2019

SECOND QUARTER RESULTS

Ticker BMV: IENOVA

July 24, 2019

We are the first private sector, publicly traded energy infrastructure company on the Mexican Stock Exchange and one of the largest private sector energy companies in Mexico in terms of market share. We develop, build, and operate essential energy infrastructure. Our footprint in Mexico includes several business lines that encompass a significant portion of the Mexican energy infrastructure value chain that is open to private investment.

Executive Summary

(millions of US$)	Three months ended June 30, (unaudited) 2019	2018	% Var.	Six months ended June 30, (unaudited) 2019	2018	% Var.
Adjusted EBITDA	224.6	218.9	3 %	453.6	430.2	5 %
Profit for the period	112.6	102.3	10 %	213.2	229.8	(7) %
Revenues	316.7	307.4	3 %	697.3	614.6	13 %

- In the second quarter of 2019, Adjusted EBITDA increased 3 percent to $224.6 million, compared with $218.9 million in the same period of 2018. The increase of $5.7 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results and the start of operations of the Pima Solar power generation facility.
- In the six months ended June 30, 2019, Adjusted EBITDA increased 5 percent to $453.6 million, compared with $430.2 million in the same period of 2018. The increase of $23.4 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results.
- In the second quarter of 2019, profit was $112.6 million, compared with $102.3 million in the same period of 2018. The increase of $10.3 million was mainly due to non-cash exchange rate effects as a result of the depreciation of the Mexican peso in the second quarter of 2018 and Termoeléctrica de Mexicali power plant higher operational results.
- In the six months ended June 30, 2019, profit was $213.2 million, compared with $229.8 million in the same period of 2018. The decrease of $16.6 million was mainly due to non-cash exchange rate effects, higher depreciation expense and higher financing cost, partially offset by Termoeléctrica de Mexicali power plant higher operational results.
- In the second quarter of 2019, revenues were $316.7 million, compared with $307.4 million in the same period of 2018. The increase of $9.3 million was mainly due to the start of operations of the Pima Solar power generation facility and higher revenue at the Termoeléctrica de Mexicali power plant due to higher prices, net of lower volume.
- In the six months ended June 30, 2019, revenues were $697.3 million, compared with $614.6 million in the same period of 2018. The increase of $82.7 million was mainly due to higher volume and higher prices of natural gas sold, and higher revenue at the Termoeléctrica de Mexicali power plant due to higher volume and prices.
- In April, 2019, the Company announced the execution of two long-term contracts with BP for the receipt, storage, and delivery of refined products in terminals that IEnova is developing in Manzanillo, Colima, and Guadalajara, Jalisco.

  In the Guadalajara terminal, IEnova executed an agreement with BP that enables the storage of up to 290 thousand barrels of gasoline and diesel in a new terminal that will be able to receive refined products by rail, store and deliver them by truck. The total capacity will be defined once additional commercial agreements with prospective customers have been completed.

Subject to executing certain agreements, BP will have the option to acquire up to 20% of the equity of the Manzanillo project and up to 25% of the equity in the Guadalajara project; in each case, IEnova will always hold at least 51% of the equity of each project.

- In June, 2019, the Company announced the execution of a long-term contract with Marathon for 650 thousand barrels, approximately equivalent to 30 percent of the new capacity (2.2 million barrels) of the marine terminal for the receipt, storage, and delivery of gasoline, diesel and jet fuel in Manzanillo, Colima. With an investment of approximately $285 million, the terminal is expected to begin commercial operations, subject to the timing of issuance of the permits, in the first quarter of 2021.

  As previously announced, the remaining 70% of the terminal's new capacity has been contracted with BP and Trafigura. Subject to executing certain agreements, BP and Trafigura will have the option to acquire up to 49% of the equity of the terminal. IEnova will always maintain at least 51% of the equity.

- In June, 2019, the Company announced the expansion plan of its subsidiary ECOGAS to connect approximately forty thousand new customers during the next years.

- In June, 2019, the Company announced the completion of construction of the South of Texas – Tuxpan Marine Pipeline, owned by Infraestructura Marina del Golfo, S. de R.L. de C.V. ("IMG"), a joint venture between TC Energy (previously TransCanada) and IEnova. As per contractual requirements, in order to render transportation services to Federal Electricity Commission ("CFE"), CFE must issue proof of acceptance (constancia de aceptación) of the in-service date informed by IMG, which CFE has not yet issued.

