Results Report

3Q21 y 9M21

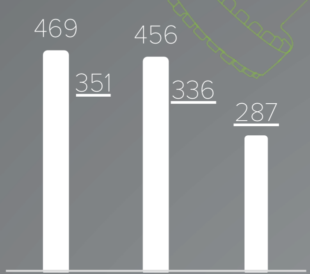
TGI
GrupoEnergíaBogotá

Results

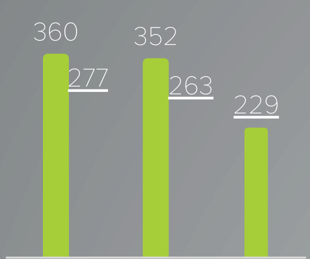
Highlights

3Q21

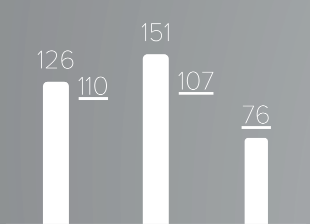
Revenue
(USD mm)



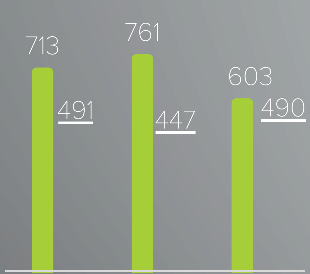
EBITDA
(USD mm)



Net Income
(USD mm)



Firm contracted capacity and transported volume
(Mpcd)



Underline figure: Transported Volume
Data calculated as simple quarterly averages

TGI continues its transformation journey, becoming an active ally in the sector

- Efficiency:
  - i) Lower Opex throughout 2021 (USD 14,2 mm), of which USD 10,4 mm corresponds to structural and sustainable efficiency initiatives
  - ii) Efficiency portfolio for USD 15 mm still in progress
- Growth:
  - i) Transportation capacity auction assures TGI 1,100 kpcd by 2022
  - ii) An active commercial strategy has generated additional revenue for USD 5,9 mm
  - iii) Connection offers were presented for joint maturation with producers and O&M services, supported by a more active vision of the business
  - iv) Regasificadora del Pacífico: TGI withdrew from the process due to the risk assigned to investors.
- Transformation:
  - i) Digital initiative to enable efficiencies in maintenance CAPEX for USD 1,3 mm
  - ii) Expression of interest in the Colombian Government hydrogen roadmap
- Regulatory Framework:
  - i) Resolution No. 102 of 2021 which updates the WACC rate on 10,94%, before taxes.
  - ii) The Resolution that states the value of the assets that have reached their regulatory useful life was published, with a favorable impact on income

Table N°1 – Relevant Financial Indicators	3Q20	3Q21	Var	Var %	sept-20	sept-21	Var	Var %
Revenue (USD thousand)	110.011	96.107	-13.904	-12,6%	335.887	287.136	-48.752	-14,5%
Operating income (USD thousand)	66.147	51.182	-14.965	-22,6%	195.714	158.972	-36.742	-18,8%
EBITDA (USD thousand)	86.680	76.804	-9.876	-11,4%	263.322	228.783	-34.539	-13,1%
EBITDA Margin	78,8%	79,9%	1,1 pp		78,4%	79,7%	1,3 pp	
Net Income (USD thousand)	33.136	25.149	-7.987	-24,1%	107.113	75.929	-31.183	-29,1%
Gross Total Debt / EBITDA*	3,3x	3,6x	0,30x		3,3x	3,6x	0,30x	
EBITDA* / Financial Expenses *	5,0x	4,7x	-0,32x		5,0x	4,7x	-0,32x	
International Credit Rating:								
Fitch – Corporate Rating– Sep. 23 I 21:		BBB, stable						
Moody's – Bond Rating– Sep. 09 I 21:		Baa3, stable						

*LTM

Natural gas market in Colombia

- Domestic natural gas demand varied +12,0% (+100,8 GBTUD) during 3Q21, explained by: i) the recovery of demand in most of the sectors, mainly the industrial-refinery (+58,2 GBTUD) and thermal (+33,4 GBTUD) sectors.
- Domestic demand increased in +14,7% (+72,6 GBTUD), due to: i) a better performance of the industrial-refinery sector (+66,4 GBTUD) and ii) higher thermal consumption (18,1 GBTUD).

Table N°2 – Natural gas demand by sectors	Colombia			Domestic demand		
(GBTUD)	3Q20	3Q21	Var %	3Q20	3Q21	Var %
Industrial – refinery	378	436	15,4%	236	302	28,2%
Residential – commercial	204	201	-1,3%	163	162	-1,0%
Thermal	178	212	18,7%	20	38	90,4%
Vehicular	41	50	23,8%	34	40	18,6%
Petrochemical	0	18	4932,3%	0	0	24,4%
Other Consumption	41	26	-37,5%	39	23	-42,4%
Total	842	943	12,0%	492	565	14,7%

Financial Performance

The following report exhibits the variations, under International Financial Reporting Standards (IFRS), of the comparative financial statements for 3Q20 and 3Q21 (3 months), and the cumulative data as of sep-20 and sep-21 (9 months).

