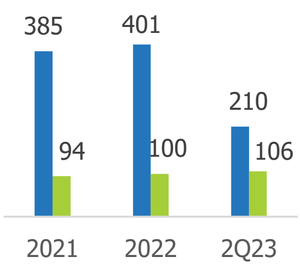
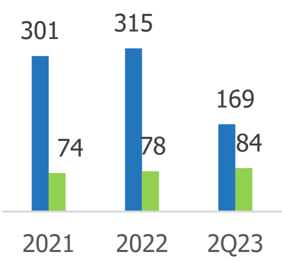
Results Report
2Q23
Accumulated and 2Q figures

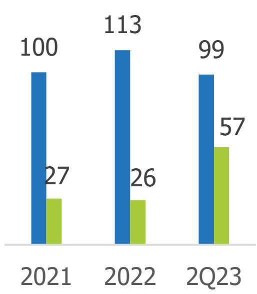
Revenue
(USD mm)



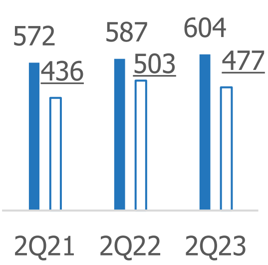
EBITDA
(USD mm)



Net Income
(USD mm)



Firm contracted capacity and transported volume
(Mcfpd)



Underline figure: Transported Volume
Data calculated as simple quartely averages

Download TGI Datapack

TGI
GrupoEnergíaBogotá

TGI changes the functional currency of the financial statements from USD to COP and executes the financial strategy to hedge the foreign exchange risk.

- **Efficiency:** i) The recurring efficiencies portfolio has generated a cumulative estimated impact of USD 20.7M; ii) During 2023, 22 new initiatives have been implemented, with an estimated recurring impact of USD 0.72M; iii) The impact captured in OPEX for 2023 is USD 18.8M, with an increase of USD 1M compared to 2022 and; iv) Due to One Time efficiencies are estimated to have an impact of USD 4.7M, where USD 1.2M has been captured.
- **Regulation:** i) CREG Resolution 099 approves positive changes in the assets that met RUL until Dec-2020 as of 01-Jun-2023; ii) Recalculation of WACC to 10.94% as of 01-Jun-23 and increase to 11.88% as of 01-Aug-23; y iii) Management with the CREG, MinMinas, MHCP and DNP to issue the modification of Resolution 175, for the recognition of the RUL through the methodology established by the CREG equivalent to an ROA and recognition of hedging costs.
- **Transformation:** i) Management of the innovation portfolio corresponding to BGM: Biogas and Biomethane, H2-D: Distributed Hydrogen, G2E: Gas to energy cells without combustion in synergy with GEB and; ii) Attraction of external capital for EUR 0.65M from Swedfund for Biogas studies, EUR 0.20M from the French Embassy and FENOGE, and USD 0.15M from BID for Blend decarbonization and production and export of H2, methanol and ammonia, for a total of USD 1M.
- **Sustainability:** i) Zero non-conformities by Bureau Veritas in ISO 9001:2015, ISO 45001:2018 and ISO 14001:2022 standards; ii) The pilot project for turning off the torches at the Villavicencio Gas Compressor Station began; iii) 20% progress in installation of 42 Interactive Solar Classrooms; iv) Certification from the Externado University for suppliers in completing the first steps in CSR program.
- An additional USD 15MM of 2028 bonds were purchased with the company's cash, improving its debt profile, leverage levels and interest hedging. Given the functional change of the currency, the company hedged its exchange rate risk with derivative financial instruments (CCS and forward).

Table N° 1 – Relevant financial indicators	2Q22	2Q23	Var	Var %	6M22	6M23	Var	Var %
Revenue *(USD thousand)*	99,806	105,786	5,980	6.0	201,956	209,770	7,813	3.9
Operating income *(USD thousand)*	54,051	61,129	7,078	13.1	111,823	124,206	12,384	11.1
EBITDA *(USD thousand)*	78,477	84,052	5,575	7.1	160,090	169,159	9,069	5.7
EBITDA Margin	78.6%	79.5%	0.8 pp		79.3%	80.6%	1.4 pp	
Net income *(USD thousand)*	25,773	57,498	31,724	123.1	47,062	98,806	51,743	109.9
Gross Debt / EBITDA*	3.7x	2.7x	-1.0x		3.7x	2.7x	-1.0x	
Net Debt / EBITDA*	3.2x	2.5x	-0.7x		3.2x	2.5x	-0.7x	
EBITDA* / Financial Expenses*	4.5x	4.7x	0.16x		4.5x	4.7x	0.16x	

International credit rating:
Fitch – Corporate Rating – Sep. 12 | 22: BBB, stable
Moody's – Bond Rating – Apr. 28 | 23: Baa3, negative
*Last 12 months

Natural gas market in Colombia

- Domestic demand for natural gas decreased by -33,4 GBTUD compared to 2Q22 due to a drop in consumption in the thermoelectric (-27,5 GBTUD), power generation (-9,0 GBTUD) and vehicle (-3,6 GBTUD) sectors, offset by the increased activity in the residential (+4,7 GBTUD) and petrochemical (+2,0 GBTUD) sectors.
- Domestic demand decreased -117.9 GBTUD compared to 2Q22 due to the decrease in consumption in the industrial (-80.9 GBTUD), thermoelectric (-29.9 GBTUD) and vehicular (-5.7 GBTUD) sectors.

