



# Calidda's Q1 2020 Results

May 26<sup>th</sup>, 2020



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# 01 | Key Updates and Results

# 1 Calidda at a Glance – COVID19



## OUR PEOPLE

- COVID-19 Protocol (in compliance with provisions of law).
- Minimum and indispensable employees working in-person to guarantee the integrity and continuity of the service, under strict security measures.
- Remote work implemented for the rest of the staff (~90%).
- COVID-19 tests acquired for workers.
- Management commitment and communication plan.

## OUR OPERATION

- Distribution system 100% operative during the health crisis.
- Compliance with network maintenance and emergency response activities.
- Customer service center via telephone operators & digital channels.

## OUR CLIENTS AND COMMUNITY

- Split payment plans for receipts incurred during quarantine for residential customers (DU 035-2020, implementation in process).
- Review of additional business strategies to support other segments affected by the crisis.
- Donation of the connection and habilitation of the Pan-American Villa (COVID-19 Medical Center).

## OUR LIQUIDITY

- Short-term debt for USD 80MM obtained between March (USD 30MM) and April (USD 50MM) to ensure cash availability during the crisis and the start of phase 1 of reactivation.
- Adoption of austerity measures in terms of expenditures.

# 1 Calidda at a Glance



## Key Updates

- During Q1 2020, 33,822 users were connected to the distribution system, while 359 km of networks were built. With this, Calidda has 986,504 customers and 11,525 km of networks in its distribution system.
- The invoiced volume decreased 6% due to the expiration of a contract with a thermoelectric plant (negotiation in process) and the impact of the state of emergency and mandatory quarantine in force since March 16 due to COVID-19. However, Adjusted Revenues and Revenues increased 4%, while EBITDA remained stable.
- The company is executing action plans to mitigate the impact of quarantine and demand decrease, however, a slight deterioration in financial and leverage metrics is expected for 2020 metrics.
- In late April 2020, Fitch and S&P affirmed Calidda's corporate risk and debt rating of BBB (stable outlook) and BBB- (negative outlook), respectively.

Key Operational Results	Q1 2020	Q1 2019	Var %
Accumulated Clients	986,504	802,653	23%
Invoiced Volume (MMCFD) <sup>1</sup>	722	768	-6%
Network Length (km)	11,525	10,035	15%
Potential Clients <sup>2</sup>	1,107,943	990,083	12%
Network Penetration <sup>3</sup>	89%	81%	-

Key Financial Results	Q1 2020	Q1 2019	Var %
Revenues (USD MM)	163	156	4%
Adj. Revenues <sup>4</sup> (USD MM)	70	67	4%
EBITDA <sup>5</sup> (USD MM)	41	41	-
Adjusted EBITDA Margin <sup>6</sup>	59%	61%	-
Net Income (USD MM)	19	20	-6%
Interest Coverage <sup>7</sup> (x)	8.0x	9.1x	-

1) MMCFD = Million cubic feet per day.

2) Number of clients which are located in front of the existing distribution network of Calidda.

3) Network Penetration = Accumulated clients / Potential clients

4) Adjusted Revenues = Revenues less pass-through concepts, such as natural gas, transport of natural gas and IFRIC 12 (investments in the distribution network).

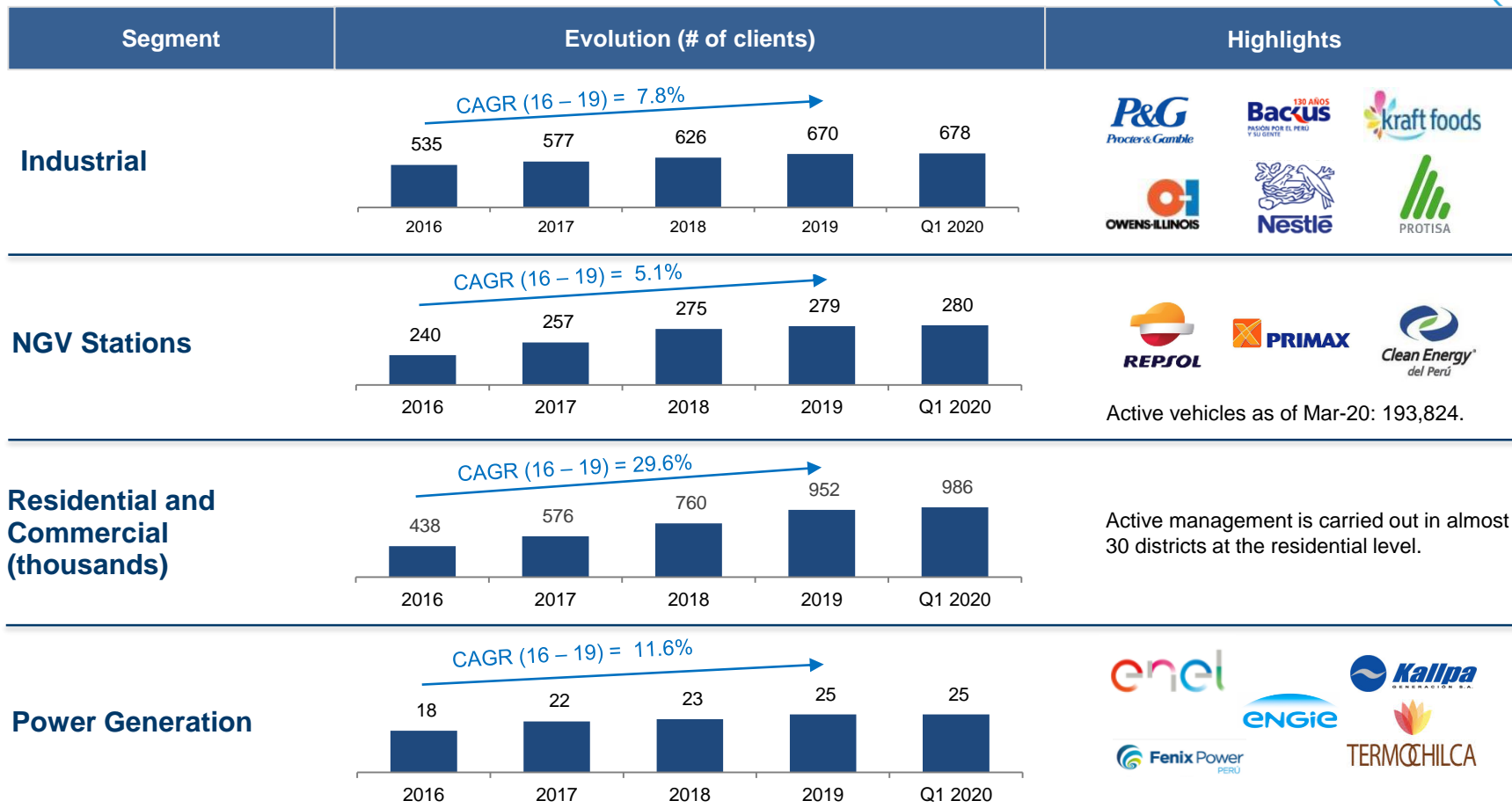
5) EBITDA without extraordinary expenses related to arbitration results.

