

Q4 2018

Results Report



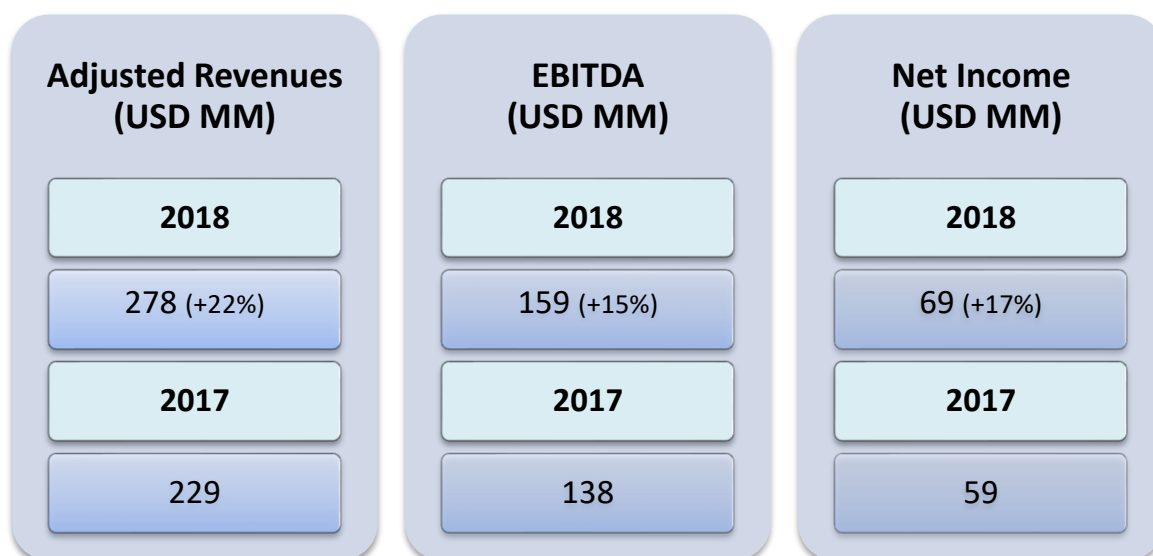
- ▶ Calidda has the exclusive operation right of the single natural gas distribution concession by underground pipelines in the department of Lima and Callao, in Peru.
 - ✓ Total executed Capex: USD 900 millions.
 - ✓ Network length: 9,691 km
 - ✓ Local market share: 79%.
 - ✓ Invoiced volume: 779 MMCFD
 - ✓ Total clients: 761,216

- ▶ During 2018, Moody's upgraded Calidda's foreign currency credit classification to Baa2 - outlook stable, and Equilibrium (local risk rating agency) reaffirmed our current rating of AAA.pe, the highest corporate bonds risk assessment within the domestic framework.

- ▶ On July 23th, Calidda issued a PEN 200 MM (USD 61.2 millions) 10-year bullet bond, which was swapped to USD (company's functional currency). It was Calidda's inaugural bond issuance in Peru's debt capital market.

- ▶ By the end of 2018, there were two negative legal arbitration results, which were recognized as extraordinary expenses around USD 14 MM.

- ▶ Key results as of December 2018 (compared to 2017's results):



Executive overview

Operational and finance relevant information

Chart N°1 – Operational and finance key indicators			
Operational Results	2018	2017	Var %
Accumulated Clients	761,216	576,813	32%
Invoiced Volume (MMCFD)	779	763	2%
Network Length (km)	9,691	8,348	16%
Potential Clients ²	959,793	828,257	16%
Network Penetration	79%	70%	-
Financial Results	2018	2017	Var %
Total Revenues (USD MM)	675	579	16%
Total Adj. Revenues ¹ (USD MM)	278	229	22%
EBITDA ² (USD MM)	159	138	15%
Adjusted EBITDA Margin	57%	60%	-
Net Income (USD MM)	69	59	17%
Interest Coverage (x)	8.8x	8.5x	-
International credit ranking:			
S&P - Feb. 23 2018: <i>BBB-, stable</i>			
Fitch - May. 01 2018: <i>BBB, stable</i>			
Moody's - Jul. 10 2018: <i>Baa2, stable</i>			
Domestic credit ranking:			
Equilibrium - Oct. 19 2018: <i>AAA.pe</i>			
Class & Asociados - Jun. 30 2018: <i>AAA</i>			

