



2022

Executive Summary

(millions of US\$)	Three months ended June 30,			Six months ended June 30,		
	2022	2021	% Var.	2022	2021	% Var.
	(unaudited)			(unaudited)		
IEnova Adjusted EBITDA	317.3	280.2	13 %	592.0	541.2	9 %
Profit for the period	203.1	121.3	67 %	360.0	231.8	55 %
Revenues	555.3	408.6	36 %	998.3	774.2	29 %

- In the second quarter of 2022, IEnova Adjusted EBITDA increased 13 percent to \$317.3 million, compared with \$280.2 million in the same period of 2021. The increase of \$37.1 million was mainly due to higher margin at the gas segment, the start of operations of the Veracruz and Valle de México Terminals, higher results at Solar power facilities and at Termoeléctrica de Mexicali power plant, partially offset by higher operating expenses.
- In the six months ended June 30, 2022, IEnova Adjusted EBITDA increased 9 percent to \$592.0 million compared with \$541.2 million in the same period of 2021. The increase of \$50.8 million was mainly due to the start of operations of the Veracruz and Valle de México Terminals, higher margin at the gas segment and higher results at Solar power facilities, offset by higher operating expenses.
- In the second quarter of 2022, profit was \$203.1 million, compared with \$121.3 million in the same period of 2021. In the six months ended June 30, 2022, profit was \$360.0 million, compared with \$231.8 million in the same period of 2021. The increases of \$81.8 million and \$128.2 million were mainly due to non-cash exchange rate effects and IEnova Adjusted EBITDA drivers mentioned above.
- In the second quarter of 2022, revenues were \$555.3 million, compared with \$408.6 million in the same period of 2021. The increase of \$146.7 million was mainly related to higher revenues at the gas segment, higher results at Termoeléctrica de Mexicali power plant, the start of operations of the Veracruz and Valle de México Terminals, higher results at Solar power facilities and the start of operations of Energía Sierra Juarez second phase.
- In the six months ended June 30, 2022, revenues were \$998.3 million, compared with \$774.2 million in the same period of 2021. The increase of \$224.1 million was mainly related to higher revenues at the gas segment, higher results at Termoeléctrica de Mexicali power plant, the start of operations of the Veracruz and Valle de México Terminals, the consolidation of Energía Sierra Juarez after the acquisition of the remaining 50-percent interest in March 2021, the start of operations of Energía Sierra Juarez second phase and higher results at Solar power facilities.
- The Company maintains strong level of liquidity with approximately \$1.8 billion, including cash, restricted cash and available committed credit lines.
- In July 2021, Semptra Infrastructure and Mexico's Federal Electricity Commission (Comisión Federal de Electricidad, CFE), announced several agreements to advance the joint development of critical energy infrastructure projects in Mexico, including the rerouting of the Guaymas-El Oro pipeline in Sonora, the proposed Vista Pacifico LNG project in Topolobampo, Sinaloa, and the potential development of a liquefied natural gas (LNG) terminal in Salina Cruz, Oaxaca. These new agreements establish the framework for a joint venture between the companies to ultimately enable



the restoration of service provided by the Guaymas-El Oro pipeline. These agreements also outline the path forward for the Vista Pacífico LNG terminal, including the definition of the project's configuration to advance engineering and permitting efforts.

The agreements reflect Sempra Infrastructure and CFE's commitment to continue advancing energy infrastructure projects that enhance the region's energy security, promote North America's energy integration, and foster economic growth and social wellbeing in the region.

Segment Information

Revenue is presented after eliminating inter-company transactions.

Gas Segment	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(millions of US\$)				
	(unaudited)		(unaudited)	
Revenues	\$ 348.2	\$ 261.3	\$ 647.9	\$ 521.3
IEnova EBITDA	122.5	113.6	249.2	241.6

Revenues

In the second quarter of 2022, Gas segment revenues were \$348.2 million, compared with \$261.3 million in the same period of 2021. The increase of \$86.9 million was mainly due to \$73.1 million from higher price net of lower volume of natural gas sold (offset in cost of revenues) and \$13.6 million from higher revenue in transportation business.

