

**Operator:** Welcome to GEB's Q2 2019 Results Conference. My name is Ana and I will be your operator for today's conference call.

At this time all participants are in silent mode; during the Q&A session; questions will be answered in Spanish and English. Please note that this conference call is being recorded.

From this moment on, I give the floor to Ms. Valeria Marconi, GEB Investor Relations Manager. Ms. Marconi, you may begin.

**Ms. Marconi:** Good afternoon everyone, and welcome to the Conference Call on Grupo Energía Bogotá's Results for Q2 2019. Today's presentation will be made by Felipe Castilla, Financial Vice-President of the Group. On this occasion, we will also be joined by Andrés Baracaldo, Vice-President of Distribution, Transport and Transmission, Álvaro Villasante, Vice-President of Generation, Néstor Fagua, Legal and Compliance Vice-President, and other leaders from the financial, regulatory and transmission areas, as well as from TGI.

The presentation is divided into three parts; first, our Financial Vice-President will introduce the most important facts of the first semester and relevant updates and then he will present the operational and financial performance of Grupo Energía Bogotá during Q2 2019. To conclude this Conference Call, we will be pleased to open the call for Q&A.

Now I pass the call to our Financial Vice-President Felipe Castilla.

**Mr. Castilla:** Good afternoon and welcome to the Q2 2019 Earnings Conference Call.

During the first half of this year, we continued to consolidate our position as one of the most important Energy Groups in Latin America, with operations throughout the low emission energy chain, including energy generation, transmission and distribution, as well as natural gas transportation and distribution.

Through our operations in Colombia, Peru, Guatemala and Brazil, we have reached nearly 7 million customers in electricity and natural gas distribution.

We boast nearly 14,000 km of transmission lines, 4,300 km of gas pipelines and 3,500 MW of installed energy capacity.

During the first six months of the year, we recorded outstanding financial, operational and social results for the Group.

Revenue amounted to COP 2.2 billion with a 23% growth compared to June 2018; EBITDA grew by 16.8% to nearly COP 2 billion, and net income increased by a considerable 34.5%, exceeding COP 1.1.

These results have been supported by the good performance of our business lines, the revenues of which have been growing at rates of over 23%, accompanied by adequate cost and expense management, which have allowed us to grow our operations recently and profitably.

Likewise, our non-controlled companies have shown very good results, reflected in a contribution of COP 634 billion by the equity method, which represents a 23% growth of with respect to the first half of 2018.

In addition, we would like to highlight some important recent events that will contribute significantly to the future performance of the Group.

On July 8, the National Environmental Licensing Authority (ANLA, in Spanish) authorized the GEB to build the 37.3 km-long Alférez – San Marcos transmission line that is part of the Southwestern Reinforcement project, one of the most important for the Group.

On July 22<sup>nd</sup>, following the authorization by the Ministry of Finance and Public Credit, GEB carried out a public debt management operation to refinance USD 749 million. This operation improves our debt profile and will lead to savings of nearly USD 4 million per year in interest expenses.

On August 9<sup>th</sup>, GEB acquired 100% of the shares of Dunas Energía, PPC Perú Holdings S.R.L and Cantaloc Perú Holding S.R.L, investments that will crystallize the Company's position in the Peruvian energy sector. We estimate that these Companies will generate an EBITDA of between USD 35 and 40 million during 2019.

Regarding Cálidda, at the end of July, the Supervisory Body for Investment in Energy and Mining of Peru (Osinermin, in Spanish) approved an extension to the five-year investment plan in force, which runs from May 2018 to May 2022, in which investments are established between 2018 and 2021 and incorporated as the basis for rate calculations.

The additional recognized investments were of over USD 180 million, reaching over USD 500 million in that period. At the same time, over 120 thousand clients were incorporated, with which we would surpass 500 thousand new users for this period. These additional investments have generated a 9% increase in the base rate, which will be effective as of August 2019.

Last but not least, every day we reaffirm our commitment to our communities' progress and well-being.

