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CORFICOLOMBIANA
RESULTS PRESENTATION 1Q - 2023
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Diego Alexander Buitrago

Good morning, and welcome to the Corficolombiana's a second quarter 2023 results presentation. The documents and the presentations are published in our website in the shareholders and investors section in Financial Information. At the end of this presentation, there will be some room to ask questions and you can send them through the Q&A.

To begin. We'll give the floor to María Lorena Gutiérrez, president of Corficolombiana.

María Lorena Gutiérrez

Welcome, everyone, and good morning. Thank you for being with us for this presentation of results call. It will be a normal call like we do every quarter. I'm with my Corficolombiana's team: we have the general secretary, Marcela Acuña, who is the legal adviser of Corficolombiana; Diego, who already greeted you; Julián Valenzuela, who is a Treasury VP; José Ignacio López, who is the executive director of Economic Research; Adriana Nava, the director of Marketing and Communications; María José Nieto, the Planning Director; Paula Durán, director of Sustainability; Juan Daniel Frías, who is the Vice President of Risk and Compliance; Juan Carlos Páez. Executive Vice President, and Gustavo Ramirez, who is the VP for Investments.

We have this agenda:

- First, as we have said before, we will have a short summary from José Ignacio on the country's economic outlook.
- Then I will talk about relevant aspects and legal issues.
- Marcela will then talk to you about legal issues, and that includes entering into an agreement with the United States Department of Justice.
- and Juan Daniel, who is the VP for Risk and Compliance will make a presentation regarding Compliance.
- We have the reports on the risk rating agencies.
- We have also an analysis of our financial soundness.
- And then we have what we usually present, which are the financial results of the second quarter on the semester of Corficolombiana financial statements.
- And lastly the analysis of our investments in this second quarter.

So, if you agree, I will give this over now to José Ignacio, so he can do his presentation on the economic outlook.

José Ignacio López

Thank you, María Lorena. Thank you to all those connected. Clearly the results of the companies are always within the economic context and, what we would like to do briefly, is to convey some messages on the conjuncture of the country. The figures on the second quarter have already been published by the National Statistics Department of Colombia, DANE, and they confirm what our research team and other market analysts have been anticipating: we have a clear this acceleration of the economy.

The Colombian economy grew 0.3% during the second quarter vis a vis the previous year, which is a clear symptom that many sectors are having a decrease in growth in their performance. Remember that a few months ago we published a sort of the contemporary index regarding an economic activity; we called it "Nowcast". Latest figures suggested that we would have had 0.3. We had 0.4 in the previous week to the publishing of those announcements. And now, we updated that Nowcast with the figures of July, which would be the third quarter first figures. It is showing that the economy is growing by 0% and our model said that this business operation process would continue into the third quarter. So, we expect that the third quarter figures are negative.

However, we are still positive in what may occur in the last quarter of the year. And although we've lowered our growth forecast to 1.2, we hope that there is an upturn of the economy in the last quarter. Something that is relevant and maybe they tell a little bit about the feeling of analyst has to do with investment figures.

Gross fixed capital formation in the country has been going downwards from last year. Our annual report anticipated that we would go down, but it's greater than what we expected. And this is with high interest rates, an uncertainty in terms of the economic growth and also the effect of the tax reform.

Regarding inflation, we hope that inflation would close at 9.5 and the market is quite close to our forecast. The consensus of analysts is around 9%, or a little bit higher, but we still think that 9.5 is possible and it relates to additional increase in prices in oil, the dynamics of regulated aspects and also the effects of the El Niño phenomenon.

At sector level, in this process, what we see is a cross-cutting. This deceleration industry level was something that we anticipated because, in 2022, we had really good rates. In the graph, on the righthand side, you have a comparison of the BIP growth for 2022 against the first

semester. We already have this year figures and you can see that most of them are below the 45-degree lane.

We need to highlight that, although the agricultural sector has quite good performance, it's still a bit negative, but it is moving, and it is increasing. And mines and quarries and financial have improved their rates. So, on the left-hand side, for all of you who are regular attendees, you've seen this chart before and it describes the long-term economy.

And what we would like to highlight here is the fact that Corficolombiana has invested in the sectors that we think are what drive the economy, agriculture, tourism; and we still observe in this graph, which is a long-term graph. That these sectors are performing better than the average in Colombia. So that's our commitment which are quite assertive.

I would stop here and if at the end of the presentation, you have any questions, I would gladly answer them. Thank you. María Lorena.

