

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

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

AES Andres B.V. and Subsidiaries
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED CONSOLIDATED BALANCE SHEETS
As of September 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	\$ 53,930	\$ 64,267
Restricted cash	109	119
Accounts receivable	89,165	64,980
Accounts receivable – related parties	96,771	74,964
Other receivable	843	105
Other receivable – related parties	23,469	27,779
Inventories - net	14,348	25,078
Income tax receivable	73	—
Prepaid expenses and other assets	3,527	834
Derivative instruments	—	1
Total current assets	<u>282,235</u>	<u>258,127</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	36,900	36,900
Plant and electricity generating equipment	633,063	631,162
Accumulated depreciation	(177,680)	(161,113)
Construction in progress	34,484	6,074
Property, plant and equipment, net	<u>526,767</u>	<u>513,023</u>
OTHER ASSETS:		
Intangible assets – net	5,513	4,660
Affiliate investment	48,637	47,544
Other assets	6,887	2,863
Right-of-use assets, net	4,460	4,003
Derivative instruments	873	873
Total other assets	<u>66,370</u>	<u>59,943</u>
Total non current assets	<u>593,137</u>	<u>572,966</u>
TOTAL	<u><u>\$ 875,372</u></u>	<u><u>\$ 831,093</u></u>

AES Andres B.V. and Subsidiaries

(An Indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED CONSOLIDATED BALANCE SHEETS (CONTINUED)**As of September 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	\$ 67,058	\$ 63,524
Accounts payable – related parties	95,673	135,555
Line of credit	52,500	20,000
Short term debt	45,068	—
Income tax payable	—	35,444
Short term derivative	61	61
Lease liability	342	67
Total current liabilities	<u>260,702</u>	<u>254,651</u>
LONG-TERM LIABILITIES:		
Deferred income tax	24,303	24,387
Lease liability	4,089	3,740
Bonds payable, net	214,062	213,504
Long term debt, net	37,529	49,492
Derivative instruments	307	363
Long-term compensation	6	—
Other liabilities	4,924	19
Total long-term liabilities	<u>285,220</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
Other Comprehensive Income		
Retained earnings	57,804	13,292
Total shareholders' equity	<u>329,450</u>	<u>284,937</u>
TOTAL	<u><u>\$ 875,372</u></u>	<u><u>\$ 831,093</u></u>

AES Andres B.V. and Subsidiaries
(An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2020 and 2019
(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
REVENUES:		
Electricity sales – contracts	\$ 163,819	\$ 177,131
Electricity sales – spot market	6,632	12,718
Natural gas sales	183,602	185,862
Natural gas transportation	6,442	6,421
Other sales (non-electricity)	1,317	856
Total revenues	<u>361,812</u>	<u>382,988</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases and fuel costs used for generation	(105,240)	(100,756)
Cost of revenues – fuel purchased for resale and related costs	(145,774)	(150,330)
Operating, maintenance and general expenses	(32,851)	(27,525)
Depreciation and amortization	(17,842)	(14,246)
Gain (loss) on derivative financial instruments	57	1,799
Total operating costs and expenses	<u>(301,650)</u>	<u>(291,058)</u>
OPERATING INCOME	60,162	91,930
OTHER INCOME (EXPENSE):		
Interest expense – net	(14,780)	(9,743)
Investment in affiliate	1,094	(15)
Discount amortization	(298)	(326)
Other income – net	257	89,191
Exchange gain, net	6,520	1,262
Total other expense - net	<u>(7,207)</u>	<u>80,369</u>
Income before income tax	52,955	172,299
Income tax expense	(8,443)	(42,986)
NET INCOME	<u>\$ 44,512</u>	<u>\$ 129,313</u>

AES Andres B.V. and Subsidiaries

(An indirectly Owned Subsidiary of The AES Corporation)

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

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
Operating activities:		
Net comprehensive income	\$ 44,512	\$ 129,313
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	17,368	13,908
Amortization of intangible assets	473	339
Amortization of right-of-use assets	319	—
Gain on derivative financial instruments	(57)	(1,805)
Deferred income tax	2,193	873
Deferred financing costs amortization	539	515
Debt discount amortization	298	326
Loss on asset disposal	13	7,287
Exchange (gain) loss, net	(6,520)	(1,262)
Affiliate investment	(1,094)	—
Stock - based compensation	1	(24)
Changes in assets and liabilities:		
Increase in accounts receivable	(24,185)	(3,576)
Increase in accounts receivable – related parties	(21,807)	(43,096)
Increase in other receivable – affiliates	—	(3,656)
Increase in other receivable	(917)	(176)
Decrease (increase) in other receivable – related parties	4,310	(75,033)
Decrease (increase) in inventories	10,730	(4,351)
Increase in prepaid expenses and other assets	(2,672)	(3,088)
Increase in accounts payable and accrued liabilities	27,719	926
Decrease in accounts payable – related parties	(39,882)	(5,921)
(Decrease) increase in income tax payable	(35,519)	38,384
Net cash (used) provided by operating activities	<u>(24,178)</u>	<u>49,883</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(45,330)	(120,433)
Advance payments for the acquisition of property, plant and equipment	(6,254)	(780)
Additions of intangible assets	—	(435)
Proceeds from sales of business	—	47,348
Insurance proceeds	—	79,437
Affiliate investment	—	(48,664)
Net cash used in investing activities	<u>(51,584)</u>	<u>(43,527)</u>
FINANCING ACTIVITIES:		
Proceeds from line of credit	32,500	75,000
Proceeds from Intercompany loan	—	3,000
Payment of line of credit	—	(30,000)
Proceeds from issuance of financial debt	33,000	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)
Payment of lease liabilities	(85)	—
Net cash provided by financing activities	<u>65,415</u>	<u>78,621</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(10,347)	84,977
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>\$ 54,039</u>	<u>\$ 125,299</u>