In that sense, we would like to highlight in particular the prizes awarded to *Energía para la Paz* ("Energy for Peace,") our shared-value program in eleven municipalities in Tolima, Huila and Valle del Cauca which were affected by the armed conflict and that have enabled peasants to live peacefully thanks to operational and humanitarian demining programs.

The accolades include: the Weaving Together awarded by the UN foundation, the Women Economic Forum and the *Empresas Inspiradoras* ("Inspiring Enterprises") prize awarded by the National Association of Businessmen of Colombia (ANDI, in Spanish.)

Following this summary of how we are doing in the first half of the year and relevant updates, we will now proceed to review GEB's operational and financial performance during Q2 2019.

We are going to begin the presentation with the main results slide, in the Group's generalities, as usual.

We are divided into three strategic groups; the distribution group, the transport and transmission group and the generation group.

For the topic of the Q2 under analysis, we have revenues exclusively in the quarter from April to June of COP 1.178 billion, with a growth of 26.4% over the same period of 2018. And, if we look at the January-June period of 2019 against last year, our revenues were COP 2.23 billion with a growth of 23%.

We have the results of operating profit and EBITDA, which we will see later. As of today, we would have a Q2 2019 profit of about COP 583 billion, which represents a 21.8% increase over the same period of last year, and if we compare the January-June accumulation that if 2018, our accumulated profit is of COP 1.1 billion with a growth of 34.5%.

Investment disaggregation will be covered later on. In Q2, investments reached USD 76.5 million, and so far this year the direct investments made by the Companies controlled by the Group amount to USD 143.5 million.

Just to remind you, last year's profit was of about COP 1.2 billion pesos, this represented the payment per share of COP 130 that is being recognized during the current year; the first installment was paid in the first half of June and the second is scheduled for the month of October.

Continuing to the relevant facts, you can go to page 7 of the presentation. We begin with the relevant facts at Group level. On April 25, GEB received the award from Bonds & Loans in the category of the best Andean syndicated loan for 2018 for achieving favorable refinancing conditions, and that was what we meant when we mentioned a significant reduction in financing costs.

This same credit was refinanced again, and it is the one we stated will represent savings of nearly USD 4 million in lower dividends starting this month.

On June 28, the first payment of dividends was made, at COP 65 pesos, half of what I already mentioned regarding dividends paid during the first semester. This was equivalent to nearly COP 600 billion.

And there is another topic that remained as a comment by our Auditor regarding the closing balance of 2018 vis-à-vis our investment in Brazil. Given that there was no discount rate established by the market for the type of companies we run in that country, this comment was already eliminated from our auditor's report, and as of 2019 we have no further notes in the financial statements.

With regard to events after the end of the quarter, on July 8, the ANLA authorized GEB to build the Alférez – San Marcos transmission line, which reduces the risk of failures and suspensions related to electric power system failures and overloads and will potentiate the subscription of new users.

On July 22<sup>nd</sup>, the Ministry once again authorized the debt management operation to replace the 749 million amount with a significant rate reduction.

August 9<sup>th</sup> was when 100% of the three Holding Companies, Dunas Energía, PPC Perú Holdings S.R.L and Cantaloc Perú Holding S.R.L are acquired, which is the new investment in the distribution, distributed generation and services business that was recently acquired in the ICA region in Peru.

Moving on to TGI, we saw an increase in revenues between Q2 2019 compared to Q2 2018 of over 9%, an EBITDA margin that grew by 6.3% compared to the same period last year and reached 78.4%, Moody's' bond rating at Baa3 was reaffirmed with a stable outlook for the Company's current bonds, and our first experience in tax work was formalized in a project for an aqueduct system at the urban headwaters in the La Paz municipality, Cesar.

On the next page, page 8 covering Cálidda, we see that during this quarter nearly 50 thousand new customers were connected and 372 km of polyethylene networks were built, which leads to the fact that the Company, by the end of Q2, as of June 30, would already have 852,746 connected customers in the concession area and would already have built about 1,448 km of polyethylene networks and 34 km steel networks in that area.

