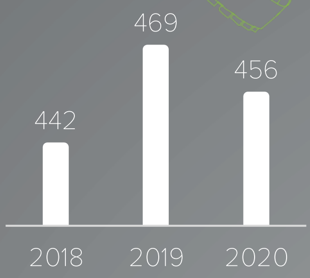
Results Report
4Q20 and FY 2020

Results

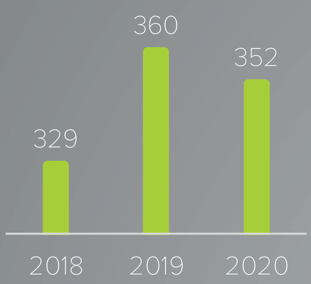
Highlights

4Q20

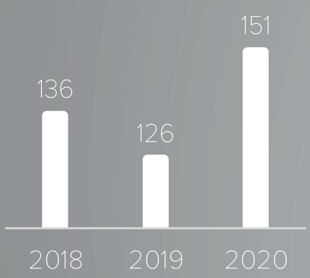
Revenue
(USD mm)



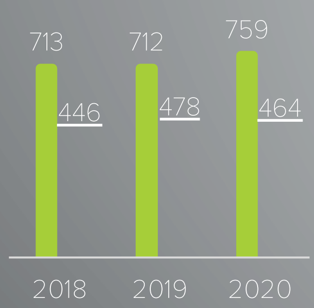
EBITDA
(USD mm)



Net Income
(USD mm)



Firm contracted capacity and transported volume
(Mpcd)



Underlined figure: transported volume

TGI closes 2020 with solid financial results in a year of significant challenges

- EBITDA at the end of the year was USD 352 mm, 2% lower than in 2019
- In 4Q20, capacity charges under take or pay contracts returned to the normal level, prior to the Transitory Commercial Policy (Sep-20)
- Puente Guillermo-La Belleza Loop, 11,5 km gas pipeline, started operation (Dec-20)
- The year closed with strong cash position, even after second dividend payment of COP 185.846 mm and second bond coupon payment of USD 21 mm (Oct-20)
- Ballena-Barranca contractual maturities (Dec-20)

TGI is sustainable development for Colombia

- TGI 2.0: Transformational strategy focused on: operational efficiency, innovation and digitalization, expansion into new businesses, regulation, and culture of change and sustainability
- Budget 2021 was approved, incorporating efficiency goals (Jan-21)
- Tender offer review for natural gas import infrastructure in the Pacific region
- The efficient budget for TGI's 4 IPAT projects related to the 2020 Gas Supply Plan was submitted to CREG (Jan-21)

Table N°1 – Relevant financial indicators	4Q19	4Q20	Var	Var %
Revenue (USD thousand)	117.380	119.881	2.501	2,1%
Operating income (USD thousand)	63.037	59.690	-3.348	-5,3%
EBITDA (USD thousand)	83.502	88.212	4.710	5,6%
EBITDA Margin	71,1%	73,6%	2,4 pp	
Net income (USD thousand)	16.238	43.673	27.434	168,9%
Gross Total Debt / EBITDA*	3,1x	3,2x	0,06x	
EBITDA* / Financial Expenses*	5,2x	5,0x	-0,15x	
International credit rating:				
Fitch – Corporate Rating– Sep. 29 I 20:		BBB, stable		
Moody's – Corporate Rating – Jul. 24 I 20:		Baa3, stable		

Natural gas market in Colombia

- Domestic natural gas demand decreased 18,5% (-186,0 GBTUD) from 4Q19 to 4Q20 explained by: i) slowdown in the industrial-refinery sector (-197,7 GBTUD) due to the impacts of COVID-19 ii) slightly compensated by improved Residential-Commercial (+13,1 GBTUD) and Petrochemical (+35,6 GBTUD) consumption
- Inland demand increased by 3,9% (+21,7 GBTUD) during the same period as a result of: i) higher thermal consumption (+35,5 GBTUD) and better dynamics in the Residential-Commercial sector (+16,6 GBTUD) ii) which offset the drop in Industrial-Refinery consumption (-27,3 GBTUD)

Table N°2 – Natural gas demand by sectors	Colombia			Inland demand		
(GBTUD)	4Q19	4Q20	Var %	4Q19	4Q20	Var %
Thermal	235	258	9,8%	2	37	1792,1%
Residential - commercial	197	210	6,7%	159	175	10,4%
Industrial - refinery	454	257	-43,5%	305	277	-9,0%
Vehicular – CNG	55	25	-54,3%	42	43	0,7%
Petrochemical	17	53	206,5%	0	1	30,1%
Other Consumption	48	17	-63,7%	44	40	-7,9%
Total	1.006	820	-18,5%	552	574	3,9%

Financial Results

This report presents the corresponding variations under International Financial Reporting Standards (IFRS) of the comparative financial statements for 4Q19 and 4Q20 (3 months), as well as the cumulative annual figures as of December 31, 2019 and December 31, 2020 (12 months).

