Results Report
3Q23
Accumulated and 3Q figures

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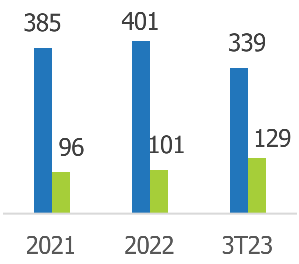
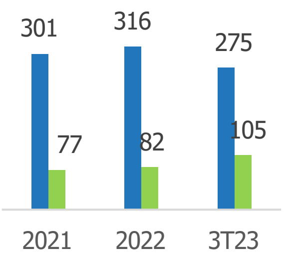
TGI
GrupoEnergíaBogotá

TGI continues to implement the efficiency program, as well as an active regulatory strategy and the development of new transformation initiatives, therefore improving EBITDA.

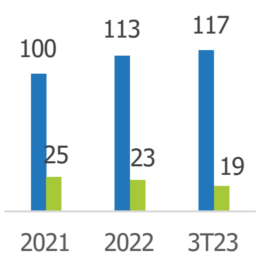
Revenue (USD M)



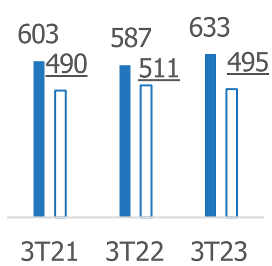
EBITDA (USD M)



Net income (USD M)



Firmly contracted capacity and transported volume (Mcfpd)



Underline figure: Transported Volume
Data calculated as simple quartely averages

- **Efficiency:** i) The portfolio of recurring efficiencies has generated an estimated cumulative recurring impact of USD 22.5M, with an increase of USD 1.5M with respect to year-end 2022 and; ii) The recurring impact captured in OPEX for 2023 is for USD 21.5M, with an increase of USD 2.3M with respect to year-end 2022.
- **Regulation**: i) CREG Resolution 702 modifies Resolution 175 regarding the recognition of the VUN through the methodology established by the CREG equivalent to an ROA and recognition of coverage; ii) Management with the CREG, MinMinas, MHCP and the National Agency for the Legal Defense of the State to achieve a final resolution and enable the new tariff file and; iii) Management before the CREG for the final resolution regarding the appeal for adjustment of the WACC of the projects and speed in the face of the phenomenon of El Niño.
- **Transformation:** i) New initiatives for the period under portfolio management for USD 3.0 M corresponding to new technologies in operation 2024 for USD 1.2 M and BioMethane Plant 2025 with an impact of USD 1.8 M in EBITDA y; ii) New partnerships to strengthen cybersecurity through pilots with Chekpoint and Coyote, Cyber OT companies to identify IT threats in real time
- **Sustainability:** AEQUALES management system certification in Diversity, Equity and Gender; ii) Two new sites certified in ISO 50001, Energy Efficiency System by Bureau Veritas, reaching a total of 12 sites; iii) Recertification Carbon Neutrality Icontec to two new sites, for a total of six certified sites; iv) Ratification of the investment grade rating at BBB with stable outlook by Fitch Ratings and; v) Ninth place among the companies with the best reputation in the energy, gas and water sector in the Merco Empresas 2023 ranking and an advance of 66 positions in the general ranking with respect to 2022, occupying 135th place.
- The negotiation of the Club Deal for the refinancing of the intercompany loan for USD 330 M and payment of USD 40 M with own resources was completed.

Table N° 1 – Relevant financial indicators	3Q22	3Q23	Var	Var %	9M22	9M23	Var	Var %
Revenue (USD thousands)	101,406	128,890	27,484	27.1	303,363	338,660	35,297	11.6
Operating income (USD thousand)	59,607	80,149	20,543	34.5	171,398	204,356	32,957	19.2
EBITDA (USD miles)	82,337	105,463	23,126	28.1	242,621	274,624	32,002	13.2
EBITDA margin	81.2%	81.8%	0.6 pp		80.0%	81.1%	1.1 pp	
Net income (USD thousands)	22,836	18,608	-4,228	-18.5	69,899	117,414	47,515	68.0
Total gross debt / EBITDA*.	3.6x	2.7x	-0.9x		3.6x	2.7x	-0.9x	
Net debt / EBITDA*.	3.0x	2.3x	-0.7x		3.0x	2.3x	-0.7x	
EBITDA* / Financial expenses	4.6x	4.1x	-0.5x		4.6x	4.1x	-0.5x	

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 natural gas demand increased by 39.9 GBTUD compared to 3Q22 due to the increase in consumption in the thermoelectric sector (+61.0 GBTUD), offset by the drop in activity in the residential sector (-19.3 GBTUD) and the vehicle sector (-2.1 GBTUD).
- Domestic demand decreased -121.4 GBTUD compared to 3Q22 due to the decrease in consumption in the industrial (-86.8 GBTUD), thermoelectric (-22.1 GBTUD), residential (-6.8 GBTUD) and vehicular (-5.1 GBTUD) sectors.

