

Interconexion Electrica S.A. E.S.P.

Interconexion Electrica S.A. E.S.P.'s (ISA; BBB/Negative) ratings are supported by its low business risk profile, typical of the power transmission sector, and strong geographic and business diversification. These factors, along with high cash flow predictability, contribute to a robust financial profile. The ratings also consider ISA's adequate liquidity and aggressive growth strategy.

Fitch Ratings rates ISA two notches above its parent company, Ecopetrol (BB+/Negative), due to ISA's strong business and financial profile. The Negative Outlook on ISA's ratings reflect Ecopetrol's outlook, following Fitch's criteria for parent and subsidiary linkages.

Key Rating Drivers

Low Business Risk Profile: ISA's ratings reflect its low business-risk profile stemming from its stable cash flow generation, typical of electric transmission companies. Fitch anticipates over 80% of ISA's consolidated EBITDA derives from regulated transmission grids over the rated horizon, and over 18% from concession roads in Colombia and Chile that have mechanisms to ensure minimum income or extend concession periods if traffic is low. The telecom business is expected to contribute less than 2% to ISA's consolidated EBITDA.

Parent-Subsidiary Linkage: ISA's credit profile is commensurate with its current 'BBB' rating and not capped by the credit profile of its controlling owner, Ecopetrol. Per Fitch's "Parent and Subsidiary Linkage Rating Criteria", Ecopetrol owns more than 51% of ISA, and linkage should be considered in the assessment. Regulatory ring-fencing mechanisms, material minority shareholders and a track record of strong governance practices prevent Ecopetrol's capacity to extract value from its stronger subsidiary. In Fitch view, ISA's funding and cash management policies are managed autonomously from Ecopetrol, and the expectation is that ISA will maintain its independency.

All these factors combined, ISA's ratings result in a consolidate plus two approach to an IDR of 'BBB'. A change in ISA's corporate governance, business or financial strategy may put downward pressure on the company, particularly in the event of a structural increase in its dividend payout ratio. A negative action on Ecopetrol's ratings would impact ISA's ratings to preserve the two-notch differential.

Investments Enhance Leverage: Fitch anticipates EBITDA leverage will peak at 4.5x during 2026, combined with EBITDA interest coverage around 4.0x over the rating horizon. The company's free cash flow will remain negative during 2025-2027 as a consequence of the capex program coupled with a dividend payout ratio of 50%. ISA's committed grid-focused investment program will reach COP22.2 trillion from 2025-2028, approximately 83% concentrated in regulated transmission grids and 14% allocated to road concessions. Brazil will account for 52% of the investments, while Chile, Colombia, Peru and Panama will represent 18%, 15%, 11% and 4%, respectively.

Geographic Diversification: ISA's cash flow generation is diversified across Latin America. Over the rated horizon, Fitch estimates approximately 38% of the company's consolidated EBITDA will come from Brazil (BB/Stable) and 27% from Colombia (BB+/Negative). Chile (A-/Stable) will represent nearly 15% and Peru (BBB/Stable) almost 20%. Less than 1% of ISA's consolidated cash generation will come from Panama (BB+/Stable) and Bolivia (CCC-).

Ratings

| | |
|------------------------------------------|----------|
| Long-Term IDR | BBB |
| Long-Term Local-Currency IDR | BBB |
| National Long-Term Rating | AAA(col) |
| National Short-Term Rating | F1+(col) |
| Senior Unsecured Debt - Long-Term Rating | BBB |

Outlook

| | |
|--------------------------------|----------|
| Long-Term Foreign-Currency IDR | Negative |
| Long-Term Local-Currency IDR | Negative |
| National Long-Term Rating | Stable |

[Click here for the full list of ratings](#)

ESG and Climate

| | |
|---------------------------------------|---|
| Highest ESG Relevance Scores | |
| Environmental | 3 |
| Social | 3 |
| Governance | 3 |
| 2035 Climate Vulnerability Signal: 22 | |

Applicable Criteria

- [National Scale Rating Criteria \(December 2020\)](#)
- [Parent and Subsidiary Linkage Rating Criteria \(June 2023\)](#)
- [Corporate Rating Criteria \(December 2024\)](#)
- [Sector Navigators – Addendum to the Corporate Rating Criteria \(December 2024\)](#)

Related Research

- [Global Corporates Macro and Sector Forecasts – March 2025 \(March 2025\)](#)
- [Global Economic Outlook – December 2024 \(December 2024\)](#)
- [Latin American Utilities Outlook 2025 \(December 2024\)](#)

Analysts

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Manageable Regulatory Risk: ISA's businesses and geographic diversification effectively hedge its exposure to regulatory risk, as most of its revenues are derived from regulated transmission grids. The company's cash flow generation exhibits resilience against some adverse regulatory scenarios. An upcoming regulatory reset in Colombia for transmission business is expected between 2025 and 2026. Although there is limited visibility on the final tariff scheme that will be approved in Colombia, Fitch believes the final outcome will not significantly pressure ISA's financial metrics, as the expected effects are included in the company's consolidated revenues.

Applicable Country Ceiling: ISA's applicable Country Ceiling is that of Peru's which is 'A-', as the cash flow generated by Peruvian subsidiaries covers more than 4.0x the company's hard currency gross interest expense in Fitch's forecast horizon. Therefore, a lowering of Peru's Country Ceiling has the potential to affect ISA's ratings, particularly in a multiple-notch downgrade scenario of the Country Ceiling.