  On June 24, 2019, CFE sent IMG a request for arbitration, through which it requested the nullification of certain transportation service agreement clauses that refer to the parties' responsibilities in instances of acts of God or force majeure, as well as reimbursements of fixed capacity payments applicable to such events, which CFE initially recognized according to the contract and that now considers undue, among others. CFE has also invited IMG to continue discussions.

- In July, 2019, the Company announced that its subsidiary Gasoducto de Aguaprieta, S. de R.L. de C.V. ("GAP"), was summoned to an arbitration procedure by the Comisión Federal de Electricidad ("CFE") to demand the nullification of certain clauses of the transportation services agreement for the Guaymas – El Oro pipeline, which refer to the parties' responsibilities in instances of acts of God or force majeure, as well as reimbursements and payments related to such events.

- In 2019 IEnova's Ordinary General Shareholders' Meeting, approved this year's stock repurchase program on the terms provided in Article 56, Section IV of the Securities Market Law, up to a maximum amount of $250 million. During this year, IEnova has repurchased 2.6 million shares.

EBITDA and Adjusted EBITDA

(millions of US$)	Three months ended June 30, (unaudited) 2019	2018	Six months ended June 30, (unaudited) 2019	2018
Gas Segment	$ 153.6	$ 158.0	$ 314.4	$ 315.9
Power Segment	43.6	32.1	83.6	58.7
Corporate	(0.6)	0.2	(0.5)	(0.1)
EBITDA [1]	**$ 196.6**	**$ 190.3**	**$ 397.5**	**$ 374.5**
JV EBITDA adjustment [1]	28.0	28.6	56.1	55.7
Adjusted EBITDA [1]	**$ 224.6**	**$ 218.9**	**$ 453.6**	**$ 430.2**

Gas Segment

In the second quarter of 2019, Gas segment EBITDA was $153.6 million, compared with $158.0 million in the same period of 2018. The decrease of $4.4 million was mainly due to higher maintenance and other corporate general expenses.

In the six months ended June 30, 2019, Gas segment EBITDA was in line with the same period of 2018.

Power Segment

In the second quarter of 2019, Power segment EBITDA was $43.6 million, compared with $32.1 million in the same period of 2018. The increase of $11.5 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results and the start of operation of the Pima Solar power generation facility.

In the six months ended June 30, 2019, Power segment EBITDA was $83.6 million, compared with $58.7 million in the same period of 2018. The increase of $24.9 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results.

Joint Ventures

In the second quarter of 2019 and in the six months ended June 30, 2019, Joint Ventures EBITDA are in line with the same periods of 2018.

We present “EBITDA” and “Adjusted EBITDA” in this earnings report for the convenience of investors. EBITDA and Adjusted EBITDA, however, are not measures of financial performance under IFRS and should not be considered as alternatives to profit or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Our definition of EBITDA is profit for the period after adding back or subtracting, as the case may be, (1) depreciation and amortization, (2) financing cost, net, (3) other losses (gains), net, (4) income tax expense and (5) share of profits of joint ventures, net of income tax.

We define Adjusted EBITDA as EBITDA plus Joint Ventures (JV) EBITDA adjustment.

We define the JV EBITDA adjustment as our share of the profit of joint ventures, after adding back or subtracting, as the case may be, our share of: (1) depreciation and amortization, (2) financing cost, net, (3) other (gains) losses, net, and (4) income tax expense.

Results of Operations

Amounts are presented in U.S. dollars, the functional currency of the Company, unless otherwise noted, and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All amounts are unaudited, unless otherwise noted. Numbers may not add up due to rounding.

The 2018 first quarter financial results have been re-presented to show Termoeléctrica de Mexicali as continued operations in the Condensed Consolidated Statements of Profit, as management formalized the decision in the second quarter of 2018 to no longer hold it for sale.

Condensed Consolidated Statements of Profit

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
(millions of US$)	2019	2018	2019	2018
Revenues	$ 316.7	$ 307.4	$ 697.3	$ 614.6
Cost of revenues	(68.7)	(68.0)	(196.3)	(142.3)
Operating, administrative and other expenses	(51.4)	(49.1)	(103.5)	(97.8)
Depreciation and amortization	(38.8)	(33.8)	(76.4)	(67.4)
Financing cost, net	(25.3)	(21.9)	(50.0)	(46.5)
Other gains (losses), net	7.1	(57.0)	13.6	(5.2)
Profit before income tax and share of profits of joint ventures	**139.6**	**77.6**	**284.7**	**255.4**
Income tax expense	(32.2)	(19.8)	(80.2)	(58.0)
Share of profits of joint ventures, net of income tax	5.2	44.5	8.7	32.4
Profit for the period	**$ 112.6**	**$ 102.3**	**$ 213.2**	**$ 229.8**

Segment Information

Segment information is presented after eliminating inter-company transactions.