Table N° 2 - Natural gas demand by sector	Colombia			Interior of the country		
(GBTUD)	3Q22	3Q23	Var %	3Q22	3Q23	Var %
Industrial - refinery	436.5	417.2	-4.4%	315.1	228.3	-27.6%
Residential - commercial	232.1	231.8	-0.2%	187.0	180.2	-3.6%
Thermoelectric	215.1	276.1	28.3%	70.1	48.0	-31.6%
Vehicular – GNV	55.4	53.2	-3.9%	46.6	41.6	-10.9%
Petrochemical	4.7	5.4	13.9%	0.7	0.1	-82.2%
Total	943.9	983.8	4.2%	619.6	498.2	-19.6%

TGI Financial Results

TGI (Transportadora de Gas Internacional) develops and provides integrated low-emission hydrocarbon transportation and logistics solutions 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 changes to the comparative financial statements for 3Q22 and 3Q23 (3 months) in accordance with International Financial Reporting Standards (IFRS).

Quarterly results 3Q23

Operating Income

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

USD '000	3Q22	3Q23	Var	Var	9M22	9M23	Var	Var
By type of position								
Capacity & AOM	84,873	110,402	25,529	30.1%	258,983	290,999	32,016	12.4%
Variables	15,000	16,298	1,298	8.7%	40,712	43,222	2,510	6.2%
Other income	1,533	2,190	657	42.9%	3,667	4,439	772	21.0%
By currency								
Indexed to USD	78,505	0	-78,505	-100.0%	230,594	132,640	-97,954	-42.5%
Indexed to COP	22,901	128,890	105,989	462.8%	72,769	206,020	133,251	183.1%
Total	101,406	128,890	27,484	27.1%	303,363	338,660	35,297	11.6%

As of June 1, 2023, TGI changed its functional currency from USD to COP and executed coverages on the debt (denominated in dollars), in order to mitigate the exchange rate risk. This was performed due to the entry into force of CREG Resolution 175 of 2021. The revalued investments of the assets that ended their regulatory useful life (VUN) before December 2020 and the application of the new regulatory WACC were also included. However, for comparative purposes the analysis is performed in USD.

Below is a detail of the evolution of revenues by type of charges in 3Q23:

- Fixed investment charges remunerated in COP during the quarter totaled USD 82.0 (63.6% of total revenues), which is an increase of USD 18.5 M (+29.1%) versus 3Q22, mainly due to: i) change of tariff from USD to COP according to Resolution 175 (USD 15.0M); ii) application of the WACC at 11.88% (USD 2.1M) and iii) additional contracting through contingency transportation and firm contracting (USD 0.4 M).
- Fixed charges for AO&M, which are remunerated in COP, totaled USD 28.4 M (22.0% of total revenues), which is an increase of USD 7.0 M (+32.9%) compared with 3Q22, mainly due to: i) change of tariff from USD to COP according to Resolution 175 (USD 4.3M); ii) application of the WACC at 11.88% (USD 0.7M) and iii) additional contracting through contingency transportation and firm contracting (USD 1.9 M).
- Variable charges, which are remunerated in COP, totaled USD 16.3 M (12.6% of total revenues), an increase of USD 1.3 M (+8.7%) versus 3Q22, mainly due to: i) change of the tariff from USD to COP and adjustment of the WACC within the quarter; ii) transportation contracting of several shippers, conditional firmness contracting and interruptible contracting.

- Non-regulated operating revenues, classified as ancillary services, showed a 42.9% growth, closing at USD 2.2 M, mainly due to AO&M charges for the Maria Conchita field connection pipeline and natural gas transportation contracting for use as raw material (USD 1.0 M).

As for revenues by currency, 100% came from COP-denominated charges. These revenues increased 462.8%, mainly due to the change in the remuneration of fixed charges and variable charges to COP since Jun-23.

We are awaiting for the issuance of a final resolution, which to modify Resolution 175 of 2021 regarding the recognition of foreign exchange risk, as well as assets that will end their useful life after the entry into force of said resolution, and on which it is decided to continue their operation.

As of August 1, 2023 (with the entry into force of CREG Resolution 102 002 of June 7, 2023, which amends CREG Resolution 103 of 2021 with respect to the discount rate for gas transportation), the rate changed to 11.88% from 10.94%, in constant Colombian pesos before taxes.

