

**EMGESA S.A E.S.P AND ITS SUBSIDIARIES**  
**Consolidated Balance Sheet**  
As of June 30, 2020 and December 31, 2019  
(In thousand pesos)



ASSETS	June 2020	December 2019
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**CURRENT ASSETS**

Net available and equivalents	308.699.368	287.544.909
Net other financial assets	17.743.691	13.471.927
Net other non-financial assets	35.975.624	24.118.654
Net commercial accounts receivable and other receivables	148.404.150	239.035.049
Net accounts receivable from related entities	4.307.378	182.940.465
Net Inventories	75.917.779	82.219.623
Income tax assets	38.340	10.006
<b>TOTAL CURRENT ASSETS</b>	<b>591.086.330</b>	<b>829.340.633</b>

**NON CURRENT ASSETS**

Net other financial assets	537.642	554.417
Net other non-financial assets	29.294.697	32.564.696
Net commercial accounts receivable and other receivables	12.272.436	12.315.176
Net intangible assets other than capital gains	105.868.738	106.999.707
Property, plant and equipment	8.092.868.747	8.138.458.413
Deferred tax assets	294.480	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>8.241.136.740</b>	<b>8.290.892.409</b>

<b>TOTAL ASSETS</b>	<b>8.832.223.070</b>	<b>9.120.233.042</b>
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LIABILITIES AND EQUITY		
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**CURRENT LIABILITIES**

Financial liabilities	788.112.618	329.192.028
Commercial accounts payable and other payables	242.418.524	320.183.181
Accounts payable to related entities	576.009.764	227.557.833
Provisions	88.248.977	102.533.817
Income tax liabilities	25.567.823	207.188.045
Provisions for employee benefits	33.334.089	36.624.002
Other non-financial liabilities	90.351.111	60.932.027
<b>TOTAL CURRENT LIABILITIES</b>	<b>1.844.042.906</b>	<b>1.284.210.933</b>

**NON CURRENT LIABILITIES**

Financial liabilities	1.951.379.353	2.688.684.643
Provisions	155.011.182	147.259.379
Provisions for employee benefits	88.567.740	88.556.371
Net deferred tax	198.946.848	168.260.483
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>2.393.905.123</b>	<b>3.092.760.876</b>

<b>TOTAL LIABILITIES</b>	<b>4.237.948.029</b>	<b>4.376.971.809</b>
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**EQUITY**

Issued capital	655.222.313	655.222.313
Issue premiums	113.255.816	113.255.816
Other reserves	551.693.678	560.353.525
Other comprehensive income (OCI)	(28.427.951)	(31.398.646)
<i>Net income</i>	719.221.355	1.232.152.218
<i>Retained earnings</i>	1.113.058.151	743.412.486
<i>Earnings from CFRS conversion effect</i>	1.470.220.530	1.470.220.530
Accumulated earnings and profit	3.302.500.036	3.445.785.234
<b>Equity attributable to owners of the parent company</b>	<b>4.594.243.892</b>	<b>4.743.218.242</b>

<b>Non-controlling interest</b>	<b>31.149</b>	<b>42.991</b>
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<b>TOTAL EQUITY</b>	<b>4.594.275.041</b>	<b>4.743.261.233</b>
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<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8.832.223.070</b>	<b>9.120.233.042</b>
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**EMGESA S.A E.S.P AND ITS SUBSIDIARIES****Statement of Comprehensive Income, by Nature**

Six-month period from January 1 to June 30, 2020 and 2019

(In thousand of pesos)



