



▶ FINANCIAL HIGHLIGHTS

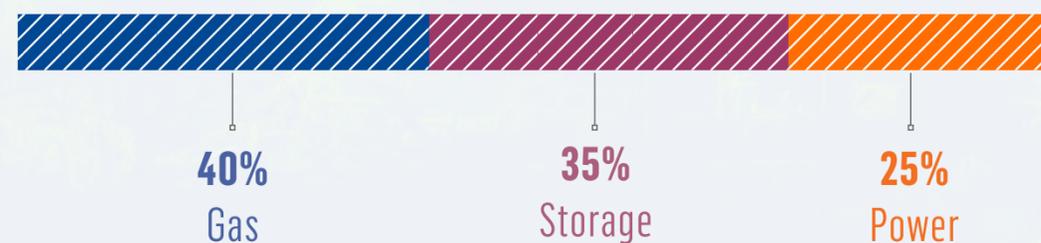
▶ We present “IEnova EBITDA” and “IEnova Adjusted EBITDA” in this earnings report for the convenience of investors. IEnova EBITDA and IEnova Adjusted EBITDA, however, are not measures of financial performance under IFRS and should not be considered as alternatives to profit or operating income as a measure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

PROPERTY, PLANT AND EQUIPMENT



IENOVA ADJUSTED EBITDA¹



CAPITAL INVESTMENT



NET INCOME



¹ The amounts are audited, except for IEnova Adjusted EBITDA. Amount in millions of US\$.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR 2020 RESULTS

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\$)	Twelve months ended December 31,		
	2020	2019	% Var.
IEnova Adjusted EBITDA*	1,006.1	938.2	7 %
Profit for the period	461.1	467.7	(1) %
Revenues	1,261.3	1,379.3	(9) %

*The amounts are audited, except for Adjusted EBITDA

- In 2020, IEnova Adjusted EBITDA increased 7 percent to \$1,006.1 million, compared with \$938.2 million in the same period of 2019. The increase of \$67.9 million was mainly due to the start of operations of the South Texas - Tuxpan pipeline, partially offset by the revenue deferment at the Guaymas - El Oro pipeline and lower operational results at Termoeléctrica de Mexicali power plant.
- In 2020, profit was \$461.1 million, compared with \$467.7 million in the same period of 2019. The decrease of \$6.6 million was mainly due to non-cash exchange rate effects and higher depreciation, offset by EBITDA drivers mentioned above.
- In 2020, revenues were \$1,261.3 million, compared with \$1,379.3 million in the same period of 2019. The decrease of \$118.0 million was mainly due to lower price of natural gas sold (offset in cost of revenues), lower operational results at Termoeléctrica de Mexicali power plant, the revenue deferment at the Guaymas - El Oro pipeline, lower performance at Ventika and a one-time distribution rates true-up at Ecogas Chihuahua in 2019, partially offset by higher transportation rates and the start of operations during 2019 of Pima, Rumorosa and Tepezala solar facilities.
- The Company maintains strong level of liquidity with approximately \$1.7 billion of cash balances and availability of committed credit lines.

- The Company reorganized its prior reporting segments effective first quarter of 2020. The change does not affect the accounting policies nor the preparation basis of the financial information. This change aligns how management evaluates and reviews the performance of the business. Disclosures in 2020, are uniformly conducted in accordance with the new segments. The new reportable segments are Gas, Storage and Power. For additional details see notes 1 and 11 of the Condensed Interim Consolidated Financial Statements as of December 31, 2020.

- In March 2020, U.S. International Development Finance Corporation ("DFC") approved a 15-year financing for IEnova for up to \$241 million, that was signed in June 2020.

Additionally, the Company entered into a 15-year credit facility for \$100 million with the Japan International Cooperation Agency ("JICA"). This transaction is JICA's first private sector investment finance project in Mexico, since 2012.

Both transactions are part of the financing structure that the Company closed in November 2019 with the International Finance Corporation ("IFC"), a member of the World Bank Group, and the North American Development Bank ("NADBANK"). The total loan facility is for \$541 million. The funds have been used to finance and/or refinance the construction of solar generation projects within IEnova's portfolio.

