FitchRatings

Corporates
Natural Gas & Propane
Peru

Gas Natural de Lima y Callao S.A.

Gas Natural de Lima y Callao S.A.'s (Calidda) ratings reflect the company's natural monopoly as the exclusive natural gas (NG) distributor for the cities of Lima and the Province of Callao in Peru. Cash flow stability is supported by a regulated tariff program designed to ensure an adequate return on investment, with the ability to fully pass through fixed costs related to the supply and transportation of natural gas. The ratings are constrained by the company's exposure to volumetric sales risk.

Key Rating Drivers

Modest Uptick in Leverage Expected: Calidda's leverage declined to 3.6x in 2022, which Fitch Ratings expects will increase to 4.0x in 2023 given lower anticipated volumes from nonregulated customers and debt plans to fund capex. Leverage is forecast to decline thereafter.

The company generated EBITDA of USD218 million in 2022, representing an 8% yoy increase compared with USD202 million in 2021. The uptick is largely due to growth in nonregulated power generation customer demand, stemming from dry weather, and increased NG vehicle station demand due to the recent surge in the cost of NG substitutes, particularly hydrocarbons.

Stable Cash Flow Generation: Contracted revenues translate into a stable cash flow profile for the company. The contracts are take-or-pay, U.S. dollar-denominated contracts with top-tier power generators and large industrial companies. Unregulated clients represented 71% of total invoiced volume and 51% of total adjusted (net of pass-through) revenue in 2022, with the remainder coming from regulated clients.

Calidda's regulated tariff, which is reviewed every four years (due next in 2026), ensures fixed-cost recovery and a 12% fixed rate of return on approved capital investment and operational expenses, which is partially offset by the company's exposure to volumetric risk in the regulated segment during economic slowdowns.

Strong Market Position: Calidda is Peru's largest NG distribution company and has the exclusive right to distribute NG in Lima and Callao per a 33-year build, own, operate and transfer (BOOT) concession awarded in 2000. The service territory under its concession has more than 30% of the country's population and represents roughly 44% of Peru's GDP. The concession term lasts through 2033 and may be renewed upon request by Calidda in 10-year increments until 2060.

The company's total network spans 15,961km, and the main grid has a distribution capacity of 420 million cubic feet per day (mmcfd). Calidda expects to continue to increase its network penetration, at 72% as of 2022, and reach 1.9 million customers by 2025.

Adequate Gas Supply: Calidda's gas supply and transportation is secured through 2033. The company has 220mmcfd of NG supply under take-or-pay (198mmcfd) and interruptible (22mmcfd) contracts with the Camisea consortium; it also has a long-term, take-or-pay (197mmcfd) and interruptible (31mmcfd) contract for natural gas transportation with Transportadora de Gas del Peru, S.A. (TGP; BBB+/Negative) for 228mmcfd.

Single-source exposure is mitigated by consortium operator Pluspetrol S.A.'s obligation to prioritize natural gas supply to cover local demand, according to the concession agreement. Fitch estimates the Camisea blocks have roughly 23 years of 1P reserves available as of YE 2022 at current production levels.

Ratings

Foreign Currency

Long-Term IDR	BBB

Local Currency

Long-Term IDR	BBB

Outlooks

Long-Term Foreign Currency IDR	Stable
Long-Term Local Currency IDR	Stable

2035 Climate Vulnerability Signal:	30

Click here for the full list of ratings

Applicable Criteria

Parent and Subsidiary Linkage Rating Criteria (June 2023)

Corporate Rating Criteria (October 2022)

Related Research

Global Corporates Macro and Sector Forecasts

Peruvian Corporate Credit Indicators Report: First-Quarter 2023 (Uncertainty Recedes but Risks Persist) (June 2023)

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Neutral Shareholder Support: Calidda's risk profile benefits from the expertise and operational ties of shareholders Grupo Energia Bogota S.A. E.S.P. (GEB; BBB/Stable) at 60% and Promigas S.A. E.S.P. (BBB–/Stable) at 40%. GEB is a leading energy holding company with interests across the electricity and natural gas sectors in Colombia, Peru and Guatemala. Promigas is one of the largest natural gas transportation and distribution companies in Colombia and Peru. Fitch expects Calidda will continue to provide a strong upstream cash distribution to shareholders. Absent parental support, Calidda's ratings are still commensurate with a 'BBB' credit profile.

