

Q3 2020

Results Report



- ▶ Calidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.
 - ✓ Total executed Capex: USD 1,128 millions
 - ✓ Network length: 11,842 km
 - ✓ Network penetration: 88%
 - ✓ Invoiced volume: 698 MMCFD
 - ✓ Total clients: 1,006,606

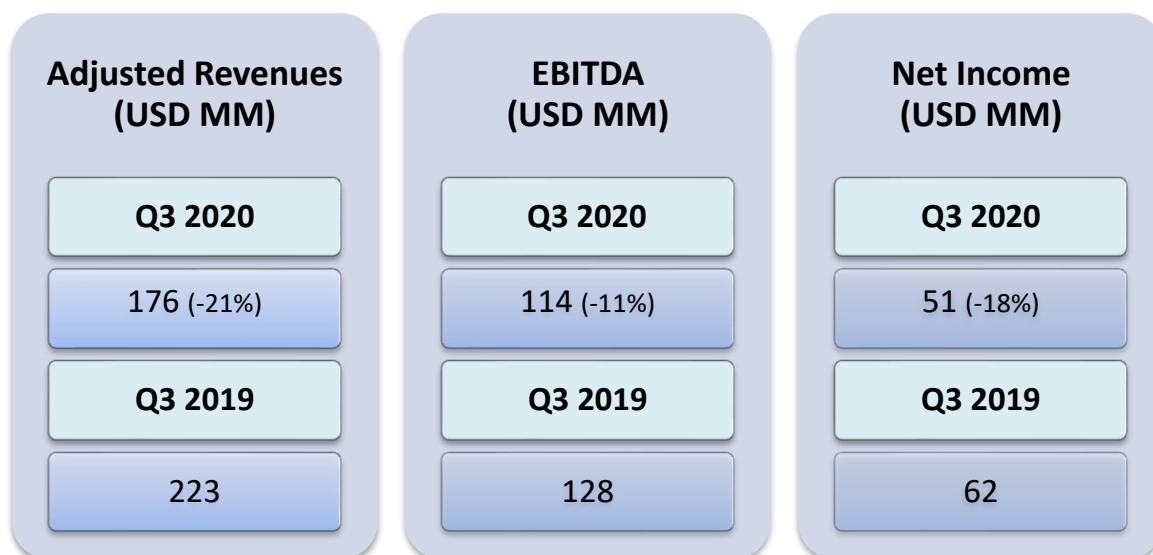
- ▶ The company is in a post-quarantine reactivation stage, showing a favorable recovery in demand and execution of connections.

- ▶ At the end of August 2020, IDB Invest granted us a loan of USD 100 million, of which USD 80 million have been disbursed to date.

- ▶ Calidda surpassed one million connected clients in Lima and Callao.

- ▶ In November 2020, the risk rating agencies Class & Asociados and Moody's Local confirmed our rating of AAA and AAA.pe respectively, the highest on the local scale.

- ▶ Key results as of Q3 2020 (compared to Q3 2019's results):



Executive overview

Operational and finance relevant information

Chart N°1 – Operational and finance key indicators			
Operational Results	Q3 2020	Q3 2019	Var %
Accumulated Clients	1,006,606	904,467	11%
Invoiced Volume (MMCFD)	698	784	-11%
Network Length (km)	11,842	10,407	11%
Potential Clients	1,137,043	1,047,862	9%
Network Penetration	88%	86%	-
Financial Results	Q3 2020	Q3 2020	Var %
Total Revenues (USD MM)	413	529	-22%
Total Adj. Revenues ¹ (USD MM)	176	223	-21%
EBITDA (USD MM)	114	128	-11%
Adjusted EBITDA Margin	65%	57%	-
Net Income (USD MM)	51	62	-18%
Interest Coverage (x)	6.8x	8.5x	-
International credit ranking:			
S&P - Apr. 14 20: BBB-, negative			
Fitch - Apr. 22 20: BBB, stable			
Moody's – Aug. 03 20: Baa2, stable			
Domestic credit ranking:			
Moody's Local Perú - Nov. 13 20: AAA.pe			
Class & Asociados - Nov. 06 20: AAA			