- In June 2020, the Company published its Sustainability and Financial Report 2019: Beyond Energy.
- IEnova is part of the new S&P/BMV Total Mexico ESG Index that was launched by the Mexican Stock Exchange on June 22nd, which substitutes the former Sustainability Index. IEnova also is part of the S&P Dow Jones Emerging Markets Index.
- In July 2020, the Company informed that its subsidiary Energía Costa Azul, S. de R.L. de C.V. ("ECA Regas") received a request for arbitration from Shell México Gas Natural, S. de R.L. de C.V. ("Shell") derived from a storage services contract between ECA Regas and Shell, where it claims that the 2019 update to the terms and conditions related to the storage services provided at the facility resulted in a cause of force majeure and a breach of the contract mentioned above. ECA Regas considers that Shell's claims are unfounded and inadmissible and will assert its rights in the corresponding arbitration process, seeking to dismiss the counterparty's claims.

In November 2020, the Company informed that its subsidiary ECA Regas, received confirmation that its customer Gazprom Marketing & Trading México, S. de R.L. de C.V. ("Gazprom") joined as a plaintiff in the arbitration proceedings initiated by Shell against ECA Regas which was previously informed. Gazprom has made the corresponding payments in accordance with the storage services agreement that it has with ECA Regas.

ECA Regas considers that Shell and Gazprom's claims are unfounded and inadmissible and will enforce its rights in the corresponding arbitration process, seeking to dismiss the claims of the counterparties.

- In September 2020, the Company completed an international offering of \$800.0 million aggregate principal amount of 4.750% unsecured Senior Notes due 2051 ("Senior Notes"). The Senior Notes received an investment grade rating from Fitch (BBB), Moody's (Baa2) and Standard & Poor's (BBB). IEnova used the net proceeds to refinance short-term debt.
- In September 2020, the Company informed that its subsidiary ECA Regas was notified of an administrative procedure initiated by Inmuebles y Fraccionamientos Peninsulares, S.A. de C.V. and Inmobiliaria Aquino, S.A. de C.V. before the Office of Urban Management, Ecology and Environment (Dirección de Administración Urbana, Ecología y Medio Ambiente) of Ensenada's city council, against certain municipal permits granted in favor of ECA Regas, regarding the liquefaction project that is being developed on land adjacent to the liquefied natural gas terminal in said municipality (the "Terminal"). A favorable resolution was obtained for the ECA Regas facility and the administrative proceeding is concluded.
- In November 2020, the Company informed that its affiliate ECA Liquefaction ("ECA LNG"), the joint venture with Sempra LNG LLC ("Sempra LNG"), made the final investment decision for the development, construction and operation of the ECA Liquefaction project in Ensenada, Baja California. The ECA Liquefaction project consists of adding the natural gas liquefaction process (transformation from the gaseous state to liquid) to the existing liquefied natural gas storage and regasification terminal of ECA Regas. With an approximate investment of \$2 billion and a liquefaction capacity of approximately 3 million tons per year, ECA Liquefaction will be the first natural gas liquefaction project on the North Pacific coast.
- In December 2020, the Company informed that ECA LNG, a wholly-owned subsidiary of the joint venture formed by IEnova, Sempra LNG, and an affiliate of Total SE ("Total"), entered into a 5-year loan agreement for an aggregate amount of up to \$1.6 billion (the "Financing"). The Financing, which will not consolidate in IEnova's balance sheet, has three tranches associated with the commitments of each joint venture partner. The financial institutions related to IEnova's tranche are: The Bank of Nova Scotia, Sumitomo Mitsui Banking Corporation, BBVA Securities Inc., and Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex.

In December 2020, the Company informed that ECA LNG Holdings B.V. ("ECA LNG Holdings"), a joint venture between IEnova and Sempra LNG, signed an equity investment agreement with an affiliate of Total for its participation in ECA LNG, located in Ensenada, Baja California. Under the terms of the agreement, Total has acquired a 16.6% equity stake in ECA LNG Holdings, while IEnova and Sempra LNG will each retain 41.7% ownership.