María Lorena Gutiérrez

Let us continue with relevant facts of this second quarter of 2023. We do this by chapters. We first referred to Corficolombiana as sustainably. So, in the Merco Talento Colombia, 2023, Corficolombiana was 129 among 200 companies in its capacity to attract and retain talent, and in the ninth place in the financial sector among 15 companies that were assessed. We entered into a commitment with many stakeholder companies, with CECODES on the roadmap to 2050, to face their big challenges in terms of the climate emergency, the loss of biodiversity and the growing inequality in the country. Well, with respect to our holding, we paid the first installment of dividends as we had agreed in the Assembly, and we conducted our Fifth Investor Day in Departamento del Meta, where we were able to visit investments of Corficolombiana in infrastructure, agroindustry, hotel management, and we looked at our sustainable strategy.

With respect to power and gas we are very good. News is SPEC extended its LNG contracts for another five years and as you know, this ensures the supply of natural gas for power generation especially in the El Niño phenomena that we may face at the end of this year or the beginning of next year, and this will give the country a power reliability. But not only that, but we ensure the continuity of this project.

In Promigas Peru we are progressing quite well. Gustavo will talk to you about this later on. But in the quarter, we inaugurated a new LNG station for cargo vehicles and homes and a station in Chiclayo, which doesn't exist in Colombia. So, this will increase the use of gas, especially in the north of Peru.

Regarding infrastructure, I'm not going to talk about progress of roads because Gustavo will do that. But as relevant facts, I would like to refer to the agreements with the Department of Justice and the SEC and Marcela Acuña will refer to in detail. As well as the State Council revoked the ruling of the Cundinamarca Administrative Tribunal on a popular action, and Marcela will talk to you about this.

With respect to agroindustry, Unipalma stood out for its environmental project and also was acknowledged for its RSPO certification. And this is quite important for us because it allows us to export to the European market. And Mavalle, was the leader export company in Departamento del Meta.

As we told you, Gustavo is going to show you all the results but the Paipa Hotel and the Convention Center, they obtained the "Best of the best" award from TripAdvisor being the fifth best hotel in Latin America, according to travelers. And it's among the 24 world luxury hotels and spa in Latin and one of the best in South America.

In our financial results compare to 2022, you can see that our assets increased by 26 billion. We're increasing by 13.4%. Our EBITDA as of the second quarter of 2023 is 1.09. You can see it by sector. Blue is infrastructure and energy and gas are gray, which are really the sectors that contributes the most to the value of Corficolombiana assets and of EBITDA.

Our net consolidated income in 2022 was 0.63 and for this quarter was 0.24. So, we show here what that income would be without taking into account the payments of the agreements that we signed because this payment was were made in June or July. Otherwise it would have been on 29.

Now, during the first semester (I had shown before the second quarter). This is the consolidated results of this first semester. Our assets grew 13.4% vis a vis the first one and EBITDA reduced 17.7% and our controlled net income, including the agreements, as I already mentioned, would decrease in 49.4%.

I will now give the floor to Marcela so she will talk to you about the contingency that we have had with Ruta del Sol.

Marcela Acuña

Good morning to everyone. I would like to refer to two decisions or two specific topics that are quite positive for Corficolombiana. The first one, is the second instance ruling on the Popular Action carried out by the General Prosecutor's office. This that different analysts have asked about this and in every forum that we attend to, we knew that we had the legal elements so, this ruling would be in favor of Corficolombiana.

Therefore, on 27th of July 2023, the State Council issued a ruling on a second instance promoted by the General Prosecutor's office directed to Concesionaria Ruta del Sol, so and we had the 33% in that company. The following decisions were revoked: first, the declaration of response with respect to damages caused to collective rights for an amount of 715 million, in February of 2019.

To make this decision, the State Council grounded its decision in a series of considerations. I would like to highlight the following: the popular action cannot be an indemnity and so, the determination of the economic consequences of the illegal corresponds to the judge, and that refers to the Arbitration Tribunal, which already made its decision.

Which declared the annulment of the concession contract. The judge of the class action did not have competency to suspend the contract nor condemn payment of for damages. In addition, the judge could not declare debarment. Finally, there was not enough evidence to declare that the vulnerable right had been felt, that the right to access public services had been vulnerable because ANI had declared that they were received.

So, we believe that this ruling is really important. It's one of the most important contingencies that we had. So, the next topic that I would like to talk to you about are the agreements that we enter into with the North American agencies.

On August tenth, 2023, Corficolombiana entered into a resolution with the Department of Justice of the United States and Grupo AVAL and Corficolombiana entered into administrative resolutions with the Securities and Exchange Commission. By virtue of this, they closed the investigations that were being undertaken related to the road project Ruta del Sol, which closes this chapter.