6) Adjusted EBITDA Margin = EBITDA / Adjusted Revenues

7) Interest Coverage = EBITDA / Interests from debt

# 02 | Commercial Performance

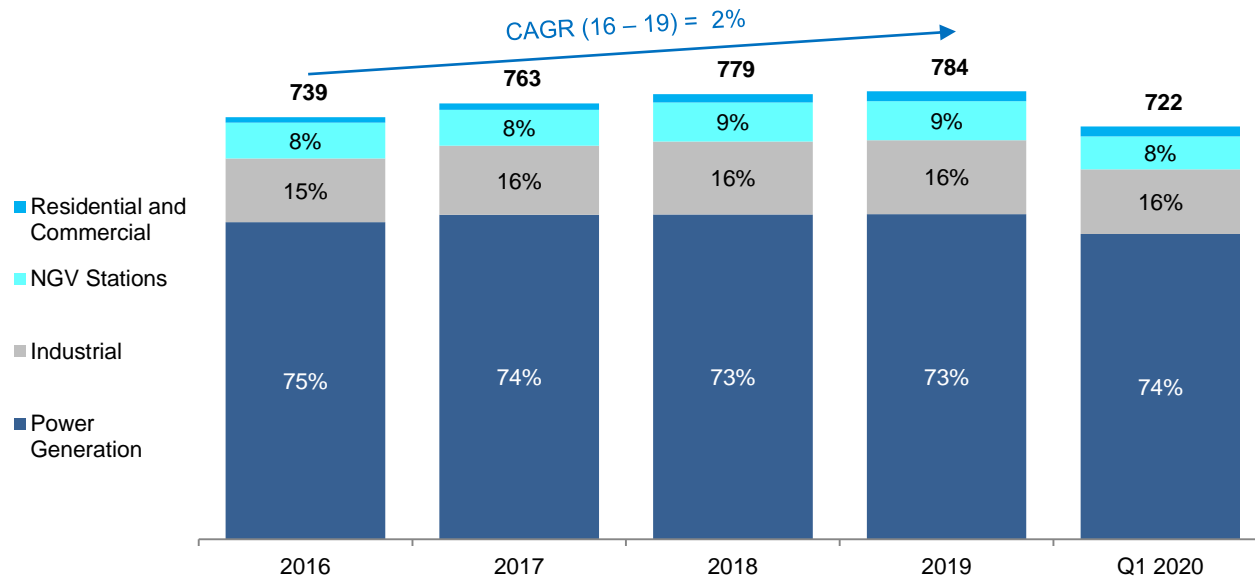
## 2 Solid Base of Clients with upward trend





# 2 Upward Trend of Invoiced Volume

(Amounts expressed in MMCFD)



- 79% of the invoiced volume comes from Take-or-Pay long term contract's with 15 clients.
- Contract's average remaining life is 12 years, and amount 568 MMCFD.



