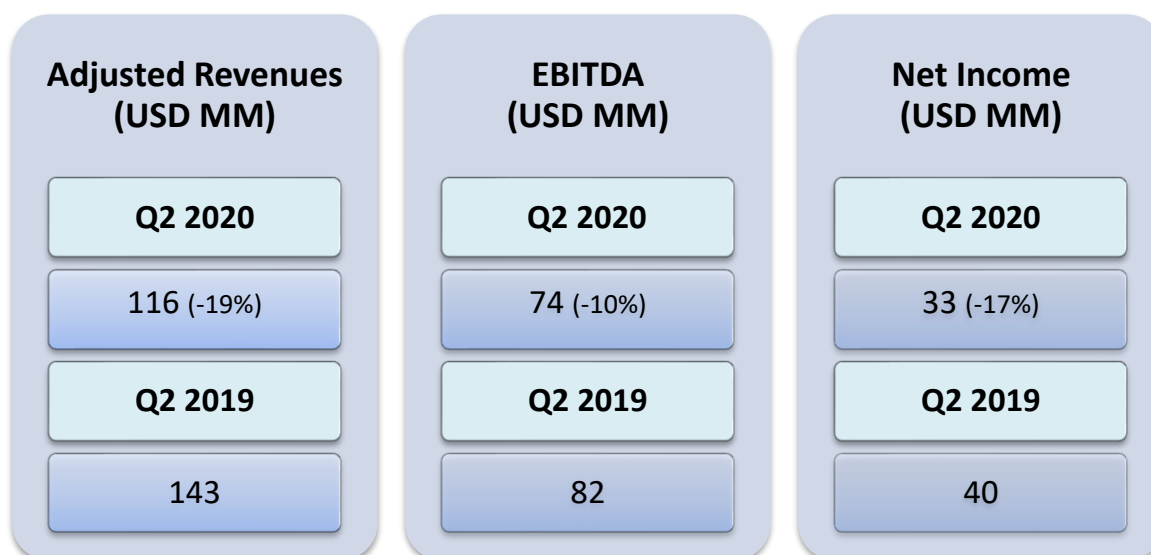


# Q2 2020

## 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 1,109 millions
  - ✓ Network length: 11,537 km
  - ✓ Network penetration: 89%
  - ✓ Invoiced volume: 691 MMCFD
  - ✓ Total clients: 987,978
- ▶ The company is in a post-quarentine reactivation stage, showing a favorable recovery in demand.
- ▶ In August 2020, the risk rating agency Moody's confirmed our Baa2 rating (stable outlook).
- ▶ Calidda surpassed the 987 thousand connected clients in Lima and Callao.
- ▶ Key results as of Q2 2020 (compared to Q2 2019's results):



## Executive overview

### Operational and finance relevant information

<b>Chart N°1 – Operational and finance key indicators</b>			
<b>Operational Results</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Var %</b>
Accumulated Clients	987,9784	852,720	16%
Invoiced Volume (MMCFD)	691	778	-11%
Network Length (km)	11,537	10,407	11%
Potential Clients	1,109,154	1,020,706	9%
Network Penetration	89%	83%	-
<b>Financial Results</b>	<b>Q2 2020</b>	<b>Q2 2020</b>	<b>Var %</b>
Total Revenues (USD MM)	267	337	-21%
Total Adj. Revenues <sup>1</sup> (USD MM)	116	143	-19%
EBITDA (USD MM)	74	82	-10%
Adjusted EBITDA Margin	64%	57%	-
Net Income (USD MM)	33	40	-17%
Interest Coverage (x)	7.2x	8.6x	-
<b>International credit ranking:</b>			
S&P - Apr. 14   20: BBB-, negative			
Fitch - Apr. 22   20: BBB, stable			
Moody's – Aug. 03   20: Baa2, stable			
<b>Domestic credit ranking:</b>			
Moody's Local Perú - May. 14   20: AAA.pe			
Class & Asociados - May. 28   20: AAA			

### Peruvian Natural Gas Market

<b>Chart N° 2 – Key market indicators</b>			
<b>Indicator</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Var %</b>
Natural Gas Production <sup>2</sup> (MMCFD)	971	1,183	-18%
Local Market Demand (MMCFD)	496	707	-30%
Calidda's Local Market Share (MMCFD)	329	521	-37%

- ▶ By the end of Q2 2020, the Peruvian natural gas production decreased by 18% compared to same period of 2019.
- ▶ As for the local market demand, it decreased by 30% up to 496 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 the end of June 2020.

