

Unaudited interim financial statements

Gas Natural Atlántico, 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*

CONTENTS

Unaudited Interim Statements of Financial Position.....	1
Unaudited Interim Statements of Comprehensive Income.....	3
Unaudited Interim Statements of Changes in Stockholders' Equity.....	4
Unaudited Interim Statements of Cash Flows.....	5

Gas Natural Atlántico, 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	\$ 59,237	\$ 18,118
Restricted cash	—	7,825
Accounts receivable:		
Trade	40,650	44,206
Related parties	584	3
Affiliates	6,109	9,066
Others	5	6
Loan receivable from related party	—	1,500
Inventories	18,331	23,776
Prepaid income tax	591	—
Prepaid expenses	4,528	6,836
Total current assets	<u>130,035</u>	<u>111,336</u>
Non-current assets		
Accounts receivable trade	6,338	—
Property, plant and equipment, net	428,330	444,112
Loan receivable from related party	66,435	—
Restricted cash	278	211
Intangible assets, net	178	229
Deferred tax asset, net	14,686	7,013
Derivative instruments	—	17,981
Right-of-use assets	33,994	34,963
Other assets	1,545	204
Total non-current assets	<u>551,784</u>	<u>504,713</u>
TOTAL ASSETS	<u><u>\$ 681,819</u></u>	<u><u>\$ 616,049</u></u>

Gas Natural Atlántico, 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	\$ 10,825	\$ 7,954
Affiliates	24,472	33,148
Interest payable	194	284
Income tax payable, net	—	2,322
Accrued expenses and other liabilities	2,242	3,128
Loans and interest payable to affiliate	23,775	—
Loans payable, net	15,000	15,000
Total current liabilities	<u>76,508</u>	<u>61,836</u>
Non-current liabilities		
Seniority premium	204	144
Other liabilities	40,990	40,990
Loans payable to affiliate, net	485,045	—
Loans payable, net	—	410,651
Total non-current liabilities	<u>526,239</u>	<u>451,785</u>
STOCKHOLDERS' EQUITY		
Authorized capital	117,100	117,100
Additional paid-in-capital	88	87
Accumulated deficit	(6,993)	(22,625)
Other comprehensive (loss) income	(31,097)	7,886
Deemed tax	(26)	(20)
Total stockholders' equity	<u>79,072</u>	<u>102,428</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 681,819</u>	<u>\$ 616,049</u>

Gas Natural Atlántico, 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		
Electricity sales	\$ 177,671	\$ 218,284
Operating costs and expenses		
Fuel consumption	57,566	109,506
Electricity purchases	22,446	18,321
Terminal fee	25,641	25,997
Other costs of electricity sales	995	814
Transmission costs	2,931	2,753
Depreciation and amortization	16,114	15,998
Operating, general and maintenance expense	13,533	24,632
Total operating costs and expenses	<u>139,226</u>	<u>198,021</u>
Operating income	38,445	20,263
Other (expenses) income		
Interest expense, net	(17,615)	(23,017)
Other expense, net	(2,641)	(18,106)
Total other expenses, net	<u>(20,256)</u>	<u>(41,123)</u>
Income (loss) before income tax	18,189	(20,860)
Income tax	(2,557)	(5,951)
Net income (loss)	<u>\$ 15,632</u>	<u>\$ (26,811)</u>
Net other comprehensive loss that will be reclassified to profit or loss in subsequent periods:		
Changes in the fair value of derivative instruments	(17,980)	(6,910)
Realized derivative instruments, net	(21,003)	—
Other comprehensive loss	<u>(38,983)</u>	<u>(6,910)</u>
Total other comprehensive loss	<u>\$ (23,351)</u>	<u>\$ (33,721)</u>

Gas Natural Atlántico, S. de R. L.

Unaudited Interim Statements of Changes in Stockholders' Equity

As of September 30, 2020 and December 31, 2019

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

	Authorized capital	Additional paid-in capital	Accumulated deficit	Other comprehensive (loss) income	Deemed tax	Total stockholders' equity
Balance as of January 1, 2020	117,100	87	(22,625)	7,886	(20)	102,428
Net income	—	—	15,632	—	—	15,632
Changes in the fair value of derivative instruments	—	—	—	(17,980)	—	(17,980)
Realized derivative instruments, net	—	—	—	(21,003)	—	(21,003)
Total other comprehensive loss	—	—	15,632	(38,983)	—	(23,351)
Shared based compensation	—	1	—	—	—	1
Deemed tax	—	—	—	—	(6)	(6)
Balance as of September 30, 2020 (unaudited)	\$ 117,100	\$ 88	\$ (6,993)	\$ (31,097)	\$ (26)	\$ 79,072

Gas Natural Atlántico, 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)	\$ 15,632	\$ (26,811)
Adjustment to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	16,053	15,983
Right-of-use asset amortization	968	968
Amortization of intangible assets	52	4
Amortization of realized derivative instrument	9	11
Loss on early extinguishment of debt	—	4,066
Interest income	(845)	(1,138)
Interest expense	13,620	35,802
Amortization of deferred financing cost	1,351	—
Write off of deferred financing costs	852	—
Income tax expense	2,557	5,951
Share based compensation	1	6
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Cash flows before working capital movements	50,250	34,842
Decrease (increase) in accounts receivable	5,927	(15,466)
Decrease (increase) in inventories	5,445	(17,476)
Decrease in prepaid expenses	2,308	25,677
Increase in other long term assets	(6,263)	—
(Decrease) in deferred income	—	(2,091)
(Decrease) increase in accounts payable	(4,811)	14,196
(Decrease) increase in accrued expenses and other liabilities	(886)	1,095
Increase (decrease) in seniority premium	60	(90)
Decrease in other long term liabilities	(35,710)	—
Interest received	845	1,517
Payments of income tax	—	(1,718)
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Net cash flows provided by operating activities	17,165	40,486
Carried forward...	17,165	40,486