Financial Summary

| (COP Mil.) | 2022 | 2023 | 2024 | 2025F | 2026F | 2027F |
|------------------------------|------------|------------|------------|------------|------------|------------|
| Gross revenue | 13,356,005 | 14,171,459 | 14,934,751 | 15,261,558 | 17,050,523 | 17,015,712 |
| EBITDA margin (%) | 67.2 | 64.4 | 70.3 | 59.7 | 56.6 | 61.8 |
| EBITDA interest coverage (x) | 4.8 | 4.1 | 4.9 | 3.7 | 3.7 | 3.9 |
| EBITDA leverage (x) | 3.7 | 3.5 | 3.5 | 4.4 | 4.5 | 4.2 |
| EBITDA net leverage (x) | 3.0 | 2.9 | 2.9 | 4.0 | 4.3 | 4.0 |

F - Forecast
Source: Fitch Ratings, Fitch Solutions

Peer Analysis

ISA's credit profile compares with peers in the region, such as Transelec S.A. (BBB/Stable), Consorcio Transmantaro S.A. (CTM; BBB/Stable), Sociedad de Transmision Austral S.A. (STA; BBB/Stable), Empresa de Transmision Electrica, S.A. (ETESA; B/Stable), Alupar Invertemiento S.A. (Alupar; BB+/Stable), and Transmissora Alianca de Energia Eletrica S.A. (Taesa; BB+/Stable). All these companies benefit from a low business risk profile and predictable cash flow.

ISA's ratings are constrained by the linkage between the company and Ecopetrol. As per Fitch's methodology, a stronger subsidiary can be rated a maximum of two notches above the consolidated profile if a weak linkage is established.

ISA's higher rating than those of Taesa, Alupar and ETESA is mainly a result of its geographic diversification. Most of ISA's operations are in Colombia, Brazil, Chile and Peru, while Taesa's and Alupar's operations are concentrated in Brazil and their ratings are negatively affected by Brazil's 'BB+' Country Ceiling. ETESA's ratings reflect the delay in coupon payment, lowering the Government Related Entity (GRE) score to 15 from 50 with Panama (BB+/Stable).

ISA has a similar scale of operations and EBITDA generation compared to Redeia Corporacion S.A. (Redeia; A-/Stable). Redeia is the sole transmission system operator and electricity transmission network owner in Spain (A-/Positive). It also has transmission activities in Latin America and provides telecommunications services. Like ISA, Redeia's regulated electricity business accounts for approximately 80% of consolidated EBITDA.

Navigator Peer Comparison

| | IDR/Outlook | Operating Environment | Management and Corporate Governance | Regulatory Environment | Commodity Exposure | Market Position | Asset Base and Operations | Profitability | Financial Structure | Financial Flexibility |
|-----------------------------------------------|--------------|-----------------------|-------------------------------------|------------------------|--------------------|-----------------|---------------------------|---------------|---------------------|-----------------------|
| Interconexion Electrica S.A. E.S.P. | BBB/Negative | bbb- | a- | bbb | bbb+ | bbb+ | bbb+ | bbb+ | bbb- | bbb |
| Alupar Invertemiento S.A. | BB+/Stable | bb | bbb- | bbb | bbb | bbb | bbb- | bbb | bbb- | bbb- |
| Empresa de Transmision Electrica S.A. | B/Stable | bb | b | bb | bbb | bbb | bbb | bbb- | b | b |
| Sociedad de Transmision Austral S.A. | BBB/Stable | a- | bbb | bbb+ | a- | bbb | bbb | bbb | b | bbb |
| Transelec S.A. | BBB/Stable | a- | bbb | bbb+ | a- | bbb | bbb+ | bbb | b | bbb |
| Transmissora Alianca de Energia Eletrica S.A. | BB+/Stable | bb | bbb- | bbb | bbb | bbb | bbb- | bbb | bb+ | bb+ |

Source: Fitch Ratings

Relative Importance of Factor: Higher (Red), Moderate (Blue), Lower (Light Blue)

| Name | IDR/Outlook | Operating Environment | Management and Corporate Governance | Regulatory Environment | Commodity Exposure | Market Position | Asset Base and Operations | Profitability | Financial Structure | Financial Flexibility |
|-----------------------------------------------|--------------|-----------------------|-------------------------------------|------------------------|--------------------|-----------------|---------------------------|---------------|---------------------|-----------------------|
| Interconexión Eléctrica S.A. E.S.P. | BBB/Negative | -1 | +2 | 0 | +1 | +1 | +1 | +1 | -1 | 0 |
| Alupar Inversión S.A. | BB+/Stable | -1 | +1 | +2 | +2 | +2 | +1 | +2 | +1 | +1 |
| Empresa de Transmisión Eléctrica S.A. | B/Stable | +3 | 0 | +3 | +6 | +6 | +6 | +5 | 0 | 0 |
| Sociedad de Transmisión Austral S.A. | BBB/Stable | +2 | 0 | +1 | +2 | 0 | 0 | 0 | -6 | 0 |
| Transelect S.A. | BBB/Stable | +2 | 0 | +1 | +2 | 0 | +1 | 0 | -6 | 0 |
| Transmissora Aliança de Energia Elétrica S.A. | BB+/Stable | -1 | +1 | +2 | +2 | +2 | +1 | +2 | 0 | 0 |