Profit before Income Tax and Share of Profits of Joint Ventures

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
(millions of US$)	2019	2018	2019	2018
Gas Segment	$ 124.4	$ 124.8	$ 250.9	$ 264.7
Power Segment	27.9	16.1	54.3	29.3
Corporate	(12.7)	(63.3)	(20.5)	(38.6)
	$ 139.6	**$ 77.6**	**$ 284.7**	**$ 255.4**

Gas Segment

In the second quarter of 2019, Gas segment profit before income tax and share of profits of joint ventures is in line with the same period of 2018.

In the six months ended June 30, 2019, Gas segment profit before income tax and share of profits of joint ventures was $250.9 million, compared with $264.7 million in the same period of 2018. The decrease of $13.8 million was mainly due to non-cash exchange rate effects and higher depreciation expense.

Power Segment

In the second quarter of 2019, Power segment profit before income tax and share of profits of joint ventures was $27.9 million, compared with $16.1 million in the same period of 2018. The increase of $11.8 million was mainly due to higher operational results at the Termoeléctrica de Mexicali power plant and the start of operation of the Pima Solar power generation facility.

In the six months ended June 30, 2019, Power segment profit before income tax and share of profits of joint ventures was $54.3 million, compared with $29.3 million in the same period of 2018. The increase of $25.0 million was mainly due to higher operational results at the Termoeléctrica de Mexicali power plant.

Corporate

In the second quarter of 2019, Corporate segment loss before income tax was $12.7 million, compared with a loss of $63.3 million in the same period of 2018. The decrease in losses of $50.6 million was related to exchange rate effects, mainly due to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline, which is offset in Share of Profits of Joint Ventures.

In the six months ended June 30, 2019, Corporate segment loss before income tax was $20.5 million, compared with a loss of $38.6 million in the same period of 2018. The decrease in losses of $18.1 million was mainly due to exchange rate effects, mainly due to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline, which is offset in Share of Profits of Joint Ventures, partially offset by higher financing cost.

Revenues

(millions of US$, except price per MMBtu[1])	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
	2019	2018	2019	2018
Gas Segment	$ 246.7	$ 245.2	$ 542.1	$ 490.6
Power Segment	69.5	61.6	154.3	123.2
Corporate	0.5	0.6	0.9	0.8
	$ 316.7	**$ 307.4**	**$ 697.3**	**$ 614.6**
Natural gas weighted average price[2]	$ 2.29	$ 2.44	$ 3.26	$ 2.71

(1) MMBtu: Million British thermal units (of natural gas)
(2) Natural gas prices in USD per MMBtu

Gas Segment

In the second quarter of 2019, Gas segment revenues are in line with the same period of 2018.

In the six months ended June 30, 2019, Gas segment revenues were $542.1 million, compared with $490.6 million in the same period of 2018. The increase of $51.5 million was mainly due to:

- $41.9 million from higher volume and higher price of natural gas sold, and
- $5.0 million one-time natural gas distribution rates true-up from prior years at Ecogas Chihuahua.

Power Segment

In the second quarter of 2019, Power segment revenues were $69.5 million, compared with $61.6 million in the same period of 2018. The increase of $7.9 million was mainly due to:

- $5.0 million from the start of operations of the Pima Solar power generation facility.
- $3.6 million from higher prices, net of lower volume at Termoeléctrica de Mexicali power plant.

In the six months ended June 30, 2019, Power segment revenues were $154.3 million, compared with $123.2 million in the same period of 2018. The increase of $31.1 million was mainly due to higher volume and prices at Termoeléctrica de Mexicali power plant.

Cost of Revenues

(millions of US$, except cost per MMBtu[1])	Three months ended June 30, (unaudited) 2019	Three months ended June 30, (unaudited) 2018	Six months ended June 30, (unaudited) 2019	Six months ended June 30, (unaudited) 2018
Gas Segment	$ 50.2	$ 45.8	$ 141.4	$ 93.3
Power Segment	18.5	22.2	54.9	49.0
	$ 68.7	**$ 68.0**	**$ 196.3**	**$ 142.3**
Natural gas weighted average cost [2]	$ 2.14	$ 2.29	$ 3.04	$ 2.50

(1) MMBtu: Million British thermal units (of natural gas)
(2) Natural gas prices in USD per MMBtu

Gas Segment

In the second quarter of 2019, Gas segment cost of revenues was $50.2 million, compared with $45.8 million for the same period of 2018. The increase of $4.4 million was mainly due to higher volume, net of lower cost of natural gas.

