

# Q3 2024

## Results Report



### Executive Review

#### 1. Proposal for the expansion of natural gas in central-southern Peru

- The project would involve an investment of more than USD 400 million in 7 regions and includes the construction of two City Gates and more than 2,500 km of networks.
- The execution period is from 2026 to 2030, in which initially more than 150 thousand homes would be connected, natural gas would be transported by pipeline and virtually. This would create jobs for more than 9,000 people, savings of more than USD 420 million and the reduction of CO2 emissions of 175 thousand tons.

#### 2. Heavy NGV

- USD 7.2MM has been disbursed from the Camisea Fund, a zero-interest financing equivalent to 159 vehicles (public transport buses) that benefited 12 companies.
- Cálidda also provided financing for USD 1.3MM disbursed, equivalent to 22 vehicles dedicated to NGV, including tractors and trucks.

#### 3. Rebagliati Hospital

The energy consumption of Edgardo Rebagliati Hospital, the largest in the country, was changed. This will benefit more than 1,600 patients. The event was attended by the Minister of Energy and Mines, authorities from the Ministry of Environment and EsSalud. In the first two years, savings of more than 2 million of soles are projected.

#### 4. Fair: Sustainable Transport

- Cálidda participated directly in presentations, discusión panels and had its own stand to publicize the benefits and progress of NGV in Heavy Transport. As a result of the fair, an agreement was signed for the acquisition of 30 NGV buses by Consorcio Lima Bus and the purchase of the first new NGV bus for the renovation of buses of the Metropolitano of Lima.

#### 5. 20 years Camisea Event

- Macroconsult presented the report "20 years of Camisea in Perú", which reveals the economic impact generated by the three companies in the chain: Pluspetrol, TGP y Cálidda.
- During the 20 years, the 3 companies generated an impact on the peruvian GDP of more than S/ 200 billions; it was also reported that the companies have generated more than 56,000 jobs on average.

► Relevant financial outcomes at Q3 2024:

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

Operational Results	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Cumulative Customers	1,729,034	1,782,596	1,831,863	1,881,769	1,928,240	11.5%
Invoiced Volume (MMCFD)	838	832	786	799	813	-3.0%
Total Network Extension (km)	16,851	17,169	17,428	17,674	17,943	6.5%
Financial Results	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Total Revenue (MMUSD)	206	236	211	228	235	14.1%
Total Revenue Ajust <sup>1</sup> . (MMUSD)	93	108	94	96	101	8.6%
EBITDA (MMUSD)	60	59	61	64	64	6.9%
Adjusted EBITDA margin	64%	54%	65%	66%	63%	-
Net Income (MMUSD)	25	24	27	28	28	11.5%
Interest Coverage (x)	7.2x	7.7x	7.6x	7.4x	7.9x	-

**International Credit Rating:**

Fitch – Jul. 09 | 2024: BBB, stable

Moody's – Sep. 25 | 2024: Baa2, negative

**National credit rating:**

Moody's Local Perú – May. 29 | 2024: AAA.pe, stable

Pacific Credit Rating – May. 24 | 2024: AAA, stable

## Commercial Performance

### Peruvian Natural Gas Market

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

Indicator	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Production of Natural Gas <sup>2</sup> (MMPCD)	1,391	1,394	1,331	1,377	1,469	5.6%
Local Market Demand (MMCFD)	1,027	924	791	836	975	-5.0%
Calidda's Local Market Share (MMCFD)	709	672	575	637	767	-3.4%

- At the end of Q2 2024, natural gas production in Peru decreased by 5.6% compared to Q3 2023.
- As for the local market, consumption decreased by 5.0% compared to Q3 2023, closing at 975 MMCFD.

<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)

<sup>2</sup> Information at the end of September 2024 (Ministry of Energy and Mines)

- ▶ Similarly, at the end of Q2 2024, Cálidda's share of the local market averaged 76%.

## Volume

- ✓ At the end of Q3 2023, the total invoiced volume decreased by 3.0% vs. the previous year, explained by the extraordinary demand from Santa Rosa Central, due to the drought occurred during 2023, compensated by the higher consumption of the Industrial, NGV Residencial & Commercial sectors.
- ✓ Firm contracts reached 567 MMCFD (electric generators: 526 MMCFD + industrial segment: 40 MMCFD), representing 70% of the total invoiced volume.

