

GEB 3T21 Results Conference
November 30, 2021

Jorge Tabares: Since so many good things are happening and, in addition, there are so many strategic decisions in the Group, we thought it essential to bring you all together and, most importantly, tell you about the results and give you the opportunity to ask questions. The questions are always more interesting than what we talk about here, and everyone can hear them, too. So, since we have already presented TGI & Cálidda – which are the Group’s two largest operating companies – I am going to make this quick, so that we can leave the session for questions and the commitment to taking up the calendar for Investor Day.

In terms of results, focusing on the nine months, revenues are growing at 6.4%, COP3.9 trillion and the operating revenue is basically maintained. This is all in the context of a drop that we knew would take place in TGI, that the company itself has managed to defend and is going much better, and the effort of the rest of the Group to contribute to this. We managed to maintain this 0.3% operating revenue, a significant increase in the EBITDA to COP3.8 trillion, growing by 25%. As Juan Ricardo said, this has been recurrent. If we will normalize it, the EBITDA is growing organically, including the contribution of Argo, which is an acquisition, but at least the non-recurrent, slightly higher than 5%, as the footnote there says. It is an extraordinary year, but the baseline year is also a very positive year.

In net income – after discounting minority interest – we are growing at 10% and right now we will see a clear reflection of the diversification of the portfolio and how we are all contributing. In CAPEX and acquisitions, we are experiencing very significant organic growth. Mario Caballero told you that, in the projects underway, we are growing very significantly in connections in Cálidda, in the pace of investment in Peru. But, here in Transmission Branch, as well, we have grown and are growing those USD 223 million at 51%; the reactivation can be clearly seen and we are operating in a full field investing capital.

In terms of the composition of the EBITDA, perhaps I should mention that, when we add up gas, gas transport and gas distribution, that is 40%. In other words, we are a company with a fair amount of gas composition and energy transmission is only 15%. Later, we will tie this in with the Group’s strategy, which is to grow by 15%. We want to invest in energy transmission and that means greater participation, despite having organically grown almost the maximum that we could have grown. This is because, in Colombia, we have managed to win many UPME bids, which are the projects we are executing.

And another aspect to highlight here is the number of customers we have; in energy distribution, we have 4.3 million and in gas distribution 3.7 million connections. When I refer to connections, I mean that the number of people is greater and this creates a lot of future businesses. In particular, through Codensa, there are a lot of businesses that Juan Ricardo is going to explain that are quite relevant in the strategy.

Lastly, we’re at a low level of leverage, perhaps very low, I would say, given the significant cash flow generation, a Net debt/ EBITDA of 2.7x and returns that are relevant. Even when

we normalize it, we may be a point and a half below the figures it is showing, but 19% return on assets for a company of our size is clearly a very positive matter.

When we look at the growth of the EBITDA of 25% per business, we then see that the issue of TGI is compensated first by the effort being made by the company, and second, by all the other companies in the portfolio growing very significantly.

In generation, some truly extraordinary management by Emgesa, where they have truly managed to leverage the strategy of long-term contracts, having to purchase less energy on the spot and, in addition, manage to monetize part of the carbon credits. The company made significant inroads into that market, and I think it is in a leadership situation in Colombia with regard to this matter.

To highlight some of the growth factors, one of the most important points is that composition between what is controlled and what is not controlled. On the one hand, we are a holding company, but, on the other, we are an operator. In this picture of the EBITDA, we are showing 50/50 participation in both, where the uncontrolled ones are pulling us up a little. And there, there is a part that, on the one hand, could be called non-recurrent, which is the extraordinary dividends of Emgesa and Codensa. However, on the other hand is management; we managed to reach an agreement with our partner. As a result, we succeeded to free some dividend, and thus, it is not an accidental non-recurrent, but instead clearly directed by us. In the controlled part, talking about the EBITDA almost at a balance point, with a slight decrease despite the challenge we knew that we had to recover the impact of the gas transport business.

In income, you can clearly see what Mario Caballero mentioned about Cálidda, about making a very solid contribution to that growth, given the normalization. The drop we mentioned in gas transport and the energy transmission business – which is a fairly organic business – also shows a marginal contribution of COP 9.000 million, the same as energy distribution. So, in the vision of diversification, it shows how some are compensating for others, and that we are growing in the vast majority of businesses.

In costs, we have a very significant austerity policy that will not be a pandemic policy; the idea is a sustained policy and for us to become more efficient. Each time that large growth of 129 in Cálidda in natural gas distribution is reflected and exceeded by revenues. This is due to having higher pass-through costs that are reflected in the 129, but look how the others are controlled at less – 6, – 2. The +4 is also due to one off and not necessarily to a recurring matter. In administrative expenses, perhaps the strange number to explain is gas transport, where these are basically non-recurrent issues. It is not that we are increasing the base of administrative expenses at TGI in particular, but rather than there are some issues associated with transactions, and for accounting purposes, that are non-recurrent nor immediate cash either.

