

Promigas Results
Q3 2020
PROMIGAS
November 25th
Virtual Format

Juliana Vergara: Good morning, we warmly welcome everyone to the presentation of Promigas' quarterly results as of September 30, 2020.

My name is Juliana Vergara, Director of Investor Relations.

Through this platform we will have enabled the space for questions and will be answered at the end of the call. Please note that this video call is being recorded

Today we are joined by Dr. Eric Flesch, president of Promigas, and Aquiles Mercado González, financial and administrative vice president.

Now, I invite Dr. Eric Flesch who will start the presentation.

Eric Flesch: Good morning everyone, on behalf of the Promigas team, all my vice presidents and on my own behalf, I thank all the investors, shareholders, ladies, gentlemen, people, who are connecting to this video call and we are very pleased to introduce you Promigas' third quarter 2020 results.

We will be giving a review and in the end as Juliana says we will be very happy to answer any questions you have.

So let's go through the presentation.

The content of the presentation is: Relevant facts; Corporate aspects; We are going to go through the transportation GEN, the distribution GEN; And we are going to close with the main figures of our financial statements.

Regarding the most relevant events of the third quarter of 2020 we can tell you the following:

We had the reopening of the issuance of bonds in the international capital market for a final value of US \$ 120 MM after initial indication of an amount of US \$ 100 MM, we decided to extend it to US \$ 120 MM, this was possible thanks to an order book that reached a total of US \$ 818 MM (bid to cover: 8 times).

Also in this quarter we launched the Open Season project, the Open Season process where we aspire to use this tool to be able to give the country a new transportation infrastructure of a length of 300 kilometers between Córdoba and Antioquia, this project would cost in the order of US \$ 400 MM, The gas pipeline would have a length of 300 km and the idea is to be able to connect the coast with the interior of the country, with the western loop.

We also did a bond issue in the local capital market; Bonds for 600 billion pesos (COP \$ 599,999 MM) were successfully placed, issuance that had demands for \$ 1.04 BN, (bid to cover: 1.74x).

The final rates in the 5-year (IPC) and 25-year (UVR) series awarded correspond to the lowest in emissions made in the local market in 2020.

We also received credit ratings that show our good energy, Promigas received confirmation of its Baa3 international scale rating by Moody's and by Fitch Ratings, AAA local scale and BBB- international scale, both with stable outlook.

The results for the period show a - EBITDA: COP \$ 262,411 MM, budget execution of the order of 103% and a net profit: COP \$ 212,761 MM also with a budget execution of 104%.

Additionally, we have made a very comprehensive management of health and work at home, we continue with work at home and the results have been very satisfactory, we have preserved the health of our employees.

And the share price closes with a decrease of 8% so far this year, Promigas reached a market capitalization of USD 2.1 BN (COP 8.3 BN).

In response to Covid, Promigas has been a supremely conscious company and its first priority has been to protect its collaborators, today we have 60% of our collaborators working from their homes, 918 corresponding to (40%) working in the field and a few in the offices.

The operation has been 100% normal, without any trauma, we have supported our clients through temporary flexibility of transport contracts, we have financed users 1, 2, 3 and 4, both in gas billing and non-bank financing of Brilla and Other Concepts, we hope to have a gradual return plan to our offices in the first quarter of 2021, the date is yet to be determined exactly, depending on how we are seeing the curve in the country, the risks, etc. and we follow a strategy of prevention and management to avoid that our collaborators are infected.

With regard to corporate aspects, we can say that after the toughest months, our results show signs of recovery consistent with the situation of our clients.

We continue to support the recovery of the economies of Colombia and Peru with our transportation and distribution infrastructure, essential in the energy matrix of both countries.

We have not lowered our guard, we take advantage of the resilience of the sector and of Promigas and its companies so that, together with our effort and dedication, we can reach levels close to what is budgeted in 2020.

I am going to share with you the main figures for the third quarter, at the end our financial vice president, Aquiles Mercado, will give you much more detail, but we can say that in the third quarter our income reached \$ 0.3 BN, an execution of 97%; EBITDA reached an execution of 103% for \$ 0.2 BN and a net profit of 104% for a net profit of \$ 0.2 BN, really the effort of the company in controlling expenses, costs has been very important, which has Despite lower revenues, EBITDA and net profit results are above budget for this third quarter.

In the accumulated result of this third quarter, we see that the revenues have reached a 99% execution, the figure is \$ 0.9 BN, the EBITDA is also above 100% of the budget with a figure of \$ 0.7 BN and the net profit of \$ 0.6 BN, which means a budget execution of 98%, of this result 48% comes from our participation method, let's say our distributors and 51% from Promigas.

Regarding the consolidated financial results, income is \$ 1.0 BN of pesos, with the execution of 90%, EBITDA \$ 0.3 BN, 109% of execution, net profit of \$ 0.3 BN, 109% of execution, these figures correspond to the third quarter of 2020, again in net profit 46% is provided by distribution and 54% by transportation.

In the accumulated results to September 2020 we have that the income reaches \$ 3.1 BN of pesos, the EBITDA \$ 1.1 BN of pesos, an execution of 104% and a net profit of \$ 0.6 BN with an execution of 99%, really The figures are very satisfactory, despite this very difficult situation that the world has gone through, we are very satisfied to say that we are practically very close to the budget with the administration of expenses and costs.

The main relevant data by strategic business groups, we have the following: 3,291.6 KM of gas pipeline and a transportation capacity of 1,153 MPCD, we transport 458 MPCD per day; In regasification, we have an installed capacity of 400 MPCD per day, we have regasified 12,621 MPCD and in total we have regasified 70% days of the year, which means 191 days.

In terms of generation capacity, we have 46.85 MW and a gas treatment capacity of 35 MPCD.

Regarding the GEN of distribution we can tell you that so far this year we have 150 thousand new users, in Colombia we have 3.79 MM, which corresponds to 38% of the country, in Peru 1.11 MM for a total of 4.9 MM of users.

The populations served are 902 in total, 863 in Colombia, 39 in Peru. Networks laid about 64 thousand KM, of which 49 thousand were in Colombia, 15 thousand are in Peru and gas sales are 8,000 MMm³ of which, 2,512 million are in Colombia and 5,492 are in Peru. There have been, logically, as you can see, a decrease in these gas sales as a result of the pandemic and the crisis unleashed around the world.

Regarding non-bank financing, we have 3.6 million users, we have had an increase of 10%, the portfolio is at \$ 963,259 million and the placement this year has fallen by 52% also due to the pandemic and we have placed \$ 275,750 million pesos.

As for our electric energy area, through our CEO company in Cauca, we have 406,476 users to date and the demand for gas is 741 GWh, the losses reach 14% which is a quite reasonable figure and in As for networks laid, we have 27,864 km.

Regarding sustainable management, very relevant facts, we have received a ranking by corporate reputation, we are part of the ranking of the 100 companies and leaders with the best reputation in Colombia in 2020, carried out by the Business Monitor of Corporate Reputation, Merco; We have also supported our community, we have contributed COP \$ 4,000 million for medical equipment and hospital elements in the department of Atlántico; food and psychosocial support to more than 80 families victims of the fire in Tasajera, Magdalena and we have always worked with great RESPECT, ENTHUSIASM AND ALWAYS GOOD ENERGY, we were recognized by CINCEL, four of our companies were awarded in the Organizational Climate Quality and Healthy Work Environment.

Regarding sustainable management, I continue with the topic of relevant events, we have received an award from the Ministry of Science, Technology and Innovation of the Republic, it granted Promigas the recognition of having a Business Research, Development and

Innovation Unit, This truly places Promigas as the first company in the Colombian Oil and Gas sector to have this recognition.

It has also been something year after year that we have been receiving recognition in our relationship with the investor, the Colombian Stock Exchange and IR, for good governance, this recognition we received for the eighth consecutive year and this recognition highlights its transparency and good practices that we have in Promigas in its relations with shareholders and investors.

We have also received, CEO, our energy company in western Cauca, ranked third in the 2020 Business Innovation Ranking at ANDI and Dinero Magazine in the category "Nascent innovation ecosystems".

Next, I share the main results of the transport GEN and we can say the following: in Colombia we participate through four companies PROMIGAS, PROMIORIENTE, TRANSMETANO and TRANSOCCIDENTE; we transport about 50% of natural gas, we have about 3,200 km of gas pipelines and we have the only regasification plant in Cartagena.

In addition, we provide value-added service in gas production, we do all the filtering, gas cleaning, to the producers before the gas is injected into the gas pipelines; In the last five years, the country has extended its gas pipelines in an additional 372 KM, of which 304 (of these 372) were installed by Promigas, this means 82% of the expansion of the gas pipeline network in the country. the map where the blue lines correspond to the Promigas pipelines and its subsidiaries.

The investment has been 473 million dollars in the last 5 years and the increase in capacity has been +200 MPCD.

PROMIORIENTE, TRANSOCCIDENTE, SPEC which is our regasification plant in Cartagena, PROMISOL, ZONAGEN, the transport GEN has had revenues between January and September for 980,887 million pesos, an increase of 2% and in the third quarter these revenues had a decrease of 1 % 320,092 compared to July - September 2019.

The most relevant aspects of the period, we can say the following, regarding the volume consumed by sectors, we have that the Thermoelectric sector between January and September had an increase of 22%, the industrial one a fall of 6%, the distribution of 27% the natural gas for vehicles of 34%, at the end, so far this year, gas transportation has had an increase of 2%, however in the third quarter (July - September) the figure has meant a decrease of 6% Especially because the great growth in the thermoelectric sector, which was at 22 so far this year, stands at -4 in the third quarter, the rains practically arrived and the gas-fired power plants again, then they turn off; In the thermoelectric sector, the thermal plants of the Coast have supported the demand for energy especially in the first semester, when the reservoirs reached their lowest historical levels in the last 25 years at 32%, we can say that thanks to our regasification plant, SPEC in Cartagena, PROMIGAS and SPEC were able to guarantee energy security in the country, the Coast never shut down thanks to that backup that the regasification plant meant.

The industrial sector shows a decrease, as I said, of 6% mainly due to COVID, emergencies, as well as the distribution sector and vehicular natural gas have shown certain decreases;

and at the end of the third quarter of the year, PROMIGAS reached a length of gas pipelines: 2,755.5 km and a transport capacity: 951 MPCD.

Other additional figures, relevant for the period, the volume transported in million cubic feet in PROMIORIENTE, between January and September, were 28.5 MPCD, a fall of 11% and in the quarter a fall of 16%, basically these falls were They are due to a decrease in consumption, especially in the segment of regulated businesses and industries, served directly by other distributors such as VANTI, and also consumption at the Barrancabermeja Refinery has also decreased, all of this as a result of this pandemic that we are going through.

In Antioquia, TRANSMETANO still shows decreases of 7.9% so far this year and 3.6% in the quarter, basically they are falls in consumption, in regulated industries, we hope that this will gradually return to its normal levels in 2021.

Relevant aspects, finally, the efficiency and safety of the transportation system is currently guaranteed, including the expansion carried out, serving the markets of Cartagena and Barranquilla, a corrective replacement of the gas pipeline in Riohacha was made and the replacement of 2 sections of gas pipeline of 20 "in the current right of way in an approximate length of 8 km in the city of Riohacha, all this is maintenance that guarantees the proper functioning of the gas pipeline and the provision, as we have always done, of the service to our users.

We have received the credit risk rating from Fitch for 20 consecutive years from AAA at the national level, for 10 consecutive years from BBB at the international level, Moodys for the second year of Baa3 at the international level, these ratings reflect the consistency of our important credit quality for guarantee resources in moments of illiquidity and adverse market conditions.

In Promigas, the volume transported for the 3rd quarter shows an increase of 2% compared to the third quarter of the previous year. In September there were increases in thermal generation due to failures in the transmission line and electrical interconnection Cerratoso-Porce.

On the PROMISOL side, the Pipeline Replacement work continues in Riohacha and Guajira, which is 90% complete. This Line must be definitively completed by December, after the removal of the existing pipeline.

With regard to the infrastructure of LNG liquid natural gas, as I said before, we are the company that has the only regasification terminal operating in the country, thus strengthening the energy matrix in times of low hydrology, as happened to us in the first This semester of this year, in addition to that, it is a backup to attend to emergencies, maintenance or unavailability in the electricity transmission systems and / or the production or supply of natural gas in Colombia.

SPEC has really been of great benefit to the country, so far this year, we have received fourteen shipments, against six in the same period last year, an increase of 133%. We have received 689,809 M3 of gas an increase of 94% in the year, GN delivered of 12,621 MPC, an increase of 134% and we have regasified days (but not continuous) 191 days in the year, the truth then, as we said, before the low hydrology in the first semester, our regasification

plant was able to guarantee energy security in the country and especially on the Atlantic Coast.

Already in the quarter, a downward trend begins to be noticed due to the phenomenon of rains that we have been going through, which is normal at this time of year.

The regasification terminal supported all that generation of thermal energy, as I said just now, in the face of rationing, failure and damage to the circuits, etc., and delivery caps of 159 million cubic feet of natural gas were reached as what happened. on September 18.

SPEC has allowed the main thermal plants to generate close to 1,600 GWh of energy, providing reliability to the electric power system, especially in times of low hydrology and eventualities in the transmission systems.

PROMIGAS and SPEC have announced the possibility of expanding the terminal's regasification capacity to guarantee supply and contribute to energy security. We have been working on these analyzes and we will have a decision taken on this matter very soon.

Regarding regulatory aspects in transportation, in July, through CREG Resolution 135 of 2020, BOLSA MERCANTIL DE COLOMBIA S.A. was selected. As Manager of the Natural Gas Market, he has been a manager since 2015 and his new term will begin on January 6, 2021 for the next 5 years.

Through the Resolution of the Ministry of Mines and Energy 40209 of 2020, the deferral of gas transportation bills to traders serving residential users of strata 1, 2, 3 and 4 is extended until July, previously until June. CREG Resolution 153 of 2020 extends the grace period to be granted from 2 months to 4 months.

In August, through CREG Circular 076 of 2020, the 2020 regulatory agenda was modified. A final resolution of the rules for the commercialization of gas transportation is expected for the 4th quarter of the year, a final resolution of the procedure for calculating gas transportation is also expected. the regulated discount rate and we also await a consultation and final resolution of the methodology to remunerate the transport activity

Through CREG Resolution 155 of 2020, CREG submitted a query regarding the procedure for calculating the regulated discount rate for activities regulated by the Commission, including the transportation and distribution of natural gas.

Regarding GEN distribution results, we also have comments to share, we bring natural gas to 4.9 million users between Colombia and Peru, 94% of these users are served by Promigas and its associated companies and 38% of these Users are also served in Colombia by Promigas and its related companies.

Regarding electrical energy, we bring energy to more than 400 thousand users in Colombia.

About to natural gas coverage, we can say that in 2015, in Colombia, 64% of the country was covered by Natural Gas with about 8 million connections, in 2019 we were located at 9.8 million, In 2020 we already reached 10 million, which is a very significant figure, the growth of these connections has been 5% year after year and the most remarkable thing is that 86% of these connected users are strata 1, 2 and 3, which Which then, really, in addition

to the service reaching them, that also means a better quality of life, it transforms people socially, that is very important.

To feel proud in Colombia, with the 10 million users connected in Colombia, Colombia shines in the three Americas, it is the leading country in coverage, in connections, it has 71%, even over a United States with 48% and Argentina with 67% and countries that we say are far behind such as Mexico with 8%, Brazil 5% and in Peru where we are 11%, but Peru practically started about 15 years ago from zero, we are on the rise and we hope in Peru too bring that country to levels close to Colombia to 70% in the coming years.

Regarding the results of the distribution GEN of the third quarter, we comment the following: the revenues were 2,218,830 MM an increase of 3% and in the quarter of July - September we have an increase of 1%, the registered figure was of 753,658 millions.

Relevant aspects of the period: we can tell you that users in Colombia increased by 3% in connections made by Promigas and its associated companies, 863 populations served, networks laid about 50 thousand KM and gas sold about 2,512 MMm³.

Gas distributors in Colombia contribute 77% of the total users of the Distribution GEN (23% correspond to users in CÁLIDDA and QUAVII, in Peru).

The decrease in connections compared to September 19 is the result of the coverage achieved by gas distribution companies: GDO (our distribution company in Valle del Cauca, 91%), Surtigas 97% and a related company such as Gases del Caribe 90%, to the extent that we are, we already have coverage almost close to 100%, it is normal for the connection rate to decrease.

The penetration of 36 new towns reflects the permanent commitment of Promigas to massify the natural gas service to the families of the country and by cartographic update, 20 new populated centers were reached.

The gas sold corresponds to 43% to the distribution business and 57% to the commercialization business and the behavior of demand was absolutely affected by COVID and the lower sale corresponds to the decrease in commercialization and the decrease in commercial, industrial and NGV volume product of this pandemic that has affected us all in the world.

As the main relevant aspects in Peru we can tell you that in accumulated users we have grown by 14%, we are already above 1,100,000 users, the connections of the period were also decreased by the pandemic, 74,195 connections, 39 populations served, a 5% growth, despite the pandemic, we grew in networks laid, we reached 14,408 km, an increase of 13% and the gas sold a decrease of 10% as a result of the pandemic and lower consumption in all sectors.

1 million users in Lima and El Callao, with an effective coverage of 89% and we invoiced 5,439 MMm³ of gas, decreasing about 620 MM m³ compared to the accumulated to September, this in the area of Lima and Callao, the entire population, let's say densest in Peru.

In the QUAVII area, we distributed 53 MMm³ of natural gas, an increase of 104%, because we have been starting from practically zero and associated the majority of clients with the

residential sector, the fishing sector and the industry due to the extension of our coverage in this concession.

We reached 48% coverage, with an increase of 8% in the third quarter with a total of 107,757 users, exceeding contractual requirements by 6.2%.

The main regulatory aspects in Colombia, we can say that there has been a grant by the Ministry of Mines and Energy, with the resources of the FECEF, of an additional subsidy of 10% on the subsistence consumption of the natural gas service to strata 1 and 2 for two billing cycles for 2 months, and the deferral of bills for the residential natural gas service from April to July was extended for an additional cycle. Additionally, the grace period was extended to 4 months and the distribution companies submitted the tariff files for the approval of the new charges, in accordance with those established in CREG Circular 062 of 2020.

Relevant aspects in the distribution of electrical energy

Regarding the regulatory issue, we can say that the deferral of electricity service bills was extended for an additional cycle and the grace period was also extended to 4 months (until July).

Additionally, adjustments were made to the application of the Network Operators Loss Plan as a result of the COVID contingency. With this adjustment, during years 2 and 3 of the plan (CEO 2020 and 2021), modification of the plan is allowed without meeting the goal for the year, any cause for suspension or cancellation is eliminated. Additionally, the formula for defining the path to reduce losses is modified.

As Outstanding Operating Events we can say that during July to September 3,497 new users were connected to the network, already accumulating a total of 406 thousand and the energy demand served directly by the company was 177 GWh, allowing reaching 518 GWh at the end of September For a total of 741GWh by CEO networks, aiming to improve the quality of service, the company recorded a commercial loss indicator of 14%, lower than the 17% contractually required.

As for Brilla, our non-bank financing program, we can say that it has always been seen as a business model that has always received recognition from the World Bank, IIFC, the G-20 group, Financial Times, Andi Foundation, as an example. successful inclusive, sustainable business that seeks to improve the quality of life of users and helps them reach their milestones.

Given the situation of COVID-19 and the measures adopted by the national government, placements were logically affected, 181,066 users were benefited from January to September accumulating 3.6 million since the beginning of the program, and you can see in the sheet that 95% of these users who enjoy this program are from levels 1, 2 and 3.

The portfolio as of September 30, 2020 is for COP \$ 963,259 MM a decrease of 0.6% compared to the same period of 2019 and the past due portfolio index of more than 90 days, being an absolutely good figure for our standards of 2, 54%, lower than the national average for consumer credit banking.

Regarding the financial statements, I give the floor to our CFO Dr. Aquiles Mercado so that he can review the main figures, please go ahead Aquiles:

Aquiles Mercado: Thank you very much Doctor Flesch, regarding the individual Promigas profit and loss statements, when we review the results for the third quarter of 2020 versus the third quarter of the immediately previous year, we observe that the income had an increase of 0.3% when passing from 308,511 million to \$ 309,564 million, the EBITDA also grew by 2%, going from 257,909 million to 262,411 million, the net profit decreased by 7%, from 227,661 million to 212,761 million.

In the explanations that we are going to present about these figures, we find that the income that we already mentioned previously, the figure we had reached represents 97% compliance with the budget, mainly we had an increase in the volumes transported by higher thermal dispatches on the Atlantic Coast, associated with low water generation; increase in deliveries of imported gas and regasified by SPEC to meet demand from thermal power plants; additionally there was an increase in the exchange rate.

The Participation method had a 9% decrease, mainly in some of the companies that we mentioned as Surtigas, since during the 19, there were recoveries associated with the portfolio due to strategies implemented in its management that we did not have during 2020; In QUAVII, our subsidiary in Peru, there were fewer connections and higher financial expenses due to the debt balance, consistent with the strategy of ensuring from the beginning of the year the necessary resources for all 2020 activities and in PROMISOL we had delays in the works of construction due to the pandemic that afflicts us today.

The EBITDA that reached \$ 262,411 MM, an execution of 103% of the budget, had already been mentioned by our president at the beginning of his presentation, a strict control of costs and expenses for an austerity plan implemented in development of coverage and measures taken to face COVID-19.

The net profit presented an increase of 104% in an execution of the budget reaching \$ 212,761 MM and mainly due to a decrease due to higher income tax due to the lower tax benefit (40% of the legal stability agreement) compared to 2019 due to the lower investments made for expansion projects that were deferred as a result of the impact of COVID-19.

We also had a higher depreciation and amortization due to the capitalization of the Paiva-Caracolí gas pipeline and compressor stations.

When we look at the same results, but already accumulated as of September 2020 versus 2019, we find an increase in revenues of 8%, since they reached \$ 928,317 MM against \$ 856,965 MM in the immediately previous year.

EBITDA also reported an important growth of 10%, reaching \$ 765,254 MM and the net profit that increased 1%, reaching \$ 636,570 MM.

Regarding income, a 99% compliance with the budget, mainly for the reasons that we had mentioned previously, also that these reasons were presented during, mainly March, April and May, which saw an increase in the volumes transported by higher thermal dispatches from the Coast, associated with low water generation that reached the levels of the water reserves that feed the hydroelectric plants, the lowest levels in the last 25 to 30 years, which in turn generated, also offsetting a little operating income, an increase in the deliveries of

liquefied gas in our SPEC regasification plant, importing and regasifying gas to meet demand from the thermal plants, accompanied in turn by an increase in the exchange rate.

In the accumulated participation method, we had already mentioned the delays in construction works in PROMISOL due to the effect of COVID-19 and that during 2019, most of the activities related to the construction of a gas pipeline for Promigas, the 100 MPCD gas pipeline, which came into operation and is serving to satisfy the demand of the Atlantic Coast.

At QUAVII, in Peru, we had a lower number of connections, higher depreciation and amortization, higher options provisions due to the COVID-19 pandemic and higher financial expenses due to the higher debt balance that we mentioned.

In SURTIGAS we had significant expenses for humanitarian donations that we made to attend to COVID-19 in the area and a higher deferred tax, since in the previous year an adjustment was made in the calculation methodology for the financial asset granted.

Thanks to the control due to the responsible authority program in costs and expenses, the EBITDA despite the fact that we only comply (only 99% of the budget in income in quotes) reaches 101% of the budget and the net profit 98% of what was budgeted for the reasons mentioned above and which is really a budget that we consider remarkable, not only because of the figures achieved but also because of the environment that surrounds us to develop our operations.

As for the balance sheet, we had an increase of 10% to date in assets and 13% in liabilities. Regarding the assets, the investment funds that represent 79% of the total current assets is because we had loans obtained in March and April to attend emergencies due to COVID-19. In this case we made a very important management of surplus placement to minimize the negative carry that this could mean, but the primary objective was to guarantee the resources for the company's capex and opex in case the banking market reached significant liquidity. The other current assets 88% are due to the dividends decreed by the related companies in the March 2020 assemblies. The concessioned assets increased 3% due to progress in the execution of projects such as: Jobo - Paiva, Paiva -Mamonal and Jobo - Majaguas.

Financial assets grew 7% and the macroeconomic variables for the calculation of financial assets are due to the annual report, which corresponds to the recognition of the account receivable for the purchase option that the state has on the assets concessioned in 50 years. Other assets increased 7%, mainly due to the recording of earnings by the equity method, and capitalization of Gases del Pacifico for 22 million dollars. Liabilities increased by 13% in the development of the debt obtained by almost 1.3 trillion pesos to attend the emergency due to COVID-19 and have the necessary resources to develop our activities and also for ordinary and extraordinary dividends decreed in our assembly in March 2020 which meant an increase as they go from equity to accounts payable.

When we look at the debt consolidated by Promigas, it is important to report that by product at the end of 2020 with bonuses we have 58% and with banks 42% of our debt. Regarding the currency type, 64% of our debt is in Colombian pesos, 34% in dollars and 2% in Peruvian soles due to the operations we have in that country. We reached a total debt of 6.4 trillion consolidated, an increase of 21% versus September 2019, but as we can see on the right, the profitability of the box is 3.51% with what we said right now, optimizing the placement of

surpluses and we also managed to renegotiate a lot of the debt and the intervention of the rates by the FED and the Banco de la República in Colombia also helped us, with which the consolidated cost of the debt fell from 625 to 505, 120 basis points. Debt by company, a strong concentration in PROMIGAS is our corporate Pareto 49% followed by Peru 16% and Gases de Occidente with 11%. We ratify our credit risk ratings that have allowed us to issue bonds in the United States and Colombia in a period of 12 weeks. For 20 years we have been rated triple A, the highest nationally 10 years with triple B less international by Fitch with stable outlook both and second year B double A three international investment recorded by Moodys our western gas subsidiaries have 8 years with triple a national Surtigas seventh year with triple a national and PROMIORIENTE third year with triple a national also by Fitch.

In this sense, we can say "Our access to local and international banking and capital markets, based on our investment grade credit ratings, have guaranteed, even in the midst of the pandemic, THE RESOURCES NEEDED FOR INVESTMENTS IN COLOMBIA AND PERU AND FOR OUR ADMINISTRATION, OPERATION AND MAINTENANCE EXPENSES UNTIL MARCH 2021.

We will continue working to optimize the profile of our corporate debt, both in terms of term improvements and other conditions, in order to transmit these benefits to our integrated results, with the FIRM COMMITMENT TO MAINTAIN THE MENTIONED RATINGS AS we did in the re-profiling and optimization of the conditions. with the issues we made for 120 million dollars in the American market and 600 billion pesos in the Colombian market. "

At this time I give the floor to our president Eric Flesch to open the next stage of this presentation.

Eric Flesch: Thank you very much Aquiles and we now have a space for questions. We want to give you a few minutes and Juliana Vergara, our investor relations director, will help us with the questions and we will give a space.

Juliana Vergara: Thank you Dr. Flesch and Aquiles for the presentation and we will then give you five minutes to send us your questions.

5 minutes for questions

Juliana Vergara: We have the first question from Carol Roca from Credicorp Capital. My question is focused on the new investments in Peru, could you give us more color on the subject?

Eric Flesch: Carol, it's my pleasure to answer the question. In Peru we have, let's say three Cálidda companies in association with Grupo Energía de Bogotá, there is our company Quaavii and there is our company Gascop each of these three companies have, let's say, quotas or obligations to extend gas pipeline pipes in the cities and those projects They are continuous, they must continue, normally we always exceed those minimums those minimum obligations in a certain way the more users we connect the better for the company about that, let's say there was half a stop in the first months of the pandemic in Peru because there was a complete shutdown in the country But the works are already being normalized again, in the Piura concession where we have where we have Gasnorp there is a project to be executed to install about 280 kilometers of gas pipeline, that project is also underway, we also hope to be able to finish it by the end of 2021 early 2022, is ongoing. So let's say that the investments of the projects in Peru are not going to stop. Peru is a market, as I have

said before, extremely important in terms of growth and we believe in the country despite the political situation that has occurred in recent weeks and the answer is that the projects continue.

Juliana Vergara: Thank you Doctor Flesch. We have a second question from Carol Roca of Credicorp regarding the regulatory changes in transportation, what effect do you expect this to have on rates and the business in general?

Eric Flesch: I would like our vice president of transportation, engineer Ricardo Fernandez, to answer that question, Ricardo please.

Ricardo Fernandez: Thank you very much Eric. Carol, regarding the regulatory issue, we remind you that these proposed changes were published on October 27, this methodology is up for consultation, it is for us to deliver our comments on November 26, we hope this can be postponed and once we have all the analyzes we are obviously in We will give you more information through a very deep analysis process, but at this time we are doing all the analysis on the proposed changes.

Juliana Vergara: Thanks Richard. We have five questions from Rodrigo Sanchez from Davivienda Corredores, I am going to read them one by one:

The first, could you remind us of Promigas' current transportation regulatory wacc?

Eric Flesch: I would also like Ricardo to give an answer, please Ricardo.

Ricardo Fernandez: The current wacc is the actual 15.06% before taxes.

Juliana Vergara: Second question, compared to resolutions for comments 155 and 160 regarding the regulatory wacc in gas transportation, how far is the proposal compared to the expectations that were had?

Eric Flesch: Ricardo, please continue.

Ricardo Fernandez: Rodrigo, the truth is that we are currently doing the deep analysis with all our advisors reviewing these proposals. Of course, one of them is the revision of the wacc, the wacc according to the new circumstances is at a time that may go down but what We are analyzing and in due course, as I return to you and I repeat, we are talking with the Creg looking at what may be the best solution to the issue and in due course we will gladly return and give them a slightly clearer answer.

Juliana Vergara: Third question, could you comment on your expectations regarding the impact of these resolutions on Activos Colombia's regulatory base?

Eric Flesch: Ricardo, please.

Ricardo Fernandez: Let's say the proposed changes are in the useful life, we are also analyzing it, we are supporting all the information to the Creg we are going to deliver all our comments to be able to reach some conclusions in this regard. At this time, we do not have the possibility to tell you what the impact may be. Later we will return to you to clarify these concerns with more precisión.

Juliana Vergara: Fourth question, how are the negotiations with Canacol going regarding the jobo Barranquilla-Cartagena gas pipeline?

Eric Flesch: I commented in recent days in the previous Quarterly Call that from December 01 there must be a contract, there must be defined terms so that Canacol or any producer can use the gas pipeline, there were some differences that were already explained in previous months. At present there is an approach with Canacol, there are some conversations, these conversations have not ended yet and in due course when they end and we have a result of them we will be communicating to them, but there must definitely be agreed contractual conditions, agreed so that Canacol can use say that gas pipeline.

Juliana Vergara: Fifth question from Rodrigo Sanchez from Davivienda Corredores, can you tell us about the possibility or your intention to participate in concessions in southern Peru and how could you do it? I understand that there is the possibility of taking over existing Naturgy operations.

Eric Flesch: Well, our vision of Peru has always been of total openness to analyzing additional concessions, we have said that we like Peru a lot, we have said that it is a gas-producing country, everything has to be done, currently gas coverage is in the order of 11% while in Colombia it is 70% so we are going to be very open. The Naturgy concession, the answer is no, let's not say we are contemplating advancing any negotiations with them, but to the extent of the future that there are possibilities of that concession or other concessions that are of interest and that make a sense for the company that will add value of course we will be studying it.

Juliana Vergara: We have a question from Juan Carlos Alvarez from Credit Agricol CIP. After the documents for the call for the Pacific regasification plant have been published, they cannot comment on what Promigas' impression is on the matter. Is there interest in participating in this call?

Eric Flesch: I answer the following, Promigas already has the only regasification plant in the country, our vision about LNG is that the country needs it especially when today we have reserves for 8 years and it is a bit different regardless of the fracking pilots that are going to be made and that there are reserves in unconventional fields that will increase, let's say, the capacity of gas reserves in the country and other offshore reserves. LNG is always a good response as backup and we already saw it in this first semester when water resources fell to a minimum of 32% more reservoirs. So Buenaventura is of interest to us, of course, to look at it, to analyze it with all objectivity as we have always done, we are going to take a good look at the benefits for the country, we are going to take a good look at the convenience that Promigas could participate, etc. etc. But currently this issue is under analysis, we have not made a decision yet that we are going to participate, but we have not made the decision at the time that we are not interested, that is, it is under analysis and also at the time the company will make a determination about whether to participate or no.

Juliana Vergara: We have a question from Diego Buitrago from Bancolombia, what progress is there with the transportation contract with Canacol? What will happen from December 1?

Eric Flesch: As we discussed now, the conversations with Canacol were activated, I think that in the next few days there will have to be a result of these conversations and we will be communicating it. If on December 1 there is no contract signed between Canacol and

Promigas, the regulation says that as long as the pipeline has available capacity, any producer can use it, but Promigas being the owner of the pipeline, Promigas has commercial policies with some rates and then Canacol or any producer would have to take advantage of those rates according to those commercial policies that in the case that there has not been, between now and December 01, an agreement between both companies, there are still a few days left, we will see if achieves the agreement. This matter is of great importance for the country and when we have any result of the talks we will be commenting on it in due course.

Juliana Vergara: We have a question from an anonymous person, in which other countries in the region do you plan to make investments in the next 2 years?

Eric Flesch: I believe that now we are very focused on this challenging situation that has meant for the planet and for the entire population of this planet, Colombia and Peru, where we are facing this crisis unleashed by COVID, there has been a tremendous effort from Promigas and the companies that they are part of Promigas in the first place to take care of our collaborators, to guarantee the public gas supply service, to continue doing maintenance, to maintain a very safe infrastructure, etc. So, now we are very focused on that, I think that to the extent, God willing, in 2021 the vaccine arrives and we get vaccinated and the point returns little by little to normal life, we will be looking at, let's say, potential geographies where we are interested in being, today We are in Colombia and Peru, I have said before, the Americas the three Americas interest us there is no order of priority but the three Americas interest us and we will look at opportunities to the extent that is the precise window and where of course they add an important value to the organization.

Juliana Vergara: We have two questions from Tomas Laymuns of Barings. The first question is related to the new regulation, can you comment on the wacc proposed by the regulator and what comments have been made by the company?

The second question, I am going to read it at once: I understand that the regulator proposed a change in the remuneration currency for gas transportation to the Colombian peso. Can you comment on this? I'm going to read this part in English: How would you go about hedging the debt?

We have the first question of the wacc and the second of the change to Colombian pesos.

Eric Flesch: I would like to comment on the following that we are at this moment, as Ricardo the vice president of transportation said, reviewing the proposal of the Creg for comments, they have not even expired the term to deliver those comments so at this moment what there are are proposals and What we are doing is analyzing the proposals in detail, let's say at the moment there is nothing firm and all those questions that they ask us are part of the analysis that a group of experts from our company is doing and I would not want now that we are in full analysis that neither We have even delivered our answer to the Creg because the terms have not expired. Creg pursues its intelligence and experts who know the subject so that the gas service is provided more efficiently e in the country we understand it this way and on our side we are also looking to see how we contribute to the Creg that this is fulfilled in objective, achievable conditions and that in the end everything results in greater consumption and greater efficiency for the provision of gas service but I would tell the person asking that question that we are a few days away from providing an answer to these comments and we still do not have the final conclusions that will allow me to give precise answers to those questions that they ask me.

Juliana Vergara: We have other questions from Diego Buitrago from Bancolombia. Promigas and its subsidiaries in Colombia had the impact of the additional contribution to the Superintendency of Home Public Services, if so, how much was the increase in the contribution at the consolidated level?

Eric Flesch: I want to pass that question to our VP of Distribution Wilson Chinchilla, Wilson please help us.

Wilson Chinchilla: Thank you very much Doctor Eric. In reality, the liquidation that the Superintendency has made for Promigas including its subsidiaries impacts about \$ 38,000,000,000,000 million pesos. I must warn that article 18 of law 1955 of 2019 that article was declared unenforceable by the constitutional court, therefore we are waiting the ruling of the constitutional court is officially published to review the scope of that unenforceability and the application then of that amount that I have mentioned of \$ 38,000,000,000,000 until we do not have the concept officially because we will not be able to know if the payment applies or not for this year and for the following years that is all Doctor Flesch.

Eric Flesch: Thank you very much Wilson.

Juliana Vergara: We have two questions from German Cristancho from Davivienda Corredores. The first, what modifications are expected by the Creg for regulatory wacc and what financial impacts do you estimate derived from these changes?

Eric Flesch: German, how are you? As I mentioned now, we are still in discussion with the issue of the wacc, as Ricardo said a while ago, the current wacc before tax is 15% yes, we have thought that there will be a revolution of the wacc, we do not know how much the new one will be wacc not yet because it is an issue that we are still understanding, still under discussion and the company has suddenly adjusted to that possibility and we have not calculated the impact either, we have done some simulations but we have not calculated the measure so objectively that we do not know how much it is going to be that new wacc and also that in that methodology not only the wacc variable is the one that also counts the issue of investments, the issue of AOM expenses, etc. the issue of consumption, of demands, then you have to take all this once we have a more real certainty of how much that wacc could be in order to be able to have a certainty of how much the impact could be if there was one in our results.

Juliana Vergara: Second question from German Cristancho from Davivienda Corredores. With the political situation in Peru, what impacts could the operation have in this country?

Eric Flesch: German, has not had it, it has not had an impact in Peru historically the economy is not affected by the political situation, historically we are observing very closely what happens there the last thing that happened this removal of President Vizcarra that terrifies us It seems unthinkable that this could happen in Colombia because in Peru it is normal because it is in the constitution and because that is for it to be used and for it to happen then suddenly here we are more alarmed than they are alarmed there of course it is not good not to have a definitive but interim government in Peru because after all the government regulates and the government has that north of hydrocarbons for the next few years, the good news is that for the first half of next year there are already elections for the new government And this government, let's say temporary, is going to be for six months, so we hope that the elections will come, the new government takes office and in Peru, let's say

it will be reestablished. It is reassuring before our eyes the Government in Peru, logically this is disturbing, Peru is a very good country but I think that Peruvians know how to handle the issue and this has not affected the economy until today and we think that in six months that remain of this Government is not going to reach to affect us, let's say affect the economy or our business so we follow very closely, there is no writing, there is no certainty of anything we are betting that it does not affect us.

Juliana Vergara: We have the last question from Diego Buitrago of Bancolombia, how did you see the specifications for the Pacific regasification project, would Promigas be interested in participating? And if so, how do you plan to finance this project given the company's high level of indebtedness?

Eric Flesch: The high level of indebtedness, you who are bankers respect a lot that you see it that way, we see that the indebtedness of the company is a very healthy indebtedness and logically as we are expanding our operations we are also in some way working with a planning financial so that indebtedness does not increase but we are very far, very far from that 4.5 that the debt ratio that the agencies suddenly raise a yellow flag and tell us then not to approach, we are very far from there, so on the side of indebtedness we are calm.

Regarding the regasification plant, I said it right now, we are reviewing all the information, it seems to us a project that may be necessary for the country, it may be important, as support for the current reserves, we are currently LNG players, with our regasification plant in Cartagena and this regasification plant have played a fantastic role in favor of the country and in this year, as I said, thanks to the regasification plant we did not have a blackout on the Coast, because the reservoirs reached minimum levels and because the thermals had to be turned on at full speed , for several months and the regasification company ensured that the energy matrix in the country would work without any minimum trauma, in such a way that we see Buenaventura with interest, we are studying it, we have a new business engineering group in our company, we have an investment committee at the level of our board of directors, we are in the analysis and we have not yet concluded whether we are going to participate or not, I would say then that Here at the beginning of next year we will surely have more information and more support to make that decision, for now we continue studying the subject.

Juliana Vergara: Thanks Doctor Flesch, we have no further questions.

Before asking Doctor Flesch to close the event, I wanted to confirm that both financial statements and the presentation you have just seen are posted on our website, I also wanted to ask you to fill out a survey about our management in the IR area and the presentation you just viewed, the button to fill out the survey is below the screen. Now yes, I ask Dr. Flesch to proceed with the closing of the presentation.

Eric Flesch: I am very grateful to all of you who have joined in this third quarter results delivery report, I thank you very much for your trust, I thank you very much for your interest in Promigas and its related companies and we hope to have the best possible closing of the year 2020, As we show right now we are close to meeting the budget, we have no certainty or guarantee that we will meet it, but we are going to leave the shirt on the court to try to get, let's say, the best result by the end of the year and to be able to overcome, let's say, all this Such a difficult situation that all Colombians and Peruvians have gone through in this year 2020.

I thank everyone who has accompanied us very much, this company is still very open through Juliana, our director of investor relations, she is always 365 days a year very open to assist you, any question, any topic you want to touch, this is your friendly company and we will be very happy to be able to, let's say give you information that anyone requires.

Thank you very much, I wish you a good day, tomorrow is Thanksgiving, then also Thanksgiving to everyone and well, God bless you and we hope to have a very good closing of the year, as I said before, thank you very much and A very special greeting to everyone and to the Promigas team, thank you very much for attending this conference, thank you very much.

-----THE END-----