Subsequent to the quarter, in July, Osinergmin (the regulatory entity in Peru,) approved an extension to the five-year investment plan in force, meaning the one that ran from May 2018 to May 2022 and it is recognized again to execute investments of over USD 180 million, reaching for the same period of 2018-2022 an amount close to USD 500 million dollars; that would allow us to incorporate over 120 thousand new customers only for this expansion, surpassing the 500 thousand users included in the current plan.

In addition, the Company's credit ratings were reaffirmed with the three main rating agencies Moody's (Baa2,) Fitch (BBB) and S&P Global (BBB-) with a stable outlook.

Our other subsidiary, Contugas, has already filed with the Ministry of Finance and Public Credit the application for approval where GEB and TGI would grant a corporate guarantee for the subscription of a new syndicated loan to replace the current loan with a reduction of the current rate.

The Company also made a short-term debt disbursement by USD 2.25 million, mainly to finance liquidity issues, temporary liquidity needs and the fulfillment of the BOOT contract's obligations, which was subscribed for the concession of the company, where it was required to have 50 thousand clients in a determined period, with reports showing that by the aforementioned date we had 50,801 authorizations, fulfilling this commitment.

Moving on to financial performance, go to page 10 of the presentation.

Initially we have the performance of the quarter. Here you can see that revenues increased by 26% between Q2 2018 and Q2 2019, mainly due to greater contributions from the natural gas distribution branch close to COP 144 billion. This is the activity that Cálidda has been developing to expand its networks and, obviously, these revenues result from the new customers in the concession area and the definition of the new set rate.

In the natural gas transportation area, we also have a relevant increase. Here we are including all the contracts of the delta stamp fee rate corresponding to the Armenia Loop.

We also have a variable charges increase between Q2 of the previous year and Q2 of this year due to higher transported volumes corresponding to take-and-pay contract modalities. Furthermore, we estimate that a

significant portion of revenue was derived from fixed charges on firm transportation contracts.

In addition, we also have additional revenues in the electricity transmission segment of about COP 26.82 billion corresponding to the UPME-04-2014 project.

Moving on to expenses, we also have a significant increase of 41.7% in the gas distribution area resulting in the higher costs generated by Cálidda's network expansion. Regarding Contugas, there were accounting practice changes, modifying some depreciation mechanisms that increased some costs in accounting terms.

In the natural gas transportation segment, there are lower costs compared to the same quarter of the previous year for works carried out during the period that were not carried out in the current quarter.

Regarding electric power transmission, we saw a slight increase due to fees and services. In addition, we have been reporting that the transmission area has been given some degree of independence. Therefore, although its numbers are included within Group numbers, a specific unit has been constituted with its own expenses allocation and, at the moment, the costs assigned to this special area are being purged.

It is very likely that at the end of the fiscal year we will have a greater cost fine-tuning because it will be necessary to determine which expenses are allocated to the Company's holding company and which to the transmission area, while in the transmission area we will have to better determine which of these allocations is needed to drive projects in execution.

Going to page 12 of the presentation, you can see the financial results; regarding EBITDA growth, operating profit, EBITDA by business line and net profit, these results are explained because as a consequence of the aforementioned changes in revenues and costs.

On page 13 you have an EBITDA breakdown for the last 12 months, i.e. from July 1<sup>st</sup>, 2018 to June 30<sup>th</sup>, 2019. As you can see, the generated EBITDA grew. The Company's EBITDA is mainly constituted by consolidating our controlled companies' EBITDA. In the right part of the graph, in the dark blue bar, you can find that contribution. In the light blue bar, we account for the cash dividends received from our non-controlled companies.

If we see the pie graphs to the left, you can see that as of today, the natural gas transport segment is contributing about 43% of our EBITDA generated at Group level, followed by natural gas distribution at 22% and electricity generation (which are the dividends received from Emgesa) at 12.8%.

Regarding the distribution where we currently have our strategic business groups, the Transport and Transmission area is contributing with 57% of the total Group EBITDA, Distribution with nearly 30% and Generation, as I mentioned the dividends received from Emgesa, with 13%.

