

# Q4 2021

## Results Report

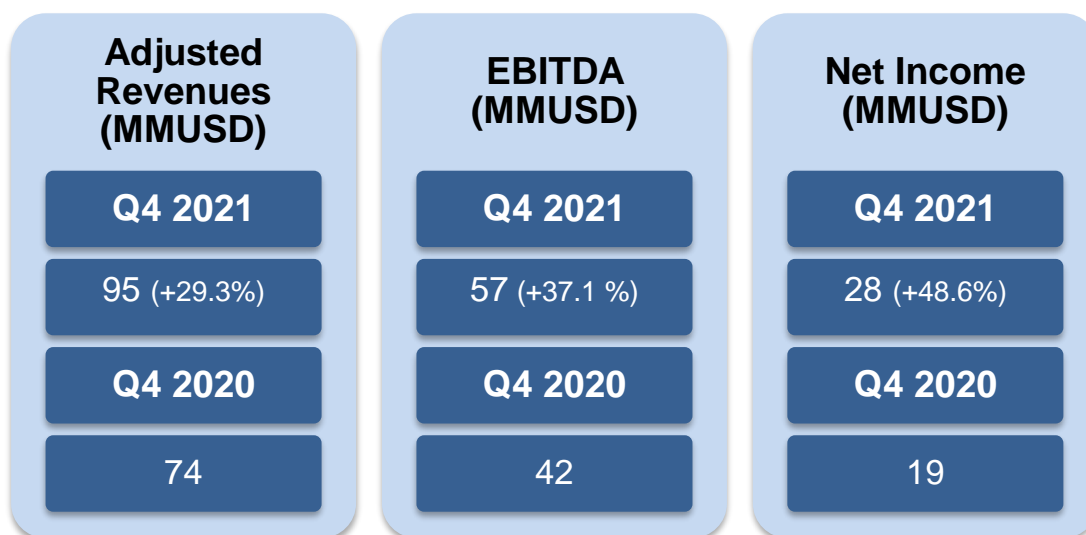


- ▶ Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

**Table N° 1 – Key Results Q4 2021**

Results	Q4 2020	Q4 2021	ΔYoY %
Invoiced Volume (MMCFD)	743	753	+1.2%
Connections	39,461	74,174	+88.0%
Networks (Km)	303	715	+136.3%
EBITDA (MMUSD)	42	57	+37.1%

- ▶ The credit rating agencies Moody's IS, Moody's Local PE and Class & Asociados ratified the Baa2, AAA and AAA.pe ratings, respectively, all with a stable outlook, a result that confirms our solid financial position.
- ▶ We signed our second sustainable financing in the year for up to USD 200 MM, of which USD 100 MM has been disbursed to cancel short-term debt and cover CapEx, and another USD 100 MM will be disbursed in 2023 to cover CapEx and refinance liabilities.
- ▶ We signed a syndicated financing with 8 top-tier local and international banks for up to USD 350 MM, of which USD 30 MM would be disbursed in Q2 2022 to cover investments and USD 320 MM would be disbursed in Q1 2023, with the objective of refinancing liabilities.
- ▶ Key financial results as of Q4 2021 (compared to Q4 2020):