Power Generation  
525 MMCFD



Industrial  
43 MMCFD

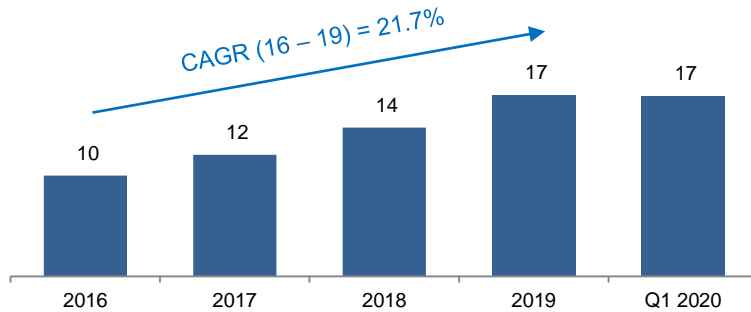
- At the end of Q1 2020, the invoiced volume decreased by 8% vs. the previous year mainly due to the expiration of a distribution contract with the electricity generation company Santa Rosa, which is in the process of negotiation and is consuming NG under its interruptible contract. Additionally, the demand decreased during the second half of March as a result of the mandatory quarantine due to COVID-19 which affected the NGV and industrial segments.

# 2 Historic Invoiced Volume per Client Segment

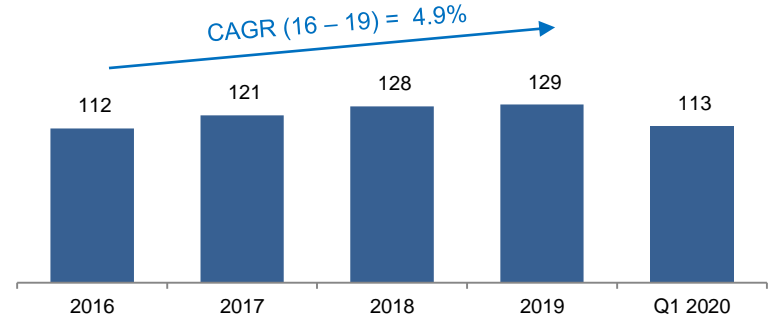
(Amounts expressed in MMCFD)



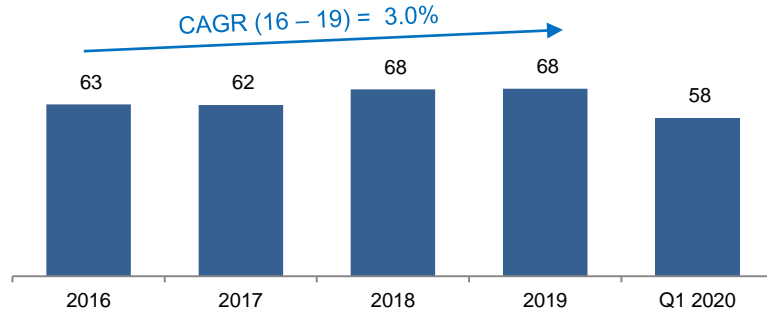
## Residential & Commercial



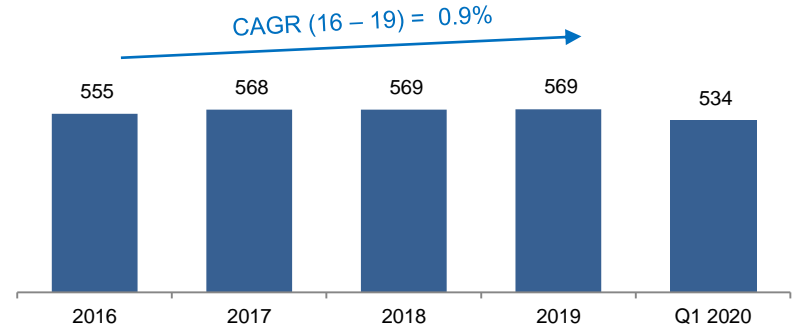
## Industrial



## NGV Stations



## Power Generation

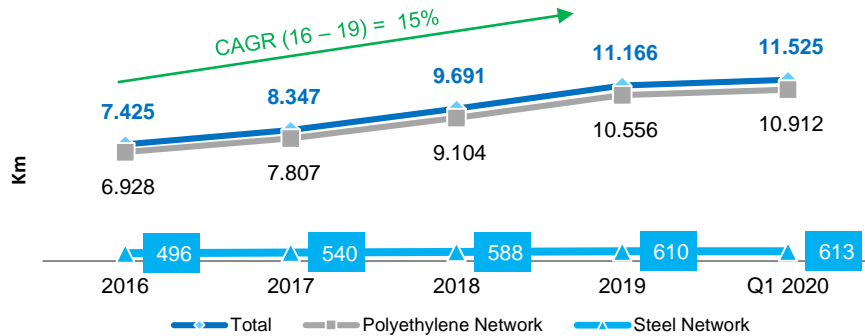


# 03 ▶ Operational Performance

# 3 Large Distribution System with Improving Penetration Index

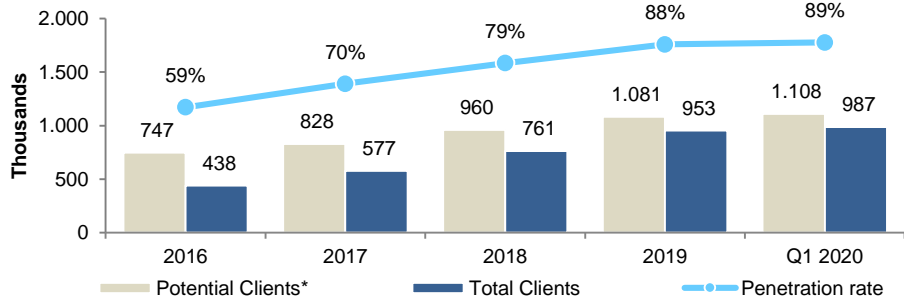


## Distribution System (km)



- At the end of Q1 2020, the Cálidda distribution system consists of 11,525 km of underground networks, the length of which has grown at a rate of 15% per year in the last 3 years.
- During Q1 2020, Cálidda built a total of 359 km, of which 356 km were low pressure polyethylene networks and the remainder in high pressure steel networks.

