



TGI
GrupoEnergíaBogotá

Results Presentation 1Q 2020

May 26, 2020

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1 ▶ Key Updates

2 ▶ Financial and Operational Performance

3 ▶ Investment Projects

4 ▶ Management of Covid-19

5 ▶ Questions & Answers





1



Key Updates



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1 Key Updates



Financial Performance

- ✓ Activation of transportation contracts signed for Cusiana Phase IV
- ✓ Dividends decree of COP\$371.709 mm
- ✓ S&P maintained rating at BBB-, revised outlook from stable to negative, in line with the action on the sovereign and the parent company
- ✓ Subsequent events to the quarter: Fitch Ratings affirmed BBB rating, with stable outlook, reflecting the strong linkage with the parent company. Advance dividend payment

Strategic Performance

- ✓ Realignment of 2020 joint agenda TGI - Naturgas
- ✓ Action plan to increase the level of customer satisfaction
- ✓ Contingency plans, customer management protocols and integrated reactivation plan, within the COVID-19 framework (continuous)

Operational Performance

- ✓ Puerto Romero - Vasconia Loop (Cusiana Phase IV): entry into operation Jan-20
- ✓ Cantagallo Industrial Zone Branch: entry into operation Jan-20
- ✓ Cantagallo - San Pablo Branch: entry into operation Mar-20



2



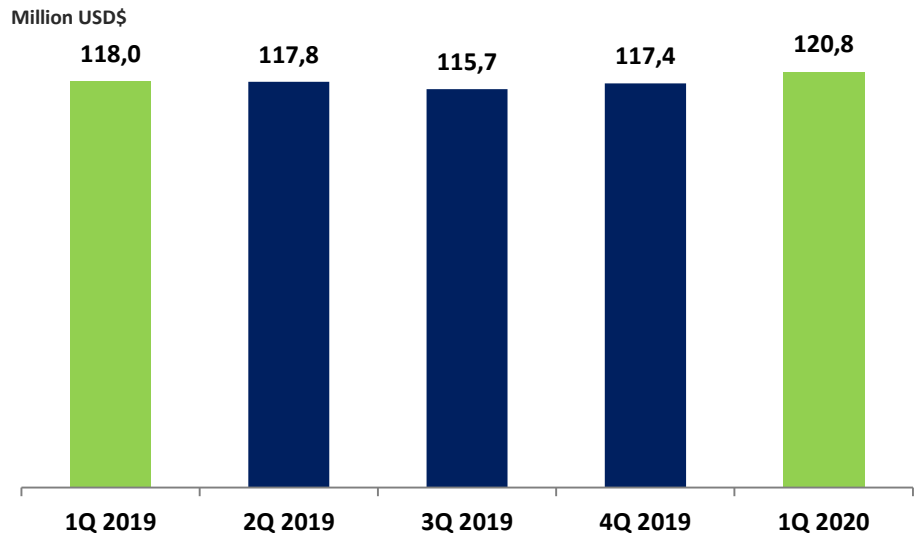
Financial and Operational Performance



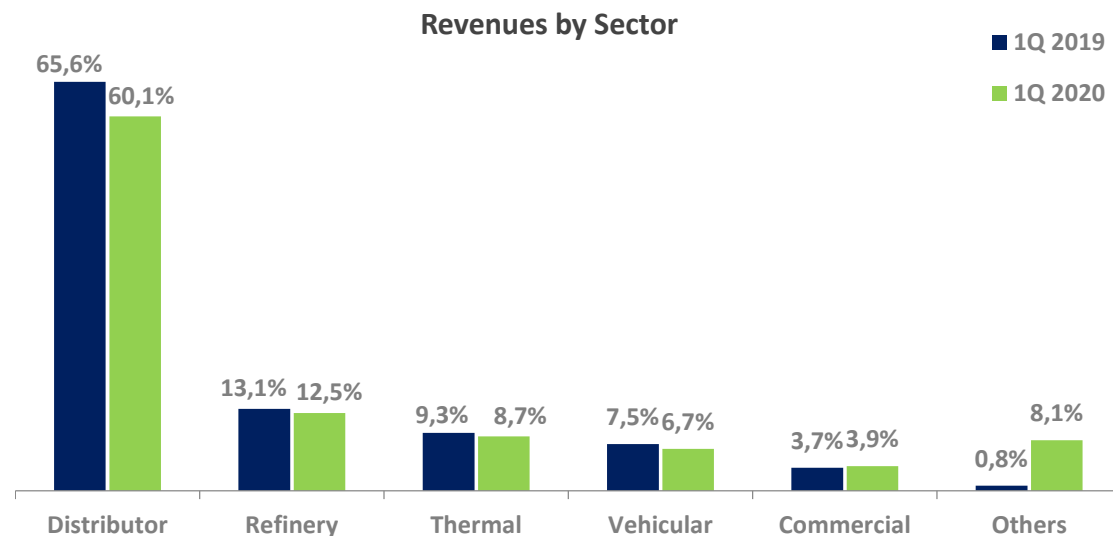
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2 Financial Performance