Upon entering into this resolution, Corficolombiana and Grupo AVAL acknowledged and accepted their responsibility and this is really important under a theory enshrined in the Americans. And the U.S. law due to the conduct or the behavior of a, Corficolombiana executive and the agencies acknowledge that it was not about a practice or a corporate mandate.

So, these resolutions by DOJ and SEC do not contain any accusation of knowledge or a corrupt intent against of one nor any director or shareholder of Grupo AVAL other than the executive of the Corficolombiana. Now, to make these decisions both, the Board of Directors of Corficolombiana and the Board of Directors of Grupo AVAL acted with adequate advice which approved entering into these agreements to the benefits of both companies.

Respect to money it's important to see the SEC establishes an amount to be paid of \$40 million, and the resolution of the DOJ is a final amount of 20 million, which really is a total of

\$60 million. This amount, as María Lorena explained, was registered in the Episol's financial statements.

It was the minority shareholders to which the corporation participated in this concession and they were acknowledged by MPU in the financial statements. I would like to highlight that SEC and DOJ acknowledge the cooperation provided by Corficolombiana and Grupo AVAL in this investigation, as well as the significant improvements in their compliance programs and internal control programs that were that took place.

I think Juan Daniel will talk to you about how are improvements in terms of compliance and controls. So, I will not refer to this anymore. Having said this, we have addressed two of the most important contingencies that we had. We still have some two processes, maybe some of you know about these processes.

This is a repair action promoted by ANI against the concession. There are Episol as a minority and Gabriel García. What do they pretend? They would like an indemnity and the amount is \$13 billion. ANI allegedly says that they should be repaid for the expenses they had to incur due to their class acts and consulting and either consulting projects that they had to carry out for any of bill. Episol submitted the exceptions, the lack of legitimization by ANI, because we believe that you can't ask for an indemnity when you participated in the behavior of the parent harm or the alleged harm. And there was an absence of responsibility at the head of Episol. This lawsuit was submitted in 2019, and was admitted in September 2021. So we are still in the approving stage. We still have an extraordinary source review of a ruling.

Episol filed this lawsuit, and we would like the annulment of the ruling of the arbitration tribunal, which declared the annulment of the concession contract as the lack of coherence and lack of motivation. Well, this resource has not been extending admission. So that would be all with respect to our contingencies with the Ruta del Sol.

So, thank you. I would now like to give the floor to Juan Daniel Frías, our Risk and Compliance VP, who will then give the floor to María José, who will talk about the reports to see how we are doing in terms of comply.

Juan Daniel Frías

Thank you, María Lorena and good morning to everyone. Well, for over six years, the corporation in a proactive manner, have taken action to improve our control, our compliance program, and reinforce the internal control. Among the activities we created, the Governance, Risk and Compliance VPI. We have assigned over \$8 billion in resources to make human and technological capacities more robust, and the structure of GRC of Corfi and its companies.

We strengthened the independence and the role of the Compliance Office within the corporation. All policies are disseminated to affiliates for their implementation and we monitor their implementation. We reinforce monitoring a non-control company. We have implemented anti-bribery and anti-corruption clauses as well as conflict of interests with all vendors, especially for critical vendors. We've reinforced due diligence. We have also conducted continuous training to members of the board of directors and all members of the corporation, and we hope that those trainings will continue to all affiliate companies of the corporation. These programs and these actions have been assessed by international third parties and is part of what has allowed us to be for three consecutive years in the Dow Jones Sustainability Index. This year we are proud of the standards and for Sustainability yearbook and we are also an IR Issuer for the last seven years. Lastly, it is important to say that the DOJ was clear to highlight these improvements in terms of our compliance among its considerations with the agreements that were entered into with the corporation.

We have normal visits from risk rating agencies Fitch and Standard and Poor's but you will understand that we had some extraordinary meetings regarding the DOJ agreement.

So, I would like to give the floor to María José Nieto so she can briefly, although these documents we can share with you, these documents are published, and you can also look for them. But we would like to highlight the conclusions of the two risk rating agencies that are independent external regarding the financial soundness and the financial standing of Corficolombiana.

María José Nieto

Good morning. The first thing that I would like to say is the ratification of the ratings. They ratified the triple-A classification and their BRC1+. On the grounds they took into account which are included in their report, they referred to being part of Grupo AVAL as strategic vehicle for investment in the industry sector and the synergies that the corporation may have by pertaining to Grupo AVAL.

Secondly, they highly like the strong business position that has derived from the leadership of its affiliates in the markets where they operate. In addition, they highlight the corporate governance structure and disclosure of information which meets best practices in the market. They also emphasize the assessment of all the board of directors by a third party. As an opportunity of improvements, we should include a broader number of independent members in the board of directors. And they also highlight that we are the vanguard in terms of adopting sustainability criteria and corporate strategy and everything that we have worked with constant measuring of our carbon footprint.