In the six months ended June 30, 2019, Gas segment cost of revenues was $141.4 million, compared with $93.3 million for the same period of 2018. The increase of $48.1 million was mainly due to higher volume and higher cost of natural gas.

Power Segment

In the second quarter of 2019, Power segment cost of revenues was $18.5 million, compared with $22.2 million for the same period of 2018. The decrease of $3.7 million was mainly due to lower natural gas price at the Termoeléctrica de Mexicali power plant.

In the six months ended June 30, 2019, Power segment cost of revenues was $54.9 million, compared with $49.0 million for the same period of 2018. The increase of $5.9 million was mainly due to higher natural gas prices and volume at the Termoeléctrica de Mexicali power plant.

Consolidated Results

Operating, Administrative and Other Expenses

In the second quarter of 2019, operating, administrative and other expenses were $51.4 million compared with $49.1 million in the same period of 2018. In the six months ended June 30, 2019, operating, administrative and other expenses were $103.5 million compared with $97.8 million in the same period of 2018. The increases of $2.3 million in the three-month period and $5.7 million in the six-month period were mainly due to higher maintenance and other corporate general expenses.

Depreciation and Amortization

In the second quarter of 2019, depreciation and amortization was $38.8 million, compared with $33.8 million for the same period of 2018. The increase of $5.0 million was mainly due to the adoption of the new lease accounting standard *IFRS 16* in 2019 and the start of operations of the Pima Solar power generation facility.

In the six months ended June 30, 2019, depreciation and amortization was $76.4 million, compared with $67.4 million in the same period of 2018. The increase of $9.0 million was mainly due to the adoption of the new lease accounting standard *IFRS 16* in 2019, Termoeléctrica de Mexicali power plant depreciation, which resumed in the second quarter of 2018 after management formalized the decision to no longer hold it for sale, and the start of operations of the Pima Solar power generation facility.

Financing Cost, Net

In the second quarter of 2019, financing cost, net was $25.3 million compared with $21.9 million in the same period of 2018. The increase of $3.4 million was mainly due to a higher corporate debt balance.

In the six months ended June 30, 2019, financing cost, net was $50.0 million compared with $46.5 million in the same period of 2018. The increase of $3.5 million was mainly due to a higher corporate debt balance, partially offset by higher interest capitalization.

Other Gains and Losses, Net

In the second quarter of 2019, other gains were $7.1 million, compared with other losses of $57.0 million in the same period of 2018. The increase of $64.1 million was related to exchange rate effects, mainly due to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline, which is offset in Share of Profits of Joint Ventures.

In the six months ended June 30, 2019, other gains were $13.6 million, compared with other losses of $5.2 million in the same period of 2018. The increase of $18.8 million was related to exchange rate effects, mainly due to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline, which is offset in Share of Profits of Joint Ventures.

Income Tax Expense

In the second quarter of 2019, income tax expense was $32.2 million compared with $19.8 million in the same period of 2018. The increase of $12.4 million is primarily due to higher profit before income tax and the effect of exchange rate on monetary assets and liabilities, partially offset by the effect of the deferred income tax balance from the fluctuation in the tax basis of property, plant and equipment at our U.S. dollar functional currency, which we are required to remeasure in each reporting period based on changes in the Mexican peso exchange rate and the effect of tax incentives.

In the six months ended June 30, 2019, income tax expense was $80.2 million compared with $58.0 million in the same period of 2018. The increase of $22.2 million is primarily due to higher profit before income tax, the effect of exchange rate on monetary assets and liabilities and the effect of the deferred income tax balance from the fluctuation in the tax basis of property, plant and equipment at our U.S. dollar functional currency, which we are required to remeasure in each reporting period based on changes in the Mexican peso exchange rate, partially offset by the effect of tax incentives and the inflation on monetary assets and liabilities.