Quarterly Results 4Q20

Revenue

Table N°3 – Revenue Breakdown	USD thousand		Var	
	4Q19	4Q20	USD	%
By type of charge				
Fixed Capacity & AOM	107.417	111.425	4.008	3,7%
Variable	6.726	6.390	-336	-5,0%
Other Revenues	3.237	2.067	-1.171	-36,2%
By Currency				
Indexed to USD	79.559	83.007	3.448	4,3%
Indexed to COP	37.821	36.875	-946	-2,5%
Total	117.380	119.881	2.501	2,1%

Revenue in 4Q20 was USD 119,9 mm, a variation of USD 2,5 mm (+2,1%) compared to the same period of 2019 due to higher revenues from Cusiana Phase IV project, which contributed USD +6,8 mm during the quarter. This was partially balanced by lower revenues from variable charges and complementary services. Likewise, a +9,0% recovery is evidenced in respect of 3Q20 after the ending of the Transitory Commercial Policy (TCP) in September 2020. The TCP allowed a temporary change in the pair of charges (Fixed/Variable) for the Affected Transportation Capacity (ATC) as a consequence of the reduction in gas demand associated with the impacts of COVID-19.

Revenue breakdown by type of charge in 4Q20 is detailed as follows:

- Capacity revenues corresponding to fixed charges in USD and AO&M (92,9% of total revenue) increased USD +4,0 mm (+3,7%) between 4Q19 (USD 107,4 mm) and 4Q20 (USD 111,4 mm), which is explained by the following factors:
  - Fixed capacity charges amounted to USD 76,5 mm, a variation of USD +4,4 mm (+6,1%), mainly due to new Cusiana Phase IV revenues of USD 5,0 mm (+46 MPCD of capacity), slightly offset by higher client's suspensions of USD 0,4 mm.
  - Fixed AO&M charges, which are remunerated in COP, amounted to COP 128.036 mm, a growth of COP 7.472 mm (+6,2%), driven by additional revenues from Cusiana Phase IV (COP 6.000 mm). However, denominated in USD, they decreased by USD 0,9 mm (-2,5%), due to the currency conversion effect with a higher average COP/USD rate.
- Variable charges (5,3% of total revenue) decreased USD 336 thousand (-5,0%) between 4Q19 (USD 6,7 m) and 4Q20 (USD 6,4 mm), mainly due to a lower average gas transported, which was 477,7 Mpcd in the quarter (-1,2%).
- Non-regulated operating revenues, classified as complementary services (1,7% of total revenue), amounted to USD 2,1 mm vs. USD 3,2 mm in 4Q19 (-36,2%), explained by lower revenues from gas dehydration services, gas imbalance, among others.

Revenue breakdown by currency is: USD 83,0 mm (69,2%) comes from USD-denominated charges (mainly fixed capacity and variable charges) and the remaining USD 36,9 mm (30,8%) comes from COP-denominated charges (mainly fixed AO&M charges).

- Revenues denominated in USD increased 4,3% compared to the same period of the previous year. The variation is mainly explained by the behavior of fixed revenues in USD for the reasons explained above related to Cusiana Phase IV project.
- Revenues denominated in COP fell -2,5%, result of the currency conversion effect with a higher average COP/USD rate for AO&M charges, and the reduction in other operating revenues, explained above.

Operating Costs

Operating costs presented a variation of USD -707 thousand (-1,5%) between 4Q19 and 4Q20, mainly explained by lower maintenance and other costs, and higher D&A and fees.

- Maintenance (USD -2,5 mm, -34%): (i) USD -1,5 mm corresponding to higher costs executed in 2019 for the reestablishment of pipeline integrity through the installation of mechanical reinforcement tapes, mechanical repair works and coating changes; ii) USD -700 thousand corresponding to higher costs executed in 2019 associated with civil and geotechnical works on the pipelines rights-of-way, and iii) USD -300 thousand associated with emergency attention due to the sudden flood on Quebrada Aguardiente, which occurred on September 9, 2019, and whose impact was extended to 4Q20.
- Depreciation and Amortization (USD +2,1 mm; +9,8%): (i) USD +1,1 mm as a result of the reassessment of decommissioning cost (WACC discount rate and inflation adjustment); (ii) USD +600 thousand as a consequence of the depreciation of the Loop Puerto Romero Vasconia, which was legalized in December 2020, but came into operation on January 2020, therefore, the accumulated depreciation for the year was recalculated, and (iii) USD +400 thousand corresponds to higher depreciations from major maintenance and city gates.
- Taxes, fees and contributions (USD +328 thousand; +33,7%): Development of demand incentives under the NGV conversion program for USD 295 thousand.
- Other costs (USD -414 thousand: -4,0%): Mainly due to 2019 base effect of i) higher provisions of USD -2,4 mm from Operational Balancing Agreements (OBA) following the gas balance settlement with Chevron, and ii) higher community engagement and licensing costs of USD -600 thousand; partially offset by iii) higher fuel gas consumption at compressors and others of USD +1,9 mm, iv) the tightening of insurance tariffs in 2020 of USD +887 thousand, and v) higher IT infrastructure management costs of USD +628 thousand.