Source: Fitch Ratings

Factor Score Relative to IDR: ■ Worse positioned than IDR ■ Within one notch of IDR ■ Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A sustained increase in leverage above 4.5x on a consolidated or nonconsolidated basis, as a result of progressive deterioration in cash generation or increased debt levels above Fitch's base case scenario;
- Regulatory changes that put significant pressure on ISA's cash flow;
- A change in the company's business and financial strategy, particularly with regard to dividend distribution practices, as well as changes in corporate governance practices;
- A negative rating action on Ecopetrol;
- A multi-notch downgrade of Peru's Country Ceiling.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Although a positive rating action is unlikely in the short to medium term, given the company's credit metric expectations and growth strategy, one may be considered if total consolidated leverage is below 2.5x;
- The Negative Outlook can be revised to Stable if Ecopetrol's Outlook is revised to Stable from Negative

Liquidity and Debt Structure

As of December 2024, cash on hand reached more than COP5.9 trillion, reflecting the company's internal cash flow generation characterized by healthy cash on hand, strong and predictable CFO, manageable debt amortizations, and increased access to local and international capital markets. The analysis incorporates approximately 37% of restricted cash, kept to cover contractual obligations mainly on the road concession business. Cash on hand plus CFO is expected to cover ISA's short-term debt by more than 1.25x, which is commensurate with investment-grade companies.

ISA's maturity profile is manageable, as its long-term debt amortization schedule is spread until 2056. At the holding company level, ISA's debt maturities for 2025 consist of local bond issuances which are manageable, in Fitch's view.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

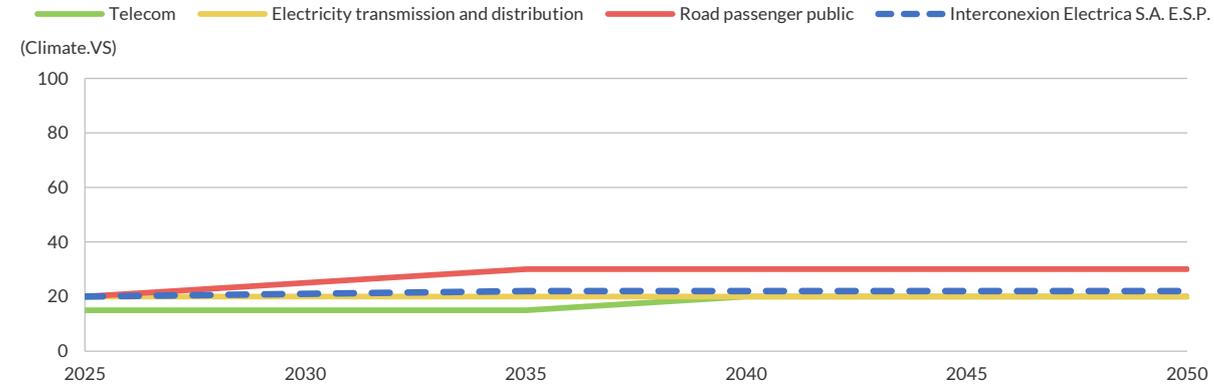
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The 2024 revenue-weighted Climate.VS for ISA for 2035 is 22 out of 100, suggesting low exposure to climate-related risks in that year. For further information on how Fitch perceives climate-related risks in utilities sector see [Utilities – Long-Term Climate Vulnerability Signals Update](#).

Climate.VS Evolution

As of Dec. 31, 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Cash and Maturities Report

| (COP Mil.) | December 31, 2023 | December 31, 2024 |
|------------------------------------------------------------------|-------------------|-------------------|
| Total cash and cash equivalents | 4,071,928 | 5,924,487 |
| Short-term investments | 1,570,725 | 747,878 |
| Less not readily available cash and cash equivalents | – | – |
| Fitch-defined readily available cash and cash equivalents | 5,642,653 | 6,672,365 |
| Availability under committed lines of credit | – | – |
| Total liquidity | 5,642,653 | 6,667,365 |
| LTM EBITDA after associates and minorities | 8,860,558 | 9,923,589 |
| LTM FCF | -1,673,738 | -1,143,871 |

Source: Fitch Ratings, Fitch Solutions, Interconexion Electrica S.A. E.S.P.

Scheduled Debt Maturities

| (COP Mil.) | December 31, 2024 |
|--------------|-------------------|
| 2025 | 2,491,673 |
| 2026 | 1,603,889 |
| 2027 | 1,910,517 |
| 2028 | 2,061,506 |
| 2029 | 26,238,027 |
| Thereafter | – |
| Total | 34,305,612 |

Source: Fitch Ratings, Fitch Solutions, Interconexion Electrica S.A. E.S.P.

Key Assumptions

- Revenue and EBITDA forecasts for 2025 to 2027 include the progress of already approved projects;
- Regulatory changes in the remuneration of Colombia's power transmission sector has a neutral effect on ratings;
- The electricity transmission business continues to contribute more than 80% of ISA's consolidated EBITDA over the rating horizon;
- Total capex of COP22.2 trillion is used for new projects awarded to ISA and its subsidiaries between 2025 and 2028;
- Dividend distributions at 50% of the prior year's net income over the rating horizon;
- Road concessions in Chile are extended until March 2026 (Rios) and October 2026 (Araucania);
- The Basic Network of Existing Systems in Brazil (Rede Basica do Sistema Existente; RBSE) is included in ISA's EBITDA.

Summary of Financial Adjustments

- EBITDA is adjusted with the cash component of RBSE's revenues;
- Restricted cash from road concessions are reclassified as available cash and equivalents.

