

# Q4 2023

## Results Report



### Executive Review

- ▶ Thanks to our programs "Primero la Vida" (Life First) and "Visión Zero" (Vision Zero), in the 17,190,204 man-hours worked, we only recorded 5 disabling accidents. This represented less than 0.1% of the total man-hours worked.
- ▶ With IDB Invest, we designed a program to increase the hiring and promotion of people with disabilities in Cálidda. A normative analysis on the employability of people with disabilities, training, and awareness-raising have been carried out.
- ▶ We have evaluated to incorporate hydrogen in our distribution heaters, which will be implemented during 2024. These hydrogen heaters emit less CO2 (4% less) and require less consumption of natural gas (8% less).
- ▶ For the fifth consecutive year, we obtained the Anti-Bribery Certification after a evaluation of our crime prevention model, as well as the controls to prevent private corruption.
- ▶ Currently, Cálidda is developing the first Pilot Project to Access these homes located on the slopes around the hills. The Pilot Project will be focused on Bayovar, San Juan de Luriganchó. For this pilot, 2Kms of network will be constructed that will benefit 343 houses.
- ▶ Relevant financial outcomes at Q4 2023:

**Table N° 1 – Operational and financial key indicators**

Operational Results	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Cumulative Customers	1,560,379	1,625,316	1,682,288	1,729,034	1,782,596	14.2%
Invoiced Volume (MMCFD)	798	773	828	838	832	4.3%
Total Network Extension (km)	15,961	16,240	16,579	16,851	17,169	7.6%
Financial Results	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Total Revenue (MMUSD)	197	215	212	205	234	18.8%
Total Revenue Ajust <sup>1</sup> . (MMUSD)	95	91	95	93	106	12.2%
EBITDA (MMUSD)	61	56	59	57	57	-6.2%
Adjusted EBITDA margin	64%	62%	62%	62%	54%	-
Net Income (MMUSD)	28	25	28	25	24	-14.6%
Interest Coverage (x)	7.2x	7.2x	7.2x	7.4x	7.6x	-

<sup>1</sup> Total Adjusted Revenues = Total Revenues excluding pass-through revenues (acquisition and transportation of natural gas) and IFRIC 12 (investments made in the distribution system)

**International Credit Rating:**

Fitch – Jul. 11 | 2023: BBB, stable

Moody's – Jan. 02 | 2024: Baa2, stable

**National credit rating:**

Moody's Local Perú – Oct. 30 | 2023: AAA.pe, stable

Pacific Credit Rating – Nov. 23 | 2023: AAA, stable

## Commercial Performance

### Peruvian Natural Gas Market

**Table N° 2 – Key market indicators**

Indicator	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Production of Natural Gas <sup>2</sup> (MMPCD)	1,488	1,435	1,453	1,391	1,394	-6.3%
Local Market Demand (MMCFD)	1,035	855	911	1,027	924	-7.2%
Calidda's Local Market Share (MMCFD)	775	620	657	709	672	-13.4%

- ▶ At the end of Q4 2023, natural gas production in Peru decreased by 6.3% compared to Q4 2022.
- ▶ As for the local market, consumption increased by 7.2% compared to Q4 2022, closing at 924 MMCFD.
- ▶ Similarly, at the end of Q4 2023, Cálidda's share of the local market averaged 72.5%.

### Volume

- ✓ At the end of Q4 2023, the total invoiced volume increased by 4.3% vs. the previous year, explained by the greater demand of the generating sector due to adverse climatic events and irregular rainy periods, added to the higher consumption of the NGV sector due to the improvement in the competitiveness of natural gas as a result of the increase in the price of substitute hydrocarbons and the greater conversions of vehicles to NGV thanks to the financing granted by the State through of the FISE.
- ✓ Firm contracts reached 570 MMCFD (electric generators: 527 MMCFD + industrial segment: 43 MMCFD), representing 68% of the total invoiced volume.

<sup>2</sup> Information at the end of December 2023 (Ministry of Energy and Mines)

The invoiced volume breakdown by client segments is shown in the following table:

**Table N° 3 – Invoiced Volume per Client Segment**

Invoiced Volume (MMCFD)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Power Generation	561	539	599	609	580	3.5%
Industrial	142	140	130	129	146	2.7%
NGV Stations	68	68	70	69	74	9.7%
Residential y Commercial	27	25	29	30	31	16.7%
<b>Total</b>	<b>798</b>	<b>773</b>	<b>828</b>	<b>838</b>	<b>832</b>	<b>4.3%</b>

- ✓ As shown in this table, the volume invoiced at the end of Q4 2023 reached a total of 832 MMCFD.