Financial Summary

(USD 000)	2020	2021	2022	2023F	2024F	2025F
Gross Revenue	571,019	743,786	815,107	829,894	786,159	763,947
EBITDA Margin (%)	27.8	27.1	26.7	26.3	28.4	30.4
EBITDA Interest Coverage (x)	6.9	8.3	6.5	5.7	5.2	5.4
EBITDA Leverage (x)	3.7	3.8	3.6	4.0	3.9	3.8
EBITDA Net Leverage (x)	3.6	3.3	3.4	3.8	3.8	3.5

F – Forecast
Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

Calidda's business profile is similar to that of Promigas and Companhia de Gas de Sao Paulo (COMGAS; BB/Stable) due to low business risk from the companies' participation in the regulated utilities businesses, leading to relatively predictable cash flow generation.

Calidda is rated one notch above COMGAS's 'BBB–'/Stable Long-Term Local Currency Issuer Default Rating, due to their different operating environments, despite COMGAS's stronger capital structure, with leverage expected to not exceed 2.0x in 2023–2025. Calidda is rated one notch above Promigas due to Promigas' historically more aggressive, albeit declining, capital structure. Promigas' expected debt/EBITDA is 3.8x at YE 2022, compared with Calidda's 3.6x.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Significant and sustained deleveraging to below 3.0x;
- Growth and consolidation of regulated demand, including the natural gas vehicle and residential and commercial segments.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Sustained total debt/EBITDA above 4.0x, due to either operational deterioration or the inability to adjust distribution to shareholders and maintain a healthy capital structure;
- Material negative changes in its BOOT agreement and subsequent accomplishment, tariff program and applicable regulations;
- A material decline in new connections that negatively affects revenue, which in turn is not followed by increased gas invoiced to residential/commercial users;
- A downgrade of its shareholders' ratings by multiple notches.

Liquidity and Debt Structure

Adequate Liquidity: Calidda's liquidity position is adequate and supported by cash on hand, cash flow from operations, a comfortable debt amortization profile and adequate access to debt capital markets. The company relies on USD175 million of available short-term credit facilities as of YE 2022.

Total cash on hand was USD40 million at YE 2022. Long-term debt mostly consists of USD320 million in senior unsecured notes and USD80 million due in April 2023. The company signed a USD350 million syndicated loan with local and international banks, and some of the proceeds were used to repay 2023 maturities. Approximately 80% of Calidda's total debt is U.S. dollar-denominated, while its tariff is calculated in U.S. dollars and the balance is covered by a currency swap.

ESG Considerations

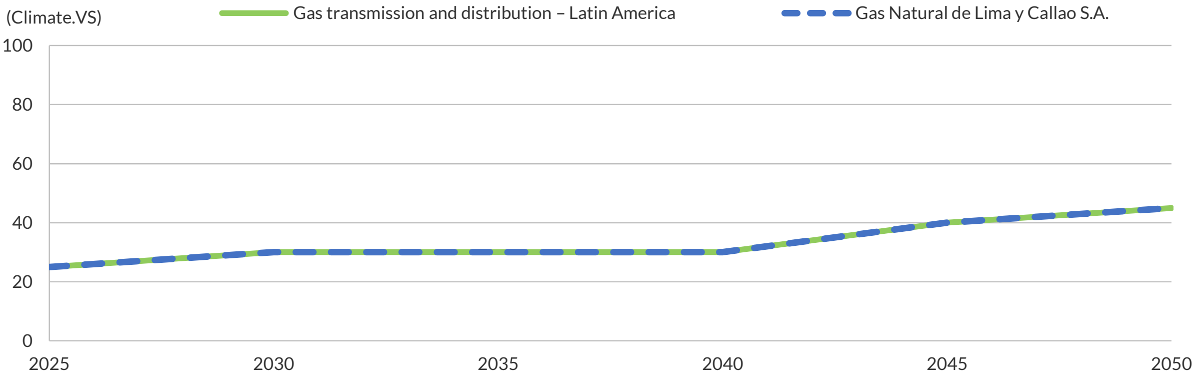
Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Climate Vulnerability Considerations

Fitch Ratings has published a Criteria Exposure Draft describing its approach to assessing Climate Vulnerability for Corporates. In this report, we describe our proposal to use Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Click here for the Criteria Exposure Draft.

