

GEB 1Q22 Results Conference  
May 26, 2022

Manuela Ramírez: Good morning, everyone. I am Manuela Ramírez, Manager of Finance and Investor Relations at Grupo Energía Bogotá. Welcome to today's conference. We had some technical problems with the conference on TGI & Cálidda, so we will try to do the three presentations for 1Q22 today.

Please register with your name and company to easily identify you during the question and answer session.

This conference will be in Spanish, with simultaneous interpretation and is being recorded. The results reports were published on our website yesterday. You can ask your questions at any time through the chat. I will act as a moderator. We'll briefly introduce today's presenters, then I will yield the floor to Juan Ricardo Ortega, our president, who will open with the Group's results. Thank you for your patience.

Juan Ricardo Ortega: Good morning to all our investors; first of all, my sincere apologies for the technical problems. GEB remains committed to its strategic plan. Things are going very well. Our results in which the operational revenues increased by 25.8%, from COP1.2 trillion last year to COP1.5 trillion this year. In addition, the consolidated EBITDA increased from COP1.9 trillion to COP2.4 billion; a positive growth of 28%. It obviously has an extraordinary dividend. This is part of the significant achievements we have had since last year.

We now have a firm and sound partnership with Enel. The merger of Codensa and Emgesa has meant very positive results, as you can see in the profits. In addition, we have also performed very well in our investment in our investment in Cálidda in Peru in the distribution part. In the gas transport part, TGI – with all its optimization process, is giving the expected results.

So, as you see, GEB remains committed to efficiencies to solve any problem from the past, focused on corporate governance, strengthening the entire area of transfer and transparency systems. We have revamped our internal control. We now have implemented the S4Hana in the entire organization. This guarantees us the ability to consolidate GEB's financial data. Shortly, we will have ISO in both Peru at Cálidda and at Contugas. So, we are pleased to remain on this path to be completed.

The non-organic growth with Elecnorte consolidates our position in Guajira, where we see enormous potential in the country in all non-conventional renewables. Here, the market clearly sees one of the important potentials for growth in the energy sector. The government has announced the possibility of all the wind generation outside the coast, and we are consolidating our entire structure in this region. An additional 138 km of lines were acquired in a transaction closed with Ashmore a few weeks ago.

In addition, we have liquidity, thanks to the market, which continues to trust us. We placed a 20-year bond of COP272 billion. It was fairly well received: 100% above what we had requested of the market. This leaves us with the satisfaction of being able to be on the route set out in

the strategic plan. Now, with Jorge, we are going to show you the breakdown of the financial results that will give you the peace of mind that we are continuing with the correct focus, with no problems in sight. Regulatory issues are in very constructive dialog, in both Peru and Colombia.

And all the issues are being resolved in a fair and reasonable manner, as we have expected. So, I leave you, Manuela, so that Jorge can come in with the details, and we're going on with the financial presentation, to finish – in an hour – the three presentations of all of GEB and you can have all the information you need.

Manuela Ramírez: Thank you, Juan Ricardo. So, I now give the floor to Jorge Tabares, our CFO. Jorge, we're listening to you.

Jorge Tabares: Good morning everyone. Thank you, Juan Ricardo.

Thank you for your interest; fortunately, we have very good news to tell all the investors. In short, at the bottom right, we highlight the revenue growth of 26% to COP1.5 trillion. Operating revenue, basically our branch business, COP502 billion, growing by 25%, very solid growths.

The EBITDA grew by 28%. If we normalize the EBITDA for the extraordinary items, of which the second payment of the Enel dividend withholding, with is COP437 billions, this increase is 6.5%. Somehow, the recurrent increase would be 6.5%. This is still quite healthy, and we have a very good rate of investment in our projects. We invested USD81 billion with a 28% growth. In some way, this 28% growth reflects the greatest dynamism in the economy in many sectors, and that are clearly reflected here.

If we look at the bottom left of our EBITDA in Colombia, mainly marked by Enel, it is growing by 38%. The 8% decline seen at the regional level is due to seasonal situations. It is simply that, at [?] had made the decision to advance some dividends last year, and when one quarter is compared to the other, this decrease can be seen. However, I repeat that it is not due to an operational issue.