Revenues

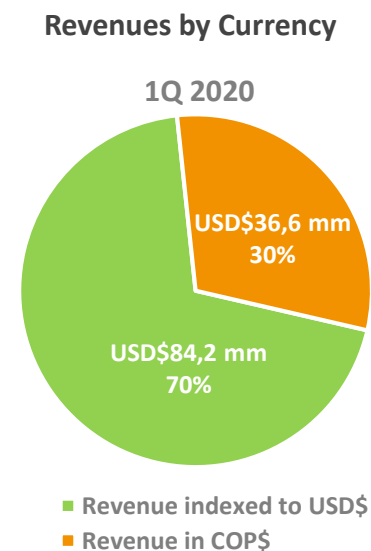
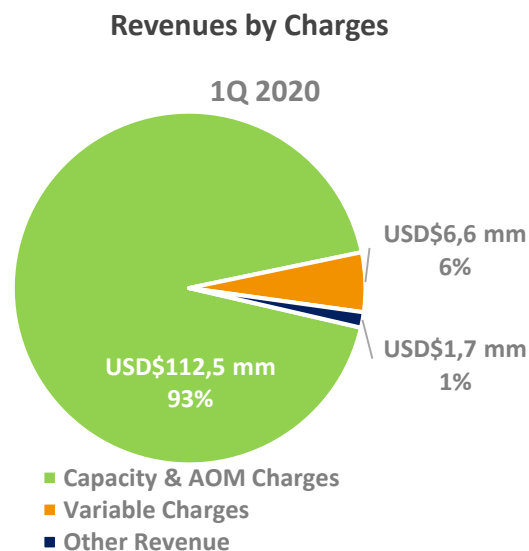


Revenues Breakdown



TGI grows its revenues in 1Q 2020

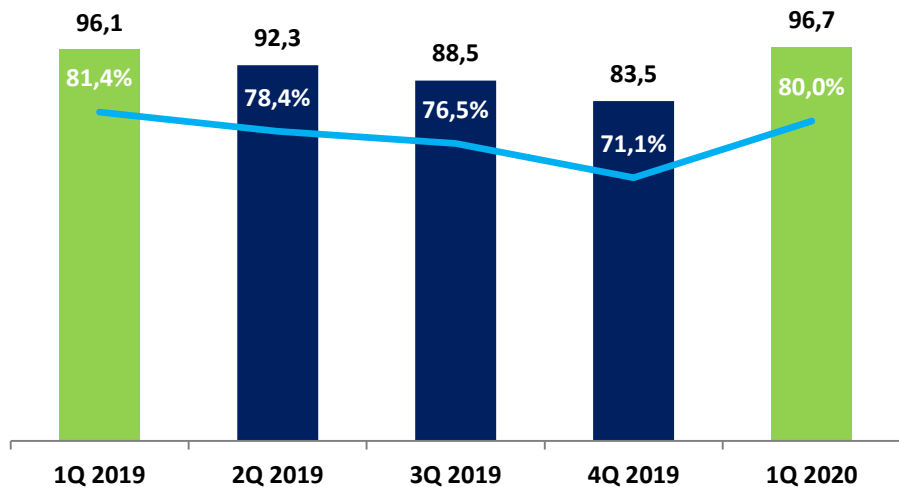
- 1Q 2020 vs. 1Q 2019: +USD\$2,8 mm (+2,4%):
 - ✓ Entry into operation of Puerto Romero - Vasconia Loop (Cusiana Phase IV): +USD\$7,1 mm
 - ✓ Complementary services: +USD\$900 thousand (+113,7%)
 - ✓ Variable charges decreased due to greater use of the fixed portion of contracts
 - ✓ Higher average TRM affected negatively AO&M charges expressed in USD\$
- Revenues by Sectors:
 - ✓ Distributor, Refinery and Thermal: 81,2% (88,0% in 1Q 2019)
 - ✓ Growth of Others due to higher demand of industries