Table N°4 – Operating Costs	USD thousand		Var	
	4Q19	4Q20	USD	%
Professional Services	6.269	6.036	-233	-3,7%
Maintenance	7.368	4.862	-2.506	-34,0%
Taxes, fees and contributions	972	1.300	328	33,7%
Depreciation and amortization	21.531	23.650	2.119	9,8%
Other costs	10.408	9.995	-414	-4,0%
Total	46.549	45.842	-707	-1,5%

As a result of the described performance of revenues and operating cost, gross income for 4Q20 was USD 74,0 mm, an increase of 4,5% compared to the same period of the previous year. The gross margin in 4Q20 was 61,8% vs. 60,3% in 4Q19.

Administrative & Operating Expenses (net)

Administrative and operating expenses (net of other expenses and revenues) increased USD +6,6 mm (+84,1%), from USD 7,8 mm in 4Q19 to USD 14,4 mm in 4Q20, mainly due to:

- Depreciation, Amortization and Provisions (USD +3,8 mm, +357,0%): i) Increase in provisions for non-performing accounts receivable of USD +2,9 mm due to the application of IFRS 9 and billing adjustments; and ii) USD +700 thousand in inventory provisions.
- Taxes, fees and contributions (USD +862 thousand, +49,8%): USD +1,3 mm due to the higher cost of contributions to the SSPD (public utility commission), offset by a lower contribution of USD -140 thousand to the CREG (utilities regulator) and the effect associated with the non-discountable VAT, which is now included as part of the billing value of each item (USD -300 thousand).
- Other revenues decreased by USD -1,8 mm (-82,5%) due to a base effect of higher recoveries of provisions (USD -600 thousand) and refund of ICA (USD -1,1 mm) in 2019. Other expenses increased by USD +336 thousand (+747,5%) as a result of higher expenses for legal proceedings.

Operating Income

The positive result in gross income in 4Q20 was offset by the higher administrative and operating expenses (net) explained above, resulting in an operating profit for the period of USD 59,7 mm, a drop of -5,3% compared to 4Q19, and an operating margin of 49,8% (-3,9 pp).

Non-Operating Result (net)

Non-operating result (net) improved from USD -37,2 mm in 4Q19 to USD -3,3 mm in 4Q20, driven by:

- Participation in the results of associates (USD +24,0 mm; +134,4%): As a result of the improvement in the estimated recoverable value of Contugas' assets (due to a higher recovery probability of non-performing accounts receivable). An adjustment of USD 20 mm was made in Contugas financial statements (a positive figure compared to the impairment adjustments recorded in 2019 and 2018 of USD -51,6 mm and USD -33,4 mm, respectively), resulting in a net profit of USD 19,5 mm in 4Q20. TGI recorded a profit of USD 6,1 mm in its financial statements, proportional to its stake in that company.
- Foreign exchange difference (USD +11,7 mm; -281,1%): Mainly due to the obligation associated with dividends declared in COP, provisions for decommissioning recognized in COP, and the variation of the COP/USD exchange rate, considering the net position in foreign currency.

Income taxes

Current tax increased by USD 10,0 mm (+121,3%) from 4Q19 to 4Q20, reaching USD 18,3 mm, due to higher taxable income as a consequence of the effects explained in the non-operating result.

Deferred taxes passed from an expense of USD 1,3 mm in 4Q19 to an income of USD 5,5 mm in 4Q20 (USD -6,8 mm; -519%), due to the variations caused by the exchange rate differential on the company's liabilities and assets in foreign currency.

Net Income

Net income for 4Q20 closed at USD 43,7 billion, an increase of USD 27,4 billion (+169,0%) and a net margin of 36,4%, driven by non-operating variations associated with the reversal of the impairment in Contugas and foreign exchange income.

EBITDA

EBITDA performance for the quarter reflects the normalization in revenues after two periods affected by the changes in the pairs of charges allowed by the Transitory Commercial Policy, as well as lower costs and expenses (excluding D&A and Provisions), closing 4Q20 at USD 88,2 mm, an increase of USD +4,7 mm (+5,6%) and a margin of 73,6% (+2,4pp).