Financial Data

| (COP Mil.) | 2022 | 2023 | 2024 | 2025F | 2026F | 2027F |
|-----------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| Summary income statement | | | | | | |
| Gross revenue | 13,356,005 | 14,171,459 | 14,934,751 | 15,261,558 | 17,050,523 | 17,015,712 |
| Revenue growth (%) | 19.7 | 6.1 | 5.4 | 2.2 | 11.7 | -0.2 |
| EBITDA before income from associates | 8,976,449 | 9,126,229 | 10,505,691 | 9,106,403 | 9,649,625 | 10,520,057 |
| EBITDA margin (%) | 67.2 | 64.4 | 70.3 | 59.7 | 56.6 | 61.8 |
| EBITDA after associates and minorities | 9,158,521 | 8,860,558 | 9,923,589 | 8,640,013 | 9,248,781 | 10,119,770 |
| EBITDAR | 8,976,449 | 9,126,229 | 10,505,691 | 9,106,403 | 9,649,625 | 10,520,057 |
| EBITDAR margin (%) | 67.2 | 64.4 | 70.3 | 59.7 | 56.6 | 61.8 |
| EBIT | 6,760,583 | 7,069,602 | 8,410,197 | 7,891,284 | 8,113,199 | 8,805,530 |
| EBIT margin (%) | 50.6 | 49.9 | 56.3 | 51.7 | 47.6 | 51.7 |
| Gross interest expense | -1,945,715 | -2,367,549 | -2,161,858 | -2,316,853 | -2,500,820 | -2,602,642 |
| Pretax income including associate income/loss | 4,681,172 | 5,432,099 | 6,317,673 | 5,821,166 | 5,735,747 | 6,329,956 |
| Summary balance sheet | | | | | | |
| Readily available cash and equivalents | 6,246,208 | 4,071,928 | 5,924,487 | 3,121,306 | 1,390,928 | 1,396,774 |
| Debt | 34,170,100 | 30,993,616 | 34,305,612 | 38,005,612 | 41,205,612 | 42,005,612 |
| Net debt | 27,923,892 | 25,350,963 | 28,381,125 | 34,884,306 | 39,814,684 | 40,608,838 |
| Lease-adjusted debt | 34,170,100 | 30,993,616 | 34,305,612 | 38,005,612 | 41,205,612 | 42,005,612 |
| Summary cash flow statement | | | | | | |
| EBITDA | 8,976,449 | 9,126,229 | 10,505,691 | 9,106,403 | 9,649,625 | 10,520,057 |
| Cash interest paid | -1,919,029 | -2,162,537 | -2,023,663 | -2,316,853 | -2,500,820 | -2,602,642 |
| Cash tax | -591,422 | -749,714 | -582,222 | -814,963 | -803,005 | -886,194 |
| Dividends received less dividends paid to minorities (inflow/outflow) | 351,217 | 303,576 | -582,102 | -466,390 | -400,844 | -400,286 |
| Other items before FFO | -736,329 | 184,538 | -1,308,878 | — | — | — |
| FFO | 6,562,935 | 6,702,954 | 6,713,785 | 5,754,932 | 6,068,324 | 6,758,003 |
| FFO margin (%) | 49.1 | 47.3 | 45.0 | 37.7 | 35.6 | 39.7 |
| Change in working capital | -3,606,216 | -3,826,452 | -1,847,030 | -1,945,375 | -1,998,201 | -884,841 |
| CFO (Fitch-defined) | 2,956,719 | 2,876,502 | 4,866,755 | 3,809,557 | 4,070,124 | 5,873,161 |
| Total non-operating/nonrecurring cash flow | — | — | — | — | — | — |
| Capex | -1,832,884 | -2,051,418 | -4,781,104 | — | — | — |
| Capital intensity (capex/revenue) (%) | 13.7 | 14.5 | 32.0 | — | — | — |
| Common dividends | -998,796 | -2,498,822 | -1,229,522 | — | — | — |
| FCF | 125,039 | -1,673,738 | -1,143,871 | — | — | — |
| FCF margin (%) | 0.9 | -11.8 | -7.7 | — | — | — |
| Net acquisitions and divestitures | — | — | — | — | — | — |
| Other investing and financing cash flow items | 420,268 | -1,828,997 | 1,062,712 | — | — | — |
| Net debt proceeds | 137,581 | 2,205,313 | 1,933,718 | 3,700,000 | 3,200,000 | 800,000 |
| Net equity proceeds | — | — | — | — | — | — |
| Total change in cash | 682,888 | -1,297,422 | 1,852,559 | -898,436 | -1,730,378 | 5,846 |
| Calculations for forecast publication | | | | | | |
| Capex, dividends, acquisitions and other items before FCF | -2,831,680 | -4,550,240 | -6,010,626 | -8,407,993 | -9,000,502 | -6,667,316 |
| FCF after acquisitions and divestitures | 125,039 | -1,673,738 | -1,143,871 | -4,598,436 | -4,930,378 | -794,154 |
| FCF margin after net acquisitions (%) | 0.9 | -11.8 | -7.7 | -30.1 | -28.9 | -4.7 |
| Gross Leverage ratios (x) | | | | | | |
| EBITDA leverage | 3.7 | 3.5 | 3.5 | 4.4 | 4.5 | 4.2 |
| EBITDAR leverage | 3.7 | 3.5 | 3.5 | 4.4 | 4.5 | 4.2 |
| (CFO-capex)/debt | 3.3 | 2.7 | 0.3 | -8.4 | -7.4 | 2.5 |

| (COP Mil.) | 2022 | 2023 | 2024 | 2025F | 2026F | 2027F |
|-----------------------------------|------|------|------|-------|-------|-------|
| Net Leverage ratios (x) | | | | | | |
| EBITDA net leverage | 3.0 | 2.9 | 2.9 | 4.0 | 4.3 | 4.0 |
| EBITDAR net leverage | 3.0 | 2.9 | 2.9 | 4.0 | 4.3 | 4.0 |
| (CFO-capex)/net debt | 4.0 | 3.3 | 0.3 | -9.2 | -7.6 | 2.6 |
| Coverage ratios (x) | | | | | | |
| EBITDA interest coverage | 4.8 | 4.1 | 4.9 | 3.7 | 3.7 | 3.9 |
| EBITDAR fixed-charge coverage | 4.8 | 4.1 | 4.9 | 3.7 | 3.7 | 3.9 |
| EBITDAR net fixed-charge coverage | 4.2 | 4.1 | 4.0 | 3.4 | 3.7 | 3.9 |