## Clients progress and penetration ratio<sup>1</sup>



- The network penetration ratio has increased by 30 percentage points in the last three years, reaching 89% at the end of Q1 2020. This is explained by Cálidda's commercial strategy of providing energy solutions to its clients, supported by the subsidy programs implemented by the government, and the care of savings thanks to the GN product of its competitiveness against other substitute fuels.

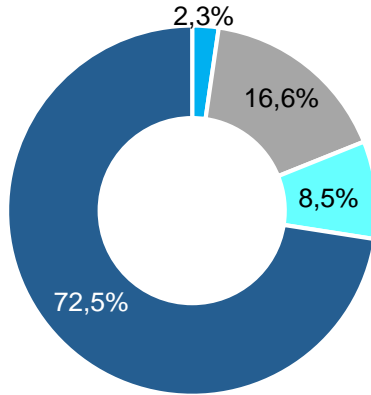
<sup>1</sup>) Penetration Rate = Total Clients / Potential Clients \*  
 (\*) Clients who are adjacent to Calidda's distribution network.

# 04 Financial Performance

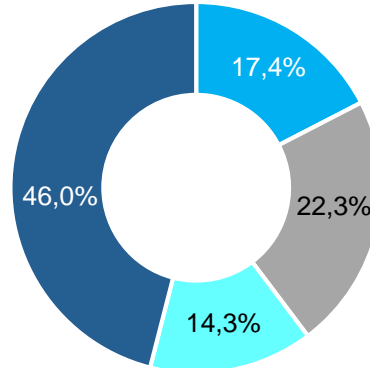
# 4 Diversified Revenues' Source by Client Segment



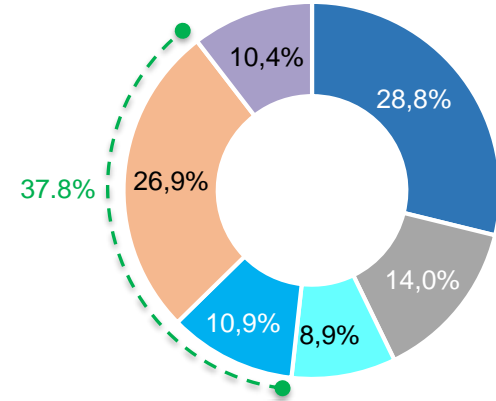
Invoiced Volume



Distribution Revenues



Adjusted Revenues<sup>1</sup>



■ Power Generation ■ Industrial ■ NGV Stations ■ Residential and Commercial ■ Installation Services<sup>2</sup> ■ Others<sup>3</sup>

- As of 1Q 2020, despite the fact that the Residential and Commercial segment represents only 2.3% of invoiced volume, it concentrates 17.4% of Distribution Revenues. In addition, if we consider the revenues from Facilities Services, this segment represents 37.8% of Adjusted Revenues.
- On the other hand, the Power Generation segment represents 72.5% of the invoiced Volume, 46% of the Distribution revenues and 28.8% of the Adjusted Revenues.

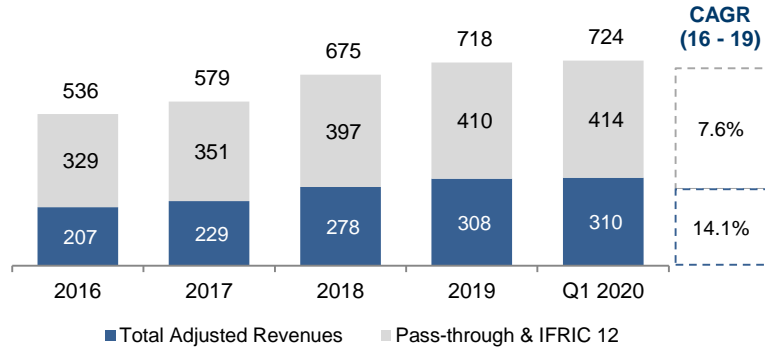
1) Adjusted Revenues = Revenues less pass-through concepts, such as natural gas, transport of natural gas and IFRIC 12 (investments in the distribution network).  
 2) Installation Services Revenues include revenues from the client's facilities, connection fees and financing.  
 3) Others: mainly derived from network relocation and other non recurrent services.