Table N°5 – EBITDA	USD thousand		Var	
	4Q19	4Q20	USD	Var %
EBITDA	83.502	88.212	4.710	5,6%
EBITDA margin	71,1%	73,6%		2,4 pp

FY 2020 Results

Table N°6 – Relevant financial indicators	Dec-19	Dec-20	Var	Var %
Revenue (USD thousand)	468.820	455.769	-13.052	-2,8%
Operating income (USD thousand)	269.373	255.404	-13.969	-5,2%
EBITDA (USD thousand)	360.423	351.533	-8.890	-2,5%
EBITDA Margin	76,9%	77,1%	0,3 pp	
Net income (USD thousand)	125.878	150.785	24.907	19,8%
Gross Total Debt / EBITDA*	3,1x	3,2x	0,1x	
EBITDA* / Financial Expenses*	5,2x	5,0x	-0,15x	

Revenue

During 2020, revenues reached USD 455,8 mm with a variation of USD -13,0 mm (-2,8%) compared to 2019. This drop is explained by the joint effects of fixed charges in USD slightly higher (start of Cusiana Phase IV projects and application of the Transitory Commercial Policy) and lower fixed charges indexed in COP (currency conversion effect), together with the reduction in variable revenues due to the drop in volumes of gas transported.

- Fixed capacity charges in USD rose to USD 286,8 mm (+0,5%). This variation is positively explained by the entry of Cusiana Phase IV (USD +19,6 mm), together with revenues indexation in USD to the US PPI (USD +4,4 mm), and was offset by the Transitory Commercial Policy (USD -22,2 mm) in effect during 2Q20 and 3Q20. However, thanks to this management it was possible to mitigate an initial estimated impact on revenue of USD 70 mm.
- Fixed charges for AO&M in COP, which were not affected by the TCP, amounted to COP 509.541,4 mm (+8,7%), growth derived from the entry of Cusiana Phase IV (COP 17.885 mm). However, the higher average exchange rate (COP/USD) in 2020 had a negative conversion effect of USD 15,9 mm.
- Variable charges decreased by USD -9,1 mm (-27,2%), impacted by the drop in gas demand in the country, which resulted in some customers using more of their contracts with a higher fixed component.

Revenue breakdown by currency remained stable at 68% USD and 32% COP.

Table N°7 – Revenue Breakdown	USD thousand		Var	
	Dec-19	Dec-20	USD	%
By type of charge				
Fixed Capacity - AO&M	428.102	424.726	-3.376	-0,8%
Variable	33.326	24.274	-9.052	-27,2%
Other Revenues	7.392	6.769	-623	-8,4%
By Currency				
Indexed to USD	319.884	311.792	-8.092	-2,5%
Indexed to COP	148.936	143.976	-4.960	-3,3%
Total	468.820	455.769	-13.052	-2,8%

Operating Costs and Gross Income

Operating costs decreased by USD -2,6 mm (-1,5%) to USD 166,4 mm, due to the mixed effects of reduced personnel services, maintenance orders and contracts, spare parts costs and provisions, which were partially offset by an increase in compressor fuel gas consumption, higher insurance program cost, increased incentives for NGV conversion, contributions to the SSDP and higher depreciation due to the start-up of the Puerto Romero-Vasconia loop.

Table N°8 – Operating Costs	USD thousand		Var	
	Dec-19	Dec-20	USD	%
Professional Services	23.250	21.302	-1.949	-8,4%
Maintenance	24.195	19.203	-4.993	-20,6%
Taxes, fees and contributions	2.678	3.123	446	16,6%
Depreciation and amortization	86.889	89.103	2.214	2,5%
Other costs	31.992	33.675	1.684	5,3%
Total	169.005	166.406	-2.598	-1,5%

As a result, gross income for 2020 was USD 289,4 mm, a variation of USD -10,5 mm (-3,5%) compared to 2019. The gross margin stood at 63,5%, slightly below the 64% presented in 2019.

Administrative & operating expenses (net) and Operating Income

Gross administrative and operating expenses grew USD +697 thousand (+2,0%), explained by i) increase in provisions for non-performing accounts receivables and billing adjustments, ii) inventory provisions iii) payment of contributions to the SSPD and CREG iv) and increase in depreciations related to the entry of projects. Other expenses increased due to higher legal expenses and other income decreased as a result of ICA reimbursements and refunds received in 2019. These led to a net result in Administrative and Operating Expenses of USD +3,5 mm (+11,5%), reaching USD 34,0 mm.

As a result of the lower gross income, an effect of the current situation, and the increase in administration & operating expenses (net), operating income decreased USD -14 mm (-5,2%), closing 2020 at USD 255,4 mm with a margin of 56%, slightly lower than the one recorded in 2019 of 57,5%.

Non-Operating Result (net)

Non-operating result (net) improved, passing from USD -83,7 mm in 2019 to USD -41,6 mm in 2020, mainly explained by: (i) Foreign exchange difference, which recorded an income of USD 21,6 mm (USD +16,5 mm; +325,9%) due to the conversion effect of TGI dividends declared in COP during 2020 (USD +9,7 mm), and provisions for decommissioning (USD 1,3 mm), both generated by a higher devaluation of COP/USD; and ii) Income from participation in the results of associates for USD 3,2 mm (USD +26,2 mm; +113,9%), explained by the impairment adjustment made in Contugas, which resulted in a net profit for this company of USD 10,1 mm at the end of 2020. TGI recorded in its financial statements a profit proportional to its stake in that company.