Peruvian Natural Gas Market

Chart N° 2 – Key market indicators			
Indicator	2018	2017	Var %
Natural Gas Production (MMCFD)	1,231	1,252	-2%
Local Market Demand (MMCFD)	727	703	3%
Calidda's Local Market Share (MMCFD)	530	526	1%

- ▶ By the end of 2018, the Peruvian natural gas production decreased by 2% compared to 2017, which was due to the less exported volume given mainly by the Lot 56 (-8%).
- ▶ As for the local market demand, it increase by 3% up to 727 MMCFD, mainly due to Cálidda's distribution and the higher volume during 2018.

¹ Total Adjusted Revenues = Total revenues without considering the income from pass-through concepts, such as the acquisition and transport of natural gas, and IFRIC 12 (investments in the distribution network).

² No taking into consideration Extraordinary Expenses.

Commercial Performance

Sales by segment

As of 2018, Calidda connected 184,403 new clients. In the Residential segment, Calidda has operations in 23 districts from the Metropolitan area of Lima and Callao, which are the following: Villa El Salvador, Comas, San Juan de Lurigancho, El Agustino, San Miguel, Santiago de Surco, Jesús María, Magdalena, Pueblo Libre, Cercado de Lima, Los Olivos, San Martín de Porres, San Juan de Miraflores, Santa Anita, Villa María del Triunfo, Ate, Callao, Independencia, Carabayllo, Lurín, Imperial, San Vicente de Cañete & Puente Piedra. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 42 districts.

Chart N°3 – Clients Base

Clients Base	2014	2015	2016	2017	2018
Power Generation	16	17	18	22	23
Industrial	489	507	535	577	626
NGV Stations	220	232	240	257	275
Residential and Commercial	254,280	344,380	437,607	575,957	760,292
Total	255,005	345,136	438,400	576,813	761,216

- ✓ There haven't been new connections in the Power Generation segment.
- ✓ 49 new Industrial plants were connected during 2018.
- ✓ 18 new NGV stations joined Calidda's distribution system.
- ✓ Calidda added 182,558 residential clients and 1,777 commercial clients in 2018.

Volume

- ✓ As of 2018, invoiced volume has increased in 2% related to 2017 mainly in the Industrial segment (+7MMCFD; +5%) and NGV Stations (+6MMCFD; +9%).
- ✓ The Take-or-Pay contracts amount 605 MMCFD (Power Generation: 563 MMCFD, Industry: 42 MMCFD), which represents the 80% of total invoiced volume as of 2018.

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

Graph N° 1 – Invoiced Volume (MMCFD)

