



EPM Board of Directors Approves the 2024 Budget

- The 2024 budget approved by the Board of Directors addresses major regulatory, macroeconomic, social, and environmental challenges
- It covers investments to strengthen and diversify the electricity grid and to improve the infrastructure for the provision of water, electricity, and gas services
- The budget will be financed from available cash balances, current income, and capital resources

The EPM parent company will have a budget of COP 28.8 billion in 2024, 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 EPM Board of Directors approved the budget in its meeting held on Wednesday, November 01, 2023. It includes the operating and investment funds required for each of the Company's segments: Electricity Generation, Transmission and Distribution; Gas; Water Supply, Wastewater and Others.

Of the total COP 28.8 billion budget, COP 4.2 billion are allocated for infrastructure projects, including COP 1.7 billion to perform the civil works scheduled for fiscal year 2024 for units 5 through 8 of Hidroituango, according to the project's schedule.

The budget also includes allocations to strengthen and diversify the energy grid associated with Non-conventional Renewable Energy (NCRC) sources, including projects such as the Tepuy Photovoltaic Solar Energy Park, hydrogen, and electric mobility initiatives, aimed at delivering the country a diversified energy mix, achieving greater reliability for the electricity system and improved accessibility to the provision of electricity service.

It also includes allocations for equipment replacement; expansion and modernization of water, electricity and gas service networks; maintenance; infrastructure upgrades and replacement, including: expansion of the third exit of the Yulimar spring water treatment plant; upgrades to the Guatapé hydroelectric power plant; expansion and upgrades to the Tranvía wastewater treatment plant, and replacement, expansion and upgrades to the



electricity transmission and distribution network, with the aim of contributing to the well-being of the community and the development of our territories.

Jorge Andrés Carrillo Cardoso, CEO of EPM, stated that “in preparing the 2024 budget, we have incorporated signals from the environment, which is a major challenge for the Company’s management, in view of current regulatory, market and macroeconomic conditions. The 2024 budget will drive the development of Medellín and the country. The budget calls for transferring surpluses to the District of Medellín in 2024 for COP 1.8 billion, which translates into additional resources for social investment and opportunities for thousands of people.”

Financing the Budget

The 2024 budget will be financed from current income from the provision of electric power, gas, water, and wastewater treatment utilities in the amount of COP 18.2 billion (63%), which includes income produced by units 1 through 4 of the Hidroituango Power Plant; loans for COP 3.5 billion (12%), and the remaining 25% from dividends received from subsidiaries, recovery of receivables and opening cash balances, among others.

Overall, the EPM expenditures budget for 2024 will be distributed as follows:

Investment expenditures: COP 11.7 billion (40%):

- Investments in infrastructure amounting to COP 4.2 billion.
- Long-term contracts for commercial operation and infrastructure maintenance worth COP 4.7 billion. These expenses must be recorded in the investment component according to current budget regulations.
- Assets and inventories for the provision of services and associated with investments worth approximately COP 1.6 billion.
- Granted loans and others COP 1.1 billion.





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Commercial operating expenses: COP 4.6 billion (16%)

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

Operating expenses: COP 7.4 billion (26%)

- Some of the most noteworthy items include transfers to the District of Medellín for COP 1.8 billion; taxes, duties, and contributions to national and territorial entities for COP 1.4 billion, and personnel expenses for COP 1.4 billion.

Debt servicing: COP 4.6 billion (16%)

Closing cash balance: COP 0.6 billion (2%)

With its COP 28.8 billion budget and the development of major infrastructure projects in different regions, EPM ensures the reliable and safe provision of its services, as part of its higher purpose of contributing to life in harmony for a better world.

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