Gas Natural Atlántico, 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...	17,165	40,486
Cash flows from investing activities		
Acquisition of intangible assets	(1)	(112)
Acquisition of property, plant and equipment	(835)	(3,144)
Advances payments for the acquisition of property, plant and equipment	(1,522)	(76)
Loan collection from related party	1,500	—
Loans disbursement to related party	(66,435)	—
Restricted cash	7,758	6,822
Net cash (used in) provided by investing activities	<u>(59,535)</u>	<u>3,490</u>
Cash flows from financing activities		
Payment of interest	(10,059)	(27,173)
Proceeds from new line of credit	15,000	—
Payment of loans	(415,500)	(394,818)
Proceeds from loans	—	430,500
Payment of line of credit	(15,000)	—
Proceeds from affiliate loans	516,016	—
Payment of intercompany loans	—	(11,000)
Payment of financing costs	(6,645)	(7,550)
Premium payment of early extinguishment debt	—	(4,066)
Payment of financing for property, plant and equipment	(323)	(5,167)
Net cash provided by (used in) financing activities	<u>83,489</u>	<u>(19,274)</u>
Net increase in cash and cash equivalents	41,119	24,702
Cash and cash equivalents at the beginning of the year	18,118	146
Cash and cash equivalents at the end of the period	<u><u>\$ 59,237</u></u>	<u><u>\$ 24,848</u></u>

Gas Natural Atlántico, S. de R.L. reports a Net Income of \$15.6 million for the nine month periods ended September 30, 2020.

Panamá, November 30, 2020 - Today Gas Natural Atlántico, S. de R.L. (the Company) announced the results for the third quarter of 2020. Gas Natural Atlántico operate, maintain and manage a 381MGw power generation plant based on natural gas and generates and sells electricity under long term power purchase agreements with distribution companies in the Panamanian Electricity Market and Regional Electricity Market. 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 decreased by \$(40.6) million in the nine months of 2020 compared to the same period of 2019.

Table 1: Summary Financial Results

(Millions of US\$)	Sep-20	Sep-19	Var	Var%
Revenues	177.7	218.3	(40.6)	(18.6)%
Operating costs and expenses	139.1	198.0	(58.9)	(29.7)%
Operating income	38.6	20.3	18.3	90.1 %
Operating income margin	21.7%	9.3%	12.0%	133.6 %
EBITDA ^{/1}	55.7	37.2	18.5	49.7 %
Net income (loss)	15.6	(26.8)	42.4	(158.2)%
Net Cash Provided by Operating Activities	17.1	40.4	(23.3)	(57.7)%

^{/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	177.7	218.3
Electricity sales	177.7	218.3
Operating costs and expenses	139.1	198.0
Fuel consumption	57.6	109.5
Electricity purchases	22.4	18.3
Terminal fee	25.6	26.0
Other costs of electricity sales	1.0	0.8
Transmission costs	2.9	2.8
Depreciation and amortization	16.1	16.0
Operating, general and maintenance expense	13.5	24.6
Financial income (expenses)	(17.6)	(23.0)
Interest expense, net	(17.6)	(23.0)
Net Cash Provided by Operating Activities	17.1	40.4
Profit (loss) before income tax	15.6	(26.8)
Decrease (increase) in accounts receivable	5.9	(15.5)
Decrease (increase) in inventories	5.4	(17.5)
Decrease in prepaid expenses	2.3	25.7
Increase in other long term assets	(6.3)	0.0
(Decrease) in deferred income	0.0	(2.1)
(Decrease) increase in accounts payable	(4.8)	14.2
(Decrease) increase in accrued expenses and other liabilities	(0.9)	1.1
Increase (decrease) in seniority premium	0.1	(0.1)
Decrease in other long term liabilities	(35.7)	0.0
Interest received	0.8	1.5
Payments of income tax	0.0	(1.7)
Non Cash adjustment	34.7	61.6
Free Cash Flow provided /1	14.7	40.4
Net Cash provided by Operating Activities	17.1	40.4
Capex Maintenance and environment	(2.4)	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** decreased \$40.6 million or 18.6% from \$218.3 million in 2019 to \$177.7 million in 2020. This variance was attributable primarily to lower energy sales due to lower energy prices in 2020.
- **Operating Costs and Expenses** decreased 58.9 million or 29.7%. This variance was attributable primarily to a decrease of gas consumption of 5.4TBTU or \$51.9 million due to lower demand; lower amortization of right of use asset by \$11.1 million due to 2019 Floating Storage gas Unit contract lease, related to gas tank finalization, this contract does not continue in 2020; partially offset by lower energy purchased by (\$4 million) due to lower dispatch.
- **Financial Expenses** decreased by \$5.4 million mainly related to lower interest expense resulted of the debt refinancing in August 2020.
- **Net Cash provided by Operating Activities** decreased by \$23.3 million to a total cash provided by \$17.1 million. This variance was attributable mainly to a decrease in other long term liabilities by \$35.7 million mainly related to the settlement of Gas Natural Atlántico swaps as a result of the refinancing; decrease in accrued expenses and other liabilities by \$2 million; partially offset by a decrease in accounts receivable by (\$15 million) mainly related to higher collection from affiliate receivables.
- **Free Cash Flow** decreased by \$25.7 million to \$14.7 million. Mainly due to the decrease in net cash provided in operating activities explained above and the increase in maintenance CAPEX by \$2.4 million.