

AES Panama

Investor Presentation



May 2021



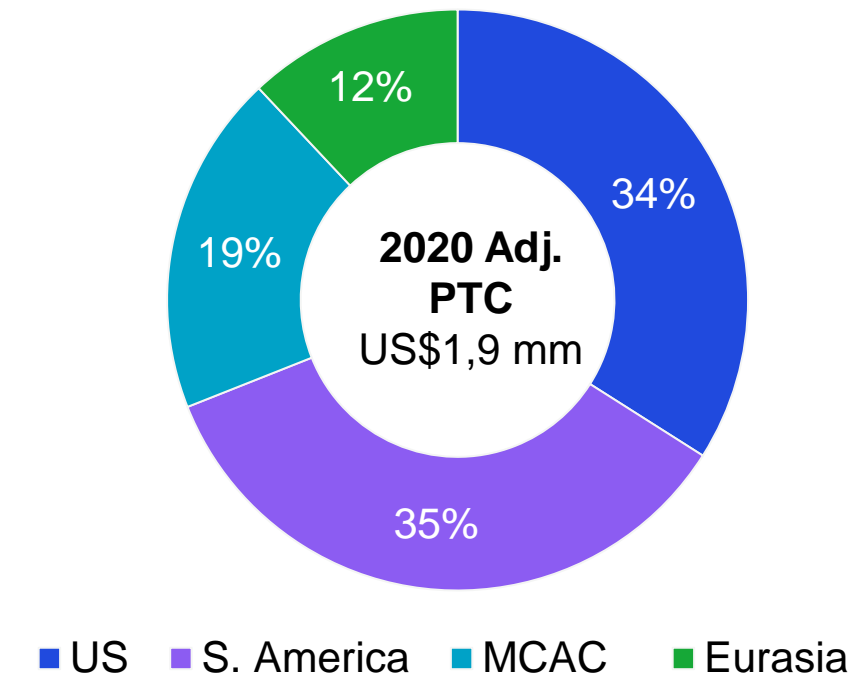
AES Corporation: A Global Leading Power Company

Founded in 1981, the AES Corporation is a global power company present in 14 countries across 4 continents

Key Facts

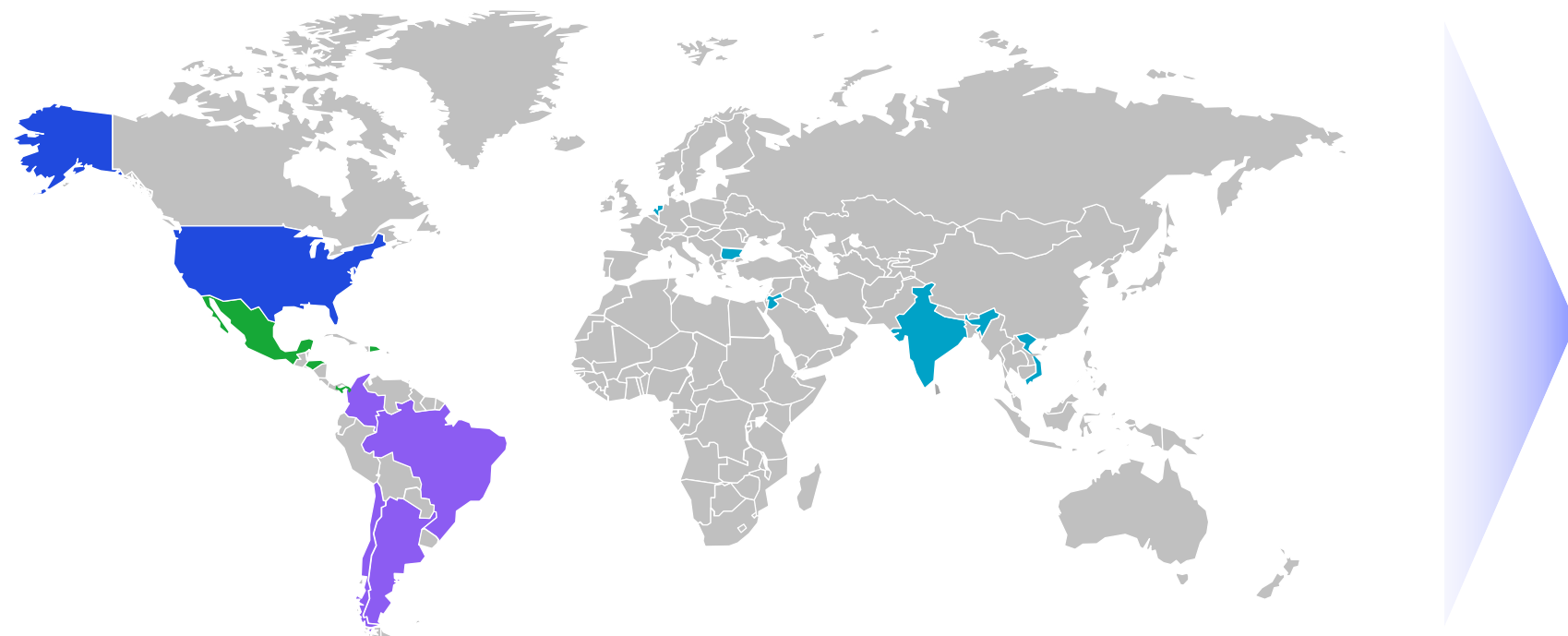
- US\$35.2B in assets
- Total installed power generation capacity of **30,211 MW**
- Distribution networks with capacity to serve over **2.5M customers**
- Organized globally under strategic business units (“SBUs”)
- Over 2,570 MW of assets under construction
- Investment Grade Rating Company
 - Ba1/BBB-/BBB-
 - Moody’s/S&P/Fitch

2020 Adjusted Pre-Tax Contribution⁽¹⁾ by SBU

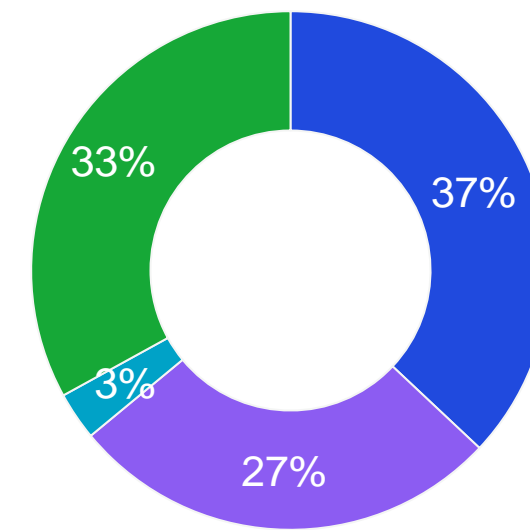


AES Global Presence

*Platform expansion adding new capacity:
To position AES for the future*

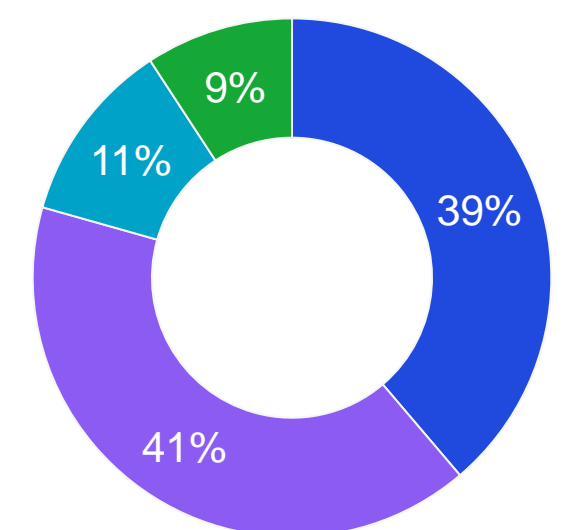


Fuel Type



Installed Capacity 30,211 MW

Geography



■ Renewables ■ Coal ■ Oil, Petcoke, Diesel ■ Gas

■ U.S. ■ S. America ■ MCAC ■ Eurasia



Source:). (1) Adjusted PTC: represents pre-tax income from continuing operations attributable to AES excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions, (b) unrealized foreign currency gains or losses, (c) gains or losses due to dispositions and acquisitions of business interests, (d) losses due to impairments, and (e) costs due AES Corporation SEC Filings and Factsheet (Nov. 2020) to the early retirement of debt. It includes net equity in earnings of affiliates, on an after-tax basis. (2) Renewables includes: hydro, wind, solar, energy storage, biomass and landfill gas.

