

Q2 2021

Results Report

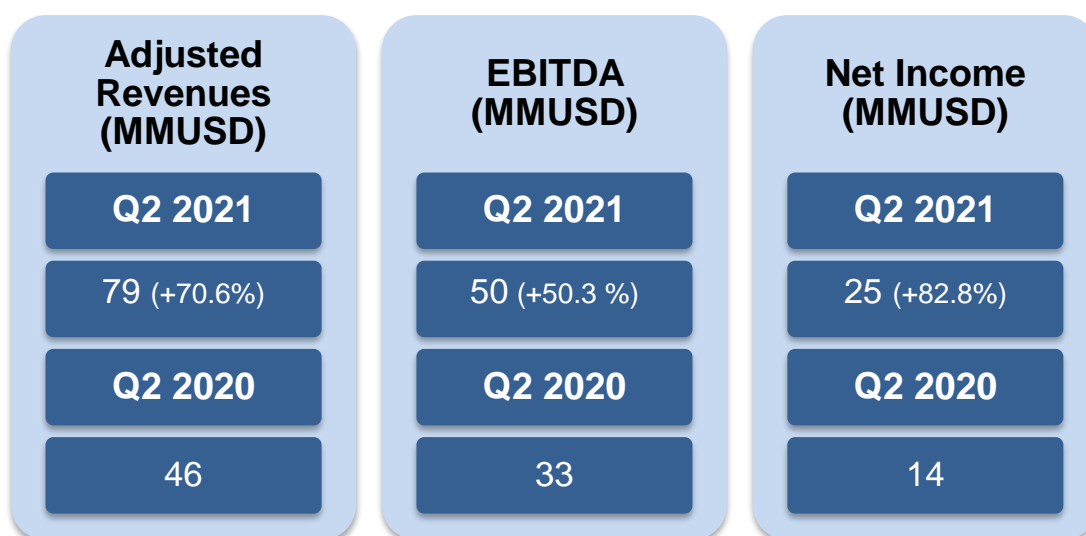


- ▶ Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

Table N° 1 – Key Results Q2 2021

<i>Results</i>	<i>Q2 2020</i>	<i>Q2 2021</i>	<i>ΔYoY %</i>
<i>Invoiced Volume (MMCFD)</i>	660	743	+12.5%
<i>Connections</i>	1,474	62,573	+4,145%
<i>Networks (Km)</i>	12	487	+3,977%
<i>EBITDA (MMUSD)</i>	33	50	+50.3%

- ▶ The easing of the restrictive measures and greater dynamism of the Peruvian economy allowed our record commercial, operational and financial results.
- ▶ The local credit rating agencies Class & Asociados and Moody's Local PE ratified the AAA and AAA.pe ratings, respectively, both with a stable outlook, result that confirms our solid financial position.
- ▶ Together with the Ministry of Energy and Mines (MINEM) we inaugurated the first connection to Natural Gas for community kitchens financed with the BonoGas (FISE) funds. It is estimated that, thanks to this program, 1,000 community kitchens will be benefited.
- ▶ 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 Q2 2021 (compared to Q2 2020):



Executive overview

Operational and financial relevant information

Table N°2 - Operational and financial key indicators

Operational Results	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Accumulated Clients	987,978	1,006,606	1,046,067	1,099,035	1,161,608	17.6%
Invoiced Volume (MMCFD)	660	711	743	741	743	12.5%
Network Length (km)	11,537	11,842	12,144	12,513	13,001	12.7%
Potential Clients	1,109,154	1,137,043	1,161,763	1,193,490	1,237,955	3.7%
Network Penetration	89%	89%	90%	92%	94%	-
Financial Results	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Total Revenues (MMUSD)	104	147	158	160	176	69.4%
Total Adj. Revenues ¹ (MMUSD)	46	60	74	73	79	70.6%
EBITDA (MMUSD)	33	40	42	43	50	50.3%
Adjusted EBITDA Margin	71%	67%	57%	60%	63%	-
Net Income (MMUSD)	14	18	19	19	25	82.8%
Interest Coverage (x)	7.2x	6.8x	6.7x	6.7x	7.7x	-

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	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Natural Gas Production ² (MMCFD)	823	1,329	1,368	1,129	905	10.0%
Local Market Demand (MMCFD)	418	762	790	640	698	67.1%
Cálidda's Local Market Share (MMCFD)	243	600	627	458	549	126.3%

- ▶ By the end of Q2 2021, the Peruvian natural gas production increased by 10.0% compared to Q2 2020.
- ▶ As for the local market demand, it increased by 67.1% up to 698 MMCFD.
- ▶ At the end of Q2 2021, Cálidda's market share was 78.7%.