Quarterly Results 3Q21

Revenue

Table N°3 – Revenue Breakdown	USD thousand		Var		USD thousand		Var	
	3Q20	3Q21	USD	%	sept-20	sept-21	USD	%
By type of charge								
Capacity & AOM	102.241	81.932	-20.309	-19,9%	313.301	245.543	-67.758	-21,6%
Variable	5.686	12.813	7.127	125,4%	17.884	36.789	18.905	105,7%
Other income	2.085	1.363	-722	-34,6%	4.702	4.803	101	2,1%
By currency								
Indexed to USD	75.237	71.365	-3.872	-5,1%	229.938	212.442	-17.496	-7,6%
Indexed to COP	34.774	24.743	-10.031	-28,8%	105.949	74.693	-31.256	-29,5%
Total	110.011	96.107	-13.904	-12,6%	335.887	287.136	-48.752	-14,5%

Revenues for 3Q21 decreased to USD 96,1 mm: USD 13,9 mm (-12,6%) less than the same period in 2020. This is due to lower contracted capacity of the Ballena-Barranca section, following the non-renewal, in dic-20, of 202 Mpcd of firm capacity that had been contracted since 2012.

Revenue breakdown by type of charge in 3Q21, is described as follows:

- Capacity revenues related to fixed charges in USD and AO&M (85,3% of the total revenue) decreased in USD 20,3 mm (-19,9%) between 3Q20 (USD 102,2 mm) and 3Q21 (USD 81,9 mm), due to the following:
  - Fixed capacity charges in USD were USD 58,5 mm in 3Q21, a variation of USD -9,8 mm (-14,3%) as a result of: i) the non-renewal of the Ballena Barranca Gas Pipeline contracts (USD -20 mm), partially mitigated by new agreements reached in 2021 for USD +4,6 mm, going from a 251 mpcd contracted capacity in 2020 to 49 mpcd; ii) the amendment of the 100%-0% pair for charges contracts to 80%-20% (USD -5,9 mm), which contributes to reducing the fixed component (this is why fixed charges represent a lower percentage of total revenues in 3Q21); iii) During 3Q20 fixed USD charges were affected by the Transitory Commercial Policy, which ended on September 30, 2020. In 3Q21, a positive effect was attained in this regard USD +9,1 mm.
  - Fixed AO&M charges (paid in Colombian Pesos) were COP 90.039 mm, which represents a decrease of COP 36.586 mm (-28,9%). In USD, they were USD 23,4 mm, which represents a decrease of USD -10,5 mm (-31,1%). On this regard, it is important to mention that in 2020 AOM charges were not affected by the Transitory Commercial Policy in place as a result of the declaration of a State of Economic, Social and Ecological Emergency, through decree 417 of 2020 - COVID 19 and CREG resolution 042 of 2020. Therefore, the relative variation in AOM charges is greater than the variation in fixed capacity charges in USD.
- Variable charges (13,3% of total revenue) reached USD 12,8 mm, with an increase of USD 7,1 mm (+125,4%). This increase is due to: i) the amendment of the 100%-0% pair for charges contracts to 80%-20% and associated deviations; ii) the average volume

transported went from 447 MPCD in 3Q20 to 490 MPCD in 3Q21, an increase of +9,8% (please see operational data).

- Non-regulated operating income, cataloged as complementary services (1,4% of total revenue) were USD 1,4 mm in 3Q21, showing a decline of 34,6% vs. 3Q20, mainly explained by lower income coming from parking services (USD -0,7 mm).

Revenue breakdown by currency is as follows: USD 71,3 mm (74,3%) came from USD-denominated charges (mainly fixed capacity charges and variable charges) and the remaining USD 24,7 mm (25,7%) came from COP-denominated charges (AO&M fixed charges).

- USD-denominated revenues fell -5,1% compared to the same period in 2020. This was caused by the decline in revenues from fixed charges USD -9,8 mm (-14,3%), following the non-renewal of the Ballena Barranca Gas Pipeline contracts, partially mitigated by higher revenues from variable charges USD +7,1 mm (+125,4%), as a result of the amendment in the pair of charges for some contracts. Throughout this quarter, a lower relative variation of USD-denominated income was also seen, given that USD fixed charges revenue in 3Q20 were affected by the Transitory Commercial Policy.
- COP-denominated revenues fell USD 10,0 mm (-28,8%), as consequence of the non-renewal of the Ballena Barranca Gas Pipeline contracts. This variation is higher when compared with the USD-denominated revenues, since COP-denominated revenues from fixed charges and AO&M were less impacted by the Transitory Commercial Policy established in 2020.