Cost of Operations

Table N°4 - Operation Costs

USD '000	3Q22	3Q23	Var	Var	9M22	9M23	Var	Var
Professional Services	3,774	4,028	255	6.8%	12,192	13,013	821	6.7%
Maintenance	1,922	3,675	1,753	91.2%	7,456	7,508	52	0.7%
TFC*	451	654	202	44.9%	1,286	1,349	63	4.9%
Depreciation and amortization	21,212	24,923	3,710	17.5%	65,994	69,497	3,503	5.3%
Other costs	6,845	8,289	1,444	21.1%	21,395	23,634	2,240	10.5%
Total	34,204	41,569	7,364	21.5%	108,323	115,002	6,679	6.2%

**TFC: Taxes, Fees and Contributions*

Operating costs increased USD 7.4 M (21.5%) during the quarter compared to 3Q22 mainly due to:

- The cost of depreciation and amortization increased USD 3.7 M (17.5%) as a result of the conversion effect (which was not affected in 2022 and as of June 1, 2023 presents a balance due to the change of functional currency in the financial statements).
- Higher maintenance costs of USD 1.8 M (91.2%), mainly due to a higher number of emergencies.
- Increase in other costs by USD 1.4 M (21.1%) mainly due to a higher value in the cost of insurance policies covering the infrastructure.
- Increase in taxes, fees and contributions by USD 0.2 (44.9%) due to a higher solidarity contribution for fuel gas, as well as contributions for increased NGV (natural gas vehicles) demand, as well as the reclassification of the cost expense due to the public lighting tax.

Administrative & Operating Expenses (net)

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

USD '000	3Q22	3Q23	Var	Var	9M22	9M23	Var	Var
Personal services	2,457	3,178	722	29.4%	8,038	8,383	344	4.3%
Overhead expenses	3,287	2,647	-640	-19.5%	8,807	8,174	-634	-7.2%
Taxes	333	956	623	187.0%	1,567	1,976	409	26.1%
DA&P*	3,530	1,688	-1,843	-52.2%	8,231	5,721	-2,509	-30.5%
Other expenses	0	0	0	0.0%	0	0	0	0.0%
Other income	-2,012	-1,297	715	-35.6%	-3,002	-4,951	-1,949	64.9%
Total	7,595	7,172	-423	-5.6%	23,642	19,302	-4,339	-18.4%

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

Administrative and operating expenses, excluding other income, showed a decrease of USD -1.1 M (-11.9%), mainly due to the following:

- A decrease in depreciation, amortization and provisions (-52. 2%), due to the base effect of the provisions for inventory of materials transferred to obsolescence warehouses; the provision for litigation and claims due to CPI adjustments and risk rating in the value of claims and provision for debtors for payment of the invoicing of the portfolio related to the concept of CREG 185 compensation transport service (which decreases in 2023), as well as the portfolio aging movement; and as a consequence of the conversion effect, which had no effect in 2022 and as of June 1, 2023 shows a balance given the change of functional currency in the financial statements.
- Lower General and Administrative expenses of USD -0.6 million (-19.5%) primarily due to lower professional fees and consulting and IT services execution.
- Higher tax expense of USD 0.6 million (187.0%) related to the payment of the contribution to the Superintendencia de Servicios Públicos Domiciliarios (Superintendency of Residential Public Utilities) in 2023, which represents an increase compared to 2022; and for a higher payment in 2023 for the public lighting tax, due to regulatory changes in some municipalities that created new obligations for this tax.

Other income decreased by USD 0.7 M (-35.6%) due to a lower value of indemnities in the recognition of claims, offset by the recovery of expenses and provisions from previous periods.

Efforts will continue to ensure the sustainability the efficiencies achieved during the transformation process initiated by TGI S.A. E.S.P. from 2021, while maintaining the strategic focus on 2023 as one of the levers for the positive financial results achieved. Therefore, at the end of 3Q23 the total executed OPEX was USD 64.3 M, with an increase of USD 3.3 M (+5.4%), compared to USD 61.0 M at 3Q22. Compared to the 2023 budget, which had an increase of 14.0% compared to the end of 2022, this represents a good result, improving the execution in terms of planned activities and despite the impact of emergencies and external events.

EBITDA

Table N°6 – EBITDA

USD '000	3Q22	3Q23	USD	Var	9M22	9M23	Var	Var
EBITDA	82,337	105,463	23,126	28.1%	242,621	274,624	32,002	13.2%
EBITDA margin	81.2%	81.8%		0.6 pp	80.0%	81.1%		1.1 pp

The increase in EBITDA is explained by an increase in operating income in Q3 23, due to the change in the method of remuneration for the natural gas transmission service (approved by CREG Resolution 175 DE 2021), related to the change in the currency of the fixed and variable fees that remunerate the investment to the COP. In addition, it also due to lower operating and administrative expenses as a result of a decrease in fees, depreciation and amortization, offset by an increase in operating expenses as a result of an increase in emergency maintenance, depreciation and amortization and other costs related to policies covering infrastructure.

Non-Operating Income (net)

The non-operating result (net) went from USD -18.4 M in 3Q22 to USD -29.9 M in 3Q23, mainly explained by:

- Financial costs (USD +14.9 M; +88.3%), i) valuation of the exchange risk coverage with derivative financial instruments of the liability corresponding to the bond for USD 547.6 M and intercompany credit for USD 370.0 M, resulting from the change of the functional currency of the financial statements from USD to COP. The cost of the coverage for 3Q23 is USD 15.9 M; ii) due to the effect of the financial restatement of the decommissioning provision (the increase of which for 3Q23 compared to 3Q22 is USD 1.7 M); iii) debt service on bonds decreased by USD 3.0 M due to the repurchases made in 4Q22 and 1Q23.
- Net exchange difference (USD +2.6 M; +93.3%): due to the effect of the revaluation of the peso during 3Q23 on financial liabilities, the purchase of foreign currency for interest payments on the intercompany loan, and interest and coverage of bonds.
- Financial income (USD +0.4 M; +14.91%) due to the benefit in the interest rates of remuneration of the resources available in fixed-income instruments such as term-deposits, term-deposit certificates and savings accounts.

