TGI
GrupoEnergíaBogotá

Results Report
3Q 2020

3Q

3 MONTHS
2019 - 2020

Operating revenues **(-4,9%)**
USD 115,7 mm **USD 110,0 mm**

EBITDA **(-2,1%)**
USD 88,5 mm **USD 86,7 mm**

Net Income **(-7,4%)**
USD 35,8 mm **USD 33,1 mm**

*3Q19: July 1 to September 30, 2019
*3Q20: July 1 to September 30, 2020

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Strategic, Commercial and Operational Performance

- Monica Contreras Esper was appointed TGI's CEO since 19-Oct-20.
- Transitory Commercial Policy ended on 30-Sep-20 (Res. CREG 042-2020).
- 463 dedicated vehicles added, and a new contract signed with the thermal sector.
- Branch replacement Galán-Casabe-Yondó started up in 26-Aug-20.
- Cusiana Fase IV confirms start-up of Loop Puente Guillermo-La Belleza (4Q20) and Loop El Porvenir -Miraflores (1Q21).

Financial Performance

- Moody's affirmed Bond rating at Baa3, stable outlook.
- Fitch affirmed BBB rating, stable outlook.
- **Subsequent events to the quarter:** Second dividend payment of COP 185.846 mm; and ii) second bond coupon payment of USD 21 mm.

Regulatory Update

- C.E UPME 044-2020: 2020: Release of Investor Selection Documents for Public Tender UPME GN No. 01 of 2020 - Natural gas import infrastructure in the Pacific region.
- Res. 40304-2020 MME: 2020: Adoption of Natural Gas Supply Plan.
- Res. CREG 155-2020: 2020: Draft resolution for calculating regulatory WACC.
- Res. CREG 160-2020: 2020: Draft resolution to establish general criteria for remunerating natural gas transportation service.
- Res. CREG 149-2020: Draft resolution for regulating the mechanism to assign gas transportation capacity during contractual congestion.
- Auto CREG I-2020-003545: Administrative actions on assets that reach normative useful life for incorporating new historical information to the process of assets valuation.
- Cir. CREG 100-2020: Draft Resolution with the Indicative Regulatory Agenda for 2021.
- Cir. CREG 080-2020: Fuel Gas Commercialization Schedule for 2020.
- Cir. CREG 076-2020: Adjustment of the Indicative Regulatory Agenda for 2020.
- Res. CREG 153-2020 and MME-MF 40209: Changes to the natural gas payment deferral program for users in the 1 to 4 socioeconomic levels.
- SSPD Behavior Guide: Impacts of risk management in the provision of natural gas service through networks.
- C.E. SSPD 20201000000264: Updates regulatory framework issued during the sanitary emergency.
- Res. MME 40236, 40302/2020 y CREG 163-2020: Additional 10% subsidy for users in the 1 and 2 socioeconomic levels.

Main operational and financial data

Table N°1 – Relevant financial indicators

	3Q 2019	3Q 2020	Var %
Revenues (USD thousand)	115.690	110.011	-4,9%
Operating income (USD thousand)	64.264	66.147	2,9%
EBITDA (USD thousand)	88.534	86.680	-2,1%
EBITDA Margin	76,5%	78,8%	2,3 pp
Net income (USD thousand)	35.766	33.136	-7,4%
Gross Total Debt / EBITDA*	3,2x	3,3x	0,04x
EBITDA* / Financial Expenses*	4,1x	5,0x	0,9x
International credit rating:			
Fitch – Corporate Rating– Sep. 29 | 20:	**BBB, stable**		
Moody's – Bond Rating – Jul. 24 | 20:	**Baa3, stable**		

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

Table N°2 – Relevant operational indicators

	3Q 2019	3Q 2020	Var %
Transported volume – Average Mcfd	490,7	447,3	-8,8%
Firm contracted capacity – Mcfd	713,0	761,0	6,7%

