

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

Unaudited Consolidated Financial Statements for the  
three months ended March 31, 2019 and audited December 31, 2018;  
and for the three months ended March 31, 2019 and  
2018

**AES Andres B.V. and Subsidiary**  
 (An Indirectly Owned Subsidiary of The AES Corporation)  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
**As of March 31, 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	\$ 122,340	\$ 40,197
Restricted cash	124	125
Accounts receivable	60,405	75,827
Accounts receivable – related parties	108,020	82,254
Other receivable	64	84
Other receivable – related parties	32,955	74,403
Inventories - net	21,747	13,228
Income tax receivable	2,679	10,337
Prepaid expenses and other assets	6,378	628
Derivative instruments	15	18
Total current assets	<u>354,727</u>	<u>297,101</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	36,522	36,522
Plant and electricity generating equipment	497,932	502,862
Accumulated depreciation	(158,231)	(155,861)
Construction in progress	43,244	13,628
Property, plant and equipment, net	<u>419,467</u>	<u>397,151</u>
OTHER ASSETS:		
Intangible assets – net	1,833	1,877
Other assets	23,473	17,183
Derivative instruments	1,102	1,191
Total other assets	<u>26,408</u>	<u>20,251</u>
Total non current assets	<u>445,875</u>	<u>417,402</u>
<b>TOTAL</b>	<u><b>\$ 800,602</b></u>	<u><b>\$ 714,503</b></u>

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

(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	\$ 36,675	\$ 28,477
Accounts payable – related parties	163,838	150,318
Line of credit	30,000	—
Short term derivative	67	67
Other liabilities	95	—
Total current liabilities	<u>230,675</u>	<u>178,862</u>
<b>LONG-TERM LIABILITIES:</b>		
Deferred income tax	25,349	25,677
Bonds payable, net	212,942	212,653
Long term debt, net	22,523	12,491
Derivative instruments	447	474
Long-term compensation	32	30
Other liabilities	20	20
Total long-term liabilities	<u>261,313</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	271,621	271,619
Retained earnings	36,975	12,659
Total shareholders' equity	<u>308,614</u>	<u>284,296</u>
<b>TOTAL</b>	<u><b>\$ 800,602</b></u>	<u><b>\$ 714,503</b></u>

**AES Andres B.V. and Subsidiary**  
**(An Indirectly Owned Subsidiary of The AES Corporation)**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the three months ended March 31, 2019 and 2018**  
**(Amounts expressed in thousands of US dollars)**

	<u>2019</u>	<u>2018</u>
<b>REVENUES:</b>		
Electricity sales – contracts	\$ 57,460	\$ 63,466
Electricity sales – spot market	6,357	12,996
Natural gas sales	56,649	46,737
Natural gas transportation	2,140	2,111
Other sales (non-electricity)	224	261
Total revenues	<u>122,830</u>	<u>125,571</u>
<b>OPERATING COSTS AND EXPENSES:</b>		
Cost of revenues – electricity purchases and fuel costs used for generation	(45,759)	(54,637)
Cost of revenues – fuel purchased for resale and related costs	(50,615)	(39,000)
Operating, maintenance and general expenses	(8,013)	(9,409)
Depreciation and amortization	(4,807)	(4,728)
(Loss) gain on derivative financial instruments	(63)	28
Total operating costs and expenses	<u>(109,257)</u>	<u>(107,746)</u>
<b>OPERATING INCOME</b>	13,573	17,825
<b>OTHER INCOME (EXPENSE):</b>		
Interest expense – net	(3,258)	(3,833)
Discount amortization	(143)	(76)
Other income (expenses) – net	22,507	28
Exchange (loss), net	(61)	(6)
Total other expense - net	<u>19,045</u>	<u>(3,887)</u>
Income before income tax	32,618	13,938
Income tax expense	(8,302)	(2,920)
<b>NET INCOME</b>	<u>\$ 24,316</u>	<u>\$ 11,018</u>

**AES Andres B.V. and Subsidiary**  
 (An indirectly Owned Subsidiary of The AES Corporation)  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the three months ended March 31, 2019 and 2018**

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
<b>Operating activities:</b>		
Net comprehensive income	\$ 24,316	\$ 11,018
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	4,763	4,667
Amortization of intangibles assets	44	61
Gain (loss) on derivative financial instruments	63	(28)
Deferred income tax	(187)	78
Deferred financing costs amortization	210	114
Debt discount amortization	143	76
Loss on asset disposal	2,809	—
Exchange loss, net	61	6
Stock - based compensation	2	(40)
Changes in assets and liabilities:		
Decrease in accounts receivable	15,422	7,219
(Increase) decrease in accounts receivable – related parties	(25,766)	3,420
(Increase) decrease in other receivable	(14)	24
(Increase) decrease in other receivable – related parties	10,022	(52)
Decrease in inventories	(8,519)	(5,514)
Increase in prepaid expenses and other assets	(6,173)	(4,229)
Increase (decrease) in accounts payable and accrued liabilities	9,742	(305)
Increase in accounts payable – related parties	13,520	32,177
Increase (decrease) in income tax payable	7,658	(4,083)
Decrease in other liabilities	(1)	(591)
<b>Net cash provided by operating activities</b>	<b><u>48,115</u></b>	<b><u>44,018</u></b>
<b>INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(13,931)	(2,886)
Advance payments for the acquisition of property, plant and equipment	(23,032)	(214)
Additions of intangible assets	(432)	(12)
Insurance proceeds	31,427	—
<b>Net cash used in investing activities</b>	<b><u>(5,968)</u></b>	<b><u>(3,112)</u></b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from line of credit	30,000	25,000
Payment of line of credit	—	(25,000)
Proceeds from issuance of financial debt	10,000	—
Payment of financing costs and debt discount	(5)	—
<b>Net cash provided by financing activities</b>	<b><u>39,995</u></b>	<b><u>—</u></b>
Net increase in cash, cash equivalents and cash restricted	82,142	40,906
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><u>\$ 122,464</u></b>	<b><u>\$ 70,510</u></b>