The above was partially balanced by a positive effect of USD 0.5 M (41.7%) in the equity method explained by the reduction in Contugas' losses. This was mainly due to i) A decrease in the provision made in 3Q22 of accounts receivable for USD 1.8 M, related to the resolution of the unfavorable arbitration award with Egasa and Egesur; ii) Recognition of revenues for USD 1. 9 M related to the construction projects Plan Punche and Proyectos Aquijes, offset by the reduction of distribution revenues by USD 1.5 M during 3Q23 from the client Egasa; costs associated with the construction projects Plan Punche and Proyectos Aquijes for USD 1. 2 M, and the higher financial expense of USD 0.6 M due to the increase in the *Libor* rate on the company's USD 355 M syndicated loan maturing in 2024.

Taxes

Current (USD 9.0 M; +48.2%): resulting from a higher taxable income in 2023, due to the effect of the TRM on the tax figures in COP, mainly in tax depreciation, administrative expenses and financial expenses.

Deferred (USD 4.2 M; +1,293.4%): as a consequence of the variations in the calculation bases caused by the exchange rate differential on the Company's liabilities and assets in foreign currency.

Net Income

Net income went from USD 22.8 M in 3Q22 to USD 18.6 M in 3Q23 (-18.5%), as a result of the positive operating results, as well as the effect of the foreign exchange difference resulting from the change in the functional currency of the financial statements from USD to COP, higher financial expenses related to the coverage of the foreign exchange exposure of the bond, and the effect of the increase in current and deferred taxes.

Debt Profile

Table N°7 - Relevant debt items

USD '000	2022	3Q23	Var	Var %
Total net debt	879,589	786,403	-93,186	-10.6%
Gross debt	597,366	547,649	-49,717	-8.3%
Total gross debt	974,800	927,168	-47,632	-4.9%
EBITDA UDM*	315,477	347,642	32,165	10.2%
UDM* Financial expenses	68,404	84,170	15,766	23.0%
Coverage ratios				
Total gross debt / EBITDA*.	3.1x	2.7x	-0.4x	
Total net debt / EBITDA*.	2.8x	2.3x	-0.5x	
EBITDA* / Financial expenses	4.6x	4.1x	-0.5x	

**Corresponds to EBITDA and financial expenses for the last twelve months (LTM).* For 3Q23.

Net leverage level reached 2.3x and interest coverage was 4.1x at the end of 3Q23, which are levels lower than those recorded at the end of 2022 after the partial repurchase of 5.550% bonds 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$ Mm	5.55%	Nov-1-28
Intercompany	370	USD$ Mm	5.22%	Dic-21-23
Financial Liabilities IFRS - 16	1.3	USD$ Mm	8.64%	N/A
Leasing – Renting	4.1	USD$ Mm	N/A	Long Term

During the quarter, the exchange rate coverage operations with derivative financial instruments carried out in 2Q23 were maintained with the following conditions:

Bonus Nov-2028	
Financial instrument:	Swap CCS
Final date:	Nov-01-28
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:	Dec-19-23
Spot rate:	$4,186.73
Strike rate:	$4,353.91
Total COP:	$1,610,948 MM
Devaluation:	8.52%

As a result of the coverages, the financial liability rate changed from 5.4% in dollars to 16.5% in pesos.

Commercial Performance

Revenue by Sector

Table N°9 - Sectoral Composition of Income	3Q22	3Q23	9M22	9M23
Residential - Distributor	64.6%	65.7%	64.5%	66.3%
Industrial	15.8%	15.8%	15.8%	15.7%
GNV	4.9%	4.3%	4.8%	4.6%
Commercial	7.9%	4.8%	7.9%	5.1%
Thermal	6.2%	9.2%	6.3%	7.8%
Refinery	0.6%	0.0%	0.7%	0.4%
Petrochemicals	0.0%	0.0%	0.0%	0.0%
Total	100,0%	100,0%	100,0%	100,0%

The residential and industrial sectors contributed 82.0% of accumulated revenues at the end of 3Q23. The thermal sector grew the most during the quarter, from USD 6.1 M in 3Q22 to USD 11.6 M in 3Q23 (USD 5.6 M; 91.5%), which increases its share by 3.0% vs. 3Q23. This was followed by the residential sector, with an increase in revenues by USD 20.0 M (31.7%), from USD 63.0 M in 3Q22 to USD 83.0 M in 3Q23. Revenues from the commercial and refining sectors decreased by 20.6% (USD -1.6 M) and 97.7% (USD -0.6 M) respectively, as their share was redirected to the residential and thermal sectors.