2 Financial Performance

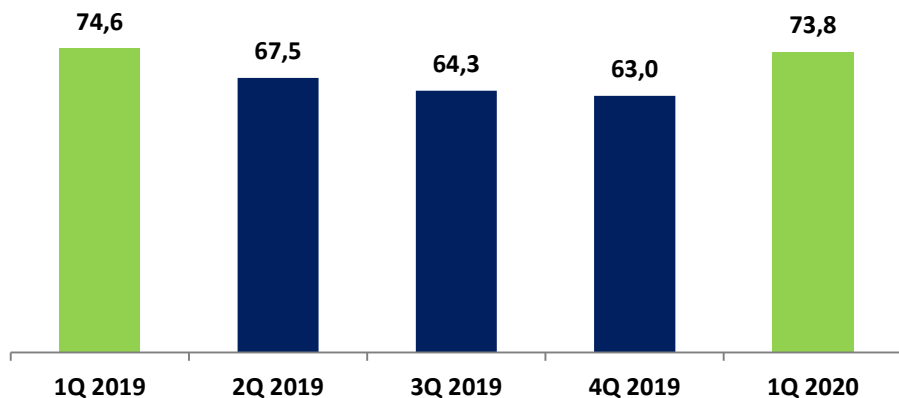
EBITDA & EBITDA Margin

Million USD\$



Operating Income

Million USD\$

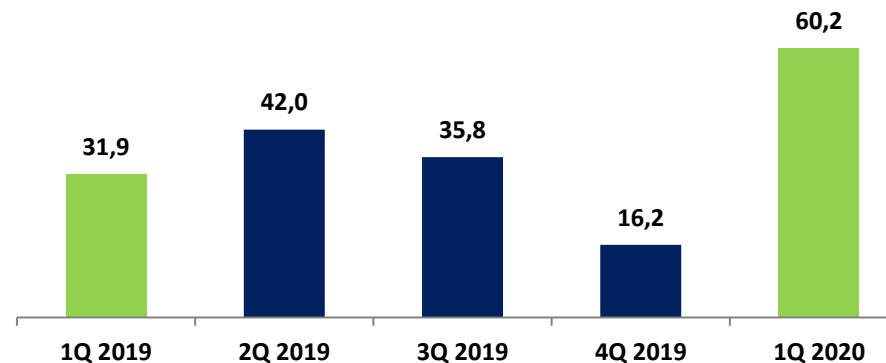


Sustainable and profitable results

- EBITDA
 - ✓ 1Q 2020 vs. 1Q 2019: +USD\$602 thousand (+0,6%) and margin of 80,0%
- Operating Income
 - ✓ 1Q 2020 vs. 1Q 2019: -USD\$772 thousand (-1,0%) and margin of 61,1%
- Net Income
 - ✓ 1Q 2020 vs. 1Q 2019: +USD\$28 mm (+88,7%) and margin of 49,9%