Year to date, revenues went from USD 335,9 mm in sep-20 to USD 287,1 mm in sep-21. This reduction of USD 48,7 mm (-14,5%), is mainly explained by lower fixed charges in USD (USD -35,8 mm) and lower AOM charges (USD -32,0 mm) as a consequence of the non-renewal of the Ballena Barranca Gas Pipeline contracts (USD -96,7 mm), partially mitigated by new agreements (USD 21,0 mm) and COVID-recovery USD 22,3 mm.

Operating Costs

Table N°4 – Operating Costs	USD thousand		Var		USD thousand		Var	
	3Q20	3Q21	USD	%	sept-20	sept-21	USD	%
Professional Services	5.123	4.347	-776	-15,2%	15.266	12.728	-2.538	-16,6%
Maintenance	3.380	1.804	-1.576	-46,6%	14.341	5.138	-9.203	-64,2%
Taxes, fees and contributions	616	540	-76	-12,3%	1.823	1.679	-145	-7,9%
Depreciation and amortization	21.806	23.507	1.700	7,8%	65.453	68.530	3.077	4,7%
Other costs	8.070	6.125	-1.945	-24,1%	23.681	18.359	-5.322	-22,5%
Total	38.996	36.324	-2.673	-6,9%	120.564	106.433	-14.131	-11,7%

Operating costs were reduced in USD 2,6 mm (-6,9%) between 3Q20 and 3Q21, due to lower maintenance costs and support services, partially offset by higher depreciations coming from capitalized projects:

- Maintenance (USD -1,6 mm, -46,6%): Lower costs in 2021 as a result of contracts renegotiations: i) USD -1,1 mm in rights-of-way maintenance - change of lining, installation of mechanical reinforcement tapes and lining repairs according to TGI's infrastructure management plan, ii) USD -0,3 mm of costs associated to Gas pipeline integrity (inspection, diagnosis and evaluation services of cathodic protection systems belonging to TGI) and iii) USD -0,1 mm related to the maintenance of TGI buildings.
- Other costs (USD -1,9 mm; -24,1%): mainly due to fuel gas USD -1,1 mm and a higher value recognized in IT infrastructure management for USD -0.8 mm (support and maintenance of licenses, acquisition of licenses for additional modules, communication link services and special technical services).

- Depreciation and Amortization (USD +1,7 mm; +7,8%): Capitalization of the projects Ramal Yariguies, Loop Pto Romero Vasconia, City Gates, Ramal Zona Industrial Cantagallo, Ramal Cantagallo - San Pablo, Ramal Galán Yondo, as well as the capitalization of major maintenance, geotechnical works, Loop Pte Guillermos and Loop Miraflores.

As a result of the Company's performance in terms of revenue and lower operating costs within TGI 2.0 Transformation Plan, gross profit for 3Q2021 was USD 59,8 mm, USD 11,2 mm (-15,8%) lower when compared to the same period in 2020. Accordingly, gross margin in 3Q21 was 62,2%, while in 3Q20 it was 64,6%.

Year to date, operating costs went from USD 120,6 mm in sep-20 to USD 106,4 mm in sep-21, with a decrease of USD 14,1 (-11,7%). The above, is explained by lower maintenance costs according to TGI's infrastructure management plan (USD -8,5 mm), along with the reclassification of personnel expenditures, and the capitalization of investments which led to an increase in depreciation (USD +3,0 mm). On the other hand, savings have also been achieved in contracted technical services (USD -3,1 mm). Given the combined effect on revenues and costs, gross profit for the period was USD 180,7 mm (-16,1%), with a gross margin of 62,9% vs. 64,1% in sep-20.

Administrative and Operating Expenses (net)

Administrative and operating expenses (net from other expenses and revenues) increased 76,7% (USD 3,7 mm), going from USD 4,9 mm in 3Q20 to USD 8,6 mm in 3Q21, mainly due to:

- Depreciations and Amortizations (USD +5,2 mm; 490,2%): i) reversal in 3Q20 of the provision for glosses related to COVID – 19, according to the Transitory Commercial Policy (USD 2,6 mm); ii) recognition of glossed invoices from distributors in July, 2021 for USD 2,4 mm and iii) USD 0,6 mm impairment.
- Taxes, levies and fees (USD -0,5 mm, -53,9%): Due to lower contributions to the Superintendencia de Servicios Públicos and CREG.
- Other income (USD +1,9 mm; +924,8%): Explained by the recovery of provisions related to legal claims (USD 1,2 mm); ii) higher income received from insurance recoveries in 3Q21 for USD 0,4mm and iii) other non-legalized provisions for USD 0,3 mm.