## Executive overview

### Operational and financial relevant information

**Table N°2 - Operational and financial key indicators**

Operational Results	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Accumulated Clients	1,046,067	1,099,035	1,161,608	1,225,948	1,300,122	24.3%
Invoiced Volume (MMCFD)	743	744	743	739	753	1.2%
Network Length (km)	12,144	12,513	13,001	13,692	14,407	18.6%
Potential Clients	1,161,763	1,193,490	1,237,955	1,300,445	1,362,799	17.3%
Network Penetration	90%	92%	94%	94%	95%	-
Financial Results	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Total Revenues (MMUSD)	158	160	176	194	214	35.5%
Total Adj. Revenues <sup>1</sup> (MMUSD)	74	73	79	82	95	29.3%
EBITDA (MMUSD)	42	43	50	49	57	37.1%
Adjusted EBITDA Margin	57%	60%	63%	59%	60%	-
Net Income (MMUSD)	19	19	25	23	28	48.6%
Interest Coverage (x)	6.7x	6.7x	7.7x	8.3x	9.0x	-
<b>International credit ranking:</b>						
Fitch - April 08   2021: BBB, stable						
Moody's - November 22   2021: Baa2, stable						
<b>Local credit ranking:</b>						
Moody's Local Perú – November 29   2021: AAA.pe, stable						
Class & Asociados - November 30   2021: AAA, stable						

### Peruvian Natural Gas Market

**Table N° 3 – Key market indicators**

Indicator	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Natural Gas Production <sup>2</sup> (MMCFD)	1,368	1,129	905	980	1,387	1.4%
Local Market Demand (MMCFD)	790	640	698	872	825	4.3%
Calidda's Local Market Share (MMCFD)	627	460	553	705	607	-3.1%

- ▶ By the end of Q4 2021, the Peruvian natural gas production increased by 1.4% compared to Q4 2020.
- ▶ As for the local market demand, it increased by 4.3% up to 825 MMCFD.
- ▶ At the end of Q4 2021, Calidda's market share was 74%.

<sup>1</sup> Total Adjusted Revenues = Total revenues without considering the income from pass-through concepts, such as the acquisition and transport of natural gas, and IFRIC 12 (investments in the distribution network).

<sup>2</sup> Information at the end of December 2021 (Ministry of Energy and Mines).

## Commercial Performance

### Invoiced Volume

- ✓ At the end of Q4 2021, greater dynamism of the Peruvian economy allowed the recovery in demand, especially from industrial and vehicular sector, which total invoiced volume increased by 1.2% vs. past year. It is expected that in the following months the demand will continue to recover progressively, especially in the NGV sector.
- ✓ Take-or-Pay contracts reached 553 MMCFD (Power Generators: 511 MMCFD; Industrial Segment: 42 MMCFD), representing 73% of the total invoiced volume.

The invoiced volume breakdown by client segments is shown in the following table:

**Table N° 4 – Invoiced Volume per Client Segment**

Invoiced Volume (MMCFD)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Power Generation	543	541	537	523	524	-3.6%
Industrial	128	138	136	140	149	16.4%
NGV Stations	53	46	49	53	58	9.4%
Residential and Commercial	19	19	22	23	22	13.7%
<b>Total</b>	<b>743</b>	<b>744</b>	<b>743</b>	<b>739</b>	<b>753</b>	<b>1.2%</b>

- ✓ As shown in this table, the volume invoiced at the end of Q4 2021 reached a total of 753 MMCFD.

### Contracted Gas Supply and Transportation

**Table N° 5 – Contracted Capacity (MMCFD)**

Period	Contracted Transportation Capacity			Contracted Supply Capacity		
	Firm	Interruptible	Total	Firm	Interruptible	Total
2017	197	31	228	178	45	223
2018	197	31	228	183	46	229
2019	197	31	228	188	47	235
2020	197	31	228	193	48	241
2021	197	31	228	198	22	220
...	...	...	...	...	...	...
2033	197	31	228	198	22	220

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

**Table N° 6 – Distribution Capacity**

Distribution Capacity (MMCFD)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Distribution System Capacity	420	420	420	420	420	-
<b>Consumed Volume</b>	<b>292</b>	<b>267</b>	<b>281</b>	<b>298</b>	<b>302</b>	<b>3.7%</b>
Regulated Clients	151	139	148	154	163	8.0%
Independent Clients	141	128	133	144	140	-0.8%

- ✓ At the end of Q4 2021, both our Independent and Regulated clients had an average consumption of 302 MMCFD, equivalent to 72% of our total distribution capacity of natural gas (Lurín – Ventanilla).
- ✓ The volume consumed is greater than the contracted capacity since this is intended to cover the demand of regulated clients.
- ✓ At the end of Q4 2021 Regulated clients consumed around 163 MMCFD, equivalent to 74% of the total contracted supply volume and 71% of the transportation volume of natural gas.

