**Transcript of Promigas call**

**Quarterly results 2Q 2022**

**24 August 2022**

**Juliana Vergara:** Good morning everyone, welcome to the Promigas quarterly results presentation as of June 2022. My name is Juliana Vergara Director of Investor Relations, through this platform we have enabled the questions button so you can send them and they will be answered at the end of the presentation, please note that this session is being recorded.

Today we are joined by Juan Manuel Rojas, president of Promigas, Aquiles Mercado, vice- president of Finance and Administration, and the entire management team of the company. I will now give the floor to Juan Manuel who will begin the presentation of the results for the second half of 2022.

**Juan Manuel Rojas:** Good morning everyone, thank you very much Juliana, welcome everyone to this presentation of the results of the second quarter 2022. I would like to start with a description of the relevant facts and in particular highlight first of all, the excellent accumulated results to June that our business group has been presenting, those results can be seen in terms of profit where we have an increase of 19% compared to the same period of 2021, particularly we reached an Ebitda of one trillion one hundred seventy four billion, we also see it in the issue of net profit where we have been able to experience a growth of 10% in accumulated matter compared to the same period of 2021 and we reached almost six hundred sixty billion pesos of legal profit.

Another outstanding and relevant fact of this second quarter has to do with the progress we have achieved in terms of energy solutions, where we currently have 42.4 megawatts of installed capacity, of which a good part are megawatts of solar power generation 27.1 megawatts, in terms of auto cogeneration 15.3 megawatts and in operation and maintenance we have an additional 42 megawatts, I highlight in energy solutions the growth of 73% that we experienced in the first half of this year compared to what we saw in the first half of 2021. Another relevant fact has to do with aspects of innovation, where we were fortunate to be able to formalize a strategic alliance with Sumitomo Corporation in May, following the inauguration of our Green Hydrogen pilot at La Heroica station in Cartagena, in order to move forward in the area of exploring business opportunities in electric mobility with hydrogen in Colombia and Peru. Speaking of Peru, I would like to emphasize two important aspects that were also milestones in the second quarter of the year, the first has to do with the approval by the Peruvian regulator Osimerming of the warm distribution tariff for the new tariff period, very much in line with what we expected, thus protecting the regulatory income of this important investment we have in Peru, and the second, which we are very proud of, has to do with the commissioning of the operation of the gas pipeline in the north of Peru; As of June 30, we had 90% progress in the project, we can already mention that this gas pipeline is operational and a good part of the management team is even traveling today to Peru for the formal and official inauguration of the pipeline, even

though it is already in service as of July. Finally, I would like to mention that we had our subsidiary Surtigas ratified its triple A rating by Fitch Ratings.

Let's look now at the operational results of the period by business and here in terms of liquefied natural gas transportation and services, I highlight that the accumulated transported volume of June 2022 is 7% above what we had in the first half of 2021, reaching

472 million cubic feet per day; we have had however a reduction in the average regasification of liquefied natural gas to a good extent as we will see later because we are in a very rainy year. In terms of industry solutions, we continue with our commitment to serve our customers in the oil and gas industry, we achieved the construction of 21 km during the first half of the year and we maintain our pipeline maintenance service around 2,756 km.

Let us now look at the results for the distribution business, accumulated to June and here I would like to focus on four aspects, the first has to do with the fact that in terms of users we surpassed the milestone of 4 million gas users in Colombia that Promigas manages; the second has to do with the fact that in Peru we had a 25% increase in connected users, a very important milestone because in Peru we are already serving more than 1,600,000 gas users; the third has to do with the fact that we have increased coverage in populations in Peru by 12%, we are serving 66 populations and if we add the populations we serve in Peru and Colombia we reach 963 gas users.Third, we have increased coverage in Peru by 12%, we are serving 66 towns and if we add the towns we serve in Peru and Colombia, in terms of gas we have reached 963 and if we add the towns we serve with electricity we are already over a thousand towns between Peru and Colombia that we serve with our services; fourth, I would like to highlight that we are about to reach the milestone of gas sales in distribution, of six billion cubic meters, we reached 6,989 million cubic meters as of June 30, 2008, and we have reached a total of 6,000,000,000 cubic meters of gas sales.989 million cubic meters, an increase of 4%, but we are about to reach the milestone of six billion cubic meters, which is also very important. I also want to highlight the progress we are making in non-bank financing through Brilla, here in particular we managed to place 486 million in the first half of the year an increase of 6% compared to the first half of 2021 and we have a user base of 767 users who currently use this service; this is a business that I call the most advanced Fintech in Colombia because it has been around for 15 years and we are going to see later that we managed on June 30 to launch the Brilla app, through which those 767 users and their credits are already operating.