As of sep-21, administrative and operating expenses were de USD 21,7 mm compared to USD 19,6 mm in sep-20, with an increase of USD 2,2 mm (+10,8%). This is mainly because of the recognition of glossed invoices in 2021 (USD +3,8 mm) and a higher inventory provision (USD+0,1 mm), which was partially offset by higher income from insurance recoveries (USD +4,0 mm) and provisions recovery for USD +0,8mm.

Operating Income

The 3Q21 gross profit result, along with the increase in administrative and operating expenses as a result of changes in the receivables provision, led to an operating income of USD 51,2 mm, a drop of 22,6% when compared to 3Q20, placing the operating margin at 53,3% (-6,8 pp).

As of sep-21, operating income accounted for USD 159,0 mm, with a reduction of USD 36,7 mm (-18,8%) in comparison with sep-20. This is due to the combined effect of a lower gross income and higher administrative expenses. However, the operating margin only decreases in 2,9 pb, as a result of the Company's focus on efficiencies that has been sought throughout 2021 to mitigate the effects of lower expected revenues.

Non-Operating Result (net)

The non-operating result went from USD -17,6 mm in 3Q20 to USD -13,8 mm in 3Q21, due to:

- Financial income (USD +0,9 mm; 96,0%): reversal in 3Q21 of the amortized cost of employee loans, in accordance with the migration strategy of S4Hana.
- Financial costs (USD -0,9 mm; -5,2%): Mainly due to the amendment of the intercompany loan interest rate, going from 6,125% to 5,02% in May, 2021.
- Share of profit of associates (USD +2,6 mm; 245,3%): Higher profits in Contugas compared to 3Q20, due to the agreement reached with Aceros Arequipa on the billing claims for gas distribution, transportation, and supply services. This agreement establishes an amendment to the current service contract and the recovery of USD 66 mm account receivable.

As of sep-21, the non-operational result was USD -46,0 mm compared to USD -38,4 mm in sep-20. This variation is explained by a lower contribution from the exchange difference income, higher revenues in Contugas and the renegotiation of the intercompany loan with GEB.

Income Taxes

Income tax was USD 13,3 mm, decreasing in USD 4,4 mm (-24,7%) when compared to 3Q20. This is because of a lower taxable income in 3Q21 as there was a lower operating income.

Deferred tax went from USD +2,3 mm in 3Q20 to USD +1,2 mm in 3Q21 (-49,3%), due to variations in the calculation baseline caused by the exchange differential on the Company's liabilities and assets in foreign currency.

As of sep-21, income tax accounted for USD 38,7 mm compared to USD 58,7 mm in sep-20, as a result of a lower taxable income as explained in the operating results, and the absence of the adjustment made in 2Q20 for USD 7,9 mm. On the other hand, deferred tax decreased in USD 6,8 mm (-80,3%) due to variations in exchange rates.

Net Income

Net income went from USD 33,1 mm in 3Q20 to USD 25,1 mm in 3Q21, which represents a decrease of 24,1%, because of the effects on the operating income which were partially compensated by the non-operational results.

The accumulated net income as of sep-21 is USD 75,9 mm, with a decrease of USD 31,2 mm (-29,1%) due to a reduction in operating income and lower earnings from exchange difference in 1Q21. However, lower financial costs and a higher share of profits of associates are noteworthy.

EBITDA

Table N°5 – EBITDA	USD thousand		Var		USD thousand		Var	
	3Q20	3Q21	USD	Var %	sept-20	sept-21	USD	Var %
EBITDA	86.680	76.804	-9.876	-11,4%	263.322	228.783	-34.539	-13,1%
EBITDA Margin	78,8%	79,9%		1,1 pp	78,4%	79,7%		1,3 pp

EBITDA in 3Q21 was USD 76,8 mm, which represents a decrease of USD 9,9 mm vs. 3Q20 (-11,4%). This is explained by a fall in income of USD 13,9 mm (-12,6%) which was partially mitigated by a reduction of USD -4,0 mm (-17,3%) in OPEX. Reduction in OPEX was caused by the capture of operating efficiencies of USD -3,3 mm and more strict expenses control (USD -1,2 mm), accounting for USD 4,5 mm during 3Q21. This result was offset by a negative exchange rate (TRM) effect of USD +0,1 mm: in 2021 there has been a lower exchange rate (TRM) when compared to 2020, and indexation for USD +0,4 mm. The company's efficiency efforts were reflected in a higher margin of 79,9% compared to 78,2% in 3Q20.

EBITDA as of sep-21 was USD 228,8 mm, with a decrease of USD 34,5 mm (-13,1%). This is explained by a USD -48,7 mm drop in revenues, partially compensated by a reduction of USD 14,2 mm in OPEX. Reduction in OPEX was the result of operating efficiencies (USD 10,4 mm) and a lower execution of the following: maintenance contracts (USD -9,2 mm), lower expenses in IT infrastructure administration contracts (USD -2.4 mm), lower expenses in relation to communities (USD -0.5 mm) and lower expenses for fees and transportation (USD -0.3 mm).