<sup>1</sup> 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).

<sup>2</sup> Information at the end of June 2020 (Ministry of Energy and Mines)

## Commercial Performance

### Sales by segment

At the end of Q2 2020, Cálidda connected 35,296 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 46 districts.

### Chart N°3 – Clients Base

Clients Base	2016	2017	2018	2019	Q2 2020
Power Generation	18	22	23	25	25
Industrial	535	577	626	670	680
NGV Stations	240	257	275	279	280
Residential and Commercial	437,607	575,957	760,292	951,708	986,993
<b>Total</b>	<b>438,400</b>	<b>576,813</b>	<b>761,216</b>	<b>952,682</b>	<b>987,978</b>

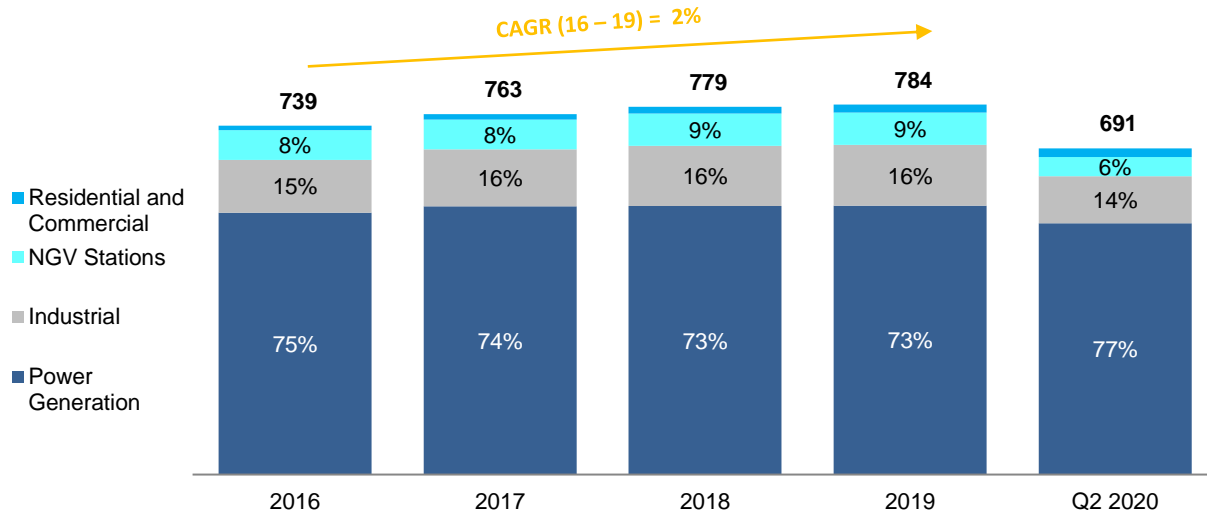
- ✓ 10 clients from the Industrial segment were connected at the end of Q2 2020.
- ✓ 1 new NGV station joined Calidda's distribution system at the end of Q2 2020.
- ✓ Calidda added 34,785 residential clients and 500 commercial clients at the end of Q2 2020.

### Volume

- ✓ At the end of Q2 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 June 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.
- ✓ Firm contracts reached 568 MMPCD (Electric Generators: 525 MMPCD + Industrial Segment: 43 MMPCD), representing 77% 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	Q2 2020
Power Generation	555	568	569	569	532
Industrial	112	121	128	129	100
NGV Stations	63	62	68	68	41
Residential and Commercial	10	12	14	17	18
<b>Total</b>	<b>739</b>	<b>763</b>	<b>779</b>	<b>784</b>	<b>691</b>

✓ As shown in this chart, Q2 2020's invoiced volume reached a total of 691 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
Q2 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 Q2 2020, both our Independent and Regulated clients had an average consumption of 180 MMCFD, equivalent to 43% of our total distribution capacity of natural gas (Lurín – Ventanilla).
- ✓ Over the same period, Regulated clients consumed around 114 MMCFD, equivalent to 49% of the total contracted supply volume and 50% of the transportation volume of natural gas.

