

Unaudited interim financial statements

Costa Norte LNG Terminal, S. de R. L.

*As of September 30, 2020 and December 31, 2019
and for the nine month periods ended September 30, 2020 and 2019*

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Costa Norte LNG Terminal, S. de R. L.
Unaudited Interim Statements of Financial Position
As of September 30, 2020 and December 31, 2019

(Expressed in thousands of dollars of the United States of America)

	<u>2020</u> (Unaudited)	<u>2019</u> (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 15,256	\$ 10,059
Restricted cash	—	3,814
Affiliates	21,214	19,882
Others	16	776
Trade receivables - sublease	2,785	2,644
Inventories	603	544
Prepaid income tax, net	355	—
Prepaid expenses	1,733	646
Total current assets	<u>41,962</u>	<u>38,365</u>
Non-current assets		
Terminal and equipment, net	467,243	469,891
Restricted cash	233	200
Deferred tax asset, net	8,944	2,044
Derivative instrument	—	8,443
Trade receivables - sublease	38,973	38,783
Right-of-use asset, net	84,810	87,219
Other assets	929	2,606
Total non current assets	<u>601,132</u>	<u>609,186</u>
TOTAL ASSETS	<u>\$ 643,094</u>	<u>\$ 647,551</u>

Costa Norte LNG Terminal, S. de R. L.
Unaudited Interim Statements of Financial Position (continued)
As of September 30, 2020 and December 31, 2019

(Expressed in thousands of dollars of the United States of America)

	<u>2020</u> (Unaudited)	<u>2019</u> (Audited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable:		
Suppliers	\$ 3,765	\$ 9,069
Affiliates	6,211	6,917
Interest payable	—	54
Income tax payable, net	1,148	235
Accrued expenses and other liabilities	4,892	4,197
Loans and interest payable to affiliate	3,712	—
Total current liabilities	<u>19,728</u>	<u>20,472</u>
Non-current liabilities		
Seniority premium	72	39
Other liabilities	142,987	142,987
Loans payable to affiliate, net	204,829	—
Loan payable, net	—	191,941
Total non-current liabilities	<u>347,888</u>	<u>334,967</u>
STOCKHOLDERS' EQUITY		
Authorized capital	285,700	285,700
Additional paid-in-capital	85	84
Retained earnings	5,723	4,177
Deemed Tax	(30)	(30)
Other comprehensive (loss) income	(16,000)	2,181
Total stockholders' equity	<u>275,478</u>	<u>292,112</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 643,094</u>	<u>\$ 647,551</u>

Costa Norte LNG Terminal, S. de R. L.
Unaudited Interim Statements of comprehensive Income
For the nine months ended September 30, 2020 and 2019

(Expressed in thousands of dollars of the United States of America)

	<u>2020</u>	<u>2019</u>
	(Unaudited)	
Revenue		
Terminal services	\$ 34,806	\$ 29,807
Operating costs and expenses		
Operating, general and maintenance expense	6,327	7,335
Depreciation and amortization	11,496	7,760
Total operating costs and expenses	<u>17,823</u>	<u>15,095</u>
Operating income	16,983	14,712
Other income (expenses)		
Interest expense, net	(14,535)	(16,113)
Other expenses, net	(1,076)	(2,207)
Total of other expense, net	<u>(15,611)</u>	<u>(18,320)</u>
Income (loss) before income tax	1,372	(3,608)
Income tax benefit (expense)	174	(1,658)
Net income (loss)	<u>\$ 1,546</u>	<u>\$ (5,266)</u>
Net other comprehensive loss that will be reclassified to profit or loss in subsequent periods:		
Realized derivative instrument, net	(15,906)	(2,401)
Changes in the fair value of financial instruments	(2,275)	(4,571)
Other comprehensive loss	<u>(18,181)</u>	<u>(6,972)</u>
Total other comprehensive loss	<u>\$ (16,635)</u>	<u>\$ (12,238)</u>

