

VILLAVICENCIO INTERNATIONAL AIRPORT PROJECT - META

Thematic focus	Airports	
Sector	Air Transport – Airport Infrastructure	
Entities/Areas	DEPARTMENTAL GOVERNMENT OF META and to identify the national government entity in charge of carrying out the project established in the National Development Plan (PND) – Multiannual Investment Plan (PPI)	
Contributing Partner	Private	
Plan Strategy National development to which it points	<ul style="list-style-type: none"> - Regional convergence: Supramunicipal development models for the strengthening urban-rural links and the integration of territories - LLANERA VILLAVICENCIO SUBREGION - PPI - Airport infrastructure and essential air services intervention program - Construction of the new Villavicencio International Airport - Phase 1 - Productive transformation, internationalization and climate action: From an extractive economy to a sustainable and productive one. Productive transformation, internationalization and climate action. Bioeconomy models based on knowledge and innovation. Tourism in harmony with life. 	
Target SDGs	SDG 8) Decent work and economic growth SDG 9) Industry, innovation and infrastructure SDG 11) Sustainable cities and communities SDG 17) Alliances to achieve the objectives	
Description of the Project	Purpose of the project	<ul style="list-style-type: none"> - Strengthen the connection of the Eastern Llanos with other regions of the country and international destinations that allow boosting the regional economy, tourism, job creation and strengthening the city's infrastructure, which serves as The airports and their surrounding areas are have become centers of concurrence and activity that goes beyond the sole purpose of traveling, derived from the variety of services and activities offered given the urban, logistical and industrial development. The above generates an inertia that drives the development of airport infrastructure itself. - Airports have the potential to serve as economic catalysts for new urban centers and, especially, in this area where the urban concept is incipient.
	Objectives/Goals	<ul style="list-style-type: none"> - Having an international airport in Villavicencio with much greater capacities for the movement of people and cargo than the current ones, strengthening the connectivity of almost half of Colombia with the rest of the country and the world. - Generate the infrastructure and capacity to offer visitors, especially foreigners, shorter transit times on their trips and comfort on their journeys.

VILLAVICENCIO INTERNATIONAL AIRPORT PROJECT - META

		<ul style="list-style-type: none"> - Have capabilities that allow the region to attract a great market potential of foreign visitors interested in nature tourism. - Facilitate access to a region with extensive business opportunities in the sectors of food production, green energy, infrastructure and real estate development.
	Geographic Area of Influence	Colombian Orinoquia, with reach to other departments of the Colombian Amazon region. Meta, Casanare, Vichada, Guaviare, Caquetá, Guainía, Arauca, Putumayo, Vaupés.
	It is included in the NDP goals? :	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	Structuring Phase	Prefeasibility
	Goal:	16,000 m2 passenger terminal + 3.2 km runway
	Located in a protected area or with indigenous/ Afro-descendant communities:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Which <input type="checkbox"/>
Duration by Phases	<ul style="list-style-type: none"> - Construction 3 years. - Projection for operational outsourcing for 30 years 	
Contributions	Total Value	CAPEX USD 108 million - £86 million OPEX USD 132 million - £105 million
	National Contribution	\$
	Contribution from Territorial Entities	\$
	Private Contribution	CAPEX USD 108 million - £86 million OPEX USD 132 million - £105 million
Opportunity to Invest	<p>Airports are first-class infrastructures that generate high additional value for the area of influence where they are located. In addition, they have direct socioeconomic impact through their intrinsic activities, passenger transportation, commerce, cargo and tourism.</p> <p>In the case of the Orinoquia, a direct impact is identified on the tourism axis, high potential for nature tourism, an activity of great development in recent decades worldwide. It currently has 9 natural national parks and other conservation</p>	



VILLAVICENCIO INTERNATIONAL AIRPORT PROJECT - META

ecosystems. In one, La Macarena, 27% of Colombia's birds live. Another, El Tuparro, is a biosphere reserve.

For the specific case of the department of Meta, the impact is greater considering the socioeconomic transition commitment that must be made to reduce its dependence on the oil industry and the high potential it has to develop tourist activities related to its richness in biodiversity, among which that Caño Cristales and the Güejar River are identified.

