

Q3 2021

Results Report

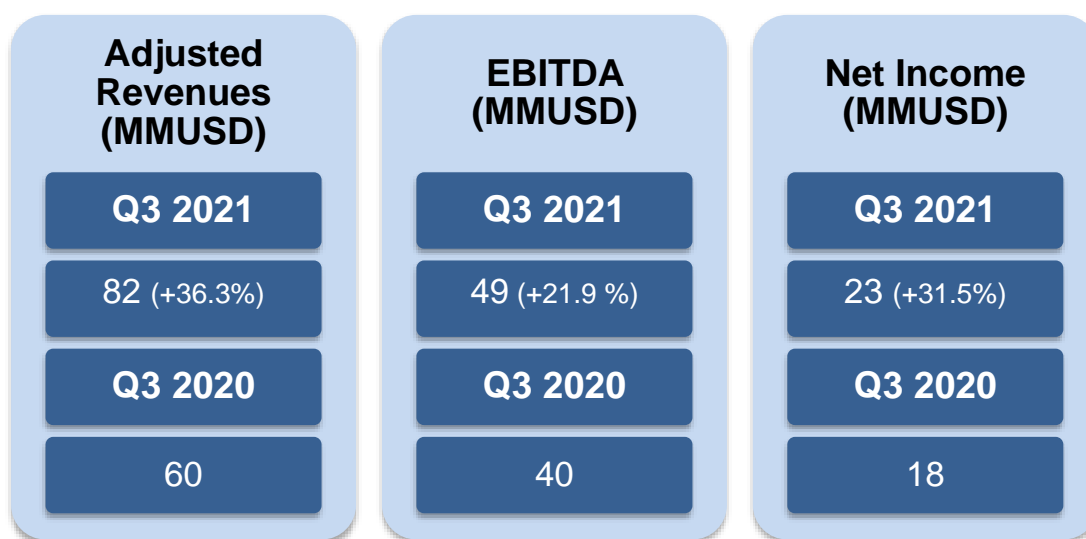


- Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

Table N° 1 – Key Results Q3 2021

<i>Results</i>	<i>Q3 2020</i>	<i>Q3 2021</i>	<i>ΔYoY %</i>
<i>Invoiced Volume (MMCFD)</i>	711	732	+3.0%
<i>Connections</i>	18,629	64,339	+245.4%
<i>Networks (Km)</i>	305	690	+126.2%
<i>EBITDA (MMUSD)</i>	40	49	+21.9%

- The greater dynamism of the Peruvian economy made it possible to record extraordinary commercial, operational and financial results.
- The international rating agency Vigeo Eiris assigned us the A1 sustainability rating for demonstrating a solid willingness and ability to integrate ESG factors into our strategy, operations and risk management.
- We acquired our first sustainable financing with BBVA through a loan agreement for 80 MMUSD.
- We continue with our commitment to achieve a better society through volunteer programs, support for community kitchens, archaeological restoration programs, among others.
- Key financial results as of Q3 2021 (compared to Q3 2020):



Executive overview

Operational and financial relevant information

Table N°2 - Operational and financial key indicators

Operational Results	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Accumulated Clients	1,006,606	1,046,067	1,099,035	1,161,608	1,225,948	21.8%
Invoiced Volume (MMCFD)	711	743	741	743	732	3.0%
Network Length (km)	11,842	12,144	12,513	13,001	13,692	15.6%
Potential Clients	1,137,043	1,161,763	1,193,490	1,237,955	1,300,445	5.0%
Network Penetration	89%	90%	92%	94%	94%	-
Financial Results	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Total Revenues (MMUSD)	147	158	160	176	194	32.1%
Total Adj. Revenues ¹ (MMUSD)	60	74	73	79	82	36.3%
EBITDA (MMUSD)	40	42	43	50	49	21.9%
Adjusted EBITDA Margin	67%	57%	60%	63%	59%	-
Net Income (MMUSD)	18	19	19	25	23	31.5%
Interest Coverage (x)	6.8x	6.7x	6.7x	7.7x	8.3x	-

International credit ranking:

Fitch - April 08 | 2021: BBB, stable

Moody's - August 03 | 2020: Baa2, stable

Local credit ranking:

Moody's Local Perú – May 31 | 2021: AAA.pe, stable

Class & Asociados - May 24 | 2021: AAA, stable

Peruvian Natural Gas Market

Table N° 3 – Key market indicators

Indicator	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Natural Gas Production ² (MMCFD)	1,329	1,368	1,129	905	980	-26.3%
Local Market Demand (MMCFD)	762	790	640	698	872	14.5%
Calidda's Local Market Share (MMCFD)	600	627	460	553	704	17.5%

- By the end of Q3 2021, the Peruvian natural gas production decreased by 26.3% compared to Q3 2020.
- As for the local market demand, it increased by 14.5% up to 872 MMCFD.
- At the end of Q3 2021, Calidda's market share was 77.7%.