### Competitiveness of Natural Gas

**Table N° 7 – Competitiveness per Client Segment**

Competitiveness (USD/MMBTU)	Final Client Tariff Evolution					Price of Substitutes <sup>3</sup>	
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021		
Residential and Commercial	11.43	11.29	11.32	11.79	12.98	Residential LPG	Electrical Energy
						23.71 (-45%)	33.06 (-61%)
Vehicular	9.39	9.24	8.95	8.23	8.59	Vehicular LPG	Gasoline 90
						21.24 (-60%)	27.79 (-69%)
Industrial	5.98	5.93	5.85	5.66	5.92	Electrical Energy	Industrial Petroleum
						45.98 (-87%)	17.67 (-66%)
Power Generation	3.91	3.88	3.83	3.73	3.85	Diesel	Industrial Petroleum
						24.90 (-85%)	17.67 (-78%)

- ✓ As shown in the table, for each of the segments the tariffs offered by Cálidda are highly competitive.
- ✓ A highly competitive rate ensures a fixed demand and therefore stable income flows.

<sup>3</sup> Available information of Luz del Sur, Osinergmin and Petroperú as of December 2021.

## Operational Performance

### Connections per Client Segment

At the end of Q4 2021, Calidda connected 74,174 clients. In the Residential segment, Calidda has operations in 41 districts from the Metropolitan area of Lima and Callao, which are the following: San Juan de Lurigancho, El Agustino, San Juan de Miraflores, Villa María del Triunfo, Los Olivos, San Martín de Porres, Comas, Puente Piedra, Villa el Salvador, Santa Anita, Cercado de Lima, San Miguel, Surco, Jesús María, Magdalena, Pueblo Libre, El Callao, Independencia, Ate, Carabayllo, La Victoria, Mi Perú, Pachacamac, Ventanilla, Chorrillos, Carmen de la Legua, Ancón, Bellavista, Breña, La Perla, Chaclayo, Rímac, Barranco, Lince, Lurín, Miraflores, San Borja, San Isidro, San Luis, Chilca y Surquillo. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 48 districts.

**Table N° 8 – New Clients**

New Clients	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Power Generation	0	0	0	1	1	-
Industrial	16	3	1	22	15	-
NGV Stations	4	0	2	1	0	-
Residential and Commercial	39,441	52,965	62,570	64,316	74,158	-
<b>Total</b>	<b>39,461</b>	<b>52,968</b>	<b>62,573</b>	<b>64,340</b>	<b>74,174</b>	<b>88.0%</b>

- ✓ 41 clients in the industrial segment were connected in the last 12 months.
- ✓ 3 NGV stations were added to the distribution network in the last 12 months.
- ✓ 250,645 residential clients and 3,364 commercial clients were connected in the last 12 months.
- ✓ During Q4 2021, 74,174 new connections were achieved, reaching 254,055 in the first half of 2021, a figure that doubles the total number of connections in 2020.

**Table N° 9 – Clients Base**

Clients Base	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Power Generation	26	26	26	27	28	7.7%
Industrial	701	704	705	727	742	5.8%
NGV Stations	284	284	286	287	287	1.1%
Residential and Commercial	1,045,056	1,098,021	1,160,591	1,224,907	1,299,065	24.3%
<b>Total</b>	<b>1,046,067</b>	<b>1,099,035</b>	<b>1,161,608</b>	<b>1,225,948</b>	<b>1,300,122</b>	<b>24.3%</b>

- ✓ At the end of Q4 2021, the total number of clients was 1,300,122, 24.3% higher compared to the previous year.