Natural gas market in Colombia

Table N°3 – Natural gas demand

Sectors	Colombia			Inland		
Demand (GBTUD)	3Q 2019	3Q 2020	Var %	3Q 2019	3Q 2020	Var %
Thermal	200,4	178,4	-11,0%	3,3	20,1	505,7%
Residential - commercial	199,0	203,7	2,4%	159,4	163,5	2,6%
Industrial - refinery	460,0	377,5	-17,9%	306,9	235,9	-23,1%
Vehicular – CNG	57,0	40,7	-28,6%	44,0	33,5	-23,9%
Petrochemical	18,2	0,4	-98,0%	0,4	0,4	-15,5%
Other Consumption	47,4	41,3	-12,8%	43,3	39,2	-9,5%
Total	**981,9**	**842,0**	**-14,3%**	**557,4**	**492,5**	**-11,6%**

*3Q20 figures correspond to the information reported as of Aug-20

- At the national level, natural gas demand decreased 14,3% (-140,0 GBTUD) from 3Q19 to 3Q20, on the back of a significant slowdown across sectors. This is explained by the impacts of COVID- 19, particularly in the industry-refinery sector (-17,9%, -82,5 GBTUD). It is worth to highlight the positive behavior in residential-commercial demand (+2,4%, 4,7 GBTUD).
- For its part, the inland market posted a 11,6% reduction (-64,9 GBTUD) in natural gas demand from 3Q19 to 3Q20, due to similar dynamics seen at the national level.
- Despite its slowdown, the industrial-refinery sector stills the most representative in both national and inland demand, with 44,8% and 47,9%, respectively. When compared to 2Q20, it showed a 10,2% recovery (+35,1 GBTUD).

Financial Statement

This report presents the corresponding variations under the International Financial Reporting Standards (IFRS) of the comparative financial statements for 3Q19 and 3Q20 (3 months).

Revenues

Revenues were USD 110,0 mm in 3Q20, decreasing 4,9% compared to 3Q19. From Apr-20 to Sep-20, the company stablished a Transitory Commercial Policy to reduce the impact of COVID-19 in natural gas demand. In this sense, it allowed to change the pair of charges applied to the Affected Transportation Capacity (CTA in Spanish), which accounted, on average, for 9,7% of firm contracted capacity in 3Q20 (vs. 15,7% in 2Q20). As a result, the company was able to mitigate an initial estimated impact of USD 70 mm between 2Q20 and 3Q20.

Revenues performance by type of charges in 3Q20 is detailed below:

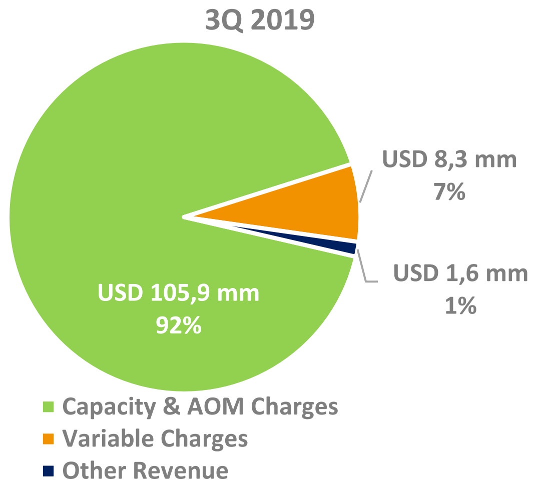
- Revenues corresponding to fixed charges for capacity and AO&M (92,9% of total revenues) decreased USD 3,6 mm (-3,4%) between 3Q19 (USD 105,9 mm) and 3Q20 (USD 102,2 mm), which is explained by the following factors:

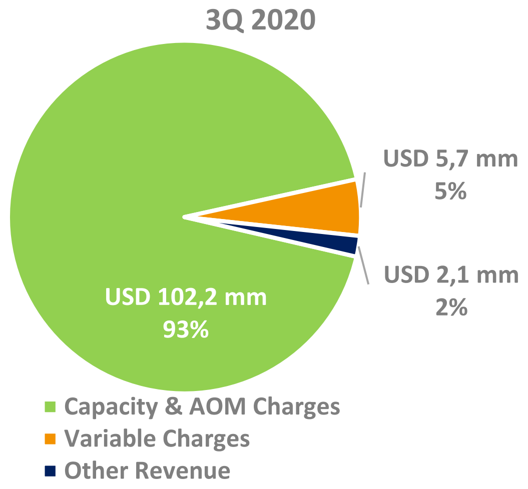
    - Fixed charges in USD fell by USD 2,8 mm (-4,0%), because of the application of the aforementioned commercial policy that impacted these charges by approximately USD 9,5 mm. This effect was partially offset by additional revenues generated by the entry into operation of Loop Puerto Romero - Vasconia (Cusiana Phase IV) in January 2020, which contributed 46 MPCD and during the third quarter of the year provided revenues from fixed charges for approximately USD 5,0 mm.
    - Fixed AO&M charges, which are remunerated in COP, amounted to COP 126.625 mm (+9,9%) in 3Q20, driven by additional revenues from Cusiana Phase IV fixed AO&M charges (COP 6.310 mm). However, when expressed in USD, fell USD 0,8 mm (-2,3%), due to a higher average FX rate that had a negative re-expression effect from COP to USD for approximately USD 3,8 mm.

- Variable charges (5,2% of total revenues) decreased USD 2,6 mm (-31,2%) between 3Q19 (USD 8,3 mm) and 3Q20 (USD 5,7 mm), mainly due to a lower average transported volume during the lockdowns that affected the natural gas consumptions across sectors. Average transported volume in 3Q20 was 447,3 Mcfd vs. 490,7 Mcfd in 3Q19 (-8.8%). Consequently, some agents with diverse contracts (with different pair of charges) made more use of their contracts with a 100-0 pair than those with a variable component.

- The remaining 1,9% corresponds to non-regulated operating revenues, classified as complementary services, which had an upturn of 33,0% in 3Q20 to USD2,1 mm, from USD 1,6 mm in 3Q19, mainly due to parking services.

Graph 1 – Operating revenues by type of charges

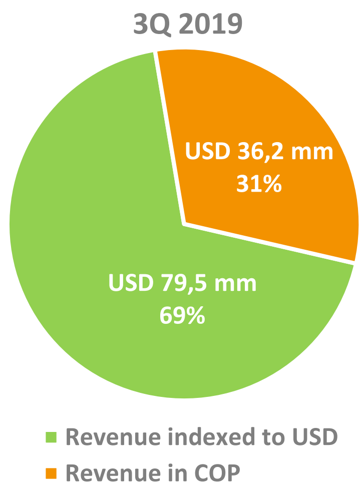


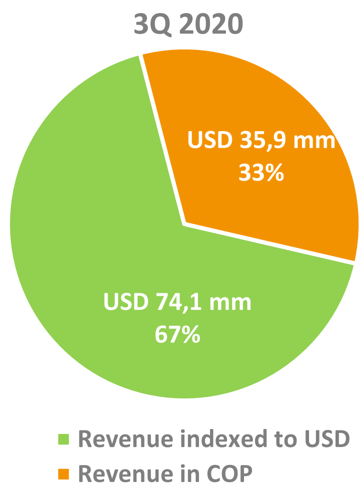


Regarding revenues by currency, USD 74,1 mm (67,3%) come from charges denominated in USD (mainly fixed capacity charges in USD and variable charges) and the remaining USD 35,9 mm (32,7%) come from charges denominated in COP (mainly fixed AO&M charges).

- Revenues denominated in USD decreased 6,8% in 3Q20 compared to 3Q19, reflecting lower fixed charges for capacity and variable charges, due to the reasons already mentioned.
- Revenues denominated in COP fell 0,6%, as a result of the mixed effects of AO&M charges and other operating revenues, explained above.

Graph 2 – Operating revenues by currency





Operating costs

Operating costs decreased 8,2% (-USD 3,5 mm) between 3Q19 and 3Q20, as a consequence of a lower execution of maintenance cost, as well as lower personnel costs and fees.

- Maintenance (-USD 2,3 mm, -40,8%): i) USD 1,2 mm corresponding to higher costs executed in 2019, mainly for the installation of mechanical reinforcement tapes, and mechanical repair works and coating changes, for restoring the mechanical integrity of the pipelines; ii) USD 880 thousand of higher costs executed in 2019, related to inspection services, pipeline diagnostic, analysis and monitoring of mechanical integrity, surface maintenance, pipeline internal cleaning, among others; and iii) USD 220 thousand of higher cost executed in 2019, associated to civil and geotechnical works in the rights of way of TGI's gas pipelines and areas of influence.