CFO – Cash flow from operations
 Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

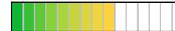
The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator

FitchRatings

Interconexion Electrica S.A. E.S.P.

ESG Relevance:



Corporates Ratings Navigator
Latin America Utilities

| Factor Levels | Business Profile | | | | | | | Financial Profile | | | Issuer Default Rating |
|---------------|---------------------|-----------------------|-------------------------------------|------------------------|--------------------|-----------------|---------------------------|-------------------|---------------------|-----------------------|-----------------------|
| | Sector Risk Profile | Operating Environment | Management and Corporate Governance | Regulatory Environment | Commodity Exposure | Market Position | Asset Base and Operations | Profitability | Financial Structure | Financial Flexibility | |
| aaa | | | | | | | | | | | AAA |
| aa+ | | | | | | | | | | | AA+ |
| aa | | | | | | | | | | | AA |
| aa- | | | | | | | | | | | AA- |
| a+ | | | | | | | | | | | A+ |
| a | | | | | | | | | | | A |
| a- | | | | | | | | | | | A- |
| bbb+ | | | | | | | | | | | BBB+ |
| bbb | | | | | | | | | | | BBB Negative |
| bbb- | | | | | | | | | | | BBB- |
| bb+ | | | | | | | | | | | BB+ |
| bb | | | | | | | | | | | BB |
| bb- | | | | | | | | | | | BB- |
| b+ | | | | | | | | | | | B+ |
| b | | | | | | | | | | | B |
| b- | | | | | | | | | | | B- |
| ccc+ | | | | | | | | | | | CCC+ |
| ccc | | | | | | | | | | | CCC |
| ccc- | | | | | | | | | | | CCC- |
| cc | | | | | | | | | | | CC |
| c | | | | | | | | | | | C |
| d or rd | | | | | | | | | | | D or RD |

| Bar Chart Legend: | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Vertical Bars = Range of Rating Factor | Bar Arrows = Rating Factor Outlook |
| Bar Colors = Relative Importance | <ul style="list-style-type: none"> ↑ Positive ↓ Negative ↕ Evolving □ Stable |
| <ul style="list-style-type: none"> ■ Higher Importance ■ Average Importance ■ Lower Importance | |

| Operating Environment | | | Management and Corporate Governance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| bbb | Economic Environment | bbb | a+ | Management Strategy | bbb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb- | Financial Access | bbb | a | Governance Structure | a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Systemic Governance | bb | a- | Group Structure | bbb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b- | | | bbb+ | Financial Transparency | a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ccc+ | | | bbb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| bb+ | Timeliness of Cost Recovery | bbb | Moderate lag to recover capital and operating costs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| a- | Customer Mix | bbb | Somewhat diversified customer base. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb+ | Geographic Location | a | Favorable location or high geographic diversity. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb | Supply Demand Dynamics | a | Beneficial outlook for prices and rates. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a | Asset Diversity | a | High quality and/or large-scale diversified assets. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a- | Reliability of Operations and Cost Position | bbb | Reliability and cost of operations at par with industry averages with moderate operating losses. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb+ | Exposure to Environmental Regulations | bbb | Limited or manageable exposure to environmental regulations. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb | Capital and Technological Intensity of Capex | bbb | Moderate reinvestment requirements in established technologies. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| bbb+ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb+ | EBITDA Leverage | bbb | 4.0x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb | EBITDA Net Leverage | bbb | 3.5x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bb+ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| bbb | EBITDA Interest Coverage | bb | 4.5x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bbb- | FX Exposure | bbb | Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| bb+ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interconexión Eléctrica S.A. E.S.P. has 9 ESG potential rating drivers | key driver | 0 | issues | 5 | Overall ESG | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Networks' exposure to extreme weather events- negative (e.g. risk of drought and flooding) or positive (e.g. additional return on resilience capex) | driver | 0 | issues | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Regulatory-driven access and affordability targets of utility services | potential driver | 9 | issues | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quality and safety of products and services; data security | not a rating driver | 3 | issues | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Impact of labor negotiations and employee (dis)satisfaction | | 2 | issues | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

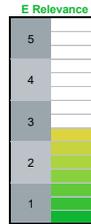
For further details on Credit-Relevant ESG scoring, see page 3.