Peruvian Natural Gas Market

Chart N° 2 – Key market indicators			
Indicator	Q3 2020	Q3 2019	Var %
Natural Gas Production ² (MMCFD)	1,091	1,279	-15%
Local Market Demand (MMCFD)	585	769	-24%
Calidda's Local Market Share (MMCFD)	421	575	-27%

- ▶ By the end of Q3 2020, the Peruvian natural gas production decreased by 15% compared to same period of 2019.
- ▶ As for the local market demand, it decreased by 24% up to 585 MMCFD.
- ▶ In both cases, the decrease is due to the period of emergency and mandatory quarantine decreed by the Government of Peru, in force from March 16 to to July 1.

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 2020 (Ministry of Energy and Mines)

Commercial Performance

Sales by segment

At the end of Q3 2020, Cálidda connected 53,924 clients. In the Residential segment, Calidda has operations in 30 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. In 2020 Breña and La Perla was entered. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 48 districts.

Chart N°3 – Clients Base

Clients Base	2016	2017	2018	2019	Q3 2020
Power Generation	18	22	23	25	26
Industrial	535	577	626	670	685
NGV Stations	240	257	275	279	280
Residential and Commercial	437,607	575,957	760,292	951,708	1,005,615
Total	438,400	576,813	761,216	952,682	1,006,606

- ✓ 15 clients from the Industrial segment were connected at the end of Q3 2020.
- ✓ 1 new NGV station joined Calidda's distribution system at the end of Q3 2020.
- ✓ Calidda added 53,116 residential clients and 791 commercial clients at the end of Q3 2020.

Volume

- ✓ At the end of Q3 2020, the invoiced volume decreased by 11% vs. the previous year mainly due to the lower demand from the second half of March to the end of July 1 as a result of the mandatory quarantine due to COVID-19, which mainly affected the NGV and industrial segments. It is important to mention that the economic sectors have been gradually reactivated, which reflects a favorable recovery in demand and execution of connections.
- ✓ Firm contracts reached 568 MMPCD (Electric Generators: 525 MMPCD + Industrial Segment: 43 MMPCD), representing 76% of the total invoiced volume.

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

Graph N° 1 – Invoiced Volume (MMCFD)

