



Relevant Information

Fitch: East Tunnel Acquisition with Neutral Effect on Odinsa Rating

Fitch Ratings considers that the acquisition of 53% of the shareholding of the Aburrá Oriente Road Connection - Tunnel of the Orient project has a neutral impact on the rating of the Odinsa S.A. Ordinary Bonds. (Odinsa). The current rating of ordinary bonds is 'AA-(col)' with Stable Outlook.

According to information disclosed by Odinsa to the market, the estimated value of the transaction is approximately COP335 billion. If the conditions agreed in the contract of sale were fulfilled, the process of closing the transaction would be completed and the transfer of the shares would be perfected. This acquisition would be financed by the relocation of capital invested by Odinsa in other assets and other geographies, so the company does not contemplate an increase in structural indebtedness. Payment would be made 50% at the close of the transaction and the remaining 50% at 18 months after closing.

Fitch considers the acquisition to be strategically positive for Odinsa, to the extent that it would allow it to continue diversifying its asset portfolio into operational concessions with high potential to represent a relevant and relatively stable source of cash flow generation. The "Proyecto Túnel de Oriente" consists of 60 kilometers of roads connecting the Aburrá Valley with the Antioqueño East through tunnels, viaducts and road exchanges, being the main access to José María Córdova International Airport. According to information provided by the company, the project currently mobilizes about 27,000 vehicles per day.

Odinsa's rating considers its link to the credit profile of Grupo Argos (GA) [AAA(col) Stable Outlook], which is based on the existence of strong operational and strategic links. It also incorporates Odinsa's experience in the development of infrastructure projects within and outside Colombia, the gradual strengthening of the flows received from the various concessions in which it participates and its focus on long-term concessions with predictable revenue. The rating is limited by the current leverage and the prospect of it being kept medium-term below 4 times (x).