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

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

Invoiced Volume (MMCFD)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Power Generation	609	580	550	545	563	-7.6%
Industrial	129	146	135	146	139	7.9%
NGV Stations	69	74	73	76	76	9.4%
Residential y Commercial	30	31	29	33	34	14.8%
<b>Total</b>	<b>838</b>	<b>832</b>	<b>786</b>	<b>799</b>	<b>813</b>	<b>-3.0%</b>

- ✓ As shown in this table, the volume invoiced at the end of Q3 2024 reached a total of 713 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)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Distribution System Capacity	420	540	540	540	540	28.6%
<b>Consumed Volume</b>	<b>374</b>	<b>328</b>	<b>306</b>	<b>320</b>	<b>339</b>	<b>-9.6%</b>
Regulated Clients	173	186	176	195	192	10.7%
Independent Clients	201	141	130	125	147	-27.0%

- ✓ At the end of Q3 2024, our Independent and Regulated customers consumed on average about 339 MMCFD, equivalent to 63% 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 Q3 2024, our Regulated customers consumed 192 MMCFD, equivalent to 87% of the contracted volume of gas and 85% 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>	
	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024		
Residential and Commercial	12.23	12.35	12.78	13.03	12.61	Residential LPG	Electrical Energy
						23.77 (-47%)	34.75 (-64%)
Vehicular	10.03	9.76	10.27	10.39	10.55	Vehicular LPG	Gasoline 90
						18.22 (-42%)	30.00 (-65%)
Industrial	6.55	6.59	6.72	6.96	6.51	Electrical Energy	Industrial Petroleum
						51.24 (-87%)	18.98 (-65%)
Power Generation	4.29	4.29	4.36	4.53	4.25	Diesel	Industrial Petroleum
						27.59 (-85%)	18.98 (-78%)

- ✓ 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 September 2024.

## Operational Performance

### Connections by Client Segment

At the end of Q3 2024, Calidda connected 46,464 clients. In the Residential segment, Calidda has operations in 41 districts from the Metropolitan area of Lima and Callao, which are the following: San Juan de Lurigancho, El Agustino, San Juan de Miraflores, Villa María del Triunfo, Los Olivos, San Martín de Porres, Comas, Puente Piedra, Villa el Salvador, Santa Anita, Cercado de Lima, San Miguel, Surco, Jesús María, Magdalena, Pueblo Libre, El Callao, Independencia, Ate, Carabayllo, La Victoria, Mi Perú, Pachacamac, Ventanilla, Chorrillos, Carmen de la Legua, Ancón, Bellavista, Breña, La Perla, Chaclayo, Rímac, Barranco, Lince, Lurín, Miraflores, San Borja, San Isidro, San Luis, Chilca y Surquillo. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 49 districts.

**Table N° 7 – New Clients**

New Client	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Power Generation	0	0	1	1	3	-
Industrial	11	19	11	14	15	36.4%
NGV Stations	0	2	0	0	0	-
Residential y Commercial	46,735	53,541	50,194	48,952	46,446	-0.6%
<b>Total</b>	<b>46,746</b>	<b>53,562</b>	<b>50,206</b>	<b>48,967</b>	<b>46,464</b>	<b>-0.6%</b>

- ✓ 5 clients in the power generation segment were connected in the last 12 months.
- ✓ 59 clients in the industrial segment were connected in the last 12 months.
- ✓ 2 NGV stations were added to the distribution network in the last 12 months.
- ✓ 193,613 residential clients and 5,527 commercial clients were connected in the last 12 months.
- ✓ During Q3 2024, 46,464 new connections were achieved, and in the last 12 months a total of 199,206.

**Table N° 8 – Clients Base**

Clients Base	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Power Generation	29	29	31	31	34	17.2%
Industrial	833	852	862	877	892	7.1%
NGV Stations	292	294	294	294	294	0.7%
Residential y Commercial	1,727,880	1,781,421	1,831,615	1,880,567	1,927,020	11.5%
<b>Total</b>	<b>1,729,034</b>	<b>1,782,596</b>	<b>1,832,802</b>	<b>1,881,769</b>	<b>1,928,240</b>	<b>11.5%</b>

- ✓ At the end of Q3 2024 Calidda had total of 1,928,240 clients, 11.5% higher compared to the previous year.