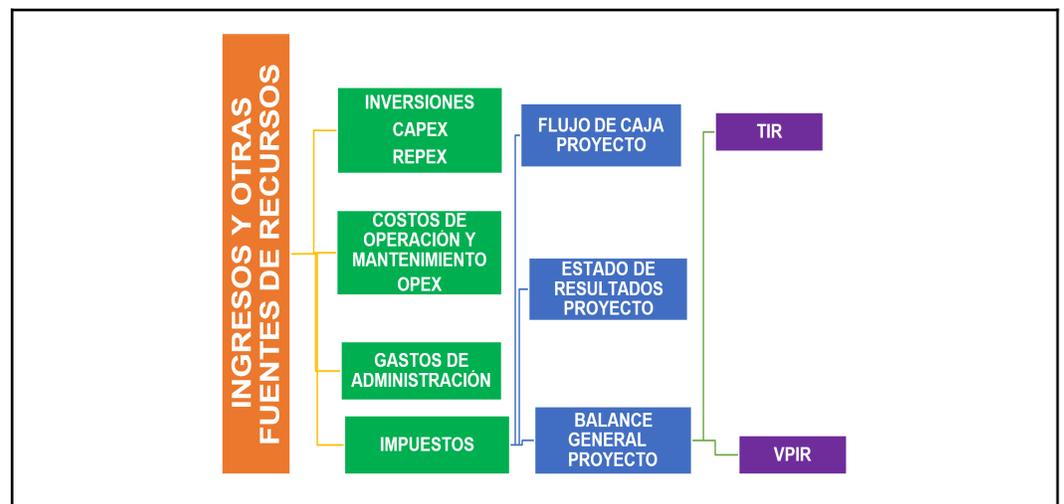
It is noted that all Colombia's international airports are located in the western part of the country. To reach Meta and the rest of Orinoquia, travelers arrive at Bogotá, an airport that receives 68% of international travelers visiting Colombia. Then, take the road, whose first stop is Villavicencio, which is a connecting city, from where they usually take the road to reach their destination. For some destinations, regional flights are taken on smaller capacity aircraft.

Analysis of the market

Pending demand study carried out in 2020. Update required.

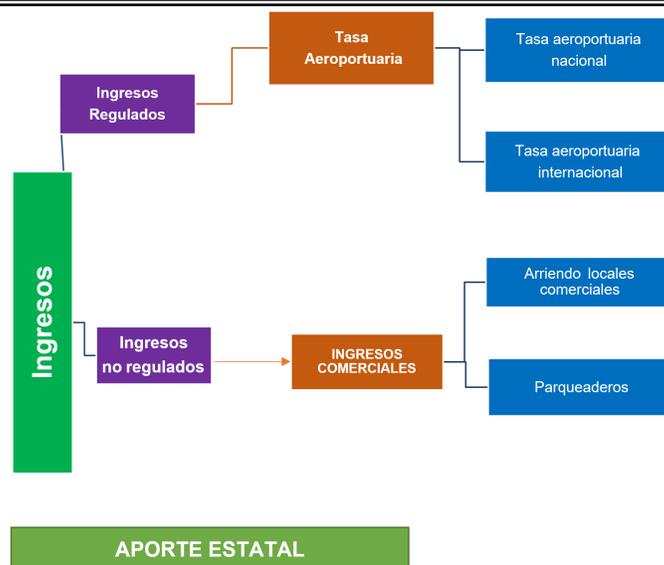
Number of Passenger (Pax)			
2041	Real Projecti on	FAA coefficient	Rush Hour Persons (RHP)
People departing	2.254.94 9	0,00036	812
People arriving	2.218.62 9	0,00037	821
Total	4.473.57 8	0,00038	1.700

Financial projections

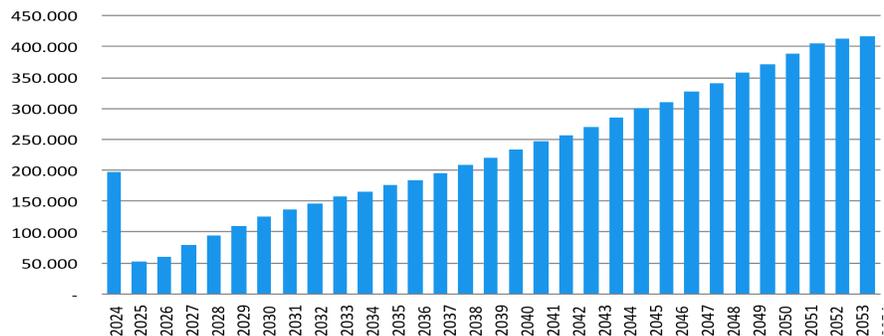




VILLAVICENCIO INTERNATIONAL AIRPORT PROJECT - META



Ingresos Operacionales
(Cifras en Pesos Corrientes)



The consolidated summary of CAPEX investments is presented, describing the investments to be made in construction, 2022 calculations:

Activity	Investment (COP\$)
Track adaptation	120.000.000.000
parallel rolling	70.000.000.000
Commercial platform construction	60.000.000.000
Construction of new terminal	70.000.000.000
boarding dock	8.000.000.000
Purchase of x-ray equipment	1.000.000.000
Construction of access roads	22.000.000.000
Parking lot construction	5.000.000.000
Runway lighting	15.000.000.000