Income Statement	Six-month period from January 1 to June 30	
	2020	2019
<b>Total revenues from ordinary activities and other operating revenues</b>	<b>2.137.222.304</b>	<b>1.951.861.901</b>
Revenues from ordinary activities	2.136.607.320	1.932.017.041
Other operating revenues	614.984	19.844.860
<b>PROVISIONING AND SERVICES</b>	<b>(754.020.514)</b>	<b>(681.555.147)</b>
<b>CONTRIBUTION MARGIN</b>	<b>1.383.201.790</b>	<b>1.270.306.754</b>
Other work carried out by the entity and capitalized	3.754.046	4.098.497
Personnel expenses	(51.743.063)	(47.762.537)
Other fixed operating expenses	(62.959.963)	(61.249.943)
<b>GROSS OPERATING PROFIT</b>	<b>1.272.252.810</b>	<b>1.165.392.771</b>
Depreciations and amortisations	(119.782.804)	(117.023.248)
Impairment losses	417.807	1.173.878
<b>OPERATING PROFIT</b>	<b>1.152.887.813</b>	<b>1.049.543.401</b>
<b>NET FINANCIAL EARNINGS</b>	<b>(110.705.749)</b>	<b>(133.340.040)</b>
Financial revenues	11.097.152	9.430.609
Financial expenses	(125.634.028)	(150.047.948)
Capitalised financial expenses	5.999.854	6.937.000
Exchange difference	(2.168.727)	340.299
Earnings from other investments	10.854	3.961
Earnings from sale of assets	(1.461.223)	(364.986)
<b>EARNINGS BEFORE TAXES</b>	<b>1.040.731.695</b>	<b>915.842.336</b>
Income tax expense	(321.511.330)	(295.338.961)
<b>NET INCOME</b>	<b>719.220.365</b>	<b>620.503.375</b>
Non-controlling interest	990	(65)
<b>NET INCOME</b>	<b>719.221.355</b>	<b>620.503.310</b>

**EMGESA S.A E.S.P AND ITS SUBSIDIARIES**
**Statement of Cash Flows, Direct Method**

Six-month period from January 1 to June 30, 2020 and 2019

(In thousand of pesos)



Statement of Cash Flows, Direct Method	Six-month period from January 1 to June 30	
	2020	2019
<b>Cash flows from operating activities</b>		
<b>Types of collections by operating activity</b>		
<i>Collections from sales of goods and services</i>	2.340.305.662	2.070.063.892
<i>Collections from royalties, fees, commissions and other revenues from ordinary activities</i>	8.704.006	4.712.972
<i>Collections from bonuses and compensations, annuities and other benefits from subscribed policies</i>	-	16.010.050
<b>Types of cash payments from operating activities</b>		
<i>Payments to vendors for supply of goods and services</i>	(750.405.898)	(802.438.810)
<i>Payments to and on behalf of employees</i>	(52.973.273)	(52.652.191)
<i>Payments of bonuses and compensations, annuities and other obligations from subscribed policies</i>	(23.983.502)	(22.554.752)
<i>Other payments for operating activities</i>	(5.992.524)	(6.537.751)
<b>Net cash flows from operating activities</b>	<b>1.515.654.471</b>	<b>1.206.603.410</b>
Paid income taxes	(468.004.155)	(402.323.977)
Other cash outflows	(35.108.547)	(23.096.183)
<b>Net cash flows from operating activities</b>	<b>1.012.541.769</b>	<b>781.183.250</b>
Other payments to acquire equity or debt instruments from other entities	-	(90.000.000)
Other collections from the sale of equity or debt instruments from other entities	-	69.400.000
Purchase of property, plant and equipment	(188.177.073)	(161.564.630)
Collections from related entities	92.658.471	81.000.000
Interest received from investment activities	8.833.295	8.061.600
<b>Net cash flows used in investment activities</b>	<b>(86.685.307)</b>	<b>(93.103.030)</b>
<b>Net Cash flows used in financing activities</b>		
Amounts from loans	55.670.291	-
Loan payments	(291.788.325)	(409.930.000)
Dividends paid to shareholders	(511.001.466)	(429.065.759)
Interest paid financing	(151.769.408)	(168.335.851)
Payments of finance lease liabilities	(557.288)	(2.487.179)
Payments of liabilities for leases (IFRS 16)	(2.514.403)	-
Other cash outflows financing	(2.741.404)	(2.780.909)
<b>Net cash flows used in financing activities</b>	<b>(904.702.003)</b>	<b>(1.012.599.698)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>21.154.459</b>	<b>(324.519.478)</b>
Cash and cash equivalents initial balance	287.544.909	642.057.649
<b>Cash and cash equivalents final balance</b>	<b>308.699.368</b>	<b>317.538.171</b>