

Q1 2021

Results Report

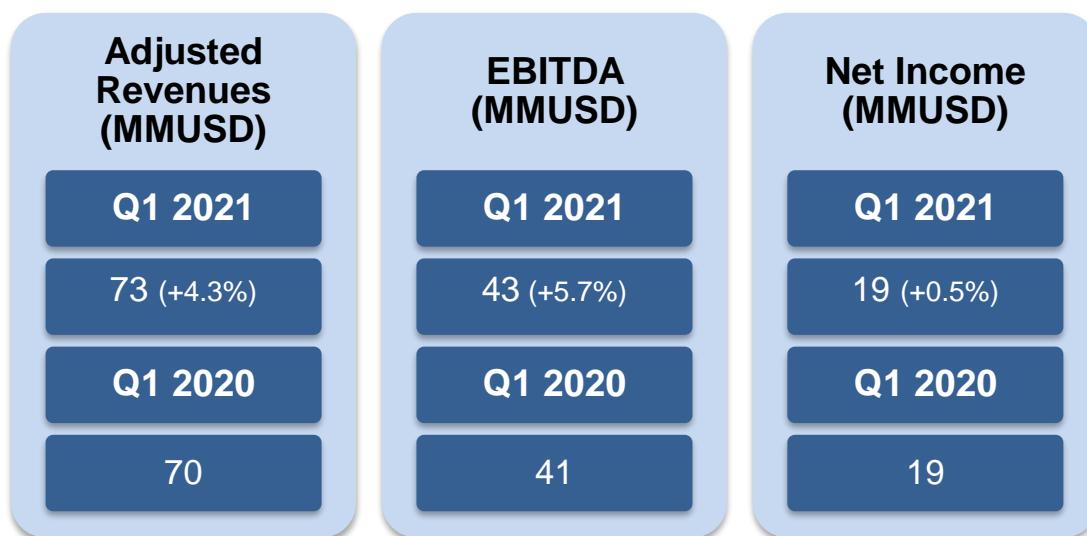


- ▶ Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

Table N° 1 – Key Results Q1 2021

<i>Results</i>	<i>Q1 2020</i>	<i>Q1 2021</i>	<i>ΔYoY %</i>
<i>Invoiced Volume (MMCFD)</i>	725	738	+1.8%
<i>Connections</i>	33,800	52,900	+56.5%
<i>Networks (Km)</i>	359	369	+2.8%
<i>EBITDA (MMUSD)</i>	41	43	+5.7%

- ▶ Despite the mandatory social isolation in February, the commercial, operational and financial results indicate an improvement when compared to Q1 2020.
- ▶ In April, the BBB rating was reaffirmed, with a stable outlook, by Fitch Ratings, which reflects the company's solid financial position.
- ▶ In addition, our cogeneration project began operations in the Mall Real Plaza Puruchuco, the largest shopping center in the country.
- ▶ 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 Q1 2021 (compared to Q1 2020):



Executive overview

Operational and financial relevant information

Table N°2 - Operational and financial key indicators

Operational Results	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Accumulated Clients	986,504	987,978	1,006,606	1,046,067	1,099,035	11.4%
Invoiced Volume (MMCFD)	725	660	711	743	738	1.8%
Network Length (km)	11,525	11,537	11,842	12,144	12,513	8.6%
Potential Clients	1,107,943	1,109,154	1,137,043	1,161,763	1,193,490	7.7%
Network Penetration	89%	89%	89%	90%	92%	-
Financial Results	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Total Revenues (MMUSD)	163	104	147	158	160	-1.4%
Total Adj. Revenues ¹ (MMUSD)	70	46	60	74	73	4.3%
EBITDA (MMUSD)	41	33	40	42	43	5.7%
Adjusted EBITDA Margin	59%	71%	67%	57%	60%	-
Net Income (MMUSD)	19	14	18	19	19	0.5%
Interest Coverage (x)	8.0x	7.2x	6.8x	6.7x	6.7x	-

International credit ranking:

Fitch - April 08 | 2021: BBB, stable

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

Local credit ranking:

Moody's Local Perú – November 13 | 2020: AAA.pe

Class & Asociados - November 06 | 2020: AAA

Peruvian Natural Gas Market

Table N° 3 – Key market indicators

Indicator	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Natural Gas Production ² (MMCFD)	1,119	971	1,091	1,175	1,087	-2.9%
Local Market Demand (MMCFD)	575	496	585	657	598	4.0%
Cálidda's Local Market Share (MMCFD)	418	330	421	472	458	9.6%

- ▶ By the end of Q1 2021, the Peruvian natural gas production decreased by 2.9% compared to Q1 2020.
- ▶ As for the local market demand, it increased by 4.0% up to 598 MMCFD.
- ▶ At the end of Q1 2021, Cálidda's market share was 76.6%.