Table N° 2 – Natural gas demand by sectors	Colombia			Center region demand		
(GBTUD)	2Q22	2Q23	Var %	2Q22	2Q23	Var %
Industrial – refinery	423	414	-2,1%	307	226	-26,3%
Residential – commercial	226	230	2,1%	181	180	-0,8%
Thermal	222	194	-12,4%	75	45	-39,8%
Vehicular – CNG	55	51	-6,6%	47	41	-12,2%
Petrochemical	6	8	37,2%	0	0	100,0%
Total	931	897	-3,6%	611	493	-19,3%

TGI Financial Results

TGI (Transportadora de Gas Internacional) develops and provides integral solutions for the transportation and logistics of low-emission hydrocarbons to large users, producers and developers of energy markets, connecting sources with consumption centers through long-term relationships. TGI is incorporated under Colombian law.

This report presents the corresponding variations under International Financial Reporting Standards (IFRS) of the comparative financial statements for 2Q22 and 2Q23 (3 months).

Quarterly results 2Q23

Operating Income

Table N° 3 - Revenues by type of position and currency

USD '000	2Q23	2Q23	Var	Var %
By type of position				
Capacity & Fixed Charge AOM	86,195	91,988	5,791	6.7%
Variable Charge	13,527	12,708	-819	-6.1%
Other Revenues	85	1,090	1,005	1.182.9%
By Currency				
Indexed to USD	76,441	51,902	-24,539	-32.1%
Indexed to COP	23,366	53,884	30,519	130.6%
Total	99,806	105,786	5,980	6.0%

As of June 1, 2023, TGI changed its functional currency from USD to COP and executed hedges on the debt denominated in dollars to mitigate the exchange rate risk due to the entry into force of Resolution CREG 175 of 2021, also including the revalued investments of the assets that ended their regulatory useful life (RUL) before December 2020 and application of the new regulatory WACC; however, for comparative purposes, the analysis is maintained in USD. For 2Q23 the effect is USD 29.3 M, corresponding to 27.7% of revenues in the quarter.

The evolution of revenue by type of charges in 2Q23 is detailed below:

- Fixed remunerated charges in USD (Apr-May-23) and COP (Jun-23) totaled 68.5 M (64.7% of total revenues), an increase of USD 5.6 M (+8.9%) mainly due to: i) tariff increase due to indexation to the PPI[1] (U.S.) of 8.27% (Apr-May-23); ii) tariff increase by indexation to the PPI (Colombia) of 13.12% (Jun-23) and iii) additional contracting through the contingency transportation modality and firm contracting.
- Fixed charges for AO&M, which are remunerated in COP, totaled COP 103,798 M (11.4% additional compared to 2Q22) mainly due to i) a tariff increase of 13.12% due to indexation to the CPI (Colombia); and ii) additional contracting through the contingency transportation modality and firm contracting. On the other hand, the 10.4% revaluation of the Colombian peso against the US dollar generated a negative effect of -9.4% compared to 2Q22 (-USD 2.2 M).
- Variable charges in USD (Apr-May-23) and COP (Jun-23) decreased (-6.1%) mainly due to: i) a decrease in the volume transported in 2Q23 due to scheduled maintenance at the request of third parties; ii) suspensions due to the Apiay compressor event and the Cerro

[1] WPSFD41312 series. Rate updated with index as of Dec-22, revised May-23.

Bravo natural phenomenon; iii) compensation for the annual tariff increase due to indexation to the PPI[2] (USA). of 8.27%

- Non-regulated operating revenues, classified as ancillary services, presented a 1,182.9% growth, closing at USD 1.1 M, mainly due to notes for the adjustment of excess transportation due to an imbalance of 1.1 M in 2Q22, a decrease for gas loss of -0.2 M and an adjustment for exchange difference of 0.1 M in 2Q23.
- In May, the transportation service of the Mariquita - Cali gas pipeline was suspended due to the natural phenomenon in Cerro Bravo for six (6) days. The impact on revenues from the suspension is USD 0.8 M, corresponding to 0.78% of the quarter's revenues.

In terms of revenues by currency, 49.1% came from charges denominated in USD and decreased -32.1% mainly due to the change in the remuneration of fixed charges and variable charges to COP since Jun-23. Due to the effect of the change, the remaining 50.9% corresponds to charges denominated in COP, including fixed charges for AO&M, which increased by 130.6%.

Finally, we are awaiting the issuance of the final resolution that seeks to amend Resolution 175 of 2021 regarding the recognition of foreign exchange risk and assets that will end their regulatory useful life after the entry into force of such resolution and on which it is decided to continue their operation.