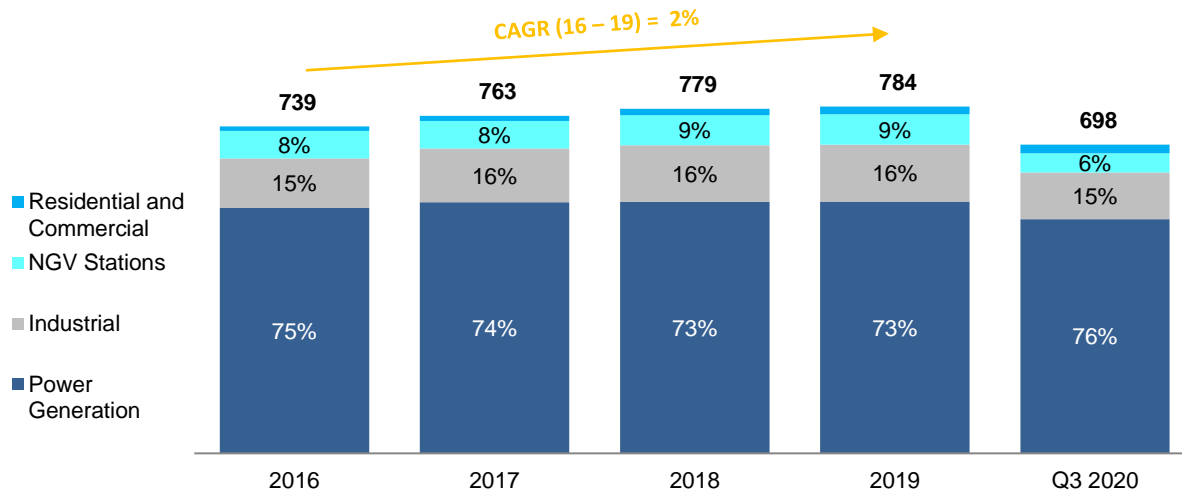


Chart N°4 – Invoiced volume per Client Segment

Invoiced Volume (MMCFD)	2016	2017	2018	2019	Q3 2020
Power Generation	555	568	569	569	530
Industrial	112	121	128	129	105
NGV Stations	63	62	68	68	43
Residential and Commercial	10	12	14	17	20
Total	739	763	779	784	698

- ✓ As shown in this chart, Q3 2020's invoiced volume reached a total of 698 MMCFD.

Contracted Gas Supply and Transportation

Chart 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
Q3 2020	197	31	228	188	47	235

- ✓ 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 Calidda, who then provides NG distribution service and acts as an intermediary to supply NG and transportation services.
- ✓ At the end of Q3 2020, both our Independent and Regulated clients had an average consumption of 207 MMCFD, equivalent to 49% of our total distribution capacity of natural gas (Lurín – Ventanilla).
- ✓ Over the same period, Regulated clients consumed around 124 MMCFD, equivalent to 53% of the total contracted supply volume and 54% of the transportation volume of natural gas.

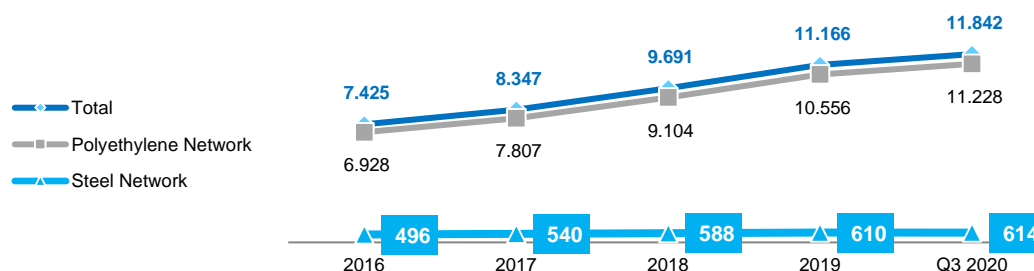
Operacional Performance

Distribution Network

- ✓ Calidda’s distribution system consists of 11,842 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q3 2020, Calidda has built 676 km, out of which 672 km were low pressure polyethylene pipelines, while the remaining was high pressure steel pipelines.

The next graph shows the evolution of Calidda’s distribution system:

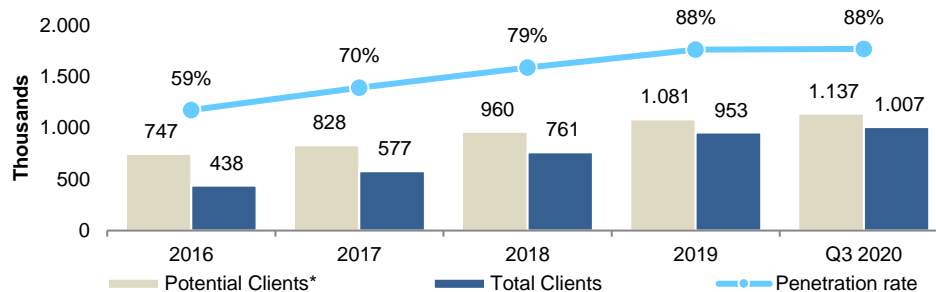
Graph N° 2 – Network Distribution (km)



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 2020 to 88% 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 .