On page 14, at the top, we start with the operating profit of COP 410 billion generated in the quarter, as well as the different components that led to our net profit.

As you can see, the most relevant aspects impacting relate with the financial expenses for the debt managed by the group, what we collect via the participation method of non-controlled companies and the risk tax component, which are obviously the elements that are most materially affecting the Group's profit, either positively or negatively.

At the equity method level, what we collect, you can see what we collected at the Emgesa and Codensa levels during the quarter. These two companies are the ones which contribute the most as non-controlled assets for the Group, and which were above the collections for the same period of the immediately preceding year.

On page 15, you can see the different elements of the group At the bottom left you have the evolution of the Group's indebtedness; our current debt is at about USD 2.92 million as of the close of June 30<sup>th</sup>, 85% of which are denominated in USD and 15% in local currency.

We have been working on this issue in recent years to better match the way the Group's income is generated and the way in which we take on debt.

In the upper left graph, you can see the relationship between net debt and EBITDA, a topic that allows us to measure the Group's available leverage capacity: we are at a level of 2.9, we believe that levels between 4 or 4.5 times are still admissible for risk rating issues, i.e., we still have available capacity to continue taking debt on.

In the upper right graph you can see the last 12 months' generated EBITDA against net financial expenses. Here you see the acceptable limit for rating purposes can be of x2.25 times, but here we set it at x6.4.

It is a little lower than we had before, but this is compensated by the fact that we are considering net financial expenses as financial income given during the first half of the year and we are not taking on any additional debt.

In relation to debt maturities, you can observe that we have been applying a strategy to have maturities more aligned with the way income is generated in the Group's different companies. Here you cannot see the change of USD 749 million with 2023 maturity and which transfer to 2024, which were subscribed in the month of August, and we have not incorporated the indebtedness taken following the acquisition of the Dunas project I mentioned earlier.

On page 17 of the presentation, you can see the different projects underway in the transmission area, which is still operationally dependent on the Group. Here we have are projects that when fully operational will generate revenues of around USD 98.3 million per year.

At present, you can clearly appreciate that about 2/3 of these revenues are already being generated in the various projects currently underway.

On page 18, you will find the investment distribution in the quarter from April to June. The Group did not include directly in this figure the investments executed by our non-controlled companies, these are only the investments of the controlled companies, which reached USD 76.5 million.

Cálidda is at the head of these investments with the new users it is incorporating to the line and to its network. Afterwards, you see the transmission business here at the GEB, for the projects I just mentioned that are still in execution.

Moving on to page 19, you can see the programming or the estimated investments that the Group would develop in the next 5 years. Here we are talking about a base scenario where we incorporate ongoing investments, as in the case of transmission projects, or projects that are being developed at the level of Trecca and Ebbis in Guatemala, or projects such as TGI's, which have a high probability of execution. In Cálidda's case, we are incorporating the estimated investments for the new regulatory period that may reach USD 500 million between the period from 2018 to 2022.

And in the last line we are accounting for some acquisitions, in the specific case of the Dunas project for 2019, as well as some estimates that we have planned for the upcoming years.

This is giving us some investments in the aforementioned period of nearly USD 2.1 billion, but obviously here we would not be contemplating new acquisitions or projects that could mature in the short term for this figure. This is, let's say, a conservative scenario of the estimated investments we would have at the Group level.

This ends the presentation; I believe now is the time for the Q&A session.

Thank you very much.

**Operator:** Thank you. From this moment on, the Q&A session will begin. Remember that they will be answered in both English and Spanish.

If you have a question please press (\*1) on your phone, if you would like to be removed from the waiting list please enter the numeral key (#).

We have a question from Camilo Roldán from Corredores Davivienda. You may start your question.

**Mr. Roldán:** Hello, good afternoon, everyone. Thank you very much for the presentation.

I have two questions, one in reference to TGI. Considering that there are contracts that are about to expire, especially those of Ecopetrol and entities representing 15% of income and about 5%, I would like to understand what would be the impact on TGI's income if these contracts are not renewed?

And the second question I have is about your ongoing lawsuit with Enel, and to understand how the process is going.