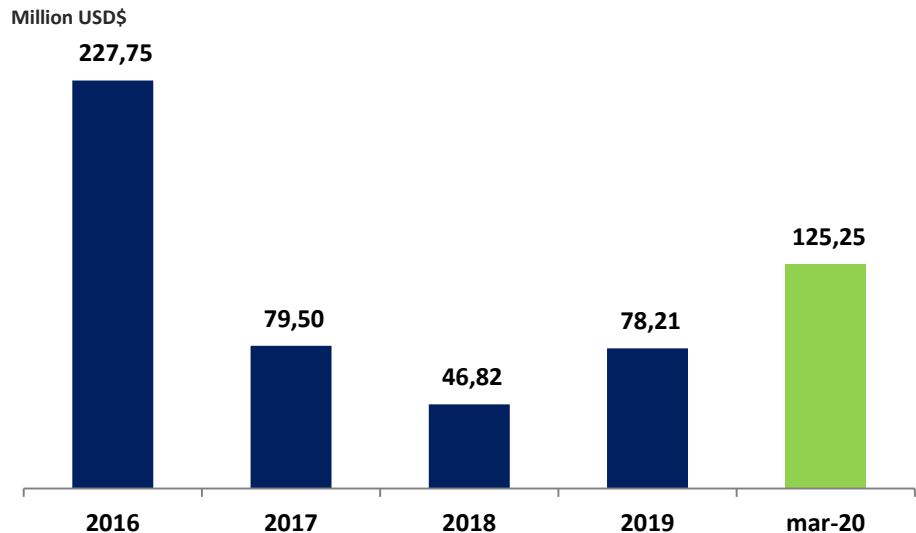
Net Income

Million USD\$

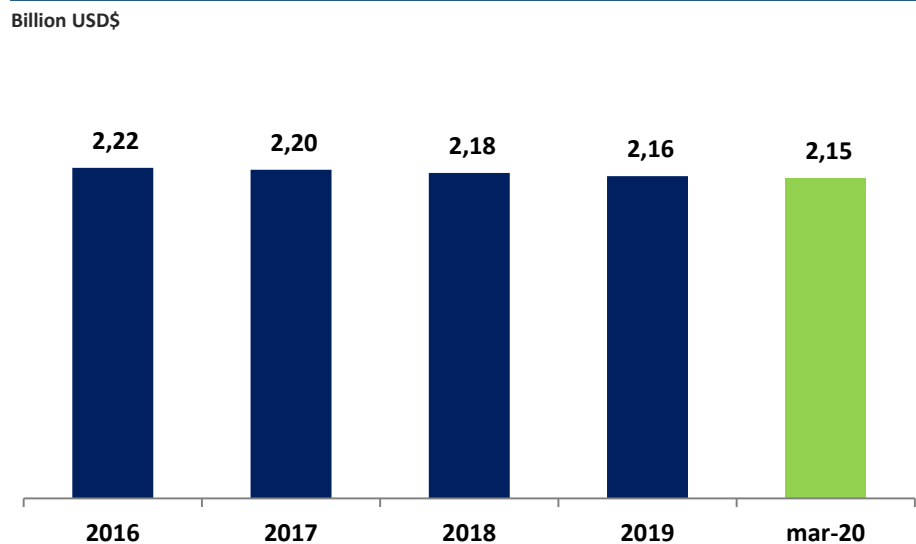


2 Financial Performance

Cash and Equivalents



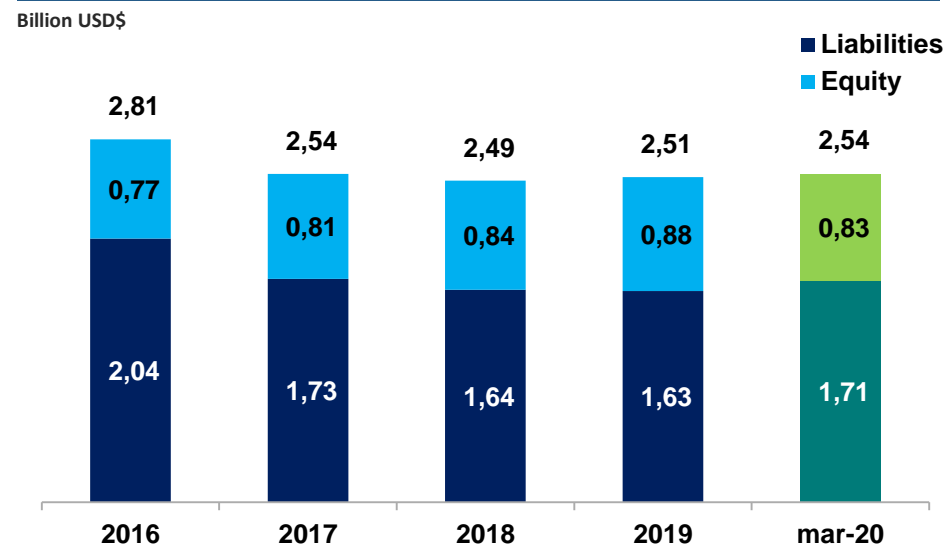
PPE



Capital Structure

- S&P maintained rating at BBB-, revised outlook from stable to negative, in line with the action on the sovereign and the parent company (27-mar)
- Fitch Ratings affirmed BBB rating, with stable outlook, reflecting the strong linkage with the parent company (3-apr)
- USD\$4,2 mm amortization of Leasing - Renting
- Improvement of debt ratios:
 - ✓ Total gross debt/EBITDA to 3,1x (3,5x in 1Q 2019)
 - ✓ EBITDA/Financial expenses to 5,2x (3,8x in 1Q 2019)