Debt Profile

Table N°6 – Relevant Debt Items	USD thousand		Var	
	sept-20	sept-21	USD	%
Total net debt	994.622	1.033.764	39.142	3,9%
Gross senior debt	758.367	756.503	-1.864	-0,2%
Total gross debt	1.128.367	1.126.503	-1.864	-0,2%
EBITDA LTM*	346.824	316.995	-29.829	-8,6%
Financial expenses LTM*	68.770	67.167	-1.603	-2,3%
Debt Ratios				
Gross total debt / EBITDA*	3,3x	3,6x	0,3x	
EBITDA* / Financial expenses *	5,0x	4,7x	-0,3x	

* *EBITDA and financial expenses in the last twelve months (LTM)*

Financial expenses in 3Q21 were USD 67,2mm, showing a decrease of USD 1,6 mm (-2,3%) compared to the previous period. The above, as a result of the reduction in the intercompany loan interest rate from 6,125% to 5,02%.

Furthermore, gross total debt /EBITDA ratio will tend towards 3,7-3,9x by the end of 2021, given the decrease in revenues due to contractual maturities in the Ballena-Barranca section.

Table N°7 – Debt Profile	Amount USD mm	Currency	Coupon (%)	Maturity
Senior – international bond	750	USD	5,55%	1-nov-28
Intercompany – Subordinated	370	USD	5,02%	21-dic-22
Leasing – Renting	3,5	COP	N/A	Long-term
Financial Liability IFRS 16	3,0	COP	8,64%	N/A

Commercial Performance

Revenue breakdown by sector

Table N°8 – Revenue composition by sector	3Q20	3Q21	sept-20	sept-21
Residential-Distributor	52,1%	69,1%	52,9%	71,8%
Industrial	13,4%	13,6%	12,8%	13,7%
Vehicular	6,5%	4,6%	6,2%	4,8%
Commercial	6,8%	3,7%	6,5%	3,3%
Thermal	8,8%	6,5%	9,1%	4,2%
Refinery	12,5%	2,5%	12,5%	2,2%
Petrochemical	0%	0%	0%	0%
Total	100,0%	100,0%	100,0%	100,0%

* Due to regulatory changes, the revenues composition by sector will begin to be reported according to what is declared by customers in commercial contracts. See appendix 1 - 1Q21 Results Report for pro-forma 2020 information.

The residential and industrial sectors contributed 85,5% of the cumulative revenues as of sep-21. The residential/distribution sector had the highest growth in sep-21, with a share of 71,8% vs. 52,9% in sep-20. Distribution of cumulative income by sectors, presents a similar behavior to that presented so far this year, due to the classification of some refinery clients that are now served by the distribution sector.

Contractual Structure

Table N°9– Contractual structure	Total of Contracts	Take or Pay	Interruptible	Residual Life Take or Pay *(average years)*
sept-20	813	782	31	5,7
sept-21	714	710	4	5,0

Between September 2020 and September 2021, the number of contracts in force went from 813 to 714, since most of the expired contracts were within a monthly contract period and not long-term. At the end of 3Q21, 99,4% of the contracts were take or pay and 0,6% were interruptible. Take or pay contracts are on average, under a weighted ratio of 89% fixed and 11% variable charges.

As of September 2021, the Company has 71,0% of its available capacity contracted, a decrease of 19,8 pp compared to 3Q20, due to the low production of gas sources in La Guajira that led to the non-renewal of some contracts in the Ballena-Barranca pipeline. However, compared to 2Q21 when 67,3% of the available capacity was contracted, there was an increase due to the commercial management achieved within the framework of the TGI 2.0 strategy.

Graph N°1 – Residual contracted life

Operational Performance

Table N°10 – Selected operational indicators	3Q20	3Q21	Var %
Total capacity – Mcfpd	837,8	849,4	1,4%
Take or pay contracted capacity – Mcfpd	761	603	-20,8%
Transported volume – Average Mcfpd	447,3	490,1	9,6%
Load factor	50%	51%	1,3 pp
Availability	100%	100%	0,0 pp
Gas pipeline length – Km	4.017	4.033	0,4%

The total length of TGI's gas pipeline network remains at 4.033 Km, the last extensions were Loop Puente Guillermo - La Belleza phase IV and Loop Porvenir - Miraflores of which 3.883 Km are owned and operated by TGI; the remaining 150 Km, although under its control and supervision, are operated by the contractor, as established in the operation and maintenance contract. The system operates mainly with natural gas coming from the Ballena / Chuchupa and Cusiana / Cupiagua basins.

In 3Q21, , there was an increase in the average daily transported volume of 9,57% compared to 3Q20, due to the normalization of the effects of the pandemic and increases in volumes transported by Promioriente diversions due to the Gibraltar - Bucaramanga pipeline event that prevented deliveries from the Gibraltar field.

