

# Q1 2023

## Results Report

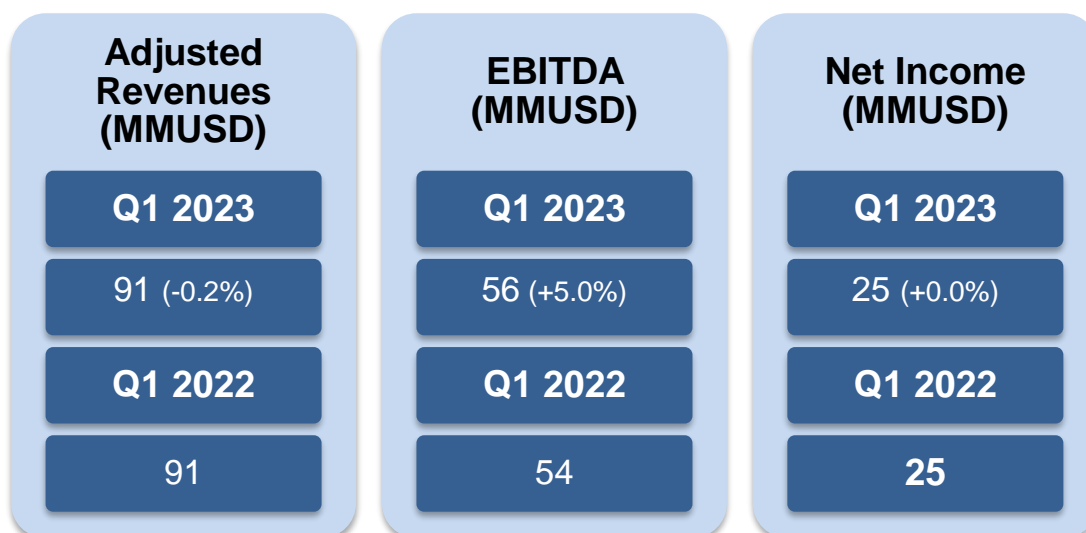


- ▶ Cálidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.

**Table N° 1 – Key Results Q1 2023**

<i>Results</i>	<i>Q1 2023</i>	<i>Q1 2022</i>	<i>ΔYoY %</i>
<i>Regulated Volume (MMCFD)</i>	772	738	+4.6%
<i>Connections</i>	64,925	70,565	-8.0%
<i>Networks (Km)</i>	279	474	-41.1%
<i>EBITDA (MMUSD)</i>	56	54	+5.0%

- ▶ In the last week of March, we disbursed USD 320MM through bank debt to meet the maturity of the 2013 International Bond, which expired on April 3. It is important to highlight that we achieved a lower refinancing cost of 94 bps.
- ▶ On January 17, 2023, the first liquefied natural gas vehicles (LNGV) station in Perú and South America was inaugurated, in partnership with Grifos Espinoza (GESA). The LNGV station is located at 27.5 Km on the Pan-American North highway in the district of Puente Piedra, the construction involved an investment of USD 1MM.
- ▶ During Q1 2023, Moody's Local and International and PCR made a risk rating analysis of Calidda using data from 2022.
- ▶ Key financial results as of Q1 2023 (compared to Q1 2022):



## Executive overview

### Operational and financial relevant information

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

Operational Results	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Accumulated Clients	1,370,700	1,438,899	1,497,916	1,560,379	1,625,316	18.6%
Invoiced Volume (MMCFD)	738	767	797	797	772	4.6%
Network Length (km)	14,881	15,263	15,606	15,961	16,240	9.1%
Financial Results	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Total Revenues (MMUSD)	198	215	217	197	218	9.0%
Total Adj. Revenues <sup>1</sup> (MMUSD)	91	93	90	95	91	-0.2%
EBITDA (MMUSD)	54	55	55	61	56	5.0%
Adjusted EBITDA Margin	59%	59%	61%	64%	62%	-
Net Income (MMUSD)	25	26	24	28	25	0.0%
Interest Coverage (x)	8.9x	8.4x	7.9x	7.2x	7.1x	-

**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	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Natural Gas Production <sup>2</sup> (MMCFD)	1,319	1,388	1,109	1,488	1,435	8.8%
Local Market Demand (MMCFD)	727	785	953	1,035	855	17.6%
Calidda's Local Market Share (MMCFD)	520	588	751	775	620	19.2%

- ▶ By the end of Q1 2023, the Peruvian natural gas production increased by 8.8% compared to Q1 2022.
- ▶ As for the local market demand, it increased by 17.6% compared to Q1 2022, up to 855 MMCFD.
- ▶ At the end of Q1 2023, Calidda's market share was 73%.

