

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

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

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

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 38,264	\$ 40,197
Restricted cash	124	125
Accounts receivable	72,022	75,827
Accounts receivable – related parties	131,918	82,254
Other receivable	166	84
Other receivable – related parties	19,938	74,403
Inventories - net	18,966	13,228
Income tax receivable	—	10,337
Prepaid expenses and other assets	5,653	628
Derivative instruments	—	18
Total current assets	<u>287,051</u>	<u>297,101</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	36,522	36,522
Plant and electricity generating equipment	498,889	502,862
Accumulated depreciation	(151,818)	(155,861)
Construction in progress	84,337	13,628
Property, plant and equipment, net	<u>467,930</u>	<u>397,151</u>
OTHER ASSETS:		
Intangible assets – net	1,826	1,877
Other assets	17,840	17,183
Derivative instruments	874	1,191
Total other assets	<u>20,540</u>	<u>20,251</u>
Total non current assets	<u>488,470</u>	<u>417,402</u>
TOTAL	<u>\$ 775,521</u>	<u>\$ 714,503</u>

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

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 41,076	\$ 28,477
Accounts payable – related parties	148,013	150,318
Short term debt, net	117	—
Income tax payable	1,104	—
Short term derivative	2,705	67
Other liabilities	60	—
Total current liabilities	<u>193,075</u>	<u>178,862</u>
LONG-TERM LIABILITIES:		
Deferred income tax	25,079	25,677
Bonds payable, net	213,127	212,653
Long term debt, net	22,441	12,491
Derivative instruments	419	474
Long-term compensation	—	30
Other liabilities	20	20
Total long-term liabilities	<u>261,086</u>	<u>251,345</u>
SHAREHOLDERS' EQUITY:		
Common shares with a value of US\$1; 910 authorized; 182 shares issued and outstanding	18	18
Additional paid in capital	271,623	271,619
Retained earnings	49,719	12,659
Total shareholders' equity	<u>321,360</u>	<u>284,296</u>
TOTAL	<u>\$ 775,521</u>	<u>\$ 714,503</u>

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

	<u>2019</u>	<u>2018</u>
REVENUES:		
Electricity sales – contracts	\$ 116,726	\$ 131,130
Electricity sales – spot market	9,480	31,494
Natural gas sales	117,270	99,487
Natural gas transportation	4,281	4,222
Other sales (non-electricity)	442	519
Total revenues	<u>248,199</u>	<u>266,852</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases and fuel costs used for generation	(90,413)	(119,146)
Cost of revenues – fuel purchased for resale and related costs	(105,435)	(86,582)
Operating, maintenance and general expenses	(18,889)	(17,113)
Depreciation and amortization	(9,401)	(9,488)
(Loss) gain on derivative financial instruments	(2,917)	56
Total operating costs and expenses	<u>(227,055)</u>	<u>(232,273)</u>
OPERATING INCOME	21,144	34,579
OTHER INCOME (EXPENSE):		
Interest expense – net	(5,911)	(7,186)
Discount amortization	(234)	(153)
Other income (expenses) – net	35,218	30
Exchange (loss), net	(83)	(147)
Total other expense - net	<u>28,990</u>	<u>(7,456)</u>
Income before income tax	50,134	27,123
Income tax expense	(13,074)	(6,483)
NET INCOME	<u>\$ 37,060</u>	<u>\$ 20,640</u>

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

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
Operating activities:		
Net comprehensive income	\$ 37,060	\$ 20,640
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	9,231	9,387
Amortization of intangibles assets	171	102
Gain (loss) on derivative financial instruments	2,917	(56)
Deferred income tax	(327)	166
Deferred financing costs amortization	362	228
Debt discount amortization	234	153
Loss on asset disposal	2,809	(8)
Exchange loss, net	83	147
Stock - based compensation	(26)	(33)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	3,805	(17,692)
Increase in accounts receivable – related parties	(49,664)	(22,246)
Increase in other receivable	(150)	(136)
Decrease (increase) in other receivable – related parties	694	(1,489)
Increase in inventories	(5,738)	(1,307)
Increase in prepaid expenses and other assets	(6,213)	(3,202)
Increase (decrease) in accounts payable and accrued liabilities	5,837	(6,695)
(Decrease) increase in accounts payable – related parties	(2,305)	42,229
Increase (decrease) in income tax payable	11,440	(5,889)
Decrease in other liabilities	—	(621)
Net cash provided by operating activities	<u>10,220</u>	<u>13,678</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(58,713)	(4,060)
Advance payments for the acquisition of property, plant and equipment	(16,637)	(173)
Additions of intangible assets	(437)	(11)
Proceeds from sales of property, plant and equipment	—	8
Insurance proceeds	53,772	—
Net cash used in investing activities	<u>(22,015)</u>	<u>(4,236)</u>
FINANCING ACTIVITIES:		
Proceeds from line of credit	30,000	25,000
Payment of line of credit	(30,000)	(25,000)
Proceeds from issuance of financial debt	10,000	
Payment of financing costs and debt discount	(139)	—
Net cash provided by financing activities	<u>9,861</u>	<u>—</u>
Net (decrease) increase in cash, cash equivalents and cash restricted	(1,934)	9,442
Cash, cash equivalents and restricted cash at the beginning of the year	40,322	29,604
Cash, cash equivalents and restricted cash at the end of the period	<u>\$ 38,388</u>	<u>\$ 39,046</u>