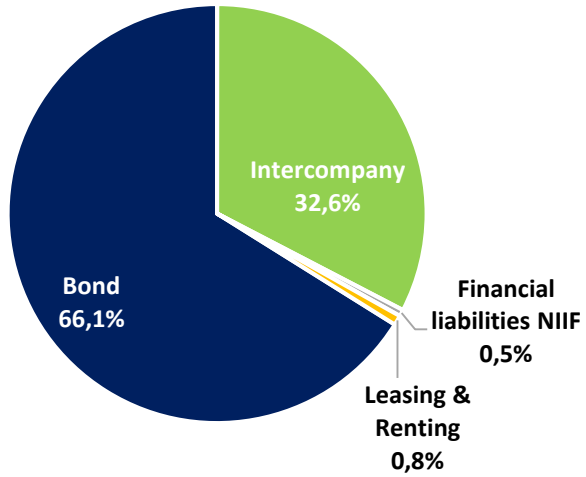
Liabilities | Equity



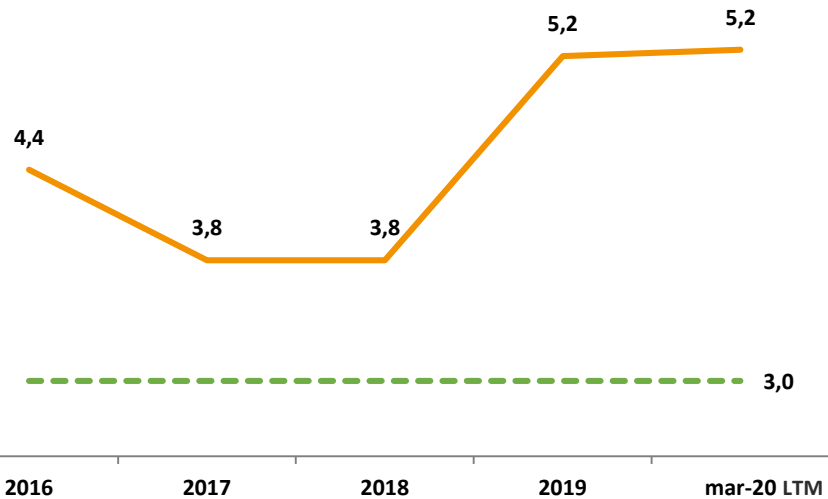
2 Financial Performance

Debt Breakdown

Total Gross Debt
USD\$ 1,1 billion

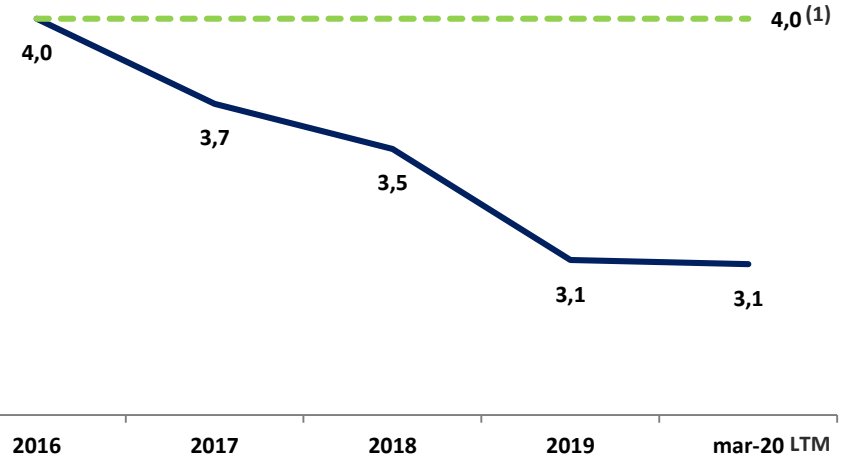


EBITDA / Financial Expenses

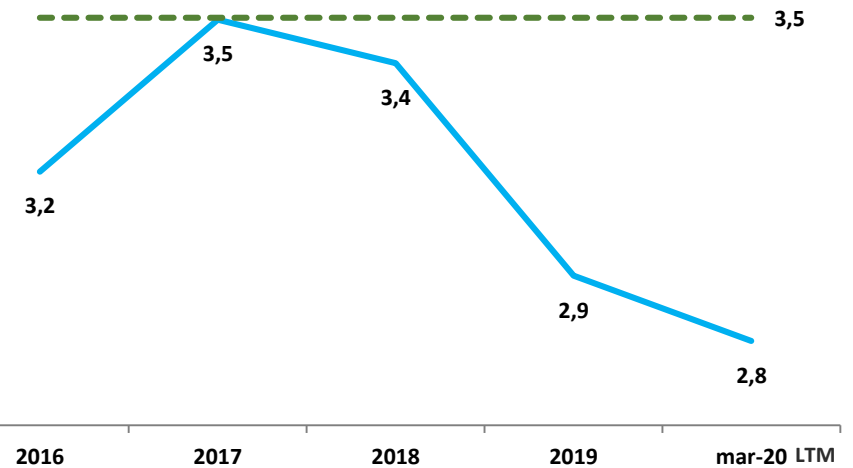


(1) Reasonable indebtedness limit

Total Gross Debt / EBITDA



Total Net Debt / EBITDA

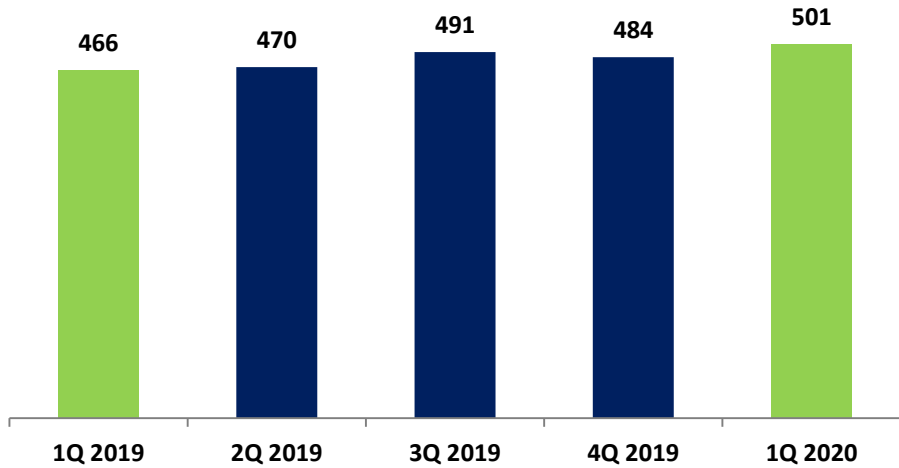


2 Operational Performance



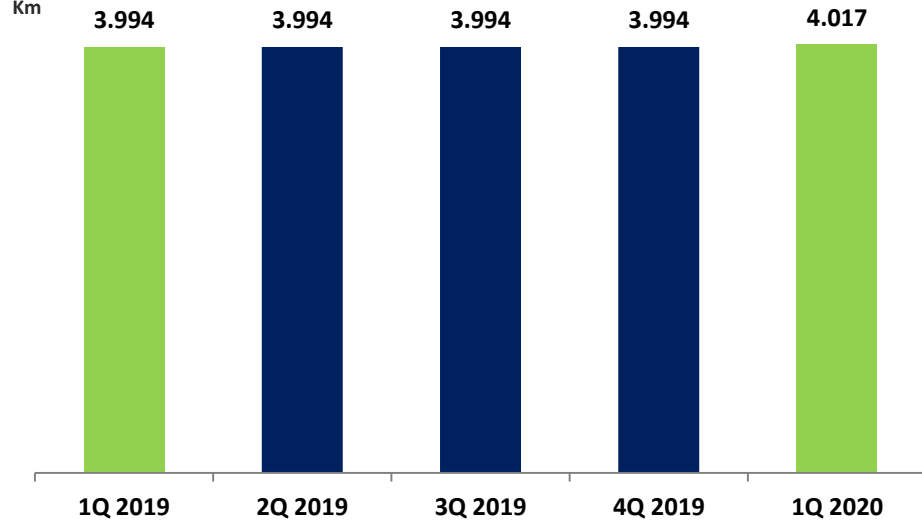
Transported Volume

Average Mcfd



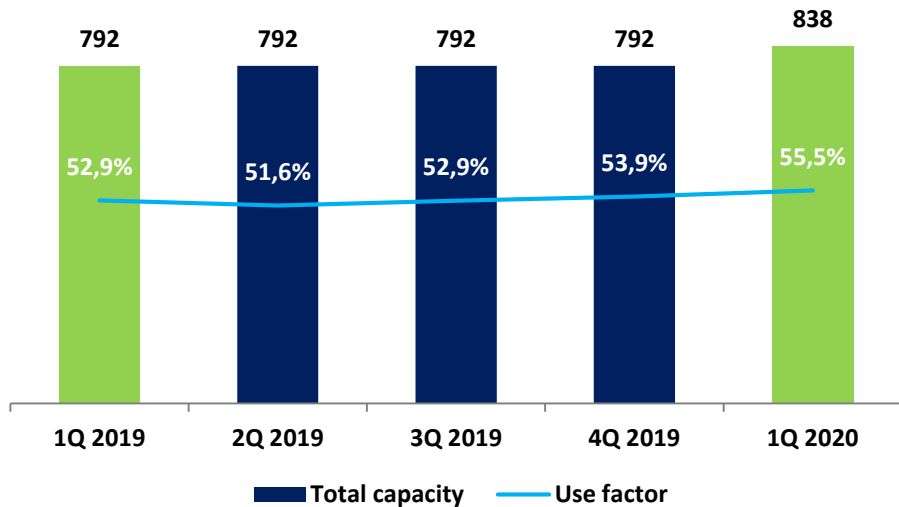
Gas Pipelines Length

Km



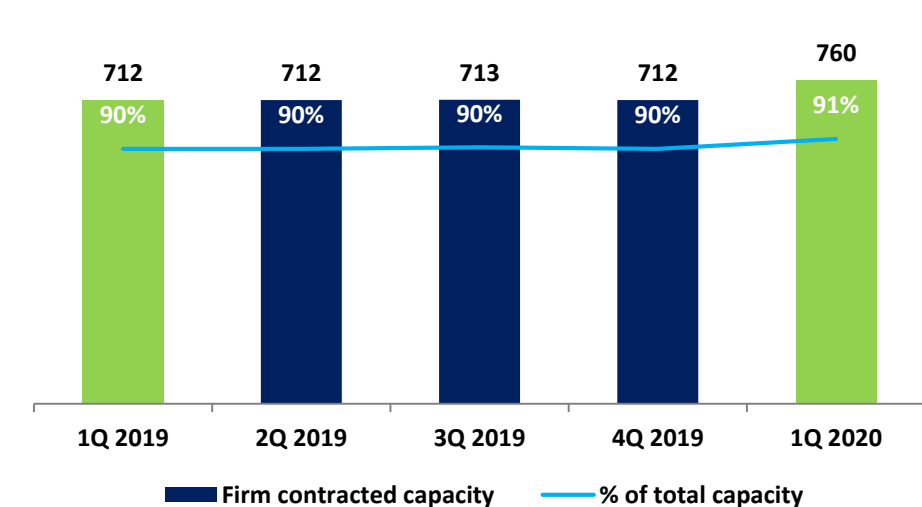
Total Capacity

Mcfd



Firm Contracted Capacity

Mcfd





3



Investment Projects



3 Investment Projects in Execution



Project	Description	Total project investment	Status
