

Q4 2022

Results Report

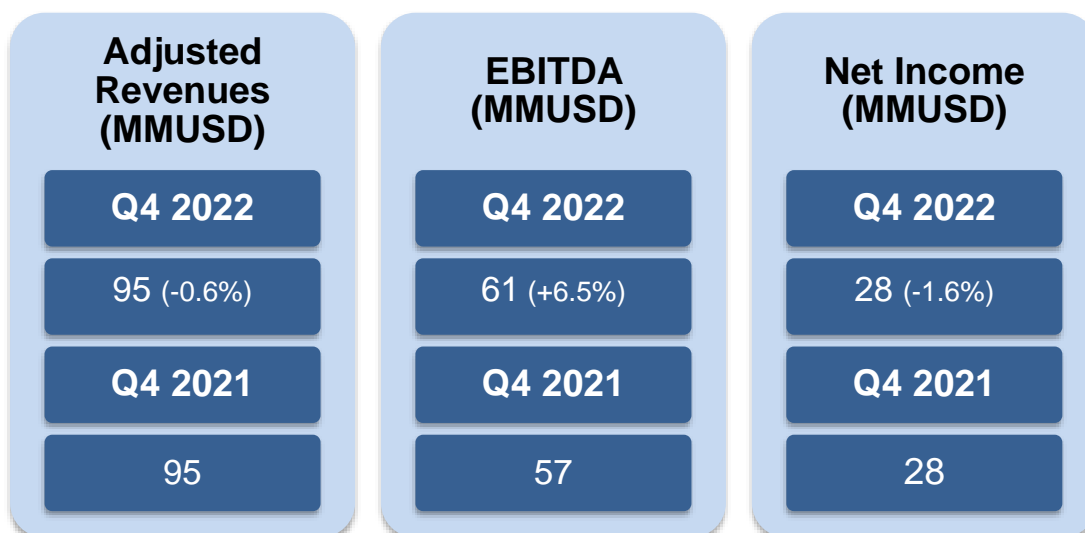


- Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

Table N° 1 – Key Results Q4 2022

Results	Q4 2022	Q4 2021	ΔYoY %
<i>Invoiced Volume (MMCFD)</i>	797	753	+5.9%
<i>Connections</i>	62,462	74,174	-15.8%
<i>Networks (Km)</i>	355	715	-50.3%
<i>EBITDA (MMUSD)</i>	61	57	+6.5%

- The risk rating agency Moody's Investors Service affirmed the BBB rating with a stable outlook on Calidda's international bond issue. Likewise, the rating agency Pacific Credit Rating (PCR) and Moody's Local issued the AAA rating with a stable outlook on the issuance of local bonds, results that confirm our solid financial position.
- Our Hybrid Work Model and the commitment to attract and retain talent through flexibility is reflected once again by being chosen within the GPTW ranking, occupying position N° 13 in the country.
- The international rating agency Moody's ESG Solutions carried out a second sustainability evaluation, assigning a rating of A1 and a score of 66, for showing a solid capacity and willingness to integrate ESG factors into the company's strategy, operations and risk management.
- Key financial results as of Q4 2022 (compared to Q4 2021):



Executive overview

Operational and financial relevant information

Table N°2 - Operational and financial key indicators

Operational Results	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Accumulated Clients	1,300,122	1,370,700	1,438,899	1,497,916	1,560,379	20.0%
Invoiced Volume (MMCFD)	753	738	767	797	797	5.9%
Network Length (km)	14,407	14,881	15,263	15,606	15,961	10.8%
Financial Results	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Total Revenues (MMUSD)	214	198	215	217	197	-7.7 %
Total Adj. Revenues ¹ (MMUSD)	95	91	93	90	95	-0.6%
EBITDA (MMUSD)	57	54	55	55	61	6.5%
Adjusted EBITDA Margin	60%	59%	59%	61%	64%	-
Net Income (MMUSD)	28	25	26	24	28	-1.6%
Interest Coverage (x)	9.0x	8.9x	8.4x	7.9x	7.2x	-

International credit ranking:

Fitch – Oct. 25 | 2022: BBB, stable

Moody's – Dec. 5 | 2022: Baa2, stable

Local credit ranking:

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

Pacific Credit Rating – Nov. 22 | 2022: AAA, stable

Peruvian Natural Gas Market

Table N° 3 – Key market indicators

Indicator	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Natural Gas Production ² (MMCFD)	1,387	1,319	1,388	1,109	1,488	7.3%
Local Market Demand (MMCFD)	825	727	785	953	1,035	25.5%
Calidda's Local Market Share (MMCFD)	607	520	588	751	775	27.6%

- By the end of Q4 2022, the Peruvian natural gas production increased by 7.3% compared to Q4 2021.
- As for the local market demand, it increased by 25.5% up to 1,035 MMCFD.
- At the end of Q4 2022, Calidda's market share was 75%.