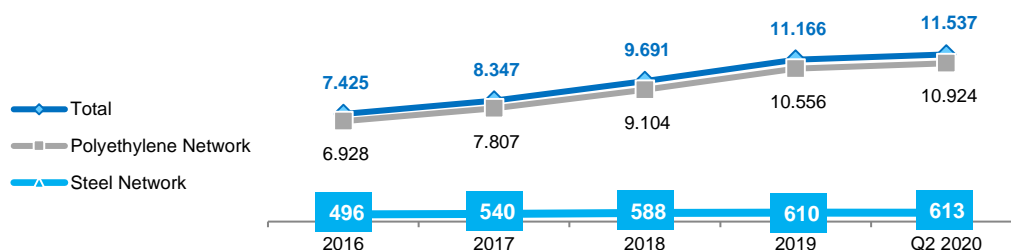
## Operacional Performance

### Distribution Network

- ✓ Calidda’s distribution system consists of 11,537 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q2 2020, Calidda has built 371 km, out of which 368 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:

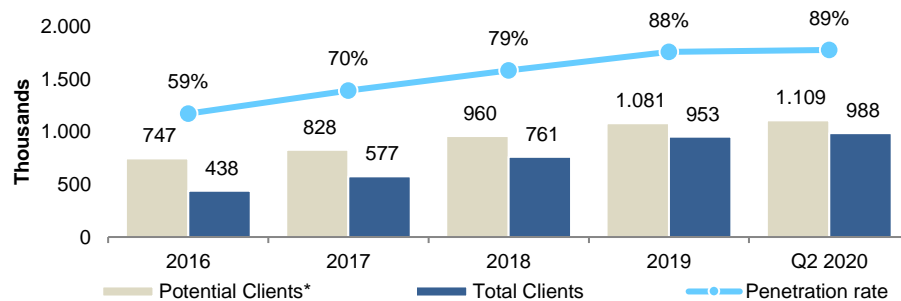
**Graph N° 2 – Network Distribution (km)**



## 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 Q2 2020 to 89% 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

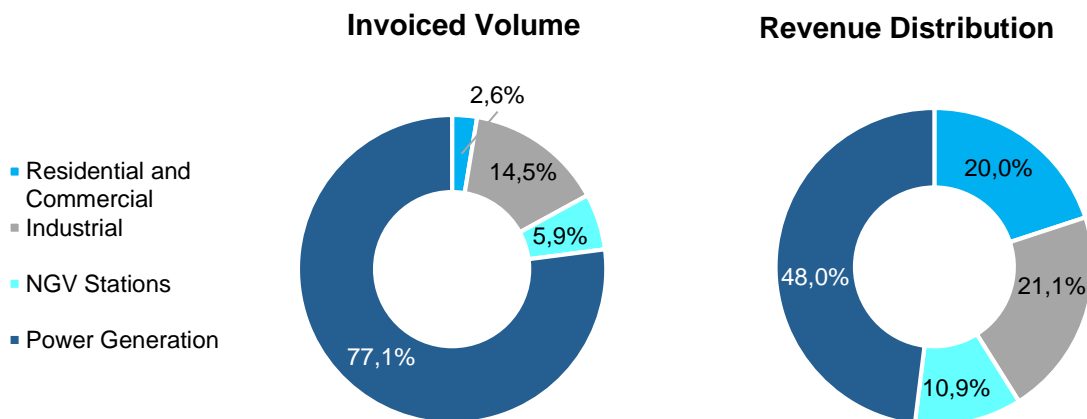
### Revenues

- ✓ Revenues and Adjusted Revenues decreased by 21% and 19% respectively, EBITDA decreased by 10%, compared to results as of Q2 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, which have gone hand in hand with the economic reactivation program decreed by the government.

**Chart N° 6 – Revenues distribution by concepts**

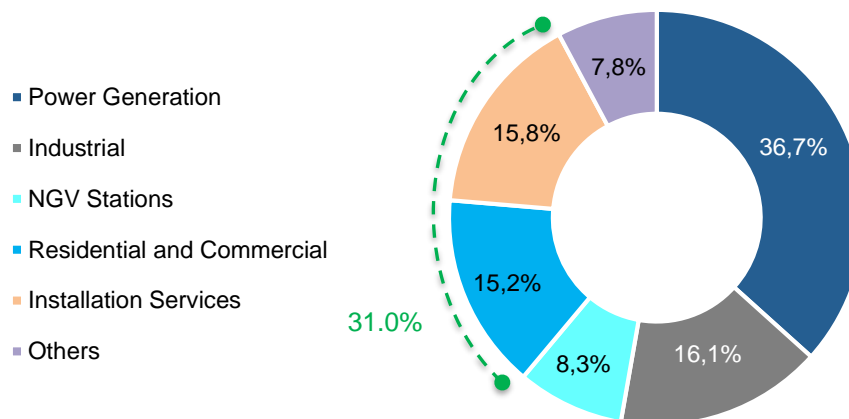
Distribution of the Adjusted Revenues (%) – Q2 2020		Pass-Through Concepts	
<b>Distribution service</b>	Main operative income of Calidda; it is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	68%	<b>Sell and transport of natural gas</b> Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
<b>Connection services</b>	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%	<b>Revenues of network expansion</b> Pass-through income related to the investments executed by Calidda in order to expand the distribution network.
<b>Connection fees</b>	One time fee which is paid by the new clients when connected to Calidda's natural gas network.	6%	
<b>Other services</b>	Operative income which mainly comes from network relocation services and other services	9%	