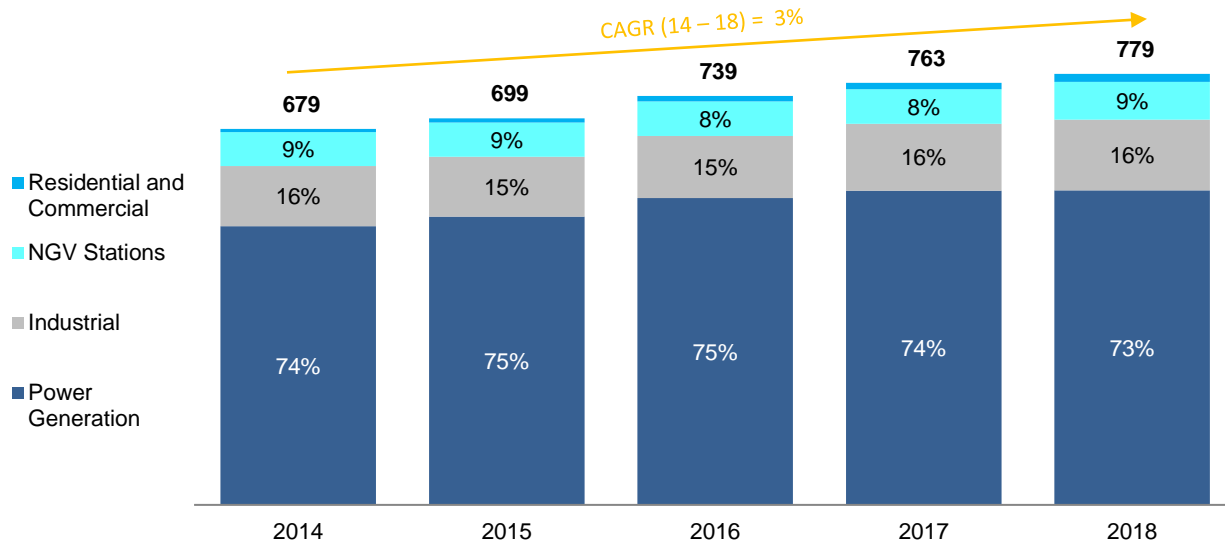


Chart N°4 – Invoiced volume per Client Segment (MMCFD)

Invoiced Volume	2014	2015	2016	2017	2018
Power Generation	504	521	555	568	569
Industrial	109	108	112	121	128
NGV Stations	61	62	63	62	68
Residential and Commercial	6	8	10	12	14

- ✓ As shown in this chart, 2018's invoiced volume reached a total of 779 MMCFD, exceeding last year's results by 16 MMCFD (+2.1%).

Contracted Gas Supply and Transportation

Chart N°5 – Contracted Capacity (MMCFD)

Period	Contracted Transportation capacity			Contracted Supply capacity		
	Firm	Interruptible	Total	Firm	Interruptible	Total
2016	178	31	209	40	138	178
2017	197	31	228	178	45	223
2018	197	31	228	183	46	229

- ✓ Clients are divided in two groups: (i) Independent Clients, who consume more than 1 MMCFD and sign separated contracts of natural gas (NG) supply, transportation and distribution services, and (ii) Regulated Clients, who consume less than 1 MMCFD and sign a single contract with Calidda, who then provides NG distribution service and acts as an intermediary to supply NG and transportation services.

- ✓ During 2018, both our Independent and Regulated clients had an average consumption of 286 MMCFD, equivalent to 68% of our total distribution capacity of natural gas (Lurín – Ventanilla).
- ✓ Over the same period, Regulated clients consumed around 158 MMCFD, equivalent to 69% of the total contracted supply and transportation volume of natural gas

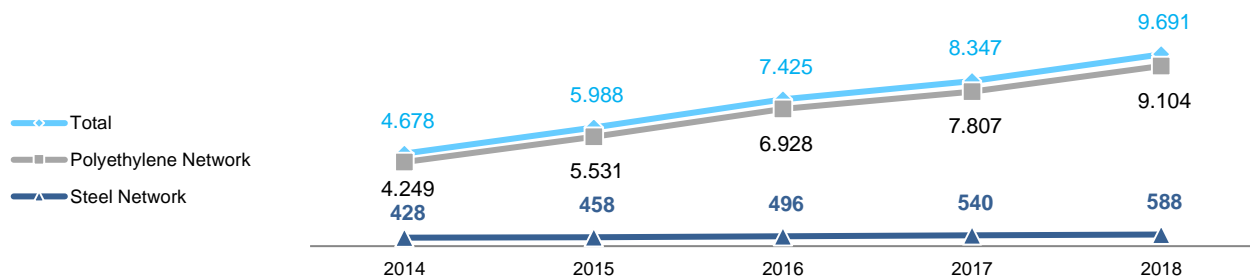
Operacional Performance

Distribution Network

- ✓ Calidda’s distribution system consists of 9,691 km of underground pipelines in Lima and Callao.
- ✓ As of 2018, Calidda has built 1,345 km, out of which 48 km were steel high pressure network, while the remaining 1,297 km were low pressure polyethylene pipelines.