Income taxes and Net income

Current tax increased USD +14,5 mm (+23,1%), explained by an adjustment of the 2019 taxable income (USD +7,8 mm), and additionally as a result of a higher taxable income in 2020 due to the increase in the company's results. Deferred tax income increased by USD +11,3 mm (+413,4%), as a consequence of the exchange rate differential on the company's liabilities and assets in foreign currency.

Net income for 2020 closed at USD 150,7 mm, an increase of USD +24,9 mm (+19.8%) and a net margin of 33,1% vs 26,8% of 2019, explained by non-operating results that offset the drop in operating income due to the reduction in revenues explained above.

EBITDA

EBITDA performance in 2020 reflects its resilience in a year of significant challenges, supported by: i) adequate management of the COVID situation with the implementation of the Transitory Commercial Policy, mitigating the impact on revenues, and ii) rigor and discipline in OPEX, seeking to protect margins. During the year, EBITDA reached USD 351,5 mm (USD -8,8 mm; -2,5%), with a margin of 77,1% compared to 76,9% presented in 2019.

Table N°9 – EBITDA	USD thousand		Var	
	Dec-19	Dec-20	USD	Var %
EBITDA	360.423	351.533	-8.890	-2,5%
EBITDA margin	76,9%	77,1%		0,3 pp

Debt Profile

Table N°10 – Relevant debt items	USD thousand		Var	
	Dec-19	Dec-20	USD	%
Total net debt	1.056.116	991.325	-64.791	-6,1%
Gross senior debt	761.210	757.952	-3.257	-0,4%
Total gross debt	1.134.330	1.127.952	-6.378	-0,6%
EBITDA LTM*	360.423	351.533	-8.890	-2,5%
Financial Expenses LTM*	69.951	70.244	294	0,4%
Debt ratios				
Gross total debt / EBITDA*	3,1x	3,2x	0,1x	
EBITDA* / Financial expenses*	5,2x	5,0x	-0,1x	

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

Financial expenses in 2020 increased slightly, USD 294 thousand (+0,4%) compared to 2019. It is mainly explained by a lower interest expense of USD 1,8 mm for payment of the IELAH loan, which was offset by a higher financial expense for PPE decommissioning of USD 2 mm.

Table N°11 – Debt profile	Amount USD mm	Currency	Coupon (%)	Maturity
Senior - International bond	750	USD	5,55%	1-Nov-28
Inter-company subordinated	370	USD	6,13%	21-Dec-22
Leasing - Renting	6,0	USD	N/A	Long term
Financial liability IFRS 16	1,9	USD	8,64%	N/A

Commercial Performance

Revenue breakdown by sector

Table N°12 – Revenue breakdown by sector	4Q19	4Q20	Dec-19	Dec-20
Distributor	65,1%	61,4%	65,7%	60,7%
Refinery	13,2%	12,8%	13,2%	12,6%
Thermal	8,9%	8,5%	9,1%	8,8%
Vehicular	6,5%	6,1%	7,0%	6,5%
Commercial	3,9%	2,7%	3,8%	3,5%
Others	2,4%	8,4%	1,3%	8,0%

Of the main sectors served by TGI, regarding the revenue breakdown, the greatest change occurred in the distribution customers, who were the most affected by the contingency and who made a higher usage of the facilities allowed by the Transitory Commercial Policy. The three most representative sectors contributed 82,1% of 2020 revenues and during 4Q20 this percentage stood at 82,7%. It should be noted that the Industrial sector made higher usage of transportation, which is reflected in the increase in the share of Others.