The 2022 revenue-weighted Climate.VS for Calidda for 2035 is 30 out of 100, suggesting low exposure to climate related risks in that year. For further information on how Fitch perceives climate-related risks in the Utilities sector, see *Utilities – Long-Term Climate Vulnerability Signals Update*.

Climate.VS Evolution
As of Dec. 31, 2022



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(USD 000)	**12/31/22**	**3/31/23**
Total Cash and Cash Equivalents	39,724	75,053
Short-Term Investments	0	0
Less Not Readily Available Cash and Cash Equivalents	0	0
Fitch-Defined Readily Available Cash and Cash Equivalents	**39,724**	**75,053**
Availability Under Committed Lines of Credit	0	0
Total Liquidity	**39,724**	**75,053**
LTM EBITDA After Associates and Minorities	218,036	219,714
LTM FCF	-73,776	-64,651

Source: Fitch Ratings, Fitch Solutions, Gas Natural de Lima y Callao S.A.

Scheduled Debt Maturities

(USD 000)	**3/31/23**
2023	83,561
2024	13,000
2025	25,000
2026	575,000
2027	25,000
Thereafter	153,357
Total	**874,918**

Source: Fitch Ratings, Fitch Solutions, Gas Natural de Lima y Callao S.A.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer Include

- Residential/commercial clients trend toward 1.9 million by 2025;
- Volume growth averages 0.3% annually in 2023–2026;
- Pass-through of supply and transportation costs for regulated customers;
- Capex of USD120 million in 2023, declining to USD6 million by 2026;
- Dividend payout equivalent to 100% of prior-year net income.

Financial Data

	Historical			Forecast		
(USD 000)	**2020**	**2021**	**2022**	**2023F**	**2024F**	**2025F**
Summary Income Statement						
Gross Revenue	571,019	743,786	815,107	829,894	786,159	763,947
Revenue Growth (%)	-20.5	30.3	9.6	1.8	-5.3	-2.8
EBITDA Before Income from Associates	158,729	201,890	218,036	218,515	223,345	232,211
EBITDA Margin (%)	27.8	27.1	26.7	26.3	28.4	30.4
EBITDA After Associates and Minorities	158,729	201,890	218,036	218,515	223,345	232,211
EBITDAR	158,729	201,890	218,036	218,515	223,345	232,211
EBITDAR Margin (%)	27.8	27.1	26.7	26.3	28.4	30.4
EBIT	124,196	164,539	175,013	169,392	170,390	177,279
EBIT Margin (%)	21.8	22.1	21.5	20.4	21.7	23.2
Gross Interest Expense	-25,924	-26,129	-36,613	-38,294	-42,715	-43,306
Pretax Income Including Associate Income/Loss	101,407	141,375	152,421	131,485	128,062	134,359
Summary Balance Sheet						
Readily Available Cash and Equivalents	23,405	86,306	39,724	53,214	37,112	65,714
Debt	591,715	761,721	775,779	880,517	881,517	876,517
Lease-Adjusted Debt	591,715	761,721	775,779	880,517	881,517	876,517
Net Debt	568,310	675,415	736,055	827,303	844,405	810,803
Summary Cash Flow Statement						
EBITDA	158,729	201,890	218,036	218,515	223,345	232,211
Cash Interest Paid	-23,034	-24,438	-33,765	-38,294	-42,715	-43,306
Cash Tax	-24,333	-22,967	-27,378	-41,633	-26,762	-28,078
Dividends Received Less Dividends Paid to Minorities (Inflow/[Out]flow)	—	—	—	—	—	—
Other Items Before FFO	5,828	8,575	3,343	—	—	—
FFO	120,423	165,464	174,157	138,588	153,868	160,826
FFO Margin (%)	21.1	22.2	21.4	16.7	19.6	21.1