Graph N° 3 – Clients progress and Penetration Ratio



Financial Performance

Revenues

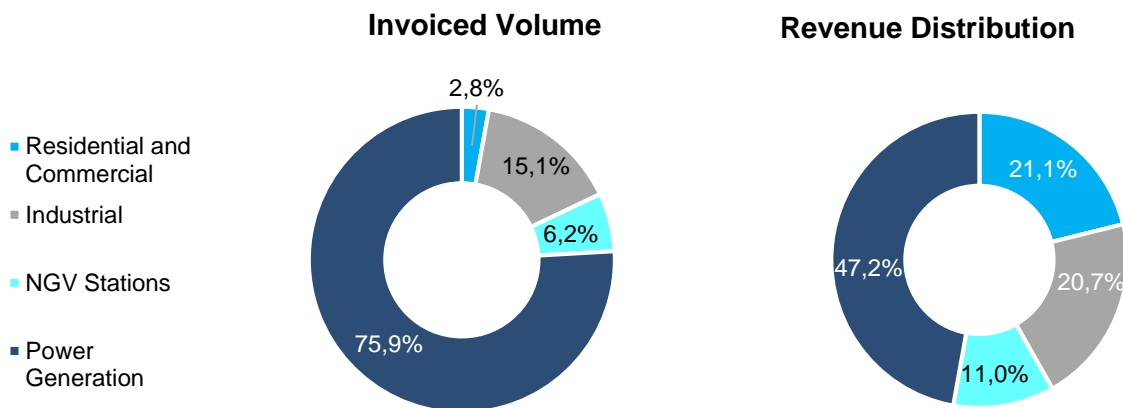
- ✓ Revenues and Adjusted Revenues decreased by 22% and 21% respectively, EBITDA decreased by 11%, compared to results as of Q3 2019, explained by:
 - Impact of the state of emergency and mandatory quarantine in force from March 16 to July 1 as a result of COVID-19, mainly affecting the NGV and industrial segments. However, there has been a recovery in results due to the action plans implemented by the company, this is how the demand of the regulated segment, made up of households, industries and the vehicle sector, closed in September at 144 MMPCD, which corresponds to 93% of the pre-quarantine regulated demand.

Chart N° 6 – Revenues distribution by concepts

Distribution of the Adjusted Revenues (%) – Q3 2020		Pass-Through Concepts	
Distribution service	Main operative income of Calidda; 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.	17%	Revenues of network expansion Pass-through income related to the investments executed by Calidda in order to expand the distribution network.
Connection fees	One time fee which is paid by the new clients when connected to Calidda's natural gas network.	6%	
Other services	Operative income which mainly comes from network relocation services and other services	10%	

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

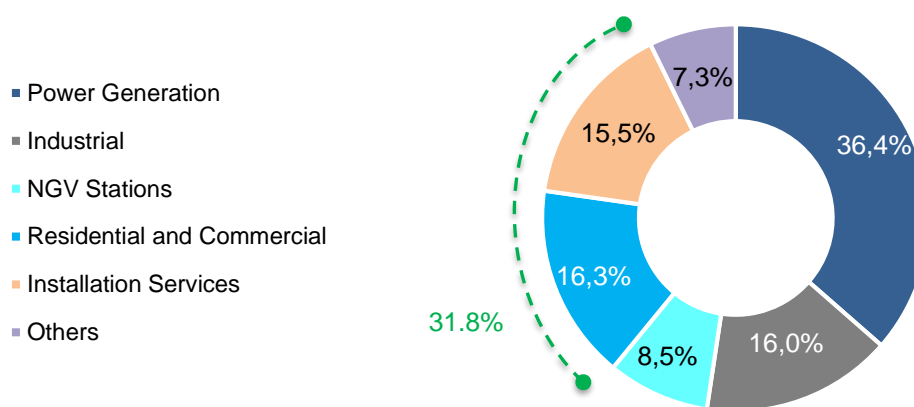
Graph N° 4 – Invoiced Volume and Revenue Distribution (Q3 2020)