# 4 Sound and Controlled Financial Indicators

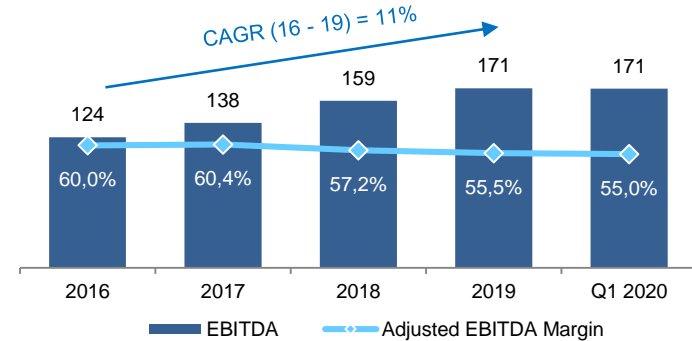
(Amounts expressed in US\$ MM; last twelve months as of Q1 2020)



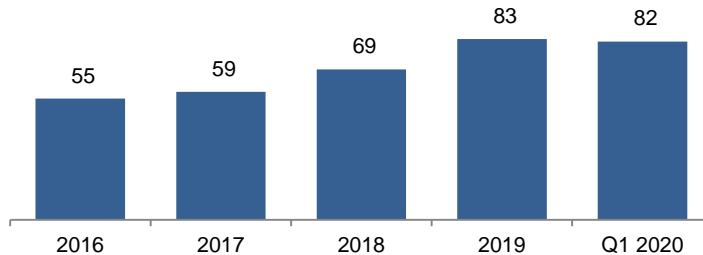
## Total Revenues



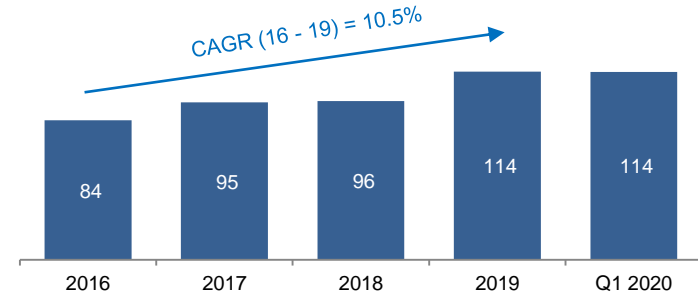
## EBITDA & Adj. EBITDA Margin (%)



## Net Income



## Funds From Operations<sup>1</sup>



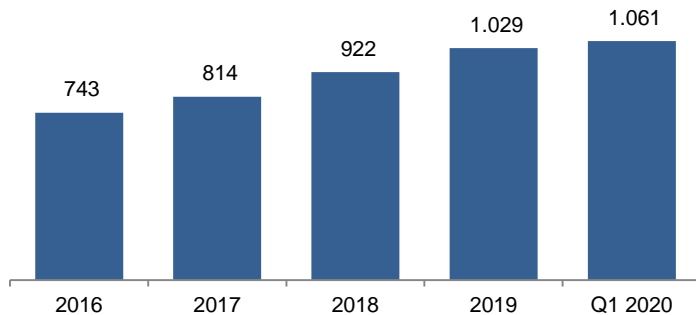
1/ Funds From Operations (FFO) = Net Income + Depreciation & Amortization

# 4 Sound and Controlled Financial Indicators

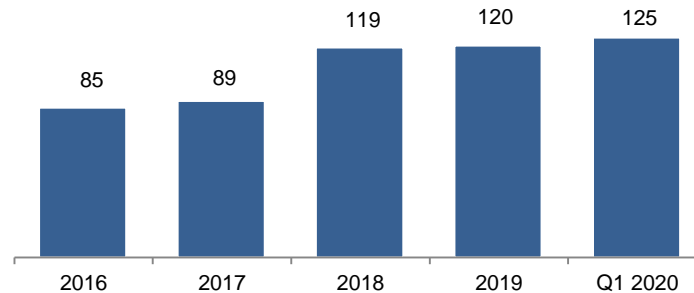


(Amounts expressed in US\$ MM; last twelve months as of Q1 2020)