¹ Total Adjusted Revenues = Total revenues without considering the income from pass-through concepts, such as the acquisition and transport of natural gas, and IFRIC 12 (investments in the distribution network).

² Information at the end of September 2021 (Ministry of Energy and Mines).

Commercial Performance

Invoiced Volume

- ✓ At the end of Q3 2021, greater dynamism of the Peruvian economy allowed the recovery in demand, especially from industrial and vehicular sector, which total invoiced volume increased by 3.0% vs. past year. As the vaccination process progresses and restriction measures continue to become more flexible, demand is expected to continue increasing, especially in the NGV sector.
- ✓ Take-or-Pay contracts reached 551 MMCFD (Power Generators: 509 MMCFD; Industrial Segment: 42 MMCFD), representing 75% of the total invoiced volume.

The invoiced volume breakdown by client segments is shown in the following table:

Table N° 4 – Invoiced Volume per Client Segment

Invoiced Volume (MMCFD)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Power Generation	525	543	538	536	516	-1.8%
Industrial	117	128	138	136	141	20.5%
NGV Stations	47	53	46	49	53	11.4%
Residential and Commercial	22	19	19	22	23	7.0%
Total	711	743	741	743	732	3.0%

- ✓ As shown in this table, the volume invoiced at the end of Q3 2021 reached a total of 732 MMCFD.

Contracted Gas Supply and Transportation

Table N° 5 – Contracted Capacity (MMCFD)

Period	Contracted Transportation Capacity			Contracted Supply Capacity		
	Firm	Interruptible	Total	Firm	Interruptible	Total
2017	197	31	228	178	45	223
2018	197	31	228	183	46	229
2019	197	31	228	188	47	235
2020	197	31	228	193	48	241
2021	197	31	228	198	22	220
...
2033	197	31	228	198	22	220

- ✓ Clients are divided in two groups: (i) Independent Clients, who consume more than 1 MMCFD and sign separated contracts of natural gas (NG) supply, transportation and distribution services, and (ii) Regulated Clients, who consume less than 1 MMCFD and sign a single

contract with Cálidda, who then provides NG distribution service and acts as an intermediary to supply NG and transportation services.

Table N° 6 – Distribution Capacity

Distribution Capacity (MMCFD)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Distribution System Capacity	420	420	420	420	420	-
Consumed Volume	258	292	267	281	297	15.2%
Regulated Clients	142	151	139	148	154	7.9%
Independent Clients	116	141	128	133	144	24.3%

- ✓ At the end of Q3 2021, both our Independent and Regulated clients had an average consumption of 297 MMCFD, equivalent to 71% of our total distribution capacity of natural gas (Lurín – Ventanilla).
- ✓ The volume consumed is greater than the contracted capacity since this is intended to cover the demand of regulated clients.
- ✓ At the end of Q3 2021 Regulated clients consumed around 154 MMCFD, equivalent to 70% of the total contracted supply volume and 67% of the transportation volume of natural gas.

Competitiveness of Natural Gas

Table N° 7 – Competitiveness per Client Segment

Competitiveness (USD/MMBTU)	Final Client Tariff Evolution					Price of Substitutes ³	
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021		
Residential and Commercial	12.05	11.43	11.29	11.32	11.79	Residential LPG	Electrical Energy
						20.93 (-44%)	30.68 (-62%)
Vehicular	9.50	9.39	9.24	8.95	8.23	Vehicular LPG	Gasoline 90
						17.50 (-53%)	25.74 (-68%)
Industrial	6.12	5.98	5.93	5.85	5.66	Electrical Energy	Industrial Petroleum
						42.66 (-87%)	19.77 (-71%)
Power Generation	3.98	3.91	3.88	3.83	3.73	Diesel	Industrial Petroleum
						20.37 (-82%)	19.77 (-81%)

- ✓ As shown in the table, for each of the segments the tariffs offered by Cálidda are highly competitive.
- ✓ A highly competitive rate ensures a fixed demand and therefore stable income flows.

³ Available information of Luz del Sur, Osinergmin and Petroperú as of September 2021.

