

## Gas Natural Atlántico, S. de R.L. reports a Net Income of \$(1.7) million for the three months ended March 31, 2021.

Panamá, May 31, 2021 - Today Gas Natural Atlántico, S. de R.L. (the Company) announced the results for the first quarter of 2021. 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 \$1.3 millions \$1.3 million during the three-months period ended March 31, 2021 when compared to the same period of 2020.

**Table 1: Summary Financial Results**

(Millions of US\$)	Mar-2021	Mar-2020	Var	Var%
Revenues	68.5	67.2	1.3	1.9 %
Operating costs and expenses	63.7	51.4	12.3	23.9 %
Operating income	4.8	15.8	(11.0)	(69.6)%
Operating income margin	7.0%	23.5%	31.0 %	(70.2)%
EBITDA <sup>/1</sup>	10.8	21.6	(11.9)	(52.9)%
Net income (loss)	-1.7	6.2	(7.9)	(127.4)%
Net Cash (Used) Provided by Operating Activities	-9.2	32.7	(41.9)	(128.1)%

<sup>/1</sup> Operating Income plus depreciation and amortization plus right of use amortization.

## Analysis of Unaudited Financial Statements

**Table 2: Summary of results for first quarter 2021**

(Millions of US\$)	March	
	2021	2020
<b>Revenues</b>	<b>68.5</b>	<b>67.2</b>
Electricity sales	68.5	67.2
<b>Operating costs and expenses</b>	<b>63.7</b>	<b>51.4</b>
Fuel consumption	32.9	30.9
Electricity purchases	10.9	1.1
Terminal fee	8.7	8.6
Other costs of electricity sales	0.3	0.2
Transmission costs	0.8	1.2
Depreciation and amortization	5.5	5.4
Operating, general and maintenance expense	4.6	4.0
<b>Financial income (expenses)</b>	<b>(6.7)</b>	<b>(7.0)</b>
Interest expense, net	(6.7)	(7.0)
<b>Net Cash Provided by Operating Activities</b>	<b>(9.2)</b>	<b>32.7</b>
Profit (loss) before income tax	(1.7)	6.2
Decrease (increase) in accounts receivable	(18.2)	2.2
Decrease (increase) in inventories	20.1	6.4
Decrease in prepaid expenses	(15.3)	(3.8)
Increase in other long term assets	0.9	—
(Decrease) increase in accounts payable	(6.7)	8.1
Decrease in accrued expenses and other liabilities	—	(1.1)
Interest received	—	0.1
Non Cash adjustment	11.7	14.6
<b>Free Cash Flow provided /1</b>	<b>(12.2)</b>	<b>32.7</b>
Net Cash provided by Operating Activities	(9.2)	32.7
Capex Maintenance and environment	(3.0)	—

(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 first quarter results (2021 vs. 2020)**

- **Revenues** increased \$1.3 million or 1.9% from \$67.2 million in 2020 to \$68.5 million in 2021. This variance was attributable primarily to i) \$2.4M of revenues from a new contract and \$0.8M of higher revenues from other services compensated by the market, mainly offset with ii) a net effect of \$1.9M of lower contracted and spot energy sales, by March 2021 the energy demand in Panama remained to be below expectations with a slight trend of getting back to average after the economics effects of pandemic.
- **Operating Costs and Expenses** increased 12.3 million or 23.9%. This variance is mainly attributable to higher spot purchases to fulfill the Company's contractual commitments, this event is directed associated to the lower generation experienced during 2021.
- **Financial Expenses** this positive variance results from the net effect of higher interest expenses by \$0.7M offset with \$1.4M from interests income from loans provided to an AES affiliate.
- **Net Cash provided by Operating Activities** decreased by \$41.9 million to a total cash used by \$(9.2) million. This variance was attributable mainly to deceleration in collections along with higher expense prepayments, mainly LNG, and higher payments to vendors.
- **Free Cash Flow** decreased by \$44.9 million to \$(12.2) million. Mainly due to the decrease in net cash provided in operating activities explained above and the increase in maintenance CAPEX by \$3 million.