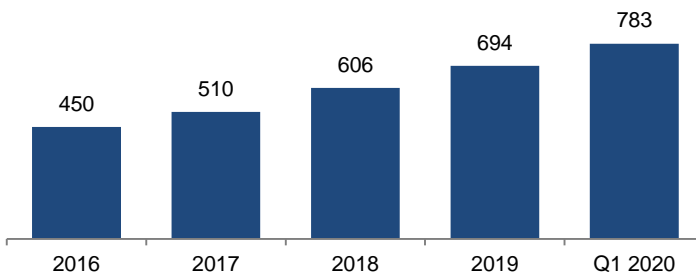
## Total Assets



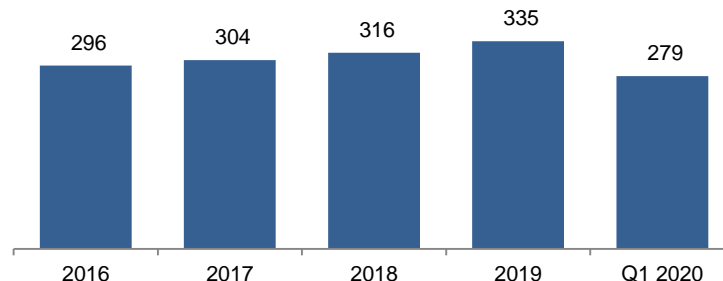
## CapEx



## Liabilities



## Equity



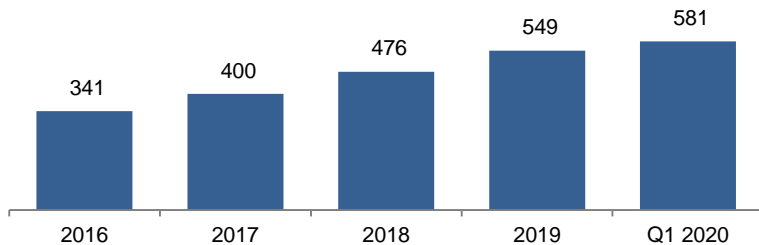


# 4 Sound and Controlled Financial Indicators

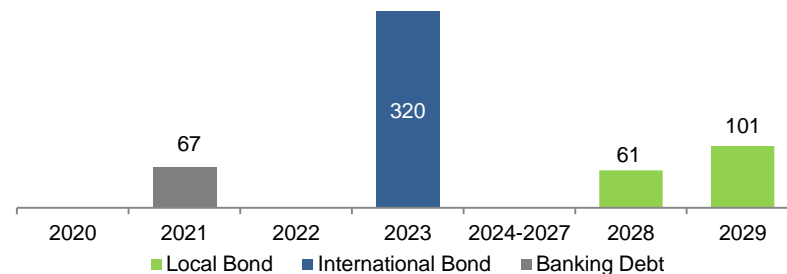
(Amounts expressed in US\$ MM; last twelve months as of Q1 2020)



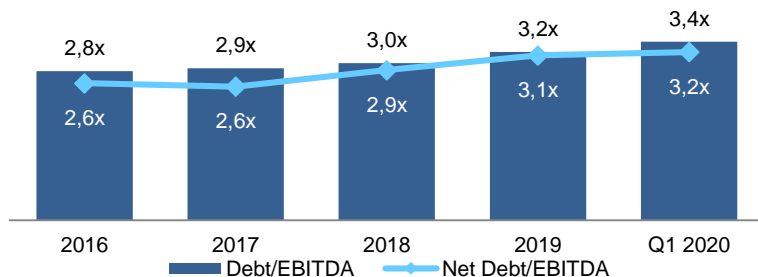
## Total Debt<sup>1</sup>



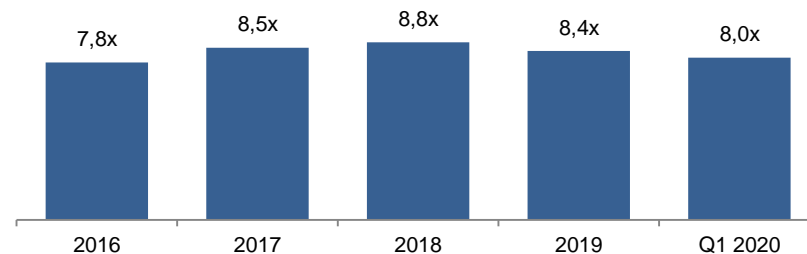
## Debt Maturity<sup>2</sup>



## Debt<sup>3</sup> & Net Debt<sup>4</sup> / EBITDA



## Interest Coverage<sup>5</sup>



1/ Total Debt includes short-term debt of 32 MMUSD  
2/ Includes medium and long-term amortizations.

3/ The financial Debt includes short-term facilities  
4/ Net Debt = Financial Debt – Cash  
5/ Interest Coverage = EBITDA / Accrued interests

# 05 ▶ Conclusions

# 06 ▶ Q&A



# Shareholders with Extensive Experience in Energy Markets



## Stock Control: 60% of property over Calidda

- Leading energy company with businesses in the electricity and NG sectors in Colombia, Peru, Guatemala and Brazil.
- Founded in 1896, and controlled by the District of Bogotá since 1956, with a 65.7% ownership stake.
- Leader in the Energy Sector: major player in the transmission and distribution of electricity and natural gas.
- **Valid Rating:** BBB Fitch Ratings, BBB- S&P, AAA (Col) – Fitch Ratings.

### Controlled Investments



### Non-Controlled Investments



PROMIGAS

## Stock Control: 40% of property over Calidda

- One of the largest distribution and transportation companies of NG in Colombia.
- Founded in 1974 by the government of Colombia. Currently controlled by Grupo Aval.
- Main operator in the distribution of NG in Colombia through Gases de Occidente, Surtigas and Gases del Caribe, and participates in the power distribution in Colombia.
- GEB has 15.2% ownership stake in Promigas<sup>1</sup>.
- **Valid Rating:** BBB- Fitch Ratings, AAA(Col) – Fitch Ratings.

### Controlled Investments



### Non-Controlled Investments



<sup>1</sup> In December 2019, the council of administration decided to reclassify the investment in Promigas from "Asset available for sale" to "associate investment"



# A Calidda's Adjusted Revenues Composition



## Distribution of the Adjusted Revenues (%) – Q1 2020

<b>Distribution service</b>	Main operative income of Calidda which is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	67%
<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>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.	10%

## Pass-Through Concepts

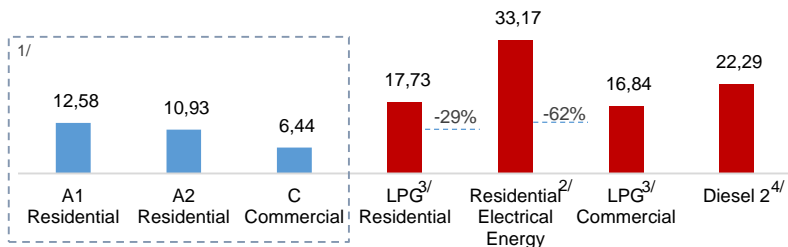
<b>Sell and transport of natural gas</b>	Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
<b>Revenues of network expansion</b>	Pass-through income related to the investments executed by Calidda in order to expand the distribution network.