As a result of the performance of revenues and operating costs, gross income for 3Q20 was USD 71,0 mm, a decrease of 3% compared to the same period of previous year. Gross margin in 3Q20 stood at 64,6% vs. 63,3% in 3Q19.

Administrative and operating expenses (net)

Administrative and operating expenses (net of other operating revenues and expenses) decreased 45,7%, from USD 8,9 mm in 3Q19 to USD 4,9 mm in 3Q20, mainly driven by:

- Depreciations, Amortizations and Provisions (-USD 4,2 mm, -134,0%): -USD 4,4 mm mainly related to credit notes and billing adjustments due to the commercial policy and agreements with clients, in line with CREG-042 2020 resolution.
- Taxes (+USD 293 thousand, +19,0%): USD 578 thousand mostly derived from higher contribution expenses to SSPD and CREG, compensated by a lower effect in non-refundable VAT.

Operating income

The contraction at the gross profit level in 3Q20 was positively offset by lower administrative and operating expenses (net). As a result, operating income was USD 66,2 mm, a 2,9% increase compared to 3Q19 and an operating margin of 60,1% (+4,6 pp).

Non-operating result (net)

Non-operating result (net) had a downward pressure, going from -USD 14,4 mm in 3Q19 to -USD 17,6 mm in 3Q20. This was explained by lower income from foreign exchange difference (-USD 3,9 mm), due mainly to dividends payable and decommissioning provisions in COP, and the exchange rate variation during the period.

Taxes

Current income tax increased USD 680 thousand (4,0%) from 3Q19 to 3Q20, reaching USD 17,7 mm, explained by a higher taxable income in COP during 2020, due to COP/USD exchange rate effect on fiscal depreciation, administrative and financial expenses.

Deferred income tax went from an income of USD 2,9 mm in 3Q19 to a one of USD 2,3 mm in 3Q20 (-USD 601 thousand), as a result of the exchange rate differential on assets and liabilities in foreign currency.

Net Income

Net income closed at USD 33,1 mm in 3Q20, decreasing 7,4% and posting a net margin of 30,1%, because of mixed effects at the operational level and a lower income from FX difference.

EBITDA

EBITDA's performance reflects the strength and resilience of TGI's operational activity and business development in light of COVID-19 impacts, closing 3Q20 at USD 86,7 mm, with a margin of 78,8%. This result represents a USD 1,9 mm (-2,1%) decrease, but a positive margin variation of 2,3 pp, due mainly to the joint effects of revenues and maintenance costs, explained previously.

Table N°4– EBITDA

	3Q 2019	3Q 2020	Var %
EBITDA (USD thousand)	88.534	86.680	-2,1%
EBITDA Margin	76,5%	78,8%	2,3 pp

Debt profile

Table N°5 – Relevant debt items

	USD thousand			
	Sep-19	Sep-20	Var USD	Var %
Total Net Debt	1.031.210	994.622	-36.589	-3,5%
Gross Senior Debt	766.951	758.367	-8.584	-1,1%
Total Gross Debt	1.136.951	1.128.367	-8.584	-0,8%
EBITDA LTM*	354.216	346.824	-7.393	-2,1%
Financial Expenses LTM*	86.020	68.770	-17.249	-20,1%

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

Table N°6 – Debt ratios

	Sep-19	Sep-20
Gross Total Debt / EBITDA*	3,2x	3,3x
EBITDA* / Financial Expenses*	4,1x	5,0x

During 3Q20, LTM financial decreased USD 17,2 mm (-20,1%) compared to 3Q19, mainly due to: i) Expenses associated to the DMO (Debt Management Operation) on TGI 2022 Bond executed in 4Q 2018, such as the premium paid for the advance Call (USD 14,3 mm), and the underwriting commission for 2028 Bond; and ii) Lower interest expense due to the cancellation of IELAH syndicated loan (USD 40 mm) in Aug-19.