Credit-Relevant ESG Derivation

| | | | | ESG Relevance to Credit Rating | |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------|---|--------------------------------|---|
| Interconexion Electrica S.A. E.S.P. has 9 ESG potential rating drivers | | | | | |
| ➔ | Interconexion Electrica S.A. E.S.P. has exposure to extreme weather events but this has very low impact on the rating. | key driver | 0 | issues | 5 |
| ➔ | Interconexion Electrica S.A. E.S.P. has exposure to access/affordability risk but this has very low impact on the rating. | driver | 0 | issues | 4 |
| ➔ | Interconexion Electrica S.A. E.S.P. has exposure to customer accountability risk but this has very low impact on the rating. | potential driver | 9 | issues | 3 |
| ➔ | Interconexion Electrica S.A. E.S.P. has exposure to labor relations & practices risk but this has very low impact on the rating. | not a rating driver | 3 | issues | 2 |
| ➔ | Interconexion Electrica S.A. E.S.P. has exposure to social resistance but this has very low impact on the rating. | | 2 | issues | 1 |
| ➔ | Governance is minimally relevant to the rating and is not currently a driver. | | | | |

Environmental (E) Relevance Scores

| General Issues | E Score | Sector-Specific Issues | Reference |
|------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| GHG Emissions & Air Quality | 1 | Emissions from operations | Asset Base and Operations; Regulatory Risk; Profitability; Financial Structure |
| Energy Management | 2 | Energy and fuel use in operations; entities' financial targets for losses/shrinkage | Asset Base and Operations; Commodity Price and Market Risk; Profitability; Financial Structure |
| Water & Wastewater Management | 1 | Water usage in operations; water utilities' financial targets for water quality, leakage and usage | Asset Base and Operations; Regulatory Risk; Profitability |
| Waste & Hazardous Materials Management; Ecological Impacts | 2 | Impact of waste including pollution incidents; discharge compliance; sludge, coal ash | Asset Base and Operations; Regulatory Risk; Profitability |
| Exposure to Environmental Impacts | 3 | Networks' exposure to extreme weather events- negative (e.g. risk of drought and flooding) or positive (e.g. additional return on resilience capex) | Asset Base and Operations; Commodity Price and Market Risk; Profitability |

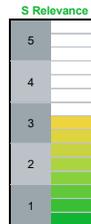


How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance. The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

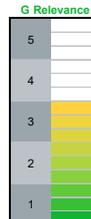
Social (S) Relevance Scores

| General Issues | S Score | Sector-Specific Issues | Reference |
|------------------------------------------------------------|---------|-----------------------------------------------------------------------------|-----------------------------------------------------------|
| Human Rights, Community Relations, Access & Affordability | 3 | Regulatory-driven access and affordability targets of utility services | Asset Base and Operations; Regulatory Risk; Profitability |
| Customer Welfare - Fair Messaging, Privacy & Data Security | 3 | Quality and safety of products and services; data security | Regulatory Risk; Profitability |
| Labor Relations & Practices | 3 | Impact of labor negotiations and employee (dis)satisfaction | Profitability; Financial Structure; Financial Flexibility |
| Employee Wellbeing | 2 | Worker safety and accident prevention | Financial Flexibility |
| Exposure to Social Impacts | 3 | Social resistance to major projects that leads to delays and cost increases | Profitability; Financial Structure |



Governance (G) Relevance Scores

| General Issues | G Score | Sector-Specific Issues | Reference |
|------------------------|---------|---------------------------------------------------------------|-------------------------------------|
| Management Strategy | 3 | Strategy development and implementation | Management and Corporate Governance |
| Governance Structure | 3 | Board independence and effectiveness; ownership concentration | Management and Corporate Governance |
| Group Structure | 3 | Complexity, transparency and related-party transactions | Management and Corporate Governance |
| Financial Transparency | 3 | Quality and timing of financial disclosure | Management and Corporate Governance |