Mexico Central America & Caribbean (SBU)

AES Competitive Advantage

- AES' MCA&C business unit has operations in Dominican Republic, El Salvador, Mexico, Panama and Puerto Rico
- Combining deep local insights, global presence, perspective and a relentless commitment to operational excellence, AES helps communities and countries grow through reliable and responsible electric power.
- Through knowledge transfer, MCA&C works, learns, improves and contributes to the AES Corp in every country
- \$884M in EBITDA for 2020
- 18 Generation Units / 4 Distribution Companies
- 2 LNG Storage & Regassification Terminals

Key Statistics

AES Market Shares

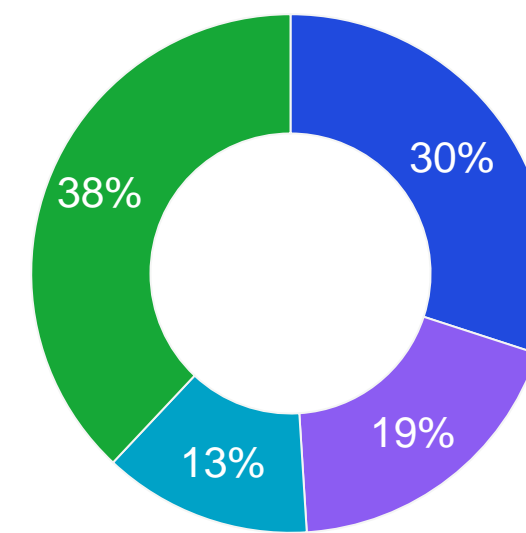
Country	Share (%) ⁽¹⁾
DR	20%
El Salvador	71%
Panama	41%
Puerto Rico	11%
Mexico (Self-Supply)	12%

Mexico, Central America & The Caribbean (MCA&C) SBU Overview



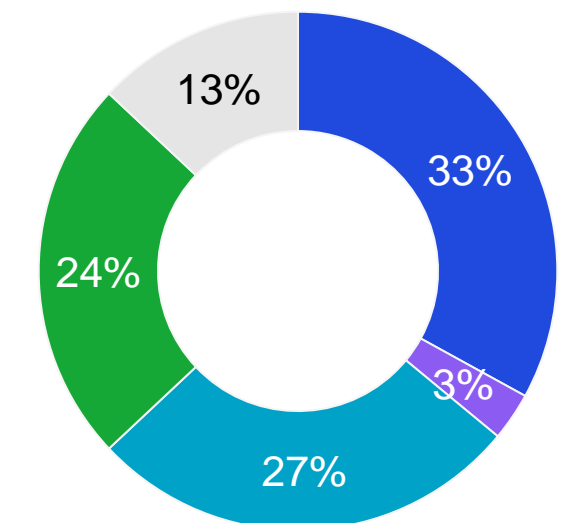
Installed Capacity 4,171 MW

Fuel Type



■ Renewables ■ Coal ■ Oil, Petcoke, Diesel ■ Gas

Geography



■ Mexico ■ El Salvador ■ Panama
■ Dom. Rep. ■ Puerto Rico

Source: AES DR (1) For DR, Panama, Puerto Rico and Mexico, market share represents total energy generated in GWh; for El Salvador it represents total energy distributed in GWh. (2) Adjusted PTC: represents pre-tax income from continuing operations attributable to AES excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions, (b) unrealized foreign currency gains or losses, (c) gains or losses due to dispositions and acquisitions of business interests, (d) losses due to impairments, and (e) costs due to the early retirement of debt. (3) As of Dec. 2020, AES owns four distribution businesses in El Salvador serving ~1.4 million customers. (4) Renewables includes: hydro, wind, solar, energy storage, biomass and landfill gas

AES in Panama Snapshot

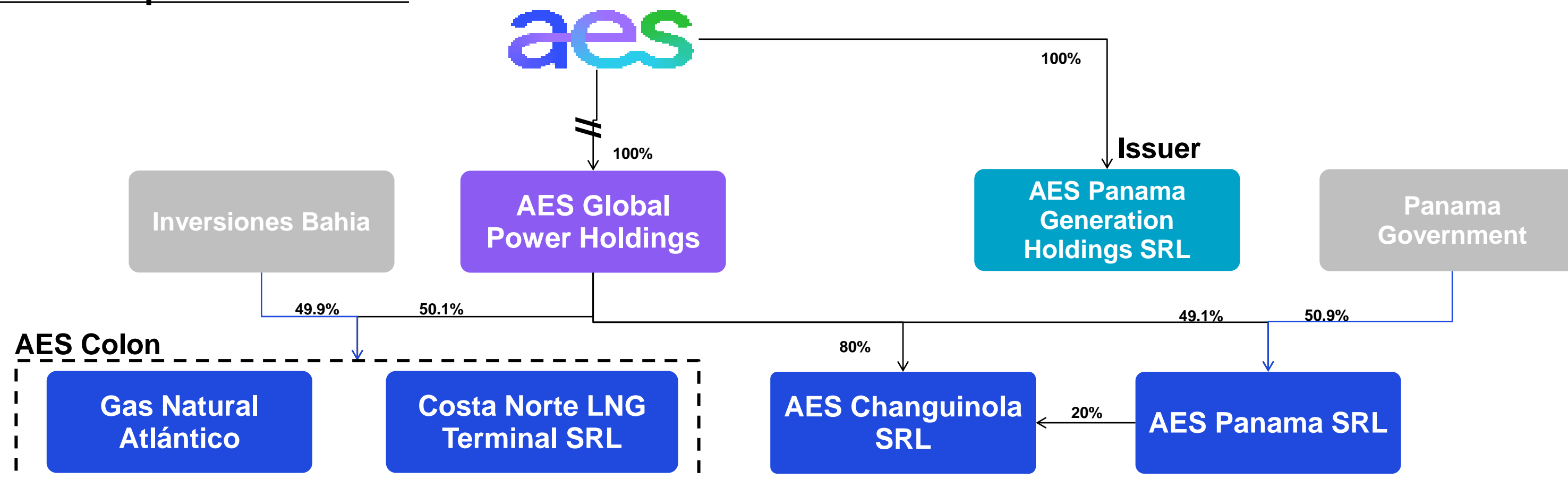
Company Overview

- Largest energy supplier in Panama: 41% market share in Q1 2021 in terms of energy generation
- Only LNG Terminal in the country and Central America
- Comprised of 4 legal entities, with 1,141MW of Installed Capacity
- Credit Rating: Baa3 (stable)/BBB- (stable) (Moody's/Fitch)
- US\$ 2,470M in combined assets as of Dec. 2020
- With over 20 years of growing and investing in Panama

Financial Highlights

USD mm	Revenues			EBITDA		
	2018	2019	2020	2018	2019	2020
AES Panama	\$363.4	\$338.2	\$291.6	\$137.3	\$99.8	\$119.1
AES Changuinola	112.4	27.5 ⁽¹⁾	90.0	82.5	2.5 ⁽¹⁾	69.5
Gas Natural Atlántico	86.7	288.3	232.2	12.6	68.7	64.5
Costa Norte	21.9	37.6	43.2	12.8	31.3	35.1

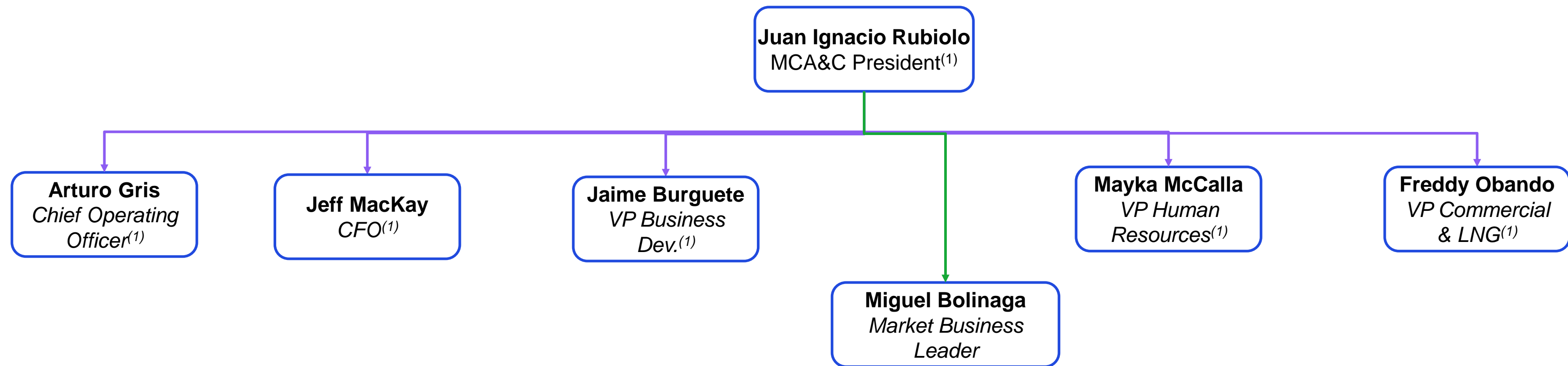
Simplified Corporate Structure



(1) AES Changuinola was closed for operations during most part of 2019, due to the concrete re-lining of the Changuinola tunnel performed between January 2019 and January 2020

Management Team

AES Panama has a highly experienced management team, with an average of more than ten years, unmatched sector expertise and on-the-ground working knowledge.



AES Treasury Team (1)

- **Treasurer & Director of Finance:** Oscar Batres
- **IR& Structured Finance Sr. Manager:** Ilsa Pichardo
- **Debt Compliance Director:** Leonel Fernandez
- **IR & Structured Finance Senior Analyst:** Manuel Perez-Benitoa