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 June 2021 (Ministry of Energy and Mines).

Commercial Performance

Invoiced Volume

- ✓ At the end of Q2 2021, the easing of the restrictive measures and greater dynamism of the Peruvian economy allowed the recovery in demand, especially from industrial and vehicular sector, which total invoiced volume increased by 12.5% 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 558 MMCFD (Power Generators: 516 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)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Power Generation	530	525	543	538	536	1.2%
Industrial	86	117	128	138	136	58.6%
NGV Stations	24	47	53	46	49	104.4%
Residential and Commercial	20	22	19	19	22	7.0%
Total	660	711	743	741	743	12.5%

- ✓ As shown in this table, the volume invoiced at the end of Q2 2021 reached a total of 743 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)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Distribution System Capacity	420	420	420	420	420	0%
Consumed Volume	122	258	292	265	277	125.4%
Regulated Clients	90	142	151	139	148	63.9%
Independent Clients	32	116	141	126	129	297.0%

- ✓ At the end of Q2 2021, both our Independent and Regulated clients had an average consumption of 277 MMCFD, equivalent to 66% 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 Q2 2021 Regulated clients consumed around 148 MMCFD, equivalent to 67% of the total contracted supply volume and 65% 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	
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021		
Residential and Commercial	12.22	12.05	11.43	11.29	11.32	Residential LPG	Electrical Energy
						17.84 (-37%)	31.72 (-64%)
Vehicular	10.00	9.50	9.39	9.24	8.95	Vehicular LPG	Gasoline 90
						16.77 (-47%)	25.65 (-65%)
Industrial	6.05	6.12	5.98	5.93	5.85	Electrical Energy	Industrial Petroleum
						44.10 (-87%)	19.79 (-70%)
Power Generation	3.91	3.98	3.91	3.88	3.83	Diesel	Industrial Petroleum
						21.97 (-83%)	19.79 (-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 June 2021.

Operational Performance

Connections per Client Segment

At the end of Q2 2021, Cálidda connected 62,573 clients. In the Residential segment, Cálidda has operations in 40 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, Chaclayo, Rímac, Barranco, Lince, Lurín, Miraflores, San Borja, San Isidro, San Luis y Surquillo. Likewise, in the Industrial, Commercial and NGV Stations segments, Cálidda has operations in 48 districts.

Table N° 8 – New Clients

New Clients	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Power Generation	0	1	2	0	0	-
Industrial	2	5	16	3	1	-
NGV Stations	0	0	4	0	2	-
Residential and Commercial	1,472	18,622	39,439	52,965	62,570	-
Total	1,474	18,628	39,461	52,968	62,573	4,145%

- ✓ 25 clients in the industrial segment were connected in the last 12 months.
- ✓ 6 NGV stations were added to the distribution network in the last 12 months.
- ✓ 171,626 residential clients and 1,970 commercial clients were connected in the last 12 months.
- ✓ During Q2 2021, 62,573 new connections were achieved, reaching 115,541 in the first half of 2021, a figure higher than the total connections in 2020.

Table N° 9 – Clients Base

Clients Base	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Power Generation	25	26	28	28	28	12.0%
Industrial	680	685	701	704	705	3.7%
NGV Stations	280	280	284	284	286	2.1%
Residential and Commercial	986,993	1,005,615	1,045,054	1,098,019	1,160,589	17.6%
Total	987,978	1,006,606	1,046,067	1,099,035	1,161,608	17.6%

- ✓ At the end of Q2 2021, the total number of clients was 1,161,608, 17.6% higher compared to the previous year.

Distribution Network

- ✓ Cálidda's distribution system consists of 13,001 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q2 2021, Cálidda has built 487 km, a much higher figure compared to 2Q 2020 due to the strict mandatory social isolation decreed in that period.

