



Fitch Ratings Maintains EPM's Local and International Investment Grade Ratings

On Friday, April 9, the rating agency, Fitch Ratings ratified EPM's local and international credit risk ratings at AAA and BBB-, and kept both on rating watch negative.

In highlighting the importance of these risk ratings for the Company, Alejandro Calderón Chatet, CEO of EPM, stated that "with the ratification by an agency as relevant to the international financial market as Fitch Ratings, the Company maintains its double investment grade at the international level, given that, to date, it also has a Baa3 rating from Moody's and, furthermore, it maintains the highest rating grade at the local level, AAA".

Fitch Ratings indicated that, to EPM, these ratings reflect solid credit protection metrics, thanks to moderate projected leverage, healthy interest coverage and an adequate liquidity position.

According to the agency, key rating factors include stable and predictable cash flow supported by regulated businesses in investment grade markets. Fitch estimates that 81 % of EPM's EBITDA in the third quarter of 2020 was from its energy businesses, where the generation segment accounted for 31 %, 43 % was distribution, and the gas and transmission segments combined accounted for 7 %.



In its report, Fitch highlighted the strong link between EPM and the controlling shareholder, the Municipality of Medellín, given the consistent contribution with significant cash flows in the form of dividends, representing around 20 % of the municipality's total revenue in 2019.

Regarding the Ituango Hydroelectric Project, Fitch assumes that two 300 MW units will come online annually between 2022 and 2025. It also stated that the acquisition of CaribeMar (now Afinia) in September 2020 is neutral to EPM's credit profile.