They also highlight the equity solvency. We have basic equity instrument, and it allows the corporation to absorb losses. We also talk about double leverage, which in the corporation is at 146% and if it would have 155%, it would mainly lead to assess again.

The income structure is stable, and the variable equity portfolio is the most relevant. We have a major wholesale investor, and this is of said with the funding that we have an adequate level of renewals in our deposits.

Our liquidity indicators are also in adequate levels. Now, with respect to risk, the corporation implemented their risk management with administration of risk according to that defined, and they highlight the evolution of risk, operational risk systems and emerging risks and the implementation of policies, preparing ourselves for climate change.

Subsequent to the entering into the agreement and the signing of the agreement with the DOJ, they issued a press release and they say that the immediate economic impact of this event does not generate any negative effect, significant negative effect on the individual credit profile because, well, the financial statements are public and its position is very strong and they can conduct the payment and maintain liquidity indicator with sufficient.

They also mention that in previous events where we had a stress, the positives of Corficolombiana showed adequate stability and deposits were not affected and not altered. And lastly, they highlight the strengthening of the corporation in terms of internal control and risk management. And then Juan Daniel will talk to you about that. And they believe that the position of the corporation with that corporate governance structure, will limit the occurrence of similar events. On the other hand, Fitch said their triple-A rating in the long term.

They also mentioned that those ratings are driven by its viability rating due to their commercial profile and financial profile. They do not anticipate a material impact in their financial profile due to the challenges that Corficolombiana is quite it's right now and confronting. They talk also about the right level of leverage is and you can look at them. Thank you very much. Simply, we would like to highlight that we don't have the data for the superintendence, but we using May 2023 data and we're talking about the position of Corficolombiana, showing their soundness vis a vis the entire sector.

As you can see, about level of equity, we ran Bancolombia, Banco Bogotá, Davivienda and Corficolombiana. In terms of solvency, we are the second. No, I was reading the wrong one. Sorry. We are the first one in terms of solvency, almost the double of the one that is afterwards, which is Sudameris.



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And the other indicator talks about a net profit. This is data of May 2023. We have our data, but we don't have the sectors data and ROE as you can see, after Bancolombia, we have Corficolombiana which is 847.677 and the highest ROI in the financial sector.

In terms of financial soundness, you can see some indicators. I will give the floor to Juan.

Juan Daniel Frías

Thankyou. It is important to show that this financial soundness is also evident in liquidity indicators. These are the regulatory entities with respect also to buy investment appetite. And in the last few months these have been quite stable and the corporation being part of the group and giving its business, we don't have any regulatory level. We do monitor. And. We would like to have stability and coherence. And lastly, as María Lorena was saying, we have and this solvency to the minimum regulatory level, but it offers shareholders A very Competitive profitability vis a vis the market.

Thank you very much. So let us continue with our financial results and Treasury results. Juan Carlos Páez and Julián Valenzuela will present these results second quarter 2023.

Juan Carlos Páez

Thank you, María Lorena and greetings to all attendees. As is tradition, we show in addition to the report of results of the second quarter that has been published together with this presentation, this explanation on how the consolidated profit evolved during the second quarter from 2022 and second quarter 2023. That second quarter with 795 million in profits, was influenced by the extraordinary income related at the same time to the anticipated deliver you of some stretches of concessionaires which amounted around to 350 million in one of them with non-recurrence income. But of course it contributed to increase this this quarter. As you can see infrastructure related to what I just mentioned, then shows reduced performance vis a vis that period. The power sector has a positive value but lower than what it generated during the second quarter of 2022, which are the significant effects of this reduced value of \$571 billion that we are showing.

In addition to this, we have a gross margin, which is our treasury which has a positive result as we were able to show it because of the margin of the second quarter of 2022 in terms of participation methods of affiliate companies, is a pretty much stable process. And in financial expenses, we have very good performance if we compare to the second quarter, although an expense on results of interest has increased for affiliates and the corporation in a quarterly basis. But coverage operations which increase to almost 300 billion. So, in addition to that, we have less tax and all this is related to the evolution of the business model. We would like

to make explicit the payment of resolutions with the DOJ and SEC for an amount of \$253 billion.