Share of Profits of Joint Ventures, Net of Income Tax

		Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
(millions of US$)	Joint Venture with	2019	2018	2019	2018
Los Ramones Norte pipeline	BlackRock	$ 9.1	$ 6.4	$ 20.0	$ 18.2
South Texas – Tuxpan pipeline	TC Energy	(5.2)	35.1	(13.5)	10.5
Energía Sierra Juárez wind generation facility	Actis	1.4	3.0	2.5	3.7
ECA Liquefaction[1]	Sempra Energy	(0.1)	—	(0.3)	—
		$ 5.2	**$ 44.5**	**$ 8.7**	**$ 32.4**

[1] In February 2019, IEnova and Sempra Energy formed a new Joint Venture for the ECA Liquefaction project, with a participation of 50% each.

In the second quarter of 2019, our share of profit of joint ventures, net of income tax, was $5.2 million, compared with $44.5 million in the same period of 2018. The decrease of $39.3 million is mainly due to the South Texas – Tuxpan pipeline from foreign exchange rate effects primarily related to a peso-denominated shareholder’s loan. The foreign exchange rate effects are offset in Other Gains (Losses), net.

In the six months ended June 30, 2019, our share of profit of joint ventures, net of income tax, was $8.7 million compared with $32.4 million in the same period of 2018. The decrease of $23.7 million is mainly due to the South Texas – Tuxpan pipeline from foreign exchange rate effects primarily related to a peso-denominated shareholder’s loan. The foreign exchange rate effects are offset in Other Gains (Losses), net.

Condensed Consolidated Statements of Financial Position

(thousands of US$)	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Assets		
Current assets		
Cash and cash equivalents	$ 100,867	$ 51,764
Trade and other receivables, net	128,061	153,649
Taxes receivable	166,539	151,713
Other current assets [(1)]	107,435	106,815
Total current assets	**502,902**	**463,941**
Non-current assets		
Due from unconsolidated affiliates	713,066	646,297
Finance lease receivables	927,839	932,375
Deferred income tax assets	85,035	80,853
Investments in joint ventures	570,782	608,708
Property, plant and equipment, net	4,329,207	4,086,914
Goodwill	1,638,091	1,638,091
Other non-current assets [(2)]	421,162	311,418
Total non-current assets	**8,685,182**	**8,304,656**
Total assets	**$ 9,188,084**	**$ 8,768,597**
Liabilities and Stockholders' Equity		
Short-term debt	$ 991,401	$ 870,174
Due to unconsolidated affiliates	277,280	310,696
Other current liabilities [(3)]	319,645	264,761
Total current liabilities	**1,588,326**	**1,445,631**
Non-current liabilities		
Long-term debt	1,656,219	1,675,192
Due to unconsolidated affiliates	76,779	75,161
Deferred income tax liabilities	584,653	566,892
Other non-current liabilities[(4)]	354,135	251,971
Total non-current liabilities	**2,671,786**	**2,569,216**
Total liabilities	**4,260,112**	**4,014,847**
Stockholders' equity		
Common stock	963,272	963,272
Additional paid-in capital	2,351,801	2,351,801
Treasury shares	(15,403)	(7,190)
Accumulated other comprehensive (loss)	(134,821)	(104,105)
Retained earnings	1,749,839	1,536,662
Total equity attributable to owners	**4,914,688**	**4,740,440**
Non-controlling interests	13,284	13,310
Total equity of the company	**$ 4,927,972**	**$ 4,753,750**
Total liabilities and equity	**$ 9,188,084**	**$ 8,768,597**

(1) Other current assets includes finance lease receivables - current, amounts due from unconsolidated affiliates, natural gas inventories, derivative financial instruments, carbon allowances - current, other current assets and restricted cash.
(2) Other non-current assets includes derivative financial instruments, other non-current assets, right of use assets, carbon allowances - non-current, intangible assets and restricted cash.
(3) Other current liabilities includes trade and other payables, income tax liabilities, lease liabilities - current, derivative financial instruments, other financial liabilities, provisions current, other taxes payable, carbon allowances - current and other current liabilities.
(4) Other non-current liabilities includes lease liabilities - non current, carbon allowances - non current, provisions - non current, derivative financial instruments, employee benefits and other non-current liabilities.

Liquidity and Capital Resources

We are a holding company. As a result, our ability to meet our obligations and to fund our capital needs depends on our ongoing ability to generate cash from operations, the terms of our financing arrangements, and our access to capital markets.