AES Panama Team

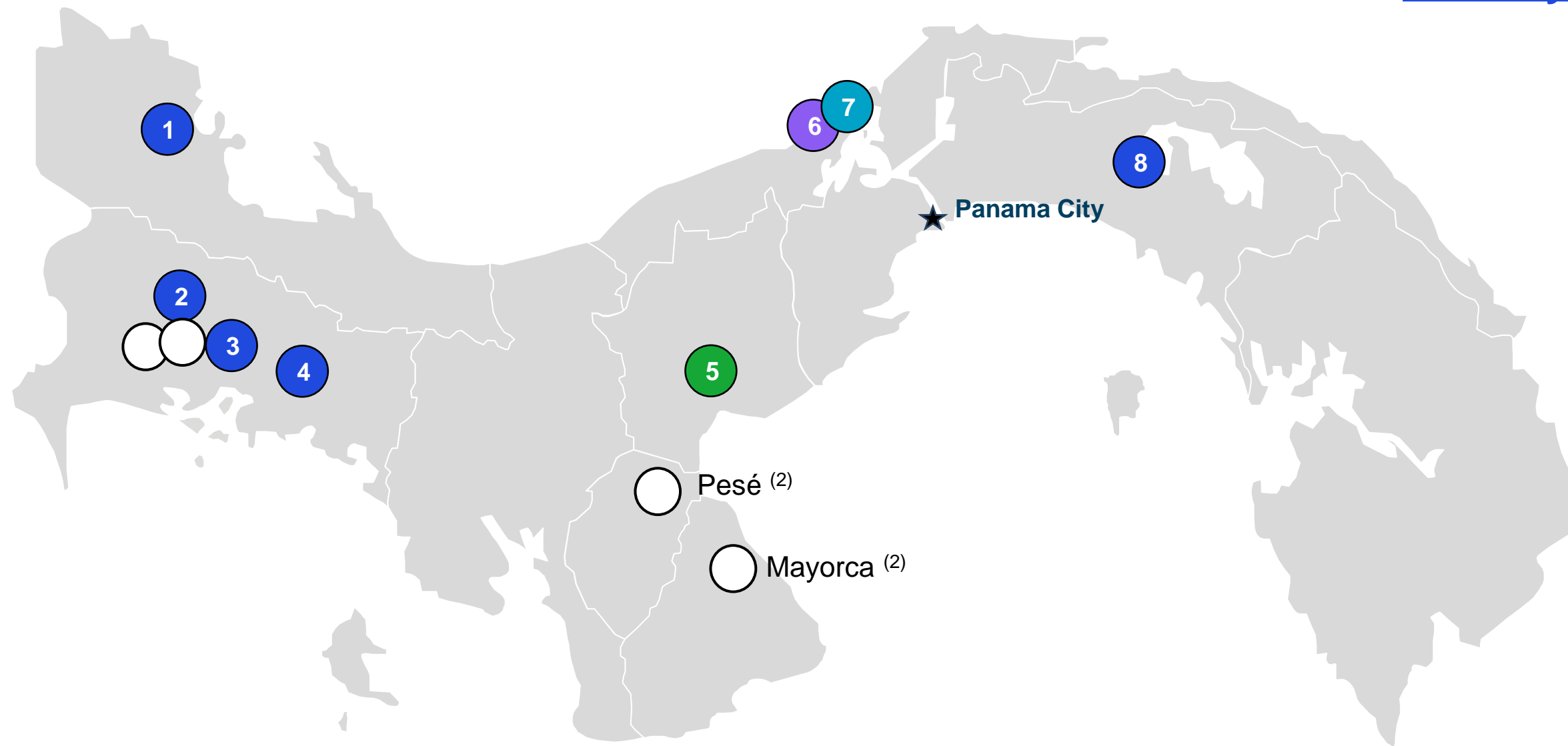
- **General Counsel:** Angelica Bertoli
- **Stakeholder Management:** Edgar Ivankovich
- **Hydro Complex Manager:** Luis Galan
- **LNG Complex Manager:** Benjamin Villalobos
- **M&O Director:** Gustavo Giraldo
- **LNG M&O:** Oscar Santibañez

AES Businesses in Panama

- AES Panamá
- AES Changuinola
- AES Colón

Asset type (% of installed capacity)

- Hydropower (62%)
- Thermal (33%) ⁽¹⁾
- LNG Terminal
- Wind Farm (5%)
- Future Solar Farms



1 Changuinola

- COD: 2011
- Installed capacity: 223 MW
- Ownership: 89.8%
- Plant type: Run-of-river with small reservoir

2 Chiriquí – La Estrella

- COD: 1979
- Installed capacity: 47 MW
- Ownership: 49.1%
- Plant type: Run-of-river

3 Chiriquí – Los Valles

- COD: 1979
- Installed capacity: 55 MW
- Ownership: 49.1%
- Plant type: Run-of-river

4 Chiriquí – Estí

- COD: 2003
- Installed capacity: 120 MW
- Ownership: 49.1%
- Plant type: Run-of-river with hour regulation

5 Penonomé I

- COD: 2013
- Installed capacity: 55 MW
- Ownership: 49.1%
- Plant type: Wind farm

6 Colón – Power Plant

- COD: August 2018
- Installed capacity: 381 MW
- Ownership: 50.1%
- Plant type: Thermal (LNG)

7 Colón – LNG Terminal

- COD: August 2019
- Tank capacity: 180,000 m3
- Ownership: 50.1%
- Terminal: 180k m3 tank

8 Bayano

- COD: 1976
- Installed capacity: 260 MW
- Ownership: 49.1%
- Plant type: Reservoir
- Dam: 450m long x 75m tall

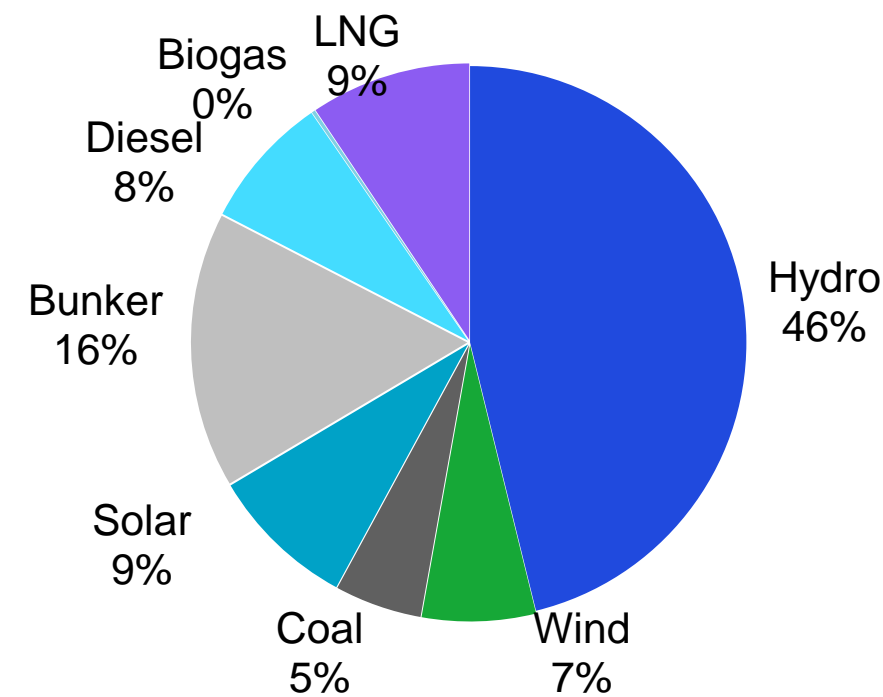
Pesé ⁽²⁾

Mayorca ⁽²⁾

(1) Estrella del Mar Barge was retired from the system in Aug. 2020 and currently in process of being sold
 (2) To start Operations in May 2021