¹ 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).

² Information at the end of December 2022 (Ministry of Energy and Mines).

Commercial Performance

Invoiced Volume

- ✓ At the end of Q4 2022, the total invoiced volume increased by 5.9% 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 570 MMCFD (Power Generators: 526 MMCFD; Industrial Segment: 44 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)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Power Generation	524	524	534	556	561	7.1%
Industrial	149	135	146	150	143	-3.7%
NGV Stations	58	57	63	65	67	16.6%
Residential and Commercial	22	21	25	26	26	12.3%
Total	753	738	767	797	797	5.9%

- ✓ As shown in this table, the volume invoiced at the end of Q4 2022 reached a total of 797 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
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
2022	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 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Distribution System Capacity	420	420	420	420	420	-
Consumed Volume	302	268	301	340	351	15.7%
Regulated Clients	163	154	169	172	172	5.3%
Independent Clients	140	113	132	168	179	27.8%

- ✓ At the end of Q4 2022, both our Independent and Regulated clients had an average consumption of 351 MMCFD, equivalent to 83% 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 2022 Regulated clients consumed around 172 MMCFD, equivalent to 78% 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 ³	
	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022		
Residential and Commercial	12.98	13.14	11.46	11.80	11.98	Residential LPG	Electrical Energy
						21.99 (-46%)	36.41 (-67%)
Vehicular	8.59	9.36	9.55	9.12	9.26	Vehicular LPG	Gasoline 90
						16.74 (-45%)	33.56 (-72%)
Industrial	5.92	5.87	5.85	6.04	6.11	Electrical Energy	Industrial Petroleum
						54.56 (-89%)	19.25 (-68%)
Power Generation	3.85	3.79	3.86	3.97	4.01	Diesel	Industrial Petroleum
						30.87 (-87%)	19.25 (-79%)

- ✓ 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.

³ Available information of Luz del Sur, Osinergmin and Petroperu as of December 2022.

Operational Performance

Connections per Client Segment

At the end of Q4 2022, Calidda connected 62,462 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, Chacayo, 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	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Power Generation	1	0	1	0	0	-
Industrial	15	13	10	8	17	-
NGV Stations	0	0	2	1	1	-
Residential and Commercial	74,158	70,565	68,186	59,008	62,444	-
Total	74,174	70,578	68,199	59,017	62,462	-15.8%

- ✓ 48 clients in the industrial segment were connected in the last 12 months.
- ✓ 4 NGV stations were added to the distribution network in the last 12 months.
- ✓ 252,402 residential clients and 7,802 commercial clients were connected in the last 12 months.
- ✓ During Q4 2022, 62,462 new connections were achieved, reaching 260,257 connections accumulated as of December 2022, 2.4% higher compared to connections accumulated as of December 2021.

Table N° 9 – Clients Base

Clients Base	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Power Generation	28	28	29	29	29	3.6%
Industrial	742	755	765	773	790	6.5%
NGV Stations	287	287	289	290	291	1.4%
Residential and Commercial	1,299,065	1,369,630	1,437,816	1,496,824	1,559,269	20.0%
Total	1,300,122	1,370,700	1,438,899	1,497,916	1,560,379	20.0%

- ✓ At the end of Q4 2022, the total number of clients was 1,560,379, 20.0% higher compared to the previous year.

Distribution Network

- ✓ Calidda's distribution system consists of 15,961 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q4 2022, Calidda has built 355 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)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Polyethylene Network	13,777	14,249	14,627	14,967	15,320	11.2%
Steel Network	629	631	636	639	641	1.9%
Total	14,407	14,881	15,263	15,606	15,961	10.8%
New Networks	715	474	382	344	355	-

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 2022 to 72% 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	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Potential Clients	2,037,850	2,080,455	2,112,735	2,138,440	2,162,728	4.0%
Total Clients	1,300,122	1,370,700	1,438,899	1,497,916	1,560,379	20.0%
Penetration Ratio	64%	66%	68%	70%	72%	-

Financial Performance

Revenues

- ✓ At the accumulated level, adjusted revenues were 368 MMUSD as of December 2022, 12.0% higher compared to accumulated adjusted revenues as of December 2021. Similarly, EBITDA increased by 13.0%, compared to results at the end of 2021.