And among other income, we need to also say that in Promigas we were able to collect some damages from previous years, which gives us a total a positive result of \$212 billion. So as you can see, you see a reduction of 73% in terms of a quarterly revenues. But if we take out nonrecurring events, we could say that if we move to the semester, we would have a reduction of income on the of the slide percent. So, if we compare this year, 2022 with a 1st semester of 2023, which is a reduction of 43%, well clearly this is related with the non-current event of the payment of the resolution. And also what I talk to you about, about the second semester with the anticipated delivery of some concessions. So, this is in o this would give us an approximate. Almost. This would give us pretty much a similar figure than what we had in 2022. And this is a very good signal in terms that the corporation continues in its this has shown very good results. Which are only really 7% less than what we've had in 2022 with respect of liabilities to liabilities of the corporation. We see a decrease, a slight decrease in terms of financial obligations.

As we included, deposits and loans, let us remember that the increase of those balance assets during the first quarter of last year and the first quarter of this year was high and it was related to the liquidity straddle due in different entities and also with the effect of the exchange rate, which meant an increase of 14%.

But this is reverting. The structure of the corporation is stable. If we compare those liability, with total assets, they would be equivalent to 40%, 48%. In the last quarter, we increased a little bit to 43%. And with this reduction that I just mentioned, they come down again to 42% of the total number of assets.

Implicit rates are stable. They also change support for basic points semester to semester and the composition of variable rates, ex rates, local currency and foreign currency. This consolidated constitution of liabilities is quite stable. And it's worth noting also that said, to say that the effect of contracting in foreign currency in terms of rates and equivalent rates in Colombian pesos, it only affects 15 basis points helping to the financial stability in terms of not only for this quarter but the consolidated results.

Now I will give the floor to Julián to talk about separate funding.

Julián Valenzuela

Thank you Juan Carlos. Good morning to everyone. In terms of as separate funding in June, we had 13 billion. And we have 51.7% en CDT's, 7.1% in in bonds and 1.8% in credits. One of

the objectives of this year has been to increase our relative position vis a vis the long-term funding.

So that's how we began 50% on June. We have now 60.6%. We've done this by increasing the long term and funding to \$7.9 trillion. And we would like to highlight the certificates of term deposits, taking advantage of our position not only increasing the volume, but as you can also see, also increasing the term. The expiration term of this long term deposits from March to June. We increased that from four years to 4.5 years. Lastly, I would like to highlight that the costs, the average cost of the corporation increased 20 basis points and it is important to highlight that this growth is in agreement with interest rates. However, in this quarter, that increase is less than what we had seen in the previous quarters. And this is due because of March tendency. We see a bullish trend to inflation and the leverage indicator closed in June at 148%, That would be all María Lorena from me.

María Lorena Gutiérrez

So let us go to our last part of our presentation, which it is how our investments have evolved in this second quarter and this first semester.

Gustavo Ramírez

Following, we will analyze the performance of our investments. Before starting, I would like to give you a general overview of what has been the performance of our business. As José Ignacio mentioned, we are not forward to the economic situation and I would like to highlight two specific factors.

The first is a reduction in demand. We feel that the demand and consumption levels have are stable after 2022, that they drove the economy back in 2022. But we do see a reduction in this activity. On the other hand, I think it's obvious, but it also affects business results, which is the interest rates levels that began to grow last year and we still have very high levels has begun to tighten to net margins in our companies. And although we have good performance, we do see decreased results as a result of these high interest rates.

So, if we let's start with infrastructure where we see the evolution for the quarter vis a vis the previous quarter and also the semester, we see we've shown capital and is the completion of the construction stage of 4G. So that's the end of a construction phase and the beginning of the operation stage. So that's a reduction in income. We were beginning to receive cash due to the concessions according to the cycle of the business. And as we can see in the next area, our concessionaire, Coviandina, that serves the Chirajra-Fundadores, completed the construction stage. So, from here onwards, the accounting of construct of income would be different because it is not in construction anymore. And the Pacific 1 and

Villavicencio-Yopal concessions are also completing their construction stage and that's why this consolidated in a bit that that's a result of this consolidated credit.

In this graph we also see the effect of the payments that Episol so paid to the U.S. agencies. And we see obviously the effect in this second quarter as in the first semester of the. Here, we would like to show cumulative investment in 4G projects. At the end of June, we had a big year of over \$7 trillion.

This is more or less 95% of the in investment, and we'll have less than \$400 million to execute, especially in Villavicencio-Yopal concession, Covioriente and Covipacífico. But we have to really executed most of our CapEx in these concessions, which shows the reduction because of the completion of works and also the change in the accounting of income related to this investment.

As we have mentioned, this has a different behavior to the cash that, well, accounting income begin to be reduced due to the construction. The completion of works, the cash will begin to be received. And in the lower graph we see the evolution quarter by quarter of what percentage of total income that concessions may receive. How much have we received at the end of the first semester. The second quarter 2023, we have more or less 9.2%, which is quite a low percentage, but we see the trend going up that we have mentioned as we are beginning to receive the cash. Both are due to tolls as traffic guarantees and to the agreements of the concessions that have these mechanisms in place. So, we see this by concession. As I mentioned before, the concession Bogota-Villavicencio, Coviandina have completed the construction. In Pacífico 1, we closed June with 95% and in Villavicencio-Yopal, Corvioriente, we have 86%.

