

# Q3 2022

## Results Report

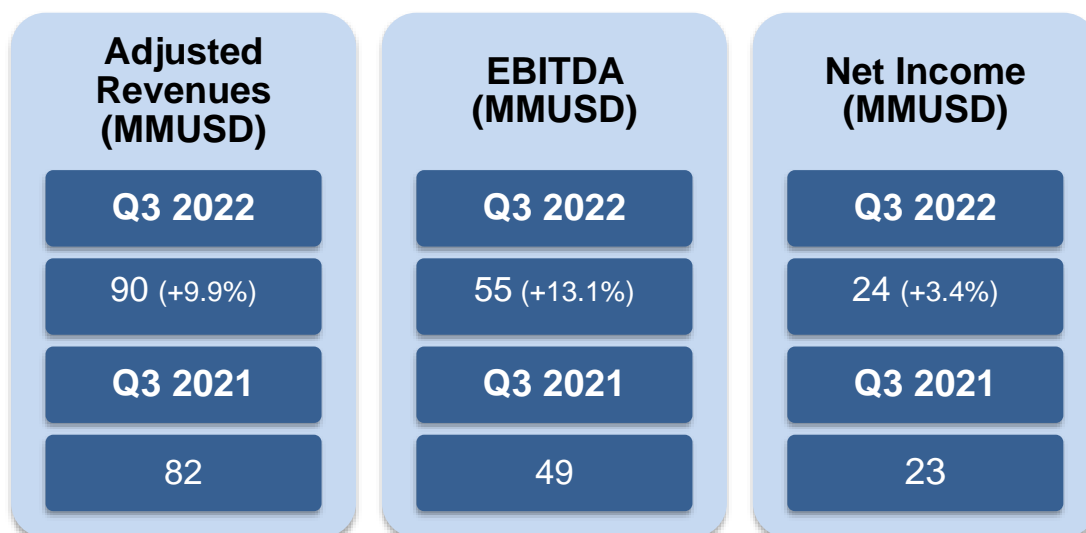


- ▶ Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

**Table N° 1 – Key Results Q3 2022**

<i>Results</i>	<i>Q3 2022</i>	<i>Q3 2021</i>	<i>ΔYoY %</i>
<i>Invoiced Volume (MMCFD)</i>	796	739	+7.6%
<i>Connections</i>	59,017	64,340	-8.3%
<i>Networks (Km)</i>	344	690	-50.2%
<i>EBITDA (MMUSD)</i>	55	49	+13.1%

- ▶ The risk rating agency Fitch Ratings affirmed the BBB rating with a stable outlook on Calidda's international bond issue. Likewise, the rating agency Pacific Credit Rating (PCR) issued the AAA rating with a stable outlook on the issuance of local bonds, results that confirm our solid financial position.
- ▶ We are ranked 21st in the Merco Reputation ranking, where corporate reputation in Peru is evaluated. Likewise, we occupy the first position in the gas and oil sector.
- ▶ Together with Pluspetrol and the members of the Camisea consortium, the NGV Bonus was officially launched, which will grant an economic incentive of between 10 KUSD and 15 KUSD for the acquisition of NGV/LNG trucks/buses. The fund has 32 MMUSD that will allow the transformation of more than 2,100 new vehicles to Natural Gas.
- ▶ Key financial results as of Q3 2022 (compared to Q3 2021):



## Executive overview

### Operational and financial relevant information

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

Operational Results	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Accumulated Clients	1,225,948	1,300,122	1,370,700	1,438,899	1,497,916	22.2%
Invoiced Volume (MMCFD)	739	753	738	767	796	7.6%
Network Length (km)	13,692	14,407	14,881	15,263	15,606	14.0%
Financial Results	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Total Revenues (MMUSD)	194	214	198	215	217	12.2%
Total Adj. Revenues <sup>1</sup> (MMUSD)	82	95	91	93	90	9.9%
EBITDA (MMUSD)	49	57	54	55	55	13.1%
Adjusted EBITDA Margin	59%	60%	59%	59%	61%	-
Net Income (MMUSD)	23	28	25	26	24	3.4%
Interest Coverage (x)	8.3x	9.0x	8.9x	8.4x	7.9x	-

**International credit ranking:**

Fitch – October 25 | 2022: BBB, stable

Moody's – November 22 | 2021: Baa2, stable

**Local credit ranking:**

Moody's Local Perú – October 28 | 2022: AAA.pe, stable

Pacific Credit Rating – July 21 | 2022: AAA, stable

### Peruvian Natural Gas Market

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

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Natural Gas Production <sup>2</sup> (MMCFD)	980	1,387	1,319	1,388	1,109	13.2%
Local Market Demand (MMCFD)	872	825	727	785	953	9.2%
Calidda's Local Market Share (MMCFD)	705	607	520	589	750	6.4%

- ▶ By the end of Q3 2022, the Peruvian natural gas production increased by 13.2% compared to Q3 2021.
- ▶ As for the local market demand, it increased by 9.2% up to 953 MMCFD.
- ▶ At the end of Q3 2022, Calidda's market share was 79%.