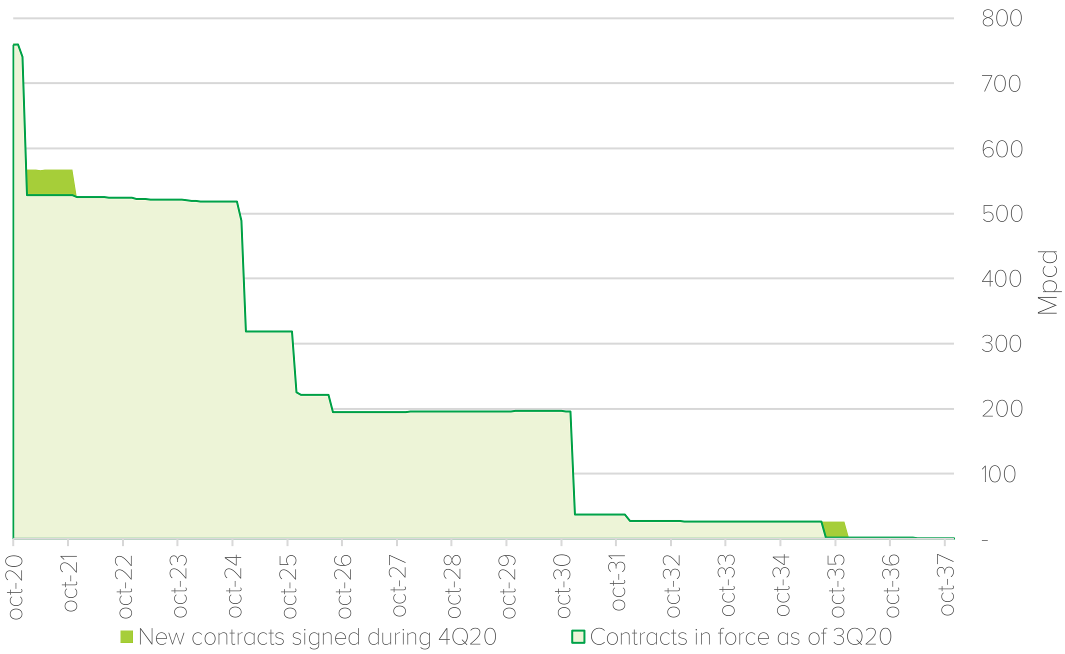
Contractual structure

Table N°13– Contractual structure	Nº Total Contracts	Nº Take or Pay	Nº Interruptible	Residual Life Take or Pay (average years)
Dec-19	1.022	923	99	6,9
Dec-20	830	811	19	5,7

Between Dec-19 and Dec-20, the number contracts decreased from 1.022 to 830, mainly due to short-term contractual maturities throughout the year. At the end of 4Q20, 97,7% of the contracts were take or pay and 2,3% were interruptible. Take or pay contracts are on average under a mix of 91% fixed and 9% variable charges.

The company had 92,2% of its total capacity under contracts in 4Q20. Take or pay contracted capacity increased 6% compared to 2019, reaching 755 Mpcd, of which 46 Mpcd corresponded to the Cusiana phase IV expansion project in 2020.

Graph N°1 – Residual contracted life



Operational Performance

Table N°14 – Selected operational indicators	4Q19	4Q20	Var %
Total capacity – Mcfd	791,8	837,8	5,8%
Firm contracted capacity – Mcfd	712	755	6,0%
Transported volume – Average Mcfd	483,6	477,9	-1,2%
Load factor	54%	51%	-2,9 pp
Availability	100%	100%	0,0 pp
Gas pipeline length – Km	3.994	4.017	0,6%

The total length of TGI's gas pipeline network grew to 4.017 Km, an increase of 0,6% explained by the Cusiana - Vasconia phase IV expansion. TGI owns and operates 3.867 Km; the remaining 150 Km, are operated by the contractor, even though are under the control and supervision of TGI, in accordance with the operation and maintenance contract. The system operates mainly with natural gas from the Ballena / Chuchupa and Cusiana / Cupiagua basins.

Table N°15 – Volume by transporter (Mpcd)	4Q19	Part %	4Q20	Part %	Var %
TGI	483,6	53,0%	477,9	55,4%	-1,2%
Promigas	371,9	40,7%	341,1	39,6%	-8,3%
Otros	57,4	6,3%	43,2	5,0%	-24,8%
Total	912,9	100,0%	862,1	100,0%	-5,6%

In 4Q20, there was a decrease of -1,2% in the volume transported by TGI compared to 4Q19, lower than the drop of -5,6% in the country. This is explained by a lower reduction in demand from the Industrial-Refinery sector compared to other transporters. Consequently, TGI continues to be the main nationwide player with 447,9 Mpcd, followed by Promigas with 341,1 Mpcd. The two companies have 95% of the market, which corresponds to 819 Mpcd of volume transported.

Table N°16 – Total transportation capacity of TGI's system	Capacity Mpcd
Ballena – Barracabermeja	260
Mariquita – Gualanday	15
Gualanday – Neiva	11
Cusiana – Porvenir	458
Cusiana – Apiay	64
Apiay – Usme	18
Morichal – Yopal	12
Total	838

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

Projects in execution

Cusiana Phase IV

Description	Execution	
Increase natural gas transportation capacity by 58 Mpcd 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 92,2 mm
	Capex executed to date	USD 73,7 mm
	Capex executed in 4Q20	USD 3,88 mm
	Physical Progress of Project	90,90%
	Start of operations: – Station Puente Guillermo: 17 Mpcd / 2Q18 – Loop Puerto Romero – Vasconia: 46 Mpcd / 1Q20 – Loop Puente Guillermo - La Belleza: 10 Mpcd / 4Q20 – Loop El Porvenir – Miraflores: 2 Mpcd / 1Q21*	

**Estimated start-up date*

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: – Branch Yariguíes - Puerto Wilches – Branch – Pompeya – Branch Z. Industrial Cantagallo – Cantagallo – Branch Cantagallo – San Pablo – Branch Galán – Casabe – Yondó	Total Capex	USD 11,6 mm
	Capex executed to date	USD 10,9 mm
	Capex executed in 4Q20	USD 0,14 mm
	Physical Progress of Project	98,30%
	Start of operations: – Branch Yariguíes – Puerto Wilches: 4Q19 – Branch Pompeya: 4Q19 – Z. Industrial Cantagallo – Cantagallo: 1Q20 – Branch Cantagallo – San Pablo: 1Q20 – Branch Galán – Casabe – Yondó: 3Q20	