Likewise, the CREG issued Resolution 102 002 of June 7, 2023, which modifies Resolution CREG 103 of 2021 regarding the discount rate for gas transportation from 10.94% to 11.88% in constant Colombian pesos before taxes, effective as of August 1, 2023.

Operating Costs

Table N° 4 – Operating Costs

USD '000	2Q23	2Q23	Var	Var %
Professional Services	4,032	4,646	614	15.2%
Maintenance	3,020	3,042	22	0.7%
TCF*	363	433	70	19.3%
Depreciation and Amortization	22,253	22,559	306	1.4%
Other costs	7,230	8,065	835	11.5%
Total	36,898	38,746	1,847	5.0%

**TCF: Taxes, Fees and Contributions*

Operating costs increased USD 1.8 M (5.0%) during the quarter compared to 2Q22 mainly due to:

- Increase in other costs by 11.55% mainly due to the use of compressor fuel gas during the quarter.
- Higher professional services costs of USD 0.6 M (15.2%), mainly in personnel expenses and their social benefits given the salary increase in 2023, as well as an increase in designs and studies.
- The cost of depreciation and amortization increased by 1.4% as a result of higher depreciation in dismantling and the effect of the exchange difference from the translation of the functional currency, offset by the decrease in plants and pipelines subject to depreciation.

[2] WPSFD41312 series. Rate updated with index as of Dec-22, revised May-23.

Administrative & Operating Expenses (net)

Table N° 5 - Administrative and Operating Expenses (Net)

USD '000	2Q23	2Q23	Var	Var %
Personal Services	2,708	2,659	-49	-1.8%
General expenses	3,214	2,300	-914	-28.4%
Taxes	762	590	-172	-22.6%
DA&P*	2,394	2,079	-315	-13.2%
Other expenses	0	0	0	0%
Other income	-221	-1,716	-1,495	675.9%
Total	8,857	5,911	-2,946	33.3%

**DA&P: Depreciation, Amortization and Provisions*

Administrative and operating expenses, excluding other income, showed a decrease of USD - 1.4 M, mainly explained by

- Lower general expenses (-28.4%) corresponding to a lower execution of fees in 2Q23 in strategic consulting, IT services agreement related to maintenance and software subscription.
- Decrease in depreciation and amortization (-13.2%) due to the expiration of the useful life of some assets, lower value in the renewal of lease contracts under IFRS 16 and accounting effect in the classification of depreciation of computer equipment to real estate and infrastructure.
- Lower tax expenses (-22.6%) corresponding to a lower estimate of the provision for the contribution of the Superintendencia de Servicios Públicos Domiciliarios (Superintendency of Residential Public Utilities) and CREG.

Other income increased by USD 1.5 M (675.9%) as a result of a recovery of expenses and provisions from previous periods, as well as portfolio and claims recoveries; and due to the effect of the exchange difference adjustment from the translation of the functional currency in the financial statements in Jun-23.

During 2023 TGI maintains its commitment to continue generating efficiencies, and in this sense, it has achieved a reduction in OPEX of 1.3M USD (-3.1%), going from 41.9M USD executed at 2Q22 to 40.6MM USD as of 2Q23. With this result TGI is improving expectations for the year despite the effects of emergencies and external events.

EBITDA

Table N°6 - EBITDA

USD '000	2Q23	2Q23	USD	Var
EBITDA	78,477	84,052	5,575	7.1%
EBITDA Margin	78.6%	79.5%		0.8 pp

EBITDA increased explained by the increase in operating income in June 2023, due to the change in the remuneration methodology for the natural gas transportation service adopted by Resolution CREG 175 DE 2021, regarding the change to COP of the currency of the fixed and variable charges that remunerate the investment, and lower operating administrative expenses due to the decrease in fees, contributions, amortization and depreciation, offset by the increase in operating costs due to the increase in professional services and other costs corresponding to the use of fuel gas for the compressors.

Non-operating income (net)

The non-operating result (net) went from USD -19.9 M in 2Q22 to USD 15.1 M in 2Q23, mainly explained by:

- Net exchange difference (USD +31.5 M; +99,106.2%): due to the effect of the revaluation of the peso during 2Q23 on financial liabilities, the payment of dividends, the purchase of foreign currency to pay interest on the intercompany loan, interest on bonds and their repurchase.
- Financial income (USD +1.5 M; +109.1%) from the financial benefit generated by the partial repurchase of USD 31.5 M of the bond during the quarter at USD 970 for each USD 1,000 of principal (which represented a profit of USD 0.9 M), as well as the increase in interest rates of remuneration of the resources available in fixed income instruments such time deposit, and savings accounts.
- Financial costs (USD +1.5 m; +8.8%), i) due to the hedging of the exchange rate risk with derivative financial instruments of the liability corresponding to the bond for USD 547.6 M and intercompany credit for USD 370.0 M, originated by the change in the functional currency of the financial statements from USD to COP; the cost of the hedge for 2Q23 is USD 2.3 M; ii) due to the effect of the financial restatement of the decommissioning provision whose increase for 2Q23 with respect to 2Q22 is USD 1.3 M; iii) debt service on bonds decreased by USD 2.4 M originated by the repurchases made in 4Q22 and 1Q23.