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

**Graph N° 4 – Invoiced Volume and Revenue Distribution (Q2 2020)**


- ✓ Even though the Residential and Commercial segment represents only 2.6% of the invoiced volume, it concentrates 20.0% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 31.0% of our Total Adjusted Revenues.
- ✓ On the other hand, the Power Generation segment represents 77.1% of the invoiced volume, 48.0% of the distribution revenues, and 36.7% of the Total Adjusted Revenues, as shown in the next graph:

**Graph N° 5 – Adjusted Revenues by Client Segment (Q2 2020) <sup>2</sup>**



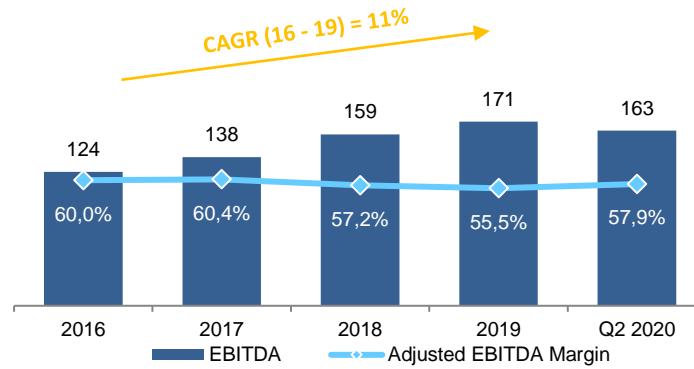
### Key Financial Indicators

- ✓ EBITDA for the last moving semester as of 2Q 2020 reached US \$ 74 MM, presenting a 10% decrease compared to EBITDA as of 2Q 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 2Q 2020:

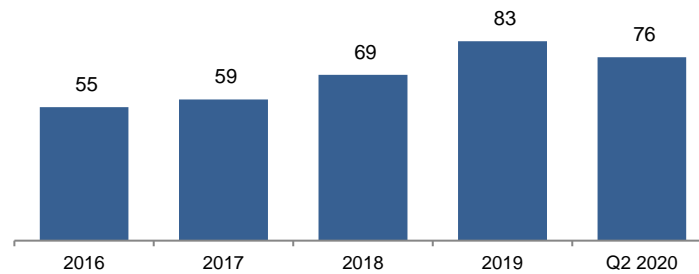
<sup>2</sup> Information from January 2020 to June 2020



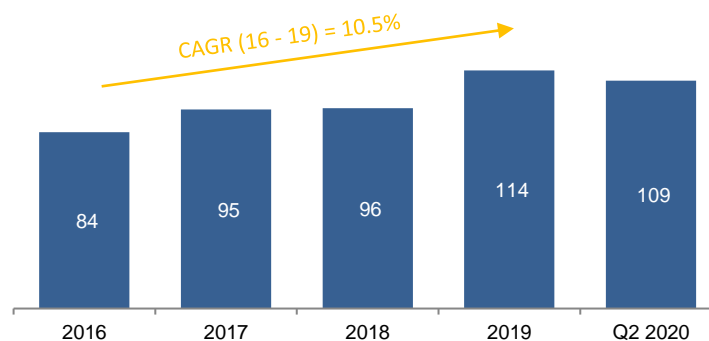
**Graph N° 6 – EBITDA (Million USD) & Adjust. EBITDA Margin (%)<sup>3</sup>**