In the six months ended June 30, 2022, Gas segment revenues were \$647.9 million, compared with \$521.3 million in the same period of 2021. The increase of \$126.6 million was mainly due to \$94.9 million from higher price net of lower volume of natural gas sold (offset in cost of revenues) and \$36.1 million from higher revenue in transportation business.

IEnova EBITDA

In the second quarter of 2022, Gas segment IEnova EBITDA was \$122.5 million, compared with \$113.6 million in the same period of 2021. The increase of \$8.9 million was mainly due to higher revenue in transportation business, offset by higher operating expenses.

In the six months ended June 30, 2022, Gas segment IEnova EBITDA was \$249.2 million, compared with \$241.6 million in the same period of 2021. The increase of \$7.6 million was mainly due to higher revenue in transportation business, partially offset by lower margin at gas business and higher operating expenses.

Storage Segment	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(millions of US\$)				
	(unaudited)		(unaudited)	
Revenues	\$ 58.3	\$ 47.1	\$ 115.5	\$ 87.3
IEnova EBITDA	60.6	48.3	118.2	96.2

Revenues

In the second quarter of 2022, Storage segment revenues were \$58.3 million, compared with \$47.1 million in the same period of 2021. In the six months ended June 30, 2022, Storage segment revenues

were \$115.5 million, compared with \$87.3 million for the same period of 2021. The increases of \$11.2 million and \$28.2 million were mainly due to the start of operation of the Veracruz and Valle de México Terminals.

IEnova EBITDA

In the second quarter of 2022, Storage segment IEnova EBITDA was \$60.6 million, compared with \$48.3 million in the same period of 2021. In the six months ended June 30, 2022, Storage segment IEnova EBITDA was \$118.2 million, compared with \$96.2 million for the same period of 2021. The increases of \$12.3 million and \$22.0 million were mainly due to the start of operation of the Veracruz and Valle de México Terminals.

Power Segment	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(millions of US\$)				
	(unaudited)		(unaudited)	
Revenues	\$ 148.5	\$ 98.3	\$ 234.4	\$ 162.2
IEnova EBITDA	65.6	47.9	86.1	60.4

Revenues

In the second quarter of 2022, Power segment revenues were \$148.5 million, compared with \$98.3 million for the same period of 2021. The increase of \$50.2 million was mainly due to \$28.2 million from higher prices net of lower volume at Termoeléctrica de Mexicali power plant, \$7.1 million from higher prices at Solar power facilities, \$6.8 million from higher revenue at Ventika and \$5.2 million from the start of operation of the Energía Sierra Juarez second phase.

In the six months ended June 30, 2022, Power segment revenues were \$234.4 million, compared with \$162.2 million for the same period of 2021. The increase of \$72.2 million was mainly due to \$31.0 million in Termoeléctrica de Mexicali power plant from higher price net of lower volume, \$15.9 million from higher revenue at Solar power facilities, \$9.5 million from the consolidation of Energía Sierra Juarez after the acquisition of the remaining 50-percent interest in March 2021, \$8.8 million from the start of operation of the Energía Sierra Juarez second phase and \$6.0 million from higher revenues at Ventika.

IEnova EBITDA

In the second quarter of 2022, Power segment IEnova EBITDA was \$65.6 million, compared with \$47.9 million for the same period of 2021. The increase of \$17.7 million was mainly due to higher results at Solar power facilities and higher results at Termoeléctrica de Mexicali power plant.

In the six months ended June 30, 2022, Power segment IEnova EBITDA was \$86.1 million, compared with \$60.4 million for the same period of 2021. The increase of \$25.7 million was mainly due to higher results at Solar power facilities, the consolidation of Energía Sierra Juarez after the acquisition of the remaining 50-percent interest in March 2021 and the start of operations of Energía Sierra Juarez second phase.