The above was partially balanced by a positive effect of USD 2.5 M (69.1%) in the equity method, explained by the reduction in Contugas losses, mainly due to the following:

There has been a decrease in the provision made in 2Q22 for accounts receivable of USD 4.7 M, related to the resolution of the unfavorable arbitration award with Egasa and Egesur. This change, is being offset first by the reduction in operating income during the quarter (compared to 2Q22) for USD 1.2 M, mainly explained due to an increase in gas consumption by the fishing industry in 2022 which did not occur in 2023, and second by a higher financial expense of USD 1.0 M, mainly due to a rate increase (*Libor*), which impacted a syndicated loan facility for USD 355 M maturing in 2024 currently held at balance.

Taxes

Current (USD -1.0 M; -7.1%): associated with the increase in taxable operating income, the benefit of the bond repurchase, and offset by the exchange difference realized on the repurchase, from USD -14.5 M in 2Q22 to USD -15.5 M in 2Q23.

Deferred (USD -8.5 M; -160.7%): as a consequence of the variations in the calculation bases caused mainly by the decrease in the debt in USD due to the partial repurchase of the bond; recognition of the effect of the contracted hedges and the exchange rate differential on the company's liabilities and assets in foreign currency, going from USD -5.3 M in 2Q22 to USD +3.2 M in 2Q23.

Net income

Net income increased from USD 25.7 M in 2Q22 to USD 57.5 M in 2Q23 (123.1%) explained by the positive operating results and higher non-operating income as a result of the financial benefit generated by the partial repurchase of the bond and the effect of the exchange difference due to the change in the functional currency of the financial statements from USD to COP.

Debt Profile

Table N°7 - Relevant Debt items				
USD '000	2022	2Q23	Var	Var %
Total net debt	879,589	871,693	-7,897	-0.9%
Gross debt	597,366	547,649	-49,717	-8.3%
Total gross debt	974,800	929,084	-45,716	-4.7%
EBITDA LTM*	315,477	324,548	9,071	2.9%
Financial expenses LTM*	68,404	69,221	817	1.2%
Debt ratios				
Gross total debt / EBITDA*	3.1x	2.7x	-0.4x	
Net debt / EBITDA*	2.8x	2.5x	-0.3x	
EBITDA* / Financial expenses*	4.6x	4.7x	0.1x	

* EBITDA and financial expenses in the last twelve months (LTM).

The net leverage level reached 2.5x and interest coverage was 4.7x at the end of 2Q23, levels similar to those registered at the end of 2022 after the partial repurchase of the bonds 5,550% maturing in 2028 for USD 155.9 M and USD 15 M made during 4Q22 and 1Q23, respectively, with own resources.

Table N° 8 - Debt profile	Amount USD mm	Currency	Coupon (%)	Expiration
International Bonds	548	USD$ M	5.55%	1-nov-28
Intercompany	370	USD$ M	5.22%	21-dic-23
Financial Liabilities IFRS - 16	4.5	USD$ M	8.64%	N/A
Leasing – Renting	7.0	USD$ M	N/A	Long term

Given the change in the functional currency, exchange rate risk hedging transactions were carried out with derivative financial instruments, under the following conditions:

Bond Nov-2028	
Financial instrument:	Swap CCS
Final date:	01-nov-28
Exchange rate:	$4,182.33
COP notional value:	$2,290,449 MM
Fee for right:	Fixed + 5.55%.
Obligation rate:	IBR + 3.6166%

Intercompany Credit	
Financial instrument:	Forward
Date of compliance:	19-dic-23
Spot rate:	$4,186.73
Strike rate:	$4,353.91
Total COP:	$1,610,948 MM
Devaluation:	8.52%

As a result of the hedges, the financial liability rate changed from 5.4% in dollars to 17.0% in pesos.

Commercial Performance

Revenues by Sector

Table N°9 - Sectorial Composition of Revenues	2Q23	2Q23
Residential -Distributor	63.8%	66.8%
Industrial	16.7%	16.4%
Vehicular	4.8%	4.7%
Commercial	8.3%	5.2%
Thermal	6.3%	6.9%
Refinery	0.0%	0.0%
Petrochemical	0.0%	0.0%
Total	100.0%	100.0%

The industrial and residential sectors contributed 83.2% of revenues in 2Q23, the latter being the sector that grew the most, from USD 63.6 M in 2Q22 to USD 70.0 M in 2Q23 (10.0%; USD +6.4M), followed by the thermal sector that presented an increase in revenues of USD 0.9M, increasing its share by about 0.6% vs. 2Q22. Revenues from the commercial sector decreased 34.7% (USD -2.9 M) due to its participation was redirected between the Residential and Thermal sectors.