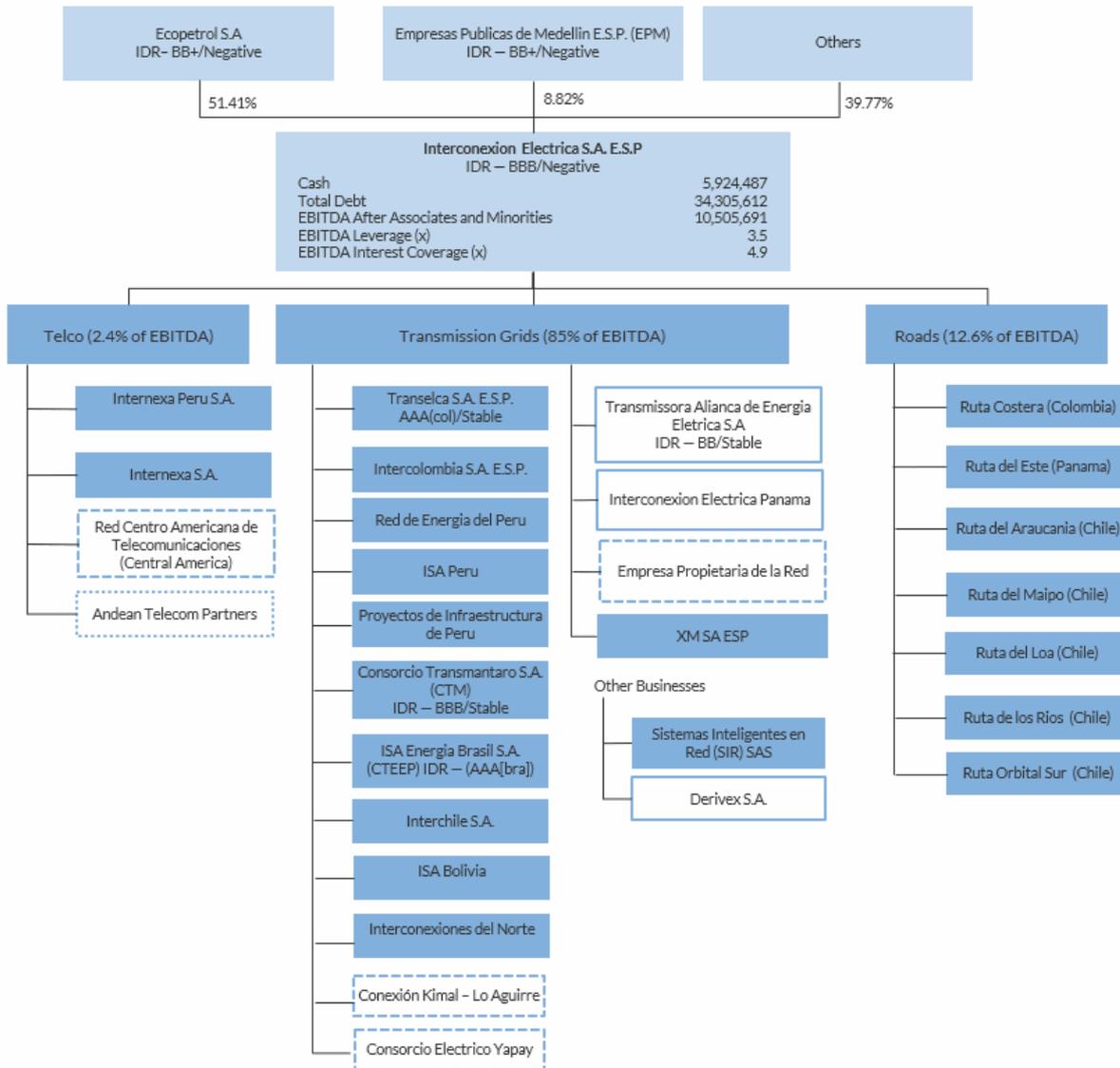


| CREDIT-RELEVANT ESG SCALE | |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How relevant are E, S and G issues to the overall credit rating? | |
| 5 | Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator. |
| 4 | Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator. |
| 3 | Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator. |
| 2 | Irrelevant to the entity rating but relevant to the sector. |
| 1 | Irrelevant to the entity rating and irrelevant to the sector. |

Simplified Group Structure Diagram

Organizational Structure – Interconexión Eléctrica S.A. E.S.P.

(COP Mil., as of Dec. 31, 2024)



■ Controlled subsidiaries □ Investments with joint control ▨ Investments in associates ▤ Investments in financial instruments

IDR – Issuer Default Rating.
Source: Fitch Ratings, Fitch Solutions, Interconexión Eléctrica S.A. E.S.P.

Peer Financial Summary

| Company | Issuer Default Rating | Financial statement date | Gross revenue (USD 000) | EBITDA margin (%) | EBITDA interest coverage (x) | EBITDA leverage (x) | EBITDA net leverage (x) |
|-----------------------------------------------|-----------------------|--------------------------|-------------------------|-------------------|------------------------------|---------------------|-------------------------|
| Interconexion Electrica S.A. E.S.P. | BBB | | | | | | |
| | BBB | 2024 | 3,387,218 | 70.3 | 4.9 | 3.5 | 2.9 |
| | BBB | 2023 | 3,707,816 | 64.4 | 4.1 | 3.5 | 2.9 |
| Transelec S.A. | BBB | 2022 | 2,776,601 | 67.2 | 4.8 | 3.7 | 3.0 |
| | BBB | 2024 | 449,439 | 82.2 | 4.4 | 6.2 | 5.2 |
| | BBB | 2023 | 539,856 | 79.6 | 4.3 | 5.1 | 4.6 |
| Transmissora Alianca de Energia Eletrica S.A. | BBB | 2022 | 507,021 | 83.3 | 4.9 | 5.1 | 4.0 |
| | BB+ | | | | | | |
| | BB+ | 2023 | 493,982 | 84.1 | 3.9 | 4.3 | 3.8 |
| Empresas Publicas de Medellin E.S.P. (EPM) | BB | 2022 | 433,170 | 84.5 | 4.5 | 4.3 | 3.8 |
| | BB | 2021 | 322,849 | 82.5 | 8.1 | 4.1 | 3.9 |
| | BB+ | | | | | | |
| Grupo Energia Bogota S.A. E.S.P. (GEB) | BB+ | 2023 | 9,821,095 | 25.3 | 3.2 | 3.0 | 2.7 |
| | BB+ | 2022 | 6,698,779 | 29.4 | 5.0 | 3.2 | 2.8 |
| | BB+ | 2021 | 6,317,391 | 28.1 | 4.8 | 3.7 | 3.0 |
| Alupar Invertemto S.A. | BBB | | | | | | |
| | BBB | 2023 | 2,087,475 | 44.2 | 3.2 | 3.6 | 3.2 |
| | BBB | 2022 | 1,429,169 | 42.3 | 5.4 | 4.3 | 4.0 |
| Empresa de Transmision Electrica S.A. | BBB | 2021 | 1,390,444 | 44.1 | 7.6 | 3.2 | 2.9 |
| | BB+ | | | | | | |
| | BB+ | 2023 | 648,392 | 82.6 | 2.5 | 4.5 | 3.4 |
| Sociedad de Transmision Austral S.A. | BB | 2022 | 569,970 | 84.0 | 3.0 | 4.7 | 3.6 |
| | BB | 2021 | 445,942 | 82.9 | 3.4 | 4.8 | 3.9 |
| | B | | | | | | |
| Sociedad de Transmision Austral S.A. | BBB- | 2023 | 155,064 | 76.5 | 4.1 | 6.3 | 5.0 |
| | BBB- | 2022 | 134,112 | 75.9 | 3.1 | 7.3 | 5.5 |
| | BBB- | 2021 | 130,226 | 72.5 | 3.3 | 6.0 | 5.1 |
| Sociedad de Transmision Austral S.A. | BBB | | | | | | |
| | BBB | 2023 | 156,850 | 65.7 | 5.0 | 5.1 | 5.0 |
| | BBB | 2022 | 133,057 | 67.5 | 4.6 | 5.7 | 5.6 |
| | | 2021 | 101,239 | 67.2 | 6.1 | 2.1 | 2.1 |