Table N° 12 – Revenues distribution by concepts

Distribution of the Adjusted Revenues (%) – Q4 2022			Pass-Through Concepts	
Distribution service	Main operative income of Cálidda; it is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	69%	Sell and transport of natural gas	Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
Connection services	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.	18%	Revenues of network expansion	Pass-through income related to the investments executed by Cálidda in order to expand the distribution network.
Other services	Operative income which mainly comes from network relocation services and other services.	13%		

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

Table N° 13 – Adjusted Revenues per Client Segment

Distribution Revenues (MMUSD)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Residential and Commercial	12	13	14	14	16	26.7%
Industrial	14	15	14	14	14	-1.5%
NGV Stations	7	7	7	7	8	16.8%
Power Generation	24	22	24	27	28	16.8%
Total	57	58	59	63	66	14.4%

- ✓ Even though the Residential and Commercial segment represents only 3% of the invoiced volume (table N°4), it concentrates 24% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 34% 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 29% 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 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Residential and Commercial	12	13	14	14	16	26.7%
Industrial	14	15	14	14	14	-1.5%
NGV Stations	7	7	7	7	8	16.8%
Power Generation	24	22	24	27	28	16.8%
Connection Services	29	24	24	20	17	-42.2%
Others	9	9	10	7	12	40.2%
Total	95	91	93	90	95	-0.6%

Key Financial Indicators

- ✓ The EBITDA as of Q4 2022 reached 61 MMUSD, presenting an increase of 6.5% compared to the EBITDA of Q4 2021, explained by higher distribution revenues. Likewise, at an accumulated level it reached 225 MMUSD, 13.0% higher compared to 2021.
- ✓ The next table shows the relevant financial information by quarter:

Table N° 15 – Key Financial Indicators

Financial Results	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	ΔYoY %
Total Revenues (MMUSD)	214	198	215	217	197	-7.7%
Total Adjusted Revenues (MMUSD)	95	91	93	90	95	-0.6%
Contribution Margin (MMUSD)	79	72	75	75	78	-0.5%
EBITDA (MMUSD)	57	54	55	55	61	6.5%
EBITDA LTM (MMUSD)	199	210	215	221	225	13.0%
Adjusted EBITDA Margin (%)	60%	59%	59%	61%	64%	-
Net Income (MMUSD)	28	25	26	24	28	-1.6%
FFO LTM ⁴	133	140	142	144	145	9.3%
Total Assets (MMUSD)	1,304	1,261	1,335	1,388	1,406	7.4%
CapEx (MMUSD)	51	36	42	39	50	-2.7%
Total Liabilities (MMUSD)	946	969	1,012	1,015	1,004	5.6%
Equity (MMUSD)	358	293	323	373	402	12.4%
Total Debt (MMUSD)	762	762	807	817	792	3.9%
Net Debt (MMUSD)	675	748	760	792	752	11.3%
Debt/EBITDA	3.8x	3.6x	3.8x	3.7x	3.5x	-
Net Debt/EBITDA	3.4x	3.6x	3.5x	3.6x	3.3x	-
Interest Coverage	9.0x	9.1x	8.7x	7.9x	7.2x	-

⁴ 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 2022, the total debt was 792 MMUSD and has the following maturity profile:

Table N° 16 – Maturity Profile of Debt

Total Debt (MMUSD)	2023	2024	2025	2026	2027	2028	2029	Total
Banking Debt	80	0	0	130	0	0	0	210
Multilateral Banking	0	13	25	25	25	13	0	100
Local Bonds	0	0	0	0	0	61	101	162
International Bonds	320	0	0	0	0	0	0	320
Total	400	13	25	155	25	74	101	792

Guidance

- ✓ The key indicators of the outlook for the end of 2023 are the following:

Table N° 17 – Outlook 2022

Indicators	2018	2019	2020	2021	2022	2023P
Networks (Km)	1,345	1,474	979	2,263	1,554	1,150
Connections	184,403	191,466	93,385	254,055	260,257	200,000
EBITDA (MMUSD)	159	171	156	199	225	215
Net Debt/EBITDA	2.9x	3.1x	3.7x	3.4x	3.2x	3.8x

- ✓ The solid results of 2022, despite the local context, allow us to project stable growth for 2023.
- ✓ Regarding the construction of networks, this year we seek to build 1,150 kilometers of networks, similar to years prior to the pandemic.
- ✓ In terms of new connections, we seek to make 200,000 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 215 MMUSD.
- ✓ We expect a slight increase in the Net Debt/EBITDA ratio towards levels of 3.8x due to the financing of our investment plans. Likewise, from 2024 a sustained deleveraging is expected.

Annexes

Annex 1: Legal note and remarks

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