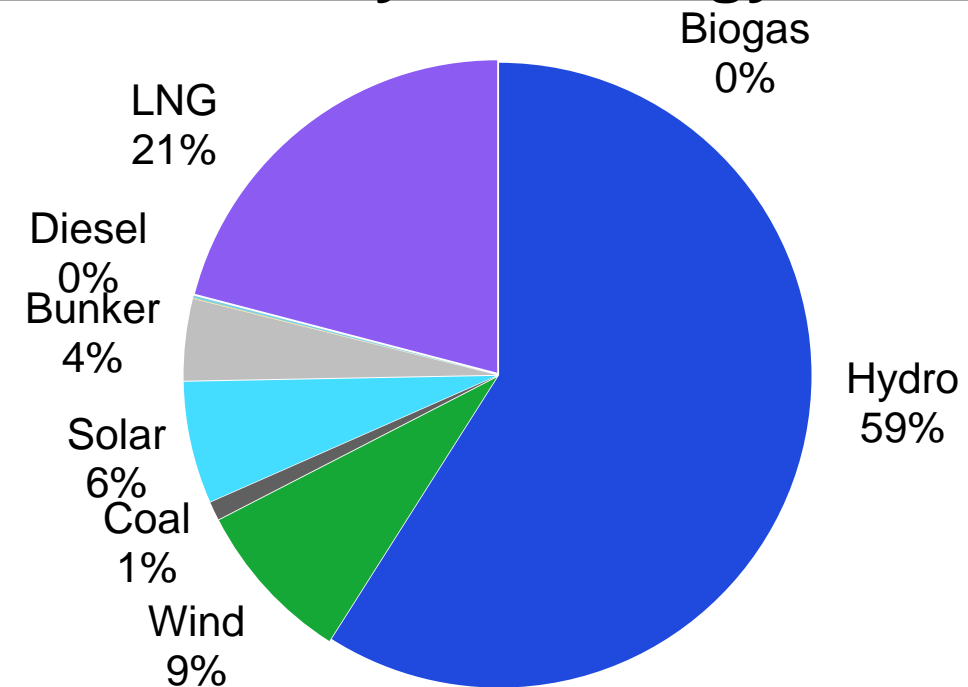
Electric Market Update

Installed Capacity, Mar 2021



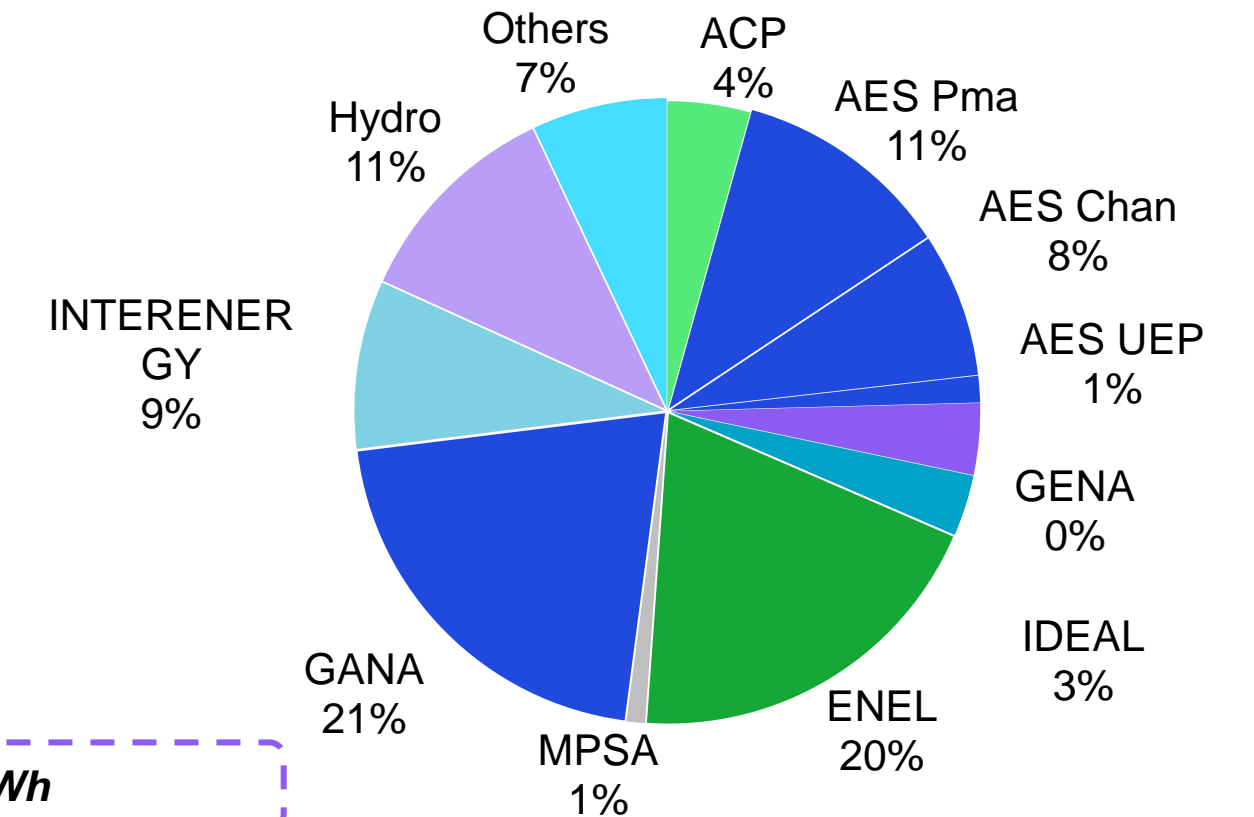
Total Installed Capacity: 4.1GW

Generation by Technology, Mar 2021



Total Generation: 2.5TWh

Generation by Company, Mar 2021



AES in Panama Market

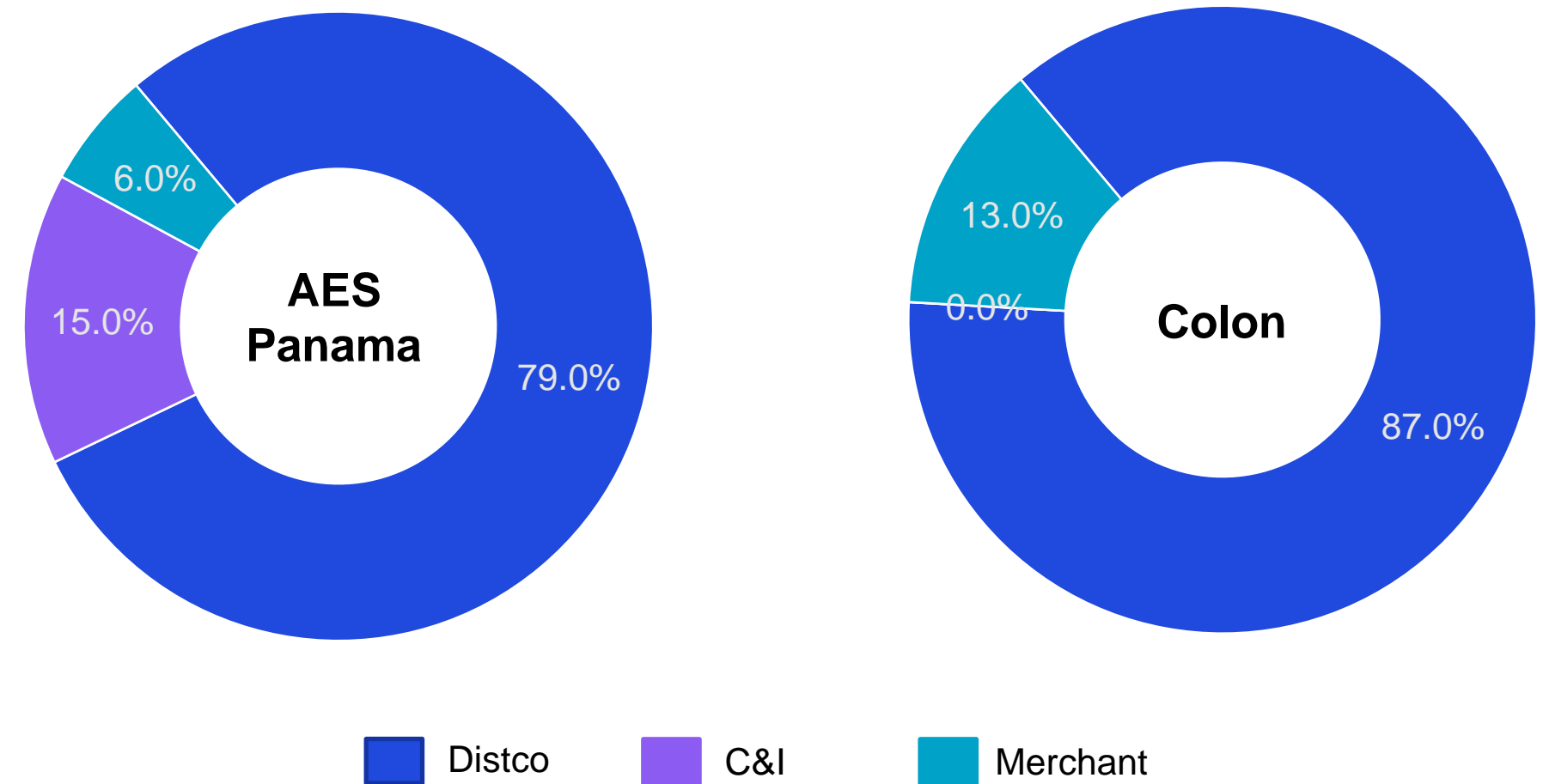
- Clear market dominance in energy generation (41%) and installed capacity (29%)
 - Dominant position maintained through low generation costs compared to the higher generation cost for other thermal power plants in Panama
- Diversified portfolio of energy generation assets that performs well under weak and strong hydrology seasons
- Diversification in geographic position of assets helps mitigate hydrology risk and any potential transmission constraints
- Through AES Colón, owns and operates the only power plant with a combined cycle generator and the only LNG storage tank facility in the country
 - The AES Colón Plant is usually among the first three thermal generation facilities to be dispatched after hydroelectric and renewable facilities

Diversified and Reliable USD-linked Sources of Revenue

Key Highlights

- AES Panama: Consolidated revenues broken with **79%** derived from contracts and **15%** from C&Is.
- AES Panama: Energy PPAs are **USD-denominated**, with energy prices **fixed throughout the contract** or **adjusted to US CPI**
- **Diversified customer base** via contracts with C&Is which **improves** risk profile. Currently engaged with 47 C&I customers
- **Optimization of short-term position** and maximization of margins via **regional exchanges** and **short-term contracts with DisCos** upon tender opportunities
- Short- term contracts are usually negotiated at higher prices than long-term contracts
- Current contracted level for AES Colon is optimal. AES Panama plans to continue to contract the renewable asset base with C&Is and DisCos
- 83%+ of the combined firm capacity **under contract through 2030**

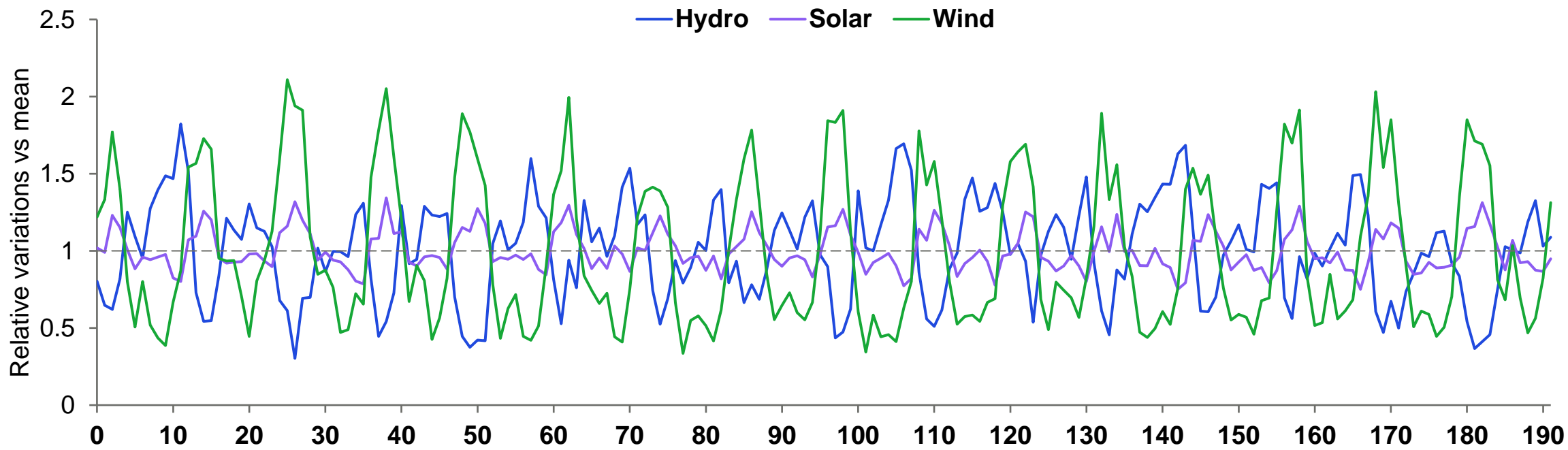
Revenues by Client Type – Q1 2021



Offtaker	AES Panama		AES Colon
	DistCos	C&Is	DistCos
Term	2030	2029	2028
Capacity (MW)	350	27	350
Annual Energy (GWh)	2,093	798	1,946
Avg. Energy Price (\$/MWh)	105	85	115