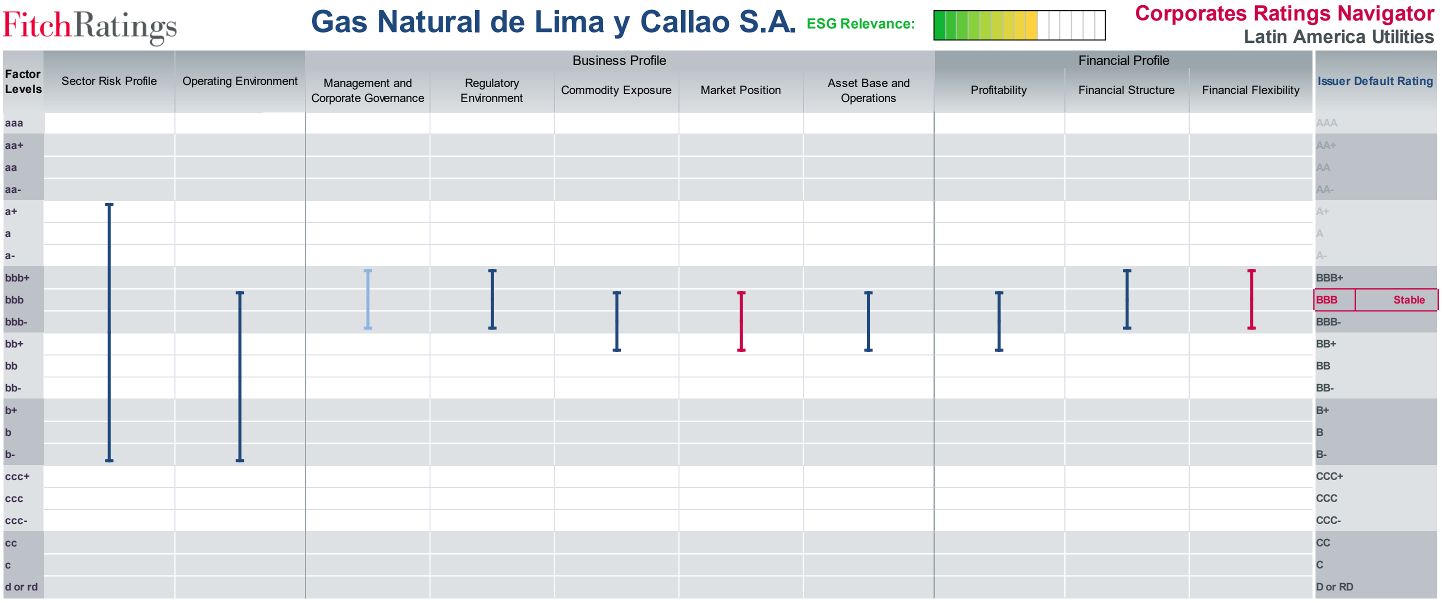
	Historical			Forecast		
(USD 000)	**2020**	**2021**	**2022**	**2023F**	**2024F**	**2025F**
Change in Working Capital	7,544	-45,386	-17,059	-6,066	-11,844	-8,398
CFO (Fitch-Defined)	127,967	120,078	157,098	132,522	142,024	152,428
Total Non-Operating/Nonrecurring Cash Flow	—	—	—	—	—	—
Capex	-73,722	-151,550	-138,447	—	—	—
Capital Intensity (Capex/Revenue) (%)	12.9	20.4	17.0	—	—	—
Common Dividends	-74,393	-64,181	-92,427	—	—	—
FCF	-20,148	-95,653	-73,776	—	—	—
FCF Margin (%)	-3.5	-12.9	-9.1	—	—	—
Net Acquisitions and Divestitures	—	46	—	—	—	—
Other Investing and Financing Cash Flow Items	-232	-543	-1,009	—	—	—
Net Debt Proceeds	31,980	161,350	28,203	104,738	1,000	-5,000
Net Equity Proceeds	—	—	—	—	—	—
Total Change in Cash	11,600	65,200	-46,582	13,490	-16,101	28,601
Leverage Ratios (x)						
EBITDA Leverage	3.7	3.8	3.6	4.0	3.9	3.8
EBITDA Net Leverage	3.6	3.3	3.4	3.8	3.8	3.5
EBITDAR Leverage	3.7	3.8	3.6	4.0	3.9	3.8
EBITDAR Net Leverage	3.6	3.3	3.4	3.8	3.8	3.5
EBITDAR Net Fixed-Charge Coverage	8.0	9.2	11.0	5.7	5.2	5.4
FFO-Adjusted Leverage	4.2	4.1	4.0	5.0	4.5	4.3
FFO-Adjusted Net Leverage	4.1	3.6	3.8	4.7	4.3	4.0
FFO Leverage	4.2	4.1	4.0	5.0	4.5	4.3
FFO Net Leverage	4.1	3.6	3.8	4.7	4.3	4.0
Calculations for Forecast Publication						
Capex, Dividends, Acquisitions and Other Items Before FCF	-148,115	-215,685	-230,874	-223,771	-159,125	-118,827
FCF After Acquisitions and Divestitures	-20,148	-95,607	-73,776	-91,248	-17,101	33,601
FCF Margin After Net Acquisitions (%)	-3.5	-12.9	-9.1	-11.0	-2.2	4.4
Coverage Ratios (x)						
FFO Interest Coverage	6.1	7.7	5.7	4.6	4.6	4.7
FFO Fixed-Charge Coverage	6.1	7.7	5.7	4.6	4.6	4.7
EBITDAR Fixed-Charge Coverage	6.9	8.3	6.5	5.7	5.2	5.4
EBITDA Interest Coverage	6.9	8.3	6.5	5.7	5.2	5.4
Additional Metrics (%)						
CFO – Capex/Debt	9.2	-4.1	2.4	1.5	8.3	13.8
CFO – Capex/Net Debt	9.5	-4.7	2.5	1.6	8.6	14.9
CFO/Capex	173.6	79.2	113.5	110.8	205.0	486.8