- ✓ Even though the Residential and Commercial segment represents only 2.8% of the invoiced volume, it concentrates 21.1% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 31.8% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 75.9% of the invoiced volume, 47.2% of the distribution revenues, and 36.4% of the Total Adjusted Revenues, as shown in the next graph:

Graph N° 5 – Adjusted Revenues by Client Segment (Q3 2020)²



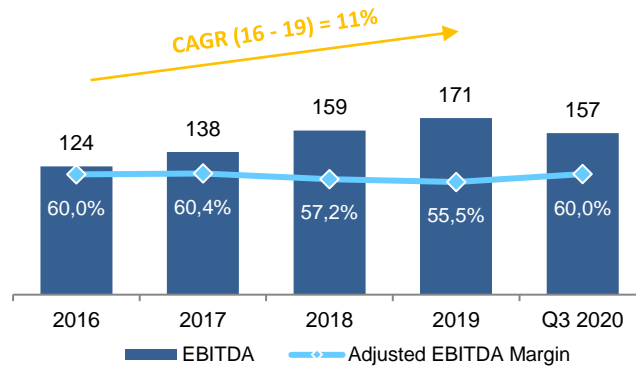
Key Financial Indicators

- ✓ EBITDA for the last moving semester as of Q3 2020 reached US\$ 114 MM, presenting a 11% decrease compared to EBITDA as of Q3 2019. This is explained by revenues not received from distribution service, connection rights and installations due to the state of emergency from March 16 to July 1.

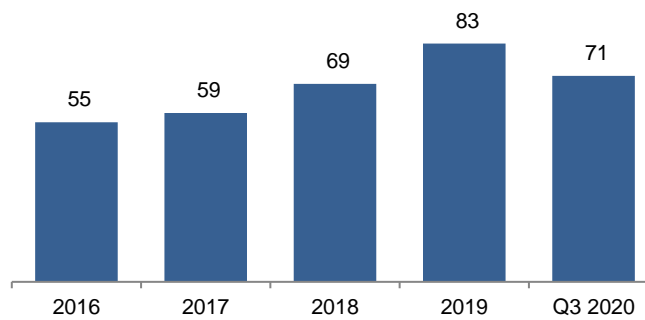
- ✓ The following indicators show annualized data up until Q3 2020:

² Information from January 2020 to September 2020

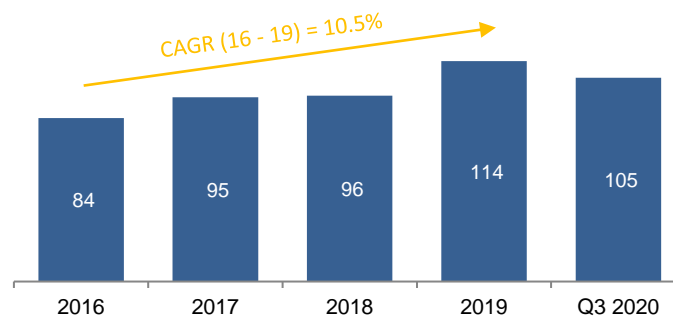
Graph N° 6 – EBITDA (Million USD) & Adjust. EBITDA Margin (%)³