Basically, regarding contract renewal in TGI, what is clear is that there is an included demand to contract, basically regarding refinery and thermal generation; these are demands that at the time have not been contracted because they depend on the gas source they have at the time.

What is clear is that these demands are located along our pipeline and will require hiring transportation, so what we would expect is that the income that is being received from these contracts will somehow be recovered.

**Unidentified:**

Regarding the Enel litigation, let's say just to clarify two things: first, it is the first time that we are dealing with two groups or types of decision courts, one in where there is discussion of court rulings with effects on energy and renewal in the Emgesa case, as well as payment of dividends and brand-related issues; and, second, another group of courts dealing with the lawsuits regarding the decisions made by both the General Meeting of Shareholders and by the Boards of Directors related to this type of distinction.

In the first case, the appointed arbitrators are Jorge Suescun, Jorge Pinzón and Jorge Hernán Gil; the chairman is Jorge Hernán Gil, and we deem it to be a very good court. The process so far is that we reformed the initially filed lawsuit, it was sent to Enel, Enel answered, and we are currently in the process where the lawsuit was already answered and the fee amounts were fixed.

The fees must be paid no later than Monday of the next week, and once the fees are paid the court will set the date of the first hearing at which the evidence will be ordered and the first step in the arbitration process will begin.

In relation to the second tribunals, they are related with the lawsuits pertaining to the decisions adopted by the Assemblies and Boards of Directors. That court or type of courts had an associated number of about 37 arbitration courts corresponding to the different decisions adopted.

The Bogota Energy Group requested the integration of those 37 courts into one. On this matter, the first arbitration court decided and constituted that request ordering the accumulation of all the arbitration courts. Thus, we went from having to deal with 37 courts only one.

In the arbitration court appeal, a request was made to separate this group of 37 courts. The arbitration court responded to the opposition the day before yesterday, and partially modified the measure by establishing the integration of all courts into two arbitral courts.

In short, at the moment we have basically three courts of law, and that is the procedural status of litigation.

I don't know if you want any other clarification or statement on this issue.

**Mr. Roldán:**

Oh no, thank you very much for the answers.

**Operator:**

We have a question from Ricardo Sandoval of Bancolombia. You may start your question.

**Mr. Sandoval:**

Good afternoon, thanks for the conference call.

The first question is a clarification of your previous answer. At the beginning your answer the line glitched a lot and I did not understand well. I wanted to confirm: you expect that these gas transport contracts will be renewed full stop, as you are the only carrier and that is the only pipeline? So, we could expect an imminent renewal of those contracts? I am not sure if I just misunderstood.

And the second thing with regard to this doubt of the expiring TGI contracts:

I would like to know if you could give us the dates in which those contracts expire to have as a reference.

I also have a specific question about Cálidda. I see that the growth of connected customers is slowing down, and I understand you are close to the potential customers' number in Peru, you could be left with about two or three quarters of significant growth in customers in Cálidda; I would like to know whether or not Cálidda still has considerable growth left.

Thank you.

**Unidentified:** In relation to the first question you are right: what one would expect is that those demands are near TGI's infrastructure and will require gas transportation. At the moment what is happening is that they have to match supply and transport. The decision will be made after each party does its part, but we expect that those demands will continue to be met.

As for the contracts' useful life, today there is a useful life of approximately 7 years and, as time goes by, renewals are made with some clients. That obeys market dynamics and the way they get the molecule and how they see the demand growth.

There is a difference with the past, and that is that today people are hiring up to 5 years, when in the past there were contracts for much longer terms.

**Mr. Sandoval** Alright, thank you.

**Mr. Castilla:** Regarding the Cálidda situation, we have the topic of implementing the facilities in Lima, a city with between 8 to 9 million inhabitants and which can have a potential higher than 2 million customers.

Surely it will not be possible to cover 100% of that figure due to technical issues or operational complexities, but if you see the figures we present, at this time we are at nearly 850 thousand users, which still leaves a significant space for new installations.