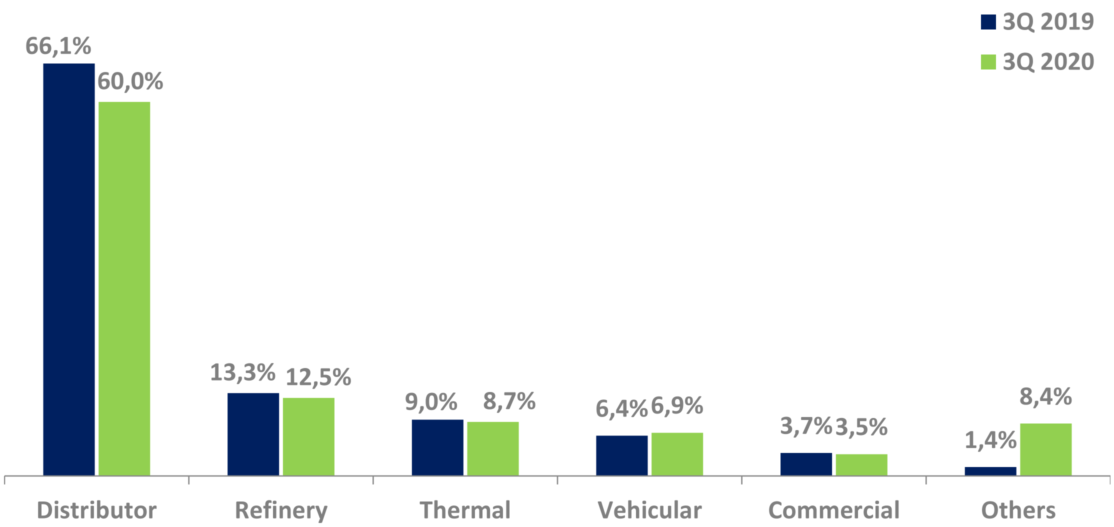
Table N°7 – Debt profile

Debt structure	Amount	Currency	Coupon (%)	Maturity
Senior - International bonds	750	USD mm	5,55%	1-nov-28
Inter-company - Subordinated	370	USD mm	6,13%	21-dec-22
Leasing – Renting	6	USD mm	N/A	Long Term
Financial Liability IFRS 16	2,5	USD mm	8,64%	N/A

Commercial Performance

Revenues by sector

Graph 3 - Revenues composition by sector



Main sectors served by TGI maintained a relatively stable percentage in revenues distribution, although with some variations. The three most representative sectors contributed with 81,2% of 3Q20 revenues. Others share increased due to a higher utilization of contracts.