Contract Structure

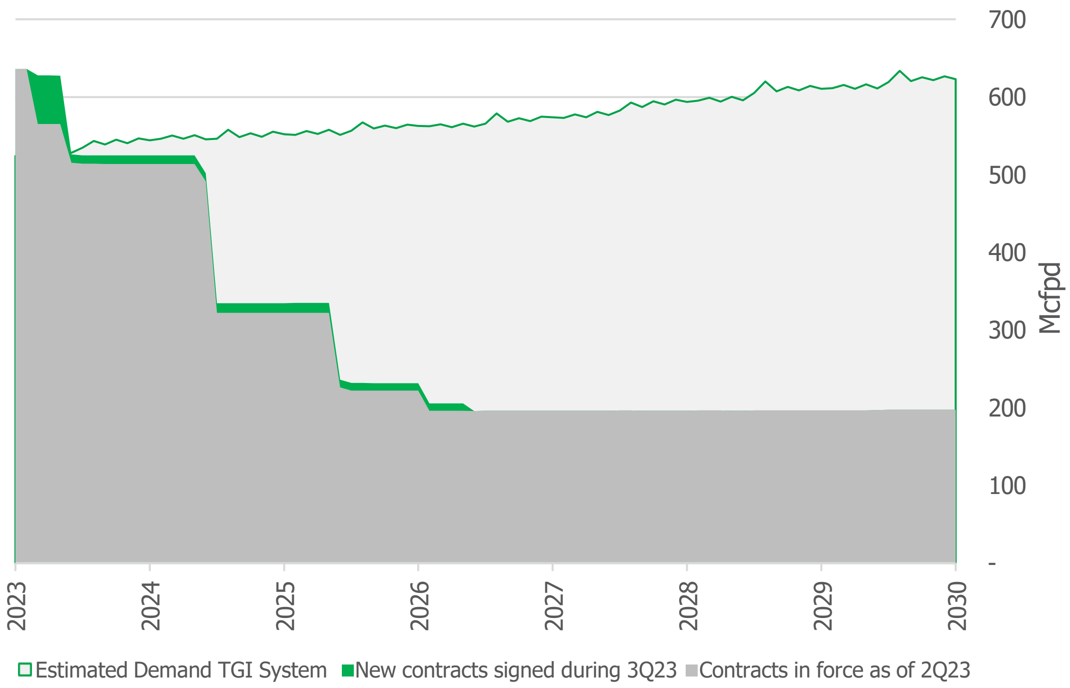
Table N°10- Structure of firm contracts

Description	3Q22	3Q23
No. Current Contracts	657	585
No. Firm Contracts	639	556
No. Interruptible Contracts	18	29
Remaining Life Firm Contracts (Average years)	4.2	3.5

The lower number of contracts in force for 3Q23 vs. 3Q22 corresponds to the fact that previously, the regulatory provisions established that contracts with a variation in quantity should be signed on a monthly basis. However, CREG Resolution 185 of 2020 established that contracts should be signed on a quarterly basis and up to a horizon of ten (10) years.

As of September 2023, the company had contracted 74.6% of its available capacity from sources, where 95.0% of its current contracts corresponded to firm contracts which on average were weighted under a ratio of 86% fixed and 14% variable charges.

Graph N°1 - Remaining life of contracts



The usual commercial contracting cycle in the sector, under current regulatory parameters, is developed on a quarterly basis. 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	3Q22	3Q23	Var %
Total capacity - Mcfd	849	849	0.0%
Firm contracted capacity - Mcfd*.	587	633	7.8%
Volume transported - Average Mcfd	511	495	-3.0%
Usage factor	56.1%	57.0%	0.9 pp
Availability	100.0%	100.0%	0.0 pp
Pipeline length - Km	4,033	4,033	0.0%

*Measured by firm 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 primarily on natural gas from the Cusiana, Cupiagua, and Ballena/Chuchupa basins.

On the other hand, we can see that availability was 100%. Usage factor increased 0.9% with respect to the same period of 2022 due to an increase in transportation by thermal generation.

Table N°12 - Volume per conveyor (Mcfd)	3Q22	Part %	3Q23	Part %	Var %	Var Mcfd
TGI	510.6	55.3%	495.2	50.3%	-3.0%	-15.5
Promigas	350.3	37.9%	428.9	43.5%	22.4%	78.6
Other	63.2	6.8%	61.2	6.2%	-3.1%	-2.0
Total	924.1	100.0%	985.2	100.0%	6.6%	61.1

In 3Q23, there was a decrease in the participation of the average daily transported volume by TGI in -3.0% compared to 3Q22. Likewise, the total volume transported in the gas pipeline network nationwide TGI S.A. E.S.P. (which continues to be the main player) is 495.2 Mcfd, while the second is Promigas with 428.9 Mcfd (the two companies have 93.8%).