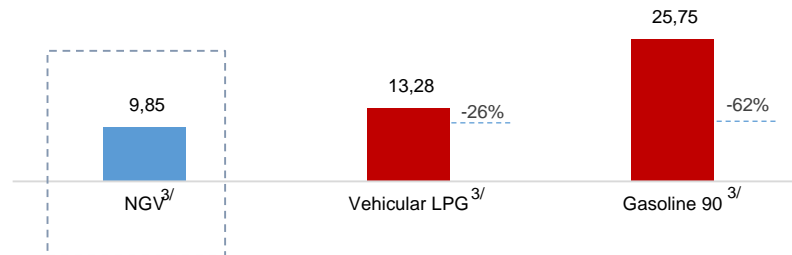
# Competitiveness: Calidda's Final User GN Tariffs vs. Alternatives as of Q1 2020



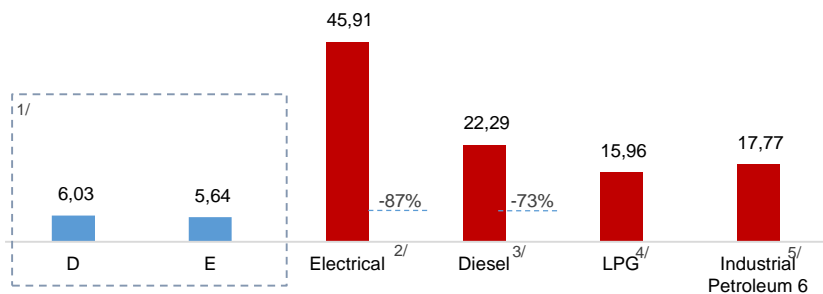
## Residential & Commercial (US\$/MMBTU)



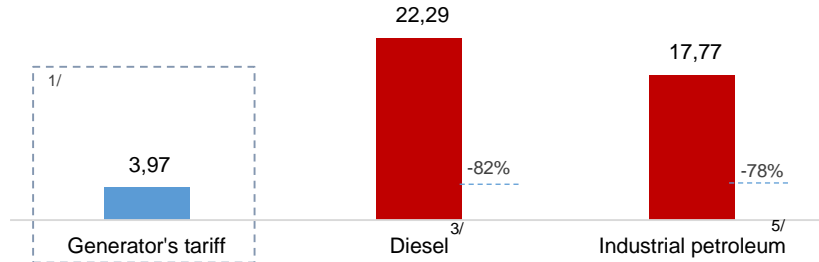
## NGV Stations (US\$/MMBTU)



## Industrial (US\$/MMBTU)



## Power Generation (US\$/MMBTU)



Source:

1/ NG Tariff: According to the distribution tariff sheet as of Mar-20.

2/ Tariff to the BT5B consumer Residential and Non Residential from Luz del Sur as of Mar-20.

3/ Source: FACILITO (Osinergrmin) as of Mar-20.

4/ According to the gas price of distributors of LPG.

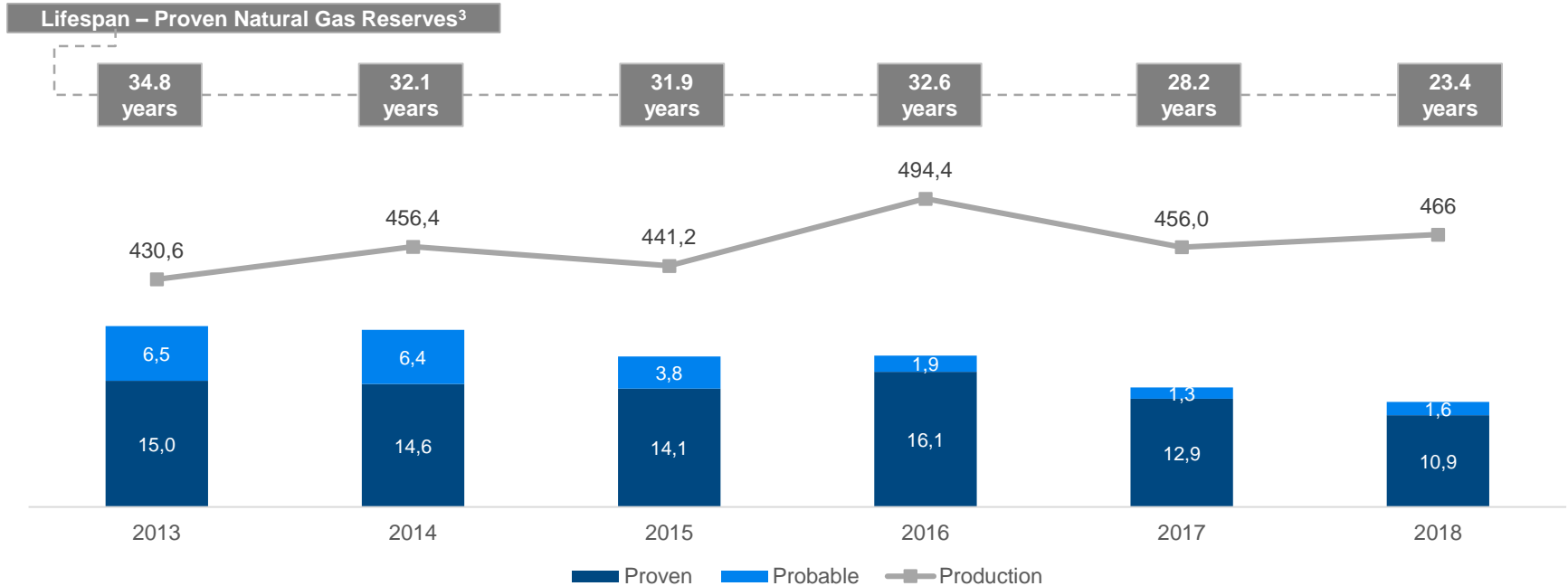
5/ According to Petroperu ex-plant as of Mar-20.

