

AES Andres B. V. and Subsidiaries
(An Indirectly Owned Subsidiary of The AES
Corporation)

Unaudited Consolidated Financial Statements for the
three months ended March 31, 2020 and audited December 31, 2019;
and for the three months ended March 31, 2020 and
2019

AES Andres B.V. and Subsidiaries
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED CONSOLIDATED BALANCE SHEETS
As of March 31, 2020 and December 31, 2019

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 77,509	\$ 64,267
Restricted cash	117	119
Accounts receivable	48,855	64,980
Accounts receivable – related parties	96,762	74,964
Other receivable	49	105
Other receivable – related parties	40,094	27,779
Inventories - net	17,376	25,078
Prepaid expenses and other assets	10,114	834
Derivative instruments	—	1
Total current assets	<u>290,876</u>	<u>258,127</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	36,900	36,900
Plant and electricity generating equipment	632,341	631,162
Accumulated depreciation	(166,681)	(161,113)
Construction in progress	11,743	6,074
Property, plant and equipment, net	<u>514,303</u>	<u>513,023</u>
OTHER ASSETS:		
Intangible assets – net	5,741	4,660
Affiliate investment	47,400	47,544
Other assets	2,937	2,863
Right-of-use assets, net	4,542	4,003
Derivative instruments	873	873
Total other assets	<u>61,493</u>	<u>59,943</u>
Total non current assets	<u>575,796</u>	<u>572,966</u>
TOTAL	<u>\$ 866,672</u>	<u>\$ 831,093</u>

AES Andres B.V. and Subsidiaries

(An Indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED CONSOLIDATED BALANCE SHEETS (CONTINUED)**As of March 31, 2020 and December 31, 2019**

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 37,898	\$ 63,524
Accounts payable – related parties	138,543	135,555
Line of credit	52,500	20,000
Short term debt	11	—
Income tax payable	31,864	35,444
Short term derivative	61	61
Lease liability	186	67
Total current liabilities	<u>261,063</u>	<u>254,651</u>
LONG-TERM LIABILITIES:		
Deferred income tax	24,377	24,387
Lease liability	4,207	3,740
Bonds payable, net	213,704	213,504
Long term debt, net	62,499	49,492
Derivative instruments	335	363
Other liabilities	4,925	19
Total long-term liabilities	<u>310,047</u>	<u>291,505</u>
SHAREHOLDERS' EQUITY:		
Common shares with a value of US\$1; 910 authorized; 182 shares issued and outstanding	18	18
Additional paid in capital	271,628	271,627
Retained earnings	23,916	13,292
Total shareholders' equity	<u>295,562</u>	<u>284,937</u>
TOTAL	<u>\$ 866,672</u>	<u>\$ 831,093</u>

AES Andres B.V. and Subsidiaries
(An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2020 and 2019
(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
REVENUES:		
Electricity sales – contracts	\$ 52,760	\$ 57,460
Electricity sales – spot market	5,829	6,357
Natural gas sales	54,570	56,649
Natural gas transportation	2,146	2,140
Other sales (non-electricity)	227	224
Total revenues	<u>115,532</u>	<u>122,830</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases and fuel costs used for generation	(36,056)	(45,759)
Cost of revenues – fuel purchased for resale and related costs	(48,163)	(50,615)
Operating, maintenance and general expenses	(9,767)	(8,013)
Depreciation and amortization	(6,015)	(4,807)
Gain (loss) on derivative financial instruments	30	(63)
Total operating costs and expenses	<u>(99,971)</u>	<u>(109,257)</u>
OPERATING INCOME	15,561	13,573
OTHER INCOME (EXPENSE):		
Interest expense – net	(3,527)	(3,258)
Investment in affiliate	(143)	—
Discount amortization	(98)	(143)
Other income – net	65	22,507
Exchange gain (loss), net	947	(61)
Total other expense - net	<u>(2,756)</u>	<u>19,045</u>
Income before income tax	12,805	32,618
Income tax expense	(2,181)	(8,302)
NET INCOME	<u>\$ 10,624</u>	<u>\$ 24,316</u>

AES Andres B.V. and Subsidiaries

(An indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**For the three months ended March 31, 2020 and 2019**

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
Operating activities:		
Net comprehensive income	\$ 10,624	\$ 24,316
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	5,845	4,763
Amortization of intangible assets	172	44
Amortization of right-of-use assets	107	—
(Gain) loss on derivative financial instruments	(30)	63
Deferred income tax	421	(187)
Deferred financing costs amortization	152	210
Debt discount amortization	98	143
Loss (gain) on asset disposal	10	2,809
Exchange (gain) loss, net	(947)	61
Affiliate investment	143	—
Stock - based compensation	1	2
Changes in assets and liabilities:		
Decrease in accounts receivable	16,125	15,422
Increase in accounts receivable – related parties	(21,798)	(25,766)
Decrease (increase) in other receivable	22	(14)
(Increase) decrease in other receivable – related parties	(12,314)	10,022
Decrease (increase) in inventories	7,702	(8,519)
Increase in prepaid expenses and other assets	(9,280)	(6,173)
Increase in accounts payable and accrued liabilities	1,306	9,742
Increase in accounts payable – related parties	2,988	13,520
(Decrease) increase in income tax payable	(3,580)	7,658
Increase (decrease) in other liabilities	8	(1)
Net cash (used) provided by operating activities	<u>(2,225)</u>	<u>48,115</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(27,074)	(13,931)
Advance payments for the acquisition of property, plant and equipment	(2,854)	(23,032)
Additions of intangible assets	—	(432)
Insurance proceeds	—	31,427
Net cash used in investing activities	<u>(29,928)</u>	<u>(5,968)</u>
FINANCING ACTIVITIES:		
Proceeds from line of credit	32,500	30,000
Proceeds from issuance of financial debt	13,000	10,000
Payment of financing costs and debt discount	—	(5)
Payment of lease liabilities	(107)	—
Net cash provided by financing activities	<u>45,393</u>	<u>39,995</u>
Net increase in cash, cash equivalents and cash restricted	13,240	82,142
Cash, cash equivalents and restricted cash at the beginning of the year	64,386	40,322
Cash, cash equivalents and restricted cash at the end of the period	<u><u>\$ 77,626</u></u>	<u><u>\$ 122,464</u></u>