What we see here is that there was a discussion with the regulator about the number of users that had to be executed in the period in question, especially because it was unclear if rates would be determined for periods of 30 years when the concession had 15 years left.

While definitions were given as to the method for rate recognition for portions not received beyond the concession period, the Company reduced the execution of its facilities somewhat until it was clear how the associated investments would be recovered.

As mentioned in the presentation, the new rate scheme that will come into force in August already establishes this recognition, investments are already being made, and we are talking about investments of between 100 to 120 thousand users per year, and you know that within the ongoing commitment for the 2018-2022 period we have to run about 500 thousand facilities.

Sometimes, due to the circumstances and recovery, we can increase the number a little, but there is still significant room for growth. I would say that we have a period of no less than 7 years to continue making investments at the rate we have been doing so far.

**Mr. Sandoval:** How many years? Excuse me, Felipe.

**Mr. Castilla:** Up to 2025 – 2026 it will be easy to reach the million and a half installations, which can be a reasonable number of coverage in the concession area.

As I say, it is possible to install up to the full potential but there will already be some technical and economic considerations to carry out all the investments in the city.

**Mr. Sandoval:** Thank you very much Felipe for the answer.

Excuse, but I have one last question. We saw a slight contraction in the EBITDA margin for this quarter in Cálidda, I wanted to know if there was perhaps a non-recurring factor, or if all generating cases were recurrent.

**Mr. Castilla:** No, there is no event during Q2 that structurally impacts the Company's margin.

I cannot tell you precisely what happened in the Q1 of the previous year, but what I can tell you is that during Q2 there is no element generating a structural contraction of the Company's margin.

**Mr. Sandoval:** Alright, thank you very much.

**Operator:** We have a question from Nicolás Eraso of Credicorp Capital. You may begin your question.

**Mr. Eraso:** Good afternoon to you all, thank you for answering our questions.

My questions are about investments and the capex projected for transmission lines and TGI lines.

For Q1, in the investor report, you informed that you were estimating investments on the transmission side of about USD 825 million. And for the report they gave us this quarter, we see that the transmission line is going to have investments of 645 million from 2019 to 2023, so we wanted to understand this reduction, or if there are efficiency issues in the planned investments or if there are projects that are no longer under consideration?

Thank you very much.

**Mr. Castilla:** Yes, I'd like to clarify something on this topic. When we initially estimated USD 825 million, we had contemplated the investments of the current projects in execution, and we considered at the end of the period to invest in new projects that we were going to incorporate, with some considerations.

In the new estimate of USD 645 million, we are mainly focusing on ongoing projects in execution while leaving out those new lines that we would be expecting to win.

That is the difference that we have but, I would like to underscore, we called the scenario we are incorporating "base scenario" because it comprises the Group's most certain obligations today regarding investment execution, but it does not contemplate the potential of new initiatives or new projects that could subsequently be awarded.

**Mr. Eraso:** Thank you. Also, for TGI we mainly see a reduction of USD 739 million expected in the initial capex of 1Q 19, compared to the USD 375 million expected now, and I would like to know if perhaps we could see that same effect here. It's not a matter of removing or moving projects, but more of evaluating which are firm investments.

**Unidentified:** Yes, with TGI's investments at this moment, we are finishing and executing Cusiana phase IV, some Loops like the Armenia Loop, and we were contemplating the equity to invest because of the regasification plant, but as Dr. Felipe commented, we are leaving only the projects that are firm today, mainly the completion of Cusiana phase IV.

We are also projecting that the e-packs associated to the plant are reactivated once that process comes out firmly.

**Mr. Eraso:** Perfect. And now, these are the last two questions, quickly.

Could we obtain revenue growth without considering the exchange rate effects?

And, I would also like to know what has happened to the sale of the investments currently held in Promigas?

**Mr. Castilla:** I begin with your second question. At the moment there are only two assets authorized: our Promigas share and a small share in Banco Popular.

These two projects are currently suspended and there are no specific actions to either cancel or continue them. When the pertinent decisions are made, we will formalize or inform the market about what the final decision will be.