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

Distribution System (Km)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Polyethylene Network	10,924	11,228	11,528	11,896	12,382	13.3%
Steel Network	613	614	617	617	619	1.0%
Total	11,537	11,842	12,144	12,513	13,001	12.7%
New Networks	12	305	303	369	487	3,977%

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 Cálidda's network. This key ratio increased at the end of Q2 2021 to 94% due to the constant growth of number of connected clients.
- ✓ Cálidda, 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:

Network Penetration Ratio	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Potential Clients	1,109,154	1,137,043	1,161,763	1,193,490	1,237,955	11.6%
Total Clients	987,978	1,006,606	1,046,067	1,099,035	1,161,608	17.6%
Penetration Ratio	89%	88%	90%	92%	94%	-

Financial Performance

Revenues

- ✓ Adjusted Revenues increased by 70.6% due to the recovery in demand due to greater dynamism in the Peruvian economy. Likewise, EBITDA increased by 50.3% compared to the results at the end of Q2 2020, explained by higher demand and the continuation of the austerity plan.

Table N° 12 – Revenues distribution by concepts

Distribution of the Adjusted Revenues (%) – Q2 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.	22%	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.	13%		

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

Table N° 13 – Adjusted Revenues per Client Segment

Distribution Revenues (MMUSD)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Residential and Commercial	9	11	9	10	11	17.2%
Industrial	8	9	11	12	12	52.0%
NGV Stations	3	5	6	5	5	56.7%
Power Generation	21	22	23	22	23	7.4%
Total	42	47	49	49	52	22.2%

- ✓ 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 38% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 72% 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)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Residential and Commercial	9	11	9	10	11	17.2%
Industrial	8	9	11	12	12	52.0%
NGV Stations	3	5	6	5	5	56.7%
Power Generation	21	22	23	22	23	7.4%
Connection Services	2	9	16	16	19	808%
Others	2	4	8	8	8	287%
Total	46	60	74	73	79	70.6%

Key Financial Indicators

- ✓ EBITDA as of Q2 2021 reached 50 MMUSD, presenting an increase of 50.3% compared to the EBITDA of Q2 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	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	ΔYoY %
Total Revenues (MMUSD)	104	147	158	160	176	69.4%
Total Adjusted Revenues (MMUSD)	46	60	74	73	79	70.6%
Contribution Margin (MMUSD)	46	54	61	59	65	40.9%
EBITDA (MMUSD)	33	40	42	43	50	50.3%
EBITDA LTM (MMUSD)	163	157	156	158	175	7.6%
Adjusted EBITDA Margin (%)	71%	67%	57%	60%	63%	-
Net Income (MMUSD)	14	18	19	19	25	82.8%
FFO LTM ⁴	109	105	104	105	117	6.8%
Total Assets (MMUSD)	1,113	1,178	1,085	1,109	1,192	7.1%
CapEx (MMUSD)	3	19	23	30	32	902%
Total Liabilities (MMUSD)	817	864	750	821	882	8.0%
Equity (MMUSD)	296	314	335	288	310	4.8%
Total Debt (MMUSD)	610	635	597	617	672	10.2%
Net Debt (MMUSD)	542	505	576	582	578	6.7%
Debt/EBITDA	3.8x	4.1x	3.8x	3.9x	3.8x	-
Net Debt/EBITDA	3.3x	3.2x	3.7x	3.7x	3.3x	-
Interest Coverage	7.2x	6.8x	6.7x	6.7x	7.7x	-

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 Q2 2021, the total debt was 672 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	70	20	0	0	0	0	0	0	0	90
Multilateral Banking	0	0	0	20	20	20	20	20	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	70	20	320	20	20	20	20	81	101	672

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	1,700	1,800
Connections	138,413	184,403	191,466	93,385	215,000	230,000
EBITDA (MMUSD)	138	159	171	156	175	185
Debt/EBITDA	2.9x	3.0x	3.2x	3.8x	3.8x	3.6x

- ✓ The solid results as of Q2 2021 allow us to look at 2021 full year results with optimism.
- ✓ The strict mandatory social isolation of 2020 did not allow field works, which is why in Q2 2020 there was practically no network expansion. This year, we not only seek to build kilometers of networks similar to the years before the pandemic, but to close the gap generated in 2020.
- ✓ Until 2Q 2021, more than 115,500 connections were reached, a figure higher than the result of all of 2020 and with which we hope to close a historic milestone by exceeding 215,000 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 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 3.8x for 2021.

Annexes

Annex 1: Legal note and remarks

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