- In December 2020, the Company informed the market that on December 1st, 2020 IEnova's Board of Directors received a non-binding proposal from Sempra Energy to conduct a tender offer for the totality of common shares of IEnova held by private investors, which represent 29.83% of the total amount of IEnova's common shares. The proposed tender offer is subject to corporate and governmental approvals required by applicable laws. IEnova's Board of Directors, with the opinion of its Corporate Practices Committee, will conduct an evaluation of the proposed tender offer in the terms and timeframe required by the Mexican Securities Law.
- In 2020 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 \$500 million. During this year, IEnova repurchased 78.1 million shares. As of December 31, 2020, the Company has canceled the treasury shares.
- The Company's total assets increased by \$0.9 billion, from \$9.6 billion as of December 2019 to \$10.5 billion as of December 2020.

SEGMENT INFORMATION

Revenue is presented after eliminating inter-company transactions.

Gas Segment (millions of US\$)	Twelve months ended December 31,	
	2020	2019
Revenues	\$ 805.4	\$ 894.8
IEnova EBITDA	409.9	425.4

REVENUES

In 2020, Gas segment revenues were \$805.4 million, compared with \$894.8 million in the same period of 2019. The decrease of \$89.4 million was mainly due to \$67.5 million from lower price of natural gas sold (offset in cost of revenues), \$32.6 million from revenue deferment at the Guaymas - El Oro pipeline and \$5.0 million of one-time distribution rates true-up at Ecogas Chihuahua in 2019, partially offset by \$17.2 million from higher transportation rates.

IENOVA EBITDA

In 2020, Gas segment IEnova EBITDA was \$409.9 million, compared with \$425.4 million in the same period of 2019. The decrease of \$15.5 million was mainly due to revenue deferment at the Guaymas - El Oro pipeline and a one-time distribution rates true-up at Ecogas Chihuahua in 2019, partially offset by higher transportation rates.

Storage Segment	Twelve months ended December 31,	
(millions of US\$)	2020	2019
Revenues	\$ 160.0	\$ 156.5
IEnova EBITDA	185.9	188.6

REVENUES

In 2020, Storage segment revenues were in line with the same period of 2019.

IENOVA EBITDA

In 2020, Storage segment IEnova EBITDA was in line with the same period of 2019.

Power Segment	Twelve months ended December 31,	
(millions of US\$)	2020	2019
Revenues	\$ 289.8	\$ 323.1
IEnova EBITDA	132.3	157.0

REVENUES

In 2020, Power segment revenues were \$289.8 million, compared with \$323.1 million in the same period of 2019. The decrease of \$33.3 million was mainly due to \$37.1 million from lower volume net of higher price at Termoeléctrica de Mexicali power plant and \$11.7 million from lower performance at Ventika, partially offset by \$15.2 million from the start of operations during 2019 of Pima, Rumorosa and Tepezala solar facilities.

IENOVA EBITDA

In 2020, Power segment IEnova EBITDA was \$132.3 million, compared with \$157.0 million in the same period of 2019. The decrease of \$24.7 million was mainly due to lower operational results at Termoeléctrica de Mexicali power plant and lower performance at Ventika partially offset by the start of operations during 2019 of the Pima, Rumorosa and Tepezala solar facilities.

Joint Ventures IEnova EBITDA and Share of Profits from Joint Ventures		Twelve months ended December 31,	
(millions of US\$)	Joint Venture with	2020	2019
Joint Ventures IEnova EBITDA		\$ 277.4	\$ 160.3
Los Ramones Norte pipeline	Brookfield	\$ 45.3	\$ 37.3
South Texas - Tuxpan pipeline	TC Energy	113.9	(0.4)
Energía Sierra Juárez wind generation facility	Actis	4.5	4.0
ECA Liquefaction	Sempra Energy	(5.9)	(1.1)
Share of Profits from Joint Ventures, net of Income Tax		\$ 157.8	\$ 39.8

JOINT VENTURES IENOVA EBITDA

In 2020, Joint Ventures IEnova EBITDA was \$277.4 million, compared with \$160.3 million for the same period of 2019. The increase of \$117.1 million was mainly due to the start of operations of the South Texas - Tuxpan pipeline in September 2019, partially offset by non-capitalized development expenses in the ECA Liquefaction project.