**Graph N° 7 – Net Income**



**Graph N° 8 – FFO\***

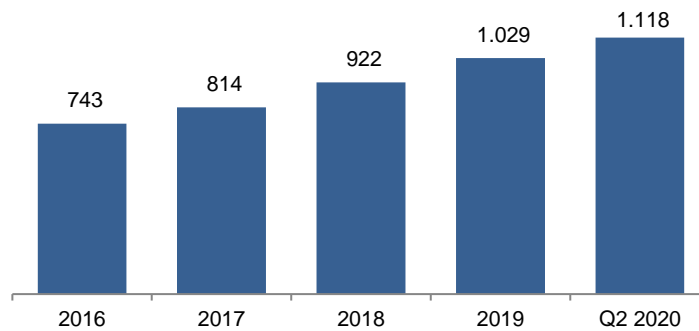


<sup>3</sup> Annualized Information (Jul 2019 to Jun 2020)

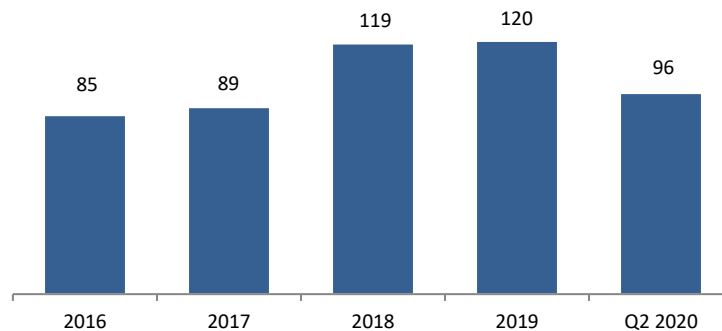
\*FFO – Funds From Operations: Net Profit + Depreciation + Amortization