Table N°13 - Total transport capacity of the TGI system	Capacity Mcfd
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 progress

Project portfolio investments during 3Q23 correspond to USD 1.1 M, presenting a decrease of USD 0.4 M vs 3Q22, mainly due to the closing of the operational continuity projects of the Ocoa River Crossing and the El Venado Crossing in the third quarter of 2023.

Natural gas supply plan projects (IPAT[1])

On July 24, 2023 TGI S.A. E.S.P. was notified of the resolutions formalizing the annual revenue streams in order to remunerate AOM's investment, as well as expenses of the IPAT projects assigned to TGI S.A. E.S.P.:

- CREG Resolution 502 029 of 2023: Transportation capacity on the Mariquita - Guandalay route.
- CREG Resolution 502 030 of 2023: Barrancabermeja -Ballena bidirectionality
- CREG Resolution 502 031 of 2023: Expansion of the transportation capacity of the Jamundí - Valle del Cauca branch line.

On July 31, 2023 TGI S.A. E.S.P. submits to CREG an appeal for resolution formalizing the annual revenue streams to remunerate the AOM's investment and expenses of the IPAT projects assigned to TGI based on the following key considerations: Freight, insurance, tariffs, nationalization, port costs, port transportation, discount rate and AOM's expenses. CREG is expected to resolve these appeals in 4Q23. As for the Yumbo - Mariquita Bidirectional IPAT, the project was not assigned, due to MEPU's declaration of abandonment of the awarding of the Pacific Regasification Plant.

[1] IPAT: Investments in priority projects of the supply plan in a transportation system.

Mariquita Gualanday Infrastructure

- Estimated Project Capex: USD 6.0 M
- Transport Capacity: 20 Mcfd
- Approval of license modification by the NALA
- Budget and specifications maturation techniques, purchasing processes, compression unit Epecist
- Evidence order according to file 2022-0031
- TGI provides additional information expert evidence and CREG issued a detailed report.
- Hearing of contradictions and CREG's request to the expert to make an expert opinion about TGI's observations
- TGI's request to CREG to recalculate and update the discount rate for natural gas transportation activity for the current fiscal year.
- TGI S.A. E.S.P. is notified of the resolution formalizing the annual revenue streams to remunerate AOM's investment and expenses.
- TGI S.A. E.S.P. files a motion for reconsideration, expecting a response in 4Q23.

Bidirectional Yumbo Mariquita

- Estimated Project Capex: USD 105.0 M
- Transport Capacity: 250 Mcfd
- TGI provides additional information expert evidence and CREG issued a detailed report.
- Hearing of contradictions and CREG's request to the expert to make an expert opinion about TGI's observations
- TGI's request to CREG to recalculate and update the discount rate for natural gas transportation activity for the current fiscal year.
- Subject to the viability of the import infrastructure project, Regasificadora del Pacífico, which was declared deserted.

Ramal Jamundí Infrastructure

- Estimated Project Capex: USD 6.0 M
- Transport Capacity: 3 Mcfd
- Budget and specifications maturation techniques, purchasing processes, compression unit Epecist
- Approval of license modification by the NALA
- TGI provides additional information expert evidence and CREG issued a detailed report.
- Hearing of contradictions and CREG's request to the expert to make an expert opinion about TGI's observations
- TGI's request to CREG to recalculate and update the discount rate for natural gas transportation activity for the current fiscal year.
- TGI S.A. E.S.P. is notified of the resolution formalizing the annual revenue streams to remunerate AOM's investment and expenses.
- TGI S.A. E.S.P. files a motion for reconsideration, expecting a response in 4Q23.

Ballena Barrancabermejo Bidirectionality

- Estimated Project Capex: USD 5.0 M
- Transport Capacity: 100 Mcfd
- TGI provides additional information expert evidence and CREG issued a detailed report.
- Hearing of contradictions and CREG's request to the expert to make an expert opinion about TGI's observations
- TGI's request to CREG to recalculate and update the discount rate for natural gas transportation activity for the current fiscal year.
- TGI S.A. E.S.P. is notified of the resolution formalizing the annual revenue streams to remunerate AOM's investment and expenses.
- TGI S.A. E.S.P. files a motion for reconsideration, expecting a response in 4Q23.