Joint Ventures IEnova EBITDA and Share of Profits from Joint Ventures		Three months ended June 30,		Six months ended June 30,	
		2022	2021	2022	2021
(millions of US\$)	Joint Venture with				
		(unaudited)		(unaudited)	
Joint Ventures IEnova EBITDA		\$ 68.3	\$ 66.9	\$ 136.5	\$ 140.9
Los Ramones Norte pipeline	Brookfield	\$ 17.3	\$ 13.8	\$ 34.2	\$ 26.6
South Texas - Tuxpan pipeline	TC Energy	26.9	0.2	54.7	36.2
Energía Sierra Juárez wind generation facility	Actis ⁽¹⁾	—	—	—	1.6
ECA Liquefaction	Sempra Energy	(0.1)	(0.2)	1.4	(1.2)
Share of Profits from Joint Ventures, net of Income Tax		\$ 44.1	\$ 13.8	\$ 90.3	\$ 63.2

(1) On March 19, 2021, IEnova acquired the remaining 50-percent interest in Energía Sierra Juárez wind generation facility.

Joint Ventures IEnova EBITDA

In the second quarter of 2022, Joint Ventures IEnova EBITDA was in line with the same period of 2021.

In the six months ended June 30, 2022, Joint Ventures IEnova EBITDA was \$136.5 million compared with \$140.9 million for the same period of 2021. The decrease of \$4.4 million was mainly due to the consolidation of Energía Sierra Juárez after the acquisition of the remaining 50-percent interest in March 2021, which is now reported in consolidation section.

Share of Profits from Joint Ventures, net of Income Tax

In the second quarter of 2022, our Share of Profit from Joint Ventures, net of Income Tax was \$44.1 million, compared with \$13.8 million for the same period of 2021. The increase of \$30.3 million was mainly due to the South Texas - Tuxpan pipeline 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, 2022, our Share of Profit from Joint Ventures, net of Income Tax was \$90.3 million compared with \$63.2 million in the same period of 2021. The increase of \$27.1 million was mainly due to the South Texas - Tuxpan pipeline foreign exchange rate effects primarily related to a peso-denominated shareholder's loan and its higher finance cost and non-cash exchange rate effects at Los Ramones Norte pipeline. The foreign exchange rate effects are offset in Other Gains (Losses), net.

Consolidated Results

Depreciation and Amortization

In the second quarter of 2022, depreciation and amortization was \$58.1 million, compared with \$53.5 million in the same period of 2021. The increase of \$4.6 million was mainly due to the new assets in operation in power and storage segments.

In the six months ended June 30, 2022, depreciation and amortization was \$114.8 million, compared with \$97.4 million in the same period of 2021. The increase of \$17.4 million was mainly due to the new assets in operation in gas, power and storage segments.

Financing Cost, Net

In the second quarter of 2022, financing cost, net was \$33.8 million, compared with \$26.2 million in the same period of 2021. The increase of \$7.6 million was mainly due to lower interest income related to the shareholder's loan to fund the South Texas – Tuxpan pipeline.

In the six months ended June 30, 2022, financing cost, net was in line with the same period of 2021

Other gains (losses), Net

In the second quarter of 2022, other gains were \$3.0 million, compared with other gains of \$30.5 million in the same period of 2021. In the six months ended June 30, 2022, other losses were \$15.2 million, compared with other gains of \$5.3 million in the same period of 2021. The variances of \$27.5 million and \$20.5 million were mainly related to exchange rate effects, on a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline, which is offset in Share of Profits from Joint Ventures.

Income Tax Expense

In the second quarter of 2022, income tax expense was \$1.1 million, compared with \$56.6 million in the same period of 2021. The decrease of \$55.5 million was primarily due to the effect of exchange rate and inflation on monetary assets and liabilities and tax incentives, and 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.

In the six months ended June 30, 2022, income tax expense was \$4.8 million, compared with \$89.2 million in the same period of 2021. The decrease of \$84.4 million was primarily due to 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 and tax incentives, partially offset by the effect of exchange rate and inflation on monetary assets and 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 financing sources.

