

## 1Q-22 RESULTS PRESENTATION

### Adriana Navas

Good morning, and welcome to Outcomes Presentation of the First Quarter 2022 Corficolombiana. I remind you that this presentation and the documents will be uploaded on the website in the section "Shareholders and Investors" in "Financial Information".

On the lower left side, you will find the icon of interpretation where you can choose the language at any point. Remember that this teleconference is being recorded and you can hear it once again in the next few days and will be published on our website.

At the end we will have a Q&A session and to get started I will now give the floor to Dr. María Lorena Gutiérrez, President of Corficolombiana.

### María Lorena Gutiérrez

Ok good morning to everybody, many thanks for joining us to the presentation of outcomes first quarter 2022. With me as usual in this meeting we have the executive vice president, Doctor Juan Carlos Páez, we have Gustavo Ramírez, vice president of investments, Julián Valenzuela, treasury vice president, we have José Ignacio López, the executive director of Economic Research and we also have Adriana González, Adriana Navas and María José, who always join us during this presentation of outcomes.

I believe that is very important for the outcomes of this first quarter, as you might know, Corficolombiana is in the most important sectors of the economy, that drive the growth of the economy, and therefore we are exposed to ... I like to say a phrase: "if the country does well, Corficolombiana does well, and if Corficolombiana is doing well, the country is doing well". Given our high correlation of the businesses where we invest in the infrastructure, gas and energy sectors, agriculture, hospitality and financial sector, so the economy of the country is very important for our analysis of the financial outcomes. That is why I have requested from José Ignacio, that you all know is our executive director, to provide a presentation especially considering one the variables that is concerning nationally and internationally, which is the inflation, and that affects us positively as well as having some negative effects. So José Ignacio, welcome the floor is yours.

## José Ignacio López

Ok, thank you very much María Lorena for the invitation, is a pleasure to greet all of you that are connected to this conference.

I am going to try to be very brief. In this slide I want to show you a summary of our most important macroeconomic overview. First I want to state that the Colombian economy still shows great momentum and a great drive. The figures from the first quarter, where the economy grew 8.5% (or 8.2% if the calculation is made with inflationary adjustment and calendar effect), still shows that the economic recovery is still ongoing. Leading indicators such as demand of energy, transportation, hospitality and tourism sectors, still show that Colombia is in a very important recovery process and this year is going to be strengthened in terms of the sectors that were affected by the pandemic, as the normalization continues.

Going forward we are seeing some adverse effects given the external context, as María Lorena said, global inflation is one of the most concerning variables and since last year, we warned that we were going through a cycle change of the structure, the economic structure as we see inflationary pressures that were taking place globally. As you can see here in our graph, in the upper right-hand graph, how we are now expecting an inflation rate close to 10%. To be precise, our latest forecast is a 9.8% figure, in a range between 9.1% and 10.6%, which shows that for a good part of the year we will continue to experience this inflationary pressure, as an outcome of the inflation in food products that is much stronger in terms of higher prices of commodities still issues with international logistic chains.

You can see there in the bottom left graph, how our inflation forecast has been rising and, as a matter of fact, has been faster than the market average. The consensus of analysts has been following our forecast. Now the average is close to 8.4%, which was our forecast in March and right now the market in May expects to close at 8.4%. And with the latest data, especially with consumer price index and the calculations that we run for the space or the commodities to expect higher prices, we are updating our figure to 9.8%.

As a consequence, we are also seeing the increase of our interest rate in the monetary policy and we are within the range between 8% to 9%. If our forecast of inflation starts taking place we see a greater likelihood towards 9% interest rate than 8% rate, but most likely in the coming months, the Central Bank decision will inform which of these two scenarios will be taking place, and with that state of affairs we will see a second quarter with economic dynamics that are a little bit reduced or less strengthened in the sense that we will still see a high inflation rate and higher interest rates. So this would be the last bullet point that is on the slide, and is basically that for the second half of the year we still see some normalization, but we do not expect growth rates as high as those we saw last year, nor those recorded in the first quarter of this year.