If we see from the perspective of cash, we see the bars on the right-hand side and on the gray bar, Coviandina has received more or less 900 billion. Covipacífico also, you can see the figures there. And accumulated as to close this chapter of infrastructure. I'm going to talk about traffic, the behavior of traffic. And here we can see two important events. We can see that traffic levels are stable. Last year, they had quite a significant growth. Now they're pretty much stable. And we need to take into account as specific events the closing of the road to El llano because they affect the levels of traffic.

During this month we have closed that road and there have been specific issues as a closing of alternate road in Pacífico 1. And so those restrictions increased our traffic. So, traffic is now back to normal levels, but as we see, it's pretty much stable, because of the economic cycle that we have already talked about. Going to energy, and gas sector, the behavior is quite similar to what we've seen in previous meetings. The first semester has been relatively stable vis a vis last year, but in the last few months increasing a little bit. This year we hope to increase a gas carrying activity due to the El Niño phenomena.

During the first quarter we had high rain level and that was affected the results. But we see now in this second quarter that the gas carrying activity has increased. There are two topics that we deem very important with Promigas.

The first one is related to the regasification contract of this gas company began, that in 2016 up to 2026. For ten years. The idea was to supply backup gas to thermal generators during El Nino phenomena, maybe that the one we're going to see this year. That contract was would expire in 2026.

But we extend that now this contract to five more years so, from 2026 to 2031. So that contract is no longer will no longer expired in 2026, which is good news, not only on the business itself, but because it increases the reliability of the Colombian system in terms of the supply of gas in the Colombia power system.

Another thing that we would like to highlight relates to the consolidation of gas distribution business in Peru. Peru is a country that is undergoing an active massification process in terms of gas, and Promigas is an important company in that country, especially through LNG. And as we mentioned in relevant facts, we have had some specific milestones in the north of Peru, where the establishing the first service stations, especially where we can provide gas to freight vehicles with liquefied natural gas. This is a product that not exists in Colombia. In Colombia we have compressed gas, but in Peru we operate with the liquefied natural gas and Promigas is quite active in the north of Peru. And for us this is very important because it is in agreement with our internal civilization's strategy. And Promigas has to be leaders in the industry, not only in Colombia but also Peru.

If we go beyond the consumption of gas, I would like to highlight the right-hand bars up on the screen. When you see the evolution of users of natural gas and you see the growth of our users is happening in Peruvian companies.

The cycle in Colombia is more vegetative and it's just normal growth according to their growth of population. But in the case of Peru, we are growing significantly and you can see this on the right-hand corner of the screen. Moving to other sectors, the tourism sector, with Hoteles Estelar shows occupation levels. So, you can see on the lower left 60% more or less historic levels, but they're not as high as we saw last year. As we have mentioned, last year was a historic level that we even increased by 70%. These levels of 66% are better than the industry levels, but they're not as good as last year. The good news is that despite this, operational revenues have increased because it has diversified its revenues and its operations are not only on lodging but also in foods and drinks. Estelar and this sector is being affected by their increase in interest rates because there are more that instead. But their financial expenses increase vis a vis last year. And although we have had increases in operation and profit for revenues, we don't see the growth resulting from the financial costs.

Hopefully when this cycle of interest rates begins to come down, we will probably show improved net results in this company. And lastly, the two last sectors agroindustry and financial sector, we would like to highlight a decrease in international rubber levels. One of our main agricultural activities is rubber and the price has come down just as palm oil. So, it shows a decrease operational level, especially when last year palm prices were very high at international levels. But this year prices are pretty stable and here we also have a pressure in terms of financial expenses. Finally, in financial sector companies, both in the trust company and the brokerage house, we observe a normal, quite positive behavior, especially in the trust company and in the brokerage house. It's worth noting that last year there was a very positive outcome due to extraordinary income generated by the brokerage house's participation in the Stock Market Public Offerings (OPAs), which, of course, have not occurred this year, explaining the performance of these results. I believe that this summarizes the results of our companies up to this point.

María Lorena Gutiérrez

So, we have completed the presentation. So, Diego, you have the floor. So, you may coordinate questions and answers as you know.

Diego Alexander Buitrago

Please write the questions in the Q&A. We have enabled in the platform. I grouped some of those questions by topics. You put forward and, please, in the questions and answer, tell us who you are and the entity that you belong to.