SHARE OF PROFITS FROM JOINT VENTURES, NET OF INCOME TAX

In 2020, our Share of Profit from Joint Ventures, net of Income Tax was \$157.8 million compared with \$39.8 million for the same period of 2019. The increase of \$118.0 million was mainly due to the start of operations of South Texas - Tuxpan pipeline in September 2019 and the foreign exchange rate effects primarily related to a peso-denominated shareholder's loan, offset by higher finance cost. The foreign exchange rate effects are offset in Other Gains (Losses), net.

CONSOLIDATED RESULTS

DEPRECIATION AND AMORTIZATION

In 2020, depreciation and amortization was \$162.0 million, compared with \$155.8 million for the same period of 2019. The increase of \$6.2 million was mainly due to the start of operations during 2019 of Pima, Rumorosa and Tepezala solar facilities.

FINANCING COST, NET

In 2020, financing cost, net was \$85.8 million, compared with \$87.2 million in the same period of 2019. The decrease of \$1.4 million was mainly due to higher interest income related to the shareholder's loan granted to the South Texas - Tuxpan pipeline offset by higher finance cost.

OTHER (LOSSES) GAINS, NET

In 2020, other losses were \$31.7 million, compared with other gains of \$25.6 million in the same period of 2019. The variance of \$57.3 million was mainly 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 from Joint Ventures.

INCOME TAX EXPENSE

In 2020, income tax expense was \$145.9 million, compared with \$132.6 million in the same period of 2019. The increase of \$13.3 million is 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 companies, which we are required to remeasure in each reporting period based on changes in the Mexican peso, partially offset by the exchange rate 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 (millions of US\$)	Twelve months ended December 31,	
	2020	2019
Cash, cash equivalents and restricted cash at the beginning of the period	\$ 91.5	\$ 78.0
Net cash provided by operating activities	523.3	706.7
Net cash used in investing activities	(616.7)	(655.0)
Net cash provided by financing activities	323.8	6.6
Effects of exchange rate changes on cash and cash equivalents	(5.6)	(44.8)
Cash, cash equivalents and restricted cash at the end of the period	\$ 316.3	\$ 91.5

OPERATING ACTIVITIES

In 2020 net cash provided by operating activities was \$523.3 million, compared with \$706.7 million in the same period of 2019, mainly due to changes in working capital, higher income tax payments and lower operational results.

INVESTING ACTIVITIES

In 2020 net cash used in investing activities was \$616.7 million, mainly due to capital expenditures of \$560.7 million primarily related to the liquid terminals and solar projects, the funding of \$85.3 million in ESJ Expansion project and \$32.5 million in the ECA liquefaction project, partially offset by \$55.5 million interest received from the shareholder's loan granted to the South Texas - Tuxpan pipeline and \$7.6 million from the equity reimbursement related to ESJ Expansion project.

In 2019, net cash used in investing activities was \$655.0 million, mainly due to capital expenditures of \$613.6 million primarily related to the solar and liquid terminal projects, and the funding of \$49.1 million in the ECA liquefaction project and \$15.8 million South Texas - Tuxpan pipeline, partially offset by \$18.7 million interest payment from the shareholder's loan granted to South Texas - Tuxpan pipeline.

FINANCING ACTIVITIES

In 2020, net cash provided by financing activities was \$323.8 million, mainly due to \$770.0 million from international senior note offering, net of expenses, net proceeds were used to refinance short-term debt and \$64.0 million net proceeds of loans from unconsolidated affiliates, offset by \$231.0 million of share repurchases, \$138.4 million of net payments from credit lines, \$119.1 million of interest paid and \$11.3 million for finance lease payments.

The Company ended the year with \$316.3 million of cash, including restricted cash and short-term investments, in light of the Covid-19 global situation. More over the Company had approximately \$1.7 billion of liquidity, including cash and available committed credit lines.

In 2019, net cash provided by financing activities was \$6.6 million, mainly due to \$510.0 million of net proceeds from bank financing, partially offset by a dividend payment of \$220.0 million, \$133.8 million of interest paid, \$112.4 million net of loans with unconsolidated affiliates, \$27.4 million of lease payments and \$9.8 million of share repurchases.