Contractual structure

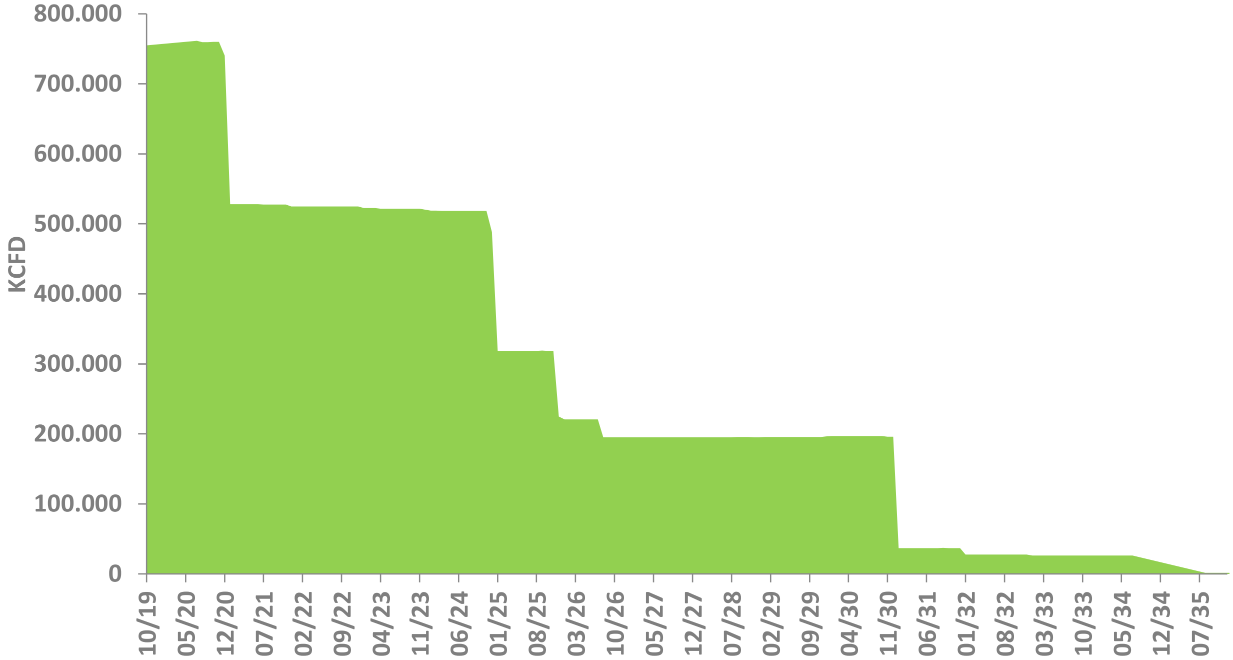
Table N°8– Contractual structure

Period	Nº Current Contracts	Nº Firm Contracts	Nº Interruptible Contracts	Residual Life Spam Firm Contracts (average years)
Sep-19	978	925	53	7,1
Sep-20	813	782	31	5,7

Between Sep-19 and Sep-20, current contracts went from 978 to 813, due to the expiration of contracts with one-month term. At the end of 3Q20, 96,2% were firm contracts and 3,8% interruptible. Firm contacts are under an average pair of 91% fixed chargers and 9% variable.

As of Sep-20, the Company has contracted 92,5% of its available capacity. Firm contracted capacity increased by 6,76% compared to the same period of 2019, reporting 761 Mcfd, of which 46 Mcfd correspond to the entry into operation of the expansion project Cusiana - Vasconia phase IV in January 2020.

Graph Nº 4 - Residual Contractual Lifespan



Operational Performance

Table N°9 – Selected operational indicators

	3Q 2019	3Q 2020	Var %
Total capacity - Mcfd	791,8	837,8	5,8%
Transported volume - Average Mcfd	490,7	447,3	-8,8%
Use factor	52,9%	49,7%	-3,1 pp
Availability	99,7%	100,0%	0,3 pp
Gas pipeline length - Km	3.994	4.017	0,6%

Total length of TGI gas pipeline network grew to 4.017 km (due to Cusiana - Vasconia phase IV expansion), of which 3.867 km are owned and operated by TGI; the remaining 150 Km, even though are under the control and supervision of TGI, are operated by the contractor, in accordance with the operation and maintenance agreement. The system receives natural gas mainly from the Ballena / Chuchupa and Cusiana / Cupiagua basins.

Table N°10 – Volume by transporter (Mcfd)

	3Q 2019	Part %	3Q 2020	Part %	Var %
TGI	490,7	55,2%	447,3	54,9%	-8,8%
Promigas	353,7	39,8%	328,8	40,4%	-7,0%
Others	44,8	5,0%	38,0	4,7%	-15,1%
Total	**889,1**	**100,0%**	**814,1**	**100,0%**	**-8,4%**

In 3Q20, average daily volume transported decreased 8,8% compared to 3Q19, due to the reduction in consumption, affected by the lockdowns. However, during the quarter, there was an upturn in volumes compared to 2Q20 (+3,83%). Of the total volume transported in the national pipeline network, TGI continues to be the main player with 447,3 Mcfd, while the second is Promigas with 328,8 Mcfd. The two companies transported 776,1 Mcfd in 3Q20 (95,3%).

Table N°11 – Total transportation capacity of TGI's system

By section – Mcfd	Transportation Capacity
Ballena – Barracabermeja	260,0
Mariquita – Gualanday	15,0
Gualanday – Neiva	11,0
Cusiana – Porvenir	458,0
Cusiana – Apiay	64,2
Apiay – Usme	17,8
Morichal – Yopal	11,8
Total	**837,8**