Energy Demand Fueled by Diversified Matrix

Resource Availability Correlation



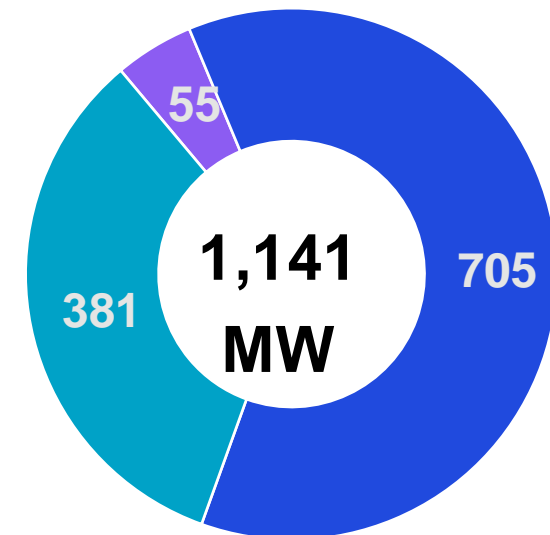
Highlights

- AES is building a complete generation platform: **Gas + Hydro + Renewables**
- **Hydro** power plants and **Colón** are base load and collectively provide a continuous supply of electricity throughout the year
- Hydrology risk mitigated by **AES Colón, Penonomé I** and upcoming renewable assets
- LNG terminal improves thermal plant efficiency and provides upside potential

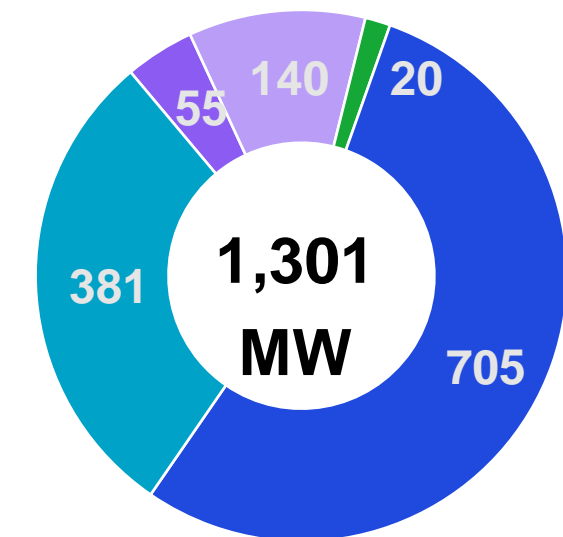


Growth with a Diversified Portfolio

+160 MW in Pipeline



2021 → 2025



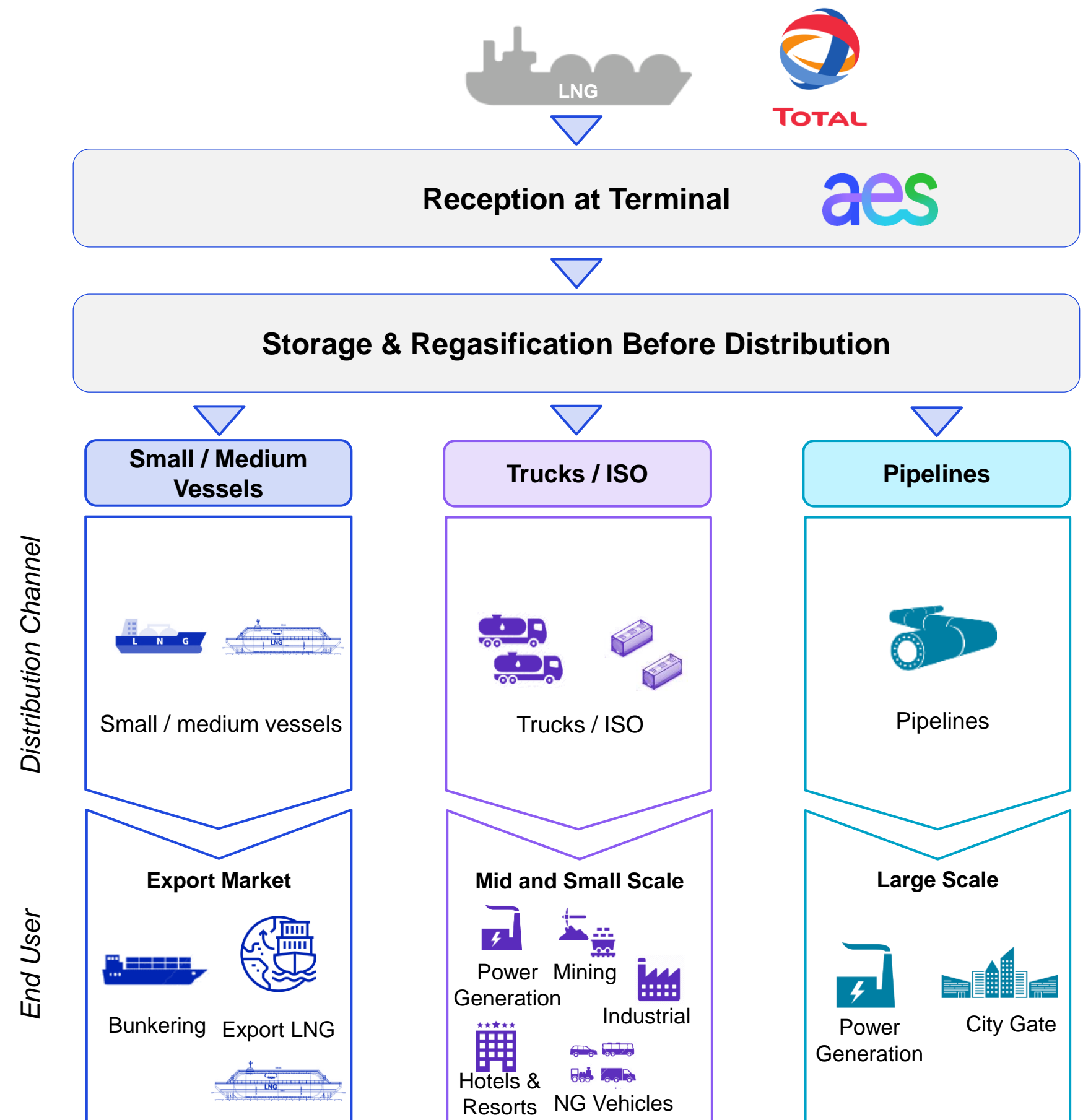
Growth of Renewable Asset Base

- 4 Solar Projects being **developed by AES Panama**:
 - Pesé, Mayorca, Caoba y Cedro
- 10 MWn of installed capacity each
- Pesé y Mayorca **operating** since May 2021
- Caoba y Cedro expected **COD in Q4 2021**
- All solar project will be part of the AES Panama generation portfolio, supporting the various contracts with C&Is
- 55 MW of Solar in the pipeline for expansion, in early stages of development
- 5B Project developed at the AES Colon facility. This solar project of 2 MW of installed capacity is a prototype that already has preassembled structures that reduces construction time by half as well reducing the land usage by 2/3rds. More energy output for less hectarage



AES Colon LNG Business: Cashflow Growth Potential

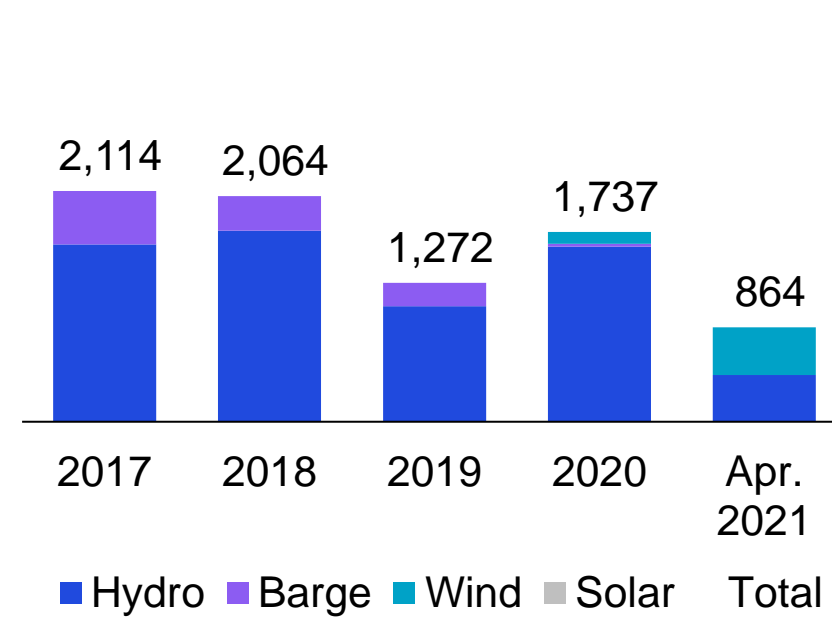
- **Only LNG Pier, On-Shore Storage, and Regasification Terminal** in Central America
- 180,000m³ of storage (80 TBtu)
- AES Colon (GNA) utilizes only **26% of capacity** (21 TBtu).
- 9% contracted to **third parties (7 TBtu)**
- 65% capacity **remains available**
- Costa Norte sells its infrastructure and earns its revenues from an **Infrastructure fee**, increasing its revenues with the increase of LNG passing through the terminal and storage tank
- Commercialization of LNG is done through Colon LNG Marketing, an affiliate of AES Colon. All new LNG contracts will be negotiated through this entity.
- Recently inaugurated Truck Loading Bays allowing for small scale deployment of LNG