Regulatory Update

Table N°14 - Regulatory Update

Entity	Resolution	Scope	Status	
CREG	CREG Resolution 502 029 of 2023	Transportation capacity on the Mariquita - Guandalay route. By which the annual income flows to remunerate AOM's investment and expenses of the IPAT projects assigned to TGI are made official.	Published	See more
	CREG Resolution 502 030 of 2023	Barrancabermeja -Ballena bidirectionality By which the annual income flows to remunerate AOM's investment expenses of the IPAT projects assigned to TGI are made official.	Published	See more
	CREG Resolution 502 031 of 2023	Expansion of the Jamundí - Valle del Cauca branch line transportation capacity By which the annual income flows to remunerate AOM's investment and expenses of the IPAT projects assigned to TGI are made official.	Published	See more
	CREG Circular 046 of 2023	Natural Gas Commercialization Schedule.	Published	See more
	CREG Resolution 705 003 of 2023	Draft resolution modifying the internal regulations of the Energy and Gas Regulatory Commission, CREG	In consultation	See more
	CREG Circular 066 of 2023	Modification of Natural Gas Commercialization Schedule 2023.	In consultation	See more
	CREG Circular 055 of 2023	Modification to the Natural Gas Commercialization Schedule.	Published	See more
	CREG Resolution 073 of 2023	Report AOM's information to the Commission in the attached forms. This information be used to conduct regulatory analyses regarding the remuneration of each activity. The specific purpose is to ensure that economic facts are properly allocated to the regulated activity.	Published	See more
Ministry of Mines and Energy	Resolution 00943 of 2023	Natural Gas Production Statement 2023 - 2032.	Published	See more
UPME	UPME Circular 045 of 2023	Publication of Addendum 06 of 2023 Pacific Infrastructure Selection Process.	Published	See more
	Resolution UPME 0588 of 2023	The call for the selection of the investor "Infraestructura de Importación de Gas del Pacífico" is declared void.	Published	See more
	UPME External Circular 064 of 2023	Expansion of the information contained in the 2019-2028 ETPAGN, regarding rationing costs.	Published	See more

Annex 1. Financial Statements

Table N°15 - Income Statement	USD 000' 3Q22	3Q23	Variation USD	%
Income	101,406	128,890	27,484	27.1%
Cost of operations	-34,204	-41,569	-7,364	21.5%
Gross profit	67,202	87,321	20,120	29.9%
Gross Margin	*66.3%*	*67.7%*		
Administrative and operating expenses (net)	-7,595	-7,172	423	-5.6%
Personal services	-2,457	-3,178	722	29.4%
Overhead expenses	-3,287	-2,647	640	-19.5%
Taxes	-333	-956	-623	187.0%
Depreciation, amortization and provisions	-3,530	-1,688	1,843	-52.2%
Other expenses	0	0	0	0.0%
Other income	2,012	1,297	-715	-35.6%
Operating profit	59,607	80,149	20,543	34.5%
Operating Margin	*58.8%*	*62.2%*		
Financial costs	-16,931	-31,879	-14,949	88.3%
Financial income	2,491	2,862	371	14.9%
Net exchange difference	-2,784	-186	2,598	-93.3%
Equity - Results of associates	-1,128	-658	470	-41.7%
Income before income tax	41,256	50,288	9,033	21.9%
Income tax	-18,746	-27,784	-9,038	48.2%
Deferred tax	326	-3,896	-4,222	1,293.4%
Net income	22,836	18,608	-4,228	-18.5%
Net Margin	*22.5%*	*14.4%*		

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Table N°16 - Balance Sheet	USD '000		Variation	
	Dec-22	Sep-23	USD	%
Assets				
Current Assets				
Cash and cash equivalents	95,210	140,765	45,555	47.8%
Accounts receivable from customers and other accounts receivable	42,803	58,948	16,145	37.7%
Inventories	18,857	20,714	1,857	9.8%
Other non-financial assets	3,682	15,115	11,433	310.5%
Total Current Assets	160,552	235,542	74,990	46.7%
Non-Current Assets				
Property, plant and equipment	2,044,879	2,168,625	123,746	6.1%
Right-of-use assets	4,401	3,555	-846	-19.2%
Investments in associates and subordinated companies	14,284	11,394	-2,890	-20.2%
Trade and other accounts receivable	7,065	8,584	1,519	21.5%
Intangible assets	153,918	164,109	10,191	6.6%
Other financial / non-financial assets	5,802	14	-5,788	-99.8%
Total Non-Current Assets	2,230,349	2,356,281	125,932	5.6%
Total Active	2,390,901	2,591,823	200,922	8.4%
Liabilities				
Current Liabilities				
Accounts payable to suppliers and other accounts payable	7,253	6,599	-654	-9.0%
Tax liabilities	16,835	32,984	16,149	95.9%
Employee benefits	3,696	3,610	-86	-2.3%
Provisions	16,500	13,585	-2,915	-17.7%
Lease liabilities	2,554	4,831	2,277	89.2%
Other financial liabilities	10,304	16,007	5,703	55.3%
Accounts payable to related parties	373,117	424,977	51,860	13.9%
Total Current Liabilities	430,259	502,593	72,334	16.8%
Non-Current Liabilities				
Financial liabilities	666	586	-80	-12.0%
Provisions	88,176	113,617	25,441	28.9%
Deferred tax liabilities	407,435	439,795	32,360	7.9%
Bonds issued	596,467	551,835	-44,632	-7.5%
Other liabilities	11,205	13,297	2,092	18.7%
Total Non-Current Liabilities	1,103,949	1,119,130	15,181	1.4%
Total Liabilities	1,534,208	1,621,723	87,515	5.7%
Patrimony				
Capital stock	703,868	703,868	0	0.0%
Premium on issuance of shares	56,043	56,043	0	0.0%
Reserves	218,712	232,992	14,280	6.5%
Result for the period	113,319	117,414	4,095	3.6%
Accumulated results	-92,590	-92,590	0	0.0%
Other comprehensive income items	-142,659	-47,627	95,032	-66.6%
Total Equity	856,693	970,100	113,407	13.2%
Total Liabilities and Equity	2,390,901	2,591,823	200,922	8.4%