In net profits, this is the graph that I believe represents the Group's power most significantly. If you see that consolidated growth of 10% in net income, those 1,510 of growth are reflected by the subsidiaries, the ones that are not controlled, what other partners of ours are doing and we have holdings. Look at this graph, it shows that there is no business that is

becoming weaker. All the businesses are growing, even if marginally, and the smallest to the largest are growing. As I mentioned, the issue of Emgesa – which is the one that is contributing the most – is clearly pure and simple management by Enel in the generation business, delivering us very positive results, and the rest, too.

Our portfolio is a healthy portfolio. It clearly says that both Trecca and Contugas, well, in the long term, are not going to be the best investments due to the original amount of the investments or to the delays in the construction of the projects. But they contribute, and if they do not contribute, they will clearly contribute cash and profits to the company very soon.

Above, we also see slightly lower financial expenses; we have paid USD 100 million of prepaid debt in the last year. In foreign exchange difference, we see a mixture of several elements; among other, the main block of it is a comparison; last year at TGI, we had a profit due to foreign exchange difference due to the sanction times versus payment of dividends. It does not follow what one would naturally think, which is due to the exchange exposure of the debt. Most of the foreign exchange difference of debt is compensated for the debt portfolio in Brazil. Diversifying between the two also compensates us for the issue of foreign exchange difference.

In debt, we are in a truly excellent position; low leverage, a cash position that you see in half of the USD 581 million at the Group level. It is a sound cash flow with few amounts falling due in the coming year and a moderate amount the following year. That combination of cash, debt and few accounts coming due, is what allows us to aspire to and dream about continuing to grow with the purchase of companies and leveraging our capacity to manage more. It is clear evidence in the market that there are investments to be made profitable. The Group can aspire to complement our organic growth, as I said to you, of 51% this year, with inorganic investments.

Here is the CAPEX visible today. These are dollars. The five-year period where you see the dark green that is the transmission business, to finish executing the projects that are already awarded, the most important for the county effect, is Colectora. As Juan Ricardo mentioned, we already have almost half of the previous consultations already signed. This generates a very important positive moment for showing the environmental impact assessment to the regulator and, how Cálidda, given the maturation, we have made an investment of nearly USD 1400 million. We have 14,000 km of lines as the concession is requiring less cash, because we are already covering the entire market and in the next period, we hope to complete it. Even in 2024, this shows that it is not needed. It is to finish Trecca with a little more than USD 100 million. The project is at more than 90%. We still have the notional regasification plant, which is nothing more than that. The government has said that it will rethink the issue of the regasification plant and we are showing it here notionally among the investment possibilities. We had clearly said that the risk/return ratio of the previous structure did not work for us. It seems that everyone said the same thing because the UPME decided to cancel the project.

We have an order of USD 310 million to USD 320 million in average investments in the coming years. This is what allows us to aspire to purchase companies because we lack

sufficient CAPEX in our current business footprint to use the cash generated by the company.

With this, we will move on to questions and answers from this first section on results.

Olga Acosta: Thank you very much. These results are very important, Jorge. Here I wrote down 48% growth in the profits and 107% in the EBITDA in 3T21 for the entire Grupo Energía Bogotá. Congratulations to the Group and now we will answer some questions that we have already received. Adriana Munévar, I invite you to join us in this question period. We also have our CFO Mario Caballero from Cálidda.

Then the first question is for TGI: Will the change in compensation from dollars to pesos for TGI have some type of indexation?

Adriana Munévar: Yes. Correct. The investment currently recognized is in dollars from 2009. The resolution provides for bringing dollars from 2021 with the IPP and then it will be translated with the exchange rate at the end of 2021. From then on, when we already have it in pesos, it will be indexed with the CPI.

Olga Acosta: Can you also confirm how long you have to make that change, Adriana?

Adriana Munévar: Yes. The resolution gives seven months from the issue of the resolution, which is approximately the first of June next year that we are making that change.

Carlos Enrique Rodríguez, Porvenir: Good morning to all and thank you for the presentation. Adriana, with regard to TGI, what have the conversations with the raters been like, seeing the debt indicators that are rising? What do you think is the maximum point that these indicators will reach, taking into account the new regulation and that there is so much space for new projects and new indebtedness, taking into account the Pacific Regasification Plant? And if you can share us that project as you see in debt/equity structure and also dividends policy that we could expect?

And I will take advantage and also ask the question for the Group, for Jorge. Can you give us an update on district sales and how the conversations with foreigners have gone and what their expectations are? And also in your portfolio, what are the plans you have for Promigas? Thank you.