The first question was related... We, in our current projections, are not contemplating an exchange rate consideration. The projections we were making maintained or maintain a relatively stable exchange rate, of about COP 3,100 – 3,200 from now until the end of the projection period.

We have not made a revision of the exchange rate with the new situation so far, so the truth would not be reflected in these projections or in additional income from this concept.

**Mr. Eraso:** Alright Felipe, thank you very much.

**Operator:** We have a question from Ezequiel Fernandez of Credicorp Capital, you may ask your question.

**Mr. Fernandez:** Good afternoon, how are you? Thank you very much for the materials and presentation. I have two questions and I'd like to ask one by one, please.

The first one is related to the connecting line that, if I am not mistaken, is the 500 Kv Guajira connection. We saw that they maintain the beginning expectation for the last quarter of 2022, but I wanted to ask them if they could give some more insight, some more information on the matter; at what project development stage are we?

And on the other hand, what are the possible fines or real complications of

a line delay?

**Unidentified:** Good afternoon. Yes, the UPME Connector project is in the design and environmental studies phase. At the time, consultations are underway with indigenous communities in the development area (Guajira and Cesar.)

Progress is on schedule, there are no novelties regarding delays, we are thinking that the date established in the call is being met.

In addition, regarding your question about possible sanctions, we now have approved revenue estimated at approximately USD 21.3 million for that annual project. If there were any date non-compliance, the Group has a mechanism to take actions, modify the date unilaterally and move to a compensation equivalent to one month of income.

Obviously, that is not being foreseen right now because the project is running normally.

**Mr. Fernandez:** Alright, thank you very much.

My second question has to do more with the general growth expectations. We know that you are hungry to grow, and I wanted to understand a little what could be greenfield projects or (inaudible) opportunities that you see more possible to realize in the next 12 or 24 months, what sectors or countries are you most interested in?

**Mr. Castilla:** I think that, as you can see the information in the presentation regarding the ongoing investment plan, that is the Group's basis for growth. Obviously that is not included there, but that does not include the growth of non-controlled companies, which is also an important source of growth for the Group.

Regarding inorganic growth, you understand that we cannot get specific about single opportunities. But what we can tell you is that Colombia and Peru continue to be countries of total interest to us in the Group's different lines of business.

We continuously review potential opportunities in those markets. Outside those markets the most relevant would perhaps be Brazil, Chile but depending on the specific asset or transaction, with a review subject to the type of activity, and in Mexico we were considering some opportunities until a few months ago, but I think those are the main countries where we are reviewing potential growth opportunities when there is a concrete opportunity because, obviously, we will inform the market.

**Mr. Fernandez:** Alright, thank you. And a last "sub-question" regarding Peru, are there any news regarding the South Peru Gas Pipeline?

**Mr. Castilla:** Not that we are aware of. We understand that the government continues consulting with Moore MacDonald, defining possible alternatives regarding the project layout and scope, but we do not have concrete information from the Peruvian state about any specific decision.

We would expect some decision to be made before the end of the year, but obviously that will depend on the review of the Peruvian Ministry of Energy.

**Mr. Fernandez:** Perfect, thank you very much for your time.

**Operator:** This question comes from Andrés Duarte of Corficolombiana, you may ask your question.

**Mr. Duarte:** Good afternoon, thank you very much for the presentation and for answering my questions.

The first is to know if you have any expectations in relation to the bi-directional project of Ballena – Barrancabermeja, I mean, would that imply changes in transported volumes, and what kind of changes? That's the first question.

The second relates to the purchase of Electrodunas in Peru. What I gather from the information that you provided is that the company is quite efficient, and that it yields remuneration, net replacement value, constant rate, good plus operating and maintenance costs. Thus, I calculate that the multiple of entry is between 11.4 to 11.7.

That number is high, beyond the control premium. That is a multiple that is a bit too high in my opinion. How do you expect to have upside or what is your expected return on that investment in terms of improvements, I insist, I understand that this company is already quite efficient?

If you wanted to grow there, or grow EBITDA, for example, this would be done or would require an expansion of the network, or do you think you can do it with the capacity of company you just bought?