## Distribution Network

- ✓ Calidda's distribution system consists of 14,407 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q4 2021, Calidda has built 715 km, figure that doubles what was built in Q4 2020 due to the strict mandatory social isolation decreed in that year.

The next table shows the evolution of Calidda's distribution system:

Distribution System (Km)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Polyethylene Network	11,528	11,896	12,382	13,068	13,777	19.5%
Steel Network	617	617	619	624	629	2.1%
<b>Total</b>	<b>12,144</b>	<b>12,513</b>	<b>13,001</b>	<b>13,692</b>	<b>14,407</b>	<b>18.6%</b>
New Networks	303	369	487	690	715	136.3%

## Network Penetration Ratio

- ✓ The network penetration ratio is calculated by dividing the number of connected clients by the number of potential clients that are located in an area close to Calidda's network. This key ratio increased at the end of Q4 2021 to 95% due to the constant growth of number of connected clients.
- ✓ Calidda, according to the plan approved by the regulator, is aimed at low-income districts benefiting from subsidies from the Peruvian State, where the savings generated by the use of natural gas instead of other substitute fuels is more appreciated by residents.

The next table shows the evolution of potential clients, total clients and the penetration ratio:

Network Penetration Ratio	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Potential Clients	1,161,763	1,193,490	1,237,955	1,300,445	1,362,799	17.3%
Total Clients	1,046,067	1,099,035	1,161,608	1,225,948	1,300,122	24.3%
Penetration Ratio	90%	92%	94%	94%	95%	-

## Financial Performance

### Revenues

- ✓ Adjusted Revenues increased by 29.3% due to the recovery in demand due to greater dynamism in the Peruvian economy and higher revenues from connections. Likewise, EBITDA increased by 37.1% compared to the results at the end of Q4 2020, explained by higher demand, higher connections and the continuation of the austerity plan.

**Table N° 12 – Revenues distribution by concepts**

Distribution of the Adjusted Revenues (%) – Q4 2021			Pass-Through Concepts	
<b>Distribution service</b>	Main operative income of Cálidda; it is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	58%	<b>Sell and transport of natural gas</b>	Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
<b>Connection services</b>	Operative income which is paid by the consumer for the internal installation of pipelines needed to achieve the connection to the natural gas network. Includes revenues from the facility's financing and connection fees.	30%	<b>Revenues of network expansion</b>	Pass-through income related to the investments executed by Cálidda in order to expand the distribution network.
<b>Other services</b>	Operative income which mainly comes from network relocation services and other services.	12%		

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

**Table N° 13 – Adjusted Revenues per Client Segment**

Distribution Revenues (MMUSD)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Residential and Commercial	9	10	11	11	12	29.6%
Industrial	11	12	12	13	14	29.5%
NGV Stations	6	5	5	6	7	23.1%
Power Generation	23	22	23	23	24	3.8%
<b>Total</b>	<b>49</b>	<b>49</b>	<b>52</b>	<b>53</b>	<b>57</b>	<b>16.7%</b>

- ✓ Even though the Residential and Commercial segment represents only 3% of the invoiced volume (table N°4), it concentrates 21% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 39% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 71% of the invoiced volume, 42% of the distribution revenues, and 28% of the Total Adjusted Revenues, as shown in the next table.

**Table N° 14 – Adjusted Revenues per Client Segment**

Adjusted Revenues per Client Segment (MMUSD)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Residential and Commercial	9	10	11	11	12	29.6%
Industrial	11	12	12	13	14	29.5%
NGV Stations	6	5	5	6	7	23.1%
Power Generation	23	22	23	23	24	3.8%
Connection Services	16	16	19	19	29	78.5%
Others	8	8	8	9	9	6.0%
<b>Total</b>	<b>74</b>	<b>73</b>	<b>79</b>	<b>82</b>	<b>95</b>	<b>29.3%</b>