<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 March 2023 (Ministry of Energy and Mines).

## Commercial Performance

### Invoiced Volume

- ✓ At the end of Q1 2023, the total invoiced volume increased by 4.6% vs. past year, explained by the increase in demand from the power generation sector due to adverse climate events and irregular rain periods, in addition a higher consumption from the natural gas vehicle sector due to the improved competitiveness of natural gas resulting from the rising cost of substitute hydrocarbons and increased vehicle conversions to natural gas due to financing provided by the Government through the FISE
- ✓ Take-or-Pay contracts reached 568 MMCFD (Power Generators: 526 MMCFD; Industrial Segment: 42 MMCFD), representing 74% 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)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Power Generation	524	533	556	561	539	2.8%
Industrial	135	146	150	142	140	4.3%
NGV Stations	57	62	65	68	68	18.7%
Residential and Commercial	21	25	26	27	25	11.3%
<b>Total</b>	<b>738</b>	<b>767</b>	<b>797</b>	<b>798</b>	<b>772</b>	<b>4.6%</b>

- ✓ As shown in this table, the volume invoiced at the end of Q1 2023 reached a total of 772 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)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Distribution System Capacity	420	420	420	420	420	-
<b>Consumed Volume</b>	<b>268</b>	<b>301</b>	<b>340</b>	<b>351</b>	<b>307</b>	<b>14.6%</b>
Regulated Clients	154	169	172	172	168	9.1%
Independent Clients	113	132	168	179	139	23.0%

- ✓ At the end of Q1 2023, both our Independent and Regulated clients had an average consumption of 307 MMCFD, equivalent to 73% 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 Q1 2023 Regulated clients consumed around 172 MMCFD, equivalent to 77% of the total contracted supply volume and 74% 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>	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023		
Residential and Commercial	13.14	11.46	11.80	11.98	11.92	Residential LPG	Electrical Energy
						21.06 (-43%)	35.30 (-66%)
Vehicular	9.36	9.55	9.12	9.26	9.30	Vehicular LPG	Gasoline 90
						16.21 (-43%)	30.85 (-70%)
Industrial	5.87	5.85	6.04	6.11	6.07	Electrical Energy	Industrial Petroleum
						51.19 (-88%)	18.41 (-67%)
Power Generation	3.79	3.86	3.97	4.01	3.98	Diesel	Industrial Petroleum
						29.54 (-87%)	18.41 (-78%)

- ✓ As shown in the table, for each of the segments the tariffs offered by Cálidda are highly competitive, in some cases around 88% less in contrast to its substitutes.
- ✓ 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 March 2023.

## Operational Performance

### Connections per Client Segment

At the end of Q1 2023, Calidda connected 64,937 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	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Power Generation	0	1	0	0	0	-
Industrial	13	10	8	17	11	-
NGV Stations	0	2	1	1	1	-
Residential and Commercial	70,565	68,186	59,008	62,444	64,925	-
<b>Total</b>	<b>70,578</b>	<b>68,199</b>	<b>59,017</b>	<b>62,462</b>	<b>64,937</b>	<b>-8.0%</b>

- ✓ 46 clients in the industrial segment were connected in the last 12 months.
- ✓ 5 NGV stations were added to the distribution network in the last 12 months.
- ✓ 224,005 residential clients and 7,353 commercial clients were connected in the last 12 months.
- ✓ During Q1 2023, 64,937 new connections were achieved, and in the last 12 months a total of 254,616.

**Table N° 9 – Clients Base**

Clients Base	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Power Generation	28	29	29	29	29	3.6%
Industrial	755	765	773	790	801	6.1%
NGV Stations	287	289	290	291	292	1.7%
Residential and Commercial	1,369,630	1,437,816	1,496,824	1,559,269	1,624,194	18.6%
<b>Total</b>	<b>1,370,700</b>	<b>1,438,899</b>	<b>1,497,916</b>	<b>1,560,379</b>	<b>1,625,316</b>	<b>18.6%</b>

- ✓ At the end of Q1 2023 Calidda had total of 1,625,316 clients, 18.6% higher compared to the previous year.

## Distribution Network

- ✓ Calidda's distribution system consists of 16,240 km of underground pipelines in Lima and Callao.
- ✓ At the end of Q1 2023, Calidda has built 279 km, figure shorter than the previous year but aligned with the investment plan for the 2022-2026 period.

