

## **Frontera Management Discussion of Operating Performance**

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Confidential

### **Third Quarter Highlights**

Frontera Generation generated third quarter 2020 Consolidated EBITDA of \$4.7 million. Third quarter results were \$37.0 million unfavorable to Budget of \$41.8 million primarily due to unfavorable energy margin influenced by the impact of Mexico's COVID-19 shutdown on demand and prices since March 31.

### **Net Energy Margin**

Frontera's availability was 97.6% and in-line with Budget

Net energy margin was \$38.3 million unfavorable to Budget, mostly due to realized spark spreads of \$5.82/MWh being \$35.41/MWh below Budget as a result of the impact of Mexico's COVID-19 shutdown on demand and prices since March 31

### **Operating Expenses**

Operating expenses were \$4.3 million and in line with Budget of \$4.1 million

### **Capital Expenditures**

Capital Expenditures of \$0.0 million were \$4.7 million favorable to Budget due to deferrals and cancellations of non-essential projects.

### **Liquidity**

As of September 30<sup>th</sup>, Frontera has \$12.2MM of liquidity, with the revolver fully drawn.