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

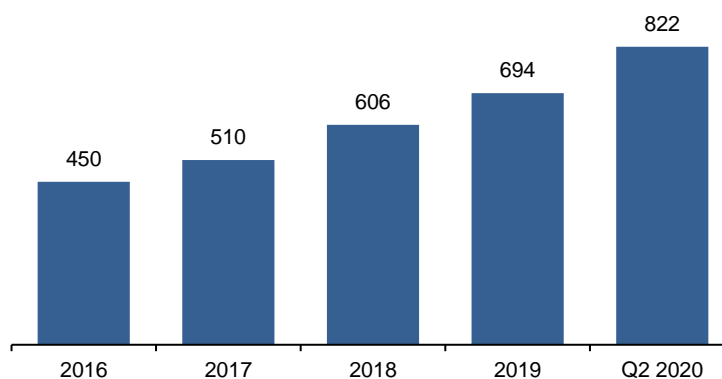
**Graph N° 9 – Total Assets**



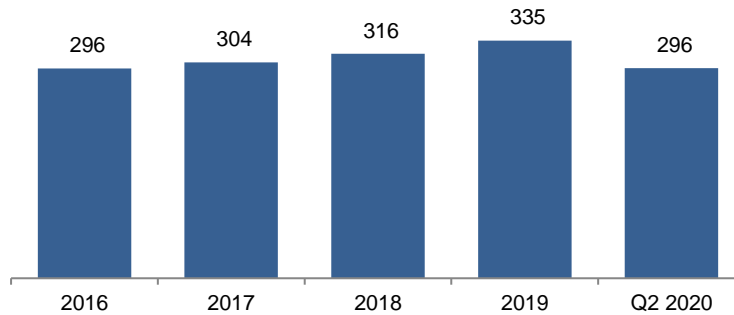
**Graph N° 10 – Capex (Million USD)**



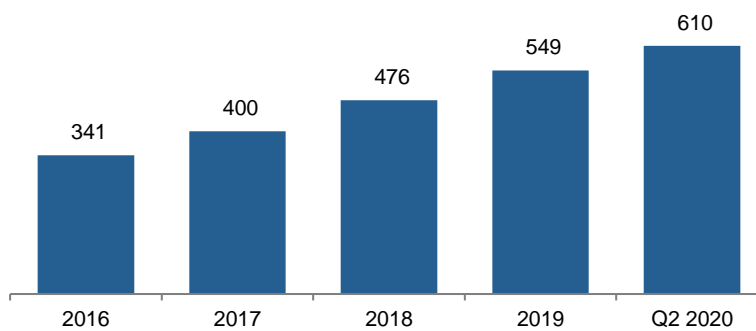
**Graph N° 11 – Liabilities**



**Graph N° 12 – Equity**

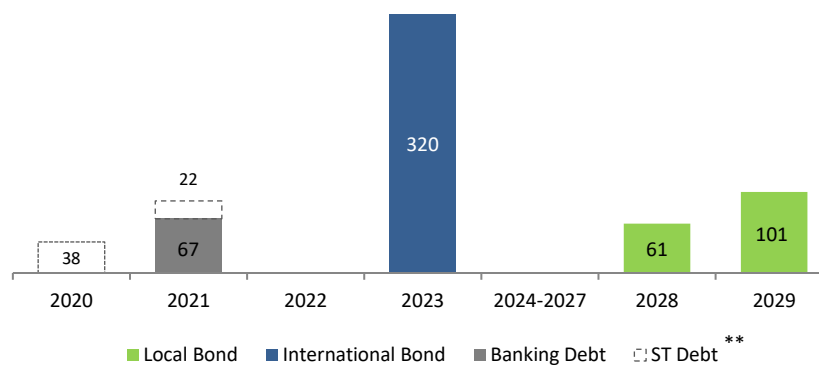


**Graph N° 13 – Total Debt\***



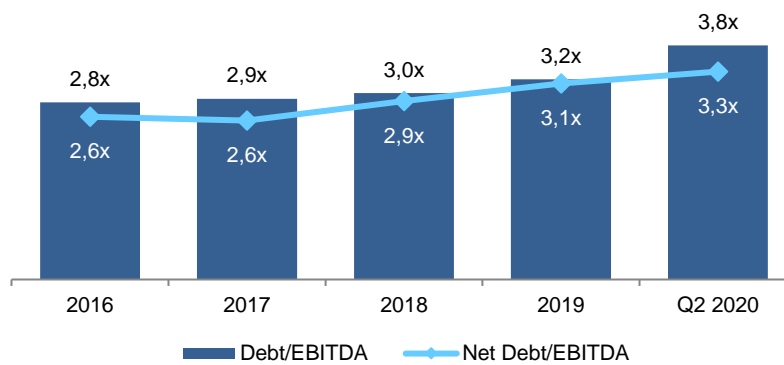
\* Total Debt includes short-term debt of 61 MMUSD

**Graph N° 14 – Debt Maturity\***



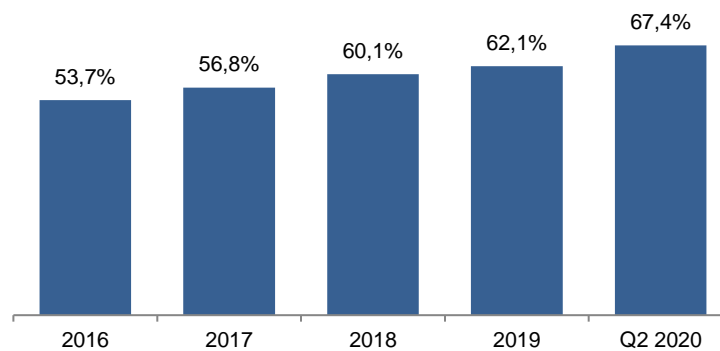
\* Includes medium and long-term amortizations  
\*\* Includes Short term debt to be refinanced at the end of August 2020

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



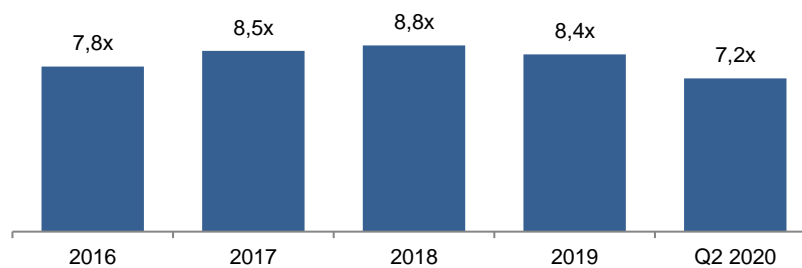
\*Debt including short term facilities

**Graph N° 16 – Debt / Capitalization\***



\*Capitalization = Equity + Financial Debt

**Graph N° 17 – Interest Coverage (x)\***



\*Interest Coverage = EBITDA / Accrued interests

## Annex 1: Legal note and remarks

*The information provided herein is for informational and illustrative purposes only and is not, and does not seek to be, a source of legal, investment or financial advice on any subject. This presentation does not purport to address any specific investment objectives, financial situation or particular needs of any recipient. It should not be regarded by recipients as a substitute for the exercise of their own judgment. This information does not constitute an offer of any sort and is subject to change without notice. Calidda is no obligation to update or keep current the information contained herein.*

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