### Contractual structure

**Table N° 4 – Contracted Capacity (MMCFD)**

Period	Contracted Transportation Capacity (MMCFD)			Contracted Supply Capacity (MMPCD)		
	Firm	Interrup.	Total	Firm	Interrup.	Total
2018	197	31	228	183	46	229
2019	197	31	228	188	47	235
2020	197	31	228	193	48	241
2021	197	31	228	198	22	220
2022	197	31	228	198	22	220
...	...	...	...	...	...	...
2033	197	31	228	198	22	220

- ✓ Cálidda's customers are divided into two groups: (i) Non-Regulated Customers, who consume more than 1 MMCFD and independently contract the supply, transportation and distribution of natural gas (NG), and (ii) Regulated Clients, who consume less than 1 MMCFD and enter into a comprehensive contract with Cálidda, who provides them with the NG, transport and distribution service.

**Table N° 5 – Distribution Capacity**

Distribution Capacity (MMCFD)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Distribution System Capacity	420	420	420	420	540	28.6%
<b>Consumed Volume</b>	<b>351</b>	<b>307</b>	<b>349</b>	<b>374</b>	<b>328</b>	<b>-6.5%</b>
Regulated Clients	172	168	173	173	186	8.3%
Independent Clients	179	139	176	201	141	-20.8%

- ✓ At the end of Q4 2023, our Independent and Regulated customers consumed on average about 328 MMCFD, equivalent to 61% of our natural gas distribution capacity (Lurín – Ventanilla).

- ✓ The volume consumed is greater than the contracted capacity since this is intended to cover the demand of regulated customers.
- ✓ In this sense, at the end of Q4 2023, our Regulated customers consumed 186 MMCFD, equivalent to 85% of the contracted volume of gas and 82% of the contracted transport capacity.

### Competitiveness of Natural Gas

**Table N° 6 – Competitiveness per Client Segment**

Competitiveness (USD/MMBTU)	Final Client Tariff Evolution					Price of substitutes <sup>3</sup>	
	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023		
Residential and Commercial	11.98	11.92	12.32	12.23	12.35	Residential LPG	Electrical Energy
						20.68 (-40%)	34.83 (-65%)
Vehicular	9.26	9.30	9.57	10.03	9.76	Vehicular LPG	Gasoline 90
						15.66 (-38%)	29.31 (-67%)
Industrial	6.11	6.07	6.46	6.55	6.59	Electrical Energy	Industrial Petroleum
						51.06 (-87%)	18.77 (-65%)
Power Generation	4.01	3.98	4.24	4.29	4.29	Diesel	Industrial Petroleum
						28.34 (-85%)	18.77 (-77%)

- ✓ As shown in the table, for each of the segments the tariffs offered by Cálidda are highly competitive, in some cases around 87% less in contrast to its substitutes.
- ✓ A highly competitive tariff ensures a vegetative demand and therefore, stable income streams.

<sup>3</sup> Information available from Luz del Sur, Osinergmin and Petroperú as of December 2023.

## Operational Performance

### Connections by Client Segment

At the end of Q4 2023, Calidda connected 53,562 clients. In the Residential segment, Calidda has operations in 41 districts from the Metropolitan area of Lima and Callao, which are the following: San Juan de Lurigancho, El Agustino, San Juan de Miraflores, Villa María del Triunfo, Los Olivos, San Martín de Porres, Comas, Puente Piedra, Villa el Salvador, Santa Anita, Cercado de Lima, San Miguel, Surco, Jesús María, Magdalena, Pueblo Libre, El Callao, Independencia, Ate, Carabaylo, La Victoria, Mi Perú, Pachacamac, Ventanilla, Chorrillos, Carmen de la Legua, Ancón, Bellavista, Breña, La Perla, Chaclayo, Rímac, Barranco, Lince, Lurín, Miraflores, San Borja, San Isidro, San Luis, Chilca y Surquillo. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 49 districts.