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Control tower adaptation	40.000.000.000
TOTAL	411.000.000.000

Other related activities	
Licenses	300.000.000
Legal and administrative	1.000.000.000
Designs	1.000.000.000
Supplemental energy	2.000.000.000
Vehicles	800.000.000
TOTAL	5.100.000.000

The consolidated summary of OPEX investments is presented, describing the investments to be made, 2022 calculations:

OPEX	Constants (COP\$)	Currents(COP\$)
OA&M	193.032.905.919	517.037.992.902

Distribución estructura de recursos - capital/deuda:

Debt	Capital
65%	35%

Capital costs – Ke		
Aspect	Value	Source
Rf	2,768%	Treasury Constant Maturities. Fuente: U.S. Department of Treasury http://www.ustreas.gov/offices/domestic-finance/debt-management/interest-rate/yield.shtml
Market premium (Rm – Rf)	9,51%	Arithmetic average
BI	0,970%	Damodaran
Adjusted market premium	9,22%	(Rm – Rf)*Be
Adjusted risk premium (Rp)	3,25%	CDS
Ke US\$	15,24%	$Ke = Rf + Be*(E(rm)-Rf)+Rp$
Annual inflation	13,12%	
Ke nominal COP\$	30,36%	
Ke real COP\$	15,24%	

Cost of debt - Kd



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Average Kd	23,30%
IPC	13,12%
SPRead	9,00%
Tax shield	35,00%
Kd	15,15%

WACC	
% Equity	35%
% Debt	65%
Ke	30,36%
Kd	15,15%
WACC Nominal	20,47%
WACC Real	6,50%

WACC Real Mensual	0,5261%
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Model Outputs (COP\$)	
VPIR	259.662.526.222
VPIR date reached	30/09/2027
Monthly Discount Rate – TDM	6,50%
VPN FCL	0,5261%
	276.826.661.158

TIR	Nominal	Real
Monthly Discount Rate – TDM	23,44%	16,02%
leveraged project TIR	24,20%	16,60%
Investor TIR	24,10%	16,94%

State contributions (to be defined specific source) COP\$	150.000.000.000
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The financial results show its viability from the point of view of profitability of the investment, where the IRR is higher than its WACC.

The financial model is supported by a real passenger flow, which guarantees the sustainability of the proposed project over a 30-year horizon.



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**Considerations
of
sustainability
and ESG**

Not supplied

**Evaluation and
Mitigation of
Risks**

No.	Area	Risk type	Asignation	
1	Property	The favorable and/or unfavorable effects of the variation in the cost of property and delays in property management	Public-private	Shared
15	Construction	The favorable and/or unfavorable effects of the variation in quantities of work, market prices of inputs, deadlines, availability of inputs and supply of equipment, licenses and permits, variation with respect to the contractually agreed costs that are generated by early delivery or late of the existing infrastructure. The above, with respect to what was initially planned by the concessionaire to comply with the contractually agreed technical specifications.	Private	Transferred
19	Operation and maintenance	The favorable and/or unfavorable effects derived from the variation with respect to the contractually agreed costs, generated in the maintenance works and operating activities, as a consequence of the early or late delivery of the existing infrastructure.	Private	Transferred
20	Operation and maintenance	The favorable and/or unfavorable effects derived from the delivery of infrastructure corresponding to the project, in the state in which it is delivered by the granting entity, while its result obligations are not altered for the delivery of the interventions, nor for the stage operation and maintenance	Private	Transferred
22	Commercial	The favorable and/or unfavorable effects derived from the variation of	Private	Transferred



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			regulated income or income associated with regulated income, due to changes in demand, the impossibility of collection, variations in the delivery date of the infrastructure that will be integrated into the project after the initiation act and affect the income of the project.		
	24	Financial and liquidity	The favorable and/or unfavorable effects derived from not obtaining financing for the execution of the project and/or the alteration of the composition of the concessionaire's financing sources, necessary for the execution of the contract.	Private	Transferred
	25	Financial and liquidity	The favorable and/or unfavorable effects derived from the alteration of financing conditions; That is, the effective costs of obtaining the necessary financing for the project in terms of amounts, terms, interests and commissions.	Private	Transferred
	27	Financial and liquidity	The favorable and/or unfavorable effects derived from variations in the profitability of the business and the obtaining of profits or suffering of losses.	Private	Transferred
	<p style="text-align: center;">-</p> <ul style="list-style-type: none"> - CONPES 4000 State contractual risk policy guidelines for airport projects with private participation - 37 risks identified, typified, assigned, qualified in their probability of occurrence and impact. <ul style="list-style-type: none"> - 8 risks assessable under 5 risk areas. 				
Project Team And experience	Not supplied				
Additional information	N/A				