If there are any questions, I will be available during the Q&A section. That would be from our side, Maria Lorena.

## María Lorena Gutiérrez

Thank you very much José Ignacio, if you like we can go ahead now and move to our relevant facts of the quarter, we see financial outcomes that are quite good that do show the dynamics of the economy and Corficolombiana. Our assets in consolidated figures increased 13.9% if we compare it with the first quarter of 2021, reaching 46.23 trillion pesos. Our EBITDA has a growth of 24.4%, reaching for the first quarter of this year 1.6 trillion pesos, and our net profit has a growth, compared to the first quarter last year, of 25.8% reaching a figure of 658,608 million pesos.

In terms of relevant facts, I would like to mention a few things, since I hope that many of you have received or have visited our management report, which is published in the web page, that summarizes all the achievements of the corporation and the Corficolombiana Sostenible strategy for the year 2021. During the previous outcome teleconference, we had the opportunity to discuss a little bit about our progress and achievements during the year 2021.

For this first quarter I would like to mention the following relevant facts: the first one is that on March 18, Promigas commissioned the first pilot project for production of green hydrogen and injected it into the natural gas network in Cartagena. This is a very important milestone for Promigas and in general for the entire natural gas sector in Colombia and Latin America. On March 22, we held the Shareholders' Assembly of Promigas where we approved and ordinary and extraordinary dividend of 516 pesos per share.

In infrastructure, I would like to mention good news. In the first quarter we delivered 150 kilometers of the 4G Villavicencio - Yopal highway project. I had the opportunity to go to that delivery, President Duque was there, we were with all the directors of Proindesa, and the partial termination act was also signed for the Functional Unit number 4 of Pacífico 1. As you will see later when Gustavo will detail the investment issues, the progress made in all the 4G concessions is going very well, we have 86% by the end of March, and overall, all the construction concessions have received a cash flow of 1.3 trillion pesos in this first quarter.

Hospitality, as we have mentioned several times, was one of the sectors most affected by the pandemic. Estelar recorded an occupancy rate of 65.5% in this first quarter, returning to the occupancy rate we had before the pandemic. This is very good news, and we are also above the sector, above what is published in terms of occupancy. The sector reached 57%

and Estelar reached 65%. We have also been working on an important brand positioning strategy in Estelar and restaurant renovation.

As I was saying, we made progress in the definition of all ESG criteria, that is, environmental, social and governance criteria in all our investments, and one thing that is very important for us: the Corficolombiana board of directors approved our climate change management strategy. I believe this is one of the challenges we have within Corficolombiana and within all our investments, to identify the risks due to climate change and all the opportunities; a topic that we will be telling you about throughout the year 2022, given the importance that this means for us.

We are working hard with stakeholders and one thing we are very happy about is that we launched the Corficolombiana Sostenible Award, aimed at the 16 thousand suppliers we have in Corficolombiana and in all its companies and subsidiaries, and the idea is to encourage all sustainability initiatives in our suppliers. At this moment we are motivating suppliers to register their initiatives, and we hope, in less than two months, to have good outcomes.

And to finish up, in the next slide I would like to tell you that we have made a great effort to consolidate the information of our ESG criteria, both for Corficolombiana and its subsidiaries and companies. You can have access to all the information on all our carbon footprint emission issues, the different environmental and social indicators, all our social investments and all our corporate governance indicators. You can find this on our website, in the sustainability and ESG impacts section. I really like to encourage you to enter and visit it, because we have made a great effort to consolidate all these ESG figures in all our companies and investments, as well as Corficolombiana.

Now I would like to give the floor to Juan Carlos Páez, who is going to quickly show you the outcomes of our first quarter, our financial outcomes.