We declared a dividend of COP192, as we know. This is almost 8% of the dividend's profitability using the share price at year end. It is very important for our growth plans that our leverage continues to fall. We have 2.6x Debt/EBITDA. As we have often mentioned, this gives us the potential to continue making acquisitions besides Elecnorte, and to continue to grow.

The return on equity has fallen slightly to 17%. This is due to the equity increase of COP 1.8 trillion following the merger that happened at Enel Colombia and the incorporation of Central American assets. However, we maintain a healthy return on equity.

For obvious reasons, our announcement of the acquisition of Elecnorte does not include the price. How we value transmission businesses is a strategic issue, which is why we do not publish that number. What I can tell you is that we are going to earn revenues of some COP85 billion, a 2022 EBITDA of COP66 billion related to Elecnorte. This will grow during the following year to the extent that the revenue and the indexation of the revenues of the company continue to increase.

We placed COP262 billion bonds. We wanted to access the market, despite the fact that the market is in a complex situation for obtaining long-term resources. For us, having resources indexed to the CPI and UVR is positive, because our revenues are also in that condition and that generates a gap for us. We thought prudent to take money from the market to remain less exposed, given the recent acquisition we made.

With Enel, we began to contribute to the Colombian energy transition. The first tests of La Loma were done. We did our part: our connection to the system and a short transmission line that needed to be done, and Enel continues to implement the project, which, ultimately, will have a capacity of nearly 180 megawatts. Something less visible, but very important to us internally, is innovation. The Chamber of Commerce of Bogotá gave us representative recognition and we continue to very dynamically integrate into the innovation ecosystems and to try to generate a fairly accelerated dynamic on all the work fronts within GEB. We slightly increased our compliance with the Colombian Best Practices Code in the survey. In Peru, we continue to receive recognition, in this case, for the measurement and reduction of greenhouse gases.

In operating revenue, I would like to highlight that part of our revenues and some of the expenses are indexed to the PPI. The second point is that our expenses – which are growing at high rates – are largely associated with the very growth itself of the operation. These are positive effects, whether they are the increased revenues, the increased connections in Cálidda, or the greater contributions related to the greater revenue; so, it is a dynamic that is not concerning and the margins reflect this. The margins remaining as they are reflect this condition of having high expenses, which is not bad news related to the company's performance.

Operating revenue, basically that quarterly growth of 25% related to revenues and, I highlight, in the operational revenue at the bottom left, from the bottom, Cálidda, growing at 33%. At Cálidda, we have had an exceptional year, as Mario Caballero will probably tell you. This is because the generators are demanding gas, and that brings us some revenue. But, in addition, we have had many facilities, we are selling to more customers. In distribution, we have sold more gas. At TGI, there was also a 6% increase in dollars, which translates into 16.4% in pesos, due to increases in the revenues also associated with the tariff regime. This is the most important thing to highlight.

In terms of EBITDA, which is perhaps the most significant growth, we see how all the businesses are growing and, as I explained to you, in energy transmission, this decline is due to seasonal effects. When we compare and normalize, we continue to grow and the business is going well. As the controlled companies contribute nearly one-third of our total EBITDA. This is despite the big momentum we had with nearly COP1.5 trillion of dividends that we will receive from Enel Colombia related to that merger and to the bringing up to date of the dividends we had withheld in the company.

In the controlled companies, at the right we see growth in all the companies. At TGI, if you remember, last year, we had a significant drop in revenues. We continue to see the positive results of all the efforts to get greater volumes and to carry out a fairly arduous job to get more business leveraging our infrastructure, and we continue to control the costs it continues to contribute.

In financial performance, I highlight the financial expenses that, here, also have a particular explanation. This 33.5% in growth (nearly COP50 billion) is, in part, due to the indexation of our debt to the CPI; it represented more financial expenses in the amount of COP22 billion. And, at Trecca, we exchanged an intercompany credit for a bank credit. So, there is something we are not showing in the consolidated report, because it was an intercompany credit. Now, we have it as a bank. So we are paying the banks a bit more, and that explains more or less half of the increase. And the effect of the representative market exchange rate on the interest coupon also represents COP10 billion. These are the three explanations for the financial expenses.

As I will now show you, we have the great majority of our debt at a fixed rate, and the CPI indexations are very frequently done, every three months. So, to the extent that it returns to the path of normality, this effect of financial expenses will be moderated.

The second thing to highlight here is the increase in the equity method, with that 8.4% increase explained below. Again, all the companies continue to contribute increasingly, which is very positive.