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

Statements of Profits	Twelve months ended December 31,	
(millions of US\$)	2020	2019
Revenues	\$ 1,261.3	\$ 1,379.3
Cost of revenues	(297.9)	(391.1)
Operating, administrative and other expenses	(234.7)	(210.3)
INova EBITDA	728.7	777.9
Depreciation and amortization	(162.0)	(155.8)
Operating profit	566.7	622.1
Financing cost, net	(85.8)	(87.2)
Other (losses) gains, net	(31.7)	25.6
Profit before income tax and share of profits of joint ventures	449.2	560.5
Income tax expense	(145.9)	(132.6)
Share of profits of joint ventures, net of income tax	157.8	39.8
Profit for the period	\$ 461.1	\$ 467.7

STATEMENTS OF FINANCIAL POSITION

Statements of Financial Position	December 31,	December 31,
(thousands of US\$)	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 291,993	\$ 57,966
Trade and other receivables, net	182,587	139,407
Taxes receivable	198,189	154,947
Other current assets ⁽¹⁾	136,861	113,261
Total current assets	809,630	465,581
Non-current assets		
Due from unconsolidated affiliates	787,183	744,609
Finance lease receivables	926,795	921,270
Deferred income tax assets	100,650	89,898
Investments in joint ventures	783,428	625,802
Property, plant and equipment, net	5,048,512	4,637,962
Goodwill	1,638,091	1,638,091
Other non-current assets ⁽²⁾	372,135	429,293
Total non-current assets	9,656,794	9,086,925
Total assets	\$ 10,466,424	\$ 9,552,506

Continued —→

Liabilities and Stockholders' Equity		
Short-term debt	\$ 839,287	\$ 1,235,379
Due to unconsolidated affiliates	61,817	24,471
Other current liabilities ⁽³⁾	338,272	333,682
Total current liabilities	1,239,376	1,593,532
Non-current liabilities		
Long-term debt	2,838,711	1,818,331
Due to unconsolidated affiliates	272,857	233,597
Deferred income tax liabilities	604,229	565,957
Other non-current liabilities ⁽⁴⁾	389,454	383,852
Total non-current liabilities	4,105,251	3,001,737
Total liabilities	5,344,627	4,595,269
Stockholders' equity		
Common stock	743,501	955,239
Additional paid-in capital	2,320,385	2,342,883
Accumulated other comprehensive (loss)	(186,241)	(130,919)
Retained earnings	2,239,395	1,777,280
Total equity attributable to owners	5,117,040	4,944,483
Non-controlling interests	4,757	12,754
Total equity of the company	\$ 5,121,797	\$ 4,957,237
Total liabilities and equity	\$ 10,466,424	\$ 9,552,506

⁽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

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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	Twelve months ended December 31, (unaudited)	
(millions of US\$)	2020	2019
Gas Segment	\$ 409.9	\$ 425.4
Storage Segment	185.9	188.6
Power Segment	132.3	157.0
Corporate & Others	0.6	6.9
IEnova EBITDA	\$ 728.7	\$ 777.9
JV EBITDA adjustment	277.4	160.3
IEnova Adjusted EBITDA	\$ 1,006.1	\$ 938.2

IEnova EBITDA and IEnova Adjusted EBITDA reconciliation to Profit	Twelve months ended December 31, (unaudited)	
(millions of US\$)	2020	2019
IEnova EBITDA reconciliation		
Profit for the period	\$ 461.1	\$ 467.7
Depreciation and amortization	162.0	155.8
Financing cost, net	85.8	87.2
Other losses (gains), net	31.7	(25.6)
Income tax expense	145.9	132.6
Share of (profits) of joint ventures, net of income tax	(157.8)	(39.8)
(1) IEnova EBITDA	728.7	777.9
JV EBITDA Adjustment reconciliation		
Profit for the period	157.8	39.8
Depreciation and amortization	31.5	14.4
Financing cost, net	85.9	65.9
Other (gains) losses, net	(41.4)	26.5
Income tax expense	43.6	13.7
(2) JV IEnova EBITDA Adjustment	277.4	160.3
(1+2) IEnova Adjusted EBITDA	\$ 1,006.1	\$ 938.2

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.