LPG: Liquefied Petroleum Gas  
NGV: Natural Gas for Vehicles

# A Natural Gas Reserves Ensure the Sustainability of Calidda



■ Natural Gas Reserves trend (thousands of trillions of cubic feet)<sup>1</sup> and Production<sup>2</sup> (thousands of millions of cubic feet) in Peru.



1) Source: Ministry of Energy and Mine, up to Dec. 18.

2) Source: Perupetro, up to Dec. 18.

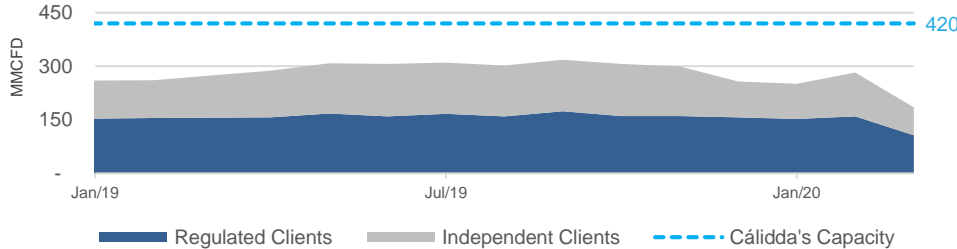
3) Lifespan of Proven reserves = Proven reserves / Production of natural gas. The estimation accounts the natural gas reserves and production of the same year.

# A

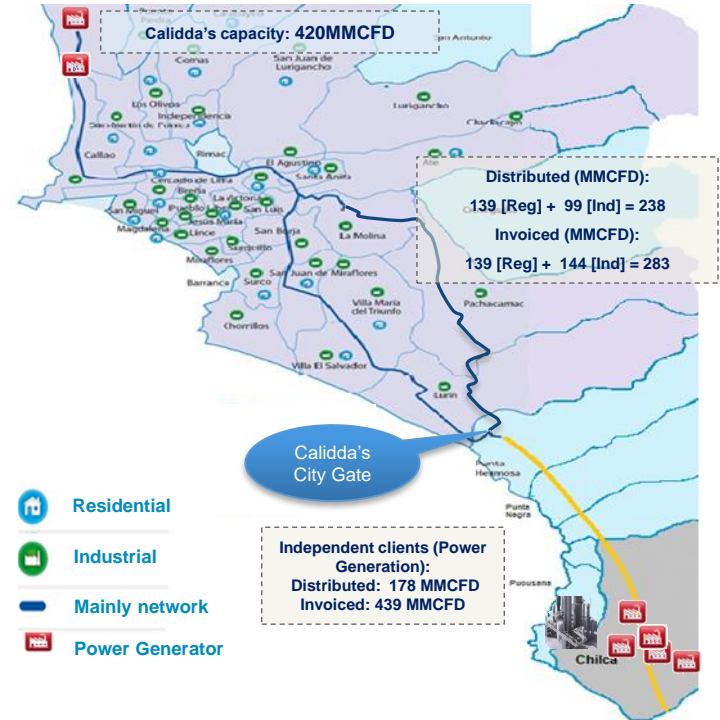
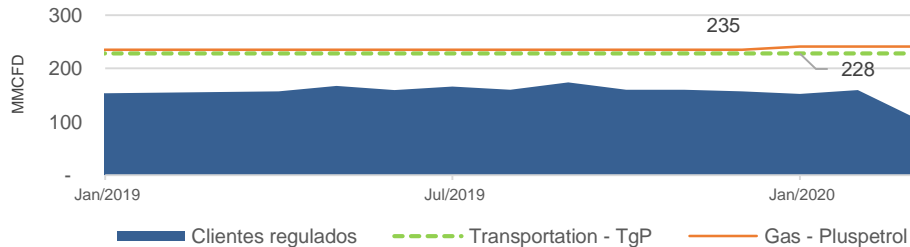
# Natural Gas Distribution and Transportation Capacity

Clients are divided in two groups: (i) Independent Clients, which consume more than 1 MMCFD and sign separated contracts of natural gas (NG) supply, transportation and distribution services, and (ii) Regulated Clients, which consume less than 1 MMCFD and only sign a contract with Calidda, who then provides NG distribution service and acts as an intermediary to supply NG and transportation services.

- During Q1 2019, both Regulated and Independent clients consumed 238 MMCFD, equivalent to 57% of our natural gas distribution capacity (Lurín-Ventanilla).



- Over the same period, Regulated clients consumed around 139 MMCFD, equivalent to 59% of the total contracted supply and transportation volume of natural gas<sup>1</sup>.



<sup>1</sup>/ Contracted volume takes into consideration fixed (Take-or-Pay) and non-fixed (interruptible) contracted capacity.





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