



## EPM updates the Ituango Hydroelectric Project costs

The EPM Board of Directors, in its meeting held on Wednesday, October 26, approved the modification of the EPM Company Plan 2022-2025, as a result of the update of the cost of the Ituango Hydroelectric Project.

As a result of the updating of construction investments, pre-operating expenses, financial expenses and other activities required for the completion and start-up of the project, an increase of COP 2.2 billion is estimated with respect to the cost approved in 2021. However, with the additional payments received from the insurers between December 2021 and the beginning of this year, equivalent to COP 2.9 billion, the total cost of the project goes from COP 18.3 billion to COP 17.6 billion, resulting in a net decrease of COP 661 thousand million. It is important to note that this cost does not include possible variations associated with the value of the bids received as part of the contracting process for the completion of the works of the second stage of the plant, which includes power generation units 5 to 8.

Among the reasons that explain the variation in the total cost of the Hidroituango project are: the execution of additional works required for stabilization and commissioning; activities derived from new agreements and environmental and social requirements; the postponement of the Project's completion date, to the extent that the entry into operation of units 1 to 4 was prioritized; the variation of macroeconomic factors, including the market representative rate (TRM), and adjustments to the entry into operation schedule, among others.

EPM has the financial soundness to continue making the required investments to guarantee the completion of the works and the entry into operation of the future hydroelectric power plant.

As of September 30, 2022, the project shows an overall progress of 89.71% and a total executed cost of COP 13.6 billion. According to the evolution of the work fronts and the Company's concentration of efforts, power generation units 1 and 2 are expected to start operations before November 30, 2022, provided that the required technical tests are met. Likewise, power generation units 3 and 4 are scheduled to start operations before November 30, 2023.

These are key milestones for the fulfillment of the Firm Energy Obligations (FEO) assigned in the reliability charge auctions in which the project has participated. For EPM, the priority is to guarantee the stability of the works for the safety of downstream communities.

The second stage (units 5 to 8) is scheduled to start operations in 2026.

As new scenarios or changes in the current situation materialize, they will be incorporated into the total cost and schedule analysis of the project.



## Relevant Information



EPM will continue working with determination to start operating this important infrastructure project that will contribute 17% of the country's energy demand, contributing to the competitiveness of energy prices and making a significant contribution to the development of Colombia and the transformation of the lives of millions of people.