

EPM will have an historic budget for COP 19.2 billion in 2021

- It is a contribution to Colombia's development and to the wellbeing of millions of people, at one of the most complex times for humanity due to the impact of the coronavirus (COVID-19) pandemic on the global economy
- EPM will invest billions in infrastructure projects in its different segments and in eight strategic fronts for the Organization over the next four years
- The 2021 budget will be financed from available cash balances, current revenues and capital resources

Medellín, November 24, 2020 | In a year that will be decisive for the country's economic recovery in the aftermath of the global impact of the coronavirus (COVID-19), the Board of Directors of EPM approved the Company's 2021 budget for COP 19.2 billion at its meeting held last Tuesday, November 24.

"This historical budget will be a driver for the economy and for job creation in the territories where EPM is present, as part of its commitment to development and the quality of life of the people through the provision of public utilities with quality, continuity and coverage," said Álvaro Guillermo Rendón López, CEO of EPM.

The amount of COP 19.2 billion is the outcome of an investment planning and forecasting exercise for the upcoming year, the highlights

of which are resources to develop the Ituango Hydroelectric Project, a national facility that is expected to begin operations with its first power generation units in 2022, which will help increase the stability and reliability of the Colombian electricity system.

This multi-billion budget 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. Some of the major works to be performed include the expansion and replacement of electricity networks and the development and continuation of water and sewage system projects, aimed at continuing to provide public utilities of excellent quality.

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With the COP 19.2 billion budget for 2021, EPM will move forward on managing and materializing its eight strategic focus areas in the upcoming four-year period: Services of the future in the framework of intelligent cities and 4RI; city/region; growth; socioeconomic benefits from public utilities; optimization of operations; the Ituango Hydroelectric Project; integration of the Afinia affiliate, and cultural evolution.

The budget for the upcoming year will be funded from three sources: available cash balances for COP 3.9 billion (20%), current revenues from provision of electricity, gas, water and sewage public utility services, on which COP 10.2 billion (53%) are expected to be collected in 2021, and capital resources, which will total COP 5.1 billion (27%) next year.

The capital resources include planned loan disbursements, the indemnities that are expected to be received from the insurer for the contingency at the Ituango Hydroelectric Project, and the dividends that

the EPM Holding Company will receive from the international subsidiaries of EPM Group.

Overall, the EPM expenditures budget for 2021 will be distributed as follows:

- **Operating expenses:** COP 8.8 billion (46%), which takes into consideration business operating expenses in the amount of COP 3.2 billion.
- **Investment expenditures:** COP 6.7 billion (34%).
- **Debt servicing:** COP 3.4 billion (18%).
- **Closing cash balance:** COP 0.3 billion (2%).

EPM continues to be a major driver for the development of Medellín, through the transfer of surpluses to the Municipality in the amount of COP 1.3 billion, which translate into additional resources for social investment and opportunities for thousands of people. With its COP 19.2 billion budget and the development of major infrastructure projects in different geographies, EPM contributes to life in harmony for a better world.

Information for Journalists

EPM Group Vice Presidency of Corporate Communications and Relations | EPM Corporate Communication Department

Communicator Juan José García Villegas | Cell phone: 310 823 89 42 |
juan.garcia.villegas@epm.com.co