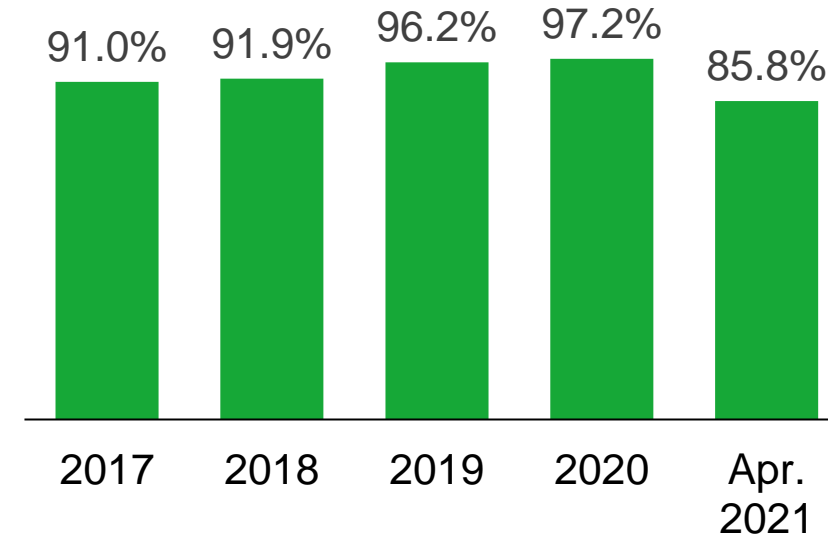
Operating KPIs

Net Generation
(GWh)

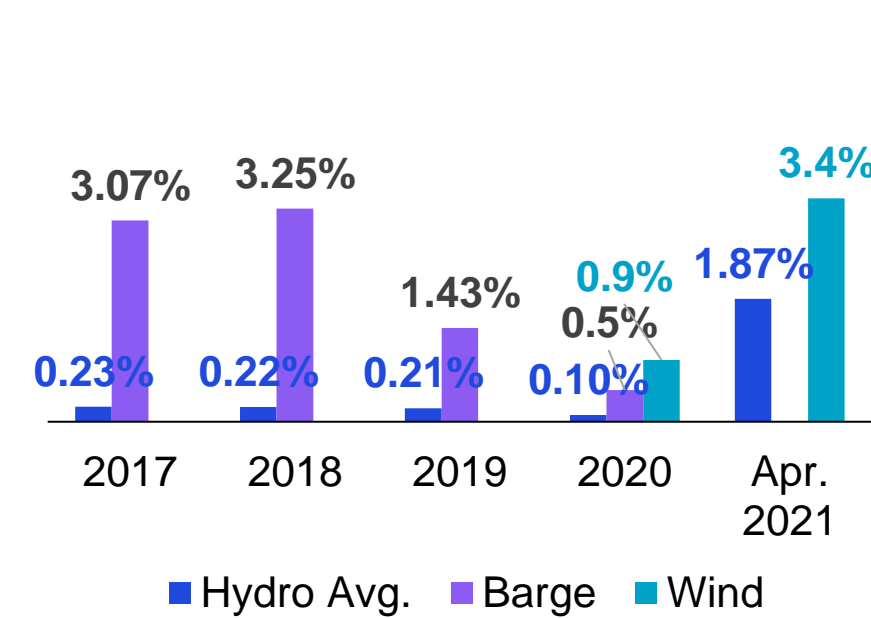
AES Panamá



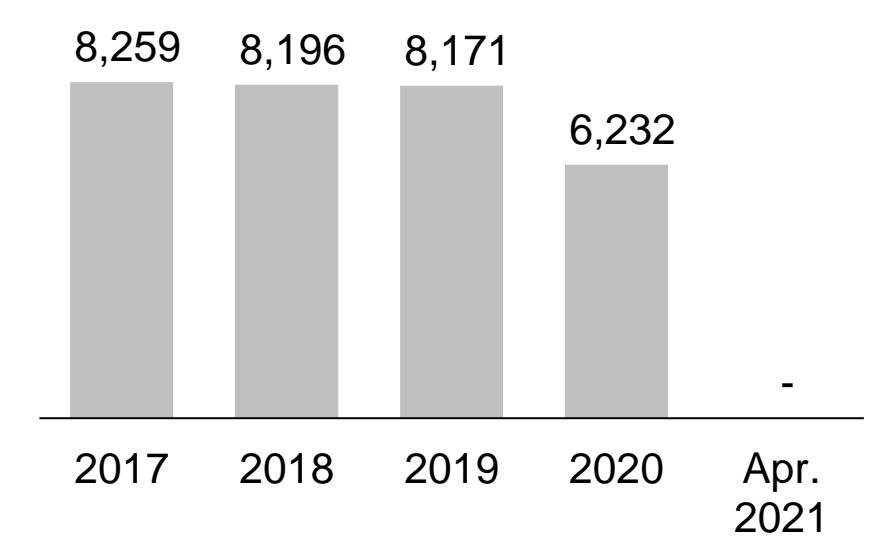
Availability Factor
(%)



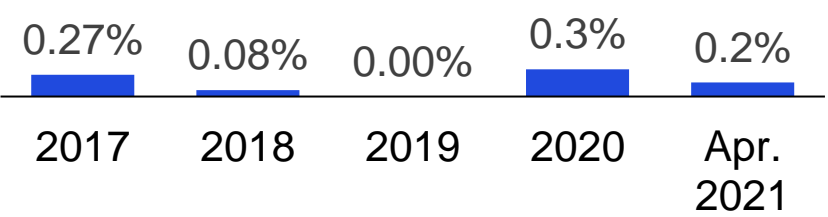
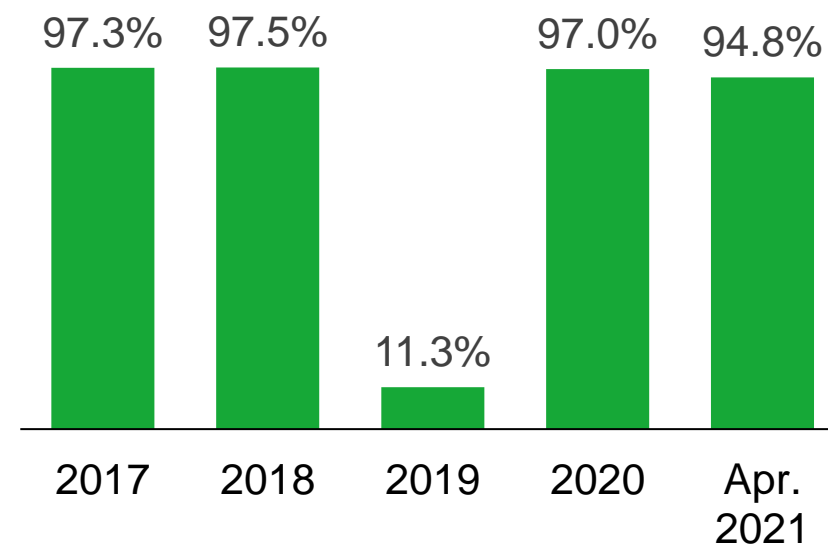
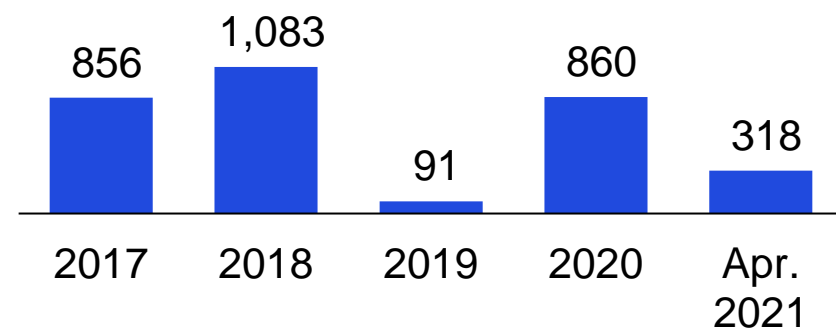
EFOF
(%)



