

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

Unaudited Consolidated Financial Statements for the
six months ended June 30, 2020 and audited December 31, 2019;
and for the six months ended June 30, 2020 and
2019

AES Andres B.V. and Subsidiaries
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED CONSOLIDATED BALANCE SHEETS
As of June 30, 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	\$ 93,540	\$ 64,267
Restricted cash	109	119
Accounts receivable	70,092	64,980
Accounts receivable – related parties	49,746	74,964
Other receivable	347	105
Other receivable – related parties	34,661	27,779
Inventories - net	23,482	25,078
Prepaid expenses and other assets	6,464	834
Derivative instruments	—	1
Total current assets	<u>278,441</u>	<u>258,127</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	36,900	36,900
Plant and electricity generating equipment	632,403	631,162
Accumulated depreciation	(172,323)	(161,113)
Construction in progress	24,529	6,074
Property, plant and equipment, net	<u>521,509</u>	<u>513,023</u>
OTHER ASSETS:		
Intangible assets – net	5,588	4,660
Affiliate investment	48,436	47,544
Other assets	5,820	2,863
Right-of-use assets, net	4,500	4,003
Derivative instruments	873	873
Total other assets	<u>65,217</u>	<u>59,943</u>
Total non current assets	<u>586,726</u>	<u>572,966</u>
TOTAL	<u>\$ 865,167</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 June 30, 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	\$ 41,325	\$ 63,524
Accounts payable – related parties	96,143	135,555
Line of credit	52,500	20,000
Short term debt	46	—
Income tax payable	24,252	35,444
Short term derivative	61	61
Lease liability	292	67
Total current liabilities	<u>214,619</u>	<u>254,651</u>
LONG-TERM LIABILITIES:		
Deferred income tax	23,794	24,387
Lease liability	4,119	3,740
Bonds payable, net	213,912	213,504
Long term debt, net	82,476	49,492
Derivative instruments	307	363
Long-term compensation	6	—
Other liabilities	4,924	19
Total long-term liabilities	<u>329,538</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	49,364	13,292
Total shareholders' equity	<u>321,010</u>	<u>284,937</u>
TOTAL	<u>\$ 865,167</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 six months ended June 30, 2020 and 2019
(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
REVENUES:		
Electricity sales – contracts	\$ 105,561	\$ 116,726
Electricity sales – spot market	6,289	9,480
Natural gas sales	102,974	117,270
Natural gas transportation	4,292	4,281
Other sales (non-electricity)	824	442
Total revenues	<u>219,940</u>	<u>248,199</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases and fuel costs used for generation	(56,711)	(90,413)
Cost of revenues – fuel purchased for resale and related costs	(88,415)	(105,435)
Operating, maintenance and general expenses	(19,183)	(18,889)
Depreciation and amortization	(11,922)	(9,401)
Gain (loss) on derivative financial instruments	58	(2,917)
Total operating costs and expenses	<u>(176,173)</u>	<u>(227,055)</u>
OPERATING INCOME	43,767	21,144
OTHER INCOME (EXPENSE):		
Interest expense – net	(9,388)	(5,911)
Investment in affiliate	892	—
Discount amortization	(197)	(234)
Other income – net	257	35,218
Exchange gain (loss), net	6,184	(83)
Total other expense - net	<u>(2,252)</u>	<u>28,990</u>
Income before income tax	41,515	50,134
Income tax expense	(5,443)	(13,074)
NET INCOME	<u>\$ 36,072</u>	<u>\$ 37,060</u>

AES Andres B.V. and Subsidiaries

(An indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**For the six months ended June 30, 2020 and 2019**

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
Operating activities:		
Net comprehensive income	\$ 36,072	\$ 37,060
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	11,598	9,231
Amortization of intangible assets	324	171
Amortization of right-of-use assets	253	—
(Gain) loss on derivative financial instruments	(58)	2,917
Deferred income tax	1,597	(327)
Deferred financing costs amortization	334	362
Debt discount amortization	197	234
Loss on asset disposal	13	2,809
Exchange (gain) loss, net	(6,184)	83
Affiliate investment	(892)	—
Stock - based compensation	1	(26)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,112)	3,805
Decrease (increase) in accounts receivable – related parties	25,218	(49,664)
Increase in other receivable	(341)	(150)
(Increase) decrease in other receivable – related parties	(6,881)	694
Decrease (increase) in inventories	1,596	(5,738)
Increase in prepaid expenses and other assets	(5,610)	(6,213)
Increase in accounts payable and accrued liabilities	4,749	5,837
Decrease in accounts payable – related parties	(39,412)	(2,305)
(Decrease) increase in income tax payable	(11,192)	11,440
Net cash provided by operating activities	<u>6,270</u>	<u>10,220</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(36,753)	(58,713)
Advance payments for the acquisition of property, plant and equipment	(5,700)	(16,637)
Additions of intangible assets	—	(437)
Insurance proceeds	—	53,772
Net cash used in investing activities	<u>(42,453)</u>	<u>(22,015)</u>
FINANCING ACTIVITIES:		
Proceeds from line of credit	32,500	30,000
Payment of line of credit	—	(30,000)
Proceeds from issuance of financial debt	33,000	10,000
Payment of financing costs and debt discount	—	(139)
Payment of lease liabilities	(54)	—
Net cash provided by financing activities	<u>65,446</u>	<u>9,861</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	29,263	(1,934)
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>\$ 93,649</u>	<u>\$ 38,388</u>