<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 September 2022 (Ministry of Energy and Mines).

## Commercial Performance

### Invoiced Volume

- ✓ At the end of Q3 2022, the total invoiced volume increased by 7.6% vs. the previous year, explained by the increase in the demand of the generating sector due to the dry season and maintenance in hydroelectric plants, added to the greater consumption of the NGV sector due to the improvement in the competitiveness of natural gas as a result of the increase in the cost of substitute hydrocarbons and the largest conversions of vehicles to NGV thanks to the financing that the State grants through the FISE.
- ✓ Take-or-Pay contracts reached 568 MMCFD (Power Generators: 526 MMCFD; Industrial Segment: 42 MMCFD), representing 71% 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)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Power Generation	523	524	524	534	556	6.5%
Industrial	140	149	135	146	150	6.5%
NGV Stations	53	58	57	63	65	21.1%
Residential and Commercial	23	22	21	25	25	9.9%
<b>Total</b>	<b>739</b>	<b>753</b>	<b>738</b>	<b>767</b>	<b>796</b>	<b>7.6%</b>

- ✓ As shown in this table, the volume invoiced at the end of Q3 2022 reached a total of 796 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)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Distribution System Capacity	420	420	420	420	420	-
<b>Consumed Volume</b>	<b>298</b>	<b>302</b>	<b>268</b>	<b>301</b>	<b>338</b>	<b>13.7%</b>
Regulated Clients	154	163	154	169	170	10.6%
Independent Clients	144	140	113	132	168	16.9%

- ✓ At the end of Q3 2022, both our Independent and Regulated clients had an average consumption of 338 MMCFD, equivalent to 81% 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 Q3 2022 Regulated clients consumed around 170 MMCFD, equivalent to 77% of the total contracted supply volume and 75% 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>	
	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022		
Residential and Commercial	11.79	12.98	13.14	11.46	11.80	Residential LPG	Electrical Energy
						23.61 (-50%)	36.27 (-67%)
Vehicular	8.23	8.59	9.36	9.55	9.12	Vehicular LPG	Gasoline 90
						17.94 (-49%)	34.34 (-73%)
Industrial	5.66	5.92	5.87	5.85	6.04	Electrical Energy	Industrial Petroleum
						50.73 (-88%)	20.66 (-71%)
Power Generation	3.73	3.85	3.79	3.86	3.97	Diesel	Industrial Petroleum
						28.50 (-86%)	20.66 (-81%)

- ✓ 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 September 2022.

## Operational Performance

### Connections per Client Segment

At the end of Q3 2022, Calidda connected 59,017 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 49 districts.

**Table N° 8 – New Clients**

New Clients	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Power Generation	1	1	0	1	0	-
Industrial	22	15	13	10	8	-
NGV Stations	1	0	0	2	1	-
Residential and Commercial	64,316	74,158	70,565	68,186	59,008	-
<b>Total</b>	<b>64,340</b>	<b>74,174</b>	<b>70,578</b>	<b>68,199</b>	<b>59,017</b>	<b>-8.3%</b>

- ✓ 46 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.
- ✓ 264,886 residential clients and 7,031 commercial clients were connected in the last 12 months.
- ✓ During Q3 2022, 59,017 new connections were achieved, reaching 197,794 connections accumulated as of September 2022, 10.0% higher compared to connections accumulated as of September 2021.

**Table N° 9 – Clients Base**

Clients Base	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Power Generation	27	28	28	29	29	7.4%
Industrial	727	742	755	765	773	6.3%
NGV Stations	287	287	287	289	290	1.0%
Residential and Commercial	1,224,907	1,299,065	1,369,630	1,437,816	1,496,824	22.2%
<b>Total</b>	<b>1,225,948</b>	<b>1,300,122</b>	<b>1,370,700</b>	<b>1,438,899</b>	<b>1,497,916</b>	<b>22.2%</b>

- ✓ At the end of Q3 2022, the total number of clients was 1,497,916, 22.2% higher compared to the previous year.

## Distribution Network

- ✓ Calidda's distribution system consists of 15,606 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q3 2022, Calidda has built 344 km, a result although lower than the figure for the previous year, it is aligned with our investment plan for the 2022-2026 period and with the company's higher level of maturity.