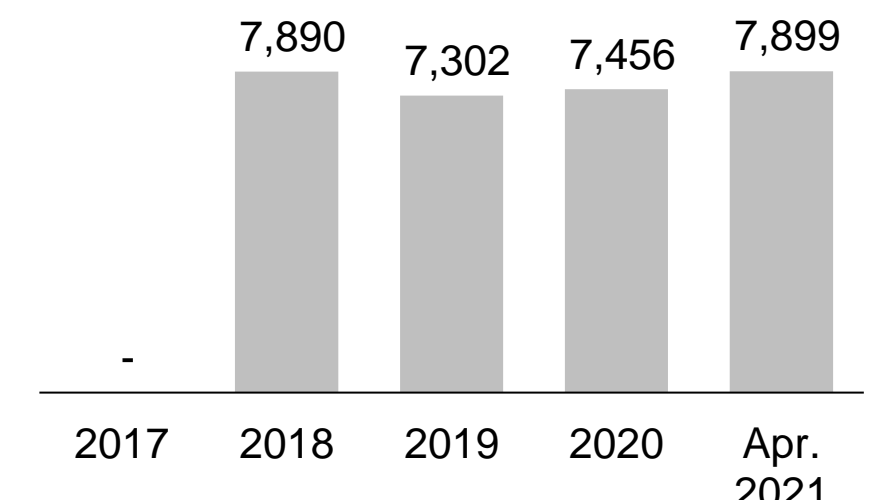
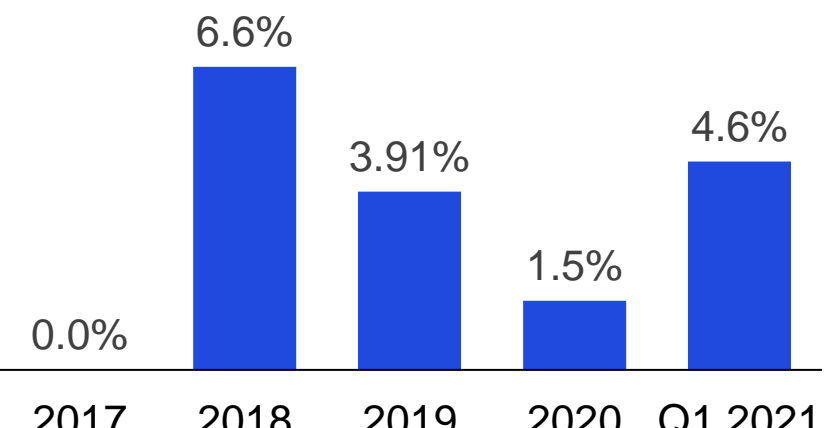
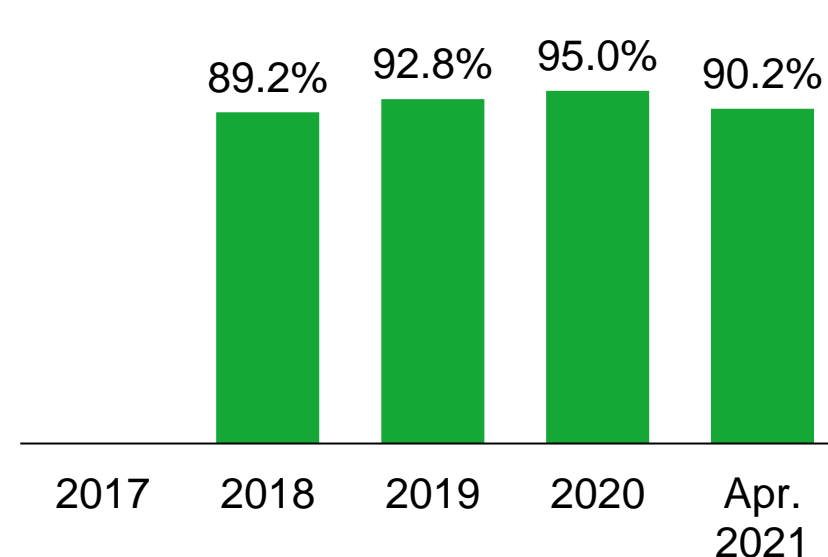
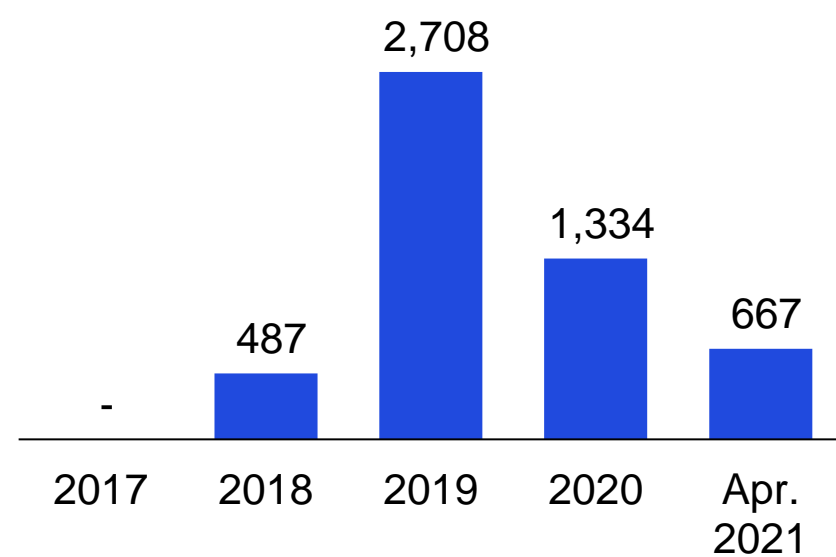
Heat Rate (1)
(Btu/kWh)



AES Changuinola



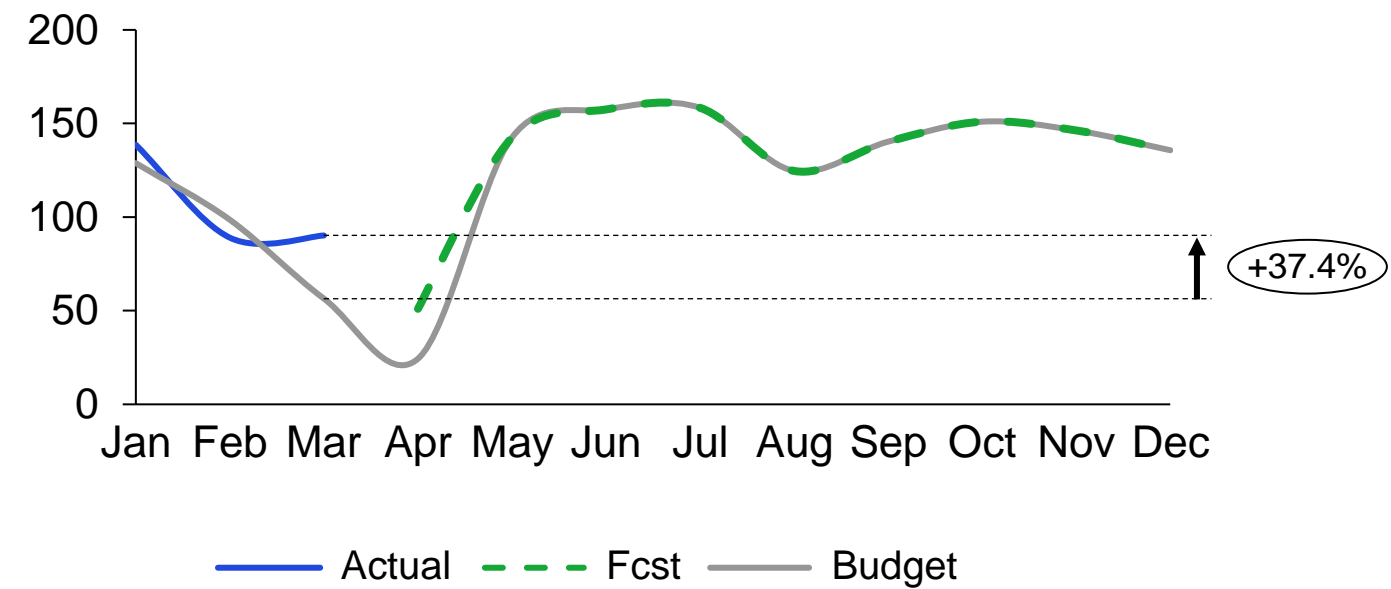
AES Colon



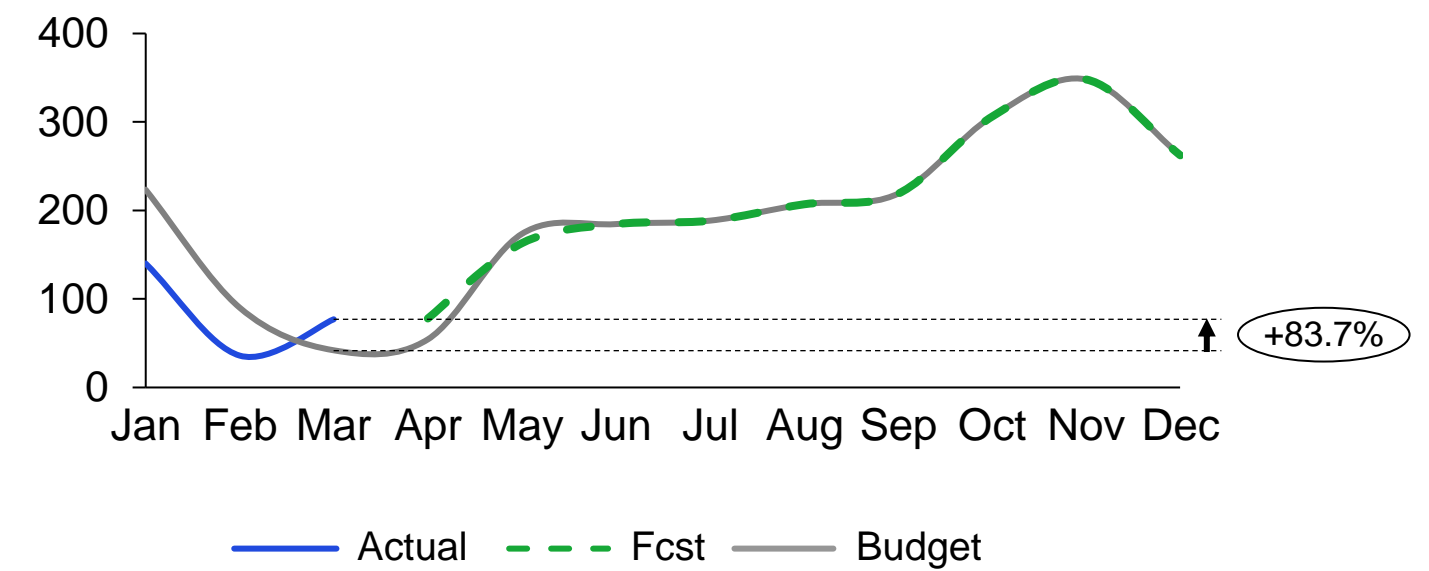
(1) AES Panama Heat Rate is associated to the barge that was retired from the system on August 2020