Before moving to this session, we would like to say that due to restrictions of reliability, we can't answer a we can't respond to every single question that you may refer to the text of the agreements and the official communication. We are being asked this so the about the possibility of a debarment to Corficolombiana to contract with the State and therefore to terminate some of the contracts that we have in force with the government. I'll give that thought to Marcela.

Marcela Acuña

Now, it is important to bear in mind that with respect to the announcement that we've seen in social media and newspapers, we would like to say that, in terms of the termination of some contract Corficolombiana has not entered into any contract with the state. Secondly, some of the companies where we participate, either directly or indirectly, they do have a contract with the state, but those contracts have been awarded entered into according to law and they have established mechanisms and laws for their oversight with respect to the



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compliance of their obligations. And with respect to any department or any communication that may arise, authorities have to subject to that established in the law and in the contracts, ensuring the due process and the retroactivity of the law.

And now, with respect, whether this signing of the agreements per se implies some sort debarment to contract, we would need to say no, no, we don't have the assumptions for those type of environment. And it's important that the market knows there's clearly. In the event that any Colombian authority decides to file any lawsuit or process that would be a process ruled subject to specific instances, have processes and we will carry out our legal debates.

Corficolombiana and all its companies have been and continue being willing to be reviewed and obviously by their different entities.

Diego Alexander Buitrago

Thank you, Marcella. We are also asked about Corficolombiana entering into new businesses. So, María Lorena.

María Lorena Gutiérrez

I don't understand the question.

Diego Alexander Buitrago

What is Corficolombiana doing to access new businesses?

María Lorena Gutiérrez

As we have mentioned in many meetings, our mission is to invest. As Gustavo showed, we are completing our concessions, we continue looking for projects, we are looking for projects outside the country and we are bidding in the projects, but we have no projects right now. So there's nothing we can do. But we are more than willing to continue looking for projects and we are also looking for projects in the region outside Colombia.

But we will continue investing. Our mission is to invest not only for the progress of our country, but our region. Our CapEx this year is around \$1.3 billion. So, it shows that we continue with our commitment with the country, with investment generating income. We have generating employment in many municipalities in Colombia, over 30,000 employees. So, it would be great to have new projects, but I haven't seen any new projects there, specifically with respect to infrastructure.

Diego Alexander Buitrago

We have another question with respect to the results of the first part of 2023 and this is what are our perspective for the second semester with respect to results?

Juan Carlos Páez

Well, with the dynamics of results and the comparison with previous quarters, I don't want to repeat. I would talk about two non recurrent events that are important, which were the anticipated delivery of sections in Covipacífico and Covioriente, which meant a significant value and also the payment and the acknowledgment of their consolidated statements that you see the payment of those agreements entered into with the United States. So, if I were to eliminate those two aspects, I would not have a reduction of 41% in consolidated revenues, but only 7%. This is very much related to the economic cycle of the country.

Diego Alexander Buitrago

Thank you. We have a question from Estefanía Mosquera, from Credicorp Capital. I going to read it. Thank you very much. Well how can new cases be opened in Colombia with this case of corruption with one of your officials in the United States? Could you say something? How was that process in Colombia? What do you consider the risk if they view the ruling and it could be open to any discussion in terms of debarment?

Marcela Acuña

In Colombia, we don't have individual responsibility for legal aid companies. And that's what really gives the strength to the law in the United States. Secondly, as we mentioned in the relevant information, none of our officials, directors and members of Corficolombiana or Grupo AVAL was appointed or was accused by any of the agencies. So we don't foresee that risk. As we have mentioned with the agreements, the investigation is closed. And lastly, their review resort recourse is regulated recourse where we can only discuss topics related to the annulment and their reasons expressly mentioned in the law.

So, in that regard, I could not talk about additional topics. I as a plaintiff, I could not even exist. So that risk doesn't exist anyway at all.

Diego Alexander Buitrago

We have two questions from Juan Camilo. One related to what would be the milestones or the stages vis a vis the agreements with the American authorities? In that same line, what is the implication with those in Colombia?

Juan Daniel Frías

For the first part of that question, as say, we've reiterated this agreement closes the investigations of Corficolombiana in the United States and the agreement is public knowledge. You can read it. There is a commitment of the Colombians to continue strengthening their compliance program. We've been doing this for over five years, and in the next three years we should report those improvements to American authorities and in three years or less, if they realized or they see or they perceive that we have complied with our commitment, they would take away that.

Diego Alexander Buitrago

Juan Camilo, de Bancolombia has another question, which is what could you say about Mulaló Loboguerrero? Have you ever made any advancements with ANI?