So it's like a little bit of explanation about it to understand what to expect from the performance of that business.

And finally, I also wanted to know if you heard about the possible privatization of Isa. Do you think that is going to change your competitiveness in the transmission activity in Colombia, for better or for worse?

Given that, for example, Isa is currently required to participate in all auctions, I wanted to know if they had looked at any of that.

Thank you very much.

**Unidentified:** Regarding bidirectionality, let's say that the project, as it is, will have a return on the reliability investment. This investment is marginal to the total value of the existing infrastructure.

What one would expect is that the demand using the pipeline would have a slight rate increase, pay the costs or reverse the bidirectionality. What bidirectionality does provide is the possibility to transport gas to the Atlantic coast and somehow have commercial options to place greater volumes. But, in the end, the income received for greater volume would not be much more than the amount remunerated by way of the bi-directionality project.

**Mr. Duarte:** Ok.

**Unidentified:** On Electrodunas, I have several comments, one; the 2019 EBITDA multiple at which we made the acquisition is substantially inferior to the number that you mention, from there we could assume...

**Mr. Duarte:** Of how much is it?

**Unidentified:** In the relevant information you saw, we did not publish the full acquisition price...

**Mr. Duarte:** Yes, what I am referring to is the multiple that I have, which is the Capital IQ, for sure that the, that the...

I mean, that doesn't change the question. If it is a company that is quite efficient, as I understand it, you are currently hoping to get as a better result...

**Unidentified:** Please allow me to finish the answer.

So, the first point is, the multiple is substantially lower. Indeed, part of the Company's acquisition strategy was to acquire a company with high operating standards, low levels of losses and high revenues.

And the increases in the rate of return decided on at the time of the acquisition are going to come from multiple sources. One, as you saw, this is a Company with partial vertical integration, meaning that it has distributed generation included within assets; any additional generation capacity that we can include in the area has a significant effect on the returns the Company can generate. There are already a couple of potential distributed generation projects that have been identified in the area.

The other point is that in Peru, as you probably know, there are two private companies in Lima, this regional Company, and the rest are state-owned companies, and we see ElectroDunas as our platform to grow when there are opportunities in all those state-owned regional distributors, on which the State may or may not consider making decisions at the appropriate time.

There are a couple of private initiatives that have been taken in Peru, and we believe there is a probability that, at some point, the Peruvian state will decide to make decisions regarding these companies.

Another important point is that, as you know, Contugas and ElectroDunas share the same geographical area. Obviously, there are synergies in the operation of these companies, from the very basic ones like reading, collection, invoicing processes, as well as administrative ones, and that is part of the topics that we are working on now after the acquisition.

Therefore, we see a series of elements that make the return with which we made the acquisition, which is still a good return for a good asset in a country that we know and where we feel that the risks are somehow limited and familiar, as conducive of further increases thanks to some of those measures that could be implemented in the future.

**Unidentified:** With respect to Isa, I believe that it is an ongoing process of the government. I believe we cannot make any concrete statements until that process advances a little more and the State effectively decides whether or not to advance law 226 process.

For now we have some internal analysis of Isa's obligation as bidder in all auctions and UPME calls, because we have no information that anyone is thinking of changing it because of a change of owner. That is not an obligation related to the fact that the owner is the Colombian state, but an

obligation of the Company by regulation.

But as I say, we prefer to let the process advance a little further before making any kind of assumption or statement.

**Mr. Duarte:** Okay, thank you.

**Operator:** I now give the floor to Valeria Marconi for final comments.

**Ms. Marconi:** Well, thank you all very much for attending this Results Conference, as always in the area of Investor Relations we are at your disposal to address or channel concerns or additional requirements that may arise later, either with respect to Grupo Energía Bogotá or any of its subsidiaries.

Cordial greetings and good afternoon.

**Operator:** Thank you all, we remind you that the information regarding results delivery is available on Grupo Energía Bogotá's website.

That ends today's Conference Call. If you would like to hear this Conference again, please contact the Company.

Thank you for participating, you may hang up now.