Table N°11 – Volume by transporter (Mpcd)	3Q20	Part %	3Q21	Part %	Var %
TGI	447,3	54,9%	490,1	56,3%	9,6%
Promigas	328,8	40,4%	337,5	38,8%	2,6%
Otros	38,0	4,7%	42,7	4,9%	12,4%
Total	814,1	100,0%	870,3	100,0%	6,9%

Of the total volume transported in the national gas pipeline network, TGI continues to be the main player with 490,1 Mcfd average day, while the second is Promigas with 337,5 Mpc average day (the two companies have 95,1%), which corresponds to the transportation of 827,6 Mcfd.

Table N°12 – Total transportation capacity of TGI's system	Capacity Mcfpd*
Ballena – Barracabermeja	260
Mariquita – Gualanday	15
Gualanday – Neiva	11
Cusiana – Porvenir	470
Cusiana – Apiay	64
Apiay – Usme	18
Morichal – Yopal	12
Total	849

Capacity is quantified according to the sections with gas supply entry points.

Projects in execution

Investments amounted USD 4,6 mm during 3Q21, with a decrease of USD 7,5 mm (-61,6%) vs 3Q21 due to the completion of the Cusiana Phase IV Project (USD -5,25mm). In Replacement of Branches, the percentage of physical progress is 99,2%.

Accumulated investments to sep-21 were 21,4 mm (-23,4%). Variation explained by a lower project execution with respect to sep-20: replacement of branch lines (USD -2,9mm), Cusiana Phase IV (USD -1,7mm), expansion of the Cogua operational center (USD -1,0mm) and in tools and equipment (USD -0,8mm).

Cusiana Phase IV

Description	Execution	
Increase natural gas transportation capacity by 58 Mcfd between Cusiana and Vasconia: – Construction of 38,5 Km of loops of 30" diameter – Expansion of Puente Guillermo Gas Compression Station – Modifications to Miraflores and Vasconia Gas Compression Stations	Total Capex	USD 92,3 mm
	Capex executed to date	USD 87,49 mm
	Capex executed in 3Q21	USD 4,2 mm
	Physical Progress of Project	97,7%
	Start of operations: – Station Puente Guillermo: 17 Mcfd / 2Q18 – Loop Puerto Romero – Vasconia: 46 Mpcd / 1Q20 – Loop Puente Guillermo – La Belleza: 10 Mcfd / 4Q20 – Loop El Porvenir – Miraflores: Mcfd / 1Q21	

Replacement of Branches

Description	Execution	
Replacement of 4 branches for reaching their regulatory useful life in accordance with resolution CREG 126 of 2016 and 1 branch by mutual agreement: – Ramal Yariguíes – Puerto Wilches – Ramal – Pompeya – Ramal Z. Industrial Cantagallo – Cantagallo – Ramal Cantagallo – San Pablo Ramal Galán – Casabe – Yondó	Total Capex	USD 11,6 mm
	Capex executed to date	USD 11,5 mm
	Capex executed in 3Q21	USD 0,28 mm
	Physical Progress of Project	99,2%
	Start of operations: – Ramal Yariguíes – Puerto Wilches: 4Q19 – Ramal Pompeya: 4Q19 – Z. Industrial Cantagallo – Cantagallo: 1Q20 – Ramal Cantagallo – San Pablo: 1Q20 – Ramal Galán – Casabe – Yondó: 3Q20	

Regulatory Update

Table N°13 – Regulatory Update

Authority	Resolution	Scope	Status	
CREG	Circular CREG 057 of 2021.	Legal analysis of the resolution establishing the general criteria for the remuneration of the natural gas transportation service and the general scheme of charges of the National Transportation System.	Released	View more
	Resolution CREG 127 of 2021	Supply Plan project procedures.	Released	View more
	Resolution CREG 128 of 2021	Complementary import infrastructure rules.	Released	View more
	Resolution CREG 126 of 2021	Through which Resolution CREG 185 of 2020 is amended.	Released	View more
	Resolution CREG 099 of 2021	Resolve the requests made by Transportadora de Gas Internacional TGI S.A. E.S.P. for the application of Article 14 of Resolution CREG 126 of 2010 in gas pipelines and compressor stations that have reached their regulatory useful life.	Released	View more
UPME	External Circulars 043, 44, 49, 51 and 52 of 2021	Amendments 4 - 8 to the Investment Request Documents of UPME GN No. 01, Pacific Import Infrastructure.	Released	View more
	External Circular No. 059 of 2021.	Minutes of closing of public bidding UPME GN No. 01-2020.	Released	View more
MME	Resolution MME 40286 of 2021	Provisions regarding the execution of Natural Gas Supply Plan projects executed through selection processes.	Released	View more
	Document MME	Hydrogen Roadmap in Colombia	Released	View more
	Resolution MME 014 of 2021	Through which the Natural Gas Production Statement for the period 2021-2030 is published.	Released	View more
	Roadmap document	Energy transformation mission roadmap	Released	View more

