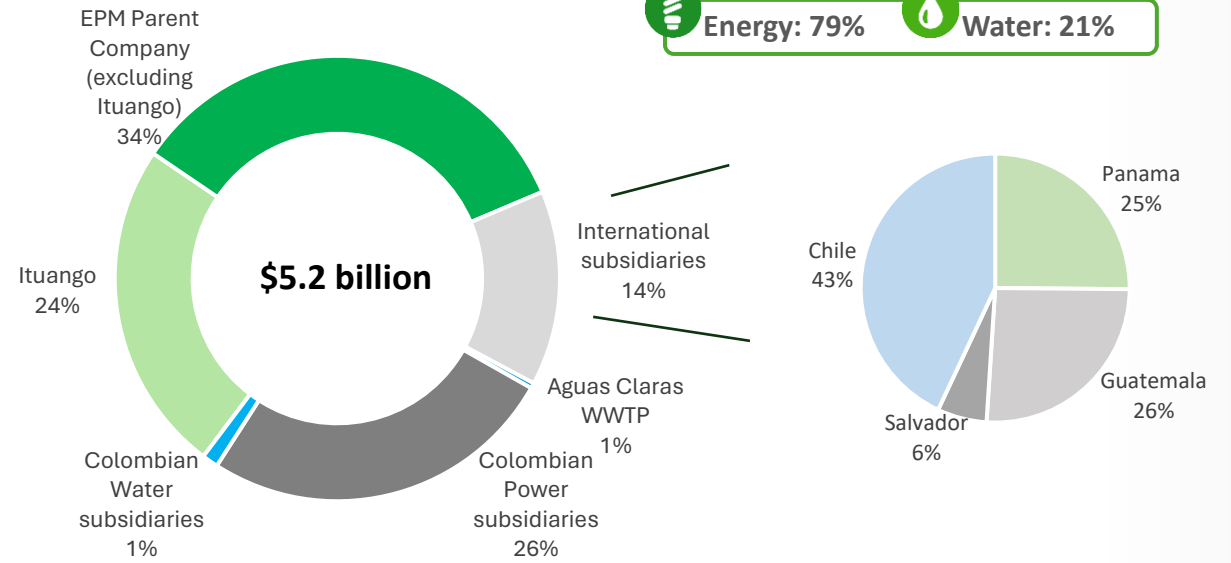


6. Financial Results as of December 31, 2023

CapEx EPM Group

Figures in COP million

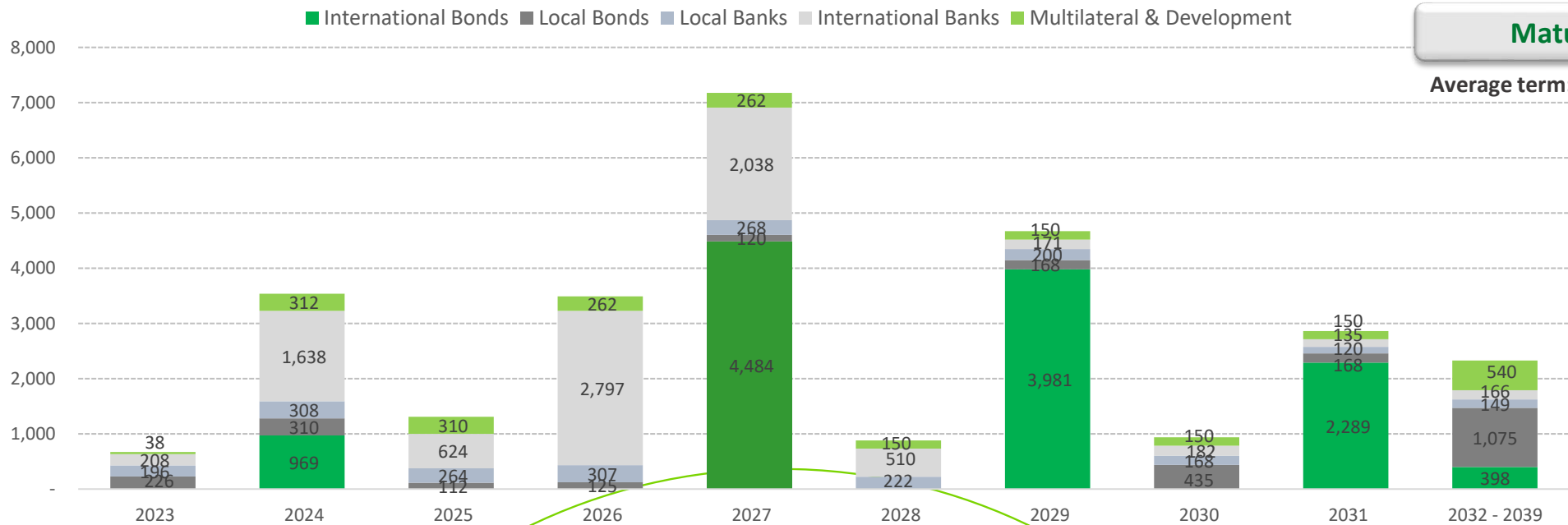
EPM Group	Ene – Dec. 2023
Ituango	1,255,632
EPM Parent Company (excluding Ituango)	1,769,749
International subsidiaries	734,623
Aguas Claras WWTP	20,123
Colombian Power subsidiaries	1,343,735
Colombian Water subsidiaries	60,540
Total	5,184,402



6. Financial Results as of December 31, 2023



EPM Group Debt Profile



A hand holding a pencil points to a spiral-bound notebook with a grid pattern. The notebook is held by another hand. The text 'Q&A Session' is written in green on the notebook. A green arc is visible at the bottom of the image.

**Q&A
Session**



Disclaimer

- *Below is a general information presentation about Empresas Públicas de Medellín ESP and its Subsidiaries, as on the date of presentation. The materials herein contained have been summarized and do not intend to be complete.*
- *This presentation contains forward-looking statements which are subject to several risks, uncertainties and circumstances relative to the operations and business environments of EPM. These factors could cause actual results to materially differ from any future result, expressed or implied, in such forward-looking statements. Accordingly, EPM cannot guarantee any results or future events. EPM expressly states that it will be under no obligation to update the forward-looking statements, or any other information herein contained.*
- *This presentation does not constitute any offer or invitation to offer, or a recommendation to enter into any transaction, agreement or contract with EPM. This presentation is for debate only and shall be referred to considering only the verbal information supplied by EPM, otherwise it would be incomplete. Neither this nor any of its contents may be used for any other purpose without the prior written consent of EPM.*
- *Only for information matters and reader's convenience, figures in COP were translated in this presentation into their USD equivalent using the exchange rate of COP/USD 3,822.05 as of December 31, 2023, issued by the Colombian Financial Superintendence. Such translations do not agree with US GAAP and have not been audited. Also, they shall not be interpreted as representation of the amounts in Colombian Pesos, which could be translated into US Dollars at this or at any other rate.*

Thank you

Investorelations@epm.com.co

<https://www.epm.com.co/investors.html>

epm[®]