**Table N° 7 – New Clients**

New Client	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Power Generation	0	0	0	0	0	-
Industrial	17	11	21	11	19	11.8%
NGV Stations	1	1	0	0	2	100%
Residential y Commercial	62,444	64,925	56,951	46,735	53,541	-14.3%
<b>Total</b>	<b>62,462</b>	<b>64,937</b>	<b>56,972</b>	<b>46,746</b>	<b>53,562</b>	<b>-14.2%</b>

- ✓ 62 clients in the industrial segment were connected in the last 12 months.
- ✓ 3 NGV stations were added to the distribution network in the last 12 months.
- ✓ 215,434 residential clients and 6,718 commercial clients were connected in the last 12 months.
- ✓ During Q4 2023, 53,562 new connections were achieved, and in the last 12 months a total of 222,217.

**Table N° 8 – Clients Base**

Clients Base	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Power Generation	29	29	29	29	29	-
Industrial	790	801	822	833	852	7.6%
NGV Stations	291	292	292	292	294	0.3%
Residential y Commercial	1,559,269	1,624,194	1,681,145	1,727,880	1,781,421	14.2%
<b>Total</b>	<b>1,560,379</b>	<b>1,625,316</b>	<b>1,682,288</b>	<b>1,729,034</b>	<b>1,782,596</b>	<b>14.2%</b>

- ✓ At the end of Q4 2023 Calidda had total of 1,782,596 clients, 14.2% higher compared to the previous year.

## Distribution Network

- ✓ The length of the Cálidda distribution system reached 17,169 km of underground pipeline in Lima and Callao.
- ✓ At the end of Q4 2023, Cálidda built a total of 318 km, a result although lower than the figure of the previous year, is aligned with our investment plan for the period 2022-2026 and the highest level of maturity of the company.

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

**Table N° 9 – Distribution System**

Distribution System (Km)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Polyethylene Network	15,320	15,597	15,930	16,196	16,504	7.7%
Steel Network	641	643	649	655	665	3.6%
<b>Total</b>	<b>15,961</b>	<b>16,240</b>	<b>16,579</b>	<b>16,851</b>	<b>17,169</b>	<b>7.6%</b>
New Networks	355	279	339	272	318	-10.6%

## Network Penetration Ratio

- ✓ The network penetration ratio is calculated by dividing the number of connected clients by the number of potential clients that are located in an area close to Calidda's network. This key ratio increased at the end of Q4 2023 to 75% due to the constant growth of number of connected clients.
- ✓ Cálidda, according to the plan approved by the regulator, is aimed at low-income districts benefiting from subsidies from the Peruvian State, where the savings generated by the use of natural gas instead of other substitute fuels is more appreciated by residents.

The next table shows the evolution of potential clients, total clients and the penetration ratio:

**Table N° 10 – Network Penetration Ratio**

Network Penetration Ratio	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Potential Clients	2,162,728	2,267,119	2,290,012	2,316,762	2,362,735	9.2%
Total Clients	1,560,379	1,625,316	1,682,288	1,729,034	1,782,596	14.2%
Penetration Ratio	72%	72%	73%	75%	75%	-

## Financial Performance

### Revenues

- ✓ Adjusted revenues reached 384 MMUSD at Q4 2023, 4.3% higher than Q4 2022 levels of 369MMUSD. Additionally, EBITDA during 2023 was 2.1% higher than 4Q 2022 results, ending at 230 MMUSD.

**Table N° 11 – Revenues distribution by concepts**

Adjusted Income Distribution (%) – Q4 2023		Pass-Through Concepts	
<b>Distribution service</b>	Main operative income of Cálidda; it is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	70%	<b>Sell and transport of natural gas</b> Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
<b>Connection services</b>	Operative income which is paid by the consumer for the internal installation of pipelines needed to achieve the connection to the natural gas network. Includes revenues from the facility's financing and connection fees.	21%	<b>Revenues of network expansion</b> Pass-through income related to the investments executed by Cálidda in order to expand the distribution network.
<b>Other services</b>	Operative income which mainly comes from network relocation services and other services.	9%	

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

**Table N° 12 – Distribution Revenue by Segment**

Distribution Revenues (MMUSD)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Residential y Commercial	16	15	17	17	17	12.3%
Industrial	14	14	13	13	14	1.5%
NGV Stations	8	8	8	8	9	14.8%
Power Generation	28	26	30	31	28	0.4%
<b>Total</b>	<b>66</b>	<b>63</b>	<b>68</b>	<b>68</b>	<b>69</b>	<b>5.2%</b>