Cusiana Phase IV	<p>Increase the natural gas transportation capacity by 58 Mcfd between Cusiana and Vasconia.</p> <ul style="list-style-type: none"> • Construction of 38,5 Km of loops of 30" in diameter • Expansion of the Gas Compression Station of Puente Guillermo • Modifications to the Gas Compression Stations of Miraflores and Vasconia 	~\$ 92,3 mm	<ul style="list-style-type: none"> • Total Capex executed to date – USD\$61,9 mm • Total Capex executed 1Q 2020 – USD\$4,6 mm • Physical Progress of Project – 84,8% • Estimated start of operations: <ul style="list-style-type: none"> - Puente Guillermo Station: 17 Mcfd – 2Q 2018 - Loop Puerto Romero – Vasconia: 46 Mcfd – 1Q 2020 - Loops Puente Guillermo – La Belleza and El Porvenir – Miraflores: 12 Mcfd – 3Q 2020*
Replacement of Branches	<p>Replacement of 4 branches for reaching their regulatory useful lifespan in accordance with resolution CREG 126 of 2016 and 1 branch by mutual agreement:</p> <ul style="list-style-type: none"> • Branch Yarigüies - Puerto Wilches • Branch - Pompeya • Branch Z. Industrial Cantagallo – Cantagallo • Branch Cantagallo – San Pablo • Branch Galán – Casabe – Yondó 	~\$ 11,6 mm	<ul style="list-style-type: none"> • Total CAPEX executed to date – USD\$8,7 mm • Total CAPEX executed 1Q 2020 – USD\$1,1 mm • Physical Progress of Project – 86,3% • Estimated start of operations: <ul style="list-style-type: none"> - Branch Yarigüies – Puerto Wilches: 4Q 2019 - Branch Pompeya: 4Q 2019 - Z. Industrial Cantagallo – Cantagallo: 1Q 2020 - Branch Cantagallo – San Pablo: 1Q 2020 - Branch Galán – Casabe – Yondó: 2Q 2020*

*May be subject to modifications

3 TGI Outlook

New opportunities



The following IPAT projects are first choice for TGI, according to current resolutions:

- Loop Mariquita – Gualanday
- Yumbo – Mariquita Bidirectionality
- Compressor Project. Jamundi Branch - Downstream (Pradera Node)
- Barrancabermeja – Ballena Bidirectionality