Appendix 1. Financial Statements

Table N°14 - Income Statement	USD thousand 3Q20	USD thousand 3Q21	Variation USD	Variation %
Revenues	110.011	96.107	-13.904	-12,6%
Operating costs	-38.996	-36.324	2.673	-6,9%
Gross income	71.015	59.784	-11.231	-15,8%
Gross margin	*64,6%*	*62,2%*		
Administrative and operating expenses (net)	-4.868	-8.602	-3.734	76,7%
Personnel expenses	-1.887	-2.394	-508	26,9%
General expenses	-3.181	-3.597	-415	13,1%
Taxes	-1.073	-495	578	-53,9%
Depreciation, amortization, and provision	1.073	-4.185	-5.258	-490,2%
Other expenses	-1	0	1	-100,0%
Other revenue	202	2.070	1.868	924,8%
Operating income	66.147	51.182	-14.965	-22,6%
Operating margin	*60,1%*	*53,3%*		
Financial costs	-17.498	-16.588	910	-5,2%
Financial revenues	888	1.740	852	96,0%
Foreign exchange difference	29	-561	-590	-2035,3%
Equity Method	-1.057	1.537	2.594	245,3%
Income before income tax	48.508	37.310	-11.199	-23,1%
Current tax	-17.717	-13.349	4.368	-24,7%
Deferred tax	2.345	1.189	-1.157	-49,3%
Net income	33.136	25.149	-7.987	-24,1%
Net margin	*30,1%*	*26,2%*		

Table N°15 – Income Statement	USD thousand sept-20	USD thousand sept-21	Variation USD	Variation %
Revenues	335.887	287.136	-48.752	-14,5%
Operating costs	-120.564	-106.433	14.131	-11,7%
Gross income	215.323	180.702	-34.621	-16,1%
Gross margin	*64,1%*	*62,9%*		
Administrative and operating expenses (net)	-19.609	-21.731	-2.122	10,8%
Personnel expenses	-5.878	-7.701	-1.823	31,0%
General expenses	-9.259	-10.950	-1.691	18,3%
Taxes	-2.317	-1.798	519	-22,4%
Depreciation, amortization, and provision	-4.225	-8.188	-3.963	93,8%
Other expenses	-20	-40	-20	99,7%
Other revenue	2.091	6.948	4.856	232,2%
Operating income	195.714	158.972	-36.742	-18,8%
Operating margin	*58,3%*	*55,4%*	*- 2,9031*	*-498,2%*
Financial costs	-52.578	-49.501	3.077	-5,9%
Financial revenues	3.092	3.212	120	3,9%
Foreign exchange difference	14.071	-529	-14.600	103,8%
Equity Method	-2.959	814	3.773	127,5%
Income before income tax	157.340	112.968	-44.372	-28,2%
Current tax	-58.695	-38.706	19.990	-34,1%
Deferred tax	8.468	1.667	-6.801	-80,3%
Net income	107.113	75.929	-31.183	-29,1%
Net margin	*31,9%*	*26,4%*		

Table N°16 - Balance Sheet	USD thousand dic-20	sept-21
Assets		
Current Assets		
Cash and equivalents	136.628	92.739
Trade and other accounts receivable	62.694	43.150
Inventories	11.691	13.178
Other non-financial assets	3.412	6.975
Total Current Assets	214.425	156.041
Non-Current Assets		
Property, plant, and equipment	2.161.805	2.113.618
Assets by rights of use	2.860	3.551
Investments in associates and subordinates	14.829	15.642
Trade and others account receivable	12.301	12.189
Intangible assets	157.632	156.168
Other financial / non-financial assets	6.301	5.725
Total Non-Current Assets	2.355.727	2.306.894
Total Assets	2.570.152	2.462.935
Liabilities		
Current Liabilities		
Trade and other accounts payable	12.060	2.842
Current tax liabilities	38.480	-4.110
Employee benefits	5.298	4.499
Provisions	14.477	13.647
Financial leases	1.764	1.961
Other financial liabilities	12.306	20.941
Accounts payable to related parties	3.036	6.606
Total Current Liabilities	87.420	46.387
Non-Current Liabilities		
Accounts payable to related parties	370.000	370.000
Financial liabilities	6.188	5.387
Provisions	81.821	76.056
Deferred tax liabilities	345.155	400.639
Bonds issued	746.353	746.637
Other financial liabilities	15.703	14.056
Total Non-Current Liabilities	1.565.221	1.612.776
Total Liabilities	1.652.641	1.659.163
Equity		
Common stock	703.868	703.868
Additional paid in capital	56.043	56.043
Reserves	184.913	203.181
Net income of the period	150.785	75.929
Retained earnings	-35.439	-92.590
Cumulative other comprehensive income	-142.659	-142.659
Total Equity	917.511	803.772
Total Liabilities + Equity	2.570.152	2.462.935