## Juan Carlos Páez

María Lorena, thank you very much. Greetings to all the participants. As you can see in the presentation we changed the numerical tables for this ladder, which shows in a graphic way the evolution of the results of the corporation's financial statement, as consolidated financial statements. As María Lorena said, the total result grows significantly from 658,623 million pesos in the previous quarter to 876,700 million pesos in this first quarter of the year 2022, of which 658,608 correspond to controlling profit against the 523,400 million pesos that we showed a year ago.

In the first part of the table that we now return to, we show the growth of the gross margin of the real sector compared to last year. Let us remember that all these figures are in the written report of financial results, it is a document, you know it well with all the details by sector, and there you can see the particularities of each one of the sectors in which the corporation has investments.

Especially here, what we want to show is that this growth of the gross margin of the real sector which is equivalent to 20% or 246,176 million pesos in the first quarter of 2021 and first quarter of 2022, show additional contributions from the infrastructure sector in 56 billion pesos, adjusting 436 thousand in the quarter. Energy and gas contributes P133.867 billion more than what it did a year ago, reaching P185.914 in the quarter. Hospitality also has a very good performance: it contributes 43,134 million pesos more, going from negative, as we showed you a year ago, to a positive figure of 5,169. Agribusiness also continues to show an excellent performance, contributing 11,479 million pesos more than it did a year ago.

And not only is this consolidated result good because of the gross margin of the real sector, but you can see that in all the areas of the financial statement there are additional contributions compared to what we showed a year ago. The financial business, seen as such, contributes 31 billion pesos more. The equity method of the subsidiaries, of the subordinated companies, contributes almost 34 billion pesos more, this obviously also helped by a greater distribution of dividends. The financial expense contributes a positive figure, in this case of 33 billion pesos and obviously we have the effect of a higher tax of 122,915 million pesos, for a total of 388 billion pesos caused in this first quarter of 2022, to reach the figure we mentioned at the beginning of my presentation.

The following graph is also a new graph that intends to share with you the diversification in this consolidated funding. This structure of the financial statements, as you know, is simple, it is totally coherent with the definition of the business model of each of the sectors, and you can see that while assets grew by 14%, equity grew by 10% and liabilities grew by 16%. Regarding the aggregate between credits, bonds and public deposits, we grew only 13%, and it is interesting to see how in the energy and gas sector we have a very stable evolution of this leverage: it only grew 5.7%. Infrastructure grew by 20%, clearly associated with the capital needs that this sector requires in the construction segment. We see the Holding Company, which is basically the financial business managed directly by the corporation, growing 44% year after year, but this is associated with the needs and liquidity strategies that the treasury manages. In the other sectors, there is a 17% decrease.

In the lower part we see how this leverage of the corporation is diversified. 29% corresponds to deposits with the public, 42% to credit operations and almost 30% corresponds to bond

issues, normally long term. In terms of interest rates, a very high percentage, 40% is fixed rate, an important percentage is also the CPI and the IBR fundamentally, and in terms of currencies, we have 68% in local currency and the remaining in foreign currency. So it is, I insist, a judicious funding structure that obviously responds to the evolution of the markets, but it shows the long-term vision and the structuring of the corporation's projects.

This is all we must show in the financial sector. Then I will give the floor to Julián for the treasury issue.

### **Julián Valenzuela**

Good morning everyone. In this quarter, in general, we had a rather adverse context with respect to interest rates. In general, we had an important increase in inflation due to the neutralization or normalization of the Bank of the Republic's monetary policy, and additionally, we also had the market's deposit rates, in general, also rising: I am referring to the spreads against the indexes. In this context, our general objective was to maintain our liquidity standards, we ended with deposits of 10.5 trillion, with 54.2% of long-term deposits, among which: bonds with 9.6% and CDT's with 44.6%.

Long-term fund-raising ended with 5.6 trillion, maintaining the same level as in the previous quarter, compared to the end of the year in terms of evolution. And with respect to rates, the increase in rates compared with the IBR, and with inflation. Inflation went up 293 basis points, the IBR, the intervention rate of the Republic, went up from 3% to 5%, 200 basis points, and our deposits went from 6% to 7.3%, an increase of 130 basis points. Finally, the double leverage indicator remained at 136%.