Marcela Acuña

Well, as you know, we try to organize had many meetings with ANI and the Comptroller's office. We could not reach any agreement. And we then had a tribunal that ruled and we tried again with this government, because we want to build that road. We would like to establish the economic balance of the contract because, as you anybody would understand, those prices were established five years ago.

I'm not going to go into the technical aspects, but of course the prices were five years ago, so we need to review the contract. So, we were not able to make progress with ANI. Therefore, we filed, and we have another arbitration tribunal to establish the financial balance or economic balance of the contract. And we haven't had a ruling yet.

Diego Alexander Buitrago

Ricardo Ríos, an independent shareholder, asks two questions. The first one relates to the expectations of infrastructure projects in the region and in Colombia.

Marcela Acuña

I already answered the question. We are really looking for projects of the Colombian government. I know the government has mentioned that very soon they would open for bids. So, we're ready to study them and, if we think that they're pertinent and convenient, we

would bid. And in the region, we're also trying to find projects and we hope that we can participate very soon, at least in some of those projects.

We were also asked about the performance of the cooperation with respect to its ROE, vis its peers. And he's asking if we implementing strategies to freeze shareholder value. I'm going to make a brief comment and Gustavo, complements me. It is important to clarify and to mention that the performance of the Colombian market as a whole has had a negative variation, and it's a 15% downturn. So that performance has been crosscutting around in the entire sector, which has made more difficult the materialization of value not only of Corficolombiana, but other companies in Colombian stock exchange. Therefore, decisions made by the assent by the Board of Directors to pay some dividends to its shareholders. We would like to preserve and maintain the value of our shareholders.

In his subsequent quest, he asks if it's possible to have a history of buying or re buying. We can't. So that would be part of my answer. Gustavo, if you have anything to add.

Gustavo Ramírez

It is important to remember what we have said and it's the evolution of milestones in terms of cash. And we've been investing significant only in roads. We have invested more than \$7 billion. So that's been a quite a significant and so that has increased leverage and reduce cash because of our accounting standards. We've been registering the revenues and the cash and the investment. And now we reduce the level of investment because concessions have been terminated and their concessions begin to receive cash. But at the same time, we thought generating accounting revenues. So, what as we mentioned and what we will be seeing ahead, we are just beginning to receive the cash from those concessions. That cash will be significant. And as we have already mentioned here onwards, is what how are we going to use this cash. We could use it in three different things, either to reduce leverage, in seeking new investment and reinvest or in giving it to in dividends to our shareholders.

Maybe we would have a blend or a mix of those three, depending on the projects that we find, profitability, interest rates of that, whether it's easier to pay or it's more convenient to pay the debt or not. And of course, market conditions. That's pretty much the cycle where we are now in terms of cash investment.

Diego Alexander Buitrago

And we have the last question from Juan Pablo Suárez from Banco Santander. Understanding that the distribution and transportation of gas in Colombia has been stable, what strategies do you have in mind to develop a market in Colombia or to drive or to work with LNG in Colombia?

María Lorena Gutiérrez

This is really important because that has been a core issue of the strategy of our power sector, especially from gas. The first thing that we worth mentioning, is we were the first one in the LNG business in Colombia. That's for over five years we made as well we have the only gasification plant in Colombia, because we do believe that natural gas will be a transition fuel and these are the deficits of natural gas, local gas. We needed to import gas and we now see the advantages of that land also in terms of power, reliability in the country. So, we see a growing line of business in Colombia for Promigas, while at the same time, well, Promigas moves forward. As we have mentioned before, Promigas has been pioneer in the exploration and pilot programs of hydrogen, clean fuel that we should really use in the future to instead of natural gas.

Peru has been quite a receptive country for massification. They have a public policy in place that is very active, so massive by natural gas, liquefied natural gas and probably gas leader in Peru. So we will continue looking for other external markets where we can bring our experience and do exactly what we've done in Colombia. And In Peru, we feel that there are good opportunities. We are broadening our business well beyond just gas, and we are broadening geographically, not only in Colombia but also in other countries that will give us this opportunity. I think that was the last question.

Diego Alexander Buitrago

Thank you to all the attendees. We had over 130 people attending this session. We hoped we can count on you in future results and results presentation.

María Lorena Gutiérrez

Well, thank you very much for being with us. As always, we are transparent. When something happens, we will tell you. We meet with you. Diego talks to you, especially with analysts. So please, should you have any question, please feel free to contact us. We are more than willing and also, we're ready to deny some publications and communication media in terms of they haven't been able to understand and what were the investigations that they conducted. But to the extent we have in terms of confidentiality, we will be talking to you in that regard.

So, thank you and hope to see you.



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