Sources and Uses of Cash

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
(millions of US$)	2019	2018	2019	2018
Cash, cash equivalents and restricted cash at the beginning of the period	**$ 79.3**	**$ 121.2**	**$ 78.0**	**$ 94.1**
Net cash provided by operating activities	218.3	152.2	362.7	245.3
Net cash used in investing activities	(191.5)	(88.3)	(269.0)	(280.6)
Net cash (used in) provided by financing activities	87.8	(74.5)	3.6	32.5
Effects of exchange rate changes on cash and cash equivalents	(53.7)	19.1	(35.1)	38.4
Cash, cash equivalents and restricted cash at the end of the period	**$ 140.2**	**$ 129.7**	**$ 140.2**	**$ 129.7**

Operating Activities

In the second quarter of 2019, net cash provided by operating activities was $218.3 million, compared with $152.2 million in the same period of 2018. In the six months ended June 30, 2019, net cash provided by operating activities was $362.7 million, compared with $245.3 million in the same period of 2018. For both periods, the variations were mainly due to changes in working capital, partially offset by higher income tax payments.

Investing Activities

In the second quarter of 2019, net cash used in investing activities was $191.5 million, mainly due to capital expenditures of $172.7 million primarily related to the solar and liquid terminal projects and the funding of $15.8 million in the South Texas - Tuxpan pipeline.

In the second quarter of 2018, net cash used in investing activities was $88.3 million, mainly due to capital expenditures related to the new solar and liquid terminal projects.

In the six months ended June 30, 2019, net cash used in investing activities was $269.0 million, mainly due to capital expenditures of $253.2 million primarily related to the solar and liquid terminal projects and the funding of $15.8 million in the South Texas - Tuxpan pipeline.

In the six months ended June 30, 2018, net cash used in investing activities was $280.6 million, mainly due to capital expenditures of $173.1 million related to the new solar and liquid terminal projects and the investment of $108.9 million in the South Texas – Tuxpan pipeline.

Financing Activities

In the second quarter of 2019, net cash used in financing activities was $87.8 million, mainly due to $112.8 million of net proceeds from bank financing, partially offset by $21.1 million of interest paid and $2.3 million of share repurchases.

In the second quarter of 2018, net cash provided by financing activities was $74.5 million due to $56.8 million of net bank financing repayment and interest paid of $17.7 million.

In the six months ended June 30, 2019, net cash provided by financing activities was $3.6 million, mainly due to $100.1 million of net proceeds from bank financing, partially offset by $67.2 million of interest paid, $21.2 million of lease payments and $8.2 million of share repurchases.

In the six months ended June 30, 2018, net cash provided by financing activities was $32.5 million, mainly due to $70.0 million in net borrowings from unconsolidated affiliates and $104.5 million of net proceeds from bank financing, partially offset by the five-year CEBURES payment at maturity of $102.1 million and interest paid of $39.9 million.

IEnova INFRAESTRUCTURA ENERGÉTICA

Reconciliation of Profit for the Period to EBITDA and Adjusted EBITDA

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
(millions of US$)	2019	2018	2019	2018
EBITDA reconciliation				
Profit for the period	$ 112.6	$ 102.3	$ 213.2	$ 229.8
Depreciation and amortization	38.8	33.8	76.4	67.4
Financing cost, net	25.3	21.9	50.0	46.5
Other (gains) losses, net	(7.1)	57.0	(13.6)	5.2
Income tax expense	32.2	19.8	80.2	58.0
Share of (profits) of joint ventures, net of income tax	(5.2)	(44.5)	(8.7)	(32.4)
(1) EBITDA	**196.6**	**190.3**	**397.5**	**374.5**
JV EBITDA Adjustment reconciliation				
Profit for the period	5.2	44.5	8.7	32.4
Depreciation and amortization	2.3	1.6	4.5	3.1
Financing cost, net	8.8	5.9	17.2	16.3
Other losses (gains), net	7.0	(40.8)	15.8	(6.7)
Income tax expense	4.7	17.4	9.9	10.6
(2) JV EBITDA Adjustment	**28.0**	**28.6**	**56.1**	**55.7**
(1+2) Adjusted EBITDA	**$ 224.6**	**$ 218.9**	**$ 453.6**	**$ 430.2**

Internal Controls

Our management is responsible for maintaining a system of internal control over financial reporting. This system gives our shareholders reasonable assurance that our transactions are executed and maintained in accordance with the guidelines set forth by our management and that our financial records are reliable as a basis for preparing our financial statements.

The system of internal control over financial reporting is supported by ongoing audits, the results of which are reported to management throughout the year. In addition, we maintain reliable databases and have systems designed to generate key financial information.