In terms of debt, few changes. The COP262 billion of the incorporated bonds are not here yet. How we begin to observe this increase in debt costs. The debt costs in pesos at the end of 2021 were 8.5%. Here, we have 10.9% due to this repricing and it also increases slightly in dollars from 3.9% to 4.2%. But we have 71% of our debt at a fixed rate and 13% only expressed in IPC.

In view of the exposure to volatility and interest rates, we have very low amounts falling due in 2022 and 2023. I would like to highlight that the USD320 billion of Cálidda are already contracted. It was an indexed credit that was then converted to a fixed rate at a very competitive rate for five years. So, we will see significant impact in these higher interest rates only until 2024. We have a sound cash position at year end.

We continue, as I mentioned, to invest at a very good pace, mainly in Peru. In the transmission business, growing at 28%, the four-year forecast dropping slightly to USD1.1 billion. We took the government's regasification plant, ruled out the project. And we see that the main element of that investment plan in the next four years, is the green element, which is our transmission business in Colombia.

Cash flow: just to highlight the position at year end, COP1.5 billion. We have a very sound cash position and that allows us to think about continuing to make acquisitions and seek good investment opportunities to create value for the shareholders. Our operating cash was COP684 billion, which more than pays for the COP522 billion that we invested in infrastructure in our portfolio.

To reiterate the issue of dividends and how we will pay natural persons the entire year's dividend, as decreed by the Annual General Meeting, tomorrow, May 27. What this causes is the generation of a new mnemonic, as we have explained: SD GEB (without dividends) and the rest of the actions will continue to be traded in the same mnemonic. I would like to clarify that, beginning in December 2022, when the remaining dividend has been paid to the other shares – the COP96 – the mnemonic will converge and, well, the share price in the event that there

are gaps between SDGEB and GEB, they will converge at the right time, also. We will have six months of price dislocation, given the Meeting's decision to pay the dividend in advance to natural persons, in response to the request of some shareholders, natural persons who appeared at the Meeting with this request.

Manuela Ramírez: Thank you very much, Jorge. I remind all of you that you may ask your questions in the meeting's chat. So far, we have not seen any questions.

Jorge Tabares: I would like to comment that we are in Peru in the three rate renewals, in both Cálidda, Contugas and ElectroDunas. Cálidda is our main business there and the rate process is quite advanced. The process has taken place with a high technical content. We hope for results that are very much in line with what we had planned, where the normal dynamics of the regulator and the operator has resulted in a positive process. It is expected that it will be resolved next month.

Juan Ricardo Ortega: I would like to highlight the appointment of Omar Chambergo, who is a highly reliable professional, a technician, totally independent of the political complexity going on in Peru. It is the choice of a totally suitable person, with a long history in the sector who, when you meet him, is very reassuring and has been very rigorous in our conversations.

Jorge Tabares: To add to the regulatory matter in Peru, the environment at Contugas is a bit more complex. Contugas does not contribute significant EBITDA to the Group. So, should this turn out poorly, it is more an accounting effect than a cash flow effect. We are in very deep conversations with the regulator to try to balance some of the initial regulatory rate proposals put forward by the regulator a bit more. This is where we are focusing a lot of efforts. Let us see if we can improve what the regulator put forward a little. At Dunas, we have not yet seen progress. The rate update at ElectroDunas is a bit behind the times, and we will tell you about TGI now.

Manuela Ramírez: Okay, Jorge. We have a question from Juan Pablo Castañeda. He says first, "Is it possible to how the process of selling the Mayor's Office share package is going?" And second, "How is the process of selling participation the holdings in Promigas going?" Thank you, Juan Pablo.

Jorge Tabares: Of course, Juan Pablo. We had some initial conversations with investors. The conclusions are the bankers recommended that we cover both the domestic and the international markets. We are making some changes to the contract that GEB has with the District in the execution of this transaction. We will extend the scope of the contract to include international marketing. So, we are still four or five months from being able to complete this process. We are progressing. But the expansion to the international level generates additional tasks that move set the date forward. At Promigas, there has been no real progress yet. There are some signs of some potential investors who were wanting to buy it, but there is still no concrete progress on the issue.

Manuela Ramírez: Continuing with the same question – with the first question that Juan Pablo asked – Andrés Duarte asks us, "Can we clarify that democratization does not depend on who ends up as president?"