Sources and Uses of Cash	Six months ended June 30,	
	2022	2021
(millions of US\$)	(unaudited)	
Cash, cash equivalents and restricted cash at the beginning of the period	\$ 218.5	\$ 316.3
Net cash provided by operating activities	375.1	334.2
Net cash (used in) investing activities	(165.3)	(214.3)
Net cash (used in) provided by financing activities	(188.4)	(284.0)
Effects of exchange rate changes on cash and cash equivalents	(3.2)	14.0
Cash, cash equivalents and restricted cash at the end of the period	\$ 236.7	\$ 166.2

Operating Activities

In the six months ended June 30, 2022 net cash provided by operating activities was \$375.1 million, compared with \$334.2 million in the same period of 2021. The variance was mainly due to changes in working capital and higher operational results offset by higher income tax payments.

Investing Activities

In the six months ended June 30, 2022 net cash used in investing activities was \$165.3 million, mainly due to capital expenditures of \$143.6 million primarily related to the liquid terminals and transportation projects and \$38.2 million for the ECA liquefaction project, partially offset by \$16.8 million interest received from the shareholder's loan granted to the South Texas – Tuxpan pipeline.

In the six months ended June 30, 2021 net cash used in investing activities was \$214.3 million, mainly due to capital expenditures of \$159.7 million primarily related to the liquid terminals projects, the acquisition of Energia Sierra Juarez net of cash acquired of \$65.0 million, the funding of \$4.0 million for the ESJ Expansion before the acquisition and \$7.2 million for the ECA liquefaction project, partially offset by \$22.9 million interest received from the shareholder's loan granted to the South Texas – Tuxpan pipeline.

Financing Activities

In the six months ended June 30, 2022 net cash used by financing activities was \$188.4 million, mainly due to \$439.6 million of payments net of proceeds from bank financing, \$60.5 million of interest paid and \$5.5 million for finance lease payments, partially offset by \$317.5 million from a loan received from unconsolidated affiliates.

In the six months ended June 30, 2021 net cash used by financing activities was \$284.0 million, mainly due to \$245.4 million of payments net of proceeds from bank financing, \$53.5 million of interest paid, and \$5.1 million for finance lease payments, partially offset by \$20.0 million from a loan received from unconsolidated affiliates.

The Company ended the second quarter with \$236.7 million of cash, including restricted cash and short term investments. Moreover the Company had approximately \$1.8 billion of liquidity, including cash, restricted cash and available committed credit lines.

Condensed Consolidated Financial Statements

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.

Statements of Profits	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(millions of US\$)				
	(unaudited)		(unaudited)	
Revenues	\$ 555.3	\$ 408.6	\$ 998.3	\$ 774.2
Cost of revenues	(219.9)	(124.9)	(374.0)	(249.5)
Operating, administrative and other expenses	(86.4)	(70.4)	(168.8)	(124.4)
IEnova EBITDA	249.0	213.3	455.5	400.3
Depreciation and amortization	(58.1)	(53.5)	(114.8)	(97.4)
Operating profit	190.9	159.8	340.7	302.9
Financing cost, net	(33.8)	(26.2)	(51.0)	(50.4)
Other gains (losses), net	3.0	30.5	(15.2)	5.3
Profit before income tax and share of profits of joint ventures	160.1	164.1	274.5	257.8
Income tax expense	(1.1)	(56.6)	(4.8)	(89.2)
Share of profits of joint ventures, net of income tax	44.1	13.8	90.3	63.2
Profit for the period	\$ 203.1	\$ 121.3	\$ 360.0	\$ 231.8