Contractual Structure

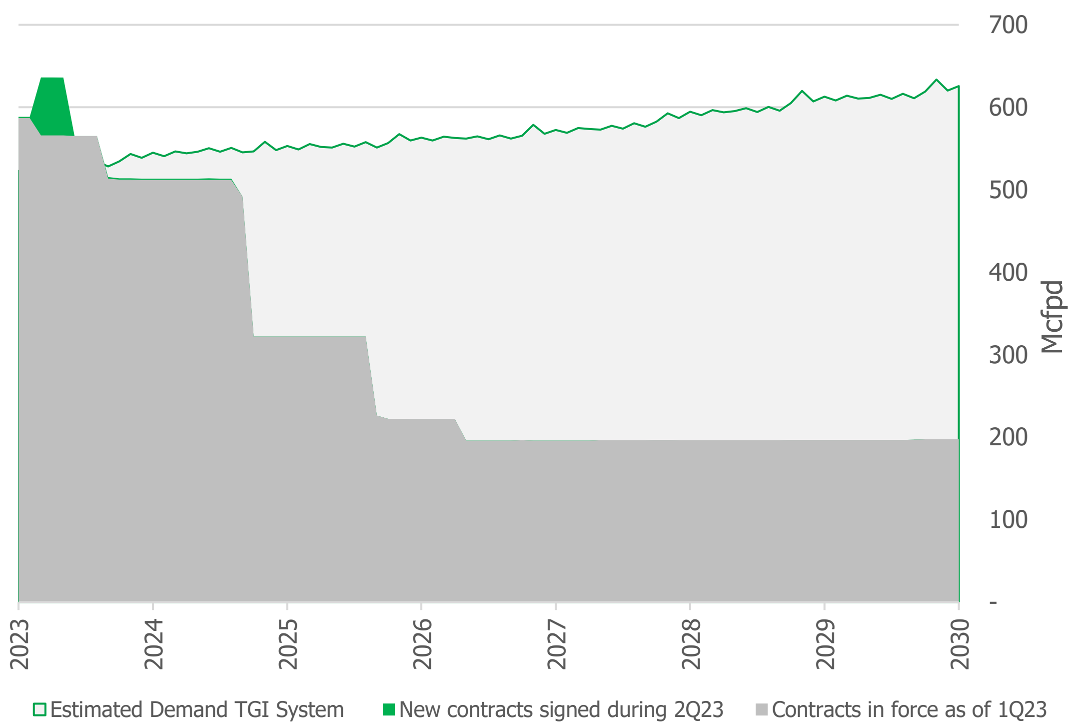
Table N°10- Structure of firm contracts

Description	2Q23	2Q23
No. Total Contracts	635	586
No. Take or Pay	614	565
No. Interruptible Contracts	21	21
Vida Residual Life Take or Pay *(Average years)*	4,4	3,7

The lower number of existing contracts for 2Q23 vs. 2Q22 corresponds to the fact that previously the regulatory provisions established that contracts with variation in quantity had to be signed monthly, but with CREG Resolution 185 of 2020 this term was extended to longer periods from quarterly to for 10 years.

As of June 2023, the company had contracted 71.1% of its available capacity from sources, where 96.4% of its existing contracts corresponded to firm contracts, which on average were weighted under a pair of 86% fixed and 14% variable charges.

Graph N°1 – Residual contracted life



The usual commercial contracting cycle in the sector, under current regulatory parameters, is carried out for quarterly periods. The current dynamics show a short-term contractual cycle (maximum one year), explained by the low supply of long-term gas supply contracts.

Operational Performance

Table N°11 - Selected operational indicators	2Q23	2Q23	Var %
Total capacity – Mcfpd*	849	849	0.0%
Take or pay contracted capacity - Mcfpd*	587	604	2.9%
Transported volume - Average Mcfpd	503	477	-5.2%
Load factor	55.7%	54.8%	-0.9 pp
Availability	100.0%	99.3%	-0.7 pp
Gas Pipeline length – Km	4,033	4,033	0.0%

*Measured by contracted capacity from production fields to exit points.

The total length of TGI's gas pipeline network remains at 4,033 Km, of which 3,883 Km are owned and operated by TGI; the remaining 150 Km, although under its control and supervision, are operated by a contractor, as established in the operation and maintenance contract. The system operates mainly with natural gas from the Cusiana, Cupiagua and Ballena / Chuchupa basins.

On the other hand, we can appreciate that the availability was 99.3%, where a decrease is observed due to the capacity affectation of the Apiay-Usme section explained by the exit of the Apiay compressor station, caused by the inconveniences presented by the Apiay producer's field regarding gas quality and by the event presented in the Mariquita - Cali pipeline, the use factor decreased by -0.9% with respect to the same period of 2022 due to the decrease of the thermal dispatch.