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 March 2021 (Ministry of Energy and Mines).

Commercial Performance

Invoiced Volume

- ✓ At the end of Q1 2021, despite the mandatory social isolation in February and its impact on invoiced volume of the NGV sector, the total invoiced volume increased by 1.8% vs. the previous year mainly due to the recovery of demand from the industrial sector. As the second wave of infections diminishes and restriction measures become more flexible, demand is expected to increase, especially in the NGV sector.
- ✓ Take-or-Pay contracts reached 566 MMCFD (Power Generators: 526 MMCFD; Industrial Segment: 40 MMCFD), representing 76% 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)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Power Generation	534	530	525	543	535	0.2%
Industrial	115	86	117	128	137	20.0%
NGV Stations	58	24	47	53	47	-19.4%
Residential and Commercial	18	20	22	19	19	7.0%
Total	725	660	711	743	738	1.8%

- ✓ As shown in this table, the volume invoiced at the end of Q1 2021 reached a total of 738 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)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Distribution System Capacity	420	420	420	420	420	0%
Consumed Volume	241	122	258	292	266	10.7%
Regulated Clients	141	90	142	151	139	-1.2%
Independent Clients	100	32	116	141	127	27.4%

- ✓ At the end of Q1 2021, both our Independent and Regulated clients had an average consumption of 266 MMCFD, equivalent to 63% of our total distribution capacity of natural gas (Lurín – Ventanilla).
- ✓ At the end of Q1 2021 Regulated clients consumed around 139 MMCFD, equivalent to 56% of the total contracted supply volume and 61% 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	
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Residential and Commercial	12.58	12.22	12.05	11.43	11.29	Residential LPG	Electrical Energy
						18.06 (-37%)	33.10 (-66%)
Vehicular	9.85	10.00	9.50	9.39	9.24	Vehicular LPG	Gasoline 90
						16.09 (-43%)	23.65 (-61%)
Industrial	6.03	6.05	6.12	5.98	5.93	Electrical Energy	Industrial Petroleum
						46.03 (-87%)	19.18 (-69%)
Power Generation	3.97	3.91	3.98	3.91	3.88	Diesel	Industrial Petroleum
						21.38 (-82%)	19.18 (-80%)

- ✓ 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 March 2021.

Operational Performance

Connections per Client Segment

At the end of Q1 2021, Cálidda connected 52,968 clients. In the Residential segment, Cálidda has operations in 34 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, Imperial-Cañete, Carabaylo, La Victoria, Mi Perú, Pachacamac, Ventanilla, Chorrillos, Carmen de la Legua, Ancón, San Vicente, Bellavista, Breña, La Perla, Chaclayo y Rímac. Likewise, in the Industrial, Commercial and NGV Stations segments, Cálidda has operations in 49 districts.

Table N° 8 – New Clients

New Clients	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Power Generation	0	0	1	2	0	-
Industrial	8	2	5	16	3	-
NGV Stations	1	0	0	4	0	-
Residential and Commercial	33,813	1,472	18,622	39,439	52,965	-
Total	33,822	1,474	18,628	39,461	52,968	56.6%

- ✓ 26 clients in the industrial segment were connected in the last 12 months.
- ✓ 4 NGV stations were added to the distribution network in the last 12 months.
- ✓ 111,101 residential clients and 1,397 commercial clients were connected in the last 12 months.
- ✓ During Q1 2021, 52,968 new connections were achieved, 56.6% higher compared to Q1 2020.

Table N° 9 – Clients Base

Clients Base	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Power Generation	25	25	26	28	28	12.0%
Industrial	678	680	685	701	704	3.8%
NGV Stations	280	280	280	284	284	1.4%
Residential and Commercial	985,521	986,993	1,005,615	1,045,054	1,098,019	11.4%
Total	986,504	987,978	1,006,606	1,046,067	1,099,035	11.4%

- ✓ At the end of Q1 2021, the total number of clients was 1,099,035; 11.4% higher compared to the previous year.

Distribution Network

- ✓ Cálidda's distribution system consists of 12,513 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q1 2021, Cálidda has built 369 km, 2.8% higher compared to Q1 2020 and 22% higher compared to Q4 2020.