That would be all Maria Lorena on the treasury side.

### **María Lorena Gutiérrez**

Thank you very much, Julian, then, if you wish, we will move on to the report on the management of our investment portfolio, which will be made by Gustavo Ramirez.

### **Gustavo Ramírez**

Thank you very much, good morning everyone. We are now going to summarize the performance of our companies during this first quarter. Perhaps before we begin, in general terms we should say that this quarter was basically characterized by three situations: the first, as José Ignacio mentioned, is that we continue to feel a vigorous demand in all our sectors. As we are going to see, the operational variables continue to grow strongly. Perhaps

to keep in mind, for those who like to make comparisons with the previous year, let us keep in mind that in 2021 Easter week was half in March and half in April, while this year it was already in the beginning of the year, this to make comparisons from quarter to quarter. And the other two elements that significantly affect the results and in a positive way: on the one hand there is inflation, as we will see, we have a position in our businesses that make higher inflation have a positive effect on the business, and on the other hand the high volatility in certain market variables and pressure on costs.

With this in mind let's go into detail and look first at the infrastructure sector. Here we see the EBITDA performance, which shows a significant growth of 14% compared to the same quarter last year and to the last quarter of last year. And here perhaps there are several important things to mention. On the one hand, here we see the major effect that we have from the increase in inflation. As you know, the income from concessions, both tolls and future vigencies, are indexed to inflation, and since we are already at a stage where costs have been incurred, the higher inflation level is basically reflected in higher income, which obviously improves the business, and that is what reflects this effect in the results; On the other hand, on the other hand, on the completion of the work, we have in certain highways, an early delivery of important sections, and in this quarter especially the Villavicencio - Yopal project made an early delivery of 150 kilometers of the work that in total are 230, which anticipates the income and therefore also has a significant effect on the results. These two variables together explain this significant result.

Regarding operational variables, here we would like to highlight fundamentally on the one hand the progress levels to follow up at the end of March, the work of Chirajara - Fundadores, in our concessionaire Coviandina, is practically finished, already at 98%. The Pacífico 1 project has already reached 87%, and Villavicencio - Yopal, 72%. On the right side of the graph we would like to show some information that may be important and that is, given the change in the construction/operation stage, as we have been explaining since the beginning of these projects, the characteristic of these businesses is that at the beginning it requires a cash investment and, due to the business model, we have and we have had very positive results in terms of profits. What is going to happen from now on is that the construction stage is over and those results in the income statement will go down, but we start to generate cash. So what we show in these bars on the right is the cash that is already being generated, that the concessions are receiving from each of these projects. In total, at the end of the first quarter, we have received almost one and a half billion pesos in revenues from the three projects.

The following slide shows the behavior of traffic. As you can see, in the first three months of the year it has levels much higher than the previous year: more than 12% higher, showing dynamism in demand, and this is reflected in practically all our concessions.

Moving on to the energy sector, also with a very positive result, this is mainly Promigas. Consolidated EBITDA grew 31% compared to a year earlier. Here perhaps what is important and what explains this great result, fundamentally, is the great performance of the distribution business, which has recovered significantly with respect to last year, which still had the effects of the pandemic.

We also have a positive effect from the exchange rate. You remember, until June we still have the transportation revenues tied to the exchange rate, of course a devaluation improves those revenues. And we want to highlight what was already mentioned, which is very important, not in the results of this quarter but going forward, and that is the start-up of the first hydrogen production pilot in Promigas, which will surely be the future of our business in the coming years.

On page 16 we see some operational variables, which simply confirm what I mentioned before, where we see the growth of the distribution business. Above all, I want to focus on the last graph on the top right, where we see the number of users growing 9%; and this is especially significant in the distribution companies of Promigas in Peru, which are the ones that explain a large part of this growth and on the other hand, below, where we see the volume of gas, because we also see a significant growth in those first three months of the year with respect to the same period of the previous year.