Table N°12 - Volume by transporter (Mcfpd)	2Q23	Part %	2Q23	Part %	Var %	Var Mcfpd
TGI	502.7	54.9%	476.5	53.8%	-5.2%	-26.1
Promigas	348.9	38.1%	359.8	40.6%	3.1%	10.9
Others	64.4	7.0%	50.2	5.7%	-22.0%	-14.2
Total	916.0	100.0%	886.5	100.0%	-3.2%	-29.5

In 2Q23, there was a decrease in the participation of the average daily transported volume by TGI in -1.12% compared to 2Q22, mainly due to the decrease in the thermal dispatch and the event presented in the Mariquita - Cali pipeline, likewise, in the total volume transported in the pipeline network at national level, TGI continues to be the main actor with 477 Mcfpd, while the second is Promigas with 360 Mcfpd (the two companies have 94.4%).

Table N°13 - Total transportation capacity of TGI's system	Capacity Mcfpd
Ballena – Barrancabermeja	260
Mariquita – Gualanday	15
Gualanday – Neiva	11
Cusiana – Porvenir	470
Cusiana – Apiay	64
Apiay – Usme	18
Morichal – Yopal	12
Total	849

Capacity is quantified according to the sections with gas supply entry points.

Projects in execution

Project portfolio investments during 2Q23 amounted to USD 0.9 M, a decrease of USD 1.5 M vs. 2Q22, mainly due to the closing of the Upía River Crossing operational continuity project in the second quarter of 2023.

Natural gas supply plan projects (IPAT – Spanish acromym[3])

On April 3, 2023, TGI requested the CREG to recalculate and update the discount rate of the natural gas transportation activity for the current fiscal year, in order to update the financial model of the IPAT projects and evaluate its execution.

On April 24, 2023, the CREG, in response to TGI's consultation related to Resolution CREG 102 - 008 of 2022, stated that it is about to issue the specific actions through which the income that the incumbent transporters will receive for the IPAT projects will be formalized.

On May 24, 2023, the CREG published Resolution 702 002-2023: Draft resolution amending Resolution CREG 102 008 of 2022 "Whereby the procedures to be followed to execute natural gas supply plan projects".

In July 2023, the CREG notified TGI through administrative acts, the investment recorded values for administration, operation, and maintenance expenses, for three (3) separate IPAT projects. These projects are, the Bidirectionality Barrancabermeja - Ballena, the expansion of Mariquita - Gualanday and the expansion of Ramal – Jamundi. TGI filed an appeal for reversal/reposition on each of these acts, requesting for some corrections in the stated values to be made. CREG is expected to be resolving these appeals in 3Q23. Regarding the Bidirectionality Yumbo – Mariquita IPAT, it is understood that the

[3] IPAT: Investments in priority projects of the supply plan in a transport system

efficient investment recorded values have not yet been notified to TGI, considering that this project is conditional on the prior assignment of the Pacific Regasification Plan. This process is being advanced by UPME and on results are expected in the upcoming months.

Infrastructure Mariquita Gualanday

- Estimated project capex: USD 6.0 M
- Transportation Capacity: 20 Mcfpd
- Approval of the modification of the environmental license by the ANLA.
- Maturing of budget and technical specifications, purchasing processes, compression units and Epecist.
- Evidence orders according to file 2022-0031
- TGI provided additional information, expert evidence and CREG issued a detailed report.
- Contradiction hearing and CREG's request to the expert to rule about TGI observations.
- TGI's request to the CREG to recalculate and update the discount rate of the natural gas transportation activity for the current fiscal year.

Bidirectionality Yumbo Mariquita

- Estimated project capex: USD 105.0 M
- Transportation Capacity: 250 Mcfpd
- TGI provided additional information, expert evidence and CREG issued a detailed report.
- Contradiction hearing and CREG's request to the expert to rule about TGI observations.
- TGI's request to the CREG to recalculate and update the discount rate of the natural gas transportation activity for the current fiscal year.

- Infraestructure Ramal Jamundí
- Estimated project capex: USD 6.0 M
- Transportation Capacity: 3 Mcfpd
- Maturing of budget and technical specifications, purchasing processes, compression units and compression and Epecist
- Approval of the modification of the environmental license by the ANLA
- TGI provided additional information, expert evidence and CREG issued a detailed report.
- Contradiction hearing and CREG's request to the expert to rule about TGI observations.
- TGI's request to the CREG to recalculate and update the discount rate of the natural gas transportation activity for the current fiscal year.

Bidireccionalidad Ballena Barrancabermeja

- Estimated project capex USD 5.0 M.
- Transportation Capacity: 100 Mcfpd
- TGI provided additional information, expert evidence and CREG issued a detailed report.
- Contradiction hearing and CREG's request to the expert to rule about TGI observations.
- TGI's request to the CREG to recalculate and update the discount rate of the natural gas transportation activity for the current fiscal year.