Costa Norte LNG Terminal, S. de R.L.
Unaudited Interim Statements of Changes in Stockholders' Equity
For the nine months ended September 30, 2020

(Expressed in thousands of dollars of the United States of America)

	Authorized capital	Additional paid-in- capital	Retained earnings	Deemed tax	Other comprehensive (loss) income	Total shareholders' equity
Balance as of January 1, 2020	285,700	84	4,177	(30)	2,181	292,112
Net income	—	—	1,546	—	—	1,546
Realized derivative instruments, net	—	—	—	—	(15,906)	(15,906)
Changes in fair value of financial instruments	—	—	—	—	(2,275)	(2,275)
Total of other comprehensive loss	—	—	1,546	—	(18,181)	(16,635)
Shared based compensation	—	1	—	—	—	1
Balance as of September 30, 2020 (unaudited)	\$ 285,700	\$ 85	\$ 5,723	\$ (30)	\$ (16,000)	\$ 275,478

Costa Norte LNG Terminal, S. de R. L.
Unaudited Interim Statements of Cash Flows
For the nine months ended September 30, 2020 and 2019

(Expressed in thousands of dollars of the United States of America)

	<u>2020</u>	<u>2019</u>
	(Unaudited)	
Cash Flow from operating activities		
Net income (loss)	\$ 1,546	\$ (5,266)
Adjustment to reconcile net income (loss) before income tax to net cash provided by operating activities:		
Depreciation	11,492	7,760
Amortization of realized derivative instrument	4	—
Right-of-use asset amortization	2,409	3,377
Interests income	(45)	(305)
Interests expense	5,669	16,227
Amortization of deferred financial costs	752	191
Write-off of deferred financial costs	436	—
Income tax expense	(174)	(1,658)
Share-based compensation	1	7
	<u>22,090</u>	<u>20,333</u>
Cash flows before working capital movements		
(Increase) in accounts receivable	(903)	(5,240)
Increase in inventories	(59)	(376)
Increase in income tax, net	—	(572)
(Increase) decrease in prepaid expenses	(1,087)	259
Decrease (increase) in other long term assets	79	(8,982)
Increase (decrease) in accounts payable	1,213	(8,666)
(Decrease) increase in accrued expenses and other liabilities	(15,365)	2,582
Increase in seniority premium	33	18
Decrease in deferred rent	—	5,094
Commitment fee paid	—	(237)
Interest receivables	45	305
	<u>6,046</u>	<u>4,518</u>
Net cash flows provided by operating activities		
Cash flows from investing activities		
Advances for the acquisition of property, plant and equipment	(739)	—
Acquisition of terminal equipment	(7,182)	(35,830)
Restricted cash	3,781	869
Collection of intercompany loan receivable	—	11,000
	<u>(4,140)</u>	<u>(23,961)</u>
	<u>1,906</u>	<u>(19,443)</u>
Carried forward...	1,906	(19,443)

Costa Norte LNG Terminal, S. de R. L.**Unaudited Interim Statements of Cash Flows (continued)****For the nine months ended September 30, 2020 and 2019***(Expressed in thousands of dollars of the United States of America)*

	<u>2020</u>	<u>2019</u>
	(Unaudited)	
Brought forward...	\$ 1,906	\$ (19,443)
Cash flows from financing activities		
Interests payment	(4,525)	—
Payment of loans	(194,500)	(183,683)
Proceeds from new loans	—	250,292
Proceeds from affiliate loan	211,987	—
Premium payment of early extinguishment debt	—	(2,207)
Payment of financing costs	(3,539)	(3,859)
Payment of financing for terminal equipment	(6,132)	(49,974)
Capital contribution	—	20,000
	<hr/>	<hr/>
Net cash provided by financing activities	3,291	30,569
Increase in cash and cash equivalents	5,197	11,126
Cash and cash equivalents at the beginning of the year	10,059	283
Cash and cash equivalents at the end of the period	<u>\$ 15,256</u>	<u>\$ 11,409</u>

Costa Norte, S. de R.L. reports a Net Income of \$1.5 million for the nine month periods ended September 30, 2020.