Operational Performance

Connections per Client Segment

At the end of Q3 2021, Calidda connected 64,340 clients. In the Residential segment, Calidda has operations in 41 districts from the Metropolitan area of Lima and Callao, which are the following: San Juan de Lurigancho, El Agustino, San Juan de Miraflores, Villa María del Triunfo, Los Olivos, San Martín de Porres, Comas, Puente Piedra, Villa el Salvador, Santa Anita, Cercado de Lima, San Miguel, Surco, Jesús María, Magdalena, Pueblo Libre, El Callao, Independencia, Ate, Carabayllo, La Victoria, Mi Perú, Pachacamac, Ventanilla, Chorrillos, Carmen de la Legua, Ancón, Bellavista, Breña, La Perla, Chacayo, Rímac, Barranco, Lince, Lurín, Miraflores, San Borja, San Isidro, San Luis, Chilca y Surquillo. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 48 districts.

Table N° 8 – New Clients

New Clients	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Power Generation	1	0	0	0	1	-
Industrial	5	16	3	1	22	-
NGV Stations	0	4	0	2	1	-
Residential and Commercial	18,622	39,441	52,965	62,570	64,316	-
Total	18,628	39,461	52,968	62,573	64,340	245.4%

- ✓ 42 clients in the industrial segment were connected in the last 12 months.
- ✓ 7 NGV stations were added to the distribution network in the last 12 months.
- ✓ 216,781 residential clients and 2,511 commercial clients were connected in the last 12 months.
- ✓ During Q3 2021, 64,340 new connections were achieved, reaching 179,881 in the first half of 2021, a figure higher than the total connections in 2020.

Table N° 9 – Clients Base

Clients Base	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Power Generation	26	26	26	26	27	3.8%
Industrial	685	701	704	705	727	6.1%
NGV Stations	280	284	284	286	287	2.5%
Residential and Commercial	1,005,615	1,045,056	1,098,021	1,160,591	1,224,907	21.8%
Total	1,006,606	1,046,067	1,099,035	1,161,608	1,225,948	21.8%

- ✓ At the end of Q3 2021, the total number of clients was 1,225,948, 21.8% higher compared to the previous year.

Distribution Network

- ✓ Calidda's distribution system consists of 13,692 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q3 2021, Calidda has built 690 km, a much higher figure compared to Q3 2020 due to the strict mandatory social isolation decreed in that year.

The next table shows the evolution of Calidda's distribution system:

Table N° 10 – Distribution System

Distribution System (Km)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Polyethylene Network	11,228	11,528	11,896	12,382	13,068	14.2%
Steel Network	614	617	617	619	624	1.7%
Total	11,842	12,144	12,513	13,001	13,692	13.5%
New Networks	305	303	369	487	690	44.3%

Network Penetration Ratio

- ✓ The network penetration ratio is calculated by dividing the number of connected clients by the number of potential clients that are located in an area close to Calidda's network. This key ratio increased at the end of Q3 2021 to 94% due to the constant growth of number of connected clients.
- ✓ Calidda, according to the plan approved by the regulator, is aimed at low-income districts benefiting from subsidies from the Peruvian State, where the savings generated by the use of natural gas instead of other substitute fuels is more appreciated by residents.

The next table shows the evolution of potential clients, total clients and the penetration ratio:

Table N° 11 – Network Penetration Ratio

Network Penetration Ratio	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Potential Clients	1,137,043	1,161,763	1,193,490	1,237,955	1,300,445	5.0%
Total Clients	1,006,606	1,046,067	1,099,035	1,161,608	1,225,948	21.8%
Penetration Ratio	88%	90%	92%	94%	94%	-

Financial Performance

Revenues

- ✓ Adjusted Revenues increased by 36.3% due to the recovery in demand due to greater dynamism in the Peruvian economy. Likewise, EBITDA increased by 21.9% compared to the results at the end of Q3 2020, explained by higher demand and the continuation of the austerity plan.

Table N° 12 – Revenues distribution by concepts

Distribution of the Adjusted Revenues (%) – Q3 2021			Pass-Through Concepts	
Distribution service	Main operative income of Cálidda; it is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	65%	Sell and transport of natural gas	Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
Connection services	Operative income which is paid by the consumer for the internal installation of pipelines needed to achieve the connection to the natural gas network. Includes revenues from the facility's financing and connection fees.	17%	Revenues of network expansion	Pass-through income related to the investments executed by Cálidda in order to expand the distribution network.
Other services	Operative income which mainly comes from network relocation services and other services.	19%		

The next table contains the breakdown of Calidda's Adjusted Revenues:

Table N° 13 – Adjusted Revenues per Client Segment

Distribution Revenues (MMUSD)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Residential and Commercial	11	9	10	11	11	2.7%
Industrial	9	11	12	12	13	36.1%
NGV Stations	5	6	5	5	6	8.8%
Power Generation	22	23	22	23	23	8.6%
Total	47	49	49	52	53	12.7%

- ✓ Even though the Residential and Commercial segment represents only 3% of the invoiced volume (table N°4), it concentrates 21% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 39% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 70% of the invoiced volume, 44% of the distribution revenues, and 29% of the Total Adjusted Revenues, as shown in the next table.