In the hotel sector, the news is very good. After the hard time we had with the pandemic due to the closure of most of the hotels. As we mentioned, six months ago, at the end of last year it has recovered significantly. We had a very good vacation season at the end of last year and that level was maintained in this first quarter of the year, reaching occupancies, not only of pre-pandemic, but even historic highs of levels between 60 and 70%. This explains, first, positive EBITDAs and results, but also growing and very vigorous, as shown in the table above, and below, simply the occupancy figures I mentioned earlier.

Finally, in our agribusiness sector where we first see some important results. It is worth highlighting the good performance of the prices of all our crops in this first quarter, with significant growth compared to last year, mainly explained by the increase in international prices. We understand that this is temporary and probably will not be sustainable in the long term, but it has been, this peak and this price volatility, longer than we expected and, especially in the case of palm, are at historical levels, which combined with the effect of the exchange rate, gives exceptionally good results in Unipalma.

And finally, in the financial sector, both our Fiduciaria and Casa de Bolsa have had very important results also in this first quarter, taking advantage of the great movement in the markets and taking advantage of market opportunities, both in the short term and with medium and long term businesses, and this can be seen in the results shown in the bars on the right below, both in the results of Casa de Bolsa and the Fiduciaria, which have grown almost tripling with respect to those of the previous year.

So far, we have summarized the results of the investments. We now move on to the Q&A session.

### **María Lorena Gutiérrez**

Well, thank you very much Gustavo, then who? Adriana manages the...

### **Adriana González**

Yes. If you have questions, click on the hand icon and we give you... but we open the microphone to... Rodrigo.

### **María Lorena Gutiérrez**

And he can speak?

### **Adriana González**

Yes, Rodrigo. We have already opened the microphone.

### **Maria Lorena Gutierrez**

Hello Rodrigo.

### **Rodrigo Sanchez**

Hello, good morning everyone, thank you very much for the presentation and congratulations for the results. I would like to ask you a couple of questions, and the first one is related precisely to what Gustavo mentioned about the progress in some projects and the release of cash that is already beginning to be seen much stronger. I would like to understand

how you plan to use these resources, understanding that you have not yet been awarded new projects, at least as far as 5G is concerned, and if this could also lead you to consider changing, let's say a little, the policy of payment of dividends in shares or even thinking about a possible share buyback. In that sense, I would also like to understand if you are considering, understanding the progress of the projects, to start making cashouts, especially in those that have already made such a significant progress, and if you have also had any progress with the ANI regarding Covimar. And my last question would be if you have any expectations regarding the double leverage indicator for 2022? Thank you very much.

### **María Lorena Gutiérrez**

Well, many questions. First we are still looking for infrastructure projects, that is the most important thing and we have been working in general, analyzing the 5G projects that have been awarded. We have studied them, we did not present ourselves for different reasons, but now we are also studying the one that is in the bidding period, which is Buga - Buenaventura.

Regarding Covimar we are working with the ANI. The good news is that we managed to clarify the environmental license issue with the Environmental Licensing Authority, but we are yet to see. You know that we have an arbitration court there with the ANI, because it is a road that should already be finished because its construction period was more than five years ago. As we make progress on something we will be telling you about it.

The other question was the issue of cashouts, because basically it is also part of our strategy. For now we have not made a decision, but we are analyzing the progress of the roads, as well as the moment to make that cashout and surely, since we are an investment holding company, and part of all the resources we need for new investments and new CAPEX, we could also include the payment of dividends in the future, with dividends in cash, which is within our scenarios, but these are decisions that have not yet been made. It all depends on how we move forward with the issue of projects, with the issue of cashouts and with the issue of the investments we need in the coming years. And lastly, they asked about double leverage.

### **Gustavo Ramírez**

Double leverage, because we have moved between the figure we have today, maximum 140%, the idea is not to challenge this indicator too much, which is so important for this type of companies.