Projects in execution

Table N°12 – Projects in execution

Project	Description	Execution
Cusiana Fase IV	Increase the 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 69,9 mm • Capex executed in 3Q20 – USD 6,3 mm • Physical Progress of Project – 86,5% • Start of operations: – Puente Guillermo Station: 17 Mcfd – 2Q18 – Loop Puerto Romero – Vasconia: 46 Mcfd – 1Q20 – Loops Puente Guillermo – La Belleza (4Q20*) & El Porvenir – Miraflores (1Q21*): 12 Mcfd – 1Q21*
Replacement of Branches	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 Yarigüíes - 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 10,8 mm • Capex executed in 3Q20 – USD 0,9 mm • Physical Progress of Project – 93,6% • Start of operations: – Yarigüíes – Puerto Wilches: 4Q19 – Pompeya: 4Q19 – Z. Industrial Cantagallo – Cantagallo: 1Q20 – Cantagallo – San Pablo: 1Q20 – Galán – Casabe – Yondó: 3Q20

*Estimated date for entry into operation

Update on financial expectations

Revenues	Better demand performance, mainly due to Thermal dispatch in May-June and consumption recovery in some sectors. This has resulted in a lower-than-expected impact on Affected Transport Capacity (CTA in Spanish). Tansitory Commercial Policy ended in Sep-20.	c. -9% vs Plan 2020
Accounts Receivables Provisions	Collections have behaved according to expectations, without evidencing risks on accounts receivables	Acceptable levels
Costs and Expenses	Control of costs & expenses has been in line with definitions made by the company at the beginning of the lockdowns and no variations are projected regarding the lower estimated execution	c. -10% vs Plan 2020
Cash Balance	Company's liquidity has remained in a solid position and no financing needs are foreseen	Acceptable levels

Appendix

Appendix 1. Financial Statements

Table N°13 - Income Statement	USD thousand		Variation	
	3Q 2019	3Q 2020	USD	%
Revenues	**115.690**	**110.011**	**-5.679**	**-4,9%**
Operating costs	-42.462	-38.996	3.465	-8,2%
Gross income	**73.228**	**71.015**	**-2.213**	**-3,0%**
Gross margin	*63,3%*	*64,6%*		
Administrative and operating expenses	**-8.965**	**-4.868**	**4.097**	**-45,7%**
Personnel expenses	-2.320	-1.887	433	-18,7%
General expenses	-3.254	-3.181	73	-2,2%
Taxes	-780	-1.073	-293	37,6%
Depreciation, amortization and provision	-3.153	1.073	4.225	-134,0%
Other expenses	0	-1	-1	100%
Other revenue	541	202	-339	-62,7%
Operating income	**64.264**	**66.147**	**1.883**	**2,9%**
Operating margin	*55,5%*	*60,1%*		4,6%
Financial costs	-17.708	-17.498	210	-1,2%
Financial revenues	1.086	888	-198	-18,3%
Foreign exchange difference	3.977	29	-3.948	-99,3%
Participation in the results of associates	-1.761	-1.057	703	39,9%
Income before income tax	**49.857**	**48.508**	**-1.349**	**-2,7%**
Current tax	-17.037	-17.717	-680	4,0%
Deferred tax	2.946	2.345	-601	-20,4%
Net income	**35.766**	**33.136**	**-2.631**	**-7,4%**
Net margin	30,9%	30,1%		