Graph N° 7 – Net Income



Graph N° 8 – FFO*

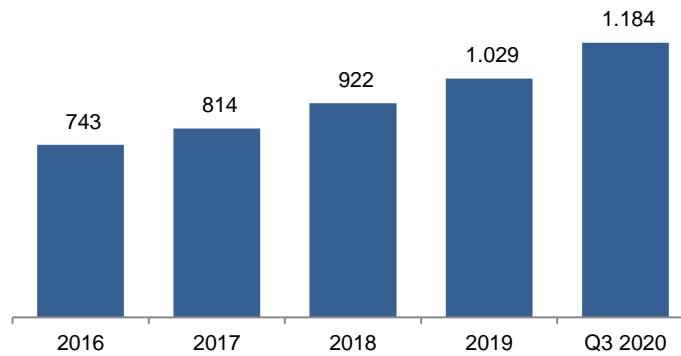


*FFO – Funds From Operations: Net Profit + Depreciation + Amortization

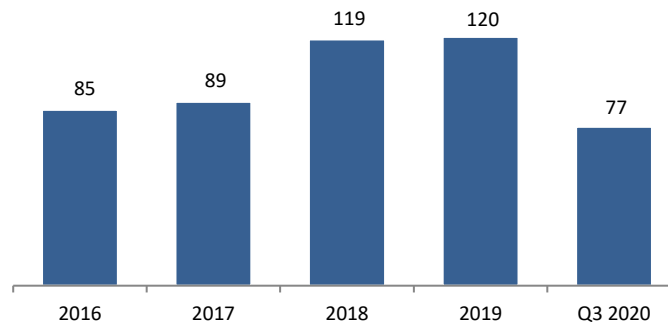
³ Annualized Information (Oct 2019 to Sep 2020)

- ✓ This performance has been achieved thanks to increasing Assets due to the investments over the past years, as seen in the next graphs:

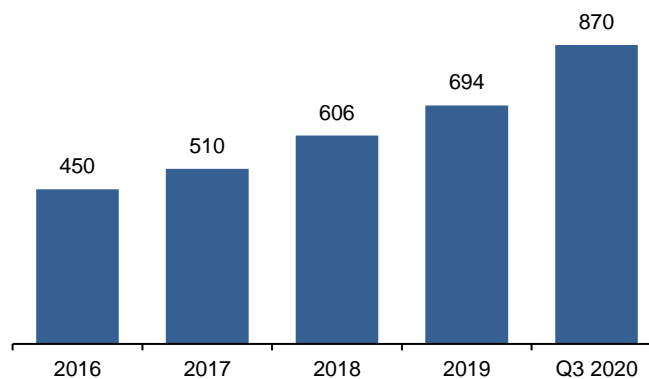
Graph N° 9 – Total Assets



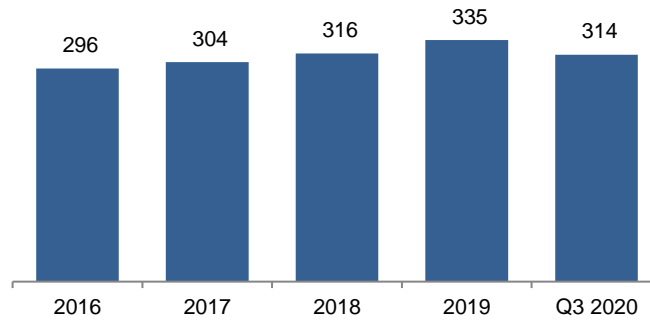
Graph N° 10 – Capex (Million USD)