The next graph shows the evolution of Calidda’s distribution system:

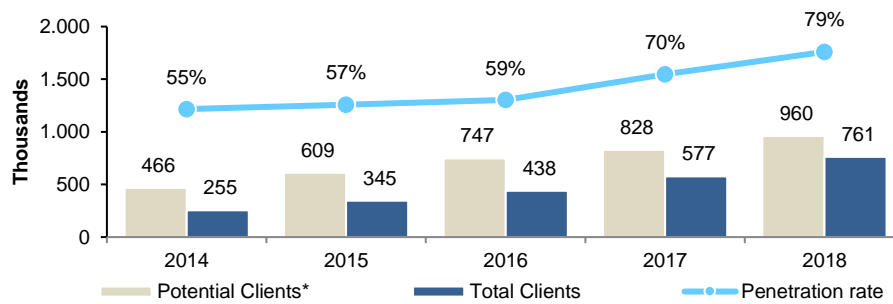
Graph N° 2 – Network Distribution (km)



Network Penetration Rate

- ✓ The network penetration rate 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 to 79% as of 2018 due to the record number of new connected clients.
- ✓ Calidda’s focus is on low income districts benefited by the subsidies, where the savings produced by the use of natural gas against other alternative fuels is more appreciated.

Graph N° 3 – Clients progress and Penetration Rate



Financial Performance

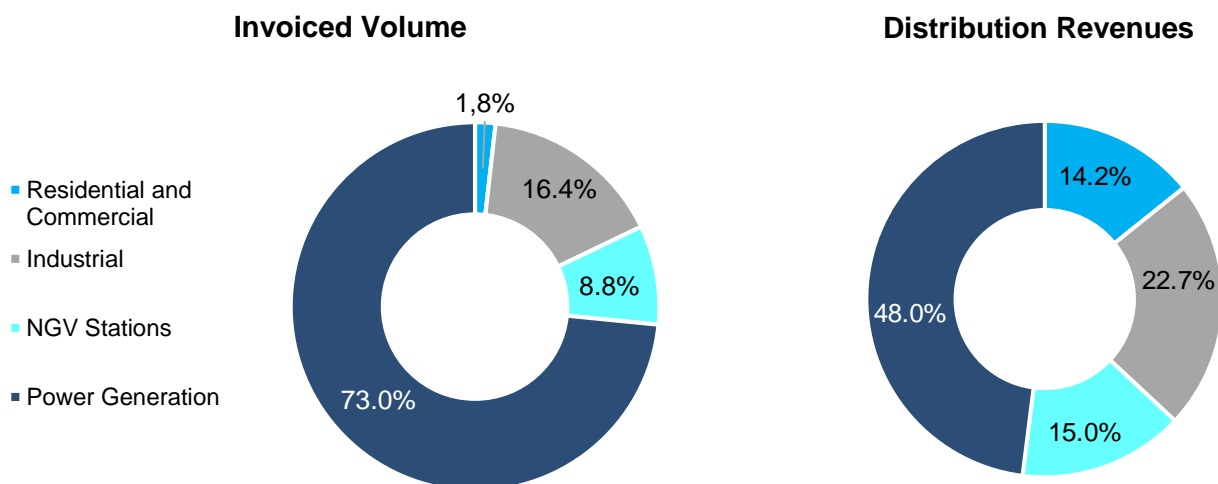
Revenues

- ✓ Calidda's Revenues, Adjusted Revenues and EBITDA increased by 16%, 22% and 15%, respectively, driven by:
 - Higher Distribution Revenues due to the raise by Osinergmin of the distribution tariff (since May-18)
 - Higher invoiced volume (+16 MMCFD)
 - Higher number of connections in the residential segment (+184K customers) ; and,
 - An increase in related services provided to clients : a total of 31,486 delivered gas appliances sold (3.1x 2017's results).

Chart N° 6 – Revenues distribution by concepts

Distribution of the Adjusted Revenues (%) – 2018		Pass-Through Concepts	
Distribution service	Main operative income of Calidda; it is generated by the distribution of natural gas through underground pipelines to different kinds of clients.	61%	Sell and transport of natural gas Pass-through income related to the acquisition and transportation of natural gas which are transferred to the final consumer.
Connection services	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.	23%	Revenues of network expansion Pass-through income related to the investments executed by Calidda in order to expand the distribution network.
Connection fees	One time fee which is paid by the new clients when connected to Calidda's natural gas network.	4%	
Other services	Operative income which mainly comes from network relocation services and other services	11%	