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

**Table N° 10 – Distribution System**

Distribution System (Km)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Polyethylene Network	14,249	14,627	14,967	15,320	15,597	9.5%
Steel Network	631	636	639	641	643	1.9%
<b>Total</b>	<b>14,881</b>	<b>15,263</b>	<b>15,606</b>	<b>15,961</b>	<b>16,240</b>	<b>9.1%</b>
New Networks	474	382	344	355	279	-

## 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 Q1 2023 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	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Potential Clients	2,080,455	2,112,735	2,138,440	2,162,728	2,267,119	9.0%
Total Clients	1,370,700	1,438,899	1,497,916	1,560,379	1,622,895	18.4%
Penetration Ratio	66%	68%	70%	72%	72%	-

## Financial Performance

### Revenues

- ✓ Adjusted Revenues reached 91 MMUSD at the end of Q1 2023, similarly to Q1 2022 results. Nonetheless, EBITDA increased by 0.5%, compared to the results at the end of Q1 2022.

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

Distribution of the Adjusted Revenues (%) – Q1 2023			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.	14%	<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.	16%		

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

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

Distribution Revenues (MMUSD)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Residential and Commercial	13	14	14	16	15	19.0%
Industrial	15	14	14	14	14	-8.8%
NGV Stations	7	7	7	8	8	16.1%
Power Generation	22	24	27	28	26	15.6%
<b>Total</b>	<b>58</b>	<b>59</b>	<b>53</b>	<b>66</b>	<b>63</b>	<b>9.9%</b>

- ✓ 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 31% 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)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Residential and Commercial	13	14	14	16	15	19.0%
Industrial	15	14	14	14	14	-8.8%
NGV Stations	7	7	7	8	8	16.1%
Power Generation	22	24	27	28	26	15.6%
Connection Services	24	24	20	17	19	-20.8%
Others	9	10	7	12	9	-8.1%
<b>Total</b>	<b>91</b>	<b>93</b>	<b>90</b>	<b>95</b>	<b>91</b>	<b>-0.2%</b>

### Key Financial Indicators

- ✓ EBITDA as of Q1 2023 reached 56 MMUSD, presenting an increase of 5.0% compared to the EBITDA of Q1 2022. This is explained by higher distribution revenues.
- ✓
- ✓ The next table shows the relevant financial information by quarter:

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

Financial Results	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	ΔYoY %
Total Revenues (MMUSD)	198	215	217	197	215	9.0%
Total Adjusted Revenues (MMUSD)	91	93	90	95	91	-0.2%
Contribution Margin (MMUSD)	72	75	75	78	75	4.2%
EBITDA (MMUSD)	54	55	55	61	56	5.0%
EBITDA LTM (MMUSD)	210	215	221	225	228	8.6%
Adjusted EBITDA Margin (%)	59%	59%	61%	64%	62%	-
Net Income (MMUSD)	25	26	24	28	25	0.0%
FFO LTM <sup>4</sup>	140	142	144	145	147	5.0%
Total Assets (MMUSD)	1,261	1,335	1,388	1,406	1,458	15.6%
CapEx (MMUSD)	36	42	39	50	39	8.3%
Total Liabilities (MMUSD)	969	1,012	1,015	1,004	1,140	17.6%
Equity (MMUSD)	293	323	373	402	317	8.2%
Total Debt (MMUSD)	762	807	817	792	892	17.1%
Net Debt (MMUSD)	748	760	792	752	817	9.2%
Debt/EBITDA	3.6x	3.8x	3.7x	3.5x	3.9x	-
Net Debt/EBITDA	3.6x	3.5x	3.6x	3.3x	3.6x	-
Interest Coverage	9.1x	8.7x	7.9x	7.2x	7.1x	-

- ✓ This performance has been achieved thanks to increasing Assets due to the investments over the past years.

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



- ✓ At the end of Q1 2023, the total debt was 892 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	230	0	0	0	310
Multilateral Banking	0	13	25	345	25	13	0	420
Local Bonds	0	0	0	0	0	61	101	162
<b>Total</b>	<b>80</b>	<b>13</b>	<b>25</b>	<b>575</b>	<b>25</b>	<b>74</b>	<b>101</b>	<b>892</b>

## 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	2023P
Networks (Km)	1,345	1,474	979	2,263	1,554	1,250	1,250
Connections	184,403	191,466	93,385	254,055	260,257	215,000	230,000
EBITDA (MMUSD)	159	171	156	199	225	215	220
Net Debt/EBITDA	2.9x	3.1x	3.7x	3.4x	3.2x	3.8x	3.7x

- ✓ The solid results of 2022, despite the local context, allows us to forecast a stable growth for 2023.
- ✓ Regarding the construction of networks, this year we seek to build 1,250 kilometers of networks.
- ✓ In terms of new connections, we seek to make between 215,000 and 230,000 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 215 and 220 MMUSD.
- ✓ We expect a slight increase in the Net Debt/EBITDA ratio towards levels of 3.7x and 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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