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

| (COP Mil., as of December 31, 2024) | Notes and formulas | Standardized values | Cash adjustment | Preferred dividends, associates and minorities cash adjustments | Lease treatment | Other adjustments | Adjusted values |
|----------------------------------------------------------------------|--------------------|---------------------|-----------------|-----------------------------------------------------------------|-----------------|-------------------|-----------------|
| Income statement summary | | | | | | | |
| Revenue | | 14,934,751 | – | – | – | – | 14,934,751 |
| EBITDA | (a) | 9,746,657 | – | – | – | 759,034 | 10,505,691 |
| Depreciation and amortization | | -1,027,229 | – | – | – | – | -1,027,229 |
| EBIT | | 8,410,197 | – | – | – | – | 8,410,197 |
| Balance sheet summary | | | | | | | |
| Debt | (b) | 34,305,612 | – | – | – | – | 34,305,612 |
| Of which other off-balance-sheet debt | | – | – | – | – | – | – |
| Lease-equivalent debt | | – | – | – | – | – | – |
| Lease-adjusted debt | | 34,305,612 | – | – | – | – | 34,305,612 |
| Readily available cash and equivalents | (c) | 4,019,742 | 1,904,745 | – | – | – | 5,924,487 |
| Not readily available cash and equivalents | | 1,904,745 | -1,904,745 | – | – | – | – |
| Cash flow summary | | | | | | | |
| EBITDA | (a) | 9,746,657 | – | – | – | 759,034 | 10,505,691 |
| Dividends received from associates less dividends paid to minorities | (d) | – | – | – | – | -582,102 | -582,102 |
| Interest paid | (e) | -2,023,663 | – | – | – | – | -2,023,663 |
| Interest received | (f) | 704,959 | – | – | – | – | 704,959 |
| Preferred dividends paid | (g) | – | – | – | – | – | – |
| Cash tax paid | | -582,222 | – | – | – | – | -582,222 |
| Other items before FFO | | -549,844 | – | – | – | -759,034 | -1,308,878 |
| FFO | (h) | 7,295,887 | – | -582,102 | – | – | 6,713,785 |
| Change in working capital | | -5,049,985 | – | – | – | 3,202,955 | -1,847,030 |
| CFO | (i) | 2,245,902 | – | -582,102 | – | 3,202,955 | 4,866,755 |
| Non-operating/nonrecurring cash flow | | – | – | – | – | – | – |
| Capex | (j) | -1,578,149 | – | – | – | -3,202,955 | -4,781,104 |
| Common dividends paid | | -1,229,522 | – | – | – | – | -1,229,522 |
| FCF | | -561,769 | – | -582,102 | – | – | -1,143,871 |
| Gross leverage (x) | | | | | | | |
| EBITDA leverage | b/(a+d) | 3.5 | – | – | – | – | 3.5 |
| (CFO-capex)/debt (%) | (i+j)/b | 2.0 | – | – | – | – | 0.3 |
| Net leverage (x) | | | | | | | |
| Coverage (x) | | | | | | | |
| EBITDA interest coverage | (a+d)/(-e) | 4.8 | – | – | – | – | 4.9 |

CFO – Cash flow from operations

Notes: The standardized items presented above are based on Fitch's taxonomy for the given sector and region.

Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Source: Fitch Ratings, Fitch Solutions, Interconexión Eléctrica S.A. E.S.P.

Parent Subsidiary Linkage Analysis

Key Risk Factors and Notching Approach

| | |
|-------------------------|-------------------------------------|
| Parent | Ecopetrol S.A. |
| Parent LT IDR | BB+ |
| Subsidiary | Interconexion Electrica S.A. E.S.P. |
| Subsidiary LT IDR | BBB |
| Path | Stronger Subsidiary |
| Legal ring-fencing | Porous |
| Access and control | Porous |
| Notching matrix outcome | Consolidated+2 |
| Override applied | No |
| Notching approach | — |

LT IDR – Long-Term Issuer Default Rating
Source: Fitch Ratings

Stronger Subsidiary Notching Matrix

| Access and control | Open | Porous | Insulated |
|------------------------------------------|----------------|-----------------------------|-----------------------------|
| With open ring-fencing | Consolidated | Consolidated+1 | Consolidated+2 ^b |
| With porous ring-fencing | Consolidated+1 | Consolidated+2 ^b | Consolidated+2 ^b |
| With insulated ring-fencing ^a | | Standalone | Standalone |

^a It is unlikely that considerations for "insulated" legal ring-fencing would coexist with the conditions outlined under "open" for access and control. It is more likely that other factors relevant to legal ring-fencing or access and control, but not within this table, would move either one, or both, of the individual Linkage Factor Assessments (LFAs) to a "porous" level that would lead to a consolidated+1, consolidated+2 or standalone outcome.

^b Notching is capped at the subsidiary's Standalone Credit Profile.
Source: Fitch Ratings

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