



## In 2023, EPM will have a budget of COP 24.2 billion

- The budget, approved by the Board of Directors for 2023 continues contributing to the country's development and strengthening the economy and quality of life of the community.
- It consists of investments that will help increase the coverage of services and maintain and/or improve their continuity and quality, with a significant contribution to proceed with the energy transition.
- It will be financed from available cash balances, current income and capital resources.

**Medellín, December 13, 2022.** The EPM parent company will have a budget of COP 24.2 billion in 2023, largely intended to develop infrastructure projects and social initiatives that will contribute to transforming lives by providing public utilities with high quality, continuity, coverage and reliability.

The EPM Board of Directors approved the budget in its meeting held Tuesday, December 13. It includes the necessary resources for operating and investing in each one of the Organization's segments: Generation, Transmission and Distribution, Gas, Water Supply, Wastewater Treatment and Others.

This budget contains resources to make progress in starting up units 3 and 4 of the Ituango Hydroelectric Project, to deliver a large offer of power to the country. Added to units 1 and 2, this will generate more reliability on the electricity system and reduce the prices of energy. It also includes resources for strengthening and diversifying the energy matrix associated with Non-Conventional Renewable Energy (NCRE), with projects, such as Tepuy, Hydrogen initiatives and electric mobility.

The investments for 2023 amounting to COP 5.8 billion consist of works for repositioning equipment, expanding, and modernizing the networks of water, energy and gas services, maintenance, modernizing and repositioning infrastructure, seeking to improve the quality and availability of the provision of public utilities.

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Jorge Andrés Carrillo Cardoso, CEO of EPM, said “our budget for next year is a commitment to the community, their quality of life and the environment. A large part of the investments is focused on EPM’s determined contribution to solutions that contribute to the energy transformation. EPM continues to be a major driver of development in Medellín. The budget for transferring surpluses to the District of Medellín for 2023 will be COP 1.6 billion, which translates into additional resources for social investment and opportunities for thousands of people.”

## Financing the Budget

The 2023 budget will be financed from current income from the provision of energy, gas, water, and wastewater treatment public utilities in the amount of COP 15.1 billion (62%), loans worth COP 4.2 billion (17%), and the remaining 21% corresponds to dividends received from affiliates, recovery of receivables and opening cash balances, among others.

**Overall, the EPM expenditures budget for 2023 will be distributed as follows:**

### **Investment expenditures: COP 9.8 billion (41%)**

- Investments in infrastructure amounting to COP 4 billion.
- Assets and inventories for the provision of services and associated to the execution of investments worth approximately COP 1.9 billion.
- Long-term contracts for commercial operation and infrastructure maintenance worth COP 3.9 billion. These expenses must be recorded in the investment component according to current budget regulations.

### **Commercial operating expenses: COP 2.6 billion (11%)**

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

### **Operating expenses: COP 7.1 billion (29%)**

- Transfers to the Municipality of Medellín are expected, in the amount of COP 1.6 billion, equal to 55% of estimated profit of 2022, COP 2.9 billion. This profit could be affected by the impairment of the investment in UNE worth COP 981.290 million originating from the information of Tigo-UNE on business models and technological changes, such as renewal of the spectrum, which require capital, and due to the current situation with the discount rate. However, this issue will be reviewed with the available information at accounting close of the Financial Statements at December 2022.
- Taxes, duties, and contributions to national and territorial entities amounting to COP 1.2 billion, staff expenses and the acquisition of assets and services worth COP 2.3 billion, among others.

### **Debt servicing: COP 3.8 billion (16%)**

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## Closing cash balance: COP 0.8 billion (3%)

With its COP 24.2 billion budget and the development of major infrastructure projects in different regions, EPM ensures a reliable and safe provision of services, thereby contributing to life in harmony for a better world.

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