## María Lorena Gutiérrez

I think they are all answered, Rodrigo Yes?

## Rodrigo Sanchez

Yes, María Lorena, maybe the only thing is the possibility of contemplating a share buyback, if it is something that has already started to be discussed, or it is not a strategy, at least in the short term.

## María Lorena Gutiérrez

For now, it is not a short-term strategy so we have not analyzed it.

## Rodrigo Sanchez

Perfect, thank you very much.

## Adriana González

The next question is from Steffanía Mosquera. Steffanía, we opened the microphone for you.

## María Lorena Gutiérrez

Hello Steffanía.

## Steffanía Mosquera

I have two questions: the first question is in the energy sector, and it is if you can give us an update on what has happened with the Hobo - Transmetano pipeline and the open season process, and let's say, how do you see the perspective of this project? And the second question has to do with infrastructure, in the presentation you mentioned that the gross margin was favored by the higher inflation, but I would like to understand this in more detail,

because we saw a very important decrease year by year in the costs, and considering the increase in the costs of construction inputs, I would like to understand this dynamic, especially understanding that we should have a somewhat stable construction margin. Thank you very much.

### **María Lorena Gutiérrez**

Well, if you want, I will answer the first one and I will give the floor to Gustavo about the effect of inflation also on costs and on our construction margin. We decided with Promigas to suspend the open season, because Canacol opened a call to find who could build the gas pipeline with a BOOMT transportation contract and what we did was to submit to that private call of Canacol, which you have seen in Canacol's public information, that three or four companies presented themselves, including Promigas. The technical teams have had several meetings to solve some concerns or questions that Canacol has had. For now, we understood that they were going to make the decision this week, but I think they have postponed it for a few weeks or one more week, or several weeks, we are still not sure, but we are super pending Steffanía. We are very interested in that project, so we are presenting ourselves and we are competing in that, and once we have some progress, we will be telling you about it. And Gustavo, about the costs.

### **Gustavo Ramírez**

Yes. In the infrastructure sector, basically, in theory, an increase in inflation should increase or have an impact on costs and revenues. The specific issue is that now we are in our three projects, most of the costs have already been executed, -because basically the investment has been made in the last years, at the prices that were made-. That is to say that now the real effect of inflation is greater, and very significantly greater in revenues, it is probable that there will be some effect on costs, but when we are already at execution levels of 80% - 90%, in the worst case, the effect of inflation will be on that little bit that is missing of 10% or 15%, while the effect of inflation is virtually 100% of the revenues which, as you know, all the revenues of these concessions, tolls and future budgetary appropriations, are tied to inflation. So we will effectively receive more income, which will increase more than what the remaining costs are increasing. So this, in broad terms, is what explains that the net effect of inflation is positive, and it is very positive, both in the PYG and in cash, to the extent that in the future we will start to receive these revenues.

**Steffanía Mosquera**

Perfect, thank you very much.

**Adriana González**

And finally we have a question from Juan Camilo Dauder, from Bancolombia securities.

**María Lorena Gutiérrez**

Hello Juan Camilo.

**Adriana González**

Juan Camilo?

**Juan Camilo Dauder**

Good morning, can you hear me?

**María Lorena Gutiérrez**

Yes.

**Juan Camilo Dauder**

Ok, perfect, several of the questions I wanted to ask have already been answered, I just wanted to ask you a specific question on the subject of the early deliveries in Villavicencio - Yopal and Conexión Pacífico 1. What is the order of magnitude of the income that these early deliveries left?

**Gustavo Ramírez**

Around 130 billion.

**Juan Camilo Dauder**

Okay. Perfect. For both?

**Gustavo Ramirez**

Yes, sir.

**Juan Camilo Dauder**

Okay. Thank you very much, that was my question.

**Adriana González**

We have no more questions.

**María Lorena Gutiérrez**

Well, thank you all very much, I hope that the next results call we see each other in person, at least twice a year, and thank you very much for your interest in Corficolombiana and have a happy day.