## Distribution Network

- ✓ The length of the Cálidda distribution system reached 17,943 km of underground pipeline in Lima and Callao.
- ✓ At the end of Q3 2024, Cálidda built a total of 269 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)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Polyethylene Network	16,196	16,504	16,762	17,005	17,20	6.6%
Steel Network	655	665	666	669	673	2.8%
<b>Total</b>	<b>16,851</b>	<b>17,169</b>	<b>17,428</b>	<b>17,674</b>	<b>17,943</b>	<b>6.5%</b>
New Networks	272	318	260	246	269	-0.8%

## 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 Q3 2024 to 79% 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	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Potential Clients	2,316,762	2,362,735	2,362,735	2,414,159	2,445,209	5.5%
Total Clients	1,729,034	1,782,596	1,832,802	1,879,268	1,925,721	11.5%
Penetration Ratio	75%	75%	77%	78%	79%	-

## Financial Performance

### Revenues

- ✓ Adjusted revenues reached 101 MMUSD at Q3 2024, 8.6% higher than Q3 2023 levels of 93 MMUSD. Additionally, EBITDA during Q3 2024 was 6.9% higher than Q3 2023 results, ending at 64 MMUSD.

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

Adjusted Income Distribution (%) – Q3 2024		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.	74%	<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.	17%	<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)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Residential y Commercial	17	17	18	19	20	18.4%
Industrial	13	14	14	15	14	12.1%
NGV Stations	8	9	9	9	9	17.7%
Power Generation	31	28	27	26	29	-4.1%
<b>Total</b>	<b>68</b>	<b>69</b>	<b>68</b>	<b>70</b>	<b>73</b>	<b>7.1%</b>

- ✓ Even though the Residential and Commercial segment represents only 4% of the invoiced volume (table N°3), it concentrates 27% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 51% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 69% of the invoiced volume, 38% of the distribution revenues, and 29% of the Total Adjusted Revenues, as shown in the next table:

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

Adjusted Revenues per Segment (MMUSD)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Residential y Commercial	17	17	18	19	20	18.4%
Industrial	13	14	14	15	14	12.1%
NGV Stations	8	9	9	9	9	17.7%
Power Generation	31	28	27	26	29	-4.1%
Connection Services	17	31	19	18	19	12.4%
Others	8	8	7	8	9	13.4%
<b>Total</b>	<b>93</b>	<b>108</b>	<b>94</b>	<b>96</b>	<b>101</b>	<b>8.6%</b>

### Key Financial Indicators

- ✓ EBITDA as of Q3 2024 reached 64 MMUSD, presenting an increase of 6.9% compared to the EBITDA of Q3 2023. 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	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	ΔYoY %
Total Revenue (MMUSD)	206	236	211	228	235	14.1%
Total Adjusted Revenue (MMUSD)	93	108	94	96	101	8.6%
Contribution Margin (MMUSD)	81	85	83	86	91	13.1%
EBITDA (MMUSD)	60	59	61	64	64	6.9%
EBITDA LTM (MMUSD)	227	232	238	243	248	9.2%
Adjusted EBITDA margin (%)	64%	54%	65%	66%	63%	-
Net Income (MMUSD)	25	24	27	28	28	11.5%
FFO LTM <sup>4</sup>	183	138	131	152	194	5.9%
Total Assets (MMUSD)	1,500	1,513	1,540	1,560	1,572	4.8%
CapEx (MMUSD)	26	29	22	29	33	23.5%
Total Liabilities (MMUSD)	1,113	1,119	1,216	1,208	1,203	8.0%
Equity (MMUSD)	387	394	324	352	369	4.8%
Total Debt (MMUSD)	900	887	902	890	952	5.8%
Net Debt (MMUSD)	872	873	890	877	936	7.4%
Debt/EBITDA	4.0x	3.8x	3.8x	3.7x	3.8x	-
Net Debt/EBITDA	3.8x	3.8x	3.7x	3.6x	3.8x	-
Interest Coverage (x)	7.2x	7.7x	7.6x	7.4x	7.3x	-

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



- ✓ This performance has been achieved due to the sustained growth of Assets resulting from investments in recent years.
- ✓ At the end of Q3 2024, the total debt was 952 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	0	0	550	0	0	90	<b>640</b>
Multilateral Debt	10	20	80	20	20	0	<b>150</b>
Local Bonds	0	0	0	0	61	101	<b>162</b>
<b>Total</b>	<b>10</b>	<b>20</b>	<b>630</b>	<b>20</b>	<b>81</b>	<b>191</b>	<b>952</b>

## Guidance

- ✓ The key indicators of the outlook for the end of 2024 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 245 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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