Regulatory Update

Table N°17 – Regulatory Update

Authority	Resolution	Scope	Status	
CREG	CREG 160/20	Natural gas transportation remuneration methodology - General Criteria	In consultation	View more
	CREG 185/20	Rules on the commercialization of transportation capacity in the wholesale natural gas market are established.	Released	View more
	CREG 186/20	Rules on the commercialization of supply in the wholesale natural gas market are established.	Released	View more
	Circular CREG 128 - 2020.	Publication of the study carried out by the firm Econometría Consultores to analyze and evaluate the regulatory dispositions of the domiciliary public service of natural gas that apply to non-regulated users.	In consultation	View more
	Circular CREG 130 - 2020.	Release of the study that serves as input to establish the tariff formula for the unit cost of providing the domiciliary public service of fuel gas through pipeline networks to regulated users for the next tariff period, release to comments by the agents of the sector.	In consultation	View more
	Circular 140 - 2020.	Modification of the indicative regulatory agenda 2021.	Released	View more
SSPD	Resolution SSPD 20201000057975 – 2020	New activities were included in the fuel gas service provision chain, the information reporting criteria for these agents are established and other provisions are dictated.	Released	View more
UPME	Circular UPME 044 -2020	Tender offer UPME GN NO. 01 -2020. Documents for the selection of the investor for the provision of LNG storage, regasification, natural gas transportation and associated services of the Pacific gas import infrastructure.	Released	View more
MME	Resolution MINENERGÍA 40304 - 2020.	Adopts the Natural Gas Supply Plan.	Released	View more

Appendix 1. Financial Statements

Table N°18 - Quarterly Income Statement	USD thousand 4Q19	4Q20	Var USD	%
Revenues	117.380	119.881	2.501	2,1%
Operating costs	-46.549	-45.842	707	-1,5%
Gross income	70.831	74.039	3.208	4,5%
Gross margin	*60,3%*	*61,8%*		
Administrative and operating expenses	-7.794	-14.350	-6.556	84,1%
Personnel expenses	-2.297	-2.476	-178	7,8%
General expenses	-4.831	-4.409	423	-8,8%
Taxes	-1.732	-2.593	-862	49,8%
Depreciation, amortization and provision	-1.065	-4.872	-3.807	357,5%
Other expenses	-45	-380	-335	745,1%
Other revenue	2.177	380	-1.797	-82,5%
Operating income	63.037	59.690	-3.348	-5,3%
Operating margin	*53,7%*	*49,8%*		
Financial costs	-16.191	-17.678	-1.486	9,2%
Financial revenues	1.003	754	-248	-24,8%
Foreign exchange difference	-4.154	7.523	11.676	-281,1%
Participation in the results of associates	-17.866	6.149	24.015	-134,4%
Income before income tax	25.828	56.437	30.609	118,5%
Current tax	-8.271	-18.303	-10.032	121,3%
Deferred tax	-1.319	5.538	6.857	-519,8%
Net income	16.238	43.673	27.434	168,9%
Net margin	*13,8%*	*36,4%*		

Table N°19 - FY Income Statement	USD thousand Dec-19	Dec-20	Var USD	%
Revenues	468.820	455.769	-13.052	-2,8%
Operating costs	-169.005	-166.406	2.598	-1,5%
Gross income	299.816	289.362	-10.453	-3,5%
Gross margin	*64,0%*	*63,5%*		
Administrative and operating expenses	-30.443	-33.958	-3.516	11,5%
Personnel expenses	-8.576	-8.354	222	-2,6%
General expenses	-13.943	-13.668	275	-2,0%
Taxes	-3.762	-4.910	-1.148	30,5%
Depreciation, amortization and provision	-9.052	-9.098	-46	0,5%
Other expenses	-49	-400	-351	716,1%
Other revenue	4.939	2.471	-2.468	-50,0%
Operating income	269.373	255.404	-13.969	-5,2%
Operating margin	*57,5%*	*56,0%*		
Financial costs	-69.950	-70.256	-306	0,4%
Financial revenues	4.151	3.846	-305	-7,3%
Foreign exchange difference	5.070	21.594	16.524	325,9%
Participation in the results of associates	-22.968	3.189	26.157	113,89%
Income before income tax	185.677	213.778	28.101	15,1%
Current tax	-62.527	-76.998	-14.471	23,1%
Deferred tax	2.728	14.005	11.278	413,4%
Net income	125.878	150.785	24.907	19,8%
Net margin	*26,8%*	*33,1%*		