Table N°17 - Statement of Cash Flow	USD '000 Sep-22	Sep-23
Cash Flows from Operating Activities		
Net Income	69.899	117.414
Adjustment by:		
Depreciation and amortization	71,985	74,474
Unrealized exchange difference	3,185	-38,219
Employee benefits	-411	-453
Amortized cost (loans, deposits)	0	0
Amortized cost of call option BOMT	0	0
Amortized cost of financial obligations	2,057	1,865
Amortized cost of financial obligations	0	18,139
Valuation of decommissioning obligation	3,735	7,762
Deferred tax	-1.856	5,381
Income tax	49,554	61,091
Financial costs	44,933	38,725
Financial income	-4,757	-8,459
Valuation of equity method	5,119	2,890
Valuation of the equity method	56	0
Impairment of inventories	3	14
Impairment accounts receivable	793	0
Provisions (Recoveries)	825	-4,040
Net changes in operating assets and liabilities		
(Increase) Decrease in accounts receivable from customers and other accounts receivable	4,223	-3,595
(Increase) Decrease in inventories	840	-618
(Increase) Decrease in other non-financial assets	-2,407	-588
(Increase) Decrease in other financial assets	0	0
(Increase) Decrease in trade and other accounts payable and other accounts payable	-5,419	-13,703
(Increase) Decrease in other labor obligations	194	367
(Increase) Decrease in other financial liabilities	-9,267	7,967
(Increase) Decrease in estimated liabilities and provisions	-2,910	-13.647
(Increase) Decrease in tax liabilities	-10,260	24,247
Payment of interest	-20,992	-53,858
Interest payment related party	-9,287	-9,587
Taxes Paid	-28,324	-36,234
Net cash flow provided by operating activities	161,511	177,333
Cash Flows from Investing Activities		
Property, plant and equipment	-17,073	-14,706
Intangibles	0	-16
Net cash provided by investing activities	-17,073	-14,722
Cash Flows from Financing Activities		
Dividend payments	-78,356	-99,035
Payment of financial obligations	-501	-46,919
Financial obligations acquired	2,308	0
Net cash used in financing activities	-76,549	-145,954
Effect of exchange rate changes on cash and cash equivalents	-15,387	28,898
Net Changes in Cash and Cash Equivalents	52,502	45,554
Cash and Cash Equivalents at the Beginning of the Year	140,742	95,210
Cash and Cash Equivalents at End of Period	193,244	140,765

Annex 2. Legal note and clarifications

This document contains words such as "anticipate", "believe", "expect", "estimate", and others of similar meaning. Any information other than historical information, including but not limited to information regarding the Company's financial position, business strategy, plans and objectives of management, is forward-looking information.

The projections 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. Projections are uncertain and can be expected not to materialize. Unexpected events or circumstances may also be expected to occur. Unexpected events or circumstances are also to be expected. Consequently, the projections in this report should not be considered as a certainty. Potential investors should not consider the projections and estimates contained herein or rely on them in making investment decisions.

The Company expressly disclaims any obligation or commitment to distribute updates or revisions to any projections contained herein.

The Company's past performance cannot be taken as a proxy for the Company's future performance.

Annex 3. Terms and definitions

- NALA: National Environmental Licensing Authority.
- ASME: American Society of Mechanical Engineers.
- EBO (Electronic Bulletin of Operations): A freely accessible web page that displays commercial and operational information related to a transporter's services, including regulated charges, those agreed between market agents, the nomination cycle, the transportation program, capacity release and gas supply offers, energy balance accounts and other information established by the RUT.
- Contract with interruptions or interruptible: A written contract in which the parties agree not to assume a commitment of continuity in the delivery, receipt or use of available capacity in the supply or transportation of natural gas during a determined period. The service may be interrupted by either party, at any time and under any circumstances, giving prior notice to the other party.
- Firm or firmness-guaranteed contract: written contract in which an agent guarantees the service of supplying a maximum amount of natural gas and/or maximum transportation capacity, without interruptions, during a determined period, except on days established for maintenance and scheduled work. This type of contract requires physical backup.
- CREG: Energy and Gas Regulatory Commission of Colombia.
- GBTUD: Giga British Thermal Unit per-Day.
- MBTU: Thousands of British Thermal Units.
- M: millions
- MME: Ministry of Mines and Energy
- Mcfd: Millions of cubic feet per day.
- Average - Mcfd: This is the average volume transported per day in the study quarter.
- pp: percentage points
- SSPD: Superintendencia de Servicios Públicos Domiciliarios (Superintendency of Residential Public Utilities).
- MEPU: Mining-Energy Planning Unit.