Panamá, November 30, 2020 - Today Costa Norte LNG Terminal, S. de R.L. (the Company) announced the results for the third quarter of 2020. the Company owns and operates, a liquefied natural gas (LNG) storage tank, a dock and terminal for the reception of LNG vessels. The Financial Statements, used to prepare the financial and statistical information herein, are prepared and presented in accordance with International Financial Reporting Standard ("IFRS").

Revenues increased by \$5.0 million during the nine months of 2020 when compared to the same period of 2019.

Table 1: Summary Financial Results

(Millions of US\$)	Sep-20	Sep-19	Var	Var%
Revenues	34.8	29.8	5.0	16.8 %
Operating costs and expenses	17.8	15.1	2.7	17.9 %
Operating income	17.0	14.7	2.3	15.6 %
Operating income margin	48.9%	49.3%	—%	(1.0)%
EBITDA ^{/1}	30.5	25.5	5.0	19.6 %
Net income (loss)	1.5	(5.3)	6.8	(128.3)%
Net Cash Provided by Operating Activities	5.9	4.5	1.4	31.1 %

^{/1} Operating Income plus depreciation, amortization and impairment plus right of use amortization.

Analysis of Unaudited Financial Statements

Table 2: Summary of Results for third quarter 2020

	September	
	2020	2019
Revenues	34.8	29.8
Terminal services	34.8	29.8
Operating costs and expenses	17.8	15.1
Operating, general and maintenance expense	6.3	7.3
Depreciation and amortization	11.5	7.8
Financial income (expenses)	(14.5)	(16.1)
Interest expense, net	(14.5)	(16.1)
Net Cash Provided by Operating Activities	5.9	4.5
Profit (loss) before income tax	1.5	(5.3)
(Increase) in accounts receivable	(0.9)	(5.2)
Increase in inventories	(0.1)	(0.4)
Increase in income tax, net	0.0	(0.6)
(Increase) decrease in prepaid expenses	(1.1)	0.3
Decrease (increase) in other long term assets	0.1	(9.0)
Increase (decrease) in accounts payable	1.2	(8.7)
(Decrease) increase in accrued expenses and other liabilities	(15.4)	2.6
Decrease in deferred rent	0.0	5.1
Commitment fee paid	0.0	(0.2)
Interest receivables	0.0	0.3
Non Cash adjustment	20.6	25.6
Free Cash Flow provided /1	5.9	4.5
Net Cash provided by Operating Activities	5.9	4.5
Capex Maintenance and environment	0.0	0.0

^{/1} A Non-GAAP financial measure defined as net cash from operating activities less capital expenditures (Capex) of maintenance and environmental.

Key Drivers of the third quarter results (2020 vs. 2019)

- **Revenues** increased \$5.0 million or 16.8% from \$29.8 million in 2019 to \$34.8 million in 2020. This variance is attributable to contractual LNG storage services provided to Total Gas & Power Limited during 2020. This service started in September 2019.
- **Operating Costs and Expenses** increased 2.7 million or 29.7%. This variance is attributable to an increase in depreciation expenses due to the place in to service of the Company's LNG storage tank.
- **Financial Expenses** decreased \$1.6 million mainly related to lower interest rates agreed on 2019's refinancing.
- **Net Cash provided by Operating Activities** increased by \$1.4 million to a total cash provided of \$5.9 million. This variance was attributable mainly to an increase of accounts payable by \$9.9 million due to lower payment to suppliers; decrease in other long term assets by \$ 9.1 million; partially offset by a decrease in accrued expenses and other liabilities by (\$18 million) mainly related to the settlement of the Company' swaps as a result of the 2020 refinancing.
- **Free Cash Flow** increased by \$ 1.4 million to \$5.9 million. Mainly due to the increase in net cash provided in operating activities explained above, during the period the capital expenditures are related to growth category.