Table N°20 - Balance Sheet	USD thousand Dec-19	USD thousand Dec-20	Var USD	Var %
Assets				
Current Assets				
Cash and equivalents	78.215	136.628	58.413	74,7%
Trade and other accounts receivable	63.680	62.694	-986	-1,5%
Inventories	12.259	11.691	-568	-4,6%
Other non-financial assets	2.575	3.412	837	32,5%
Total Current Assets	156.729	214.425	57.696	36,8%
Non-Current Assets				
Property, plant and equipment	2.159.356	2.161.805	2.449	0,1%
Assets by rights of use	5.983	2.860	-3.123	-52,2%
Investments in associates and subordinates	11.639	14.829	3.190	27,4%
Trade and others accounts receivable	10.808	12.301	1.493	13,8%
Intangible assets	160.895	157.632	-3.263	-2,0%
Other financial / non-financial assets	7.160	6.301	-859	-12,0%
Total Non-Current Assets	2.355.841	2.355.727	-114	0,0%
Total Assets	2.512.570	2.570.152	57.582	2,3%
Liabilities				
Current Liabilities				
Trade and other accounts payable	18.619	12.060	-6.559	-35,2%
Current tax liabilities	39.705	38.480	-1.225	-3,1%
Employee benefits	4.497	5.298	801	17,8%
Provisions	12.374	14.477	2.103	17,0%
Financial leases	3.121	1.764	-1.357	-43,5%
Other financial liabilities	11.282	12.306	1.024	9,1%
Accounts payable to related parties	4.027	3.036	-991	-24,6%
Total Current Liabilities	93.625	87.420	-6.205	-6,6%
Non-Current Liabilities				
Accounts payable to related parties	370.000	370.000	0	0,0%
Financial liabilities	11.210	6.188	-5.022	-44,8%
Provisions	36.121	81.821	45.700	126,5%
Deferred tax liabilities	359.160	345.155	-14.005	-3,9%
Bonds issued	745.993	746.353	360	0,0%
Other financial liabilities	16.448	15.703	-745	-4,5%
Total Non-Current Liabilities	1.538.932	1.565.221	26.289	1,7%
Total Liabilities	1.632.557	1.652.641	20.084	1,2%
Equity				
Common stock	703.868	703.868	0	0,0%
Additional paid in capital	56.043	56.043	0	0,0%
Reserves	172.325	184.913	12.588	7,3%
Net income of the period	125.876	150.785	24.909	19,8%
Retained earnings	-39.683	-35.439	4.244,1	-10,7%
Cumulative other comprehensive income	-138.416	-142.659	-4.242,5	3,1%
Total Equity	880.013	917.511	37.498	4,3%
Total Liabilities + Equity	2.512.570	2.570.152	57.582	2,3%

Table N°21 - Cash Flow Statement	USD thousand Dec-19	USD thousand Dec-20
Cash Flow from Operating Activities		
Net Income	125.876	150.785
Adjustments for:		
Depreciations and amortizations	91.405	94.311
Unrealized exchange difference	-5.070	-21.594
Employee benefits	-364	-420
Amortized cost financial obligations	877	360
Valuation of dismantlement obligations	2.470	4.462
Deferred tax	-2.728	-14.005
Spare parts consumption - assets	1.336	0
Current tax	62.527	76.998
Financial costs	66.605	65.433
Financial revenues	-3.787	-3.427
Valuation of equity participation method	22.968	-3.189
Loss in property, plant and equipment	27	-2
Inventories impairment	-1.896	666
Accounts receivable impairment	3.031	3.110
Provisions recovery	3.757	-2.361
Net Changes in Operating Assets and Liabilities		
(Increase) decrease in trade and other accounts receivables	-10.452	17.142
Increase in inventories	-508	-98
(Increase) decrease in other non-financial assets	-430	15
Decrease in other financial assets	-7	0
Decrease in trade and other accounts payable	-28.801	-40.575
Increase (decrease) in employee benefits obligations	1.118	1.221
Decrease in other financial assets	-158	-520
(Decrease) increase in estimated liabilities and provisions	537	3.390
Increase in tax liabilities	0	0
Interest payments	-44.529	-42.496
Interest payments to related parties	-22.663	-22.663
Interest collections	3.401	0
Paid taxes	-7.590	-59.629
Net cash provided by operating activities	256.952	206.914
Cash Flow from Investing Activities		
Investments in associates	-21.681	0
Property, plant and equipment	-67.954	-49.646
Intangibles	0	0
Net cash used in investing activities	-89.635	-49.646
Cash Flow from Financing Activities		
Payment of dividends	-82.525	-96.112
Payment of financial obligations	-46.598	-1.898
Acquired financial obligations	0	0
Net cash used in financing activities	-129.123	-98.010
Effect of exchange rate variation on cash and equivalents	-6.795	-845
Net Changes in Cash and Equivalents	31.399	58.413
Cash and Equivalents at the Beginning of the Period	46.816	78.215
Cash and Equivalents at the End of the Period	78.215	136.628

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.
- Mcfd: Million cubic feet per day.
- mm: Million
- SSPD: Colombian Superintendence of Public Services.
- UPME: Colombian Mining and Energy Planning Unit.