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	☐ Stable

FitchRatings

Gas Natural de Lima y Callao S.A.

Corporates Ratings Navigator
Latin America Utilities

Operating Environment

bbb+	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.
bbb	Financial Access	bbb	Average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	bb	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'bb'.
b-			
ccc+			

Management and Corporate Governance

a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb+	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb-	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb+			

Regulatory Environment

a-	Independence	bbb	Low government interference in utility regulations.
bbb+	Balance	a	Balanced framework between end users' and sector participants' needs. It seeks low tariffs for users and attractive return on capital.
bbb	Transparency	bbb	The tariff-setting procedure is transparent and includes the participation of industry players.
bbb-	Recourse of Law	bbb	Procedures to appeal regulatory rulings are clear but long processing periods. Companies can oppose or comment on regulations.
bb+	Timeliness of Cost Recovery	bbb	Moderate lag to recover capital and operating costs.

Commodity Exposure

bbb+	Price and Volume Risk	bbb	Moderate exposure to price risk. Long-term contracts provide high revenue visibility and most costs variations are passed through.
bbb	Counterparty Risk	bb	Weighted average credit quality of actual and potential offtakers is in line with 'BB' rating.
bbb-			
bb+			
bb			

Market Position

bbb+	Consumption Growth Trend	bbb	Customer and usage growth in line with industry averages.
bbb	Customer Mix	bbb	Somewhat diversified customer base.
bbb-	Geographic Location	bb	High sensitivity to extreme weather or disaster disruptions.
bb+	Supply Demand Dynamics	bbb	Moderately favorable outlook for prices and rates.
bb			

Asset Base and Operations

bbb+	Asset Diversity	bb	Small size and/or limited diversification.
bbb	Reliability of Operations and Cost Position	bbb	Reliability and cost of operations at par with industry averages with moderate operating losses.
bbb-	Exposure to Environmental Regulations	bbb	Limited or manageable exposure to environmental regulations.
bb+	Capital and Technological Intensity of Capex	bbb	Moderate reinvestment requirements in established technologies.
bb			

Profitability

bbb+	Volatility of Profitability	bbb	Stability and predictability of profits in line with utility peers.
bbb	Free Cash Flow	bb	Structurally negative FCF across the investment cycle.
bbb-			
bb+			
bb			

Financial Structure

a-	EBITDA Leverage		
bbb+	EBITDA Net Leverage		4.0x
bbb	FFO Leverage	bbb	4.25x
bbb-	FFO Net Leverage	bbb	3.5x
bb+			

Financial Flexibility

a-	Financial Discipline	bb	Financial policies in place but flexibility in applying them could lead to temporarily exceeding downgrade guidelines
bbb+	Liquidity (Cash+CFO)/S-T Debt	bbb	One year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bbb	EBITDA Interest Coverage		
bbb-	FFO Interest Coverage	bbb	4.5x
bb+	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place.