Let's continue; let's move on to the financial results of the period by strategic business group at a consolidated level and specifically what has to do with the second quarter of 2022 and here I would like to highlight two things, first, the significant increase we had in revenues of 11%, revenues reached 1 trillion 451 billion in the second quarter 2022, although we had and experienced a drop in net income in this second quarter of around 10% explained mainly by financial expenses, due to an increase in the balance of debt at higher interest rates and the increase in income tax as a result of the change in the tax rate. If we look at the accumulated to June, in the following slide, we can see, nevertheless, that the accumulated to June, presents some shocking numbers; in terms of revenues we had compared to the same semester of 2021 an increase of 19% explained by a higher market representative rate, by means of which our rates are adjusted and also explained because we were able to invoice Ecopetrol, for an early termination of the Reficar contract for greater transportation of gas for 90 million cubic feet per day and also explained because as a result of the incident

we had in Promioriente, we achieved the indemnification of the insurer for 17.17,500,000 million for the processing. So this higher income of almost 20% is mainly explained by these three reasons; this implied an increase in our Ebitda during the first half of almost 20%, 19.5% largely due to these higher revenues and lower expenses and an increase of 10% in the consolidated accumulated net income in this first half of the year.

I would also like to highlight here again, and what we have said in other calls, the good balance we have between the transportation business and the distribution business, where both the Ebitda and the profit are distributed almost equally between the two strategic business groups, in this case the Ebitda is 54% in distribution and 46% in transportation and the net profit is 56% in distribution and 44% in transportation.

Let's continue; let's look at the results, individual financial results of Promigas in the second quarter of 2022 and here I highlight the 14% increase in revenues as I mentioned before mainly explained by a higher turnover due to a higher market representative rate, we had in the second quarter an average rate of 3,931 pesos per dollar, while before we had 3,700. The Ebitda had a decrease of 3% was due to a decrease in income by equity method mainly from Gasnor due to the registration of the Niff 15 standards due to the important advances with their constructive that we had in 2021 and a drop in net income of 10% in the second quarter as I mentioned before largely due to higher financial expenses, remember that the CPI has increased and 40% of our debt is indexed to the CPI.

If we look at the following slide, and we look at the individual results accumulated to June and we see that in the accumulated there is an important contrast to June with respect to what was experienced in the second quarter 2022, particularly we had in the consolidated accumulated, 26% increase in Promigas revenues, an 18% increase in Ebitda and a 10% increase in net income reaching almost 700 billion pesos, demonstrating on all fronts an execution above what was budgeted in net income and a 16% increase in Ebitda.

Let's continue. Let us briefly look at the results in terms of operation and industrial safety and here I highlight two very important points, the evolution of the percentage of corporate transportation losses, we reached only 0.25%, well below the 1% required by regulation, and the evolution of the operational continuity indicator, where we have a continuity indicator of 99.988%, very much in line with our commitment to excellence in the provision of our services; I highlight that in transported volumes we had an increase in global consumption between April and June, particularly due to an increase in the consumption sector of refineries in Cartagena and cement plants, so we went from 221 million cubic feet to 238 million cubic feet per day; that is why it is an element that differentiates industrial consumption between April and June 2022 with respect to the same period last year.

Let's continue here, I would like to mention the progress we are making in terms of safety and we have started with the subsidiary of Dupont DSS, an exercise to strengthen safety in our corporate culture, a project that has a duration of three years where we have been working on what is the safety diagnosis, we have been rated as independent, a very good rating compared to our peers, but we aspire to achieve something that DSS calls interdependence and that is why we are moving in that direction, This project will go to a phase where we start with an action plan to close the gaps that we have identified so that we can consider ourselves with the maximum rating of interdependence in a period of three years, this is step by step but we are moving in the right direction and we are pleased to see

that we are very well qualified with respect to our peers, however we have set an even more ambitious goal and this not only in Promigas but in all the subsidiaries of the group; Another relevant fact that we want to highlight has to do with what has been achieved in terms of innovation and here I would like to mention two things, the first, Compañía Energética de Occidente launched the first prototype of its intelligent distribution transformer developed in conjunction with the Universidad del Valle and where we hope to extend this prototype to the rest of our operations and the second thing that I already mentioned as a relevant milestone, At the beginning, it has to do with the signing of the understanding agreement with Sumitomo to explore opportunities in electric mobility with hydrogen in Colombia and Peru, we see in Sumitomo a strategic ally for having all the experience in one of the countries that has advanced the most in hydrogen at a global level, Japan; With them we see important opportunities on this front in Colombia and Peru, we have had two visits since we joined the alliance of Sumitomo teams and we are evaluating opportunities in mobility fronts.

If we move on to the specific results of the second quarter in the transportation group, as you know, in the transportation group we have Promigas, Transmetano, Promioriente, Transoccidente, Promisol and Spec LNG; in this sense in natural gas transportation, Promigas as such had an increase with respect to the second quarter of 2021, in volumes transported in good measure because the higher thermal generation in the Atlantic coast compared to the same period last year, shows an increase in the non-thermoelectric sector, the natural gas vehicle sector, continues the growth path in its consumption, reaching levels of 80% the volume of gas transported to this sector before the pandemic, if compared to before the pandemic. If we look specifically by subsidiaries, we see that Promioriente maintains the levels very much in line with what we had 35 million cubic feet per day in 2021 in the second quarter of that year and now 36 million cubic feet in this second quarter 2022 and they have varied very slightly those volumes, while Transmetano did show an increase in volumes in the second quarter 2022 compared to 2021, increasing by 4 million cubic feet per day, because of a new Enel contract that was signed with Pepsico thus positively affecting the volumes and Transoccidente also increased by 42% the volumes transported because of the firm contract for 100% of the capacity that their revenues do not depend on the volume in that sense, so 42% increase in the second quarter of the year compared to 2021; Spec as I mentioned at the beginning, has had a lower volume of regasification in good measure because the thermal generation with respect to last year, has been made with local gas and not with imported gas, plus a very rainy year anyway I mention that between January and June the availability of our regasification plant was 100% and we have been demonstrating in five years of operation, that we are the asset that provides reliability to the power generation system in Colombia, because every time it has been demanded it is available to dispatch natural gas to the thermal sector.

If we go to the results of the strategic group of distribution business in the second half of 2022, we will see that they are very encouraging. Particularly in what we have been experiencing in terms of growth in Peru; here we had an increase in the volume of natural gas transported, as I mentioned, and we are almost around 6 billion cubic meters per day, an increase in electricity consumption through our central companies Compañía Energética de Occidente in Cauca. A substantial increase in the number of users, we already have accumulated more than 6 million users of natural gas, gas and energy, of gas more than

5,689 thousand and of energy 430 thousand, exceeding then 6 million users as I said at the beginning, populations served, we already exceed 1000, we are in 1001 populations with a significant variation as well, and as I mentioned the placement of Brilla growing consistently and with an overdue portfolio that we will see later on very controlled and very managed, we are very proud of that business. The Ebitda of the distribution business grew 20% if we compare Q2 2021 to Q2 2022.

Let's look in detail what Brilla is, we talk about that this second quarter 767 thousand users have placed 1.5 trillion pesos and only in accumulated this year 483 billion we have managed to place in these 767,000 users, I emphasize that these credits in 47% go to the stratum 1. A 36% for stratum 2 and 13% for stratum 3, what we do with brilla has a significant social impact, because they are credit users who generally do not have access to the traditional financial system and have this excellent tool to finance their needs; if we look in detail to whom these credits are assigned, we see that one third goes to improve the housing of the most needy users in the country. A third part is going to mobility and the remainder is distributed between education and household items, being then a financing tool for the needs of the most needy groups for the Colombian population.

As a relevant aspect I also highlight the launch we made of the Brilla application for franchised companies and this new sales channel shows that we evolve in the way we relate to our customers. Today our customers have an exposure of their cell phone a tool that puts in front of them multiple sources of acquisition of services through our network of allies and products, then it is a relevant fact of which we are very happy and we see these financial results also interesting because the growth of Ebitda compared to the same period of 2021 was given in 20 billion and Brilla then already reached 102 billion five hundred thousand pesos in terms of Ebitda in this second quarter of the year.

If we look at the energy solutions business, as you know in April the Promigas board of directors authorized us to move forward and consolidate this strategic business point and as I mentioned at the beginning we have been evolving very favorably on this front, particularly on the solar distributed generation front, we had a 73% growth compared to the same period last year, in which this strategic business group is composed, in three different lines, solar, in the useful age with generation and in sustainable mobility, there as of June 2022 we had as I mentioned at the beginning 27.1 megawatts installed of which 14.4 are already in operation and 12.7 are under construction; 24 contracts already working effectively, in auto and cogeneration we have 15, 3 megawatts, 8.8 in operation and under construction 5.5 and here we hope to continue to grow significantly, we already have 4 contracts with a total capacity of 42 megawatts in this front, if we also count in the front of operation and maintenance.

On the issue of sustainable mobility we are making progress with a demand of 10.2 million cubic feet per day mainly through what we do in Surtigas and GDO and in Peru we are also advancing effectively with almost 1 million cubic feet per day, so on this front we are evolving very favorably with significant growth and we will be showing it quarterly and seeing it in terms of results, we are very pleased with how we are progressing in this.

In terms of corporate aspects of sustainable management, I highlight 4 programs that we have been implementing in Promigas, the first has to do with the efforts made by the foundation to implement programs that allow greater employability of young people,

currently these programs are impacting 3,500 young people as direct beneficiaries, 93% of young people have already graduated, 40% of graduates already have formal employment and are young people who start with salaries above the minimum wage, on average with 1,350.With this program we are reaching 30 municipalities in the country and particularly in areas that have been classified as PDET which are very important, in matters of entrepreneurship programs the foundation has also been making significant progress, supporting 515 ventures and strengthening business models and with an impact on 990 direct beneficiaries in training processes for entrepreneurship, we also started a program in Cauca to benefit 150 women for their economic autonomy and in this front we reached 22 municipalities in the country of which 11 are considered PDET. In the second quarter of 2022 also in the front of more productive communities we worked in 199 productive units strengthening their processes and business models with 579 direct beneficiaries and in this case we reached 9 municipalities in the country. And finally in environmental matters we are also advancing with initiatives that seek greater biodiversity in the second quarter of 2022 we started a program in the Sierra Nevada de Santa Marta with 128 indigenous families, benefiting 640 people, supporting 40 family nurseries and 2 community nurseries and here we reach the 2 municipalities of the country the two considered PDET.

We are also making progress in the area of human rights, we are completing a self- assessment of the Due Diligence Guide on Human Rights, for relations with communities in order to identify opportunities to strengthen our management and we began an alliance with the development and peace program of Cesar and Guajira to carry out confidence building exercises and strengthening and capacities in Wayuu communities, located in the area of influence of our gas pipeline, this will allow us to work on development projects and strengthen our social license and our environmental, social and governance policies.

In climate issues also in the second quarter of the year we also made progress in forest restoration projects, we signed an agreement in April with the NGO Conservation International to support an environmental restoration project with the Arhuaca community in the Sierra Nevada de Santa Marta, where we expect an impact by planting 64,000 trees to restore 128 degraded hectares, train young Arhuacos in environmental restoration and capture carbon data to analyze the future implementation of the project.

I now give the floor to our colleague Aquiles Mercado, our CFO, to go into details of the financial statements for the second quarter of 2022, thank you.

**Aquiles Mercado:** Thank you Juan Manuel, very good morning to all who are with us in this report of results, as we can see in the individual financial statements of Promigas at the end of the second quarter 2022 vs 2021 present in their revenues an increase of 14% by going from $230,479 million pesos to $162.533, in terms of Ebitda we had a decrease of 6% we are going to continue with the reasons and net income in that specific semester of 10%, in terms of revenues we met 92% of the budget, however we had an increase of 14% as we were looking at it right now and this increase is mainly due to the higher representative rate of the billing market, remember they are still in dollars at this moment and at the time of recording these results and this rate went from 3.971 in 2022, while in 2021 it was at 3,689 pesos per dollar, this together with the volume transported, which increased by 32 million cubic feet per day mainly in the thermoelectric sector which represents 82% of the mentioned figure; the Ebitda which reached $365.691 million pesos as we explained before a decrease of 3% but a compliance of 104% of the budget, is due in the first instance to the

decrease to the income from participation methods in Gasnor, Juan Manuel mentioned it at the beginning of his relevant facts, by Anif 15 record, due to the fact that in 2021 we had important constructive advances, thus intensely advancing Capex activities that are not recorded this year; on the other hand, there was growth in the equity method in our investments in companies such as Calidax, Gases de Occidente, Promisol, and Spec, which partially offset the decrease mentioned in Nif 15 in Peru, the higher costs and expenses were presented by the renewal in June of insurance policies plan that increased 55%, due to the global market behavior that has affected all sectors of the economy travel and utility expenses were normalized by the return to the offices after overcoming the pandemic of 2020 - 2021; net income reached 106% of the budget as the final line of our financial statements, this item reflects the impact of lower Ebitda and lower income by equity method and higher costs and expenses already mentioned, in addition to this is a trend at the local level, it shows a growth in financial expenses due to the higher average debt balance but additionally the trend of rising interest rates and higher CPI since 40% of the debt for example is indexed to this parameter taking into account the issues we have made in bonds in Colombian pesos in the local market.

In terms of the financial statements, we continue in individual accumulated individual statements up to July 2022, that is to say the complete semester, we have an increase from 26% in revenues and a compliance of 101% of the budget, the Ebitda grew by 18% also reaching a relevant compliance to the budget of course exceeding it by 15% with respect to what we expected and the net profit grew by 10% reaching $659,548 million pesos, 16% more than what we expected. In terms of revenues we also have the impact of the TRM, which has been rising in Colombia in the period analyzed, about $371 pesos compared to 2021 and there was also an important factor here that increased revenues because we billed Ecopetrol for early termination of the gas transportation contract of 90 million cubic feet per day that it had with us specifically for the Cartagena refinery, which brought an extraordinary income of $31,809 million pesos.It is important to highlight that this contract was renewed with a capacity of close to 70 million cubic feet per day and extended for an additional 13 years.

In addition, 24 million cubic feet per day were transported, additional compared to the previous year, of which 96% were destined to the needs of the thermoelectric sector; the Ebitda that we have already mentioned exceeds the budget by 15% is mainly generated by the higher operating income and a controlled execution of costs and expenses of 101% and the higher income accounted for by the equity method, which reflects the good results of the companies that make up the Promigas portfolio. As for net income as the final line of our financial statements, it accumulates the impact of the increase due to higher Ebitda and higher operating income and by equity method, as well as the financial income generated by the disbursement of loans to related companies in development of our treasury policy, which was partially reduced by higher financial expenses, as mentioned in the previous chapter, due to a higher average debt balance for all the Capex we advanced in the previous year, the upward trend of interest rates and the higher CPI; we had a higher current income tax due to the higher profit, consequently cited above before taxes as a result of the good results obtained and in exchange the applied rate that went from 31% to 33% for Promigas in compliance with the provisions of the 2021 tax reform.

If we move to our balance sheet, we observe an increase of 5% in the assets of our company that reach the figure of 9.8 billion, if we analyze in essence which are the main items that generated this increase, we have the current assets that represent 46% of our assets and an increase of 56%, mainly originated by the dividends decreed by the related companies in their assemblies of March 2022, which are accounted as accounts receivable in 100% at the time of being decreed. The financial assets consistent with our transportation concession and the same of the companies with which we maintain control that have this type of concession contracts, the item includes the effect of the update of macroeconomic variables, The other assets increased due to the higher profits recorded in the portfolio of companies through the equity method, a capitalization that we made in Gasnor, our subsidiary in Peru, to strengthen its balance sheet in terms of the Equity debt structure and that all the item is offset by the dividends declared by the related companies as of March 2022. With respect to liabilities, we have an increase of 9% as of the cut-off date, mainly due to ordinary and extraordinary dividends declared by Promigas in March 2022 that according to accounting procedures will be paid during the year but are accounted for as accounts payable at the time they are declared, and also there were transfers from long-term liabilities of their current portion corresponding to credits that mature in April 2023; Long-term liabilities decrease by 4% due to the transfer of debt with current maturity that is subtracted from the increase of debt in dollars due to the greater difference in exchange rates for the closing of the financial statements; this difference, it is worth noting, is naturally covered based on our assets for investments abroad that are also recorded with the higher exchange rate.

Regarding the consolidated debt to end the financial chapter, of the consolidated financial statements, we observe a detail of the debt by product in terms of bonds and banks we have a very strong concentration in the capital market, not only Colombian but also in the United States and international markets. The debt by currency of different composition at the end of the second quarter of 2022 we have 55% in Colombian pesos, 42% in dollars and 3% in Peruvian soles necessary for our operation in the neighboring country. The consolidated debt reached 6.97 trillion pesos, 11% increase vs July 2021 what we have been mentioning is observed in the chart to the upper right the rates in June 2021 average of our debt reached 4.63% and in June 2022 simply by the behavior of macroeconomic boreal 8.08; we observe the detail of debts by company in which the Pareto clearly is Promigas in 50% of the total debt and Quabi 23% of the debt which are our operations in Peru due to the important Capex requirements in that country and as for debt as Juan Manuel had mentioned at the beginning, last June 6 the agency Fitch Ratings ratified the ratings of Surtigas at local level, as Triple A, the highest level or credit quality that a company can grant us at local level; with this we end Juan Manuel the financial statements I give you the floor.

**Juan Manuel Rojas:** Thank you very much Aquiles, so if you would like to open the floor for questions from the audience.

**Juliana Vergara:** We have several questions from Ricardo Sandoval from Bancolombia, I am going to read them one by one, the first one is: Can you please comment on the regulatory change of the remuneration in gas transportation that will change from dollars to pesos in Colombia? Impacts.

**Juan Manuel Rojas:** Ricardo thank you very much for your question, as you know in November 2021 the CREG through resolution 175 published the methodology of natural gas transportation, as a result of that the transportation companies submitted their tariff

applications in February 2022, in the particular case of Promigas, and the update of charges that occurs at two different times, a first update, is made from September first of 2022, in what we call the first application, where we are updating the rates with the cost of capital rate where this drops from 15.02% to 10.94% and also, we update the currency in which the charges are made from dollars to pesos using the TRM of the closing of 2021. At this moment also on September 1st of this year the investment variable shall be updated with the values resulting from the regulatory useful life costs of assets that matured before December 2020, so that is the first application. The second one would take place in July 2023 and at that time the integral recalculation of the charges would be made updating the investment, administration, operation and maintenance variables and the demand estimates. In view of this first update we expect an impact that does not exceed 3% of a decrease in our revenues of around 29 or 30 billion pesos, due precisely to the effect of the update of the normative useful life of the discount rate and the TRM. Now, in July of next year we would expect, when the second application is made, an increase in charges of around 15% to 20% due to higher revenues based on new investments, the update of the administration, operation and maintenance expenses and the projections. I hope that answers your question.

**Juliana Vergara:** Ricardo Sandoval's second question, he asks us to talk a little bit about: The management that is being done with respect to debt to reduce risks. I am going to ask our CFO to help us with that question.

**Aquiles Mercado: Let**'s see, we at this moment, Ricardo and everyone who is listening to this answer, we have a policy first very conservative in terms of debt management, second we are looking at this moment how much debt could be needed to execute the Capex plan we have for this year at corporate level, at this moment we are analyzing options such as local bond issuance at the end of the year, since at this moment we do not yet have a relevant amount to make an issue, remember that Promigas recently renewed its bond issuance program, as a recurring issuer, and we have an amount that exceeds one trillion pesos to issue at any time, however, today if we issued everything, we would have a negative impact on our financial statements, therefore we are taking bridge loans mainly in pesos, because the Capex is concentrated at this moment in the subsidiaries in Colombia and credits in dollars for the subsidiaries at this moment that we have in Peru, which have functional currency in dollars with which they are covered and in the case of Promigas that consolidates that debt we have a natural coverage with the investment that we have precisely in those companies. We are analyzing the market in terms of the trend of rates, but it is a generalized trend and we are trying to optimize as much as possible the mix of fixed and variable rates and terms, above all.

**Juliana Vergara**: Thank you Aquiles, let's go to the third question from Ricardo Sandoval from Bancolombia.

Canacol mentioned that it is about to sign a contract for the construction of the Jobo - Medellin gas pipeline, are you competing in this contract?

**Juan Manuel Rojas:** Thank you Ricardo, we have been evaluating this project to build a gas pipeline from Jobo to Antioquia in Promigas for several years, additionally, to date our group and particularly our subsidiary Promisol has significant progress in environmental and social matters that would allow us to develop this pipeline for when the market needs it. So,

going specifically to your question, our subsidiary Promisol is participating in the process of Canacol to build the gas pipeline from Jobo to the National Transportation System of Transmetano, process on which we submitted a bid within the established deadlines, we are waiting to receive news from Canacol soon.

**Juliana Vergara:** Thank you, another question from Ricardo Sandoval, have you studied any impact of the Colombian Tax Reform on the company?

**Juan Manuel Rojas:** Ricardo, yes, we have studied it, it is very important to specify, at the moment the reform is a bill that has not been approved, so we have studied preliminarily what the impacts could be. Obviously it must be emphasized that this has to go through its process through the Congress of the Republic and normally in these projects the reforms that end up coming out are very different from the projects that come out and are initially proposed, but then, on the project as it is foreseen today if the proposal is given as it is in 2022 it would reflect an impact at consolidated level of around $400,000,000 pesos, at individual level of Promigas of $333,000,000 pesos in the deferred tax on financial assets. This does not represent cash, but it is important to mention that this impact is given where the portion of the occasional profit rate would go, precisely, from 10% to 30%, that if it remains as it is there, that would be the most important impact. And the other is not a significant impact that has to do with the suspension of the 50% tax discount on income from the Industry and Commerce tax and the ICA, something that the consolidated impact would exceed $1,000,000,000,000 pesos, so let's say that mainly that is the main impact. The reform project also establishes a limit for income that does not constitute income, exempt income and tax discounts, since they cannot exceed 30% of net income, as currently Promigas does not exceed the limit and still has room for new benefits, here we do not see an impact on that aspect. Also, we see an impact on our investors, particularly domestic individuals, if the 39% withholding tax is applied to them, which today is 10% on dividends received, it would have an impact on the stock market and on the stock market. So, we have faith that, in particular, several of these points that are included in the reform should be reconsidered not only because of the impact it would have on the capital market investment community but also because of the negative impact it would have on companies. Thank you.

**Juliana Vergara:** We have several questions from Rodrigo Sanchez from Davivienda Corredores, the first one is: Considering the over compliance of the mentioned budget, could you please share the updated expectation at consolidated level of Ebitda revenue and net income of the controlling company of Promigas?

**Aquiles Mercado:** Thank you Rodrigo for your question. At this moment we expect to maintain the results as they are for the year, there is still a long way to go, we have a strong impact on our financial statements due to the interest rates that are affecting the corporate debt at a consolidated level, even this could strongly subtract the remainder of the year, even if we keep the debt level at the current levels, so we are clearly aiming to meet the budget apart from what Juan Manuel mentioned about the Tax Reform issue which as he rightly indicated would not have an impact on cash but it would have an impact on the net income marking and with respect to the execution of 116, which we are going now, could decrease around 8% or 9% only due to the issue of rates with respect to our consolidated debt.

**Juliana Vergara:** Thank you Aquiles. We have another question from Rodrigo Sanchez: What is the intermediation margin of the Brilla business and what is the funding cost of this operation?

**Aquiles Mercado:** Thank you Rodrigo, Brilla's intermediation margin is similar to the one charged for credit cards. Now, if we look at that intermediation margin we can mention that for the type and risk profile of the user it would be beneficial for them because the banks would not rate it with the same level of risk that we rate it, in that sense we believe that the users benefit favorably from that intermediation margin.

**Juliana Vergara:** One last question from Rodrigo Sanchez from Davivienda Corredores: What is your opinion regarding the Government's comments about the possibility of importing gas from Venezuela in the future?

**Juliana Vergara:** Thank you Rodrigo. We believe that imported gas, wherever it comes from, is an option that cannot be closed in Colombia, the important thing is not to depend on the sources of gas imports. We must develop our internal resources, Colombia has an important potential of internal resources to be developed. We recently saw the results of the exploratory wells that Ecopetrol did with Petrobras in the Colombian Caribbean, in the Tayrona block, specifically Uchuva, we also saw the results that Ecopetrol had with Shell in the gulf in front of Coveñas, the so-called KGG, with a very favorable result, a gorgon and I wish we could develop our internal reserves in addition to the efforts that companies are making on Colombian soil, in the foothills, in the lower Magdalena valley and in the Sinú San Jacinto basin. It is very important not to lose energy sovereignty and self-sufficiency with domestic sources, import sources are welcome to provide reliability to the system when required. Specifically Venezuela, we believe that we would be exposed as a country if we were to depend on that source, not only to the geopolitical risk but also to the climatic risk because when Colombia needs that gas Venezuela will also need it because they will also be affected by the El Niño phenomenon. So it is good, again, to have the option, but not to depend on it.

**Juliana Vergara:** We have several questions from Estefanía Mosquera from Credicorp Capital, I am going to read them all, we have already talked about these issues but if there is something to add we can do it right now. Could you give us an update on the regulation in Colombia in distribution and transportation? When is it expected to have the transportation revenues in pesos? When is the tariff update in distribution expected? Do you see any impact of these changes?

**Juan Manuel Rojas:** Estefanía thank you very much, I believe that the first question regarding the transportation regulation was already answered when we talked about the question that Ricardo had asked us, again, the first application of the tariff adjustment processes are made as of September 1st, I remember there that the application is of the new WAC, it would go from 15% to 10.94% in the specification issue that would be applied on September 1st and also the assets with updated regulatory useful life in 2020. The second comprehensive application would be expected in July 2023 and there updating administration costs, operation, maintenance and new demand charges as other assets. So that application of transport initially, now the one in September, has an impact that does not exceed 3% of revenues, while the one that we expect from July, in the second stage, would have a benefit increasing our revenues between 15% and 20%, that in terms of transport

tariffs. As for distribution tariffs, the methodology was also established last year, we have incorporated it in our tariff sheets and we are waiting for the new tariffs to be notified in the second half of the year, in our plans we have the updates as from January 2023 but we are waiting for the notification of these resolutions in distribution to be made now in the second half of the year. As for the commercialization tariffs, there is also a new methodology in the market and we are waiting for the signing of these tariffs, hopefully before the end of 2022.

**Juliana Vergara:** We have time for one last question, the questions that came later we will respond in writing to the emails, the last question is: What are the company's expectations in terms of dividend distribution for the year 2023 and the behavior of the share with the policies of the new Government? This question was asked by Ricardo Rios, independent investor.

**Aquiles Mercado:** Ricardo thank you very much for the question, we have not yet looked at the dividend issue for 2023, but we who provide the information as always we have to make a recommendation as management in having the necessary resources for the Capex programs that are received in the budget, not only for Promigas but at the corporate level, then for the operation and maintenance part all the Opex, These are sometimes intense years in these activities and after that we have to take into account a very careful monitoring of what our Ebitda debt indicators are, mainly to maintain our investment grade Triple A, Local and Triple B-international, based on this exercise we make the recommendation but it is the assembly in its autonomy who will decide at the time how the amount of dividends will be.

**Juliana Vergara:** Thank you Aquiles, I give the floor to Juan Manuel again to take the call.

**Juan Manuel Rojas:** Thank you Juliana, to all the people who are connected listening to the call, thank you very much for always listening to us, for being aware of our results. I would like to close by ratifying the excellent consolidated results as of June, where the company and the group once again demonstrates its commitment to investors and our stakeholders in terms of results, not only financial but also of a social nature. At the financial level, we have 19% Ebitda over the same period last year. At the net income level, we are 10% above the same period last year. We have been making significant progress in different business areas and at the social level as well, with a very positive impact on the communities in which we operate. I would also like to mention and ratify that natural gas, compared to other fossil fuels, has been in the Colombian matrix for the last 47 years in a very important way, changing the lives of many Colombians, particularly if you look at the 5,600,000 users that we have, more than 1,500,000 of them.We have changed their lives by reducing their energy poverty, their multidimensional poverty and their financial poverty. How? By significantly increasing their quality of life, increasing their income, particularly by saving them money compared to other products and therefore ensuring that natural gas remains in the basket of all Colombians continues to be a goal and a priority for the country. We are committed to this, providing the necessary transportation and distribution infrastructure to be able to reach all those 5,600,000 users that we have in Natural Gas and the almost 500,000 that we have in electric energy, reaching them with innovative solutions in energy matters. The other thing I would like to emphasize is the good balance we have in both distribution and transportation, where we see that our solid financial position is very balanced between those two elements, transportation and distribution. We practically continue to maintain that diversification, which is very positive, and now we are growing

significantly in Peru, diversifying there as well, where we believe we can achieve what we did in Colombia, where we see that there is an enormous potential for growth. So we continue working towards providing our investors and stakeholders with excellent results. Thank you very much.