- ✓ Even though the Residential and Commercial segment represents only 4% of the invoiced volume (table N°3), it concentrates 25% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 44% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 70% of the invoiced volume, 41% of the distribution revenues, and 26% of the Total Adjusted Revenues, as shown in the next table:

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

Adjusted Revenues per Segment (MMUSD)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Residential y Commercial	16	15	17	17	17	12.3%
Industrial	14	14	13	13	14	1.5%
NGV Stations	8	8	8	8	9	14.8%
Power Generation	28	26	30	31	28	0.4%
Connection Services	17	19	17	17	30	74.1%
Others	12	9	9	8	8	-37.3%
<b>Total</b>	<b>95</b>	<b>91</b>	<b>94</b>	<b>93</b>	<b>106</b>	<b>12.2%</b>

### Key Financial Indicators

- ✓ EBITDA as of Q4 2023 reached 230 MMUSD, presenting an increase of 2.1% compared to the EBITDA of Q4 2022. This is explained by higher distribution revenues.
- ✓ The next table shows the relevant financial information by quarter:

**Table N° 14 – Key Financial Indicators**

Financial Results	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	ΔYoY %
Total Revenue (MMUSD)	197	215	212	205	234	18.8%
Total Adjusted Revenue (MMUSD)	95	91	95	93	106	12.2%
Contribution Margin (MMUSD)	78	75	81	80	85	7.9%
EBITDA (MMUSD)	61	56	59	57	57	-6.2%
EBITDA LTM (MMUSD)	225	228	231	234	230	2.1%
Adjusted EBITDA margin (%)	64%	62%	62%	62%	54%	-
Net Income (MMUSD)	28	25	28	25	24	-14.6%
FFO LTM <sup>4</sup>	145	147	150	152	151	3.8%
Total Assets (MMUSD)	1,406	1,458	1,459	1,494	1,510	7.8%
CapEx (MMUSD)	50	39	20	26	29	-40.8%
Total Liabilities (MMUSD)	1,004	1,140	1,104	1,107	1,116	11.8%
Equity (MMUSD)	402	317	354	387	394	-2.3%
Total Debt (MMUSD)	792	892	892	900	887	12.0%
Net Debt (MMUSD)	752	817	864	872	873	16.0%
Debt/EBITDA	3.5x	3.9x	3.8x	3.9x	3.9x	-
Net Debt/EBITDA	3.3x	3.6x	3.6x	3.7x	3.8x	-
Interest Coverage (x)	7.2x	7.2x	7.2x	7.4x	7.6x	-

- ✓ This performance has been achieved due to the sustained growth of Assets resulting from investments in recent years.

<sup>4</sup> Operating Fund = Net Income + Depreciation + Amortization



- ✓ At the end of Q4 2023, the total debt was 887 MMUSD and has the following maturity profile:

**Tabla N° 15 – Perfil de Vencimientos de Deuda**

Total Debt (MMUSD)	2024	2025	2026	2027	2028	2029	Total
Banking Debt	15	0	550	0	0	0	<b>565</b>
Multilateral Debt	20	20	80	20	20	0	<b>160</b>
Local Bonds	0	0	0	0	61	101	<b>162</b>
<b>Total</b>	<b>35</b>	<b>20</b>	<b>630</b>	<b>20</b>	<b>81</b>	<b>101</b>	<b>887</b>

## Guidance

- ✓ The key indicators of the outlook for the end of 2023 are the following:
- ✓ The solid results of 2023, despite the local context, allows us to forecast a stable growth for 2024.
- ✓ Regarding the construction of networks, this year we seek to build 950 kilometers of networks.
- ✓ In terms of new connections, we seek to make between 160,000 and 170,000 connections, according on the level of investment and target network kilometers.
- ✓ We expect demand to continue its gradual recovery, especially in the NGV sector, and consequently, maintain EBITDA between 235 and 240 MMUSD.
- ✓ We expect a slight increase in the Net Debt/EBITDA ratio towards levels of 3.75x and 3.85x due to the financing of our investment plans. Likewise, from 2024 a sustained deleveraging is expected.

## Annexes

### Annex 1: Legal note and remarks

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