

## AES Panama, S. R. L. reports Net income of \$12.2 million for the three months ended March 31, 2021

Panamá, May 31, 2021 - Today AES Panama, S. R. L. announced the results for the first quarter of 2021. AES Panamá, S. R. L. operate, maintain and manage of the hydroelectric powers plants Bayano, Esti, La Estrella and Los Valles, the power plants has a nominal installed capacity of 482 ("MW"). On May 8, 2020, acquired 100% of the equity interest in Unión Eólica Panameña S.A. (UEP, or the Canal Project). UEP is a wind project located in the Republic of Panama and has an installed capacity of 55MW composed of 22 Goldwind GW109/2500 turbines, each with a capacity of 2.5MW. The Company sells electricity under long term power purchase agreements with distribution companies in the Panamanian Electricity Market and Regional Electricity Market. 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 decreased by (\$7.5) 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	74.3	81.8	(7.5)	(9.2)%
Operating cost and expenses	48.5	57.1	(8.6)	(15.1)%
Operating income	25.8	24.7	1.1	4.5 %
Operating income margin	34.7%	30.2%	(14.7)%	(48.7)%
EBITDA/1	35.4	36.3	(0.9)	(2.5)%
Net income	12.2	12.1	0.1	0.8 %
Net Cash Provided by Operating Activities	18.9	-42.7	61.6	(144.3)%

/1 Operating Income plus depreciation and amortization plus right of use amortization

### Analysis of Unaudited Financial Statements

**Table 2: Summary of Results for first quarter 2021**

	March	
	2021	2020
<b>Revenues</b>	<b>74.3</b>	<b>81.8</b>
Revenues	74.3	81.8
<b>Operating cost and Expenses</b>	<b>48.5</b>	<b>57.1</b>
Electricity purchases	26.8	31.8
Other costs of electricity sales	1.1	2.4
Transmission costs	1.0	1.6
Operating, general and maintenance expense	13.0	12.9
Depreciation, amortization and impairment	6.6	8.4
<b>Other income (expenses)</b>	<b>(8.2)</b>	<b>(7.7)</b>
Interest expense, net	(8.8)	(8.4)
Other income, net	0.4	0.3
Equity loss in investment in affiliate	0.2	0.4
<b>Net Cash Provided by Operating Activities</b>	<b>18.9</b>	<b>(42.7)</b>
Net income	12.2	12.1
(Increase) decrease in accounts receivable	(6.8)	2.6
Increase in inventories	(0.9)	(0.9)
Increase in prepaid expenses	(4.6)	(3.8)
Increase in other long-term assets	(0.1)	(71.4)
Increase (decrease) in accounts payable	3.0	(3.1)
Interest received	—	0.1
Decrease in accrued expenses and other liabilities	—	(2.4)
Increase in seniority premium	0.1	0.1
Income tax paid	(3.5)	—
Decrease in other long-term liabilities	(2.0)	(0.8)
Non Cash adjustment	21.5	24.8
<b>Free Cash Flow provided /1</b>	<b>17.9</b>	<b>(44.0)</b>
Net Cash provided by Operating Activities	18.9	(42.7)
Capex Maintenance and environment	(1.0)	(1.3)

/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** decreased (\$7.5) million or 9.2% from \$81.8 million in 2020 to \$74.3 million in 2021. This variation was mainly due to lower sales associated with the disconnection of the barge, Estrella de Mar I, since August 2020; partially offset by an increase of sales associated with the contracts of UEP, the wind project acquired on May 2020.
- **Operating Costs and Expenses** decreased (\$8.6) million or 15.1%. This variation was attributed to (i) decrease in purchased energy by (\$5.0) million, due to a decrease in purchases from the spot market, (ii) decrease in Other costs of electricity sales by (\$1.3) million, mainly due to lower fuel consumption costs associated with the barge, Estrella de Mar I and (iii) decrease in depreciation expense by (\$1.8) million, mainly due to the completion of the depreciation of EDMI assets due to its reclassification to held for sale and the write-off of assets due to impairment.
- **Other income (expense)** this item does not show significant variations compared to the same period of the previous year.
- **Net Cash provided by Operating Activities** increased by \$61.6 million. This variation was mainly attributed to a decrease in other long term assets related to the payment of a promise letter of \$72 million during 1Q 2020, issued as a guarantee of the purchase of the wind farm project Unión Eólica Penonomé I (UEP I), partially offset by a decrease in accounts receivable by (\$9.4) mainly related to the decrease in revenues.
- **Free Cash Flow** increased by \$61.9 million from (\$44.0) million in 2020 to 17.9 million in 2021. Mainly due to the increase in net cash provided by operating activities by \$61.6 million, explained above and an increase in maintenance and environmental CAPEX by \$0.3 million.