Table N° 14 – Adjusted Revenues per Client Segment

Adjusted Revenues per Client Segment (MMUSD)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Residential and Commercial	11	9	10	11	11	2.7%
Industrial	9	11	12	12	13	36.1%
NGV Stations	5	6	5	5	6	8.8%
Power Generation	22	23	22	23	23	8.6%
Connection Services	9	16	16	19	19	118.2%
Others	4	8	8	8	9	154.2%
Total	60	74	73	79	82	36.3%

Key Financial Indicators

- ✓ EBITDA as of Q3 2021 reached 49 MMUSD, presenting an increase of 21.9% compared to the EBITDA of Q3 2020. This is explained by the recovery of demand, especially in the industrial and vehicular sectors, and by the continuation of the plan of austerity in expenses.
- ✓ The next table shows the relevant financial information by quarter:

Table N° 15 – Key Financial Indicators

Financial Results	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	ΔYoY %
Total Revenues (MMUSD)	147	158	160	176	194	32.1%
Total Adjusted Revenues (MMUSD)	60	74	73	79	82	36.3%
Contribution Margin (MMUSD)	54	61	59	65	66	20.7%
EBITDA (MMUSD)	40	42	43	50	49	21.9%
EBITDA LTM (MMUSD)	157	156	158	175	184	17.3%
Adjusted EBITDA Margin (%)	67%	57%	60%	63%	59%	-
Net Income (MMUSD)	18	19	19	25	23	31.5%
FFO LTM ⁴	105	104	105	117	123	5.4%
Total Assets (MMUSD)	1,178	1,085	1,109	1,192	1,202	0.8%
CapEx (MMUSD)	19	23	30	32	37	95.8%
Total Liabilities (MMUSD)	864	750	821	882	876	-0.7%
Equity (MMUSD)	314	335	288	310	326	5.2%
Total Debt (MMUSD)	635	597	617	672	712	12.1%
Net Debt (MMUSD)	505	576	582	578	658	30.3%
Debt/EBITDA	4.1x	3.8x	3.9x	3.8x	3.9x	-
Net Debt/EBITDA	3.2x	3.7x	3.7x	3.3x	3.6x	-
Interest Coverage	6.8x	6.7x	6.7x	7.7x	8.3x	-

⁴ Funds from Operations = Net Income + Depreciation + Amortization

- ✓ This performance has been achieved thanks to increasing Assets due to the investments over the past years.
- ✓ At the end of Q3 2021, the total debt was 712 MMUSD and has the following maturity profile:

Table N° 16 – Maturity Profile of Debt

Total Debt (MMUSD)	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Banking Debt	0	51	80	0	0	0	0	0	0	131
Multilateral Banking	0	0	0	13	25	25	25	13	0	100
Local Bonds	0	0	0	0	0	0	0	61	101	162
International Bonds	0	0	320	0	0	0	0	0	0	320
Total	0	51	400	13	25	25	25	74	101	712

Guidance

- ✓ The key indicators of the outlook for the end of 2021 are the following:

Table N° 17 – Outlook 2021

Indicators	2017	2018	2019	2020	2021P	
Networks (Km)	922	1,345	1,474	979	2,000	2,100
Connections	138,413	184,403	191,466	93,385	230,000	235,000
EBITDA (MMUSD)	138	159	171	156	182	187
Net Debt/EBITDA	2.7x	2.9x	3.1x	3.7x	3.7x	3.6x

- ✓ The solid results as of 3Q 2021 allowed an update and improvement of the results projected at the end of 2021.
- ✓ Regarding the construction of networks, this year we not only seek to build kilometers of networks similar to years before the pandemic, but to increase them even more to close the gap generated in 2020.
- ✓ Until Q3 2021, more than 179,881 connections were reached, almost double the result for all of 2020 and with which we hope to close a historic milestone by exceeding 230,000 connections at the end of 2021.
- ✓ As the vaccination program progresses and restriction measures become more flexible, we expect an increase in demand, especially in the NGV sector, and consequently, in EBITDA.
- ✓ The 2020's Net Debt / EBITDA ratio was a consequence of the impact of the pandemic on our EBITDA. As it is a temporary impact, we reaffirm our commitment to maintain a stable financial position, for which we estimate a ratio below 3.7x for 2021.

Annexes

Annex 1: Legal note and remarks

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