Table N°14 – Balance Sheet

	USD thousand		Variation	
	Sep-19	Sep-20	USD	%
Assets				
Current Assets				
Cash and equivalents	105.741	133.745	**28.004**	**26,5%**
Trade and other accounts receivable	58.991	57.731	**-1.260**	**-2,1%**
Inventories	10.538	12.169	**1.631**	**15,5%**
Other non-financial assets	5.064	6.640	**1.576**	**31,1%**
Total Current Assets	**180.334**	**210.285**	**29.951**	**16,6%**
Non-Current Assets				
Property, plant and equipment	2.163.964	2.123.071	**-40.893**	**-1,9%**
Assets by rights of use	8.069	2.824	**-5.245**	**-65,0%**
Investments in associates and subordinates	7.825	8.683	**858**	**11,0%**
Trade and others accounts receivable	9.897	10.308	**410**	**4,1%**
Intangible assets	159.650	157.812	**-1.838**	**-1,2%**
Other financial / non-financial assets	6.783	5.645	**-1.139**	**-16,8%**
Total Non-Current Assets	**2.356.189**	**2.308.343**	**-47.846**	**-2,0%**
Total Assets	**2.536.523**	**2.518.628**	**-17.895**	**-0,7%**
Liabilities				
Current Liabilities				
Trade and other accounts payable	14.616	10.882	**-3.734**	**-25,5%**
Current tax liabilities	32.526	20.642	**-11.884**	**-36,5%**
Employee benefits	3.743	4.115	**372**	**9,9%**
Provisions	11.119	9.323	**-1.796**	**-16,2%**
Financial leases	4.213	2.329	**-1.884**	**-44,7%**
Other financial liabilities	35.567	21.783	**-13.784**	**-38,8%**
Accounts payable to related parties	47.681	56.108	**8.427**	**17,7%**
Total Current Liabilities	**149.465**	**125.182**	**-24.283**	**-16,2%**
Non-Current Liabilities				
Accounts payable to related parties	370.000	370.000	**0**	**0,0%**
Financial liabilities	12.738	6.038	**-6.701**	**-52,6%**
Provisions	36.779	32.720	**-4.059**	**-11,0%**
Deferred tax liabilities	357.841	350.692	**-7.148**	**-2,0%**
Bonds issued	745.906	746.261	**355**	**0,0%**
Other financial liabilities	0	13.896	**13.896**	**100,0%**
Total Non-Current Liabilities	**1.523.264**	**1.519.608**	**-3.657**	**-0,2%**
Total Liabilities	**1.672.729**	**1.644.790**	**-27.940**	**-1,7%**
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	109.640	107.114	**-2.526**	**-2,3%**
Retained earnings	-35.439	-35.439	**-0**	**0,0%**
Cumulative other comprehensive income	-142.643	-142.660	**-17**	**0,0%**
Total Equity	**863.793**	**873.839**	**10.046**	**1,2%**
Total Liabilities + Equity	**2.536.523**	**2.518.629**	**-17.894**	**-0,7%**

Table N°15 - Cash Flow Statement

	USD thousand	
	Sep-19	**Sep-20**
Cash Flow from Operating Activities		
Net Income	**109.640**	**107.114**
Adjustments for:		
Depreciations and amortizations	68.428	69.428
Unrealized exchange difference	-9.224	-14.071
Employee benefits	-252	-309
Amortized cost financial obligations	789	268
Valuation of dismantlement obligations	2.405	3.312
Deferred tax	-4.047	-8.468
Current tax	54.256	58.695
Financial costs	50.564	48.998
Financial revenues	-2.896	-2.783
Valuation of equity participation method	5.101	2.959
Loss in property, plant and equipment	0	-2
Inventories impairment	-1.901	-3
Accounts receivable impairment	3.399	195
Provisions recovery	-1.016	-2.036
Net Changes in Operating Assets and Liabilities		
(Increase) decrease in trade and other accounts receivables	-45.264	-33.839
Increase in inventories	2.849	92
(Increase) decrease in other non-financial assets	-4.868	-2.548
Decrease in trade and other accounts payable	27.898	18.833
Increase (decrease) in employee benefits obligations	65	-72
Decrease in other financial assets	24	-3.279
Interest payments	-21.009	-21.427
Interest payments to related parties	-11.331	-11.331
Interest collections	110	0
Paid taxes	-7.669	-59.629
Net cash provided by operating activities	**216.051**	**150.097**
Cash Flow from Investing Activities		
Investments in associates	0	0
Property, plant and equipment	-43.907	-29.833
Intangibles	0	0
Net cash used in investing activities	**-43.907**	**-29.833**
Cash Flow from Financing Activities	0	0
Payment of dividends	-44.998	-47.337
Payment of financial obligations	-41.461	-1.292
Acquired financial obligations	0	0
Net cash used in financing activities	**-86.459**	**-48.629**
Net Changes in Cash and Equivalents	**85.685**	**71.635**
Effect of exchange rate variation on cash and equivalents	-26.760	-16.105
Cash and Equivalents at the Beginning of the Period	46.816	78.215
Cash and Equivalents at the End of the Period	**105.741**	**133.745**

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
- MME: Ministry of Mines and Energy
- SSPD: Colombian Superintendence of Public Services.
- UPME: Colombian Mining and Energy Planning Unit.

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