Table N°17 - Cash Flow Statement	USD thousand dic-20	sept-21
Cash Flow from Operating Activities		
Net Income	150.785	75.929
Adjustments for:		
Depreciations and amortizations	94.311	72.604
Unrealized exchange difference	-21.594	529
Employee benefits	-420	-1.669
Amortized cost financial obligations	360	284
Valuation of dismantlement obligations	4.462	3.625
Deferred tax	-14.005	-1.667
Current tax	76.998	38.706
Financial costs	65.433	45.592
Financial revenues	-3.427	-1.543
Valuation of equity participation method	-3.189	-814
Loss in property, plant, and equipment	-2	40
Inventories impairment	666	158
Accounts receivable impairment	3.110	3.951
Provisions recovery	-2.361	-6.942
Net Changes in Operating Assets and Liabilities		
(Increase) decrease in trade and other accounts receivables	17.142	-20.135
Increase in inventories	-98	-1.645
(Increase) decrease in other non-financial assets	15	1.716
Decrease in trade and other accounts payable	-40.575	27.225
Increase (decrease) in employee benefits obligations	1.221	1.051
Decrease in other financial assets	-520	-7.394
(Decrease) increase in estimated liabilities and provisions	3.390	1.660
Interest payments	-42.496	-20.983
Interest payments to related parties	-22.663	-9.855
Paid taxes	-59.629	-68.474
Net cash provided by operating activities	206.914	131.949
Cash Flow from Investing Activities		
Investments in associates	0	0
Property, plant, and equipment	-49.646	-23.219
Intangibles	0	0
Net cash used in investing activities	-49.646	-23.219
Cash Flow from Financing Activities		
Payment of dividends	-96.112	-132.517
Payment of financial obligations	-1.898	-2.642
Acquired financial obligations	0	0
Net cash used in financing activities	-98.010	-135.159
Effect of exchange rate variation on cash and equivalents	-845	-17.460
Net Changes in Cash and Equivalents	58.413	-43.889
Cash and Equivalents at the Beginning of the Period	78.215	136.628
Cash and Equivalents at the End of the Period	136.628	92.739

Appendix 2. Disclaimer and clarifications

This document contains words such as "anticipate", "believe", "expect", "estimate" and others with similar meaning. Any information that is different from the historical information, including, but without limiting to that which refers to the Company's financial situation, its business strategy, its plans and management objectives, corresponds to forecasts.

Forecasts in this report were made under assumptions related to the economic, competitive, regulatory and operational environment of the business and took into account risks beyond the Company's control. Forecasts are uncertain and they may not materialize. One may also expect that unexpected events or circumstances occur. As a result of the foregoing, actual results may differ significantly from forecasts herein contained. Therefore, forecasts in this report must not be considered as true facts. Potential investors must not take into account the forecasts or assumptions herein contained, neither should they base their investment decisions thereupon.

The Company expressly waives any obligation or commitment to distribute updates or revisions of any of the forecasts herein contained. The Company's past performance may not be considered as a pattern of its future performance.

Appendix 3. Terms and definitions

- ANLA: National Environmental License Authority.
- ASME: American Society of Mechanical Engineers.
- Average – Mcfd: It is the average of the transported volume per day during the quarter being studied.
- BEO (Boletín Electrónico de Operaciones) [Electronic Operations Bulletin]: It is a free website that provides commercial and operational information related to the services of a transporter, which includes regulated charges, charges agreed with the market agents, nomination cycle, transportation program, offers to release capacity and gas supply, energy balance accounts and any other information established in the RUT.
- Contract with interruptions or interruptible: A written agreement in which the parties agree not to assume any commitment for the continuity of the supply or transport of natural gas during a specified period. The service may be interrupted by either party, at any time and under any circumstance, by giving advance notice to the other.
- CREG: Colombian Energy and Gas Regulation Commission.
- Firm Contract or that which guarantees firmness: is a written contract in which the agent guarantees the supply service of a maximum amount of natural gas and/or the maximum transportation capacity, without interruptions, during a defined term, except during the days established for scheduled maintenance and works. This contract modality requires physical support.
- GBTUD: Giga British Thermal Unit per-Day.
- ICANH: Colombian Institute of Anthropology and History.
- IPAT: Investments in priority projects of the natural gas supply plan in a transportation system. Specifically, for this document, it refers to projects in the Plan that TGI could execute directly because they are embedded within the transportation system.
- Kcfd: Thousand cubic feet per day.
- MBTU: Million British Thermal Units.
- Mcfpd: Million cubic feet per day.
- mm: Million
- SSPD: Colombian Superintendence of Public Services.
- UPME: Colombian Mining and Energy Planning Unit.