Regulatory Update

Table N°14 - Regulatory Update

Authority	Resolution	Scope	Status	
CREG	Resolution CREG 102-002 of 2023	Modifies articles 3 and 4 of Resolution 103 of 2021, which defines the discount rate for the natural gas transportation activity.	Released	View more
	Resolution CREG 102-003 of 2023	Whereby Resolution 102-008 of 2022 is adjusted and amended: "Whereby the procedures to be followed to execute projects of the natural gas supply plan are established".	Released	View more
	Circular 046 and 055 of 2023	Natural Gas Commercialization Schedule year 2023.	Released	View more
Ministry of Mines and Energy	Resolution 00478 of 2023	Natural Gas Production Statement for the period 2023 – 2032	Released	View more
	Draft Decree	Whereby Article 246 of Law 2294 of 2023 is regulated and the Sole Regulatory Decree of the Administrative Sector of Mines and Energy 1073 of 2015 is added, in relation to the strategic storage of fuels and their blends with biofuels, LPG, and other provisions are issued.	In consultation	View more
	Draft Decree	Whereby paragraph 25 of article 235 of Law 2294 of 2023 is regulated, in relation to the development of White Hydrogen projects within the framework of the Just Energy Transition in Colombia.	In consultation	View more
UPME	External Circular No. 052 of 2022	Publication of Addendum 06 of 2023 Pacific Infrastructure Selection Process	In consultation	View more

Appendix 1. Financial Statements

Table N°15 - Income Statement	USD '000 2Q23	2Q23	Variation USD	%
Revenues	99,806	105,786	5,980	6.0%
Operations costs	-36,898	-38,746	-1,847	5.0%
Gross income	62,908	67,041	4,132	6.6%
Gross margin	*63.0%*	*63.4%*		
Administrative and operating expenses (net)	-8,857	-5,911	2,946	-33.3%
Personnel expenses	-2,708	-2,659	49	-1.8%
General expenses	-3,214	-2,300	914	-28.4%
Taxes	-762	-590	172	-22.6%
Depreciation, amortization, and provision	-2,394	-2,079	315	-13.2%
Other expenses	0	0	0	0.0%
Other revenue	221	1,716	1,495	675.9%
Operating income	54,051	61,129	7,078	13.1%
Operating margin	*54.2%*	*57.8%*		
Financial costs	-16,819	-18,303	-1,484	8.8%
Financial revenues	1,423	2,976	1,553	109.1%
Foreign exchange difference	-32	31,521	31,553	-99,106.2%
Equity income	-3,660	-1,131	2,529	69.1%
Income before income tax	34,964	76,192	41,229	117.9%
Current tax	-14,469	-15,492	-1,023	7.1%
Deferred tax	5,278	-3,203	-8,481	-160.7
Net income	25,773	57,498	31,724	123.1%
Net margin	*25.8%*	*54.4%*		

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Table N°16 - Balance Sheet	USD '000 Dec-22	USD '000 Jun-23	Variation USD	Variation %
Assets				
Current Assets				
Cash and equivalents	95,210	57,391	-37,819	-39.7%
Trade and other accounts available	42,803	52,483	9,680	22.6%
Inventories	18,857	20,371	1,514	8.0%
Other non-financial assets	3,682	8,426	4,744	128.8%
Total Current Assets	160,552	138,671	-27,881	-13.6%
Non-Current Assets				
Property, plant and equipment	2,044,879	2,114,392	69,513	3.4%
Assets by rights of use	4,401	4,892	492	11.2%
Investments in associates and subordinates	14,284	12,052	-2,232	-15.6%
Trade and other accounts receivable	7,065	7,945	880	12.5%
Intangible assets	153,918	160,085	6,167	4.0%
Other financial / non-financial assets	18	13	-5	-27.8%
Total Non-Current Assets	2,230,349	2,299,379	69,030	3.1%
Total Assets	2,390,901	2,438,050	47,149	2.0%
Liabilities				
Current liabilities				
Trade and other accounts payable	7,253	6,859	-394	-5.4%
Current tax liabilities	16,835	9,794	-7,041	-41.8%
Employee benefits	3,696	4,140	444	12.0%
Provisions	16,500	14,714	-1,786	-10.8%
Financial leases	2,554	4,823	2,269	88.8%
Other financial liabilities	10,304	8,075	-2,229	-21.6%
Accounts payable to related parties	373,117	390,834	17,717	4.7%
Total Current Liabilities	430,259	439,239	8,980	2.1%
Non-current Liabilities				
Financial liabilities	666	2,229	1,563	234.7%
Provisions	88,176	106,751	18,575	21.1%
Deferred tax liabilities	407,435	429,781	22,346	5.5%
Bonds issued	596,467	551,343	-45,124	-7.6%
Other financial liabilities	11,205	12,859	1,654	14.8%
Total Non-Current Liabilities	1,103,949	1,102,963	-986	-0.1%
Total Liabilities	1,534,208	1,542,202	7,994	0.5%
Patrimony				
Common stock	703,868	703,868	0	0.0%
Additional paid in capital	56,043	56,043	0	0.0%
Reserves	218,712	232,992	14,280	6.5%
Net income of the period	113,319	98,806	-14,513	-12.8%
Retained earnings	-92,590	-92,590	0	0.0%
Cumulative other comprehensive income	-142,659	-103,271	39,388	-27.6%
Total Equity	856,693	895,848	39,155	4.6%
Total Liabilities + Equity	2,390,901	2,438,050	47,149	2.0%