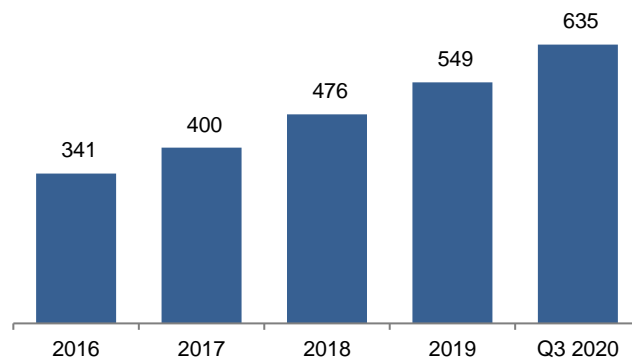
Graph N° 11 – Liabilities



Graph N° 12 – Equity

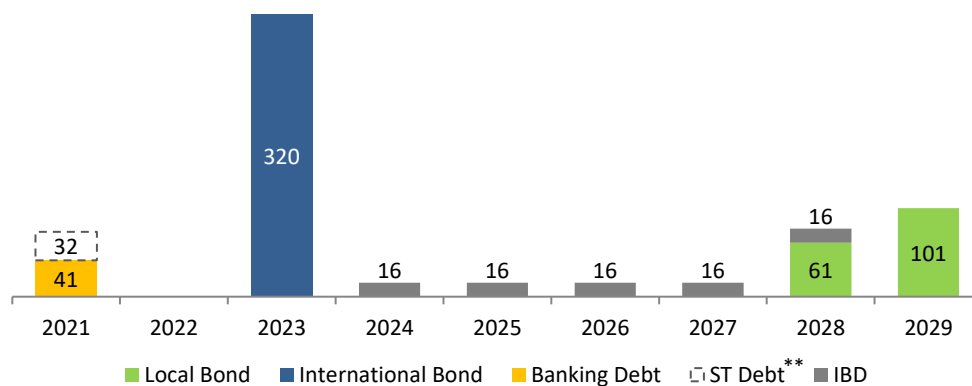


Graph N° 13 – Total Debt*



* Total Debt includes short-term debt of 32 MMUSD

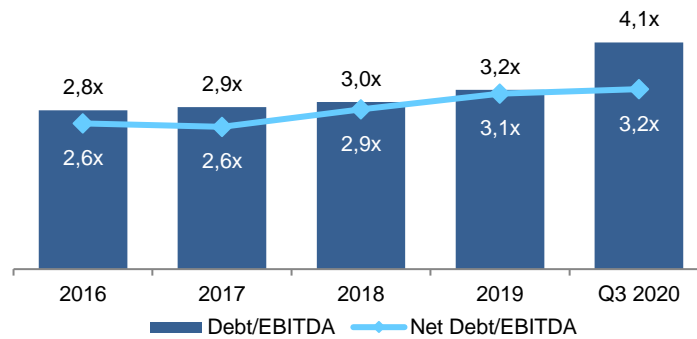
Graph N° 14 – Debt Maturity*



* Includes medium and long-term amortizations

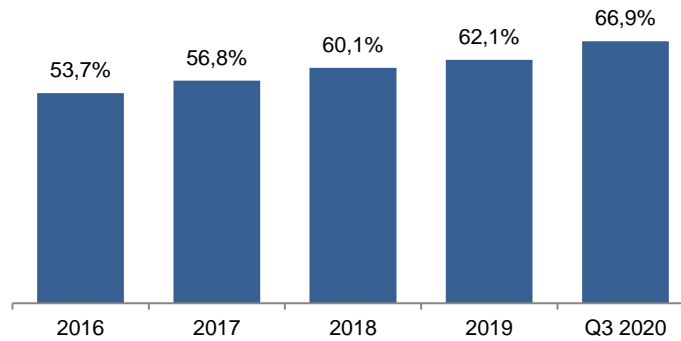
** Debt maturing in March and April 2021

Graph N° 15 – Debt & Net Debt / EBITDA (x)*



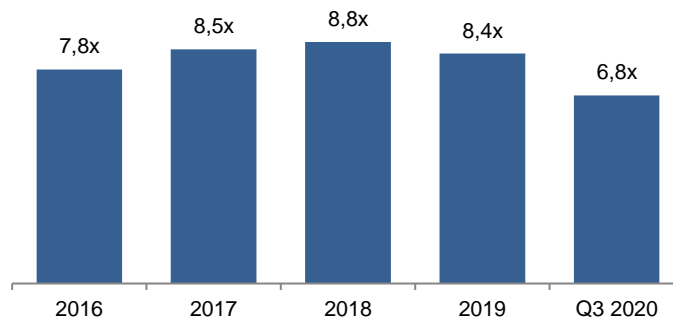
*Debt including short term facilities

Graph N° 16 – Debt / Capitalization*



*Capitalization = Equity + Financial Debt

Graph N° 17 – Interest Coverage (x)*



*Interest Coverage = EBITDA / Accrued interests

Annexes

Annex 1: Legal note and remarks

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