Credit-Relevant ESG Derivation

Gas Natural de Lima y Callao S.A. has 9 ESG potential rating drivers

- Networks' exposure to extreme weather events- negative (e.g. risk of drought and flooding) or positive (e.g. additional return on resilience capex)
- Regulatory-driven access and affordability targets of utility services
- Quality and safety of products and services; data security
- Impact of labor negotiations and employee (dis)satisfaction
- Social resistance to major projects that leads to delays and cost increases
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	9	issues	3
not a rating driver	3	issues	2
	2	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

FitchRatings

Gas Natural de Lima y Callao S.A.

Corporates Ratings Navigator
Latin America Utilities

Credit-Relevant ESG Derivation

Gas Natural de Lima y Callao S.A. has 9 ESG potential rating drivers

- Gas Natural de Lima y Callao S.A. has exposure to extreme weather events but this has very low impact on the rating.
- Gas Natural de Lima y Callao S.A. has exposure to access/affordability risk but this has very low impact on the rating.
- Gas Natural de Lima y Callao S.A. has exposure to customer accountability risk but this has very low impact on the rating.
- Gas Natural de Lima y Callao S.A. has exposure to labor relations & practices risk but this has very low impact on the rating.
- Gas Natural de Lima y Callao S.A. has exposure to social resistance but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	9	issues	3
not a rating driver	3	issues	2
	2	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	Emissions from operations	Asset Base and Operations; Regulatory Risk; Profitability; Financial Structure	5
Energy Management	2	Energy and fuel use in operations; entities' financial targets for losses/shrinkage	Asset Base and Operations; Commodity Price and Market Risk; Profitability; Financial Structure	4
Water & Wastewater Management	1	Water usage in operations; water utilities' financial targets for water quality, leakage and usage	Asset Base and Operations; Regulatory Risk; Profitability	3
Waste & Hazardous Materials Management; Ecological Impacts	2	Impact of waste including pollution incidents; discharge compliance; sludge, coal ash	Asset Base and Operations; Regulatory Risk; Profitability	2
Exposure to Environmental Impacts	3	Networks' exposure to extreme weather events - negative (e.g. risk of drought and flooding) or positive (e.g. additional return on resilience capex)	Asset Base and Operations; Commodity Price and Market Risk; Profitability	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	3	Regulatory-driven access and affordability targets of utility services	Asset Base and Operations; Regulatory Risk; Profitability	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Regulatory Risk; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility	3
Employee Wellbeing	2	Worker safety and accident prevention	Financial Flexibility	2
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Profitability; Financial Structure	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

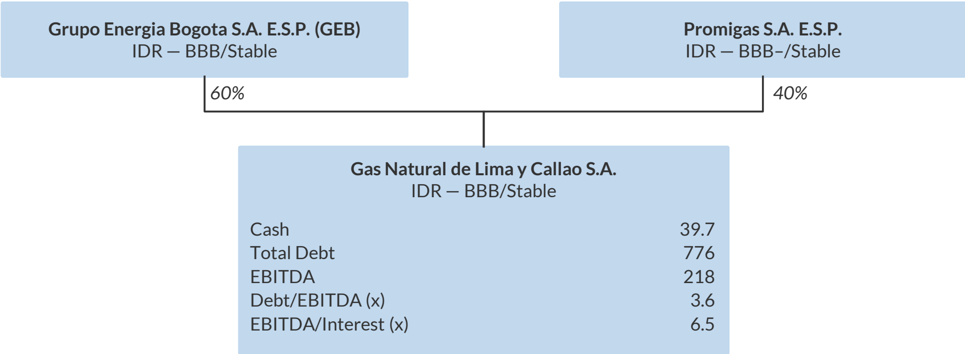
CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram

Organizational Structure — Gas Natural de Lima y Callao S.A.
USD Mil., as of March 31, 2023



IDR – Issuer Default Rating
Source: Fitch Ratings, Fitch Solutions, Gas Natural de Lima y Callao S.A.