Table N°17 - Statement of Cash Flows	USD '000 Jun-22	Jun-23
Cash Flows from Operating Activities		
Net income	47,062	98,806
Adjustments by:		
Depreciations and amortizations	48,786	48,030
Unrealized exchange difference	401	-38,405
Employee benefits	-220	-252
Amortized cost (loans, deposits)	0	0
Amortized cost BOMT purchase option	0	0
Amortized cost financial obligations	867	1,373
Valuation of hedging transactions	0	2,256
Spare parts consumption - assets	2,542	4,853
Deferred tax	-1,529	1,485
Current tax	30,809	33,307
Financial costs	30,385	26,129
Financial revenues	-2,468	-5,860
Valuation of equity participation method	3,991	2,232
Loss, property, plant and equipment	3	0
Inventories impairment	3	11
Accounts receivable impairment	182	188
Provisions recovery	-2	-2,598
Net changes in Operating Assets and Liabilities		
(Increase) decrease in trade and others accounts receivables	4,401	-1,061
(Increase) decrease in inventories	621	-722
Decrease in other non-financial assets	2,801	2,439
Decrease in other financial assets	0	0
Increase in trade and other accounts payable	-5,269	-3,772
Increase (decrease) in employee benefits obligations	-49	167
Increase in other financial liabilities	-7,167	-45
Increase in estimated liabilities and provisions	-2,170	-4,060
Increase in tax liabilities	-6,863	-9,528
Interest payments	-20,913	-53,742
Interest payment to related parties	-9,287	-9,587
paid taxes	-28,324	-36,234
Net cash provided by operating activities	88,563	55,410
Cash Flow from Investing Activities		
Property, plant and equipment	-10,368	-8,135
Intangibles	-248	308
Net cash used in investing activities	-10,616	-8,443
Cash Flows from Financing Activities		
Payments of dividends	-78,356	-99,035
Payment of financial obligations	-352	-46,761
Acquired financial obligations	2,308	0
Net cash used in financing activities	-76,400	-145,796
Effect of exchange rate variation on cash and equivalents	-7,379	61,010
Net Change in Cash and Equivalents	-5,832	-37,819
Cash and Equivalents at the Beginning of the Period	140,742	95,210
Cash and Equivalents at the End of the Period	134,910	57,391

Appendix 2. Disclaimer and clarifications

This document contains words such as “anticipate”, “believe”, “expect”, “estimate” and others with similar meaning. Any information that is different from the historical information, including, but without limiting to that which refers to the Company’s financial situation, its business strategy, its plans, and management objectives, corresponds to forecasts.

Forecasts in this report were made under assumptions related to the economic, competitive, regulatory, and operational environment of the business and took into account risks beyond the Company’s control. Forecasts are uncertain and they may not materialize. One may also expect that unexpected events or circumstances occur. As a result of the foregoing, actual results may differ significantly from forecasts herein contained. Therefore, forecasts in this report must not be considered as true facts. Potential investors must not consider the forecasts or assumptions herein contained, neither should they base their investment decisions thereupon.

The Company expressly waives any obligation or commitment to distribute updates or revisions of any of the forecasts herein contained.

The Company’s past performance may not be considered as a pattern of its future performance.

Appendix 3. Terms and definitions

- ANLA: National Environmental License Authority.
- ASME: American Society of Mechanical Engineers.
- Average – Mcfpd: It is the average of the transported volume per day during the quarter being studied.
- BEO (Boletín Electrónico de Operaciones) [Electronic Operations Bulletin]: It is a free website that provides commercial and operational information related to the services of a transporter, which includes regulated charges, charges agreed with the market agents, nomination cycle, transportation program, offers to release capacity and gas supply, energy balance accounts and any other information established in the RUT.
- Contract with interruptions or interruptible: A written agreement in which the parties agree not to assume any commitment for the continuity of the supply or transport of natural gas during a specified period. The service may be interrupted by either party, at any time and under any circumstance, by giving advance notice to the other.
- Firm Contract or that which guarantees firmness: is a written contract in which the agent guarantees the supply service of a maximum amount of natural gas and/or the maximum transportation capacity, without interruptions, during a defined term, except during the days established for scheduled maintenance and works. This contract modality requires physical support.
- CREG: Colombian Energy and Gas Regulation Commission.
- GBTUD: Giga British Thermal Unit per-Day.
- MBTU: Million British Thermal Units.
- M: Million
- MME: Ministry of Mine and Energy
- Mcfpd: Million cubic feet per day.
- pp: percentage points
- RUL: Regulatory Useful Life
- SSPD: Colombian Superintendence of Public Services.
- UPME: Colombian Mining and Energy Planning Unit.