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

Table N° 10 – Distribution System

Distribution System (Km)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Polyethylene Network	10,912	10,924	11,228	11,528	11,896	9.0%
Steel Network	613	613	614	617	617	0.7%
Total	11,525	11,537	11,842	12,144	12,513	8.6%
New Networks	359	12	305	303	369	2.8%

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 Q1 2021 to 92% 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:

Table N° 11 – Network Penetration Ratio

Network Penetration Ratio	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Potential Clients	1,107,943	1,109,154	1,137,043	1,161,763	1,193,490	7.7%
Total Clients	986,504	987,978	1,006,606	1,046,067	1,099,035	11.4%
Penetration Ratio	89%	89%	88%	90%	92%	-

Financial Performance

Revenues

- ✓ Adjusted Revenues increased by 4.1% after the recovery in demand despite the quarantine decreed in February of this year. Likewise, EBITDA increased by 5.7% compared to the results at the end of Q1 2020, explained by higher demand and the continuation of the austerity plan.

Table N° 12 – Revenues distribution by concepts

Distribution of the Adjusted Revenues (%) – 1T 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.	67%	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.	19%	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.	14%		

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

Table N° 13 – Adjusted Revenues per Client Segment

Distribution Revenues (MMUSD)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Residential and Commercial	8	9	11	9	10	13.7%
Industrial	11	8	9	11	12	17.2%
NGV Stations	6	3	5	6	5	-19.3%
Power Generation	21	21	22	23	22	2.6%
Total	47	42	47	49	49	4.9%

- ✓ Even though the Residential and Commercial segment represents only 2.8% of the invoiced volume (table N°4), it concentrates 20% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 28% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 73% of the invoiced volume, 45% of the distribution revenues, and 30% 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)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Residential and Commercial	8	9	11	9	10	13.7%
Industrial	11	8	9	11	12	17.2%
NGV Stations	6	3	5	6	5	-19.3%
Power Generation	21	21	22	23	22	2.6%
Connection Services	12	0	6	12	11	-10.2%
Others	11	4	6	13	13	16.7%
Total	70	46	60	74	73	4.3%

Key Financial Indicators

- ✓ EBITDA as of 1Q 2021 reached 43 MMUSD, presenting an increase of 5.7% compared to the EBITDA of 1Q 2020. This is explained by the recovery of demand, despite the mandatory social isolation in February, 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	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	ΔYoY %
Total Revenues (MMUSD)	163	104	147	158	160	-1.4%
Total Adjusted Revenues (MMUSD)	70	46	60	74	73	4.3%
Contribution Margin (MMUSD)	57	46	54	61	59	3.7%
EBITDA (MMUSD)	41	33	40	42	43	5.7%
EBITDA LTM (MMUSD)	171	163	157	156	158	-7.3%
Adjusted EBITDA Margin (%)	59%	71%	67%	57%	60%	-
Net Income (MMUSD)	19	14	18	19	19	0.5%
FFO LTM ⁴	114	109	105	104	105	-8.0%
Total Assets (MMUSD)	1,055	1,113	1,178	1,085	1,109	5.5%
CapEx (MMUSD)	26	3	19	23	30	17.3%
Total Liabilities (MMUSD)	776	817	864	750	821	5.7%
Equity (MMUSD)	279	296	314	335	288	3.5%
Total Debt (MMUSD)	581	610	635	597	617	6.2%
Net Debt (MMUSD)	548	542	505	576	582	6.3%
Debt/EBITDA	3.4x	3.8x	4.0x	3.8x	3.9x	-
Net Debt/EBITDA	3.2x	3.3x	3.2x	3.7x	3.7x	-
Interest Coverage	8.0x	7.2x	6.8x	6.7x	6.7x	-

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 Q1 2021, the total debt was 617 MMUSD and has the following maturity profile:

Table N° 16 – Maturity Profile of Debt

Total Debt (MMUSD)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
< 1 year	32	61	32	25	35
1 – 3 years	67	387	361	320	320
> 3 years	482	162	242	252	262
Total	581	610	635	597	617

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

- ✓ Despite the challenges so far in 2021, the solid results as of Q1 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.
- ✓ As of Q1 2021, more than 52,900 connections were reached, so we are very optimistic about reaching our projection at the end of 2021.
- ✓ As the second wave of contagions passes in Peru and restriction measures become more flexible, we expect an increase in demand, especially in the NGV sector, and with it, in our 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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