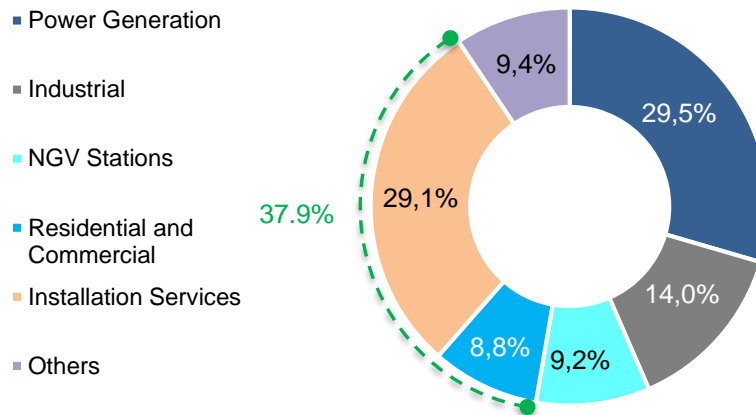
The next graph contains the breakdown of Calidda's Adjusted Revenues:

Graph N° 4 – Invoiced Volume and Revenue Distribution (2018)


- ✓ Even though the Residential and Commercial segment represents only 1.8% of the invoiced volume, it concentrates 14.2% of our distribution revenues. Moreover, if we take into consideration the revenues from installation services, this segment achieves 37.9% of our Total Adjusted Revenues.

- ✓ On the other hand, the Power Generation segment represents 73.0% of the involved volume, 48.0% of the distribution revenues, and 29.5% of the Total Adjusted Revenues, as can be seen in the next graph:

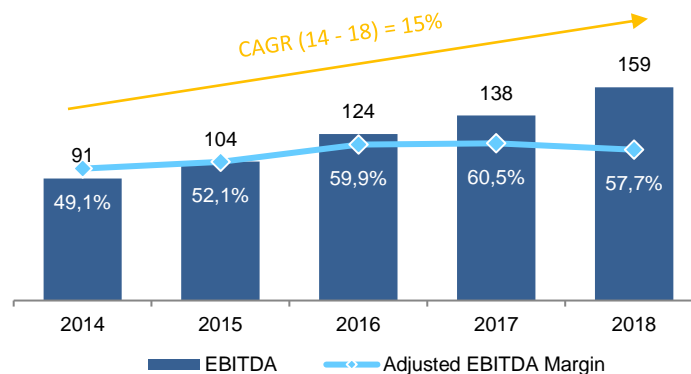
Graph N° 5 – Adjusted Revenues by Client Segment (2018)



Key Financial Indicators

During 2018, the EBITDA³ was US\$ 159 MM, a 15% increase compared to 2017's EBITDA. This is mainly explained by the revenues obtained as of 2018 from NG distribution services and from connection fees and installation services.

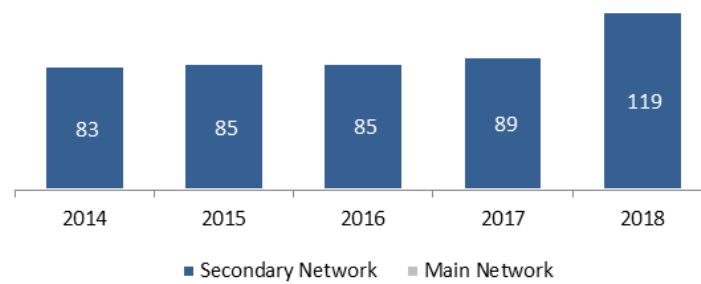
Graph N° 6 – EBITDA (Million USD) & Adjust. EBITDA Margin (%)



This performance has been achieved thanks to increasing investment amounts over the past years, as seen in the next graph:

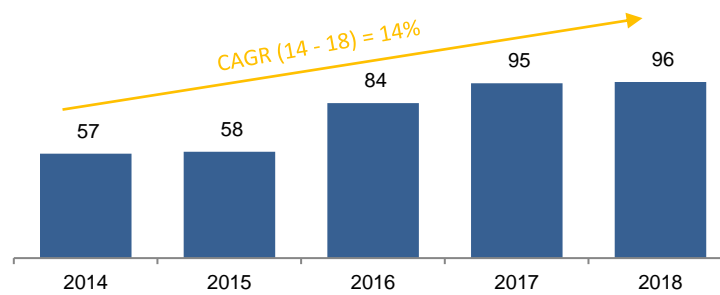
³ No including Extraordinary Expenses.