Peer Financial Summary

Company	Issuer Default Rating	Financial Statement Date	Gross Revenue (USD Mil.)	EBITDA Interest Coverage (x)	EBITDA Margin (%)	EBITDA Leverage (x)	EBITDA Net Leverage (x)
Gas Natural de Lima y Callao S.A.	BBB						
	BBB	2022	815	6.5	26.7	3.6	3.4
	BBB	2021	744	8.3	27.1	3.8	3.3
	BBB	2020	571	6.9	27.8	3.7	3.6
Promigas S.A. E.S.P.	BBB–						
	BBB–	2022	1,127	3.6	31.6	4.8	3.8
	BBB–	2021	1,091	4.6	32.3	4.5	4.0
	BBB–	2020	1,180	3.6	33.4	4.2	3.7
Grupo Energia Bogota S.A. E.S.P. (GEB)	BBB						
	BBB	2022	1,429	5.4	42.3	4.3	4.0
	BBB	2021	1,390	7.6	44.1	3.2	2.9
	BBB	2020	1,488	5.2	47.6	3.7	3.3
Transportadora de Gas Internacional S.A. ESP (TGI)	BBB						
	BBB	2022	401	5.6	80.0	3.0	2.7
	BBB	2021	385	5.0	79.8	2.4	2.0
	BBB	2020	456	5.3	75.8	2.2	1.8

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(USD 000, as of Dec. 31, 2022)	Notes and Formulas	Reported Values	Sum of Adjustments	CORP- Lease Treatment	Adjusted Values
Income Statement Summary					
Revenue		815,107			815,107
EBITDAR		218,036			218,036
EBITDAR after Associates and Minorities	(a)	218,036			218,036
Lease Expense	(b)	0			0
EBITDA	(c)	218,036			218,036
EBITDA after Associates and Minorities	(d) = (a-b)	218,036			218,036

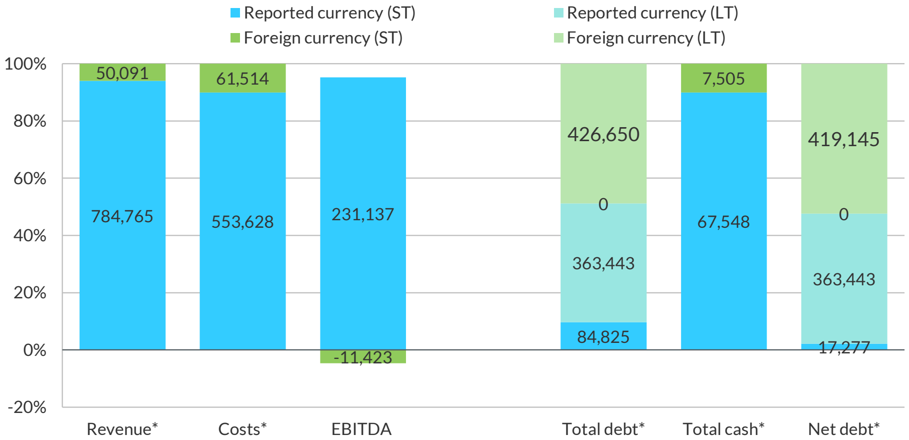
(USD 000, as of Dec. 31, 2022)	Notes and Formulas	Reported Values	Sum of Adjustments	CORP- Lease Treatment	Adjusted Values
EBIT	(e)	173,537	1,476	1,476	175,013
Debt and Cash Summary					
Other Off-Balance-Sheet Debt	(f)	0			0
Debt	(g)	785,384	-9,605	-9,605	775,779
Lease-Equivalent Debt	(h)	0			0
Lease-Adjusted Debt	(i) = (g+h)	785,384	-9,605	-9,605	775,779
Readily Available Cash and Equivalents	(j)	39,724			39,724
Not Readily Available Cash and Equivalents		0			0
Cash Flow Summary					
EBITDA After Associates and Minorities	(d) = (a-b)	218,036			218,036
Preferred Dividends Paid	(k)	0			0
Interest Received	(l)	13,921			13,921
Interest Paid	(m)	-33,765			-33,765
Cash Tax Paid		-27,378			-27,378
Other Items Before FFO		3,343			3,343
FFO	(n)	174,157			174,157
Change in Working Capital (Fitch-Defined)		-17,059			-17,059
CFO	(o)	157,098			157,098
Non-Operating/Nonrecurring Cash Flow		0			0
Capex	(p)	-138,447			-138,447
Common Dividends Paid		-92,427			-92,427
FCF		-73,776			-73,776
Gross Leverage (x)					
EBITDAR Leverage[a]	(i/a)	3.6			3.6
FFO-Adjusted Leverage	(i/(n-m-l-k+b))	4.0			4.0
FFO Leverage	(i-h)/(n-m-l-k)	4.0			4.0
EBITDA Leverage[a]	(i-h)/d	3.6			3.6
(CFO-Capex)/Debt (%)	(o+p)/(i-h)	2.4			2.4
Net Leverage (x)					
EBITDAR Net Leverage[a]	(i-j)/a	3.4			3.4
FFO-Adjusted Net Leverage	(i-j)/(n-m-l-k+b)	3.8			3.8
FFO Net Leverage	(i-h-j)/(n-m-l-k)	3.8			3.8
EBITDA Net Leverage[a]	(i-h-j)/d	3.4			3.4
(CFO-Capex)/Net Debt (%)	(o+p)/(i-h-j)	2.5			2.5
Coverage (x)					
EBITDAR Fixed-Charge Coverage[a]	a/(-m+b)	6.5			6.5
EBITDA Interest Coverage[a]	d/(-m)	6.5			6.5
FFO Fixed-Charge Coverage	(n-l-m-k+b)/(-m-k+b)	5.7			5.7
FFO Interest Coverage	(n-l-m-k)/(-m-k)	5.7			5.7