Jorge Tabares: Democratization, that is to say, the sale of 9.4% of the District's shares, is a decision made by the owner, which is the Bogotá's Mayor's Office. In 2017, the Council authorized the process and the process is progress in accordance with the authorizations. So, there is no interference from the national government in the District's decisions. And my view is that I do not see why the process would be interrupted.

Manuela Ramírez: Another question, Jorge. Andrés Duarte, again: "How do you see the margins and returns of the businesses acquired in the past four years, compared to Promigas, since you want to sell the latter?"

Jorge Tabares: The acquisitions we have made have gone quite well, both the one in 2019 and the one in 2020. These are businesses that are progressing very positively, and that encourages us to follow that expansion plan. Our sale of Promigas is based on a decision made in the 2020 strategic review, in which the consultant suggested to us and the Board of Directors agreed, that it is worth it for a group of our size to have stronger positions and where it may become more influential.

Promigas is a great company. It has very positive results, but, for a company like us, having 15% is not strategic. That is why the decision to sell Promigas was made, and the premises remain valid.

Manuela Ramírez: Thank you, Jorge. We have two questions from Diego Buitrago from Bancolombia: First, "Can we give a guide to the EBITDA and net revenue for 2022?" And the second one is, "Can you give us an update on the Pacific Regasification Plant process? You said that you ruled it out, but let us see if we can expand a bit more; what are the expectations in this regard?"

Jorge Tabares: We continue to believe that it is better to not give a guide to results, especially because of our public nature and the possible implications with some stakeholders. What we can absolutely confirm to you is our interest in generating value for the shareholders, in maintaining an expense policy and we expect good results. Actually, the industry has shown that it is quite resilient. The economies in which we are growing and, and the protection given by an investment, such as the GEB's action on inflation, become evident in these results. In the future, we hope that that this will continue in this way.

The Government's decision is final. The regasification plant is not in the plans today. I would perhaps add, and Juan Ricardo if you wish, he complements me. What the crisis in the aggression on Ukraine does demonstrate is that you must have a good diversification of energy sources. So, having access to more gas in Colombia is a very relevant issue. What I think may happen is that the current government, or the incoming one, will reconsider some position on how to bring in, since we have greater capacity to bring gas into Colombia, in the event Ituango falls behind, or the solar and wind projects and the supply is not enough to meet the demand, that the country should have this flexibility. I think it is very relevant. The Pacific Basin offers access to markets other than the Atlantic Basin. Then it can end up being technically valid to have a regasification plant as energy sufficiency and reliability. But the conversation is not the Pacific regasification plant as it was structured, but rather that changes

will have to be made. I do not know, Mónica or Juan Ricardo, if you want to add something here.

Juan Ricardo Ortega: What we know that the country must have guarantees in its supply of gas as a priority. Colombia's history has always been that gas for industry is conditioned on the capacity of the energy sector. It is very likely that an El Niño phenomenon will arrive, if not next year, the following. And it may be severe. The country clearly needs to have a guaranteed access to gas. In this, the regasification plant is strategic, wherever it may be located. We obviously believe that the Pacific makes sense, because the transport costs make the energy cost costs unequal in different parts of the country. We believe that Venezuela, whatever its next government may be, will also be a relevant component. And it is clear to see how the United States has a different agenda for this country. And Chevron is already starting to exploit one of the big gas deposits in the sea in all of Venezuela. So, our priority is for the country to have enough supply and sources of supply regardless of what the abolition of exploration is doing in Colombia, so that the productive sector has the gas, the natural path for decarbonization, the reductions in transport and the reductions in industry. Being able to move to gas is the kind of agenda that is cost-efficient and has a direct impact on the carbon emissions of a country such as Colombia. It makes a priority of air quality, which is what is shown to be affecting people every day.

One sees the cyclists coming into the cities behind those trucks that spew horrible clouds of smoke, full of particles. This is where the concern and the emphasis in a country must be, and a guaranteed access to gas is essential. So, we remain committed. But we do not see the project progressing, given the changes taking place in the global economy and the higher prices of liquefied gas in the wake of the war in Ukraine. Unfortunately, something of priority is losing its central role in the agenda. Well, Manuela, if you would like to continue with the presentation.

Manuela Ramírez: Perfect. So, we move on to the presentation of TGI & Cálidda.