Graph N° 7 – Capex (Million USD)



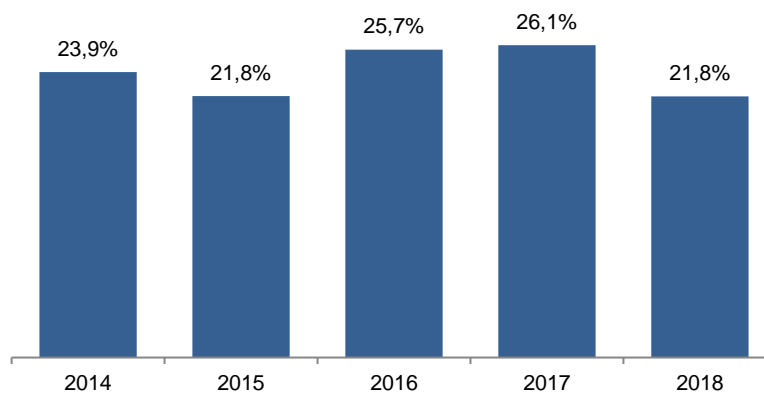
It is important to mention that these important investments have been made while maintaining solid financial ratios, which can be appreciated in the following graphs:

Graph N° 8 – FFO

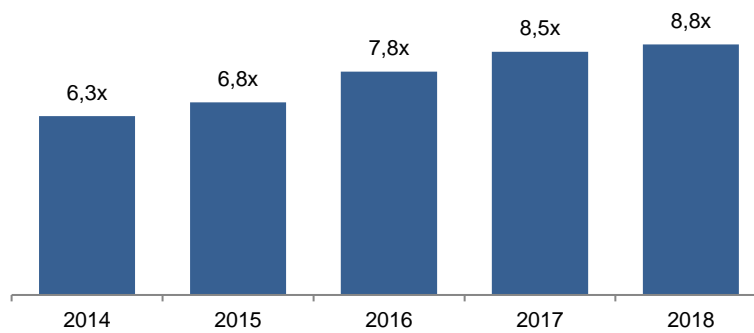


FFO – Funds From Operations: Net Profit + Depreciation + Amortization

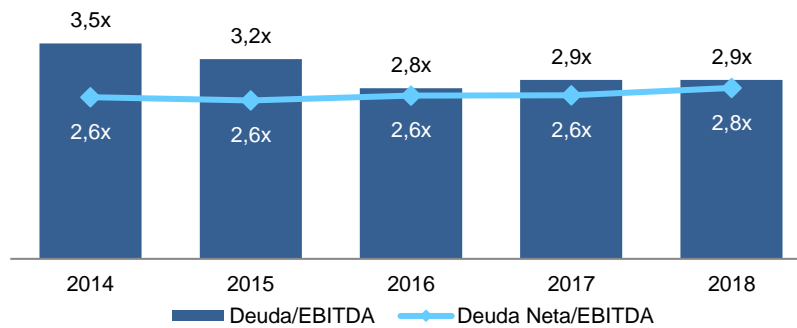
Graph N° 9 – FFO / Net Debt (USD Millions)



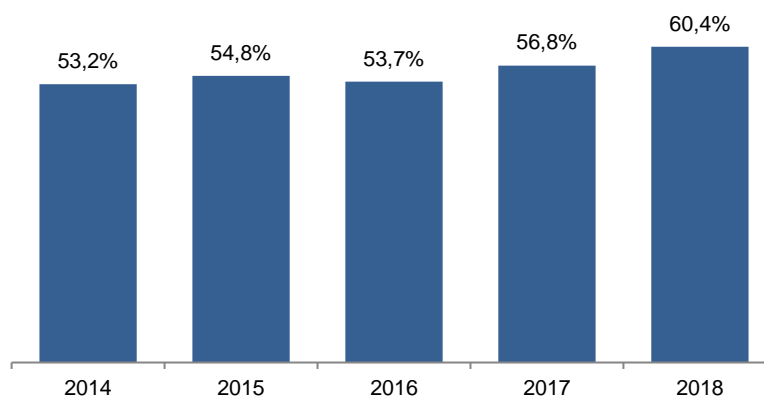
Graph N° 10 – Interest Coverage (x)