Ministry of Mines and Energy is updating the Plan

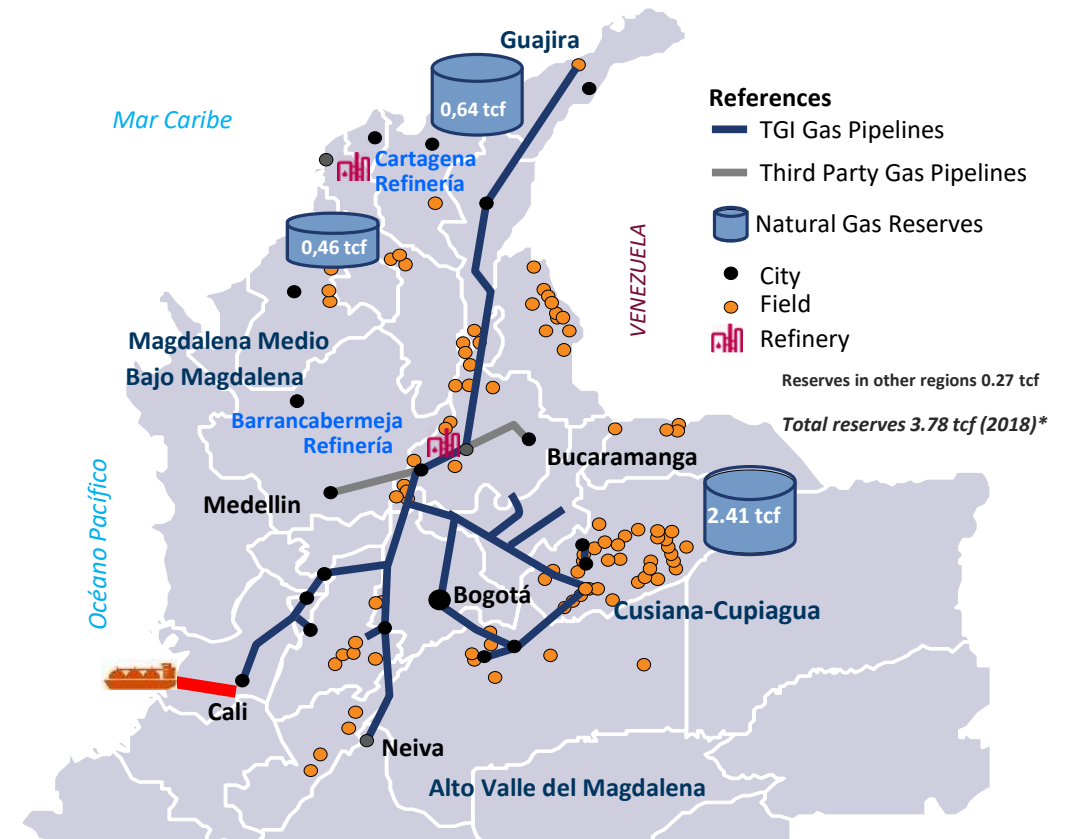


TGI is waiting for the publication of the final terms of reference of the following project to determine its participation:

- Pacific Regasification Plant
- Buenaventura – Yumbo Gas pipeline

Resolution of the Ministry (in consultation) foresees entry into operation of the Plant for September 2023 and January 2024 for the gas pipeline

Gas pipeline network⁽¹⁾



Source: Unidad de Planeación Minero Energética - Agencia Nacional de Hidrocarburos

(1) Has access to the three main gas production fields, Guajira and Cusiana-Cupiagua
* Total reserves 2019 of 3,15 tcf according to Ministry of Mines and Energy



4 | Management of Covid-19



4 Management of Covid-19

Identification of risks, measures and impacts



Risk	Situation	Measures and Impacts
People	Possible impact on the health of employees, contractors and suppliers. Mandatory Isolation Measure. Guidelines and biosecurity measures by the government.	Design and assurance of all Biosafety Protocols. 15 operators on site ensuring the provision of the service. The rest of the employees working from home. No case of COVID-19 was reported in collaborators.
Demand, Government & Regulation	Gas demand drops by approx. 25%. Transitional regulatory measures derived from the situation in order to seek for relief of end users and the industry.	CREG Res.042 on contract review - revenue decrease of 8-12% vs. plan (transitory commercial policy). Res. 060 on financing for the regulated segment - minimum impact.
Opex & Capex	Suspensions and delays in the development of some maintenance activities and in the schedule of infrastructure projects.	Since May 18, maintenance activities at critical points were resumed. 17 infrastructure projects were suspended. To date, 4 work fronts have been reactivated. Decrease in opex and capex vs. plan.
Others	The Colombian government has been analyzing the possibility of freezing TRM for tariffs calculation.	Development of financial scenarios to understand potential impact. The scenarios contemplate new projections on TRM, inflation and interest rate.

4 Management of Covid-19

Strategies for mitigation of risks and impacts



Governmental and Regulatory Strategies

- The company has a permanent agenda with **government and regulatory entities**, with the aim of reviewing strategic issues and topics of interest
- Regarding **regulatory changes** that may be generated in the current situation, both TGI and its parent company GEB have held permanent conversations with the relevant authorities, managing the best results for all the Group companies and their respective sectors
- Following the measures of the WHO and the National Government, a Reactivation Protocol for Construction, Operation and Maintenance of Projects, and Administrative Processes, was implemented, which includes a protocol for relationship with **communities, territorial and regional entities**

Projects Execution Strategies

- Our operations have continued to provide **100% availability**, fulfilling the commitment to society in these difficult times we are experiencing
- **Priority maintenance** operations have continued, guaranteeing the provision of basic and critical services for all populations
- Due to the temporary suspension of some projects in execution and the deferral of investments, financial and operational measures have been taken to have the **least possible impact**
- The execution of different projects has been resumed with **biosafety protocols**

4 Management of Covid-19

Scenarios, assumptions and possible impacts



Assumptions and Possible Impacts

3 months

Gas demand drops, but recovers in the second semester of 2020. The special guidelines that impact revenues cease from July 2020. Impact on revenues up to -8% vs. plan.

Accounts receivable provision levels are acceptable and contracts with clients have been successfully negotiated

Costs and expenses are reduced by up to 10% vs. plan.
Deferral of some investments.

Proven access to national financial markets. However, no financing needs are visualized.

6 months

The special guidelines that impact revenues cease from October 2020. Impact on revenues up to -12% vs. plan.

Accounts receivable provision levels are acceptable and contracts with clients have been successfully negotiated

Costs and expenses are reduced by up to 10% vs. plan.
Deferral of some investments.

Proven access to national financial markets. However, no financing needs are visualized.



5



Questions & Answers



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Investor Relations

For further information about TGI, please contact any of the Investor Relations team members



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