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

**Table N° 10 – Distribution System**

Distribution System (Km)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Polyethylene Network	13,068	13,777	14,249	14,627	14,967	14.5%
Steel Network	624	629	631	636	639	2.4%
<b>Total</b>	<b>13,692</b>	<b>14,407</b>	<b>14,881</b>	<b>15,263</b>	<b>15,606</b>	<b>14.0%</b>
New Networks	690	715	474	382	344	-50.2%

## 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 Q3 2022 to 98% 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:

**Table N° 11 – Network Penetration Ratio**

Network Penetration Ratio	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Potential Clients	1,300,445	1,362,799	1,405,404	1,468,264	1,528,485	17.5%
Total Clients	1,225,948	1,300,122	1,370,700	1,438,899	1,497,916	22.2%
Penetration Ratio	94%	95%	97%	98%	98%	-

## Financial Performance

### Revenues

- ✓ Adjusted revenues increased by 9.9% mainly driven by higher distribution revenues. Likewise, at the accumulated level, adjusted revenues were 274 MMUSD as of September 2022, 17.1% higher compared to accumulated adjusted revenues as of September 2021. Similarly, EBITDA increased by 13.1%, compared to results at the end of Q3 2021.

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

Distribution of the Adjusted Revenues (%) – Q3 2022			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.	70%	<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.	22%	<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.	8%		

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

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

Distribution Revenues (MMUSD)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Residential and Commercial	11	12	13	14	14	26.7%
Industrial	13	14	15	14	14	11.6%
NGV Stations	6	7	7	7	7	23.4%
Power Generation	23	24	22	24	27	16.2%
<b>Total</b>	<b>53</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>63</b>	<b>18.1%</b>

- ✓ Even though the Residential and Commercial segment represents only 3% of the invoiced volume (table N°4), it concentrates 23% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 41% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 70% of the invoiced volume, 43% of the distribution revenues, and 30% 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)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Residential and Commercial	11	12	13	14	14	26.7%
Industrial	13	14	15	14	14	11.6%
NGV Stations	6	7	7	7	7	23.4%
Power Generation	23	24	22	24	27	16.2%
Connection Services	19	29	24	24	20	2.8%
Others	9	9	9	10	7	-24.0%
<b>Total</b>	<b>82</b>	<b>95</b>	<b>91</b>	<b>93</b>	<b>90</b>	<b>9.9%</b>

### Key Financial Indicators

- ✓ The EBITDA as of Q3 2022 reached 55 MMUSD, presenting an increase of 13.1% compared to the EBITDA of Q3 2021, explained by higher distribution revenues. Likewise, at an accumulated level it reached 164 MMUSD, 15.7% higher compared to 2021.
- ✓ The next table shows the relevant financial information by quarter:

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

Financial Results	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	ΔYoY %
Total Revenues (MMUSD)	194	214	198	215	217	12.2%
Total Adjusted Revenues (MMUSD)	82	95	91	93	90	9.9%
Contribution Margin (MMUSD)	66	79	72	75	75	14.7%
EBITDA (MMUSD)	49	57	54	55	55	13.1%
EBITDA LTM (MMUSD)	184	199	210	215	221	20.6%
Adjusted EBITDA Margin (%)	59%	60%	59%	59%	61%	-
Net Income (MMUSD)	23	28	25	26	24	3.4%
FFO LTM <sup>4</sup>	123	133	140	142	144	17.2%
Total Assets (MMUSD)	1,206	1,304	1,261	1,335	1,388	15.1%
CapEx (MMUSD)	37	51	36	42	39	7.0%
Total Liabilities (MMUSD)	880	946	969	1,012	1,015	15.3%
Equity (MMUSD)	326	358	293	323	373	14.4%
Total Debt (MMUSD)	712	762	762	807	817	14.7%
Net Debt (MMUSD)	658	675	748	760	792	20.4%
Debt/EBITDA	3.9x	3.8x	3.6x	3.8x	3.7x	-
Net Debt/EBITDA	3.6x	3.4x	3.6x	3.5x	3.6x	-
Interest Coverage	8.3x	9.0x	9.1x	8.7x	7.9x	-

<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 Q3 2022, the total debt was 817 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	25	80	0	0	130	0	0	0	<b>235</b>
Multilateral Banking	0	0	13	25	25	25	13	0	<b>100</b>
Local Bonds	0	0	0	0	0	0	61	101	<b>162</b>
International Bonds	0	320	0	0	0	0	0	0	<b>320</b>
<b>Total</b>	<b>25</b>	<b>400</b>	<b>13</b>	<b>25</b>	<b>155</b>	<b>25</b>	<b>74</b>	<b>101</b>	<b>817</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	1,350	1,400
Connections	138,413	184,403	191,466	93,385	254,055	220,000	240,000
EBITDA (MMUSD)	138	159	171	156	199	210	215
Net Debt/EBITDA	2.7x	2.9x	3.1x	3.7x	3.4x	3.7x	3.6x

- ✓ The solid results as of Q3 2022 allow us to improve our expectations at the end of 2022.
- ✓ Regarding the construction of networks, this year we seek to build between 1,350 and 1,400 kilometers of networks, similar to years prior to the pandemic.
- ✓ In terms of new connections, we seek to make between 220,000 and 240,000 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 210 and 215 MMUSD.
- ✓ We expect a slight increase in the Net Debt/EBITDA ratio towards levels of 3.7x – 3.6x 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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