Adriana Munévar: Thank you for your question. Regarding the issue of rates, as I shared with you, we had the review in this quarter. In our projections, which are normally made until 2027, the impacts I mentioned of the resolutions were already included. In this sense, the maximum point of indebtedness we have for this year, for 2021. From the other year, this point of indebtedness would begin to decrease based on the projections we presented to the raters.

You asked me how this Regasification Plant project was put forward? It is a consortium in which there would be an independent entity, 50/50. TGI would have 50% and the debt/capital structure would be approximately 60% debt, 40% capital. In this sense, we would not have to consolidate in TGI's financial statements. Thus, we would not see that indebtedness level affected either. However, as we know, and I think that we will share with

you later, the project was closed at that time. However, we continue with great interest if the government puts it out again in a new structured way.

Dividend policy, in our projections, we maintain it as has been to date, with a distribution of 90% of TGI's net profit. Thanks. Thank you.

Jorge Tabares: Regarding the sale of the District's shares, what the District concluded is – as the Council has already approved the sale of 20%, 9.4% were lacking. They decided to change one asset for another, sell the share they have in Grupo Energía Bogotá to build and finance a metro line. What we are doing is leading the process, but it is obviously a sale by the shareholder. The times, I would tell you that: we are doing the administrative part as quickly as possible, so we can be in the market and do that sales and price optimization process with the greatest interval possible.

The schedule we have is the mechanical one. There is an issue that works on our side: we must have hired lawyers, investment bankers before the law on guarantees. It favors us because it forces us to work in some very compressed times. We are inviting investment banks and lawyers in the next 8 to 10 days, giving them very short times. As is the second time this is done, and the District also led the first time, we believe that we can do it more expeditiously. There are a number of lessons learned and documents we can use right now.

Regarding the time to market, it will depend on what direction the transactions are taking. If it is really a local transaction, it can surely be done a bit faster; if it is an international transaction, it will require a bit more effort. We are noting on the mechanical schedule once again the possibilities of something like June. The issue is that the last opportunity I saw elections at the time and that may or may not complicate the conversation with the investors. But we aspire for it to be in the first six months, and if not, very soon after that. That is regarding the sale.

The second question about Promigas, in the strategic review we finished last year, we looked at the portfolio, which is quite diverse. And that position, despite the fact that it is a very good company, very well managed, we determined that it was not strategic. So, at some point, we will sell it. At this moment in the process, we have not progressed in it. What we find is that there seems to be some investor also selling a large block of Promigas shares.

So we are letting that run its course. Let us see if it gives us any indication of the feasibility of finding buyers for the package we have of 15% of Promigas. So, there is no date at this time. And, beyond a strategic decision, that we might have businesses that we control or grow in what we want to grow in; it makes more sense than having that position at Promigas.

Olga Acosta: Well, we also have a question for Cálidda, Mario. It says, "Are you contemplating any regulatory change in the next five-year period? And, would the debt operation also involve a search for greater indebtedness to leverage growth and the CAPEX?"

Mario Caballero: Yes. Thank you for the question. Let us see; regarding regulatory changes, today we have nothing very specific. Something we are working on in a quite important way and bringing closer to the government is trying to develop some regulation that will allow us to expand today, especially our social footprint. What does this mean? Basically, for instance, we cannot today build on hills because the regulation does not allow it. So we are being very proactive and constructive with the government and the authorities, to see what can be developed and built within that context. So that we can increase our penetration and, above all, reach the populations that need it most.

Regarding the indebtedness and leverage, right now we are focused basically on a refinancing transaction. With this, the level of leveraging should be maintained below the level of the multiple of four, which is what we have been operating with in recent years and towards the future with an entity that has penetrated the market in a quite significant way. The CAPEX that remains for us in the following years is much less to execute.

Our large expansion process has taken place over the past 10 years, with nearly USD 1.4 trillion of investment. What remains for us to do is now much smaller. Thus, our perspective is that, after 2023, that leveraging level will gradually continue to fall and reach levels closer to a lower limit a multiple of three, and even probably something close to 2.5.

Diego Buitrago, Bancolombia: Good morning, thank you for the invitation. It is good to be at an on-site event after so long. A question for each, Adriana on the issue of TGI and the regasification plant: What was perhaps the main reason or the basis for not participating in this bidding opportunity, or what condition would you be expecting from the government to structure the project in order to at least bid for the project?

For Jorge, on the issue of finances and the strategy for coverage of exchange rates, etc. How big is the challenge with the change in TGI of the rate of dollars to pesos, if you believe that June of 2022 is a tight date for normalizing the entire debt profile, cash flow, etc. due to currency issues?

And for Mario, thanking him for participating, it is: On the issue of political risk... (Sound interruption of 53:50 to minute 59:06)

Olga Acosta: Well, thank you for participating.