Statements of Financial Position	June 30, 2022	December 31, 2021
(thousands of US\$)	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 79,295	\$ 199,105
Trade and other receivables, net	262,456	200,919
Taxes receivable	201,148	209,523
Other current assets ⁽¹⁾	883,901	163,102
Total current assets	1,426,800	772,649
Non-current assets		
Due from unconsolidated affiliates	22,161	654,723
Finance lease receivables	948,729	961,749
Deferred income tax assets	134,945	124,967
Investments in joint ventures	1,018,470	894,850
Property, plant and equipment, net	5,331,843	5,321,869
Goodwill	1,638,091	1,638,091
Other non-current assets ⁽²⁾	609,953	519,142
Total non-current assets	9,704,192	10,115,391
Total assets	\$ 11,130,992	\$ 10,888,040
Liabilities and Stockholders' Equity		
Short-term debt	\$ 849,278	\$ 1,062,044
Due to unconsolidated affiliates	402,647	72,944
Other current liabilities ⁽³⁾	550,154	523,561
Total current liabilities	1,802,079	1,658,549
Non-current liabilities		
Long-term debt	2,185,187	2,403,697
Due to unconsolidated affiliates	281,565	287,126
Deferred income tax liabilities	526,563	572,798
Other non-current liabilities ⁽⁴⁾	337,396	392,198
Total non-current liabilities	3,330,711	3,655,819
Total liabilities	5,132,790	5,314,368
Stockholders' equity		
Common stock	743,501	743,501
Additional paid-in capital	2,320,677	2,320,677
Accumulated other comprehensive (loss)	(54,041)	(118,958)
Retained earnings	2,988,065	2,628,525
Total equity attributable to owners	5,998,202	5,573,745
Non-controlling interests	0	(73)
Total equity of the company	\$ 5,998,202	\$ 5,573,672
Total liabilities and equity	\$ 11,130,992	\$ 10,888,040

⁽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.

Reconciliation of Profit for the Period to IEnova EBITDA and IEnova Adjusted EBITDA

We present "IEnova EBITDA" and "IEnova Adjusted EBITDA" in this earnings report for the convenience of investors. IEnova EBITDA and IEnova 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 IEnova 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 IEnova Adjusted EBITDA as IEnova EBITDA plus Joint Ventures (JV) IEnova EBITDA adjustment.

We define the JV IEnova 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.

IEnova EBITDA and IEnova Adjusted EBITDA	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(millions of US\$)				
	(unaudited)		(unaudited)	
Gas Segment	\$ 122.5	\$ 113.6	\$ 249.2	\$ 241.6
Storage Segment	60.6	48.3	118.2	96.2
Power Segment	65.6	47.9	86.1	60.4
Corporate & Others	0.3	3.5	2.0	2.1
IEnova EBITDA	\$ 249.0	\$ 213.3	\$ 455.5	\$ 400.3
JV EBITDA adjustment	68.3	66.9	136.5	140.9
IEnova Adjusted EBITDA	\$ 317.3	\$ 280.2	\$ 592.0	\$ 541.2

IEnova EBITDA and IEnova Adjusted EBITDA reconciliation to Profit	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(millions of US\$)				
	(unaudited)		(unaudited)	
IEnova EBITDA reconciliation				
Profit for the period	\$ 203.1	\$ 121.3	\$ 360.0	\$ 231.8
Depreciation and amortization	58.1	53.5	114.8	97.4
Financing cost, net	33.8	26.2	51.0	50.4
Other (gains) losses, net	(3.0)	(30.5)	15.2	(5.3)
Income tax expense	1.1	56.6	4.8	89.2
Share of (profits) of joint ventures, net of income tax	(44.1)	(13.8)	(90.3)	(63.2)
(1) IEnova EBITDA	249.0	213.3	455.5	400.3
JV EBITDA Adjustment reconciliation				
Profit for the period	44.1	13.8	90.3	63.2
Depreciation and amortization	7.4	7.3	14.7	16.0
Financing cost, net	7.6	16.7	23.2	34.7
Other (gains) losses, net	(2.7)	25.8	(15.5)	4.4
Income tax expense	11.9	3.3	23.8	22.6
(2) JV IEnova EBITDA Adjustment	68.3	66.9	136.5	140.9
(1+2) IEnova Adjusted EBITDA	\$ 317.3	\$ 280.2	\$ 592.0	\$ 541.2

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.

In January 2021, the Company implemented a new enterprise resource planning system (ERP system) to replace its legacy system. The implementation increases user access security and automation of internal controls in certain of IEnova's business processes, including accounting, back office and financial reporting, which we consider to be material to the Company. Management has taken steps to help ensure that controls were appropriately designed and implemented in connection with the integration of and transition to the new ERP system. In the third quarter of 2021, IEnova completed its review and enhancement of the design and related documentation of its internal control over financial reporting in connection with its implementation of the new ERP system.