

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

Unaudited Consolidated Financial Statements for the  
nine months ended September 30, 2019 and audited December 31, 2018;  
and for the nine months ended September 30, 2019 and  
2018

**AES Andres B.V. and Subsidiary**  
 (An Indirectly Owned Subsidiary of The AES Corporation)  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
**As of September 30, 2019 and December 31, 2018**

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 125,178	\$ 40,197
Restricted cash	121	125
Accounts receivable	79,403	75,827
Accounts receivable – related parties	125,350	82,254
Other receivable – affiliates	3,656	—
Other receivable	159	84
Other receivable – related parties	70,000	74,403
Inventories - net	17,579	13,228
Income tax receivable	417	10,337
Prepaid expenses and other assets	2,566	628
Derivative instruments	<u>2,098</u>	<u>18</u>
Total current assets	426,527	297,101
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	36,947	36,522
Plant and electricity generating equipment	623,956	502,862
Accumulated depreciation	(156,477)	(155,861)
Construction in progress	<u>3,926</u>	<u>13,628</u>
Property, plant and equipment, net	<u>508,352</u>	<u>397,151</u>
OTHER ASSETS:		
Intangible assets – net	1,664	1,877
Affiliate investment	48,664	—
Other assets	1,945	17,183
Derivative instruments	<u>873</u>	<u>1,191</u>
Total other assets	<u>53,146</u>	<u>20,251</u>
Total non current assets	<u>561,498</u>	<u>417,402</u>
<b>TOTAL</b>	<b><u>\$ 988,025</u></b>	<b><u>\$ 714,503</u></b>

**AES Andres B.V. and Subsidiary**  
 (An Indirectly Owned Subsidiary of The AES Corporation)  
**UNAUDITED CONSOLIDATED BALANCE SHEETS (CONTINUED)**  
**As of September 30, 2019 and December 31, 2018**

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(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 69,145	\$ 28,477
Accounts payable – related parties	144,397	150,318
Line of credit	45,000	—
Income tax payable	28,468	—
Short term derivative	108	67
Other liabilities	24	—
Total current liabilities	<u>287,142</u>	<u>178,862</u>
<b>LONG-TERM LIABILITIES:</b>		
Deferred income tax	25,531	25,677
Related party loan	3,000	—
Bonds payable, net	213,323	212,653
Long term debt, net	45,000	12,491
Derivative instruments	391	474
Long-term compensation	—	30
Other liabilities	23	20
Total long-term liabilities	<u>287,268</u>	<u>251,345</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Common shares with a value of US\$1; 910 authorized; 182 shares issued and outstanding	18	18
Additional paid in capital	271,625	271,619
Retained earnings	141,972	12,659
Total shareholders' equity	<u>413,615</u>	<u>284,296</u>
<b>TOTAL</b>	<b><u>\$ 988,025</u></b>	<b><u>\$ 714,503</u></b>

**AES Andres B.V. and Subsidiary**  
**(An Indirectly Owned Subsidiary of The AES Corporation)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the nine months ended September 30, 2019 and 2018**  
**(Amounts expressed in thousands of US dollars)**

	<u>2019</u>	<u>2018</u>
<b>REVENUES:</b>		
Electricity sales – contracts	\$ 177,131	\$ 198,043
Electricity sales – spot market	12,718	46,983
Natural gas sales	185,862	168,118
Natural gas transportation	6,421	6,333
Other sales (non-electricity)	<u>856</u>	<u>795</u>
Total revenues	<u>382,988</u>	<u>420,272</u>
<b>OPERATING COSTS AND EXPENSES:</b>		
Cost of revenues – electricity purchases and fuel costs used for generation	(100,756)	(193,445)
Cost of revenues – fuel purchased for resale and related costs	(150,330)	(143,243)
Operating, maintenance and general expenses	(27,525)	(24,631)
Depreciation and amortization	(14,246)	(14,238)
Gain on derivative financial instruments	<u>1,799</u>	<u>84</u>
Total operating costs and expenses	<u>(291,058)</u>	<u>(375,473)</u>
<b>OPERATING INCOME</b>	91,930	44,799
<b>OTHER INCOME (EXPENSE):</b>		
Interest expense – net	(9,743)	(10,041)
Investment in affiliate	(15)	—
Discount amortization	(326)	(231)
Other income (expenses) – net	89,191	(2,757)
Exchange gain (loss), net	<u>1,262</u>	<u>(279)</u>
Total other expense - net	<u>80,369</u>	<u>(13,308)</u>
Income before income tax	172,299	31,491
Income tax expense	(42,986)	(8,210)
<b>NET INCOME</b>	<u>\$ 129,313</u>	<u>\$ 23,281</u>

**AES Andres B.V. and Subsidiary**  
(An indirectly Owned Subsidiary of The AES Corporation)  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the nine months ended September 30, 2019 and 2018**

(Amounts expressed in thousands of US dollars)

	<b>2019</b>	<b>2018</b>
<b>Operating activities:</b>		
Net comprehensive income	\$ 129,313	\$ 23,281
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	13,908	14,096
Amortization of intangibles assets	339	142
Gain on derivative financial instruments	(1,805)	(84)
Deferred income tax	873	571
Deferred financing costs amortization	515	343
Debt discount amortization	326	231
Loss on asset disposal	7,287	19,855
Exchange loss, net	(1,262)	279
Stock - based compensation	(24)	(32)
Changes in assets and liabilities:		
Increase in accounts receivable	(3,576)	(14,867)
Increase in accounts receivable – related parties	(43,096)	(48,510)
Increase in other receivable – affiliates	(3,656)	—
Increase in other receivable	(176)	(184)
Increase in other receivable – related parties	(75,033)	(17,092)
Increase in inventories	(4,351)	(11,221)
Increase in prepaid expenses and other assets	(3,088)	(1,874)
Increase in accounts payable and accrued liabilities	926	9,934
(Decrease) increase in accounts payable – related parties	(5,921)	91,223
Increase (decrease) in income tax payable	38,384	(5,626)
Decrease in other liabilities	—	(646)
<b>Net cash provided by operating activities</b>	<b>49,883</b>	<b>59,819</b>
<b>INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(120,433)	(4,820)
Advance payments for the acquisition of property, plant and equipment	(780)	(2,183)
Additions of intangible assets	(435)	(270)
Proceeds from sales of property, plant and equipment	—	9
Proceeds from sales of business	47,348	—
Insurance proceeds	79,437	—
Affiliate investment	(48,664)	—
<b>Net cash used in investing activities</b>	<b>(43,527)</b>	<b>(7,264)</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from line of credit	75,000	25,000
Proceeds from Intercompany loan	3,000	—
Payment of line of credit	(30,000)	(25,000)
Proceeds from issuance of financial debt	55,000	—
Payment of financing costs and debt discount	(139)	—
Penalty payment on early extinguishment of debt	(240)	—
Repayment of capital of loan	(24,000)	—
<b>Net cash provided by financing activities</b>	<b>78,621</b>	<b>—</b>
Net increase in cash, cash equivalents and cash restricted	84,977	52,555
Cash, cash equivalents and restricted cash at the beginning of the year	40,322	29,604
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$ 125,299</b>	<b>\$ 82,159</b>