



**“The Board of Directors approved the 2022 budget in the amount of COP 21.8 billion. One of the highlights is investment in infrastructure for COP 5.5 billion, aimed at expanding and improving the operations and the quality of the services in the business segments in which the company operates.”**

## **With the multi-billion budget for 2022, EPM will invest to bring well-being and development to the community.**

- The budget for COP 21.8 billion ensures the provision of public utilities with high quality, continuity, coverage and reliability. It will contribute to driving the economy, to job creation, to development and to improve the life quality of millions of people.
- It will be financed from current income, insurance policy payments and other capital resources, and the cash available at the organization.
- EPM estimates that it will transfer surpluses to the Municipality of Medellín for COP 1.8 billion for social programs, education, sports, culture and infrastructure, which represents a 29% increase compared to the previous year.

The EPM parent company will have a budget of COP 21.8 billion in 2022, a major proportion of which is allocated to the development of infrastructure projects and social initiatives that will contribute to transforming lives through the provision of public utilities with high quality, continuity, coverage and reliability.

The multi-billion budget, which was rigorously prepared to optimize and care for public funds, was approved by the EPM Board of Directors at a meeting held last Monday, December 13.

Jorge Andrés Carrillo Cardoso, CEO of EPM, said that “our budget for next year is a commitment to the community and its quality of life, because thanks to the multi-billion investments we will make in infrastructure, the generations of today



and tomorrow will receive water, sanitation, electric power and gas utilities in adequate conditions.”

The budget includes the funds required to move forward in the construction of the Ituango Hydroelectric Project, with the goal of starting electricity generation by its first two first turbines in the second half of 2022. It also includes the funding required for the operations and investments in each of the Organization’s segments: Electricity Generation, Transmission and Distribution; Gas; Water Supply, Wastewater and Others.

### **With the people**

With investments for COP 5.5 billion for the expansion, maintenance, upgrading and replacement of infrastructure, the aim is to improve the quality of the provision of public utilities, to benefit nearly 10 million people in electric power and 6 million of people in gas, water and sanitation services.

With the start-up of the first 2 generation units of the Ituango Hydroelectric Project, we will contribute to the reliability of the system, increasing the supply of electric power by 10% in 2022, with the expectation that this will translate into lower electricity prices in the medium term.

These substantial investments will also translate into the creation of close to 17,000 direct and indirect jobs in the areas of influence of EPM.

The estimated transfers to the Municipality of Medellín for COP 1.8 billion and the payment of taxes, duties and contributions of close to COP 1 billion, will drive the financing of the plans and programs of both local and national entities, contributing to the well-being of the communities.

The 2022 budget also includes substantial amounts allocated to caring for the environment, with investments in sustainable mobility, protection for forests and wildlife, environmental education and protection of water sources to improve water quality in the water supply basins.



### **Financing of the budget**

The 2022 budget will be financed from current income from the provision of electric power, gas, water and wastewater treatment public utilities in the amount of COP 11.4 billion (53%); insurance payments for COP 2.9 billion (13%), loans for COP 3.4 billion (16%), with the remaining 18% from dividends received from affiliates, recovery of receivables and opening cash balances, among others.

**Overall, the EPM expenditures budget for 2022 will be distributed as follows:**

### **Investment expenditures for COP 8.4 billion (39%):**

- Investments in infrastructure: for COP 4 billion.
- Assets and inventories for the provision of services and associated to the execution of investments of approximately COP 1.5 billion.
- Long-term contracts for the commercial operation and maintenance of infrastructure for COP 2.9 billion, according to budget regulations.

### **Operating expenses: COP 6.5 billion (29%)**

- The most important items are: transfers to the Municipality of Medellín for COP 1.8 billion, from application of the habitual percentage of transfers from profits.
- Taxes, duties and contributions to national and territorial entities for COP 1 billion.

### **Debt servicing: COP 3.4 billion (16%).**

### **Commercial operating expenses: COP 2.6 billion (12%)**

- This item includes purchases of electricity, gas, chemical products and other inputs required to ensure the provision of the public utilities.

### **Closing cash balance: COP 0.9 billion (4%).**

With these investments, EPM, as a driver for the country's development, contributes to the well-being of the communities, with the higher purpose of contributing to the harmony of life for a better world.