### Key Financial Indicators

- ✓ EBITDA as of Q4 2021 reached 57 MMUSD, presenting an increase of 37.1% compared to the EBITDA of Q4 2020. This is explained by the recovery of demand, especially in the industrial and vehicular sectors, higher connections and by the continuation of the plan of austerity in expenses.
- ✓ The next table shows the relevant financial information by quarter:

**Table N° 15 – Key Financial Indicators**

Financial Results	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	ΔYoY %
Total Revenues (MMUSD)	158	160	176	194	214	35.5%
Total Adjusted Revenues (MMUSD)	74	73	79	82	95	29.3%
Contribution Margin (MMUSD)	61	59	65	66	79	29.7%
EBITDA (MMUSD)	42	43	50	49	57	37.1%
EBITDA LTM (MMUSD)	156	158	175	184	199	27.8%
Adjusted EBITDA Margin (%)	57%	60%	63%	59%	60%	-
Net Income (MMUSD)	19	19	25	23	28	48.6%
FFO LTM <sup>4</sup>	104	105	117	123	133	27.8%
Total Assets (MMUSD)	1,083	1,106	1,192	1,206	1,304	20.4%
CapEx (MMUSD)	23	30	32	37	51	118.2%
Total Liabilities (MMUSD)	748	818	882	880	946	26.5%
Equity (MMUSD)	335	288	310	326	358	6.9%
Total Debt (MMUSD)	597	617	672	712	762	33.2%
Net Debt (MMUSD)	576	582	578	658	675	17.2%
Debt/EBITDA	3.8x	3.9x	3.8x	3.9x	3.8x	-
Net Debt/EBITDA	3.7x	3.7x	3.3x	3.6x	3.4x	-
Interest Coverage	6.7x	6.7x	7.7x	8.3x	9.0x	-

<sup>4</sup> Funds from Operations = Net Income + Depreciation + Amortization



- ✓ This performance has been achieved thanks to increasing Assets due to the investments over the past years.
- ✓ At the end of Q4 2021, the total debt was 762 MMUSD and has the following maturity profile:

**Table N° 16 – Maturity Profile of Debt**

Total Debt (MMUSD)	2022	2023	2024	2025	2026	2027	2028	2029	Total
Banking Debt	0	80	0	0	100	0	0	0	180
Multilateral Banking	0	0	13	25	25	25	13	0	100
Local Bonds	0	0	0	0	0	0	61	101	162
International Bonds	0	320	0	0	0	0	0	0	320
<b>Total</b>	<b>0</b>	<b>400</b>	<b>13</b>	<b>25</b>	<b>125</b>	<b>25</b>	<b>74</b>	<b>101</b>	<b>762</b>

## Guidance

- ✓ The key indicators of the outlook for the end of 2022 are the following:

**Table N° 17 – Outlook 2022**

Indicators	2017	2018	2019	2020	2021	2022P	
Networks (Km)	922	1,345	1,474	979	2,263	1,100	1,250
Connections	138,413	184,403	191,466	93,385	254,055	115,000	125,000
EBITDA (MMUSD)	138	159	171	156	199	190	195
Net Debt/EBITDA	2.7x	2.9x	3.1x	3.7x	3.4x	3.6x	3.8x

- ✓ The solid results to 2021 allowed us to resume our original growth path, with which we expect to continue with a stable expansion during 2022.
- ✓ Regarding the construction of networks, this year we seek to build between 1,100 and 1,250 kilometers of networks, similar to years prior to the pandemic.
- ✓ In terms of new connections, we seek to make between 115,000 and 125,000 connections, according on the level of investment and target network kilometers.
- ✓ We expect demand to continue its gradual recovery, especially in the NGV sector, and consequently, maintain EBITDA between 190 and 195 MMUSD.
- ✓ We expect a slight increase in the Net Debt/EBITDA ratio towards levels of 3.6x – 3.8x due to the financing of our investment plans. Likewise, from 2023 a sustained deleveraging is expected.

## Annexes

### Annex 1: Legal note and remarks

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