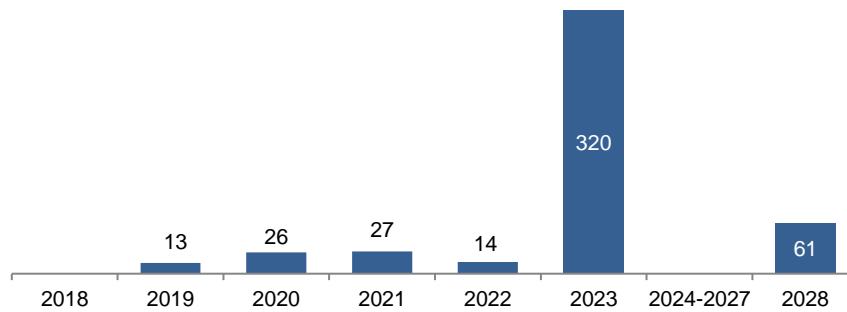
Graph N° 11 – Debt & Net Debt / EBITDA (x)



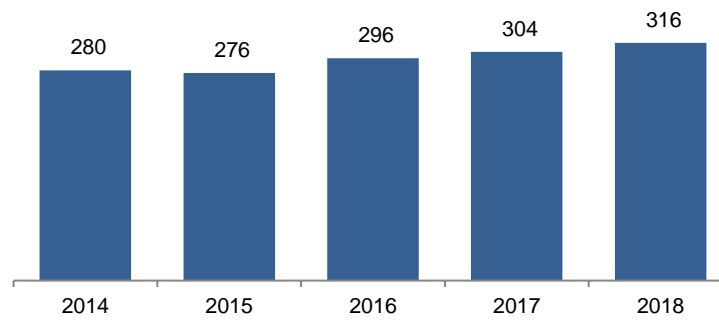
Graph N° 12 – Debt / Capitalization



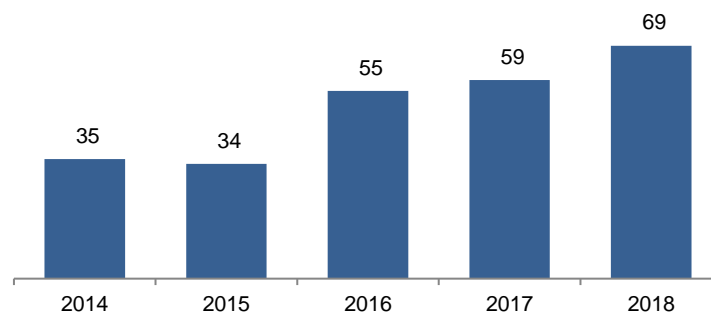
Graph N° 13 – Debt Maturity



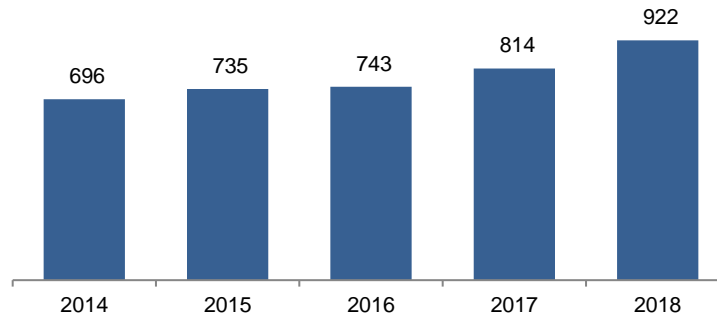
Graph N° 14 – Equity



Graph N° 15 – Net Income



Graph N° 16 – Total Assets



Annexes

Annex 1: Legal note and remarks

The information provided herein is for informational and illustrative purposes only and is not, and does not seek to be, a source of legal, investment or financial advice on any subject. This presentation does not purport to address any specific investment objectives, financial situation or particular needs of any recipient. It should not be regarded by recipients as a substitute for the exercise of their own judgment. This information does not constitute an offer of any sort and is subject to change without notice. Calidda is no obligation to update or keep current the information contained herein.

Calidda expressly disclaims any responsibility for actions taken or not taken based on this information. Calidda does not accept any responsibility for losses that might result from the execution of the proposals or recommendations presented. Calidda is not responsible for any content that may originate with fourth parties. Calidda may have provided, or might provide in the future, information that is inconsistent with the information herein presented. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein.