**Transcription Quarterly call**

**Promigas 4Q 2021**

**Juliana Vergara**: Good morning, we welcome everyone to the presentation of Promigas' quarterly results as of December 2021.

**Juliana Vergara:** My name is Juliana Vergara, Director of Investor Relations, through this platform we will have enabled the questions button so that 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 - Financial and Administrative vice-president and other company executives.

I will now give the floor to Juan Manuel, who will begin the presentation of the results for the fourth quarter of 2021.

**Juan Manuel Rojas - President of Promigas**: Thank you very much Juliana, good morning everyone, welcome to the presentation of our results for the fourth quarter 2021. We are going to start this presentation with the relevant facts of the fourth quarter of the year, then I would like to highlight the following: the fourth quarter we reported an Ebitda of 501,900 million and a net income of 265,046 million pesos. In terms of energy services, we were able to make progress in Promigas accompanying the energy transition and the decarbonization of our customers, reaching a contracted capacity of 17.5 megawatts peak of distributed generation with photovoltaic panels. In terms of credit ratings, during the period we were able to ratify the AAA rating from Fitch at the international level, we maintained our investment grade rating, Fitch triple b minus and Moody's Baa3, despite the loss of Colombia's investment grade. We also achieved the rectification of Gases de Occidente and sub de gas with AAA rating of Promioriente with AA+ and the rating of Centrales Energéticas de Occidente with AAA.

We also received recognition for our investor relations group, for the ninth consecutive year the Colombian Stock Exchange ratifies our commitment to continue promoting best practices in information disclosure and investor relations. We made progress in our two hydrogen pilots; you could see that two weeks ago we inaugurated the first hydrogen blending pilot in natural gas networks. As the last relevant milestone of the fourth quarter, we were considered one of the companies with the best corporate reputation in Colombia, by Merco Ranking. Let's go to the next one please

Having mentioned the relevant facts of the fourth quarter let me now emphasize the relevant facts of the year 2021 for the corporation, it was a very remarkable year for Promigas, we were able to meet and exceed our profit budget goal, we exceeded it by almost one hundred billion pesos achieving a net profit at the end of 2021 of one trillion one hundred and fifty billion pesos. In terms of social environmental and governance we were able to implement our governance model in sustainability for the role of the corporate center, we also implemented a gender policy for our boards of directors, here I want to highlight for example that in the board of Promigas 60% are currently women, in regulatory aspects we had significant progress in regulatory variables, In regulatory aspects we had important advances in regulatory variables, since the tariff transportation methodology was defined and the WACC was also defined for our assets in terms of our regasification in 2021, we were able to position S&P as the country's energy insurance and the only viable alternative to solve the eventual gas deficit in Colombia economically and opportunely. Promigas was also included in the S&P Global 2021 Sustainability Yearbook and we were highlighted in the Gas Utilities sector within the 15% of companies with the best sustainable performance.

A very important milestone is that also in the year 2021 we achieved the consolidation of all the foundations of the Promigas group in a single foundation that we will see later that we were able to implement investments for thirty-seven billion pesos through the foundations of the Promigas group and this consolidation is very important because we already have an aligned focus of the efforts we make in terms of sustainability throughout the business group. In terms of good sustainable development practices, we were recognized by the Bogota Chamber of Commerce and the Global Compact Network for the quality of life program and safety in the industrial processes of our operations. Let's go to the next one please.

Now let's go into the details of the relevant data by strategic business group and I will start with the strategic transportation group, we closed the year 2021 with a gas pipeline network of 3,288 kilometers of networks and with a transportation capacity of 1,153 million cubic feet per day, in terms of liquefied gas material we maintained our regasification capacity of 400 million cubic feet per day and we have a volumetric capacity to regasify 1,863 million cubic feet. In terms of industry solutions, I would like to highlight that we already have 47 megawatts installed in self-generation and cogeneration for our customers, and we have a gas treatment capacity of 35 million cubic feet per day. If we move to the distribution strategic business group, I would like to highlight that we currently have five million eight hundred thousand customers, of which five million four hundred thousand are natural gas customers and four hundred twenty-three thousand are electricity customers and let me highlight in this particular graph the growth in natural gas customers in Peru, we already have one million four hundred thousand customers connected to Promigas networks in gases in the north of Peru, in the Piura area in gases from the Pacific. Here we had an increase of 26 % last year and we continue with our business plan effectively. I would also like to highlight that in natural gas we currently have more than 68,275 kilometers of networks for distribution, and I would also like to highlight the performance of brilla and non-bank financing, last year we ended with a portfolio of one trillion three hundred and fifty thousand billion, we achieved credit placements of nine hundred and sixty thousand billion pesos, an increase of 113% with respect to the previous year.

Let's go to the next one please. In terms of individual financial results for the fourth quarter of 2021 we had revenues of four hundred billion a 113% execution against budget, an Ebitda of three hundred billion a 110% execution against our budget and a net income of three hundred billion and 98% of what was budgeted.

Let's go to the next one please. In terms of the individual results as of December 2021 we had revenues of 1.6 trillion pesos, 110% over our budget, Ebitda of 1.4 trillion, 111% over budget and net income of 1.1 trillion 109% over our budget

If we go to the next one, in consolidated financial terms in the fourth quarter of 2021, revenues reached 1.2 trillion the Ebitda five hundred billion and we had a net income of three hundred billion, now let's go to the consolidated results of the group as of December 2021, in terms of revenue we obtained 4.5 trillion pesos in revenue, we achieved 100% of our budget, an Ebitda of 2 trillion pesos we were at 108% of our budget and a net profit of 1 trillion 150 billion pesos we were 104% above our budget.

Let's go to the next one please. Let us move on then to the group's operational results and I would like to start by highlighting the reliability of our operations, which are safe and efficient, we continue to maintain a very impressive operational efficiency record, we have completed 5 consecutive years with a 100% continuity of transportation services and with a percentage of losses in our transportation system well below 1%, we have this favorable evolution in these indicators, particularly in volumes transported, I would like to highlight that the thermoelectric sector and the industrial sector continue to stand out as the main demanders of our volumes in the last quarter of the year, the thermoelectric sector had 146 million cubic feet per day and the industrial sector had 196 million cubic feet per day.

Let's go to the next one please. In this graph we see how we have managed to reduce the Lost Time Injury Rate indicator over the last 5 years, we have managed to reduce it by 18% from 4.66 to 1.78 and our goal is to continue reducing it, demonstrating once again that the company has a safe operation and safety remains a priority, our operational concepts remains the number 1 priority. We had zero fatal accidents and we achieved the unification of standards for safety management and contractors at the corporate level.

let's go to the next one please. Let's go then to the results of our strategic transport business group and here I will dwell on the revenues particularly of this segment between October and December 2021 the revenues of the transport group reached 344,740 million for a consolidated in 2021 from January to December of one trillion three hundred and fifty thousand seven hundred and twenty-six million a variation of 2% compared to 2020.

Next please: if we look by sections and by business in the business of Promigas in the Atlantic Coast specifically, we closed the year with 2756 km of gas pipelines and with a transportation capacity of 951 million cubic feet per day, it is a very important capacity if we take into account that Colombia on average demands 1000 million cubic feet per day, Only the transportation system of the Atlantic Coast we have 950 million cubic feet per day, and in terms of volumes the volumes transported in this network in the last quarter of the year, reached 337 million cubic feet per day.

Let's go to the next one please. If we look at the Promioriente section in the East of the country and the Trasmetano, I want to stop here particularly in the case of Promioriente, as you know, the volumes transported were affected by the emergency in the case of Gibraltar Bucaramanga, which occurred from August 3 to December 14, here there was a partial attention to the demand with a counterflow from a transfer point in Barrancabermeja. On December 15, 2021 we managed to overcome this force majeure event by reestablishing the service of the Gibraltar - Bucaramanga transportation system with the construction of temporary sections allowing the reestablishment of deliveries from the Gibraltar gas field and the reactivation of gas contracts on said date in said source forgiveness. If we move to the Transmetano system, we see that the outlook for consumption remains positive due to the recovery from the effects of the pandemic, even surpassing pre-Covid levels, registering a historical average volume transported of 53.7 million cubic feet per day in November 2021 and a daily maximum of 59 million cubic feet per day.

Let's go to the next one please. Let's move on to Promisol's business, Promisol continues to stand out as our energy solutions and natural gas infrastructure company I would like to emphasize that we continue to comply with the maintenance services of the Promigas gas pipeline, we continue to operate satisfaction of the BOMT contract of the Bonga-mamey plant reaching an availability in operation of 100% during the fourth quarter 2021, we had a 32% progress in the construction of the banana zone gas pipeline 70% progress in welding process particularly, and we achieved the construction of the directed horizontal crossing in the Sevilla river being the first directed horizontal crossing project executed 100% with Promisol equipment machinery is a fact to highlight.

Let's go to the next one please. Regarding our regasification Spec, I would like to highlight the following elements we had a decrease in the number of regasification days between 2020 and 2021 to a large extent, because we had a year of much rainfall in 2021 then regasification days decreased, while in the second quarter 2020 the country experienced the level of reservoirs close to 32% during 2021 the country required less thermal generation and that made in the days with regasification were lower, now well, the strategic proximity main international sources of liquefied natural gas understanding this connect the gas transportation system through a 10 kilometers pipeline gives much reliability of the Colombian system, during the second quarter forgiveness the country required much less thermal generation to complement the hydraulic generation in 2021.

Let's move on to the next one please. In terms of natural gas and regulatory aspects with the CREG during 2021 we had the publication of the new methodology for natural gas transportation through resolution 175 and here we would like to highlight the following elements that resolution establishes that the transporters submit their tariff requests during the first half of this year, we submitted them in February 2022 behind the resolution an update of charges was made in stages as of July 1 the rates are updated with the new WACC capital cost rate and the currency of the charges change from dollars to pesos, for the second stage the transporter may request changes in the configuration of the sections and the investment variable AOM and demand will be updated the new methodology also includes the methodology for calculating the regulated income for projects of the supply plan and every two years tariff revisions may be made to include new investments.

Let's go to the next one please. In terms of results of the strategic group of distribution business I would like to highlight the following: in terms of revenues this group of distributors obtained nine hundred and forty thousand nine hundred and seventeen million in the fourth quarter of 2021 and closed 2021 between January and December with three trillion three hundred and sixty-one thousand eighty-three thousand pesos of revenues an increase of 11% with respect to that obtained in 2020.

Let's go to the next one, please. What relevant aspects do we want to highlight from what has been achieved by our strategic distribution business group? First, we currently serve 38% of users with access to natural gas in Colombia and 94% in Peru; second, we exceeded the goals set for 2021 despite the challenges posed by the pandemic and the national strike; third, we continue to advance in the digital transformation of our businesses to meet the needs of our customers in a timely manner; here we have started aggressively in the installation of prepaid meters and smart meters in our customers, and this year we expect to close with a significant increase on both fronts, both prepaid meters and smart meters.

In terms of natural gas, we have five million four hundred and forty thousand customers benefiting from the service distributed 73% in Colombia and 27% in Peru; in terms of natural gas, we also achieved early start-up in April 2021 in gases in northern Peru in the Piura concession, the project ended in 2021 with 69% progress and 3,684 users connected; you could see that in the process of where we connected our 4000th user in that concession. And we had more than 124% growth in the fleet of dedicated cargo vehicles operating in our areas served for Surtigas and GDO.

Let's go to the next one please. In terms of electric energy, as I mentioned before, Fitch Ratings rated Centrales Energéticas de Occidente for the first time, granting the AAA rating, the highest credit rating locally, and in energy solutions we managed to become allies in the energy transformation of many of our customers, offering integral sustainable solutions and renewable energies and energy efficiency, as I mentioned at the beginning, we have already closed in terms of 2021 contracts with 17.5 megawatts of peak contracted power. In Brilla we continue to move forward with the digitization of credit, the implementation and deployment of tools for the increased profitability of potential customers using external data and the updating of entities and the graphic identity in line with the new strategy.

Let's go to the next one please. The accumulated results of the strategic business group in distribution allow the following: we had 748,000 users in terms of Brilla with 4.5 million transactions accumulated since the only, since the beginning of the program and I emphasize that a good part of those users belong to stratum 1, 2 and 3, 45% of Brilla users are stratum 1, 4% belong to another group, 37% stratum 2 and 14% stratum 3. Brilla has become a very important financing tool (non-bank financing) for strata 1, 2 and 3 in Colombia; in terms of Ebitda we had results of two hundred and thirty one thousand four hundred and six million, in the last quarter of the year against 2020 due to economic reactivation in Colombia and in Peru in terms of CAPEX we were able to execute, I would like to highlight one trillion one hundred and thirty six thousand two hundred and five million, a variation of 89%, 48% of that CAPEX materialized in controlled companies and 52% in non-controlled companies and as I mentioned at the beginning we placed 960.492 million of credits in shines in all of 2021 a variation of 113% with respect to 2020.

Let's continue please: We move on to corporate issues, there I would like to highlight the following: in our route towards decarbonization we had four relevant aspects, first in terms of measurement since 2013 we measure our emissions manually since 2016 we are certified in ISO 14000 064 in that sense the results in 2020 to 2021 scope 1 and two emissions reached 216.992 tons of CO2 in emissions, this year we will continue to measure the emissions of all our operations now under the new ISO 14064 version 2020 standard; in climate governance, in the fourth quarter of 2021 we began the implementation of the Task force on climate change financial disclosure guidelines with the identification of risks and opportunities derived from climate change for the effective disclosure and transportation of the same, in January 2022 we will publish our first climate report under the TCFD indicator, the third point I would like to highlight is that in emissions reduction targets our commitment is to go to January, This year we will make public our goals for 2030 to 2050, this is a commitment we have at the corporate level, fourthly, the Impacta Más Biodiversidad program was implemented, its purpose is to compensate those emissions that we cannot eliminate or reduce, in the fourth quarter we started a pilot through which we will work with 100 families to restore 128 hectares in the Sierra Nevada Santa Marta, in 2022 we will continue advancing a voluntary project for the protection of biodiversity, our goal is to plant 1.5 million trees by 2030.

Let's go to the next one please. As I mentioned at the beginning at the beginning one of the greatest achievements of 2021 was to have consolidated into one the Promigas Foundation, in that sense we achieved in 2021 investments that reached 37,427 million pesos as an integrated Foundation, it is an amount that satisfies us enormously as a business group, 45% of those 37.000 billion was dedicated to productivity projects education for employment and entrepreneurship, 35% in the areas where we operate allowing us a social license to operate, and 21% had to do with responsible citizenship of responsible citizenship programs, 57% of social investment was managed through the Promigas Foundation and the remainder through the Foundation of our affiliates. For every peso invested from the Promigas Foundation, 1.25 pesos were mobilized with third party resources. I would also like to highlight that the management of the fourth quarter of 21 has to do with economic reactivation and we focused on strengthening English to access formal employment, on formalizing productive units and increasing their sales, and on strengthening the capacities of entrepreneurs to increase the income of the families we are helping.

Let's go to the next one please. Here I give the floor to our CFO Aquiles Mercado to go into detail on the subject of financial results, thank you very much.

**Aquiles Mercado:** Thank you very much Juan Manuel for giving me the floor, let's review our results both in the fourth quarter of 2021 and in the accumulated year, at the end of the fourth quarter 2021 we obtained revenues that exceeded six hundred and seven billion pesos a decrease of 31% and we will explain in detail later these decreases that were due, very specific to the fourth quarter, the Ebitda also correspondingly with or consequently with what happened in revenues decreased by 36% and net income by 49%, what is the reason for this? In general terms, in operating income we had a decrease of 11%, mainly originated by the higher TRM due to the representative market rate of invoicing in 2021, which increased from 3,481 in 2020 to 3,731 in 2021.731 in 2021, the equity method, i.e. that contribution in the case of our investment portfolio in both controlled and non-controlled companies, decreased by 49%, reflecting the results as follows: in Gases del Pacífico in Peru, the application of MFRS 15, let us remember that the standard that is related to revenues from ordinary activities from contracts with customers a concessions standard started in November 2020 and included the retroactive of previous years all this was done in December 2020 therefore we can see that the fourth quarter of 2020 having done all the retroactive marked a very important income because it includes the recording of these revenues from concessions of all the years in which we had not applied the NIFF 15 until it was mandatory and in 2021 the same does not happen so they are not comparable and there is a decrease, Therefore, we recognized the margin associated with the performance obligation for the construction of the infrastructure of the concession. Surtigas, let us remember that Surtigas was the first qualified operator that we registered in Peru and since Gases del Pacífico is a partner, a condition that it still maintains, but with a lower participation, it presented lower income via the equity method due to the lower profit due to a higher recognition in NIFF 15 in 2020. Promioriente, as our president has already explained in detail, presented an affectation to the volumes due to an emergency in the Gibraltar gas pipeline that goes to Bucaramanga, an emergency that lasted from August 3 to December 15, now operationally solved; As for Gasnorp, another of our concessions in Peru, obtained better results in the concession construction business due to the NIFF 15 margin due to the higher CAPEX that we have deployed in this concession in line with the plan of massification of the same and due to the better operating results because we have had the early entry of customers and their respective volumes thanks to the huge commercial activity that we are developing in that country. As for Cálidda, the company that serves the entire area of Lima and Callao in Peru, we obtained better results in the distribution business with a higher invoiced volume thanks to the recovery of the economy after the effects of the pandemic, higher income from the sale of internal installations and connections, and also, consequently with the recovery issue, a lower deterioration of the portfolio. Regarding the individual financial statements of profit and loss, in the fourth quarter of 2021 against 2020 the revenues presented what we had explained of 31% which affects the Ebitda however the Ebitda had an increase of 110% or an execution of 110% with respect to the budget and it is due to the decrease for the lower revenues by participation methods that we already explained and higher costs and expenses due to to the specialized consultancies related to the inclusion of new businesses that we were carrying out in 2021 in line with our strategic plan and mainly due to the normalization of activities due to the end of the quarantine generated by the Pandemic during 2020, which undoubtedly caused some lower activity in all activity fronts. Regarding net income in the fourth quarter we obtained 98% of the budget, a figure of 256,104 million, since it includes the decrease due to the lower Ebitda already explained, the impact of the higher depreciation of amortization, an amortization due to the recording of provisions for the intelligent marrano, which is an element used for the internal cleaning of gas pipelines, to be executed in 2022, and due to the recording of the deterioration and dismantling of gas pipelines for replacement works due to the end of the normative useful life of some of these pipelines. Also, there were higher financial expenses associated with the higher average debt balance and the higher CPI, the consumer price index, 40% of our debt is indexed to this parameter, mainly bonds in Colombian pesos, and the higher average debt balances correspond to the significant increase we had in CAPEX mentioned by Juan Manuel and mainly to highlight some of the parameters in Peru for the development of our concessions in that country.

When we look at the profit and loss statement of Promigas individually but already at a cumulative level for the whole year 2021 versus 2020 we observe that our results show significant increases in terms of revenues of 7%, Ebitda of 6% and net income of 1%. When we analyze the revenues we notice that we executed 10% more than what we expected in our plans and programs for the year and this is due to the fact that the operating revenues grew by 8% this item presents an increase due to the higher market representative rate of invoicing let us remember that our transportation tariffs in not only in Promigas but also in companies in which we participate in this front are denominated in dollars at least until the regulation comes into effect and pass them to pesos with which when the TRM goes from 3,518 to 3,690 in 2021 we had that important impact on revenues while we had lower revenues in 2020 because civilization of contracts as a result of the pandemic in development of all the support we were providing to our customers, to be consistent with what was happening not only in Colombia but worldwide and we reflected it a little lower revenues, however it is a work that we undertook that we recorded and reviewed in the reports of the corresponding year.

In 2021 there was also an income from gas imbalance billed to Gases del Caribe for losses in the distribution network of Barranquilla corresponding to this company; as for the equity method we had a 6% increase for the following reasons: in Gasnorp one of our concessions in Peru that obtained better results in the concession construction business by NIFF 15 margin due to higher CAPEX to capital investments in line with the massification plan of this concession better operating results due to the early entry of customers their respective volumes, in Cálidda of Peru there was an increase due to higher invoiced volume higher income in invoiced sales higher income in sales internal installations and connections and Also there was a lower portfolio provision in 2021, since 2020 was affected by the pandemic that we have mentioned repeatedly.

Gases de Occidente obtained higher profits in the natural gas business due to lower costs, as well as lower portfolio provision expenses and lower financial expenses. Surtigas presented an increase due to higher profits in the natural gas business as a result of the non-bank financing business and the sale of materials and services to all our customers and builders who are working on the installation of natural gas connections. In Gases del Pacífico Perú, there was a lower net income due to the application of MFRS 15 that started in December 2020 and included the retroactive of previous years due to the retroactive application of this standard that was not in force before this period, so a margin associated with the performance obligation of construction of the infrastructure of the concession is recognized. Promioriente, as we have already mentioned, presented an affectation in the volumes due to an emergency in the gas pipeline, now happily overcome.

In terms of Ebitda, we obtained 11% more than what we had planned and budgeted for the year, mainly generated by higher revenues from transportation by the equity method consistent with the results of our subsidiaries, partially mitigated by higher costs and expenses due to specialized consultancies related to the incursion into new businesses, This incursion into new businesses is in line with our strategic plan, and also all activities were normalized or normalized due to the end of the quarantine.

Net income finally obtained 9% more than budgeted by exceeding 1.1 billion pesos of net income, this item as the final line of our financial statements accumulates the impact of the increase through Ebitda due to higher financial income generated by the disbursement of loans to related companies in the development of our corporate treasury management, and by the higher income from financial assets due to the updating of operating and macroeconomic variables. The above was partially reduced by higher financial expenses due to a higher average debt balance as a result of the higher CAPEX developed, an increase in the consumer price index since 40% of our debt is indexed to this parameter, the bonds in Colombian pesos that we have issued as a recurring participant in the local capital market, the higher current income tax since we obtained a lower tax benefit from the legal stability agreement due to lower investments for rescheduling, It is worth clarifying here that this higher current income tax or lower tax benefit is not lost, it is saved and once we undertake this year we are planning all the investment activities in productive fixed assets we will have access to the benefit we obtained at the end of the agreement to sign the legal stability agreement with the state.

We move on to our individual balance sheet, to explain the variation in the main accounts that make up this financial statement, in the other current assets we present an increase of 9% mainly due to the dividends declared by the related companies in the meetings of March 2021 which had an increase of 2% with respect to those declared in 2020, There is nothing related to a deterioration in the development of our collection of accounts receivable, simply at the closing in December of the year and then in January it normalizes when our customers pay on time as they have always done. The financial assets include the effect of the update of the macroeconomic variables necessary for the calculation of the financial assets, which corresponds, as you all know, to the recognition of a potential account receivable from the Colombian government by virtue of the purchase option that the government has on the concessioned assets. The other assets presented an increase of 21%, generated mainly because we undertook an intensive capitalization program in Gases del Pacífico, Gases del Norte and Promigas Perú, to strengthen their equity in the development of our investment plan for the massification of natural gas in Peru. The higher profits recorded by our subsidiaries through the equity method and the higher TRM that is applied directly to the value of the investments abroad are denominated or recorded in our Financial Statements in dollars and are converted monthly with this market representative rate indicator also have a favorable impact.

Liabilities increased to 4.3 trillion pesos, an increase of 7% for the full year, mainly due to the transfer from long-term liabilities of the compliance of debt bonds with short-term maturity and the jump due to the provision of the intelligent tool for internal cleaning of the gas pipeline. Long-term liabilities increased by 5% due to credit disbursements and an increase in the TRM applied to credits in dollars for the closing of the Financial Statements; this difference is naturally covered by a natural *hedge* in our balance sheet at the asset level due to the investments abroad that are also recorded with this higher exchange rate. On the other hand, the deferred tax presents an increase originated by the tax reform and the counterpart was taken to equity when we took advantage of decree 1311 of 2021.

This concludes the presentation of our Financial Statements for the year and opens the chapter for questions and answers, if any, and I give the floor to our president Juan Manuel.

**Juan Manuel:** Thank you Aquiles, Juliana, do we have any questions?

**Juliana Vergara**: the first question is from Diego Buitrago from Bancolombia, could you please provide us with guidance for 2022 planned CAPEX, Ebitda and net income?

**Juan Manuel**: Perfect, thank you very much Diego, in terms of 2022 we have announced and we published it in January an investment budget of 932 billion pesos, of that budget we announced in January 752 billion would go to what we call the sustainable organic growth of the corporation mainly in natural gas transportation, hydrocarbon treatment, natural gas and liquefied natural gas distribution and 188.We have talked about investing 80 billion pesos in energy solutions, around 6 billion pesos in our Brilla platforms, 3 billion pesos in green gas pilots that we are carrying out and in electric energy distribution issues, and these investments would be mainly concentrated in Colombia and Peru.

**Juliana Vergara**: We move on to the next question, Rodrigo Sánchez from Davivienda broker asks, considering the methodological change in the remuneration from dollars to pesos, do you plan to make changes in the company's debt structure?

**Juan Manuel:** Thank you Rodrigo for your question, it is not necessary to make changes in the debt structure considering that the exposure of the debt in dollars is covered with financial assets in the same currency and with net investment abroad, the tariff in dollars is used to cover the financial expense of the debt in dollars, at the time that the exchange rate to pesos is given, a hedging strategy will be implemented to meet the aforementioned exposure. Aquiles, I do not know if you want to go deeper into that, we Promigas in the transportation companies in particular apply hedging strategies to minimize the exposure of the portion of the tariff denominated in dollars through what we call *Non-Delivery Forwards*, then with that we should be covered.

**Juliana Vergara**: Next question from Rodrigo Sánchez from Davivienda corredores, when do you expect to know the results of the bidding process for Canacol's Jobo Medellín gas pipeline? What were the reasons for suspending the Open Season process and if Canacol's project goes ahead, do you consider the project planned under the Open Season scheme to be viable?

**Juan Manuel:** thank you very much for the question, we have temporarily suspended our Open Season process but at the same time we consider that the company is or is the most qualified to develop the pipeline in that section from the country, to date Promigas in particular has progress in this project on the issue that refers to prior consultations and environmental activities and as in the approval of the environmental diagnosis of alternatives by the ANLA, So we are quite advanced on this front, this allows us to guarantee the construction of this project when the market requires it and we are ready to build it and that is why we are in dialogue with the interested agents to explore the different mechanisms for the development of this project, which we consider to be critical for the country and very important for the country.

**Juliana Vergara**: The next question is from Diego Buitrago from Bancolombia, do you have any estimate on the net of the combined effects of the lower WACC in gas transportation and CREG 175 of 2021, on Promigas' ebitda and net income?

**Juan Manuel:** Aquiles, I yield that question to you,

**Aquiles Mercado:** Thank you for the question, the impact of the WACC and the potential decrease in this that the 2022 budget already considers not only this impact but also the pesification of tariffs as of June 1, 2022, so when we have talked about obtaining an Ebitda close to 2022 in accordance with what we are expecting in our work programs of approximately 1.3 billion pesos and a profit of approximately 1062 billion pesos, the impact of both the WACC and any regulatory implications is already considered.

**Juliana Vergara**: we have one last question from Diego Buitrago from Bancolombia: how is the process of adapting to the new tariff scheme for gas transportation going, especially with regard to the change of currency from dollars to pesos? what are the main challenges for Promigas in these changes?

**Juan Manuel:** Let's say that Diego, and we also answered it in the first one, because Promigas and the transportation companies apply hedging strategies to minimize the exposure of the portion of the tariff denominated in dollars and we do that through *Non-Delivery Forwards*, in 2021 for example we hedged 69% of the consolidated revenues denominated in dollars, in that sense then, we do not consider that we have to make major adjustments because we already have a practice and a muscle in the corporation to face this type of circumstances.

**Juliana Vergara**: Thank you very much, we have no more questions so I will give you the floor again Juan Manuel to close the presentation.

**Juan Manuel:** Thank you very much Juliana again thank you all for connecting, and for your interest in our corporation, I would like to close by mentioning that once again we closed the fourth quarter of 2021 an additional quarter and a year with an outstanding performance by Promigas and its group of companies on all fronts, not only in meeting its Ebitda goals and its compliance in terms of profit where once again we exceeded what we had expected, demonstrating that the corporation is a mature corporation with important ambitions. I would also like to highlight that the results were outstanding in operational and social environmental and governance matters, and we will continue to deepen on these fronts as well, in addition to the financial front, and we hope that in 2022 we will continue to extract excellent news and we are sure that this will be the case, thank you all once again for connecting and see you next time.

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