[a]EBITDA/R after dividends to associates and minorities. CFO – Cash flow from operations. Note: Debt includes other off-balance-sheet debt.
Source: Fitch Ratings, Fitch Solutions, Gas Natural de Lima y Callao S.A.

FX Screener

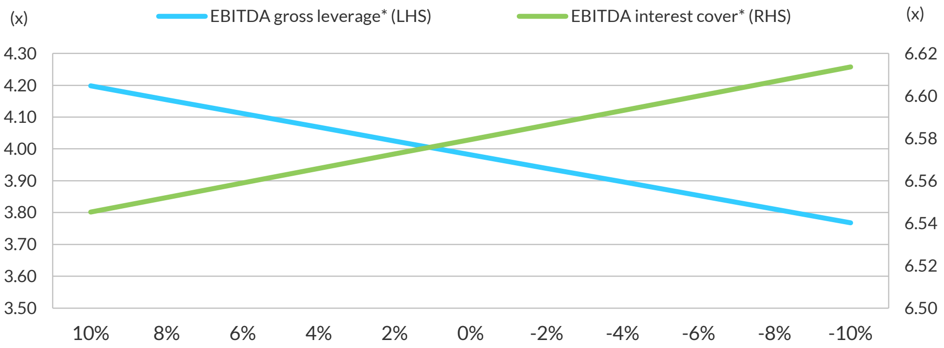
Approximately 80% of Calidda's total debt is U.S. dollar-denominated, while the company's tariff is calculated in U.S. dollars and the balance is covered by a currency swap.

Fitch FX Screener
Gas Natural de Lima y Callao S.A. — BBB/Stable, LTM March 2023, USD 000



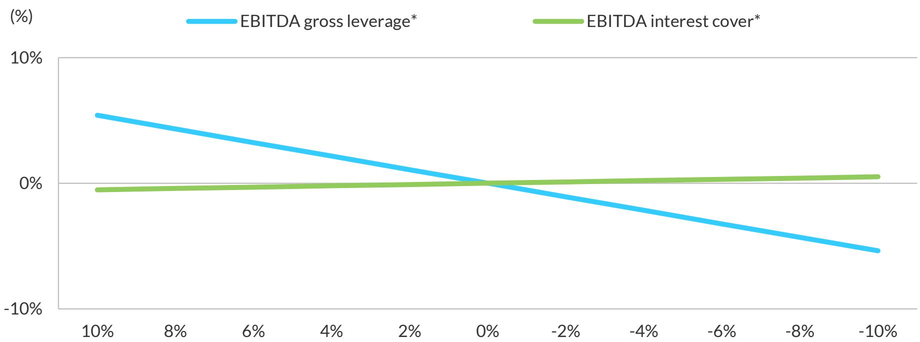
* Post hedge, absolute figures displayed are Fitch's analytical estimates, based on publicly available information
Source: Fitch Ratings

Fitch FX Screener — Foreign to Reported Currency Stress Test — Absolute Variation
Gas Natural de Lima y Callao S.A. — BBB/Stable, LTM March 2023



*EBITDA after dividends to associates and minorities
Source: Fitch Ratings

Fitch FX Screener — Foreign to Reported Currency Stress Test — Relative Variation
Gas Natural de Lima y Callao S.A. — BBB/Stable, LTM March 2023



*EBITDA after dividends to associates and minorities
Source: Fitch Ratings

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.