

**AES Changuinola, S. R. L. reports Net income of \$0.8 million for the three months ended March 31, 2021.**

Panamá, May 31, 2021 - Today AES Changuinola, S. R. L. announced the results for the first quarter of 2021. AES Changuinola, S. R. L. operate, maintain and manage an hydroelectric power plant which uses the waters of the Changuinola and Culubre rivers and has a nominal installed capacity of 223 ("MW"). The Company sells electricity under long term power purchase agreements to its affiliate, AES Panamá, S. R. L. The Financial Statements, used to prepare the financial and statistical information herein, are prepared and presented in accordance with International Financial Reporting Standard ("IFRS").

Revenues increased by \$1.2 million in the three months of 2021 compared to the same period of 2020.

**Table 1: Summary Financial Results**

(Millions of US\$)	Mar-2021	Mar-2020	Var	Var%
Revenues	19.3	18.1	1.2	7 %
Operating cost and expenses	10.7	10.3	0.4	4 %
Operating income	8.6	7.8	0.8	10 %
Operating income margin	44.6%	43.1%	1.5 %	3 %
EBITDA	13.4	12.6	0.8	6 %
Net income	0.8	2.2	(1.4)	(64)%
Net Cash Provided by (used in) Operating Activities	16.0	-1.7	17.7	(1,041)%

### Analysis of Unaudited Financial Statements

**Table 2: Summary of Results for the first quarter of 2021 and 2020.**

	March	
	2021	2020
<b>Revenues</b>	<b>19.3</b>	<b>18.1</b>
Electricity sales	14.8	13.6
Leases	4.5	4.5
<b>Operating cost and Expenses</b>	<b>10.7</b>	<b>10.3</b>
Electricity purchases	0.7	1.5
Transmission costs	0.5	0.4
Operating, general and maintenance expense	4.7	3.6
Depreciation and amortization	4.8	4.8
<b>Other (expenses) income</b>	<b>(5.9)</b>	<b>(5.5)</b>
Interest expense, net	(4.5)	(5.5)
Other (expense) income, net	(1.4)	—
<b>Net Cash Provided by Operating Activities</b>	<b>16.0</b>	<b>(1.7)</b>
Net income	0.8	2.2
Increase in account receivable - trade	(0.1)	(0.1)
Increase in prepaid expenses	(4.8)	(3.5)
Decrease (increase) in account receivable - affiliates	5.7	(6.6)
Increase in account payable - affiliates	0.1	0.2
Increase (decrease) in accounts payable	0.5	(2.2)
Interest received	0.2	0.2
Decrease (increase ) in deferred assets	0.8	(2.3)
Non Cash adjustment	12.8	10.4
<b>Free Cash Flow provided /1</b>	<b>15.6</b>	<b>(2.5)</b>
Net Cash provided by Operating Activities	16.0	(1.7)
Capex Maintenance and environment	(0.4)	(0.8)

/1 A non-GAAP financial measure defined as net cash from operating activities less capital expenditure (Capex) of maintenance and environmental.

**Key Drivers of the first quarter results (2021 vs. 2020)**

- **Revenues** increased \$1.2 million or 7% from \$18.1 million in 2020 to \$19.3 million in 2021. This variance was generated by higher energy sales due to higher generation (194GWh in 2021 vs 162GWh in 2020) as a result of an increase in water inflows (103 m3/s in 2021 vs 94 m3/s in 2020).
- **Operating Costs and Expenses** increased \$0.4 million or 4%. This variance was attributable primarily to a increase of \$1.1 million in operating, general and maintenance expense due to higher salaries and benefits, other market related fee and insurance expense; partially offset by a decrease of (\$0.8) million in electricity purchases as a result of minor purchases from its affiliate AES Panamá, S.R.L. through the power purchase and sale reserve agreement.
- **Other (expense) income** increased (\$0.4) million compared to the same period of 2020, mainly related to the fact that during 2021 there were losses due to the payment of the penalty for (\$1.4) million resulting from the early prepaid of a portion of series B of the bonds; this variance was partially offset by a decrease in interest expense, net by \$1.0 mainly related to the cancellation of tranche B of the bonds for \$220 million (\$170.7 million were canceled in August 2020 and \$49.3 million in January 2021) at a fixed interest rate of 6.75% vs the new loan obtained in August 2020 with AES Panama Holding S.R.L. for \$231.7 million at a fixed rate of 4.63%.
- **Net Cash provided by Operating Activities** increased by \$17.7 million mainly due to the decrease in accounts receivable - affiliate to AES Panama and an increase in accounts payable - affiliate as consequence of the interest generated by the loan with AES Generation Holding, which was obtained on August 2020.
- **Free Cash Flow** increased by \$18.1 million from (\$2.5) million in 2020 to \$15.6 million in 2021. Mainly due to the increase in net cash provided by operating activities explained above by \$17.7 million, partially offset by a decrease in maintenance and environmental CAPEX by \$0.4 million.