Hydrology

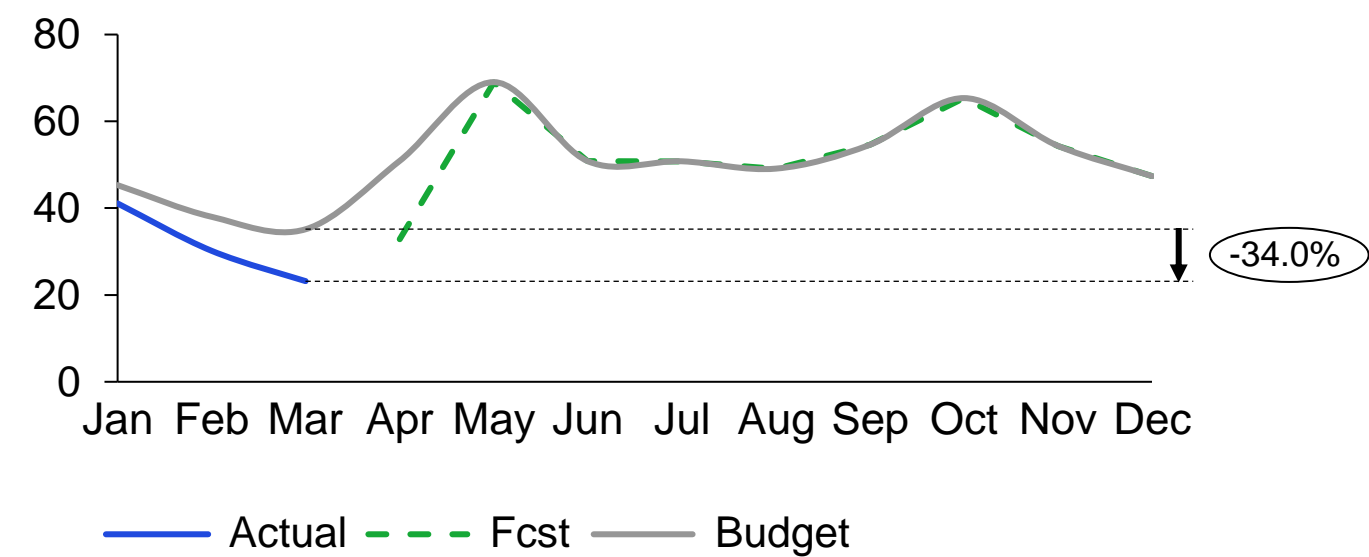
Changuinola (m3/s)



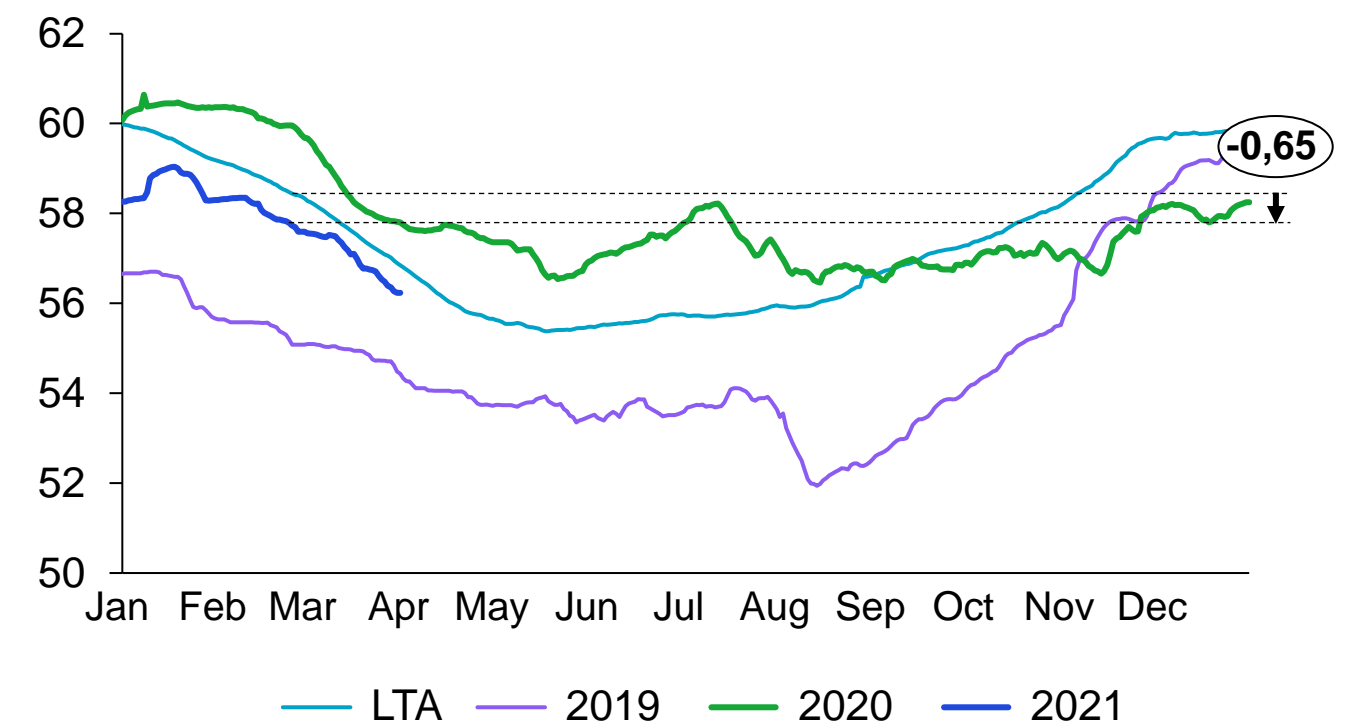
Bayano (m3/s)



Chiriqui (m3/s)



Bayano (msnm)



AES PanGen Combined Financials 2020

Financial summary (IFRS)

US\$ millions

Income Statements	
Revenue	507
Variable Margin	376
EBITDA	263
Net Income (before Minority Interest)	31
EBITDA Margin (%)	52%

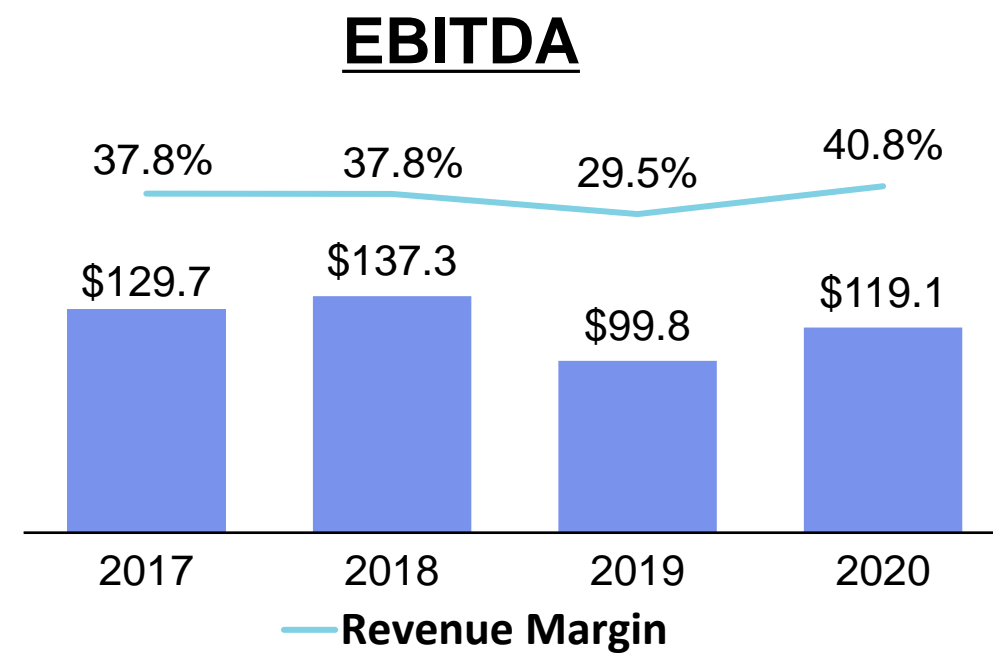
Balance Sheet	
Cash	120
Total Debt	1600

Cash flows	
Cash Flow from Operating Activities	128
CAPEX	(36)
Cash distributions	(60)

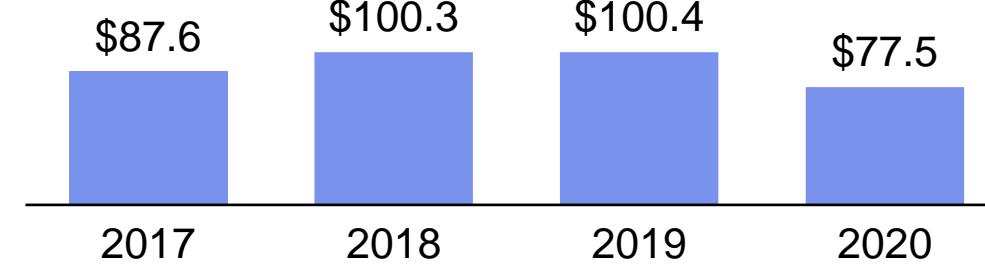
Debt to EBITDA	
Debt to EBITDA Dec. 2020	6.08x

Financial Metrics

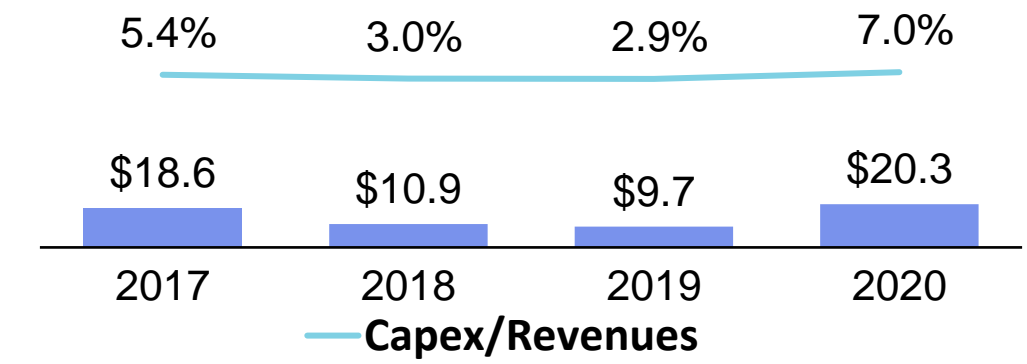
AES Panamá



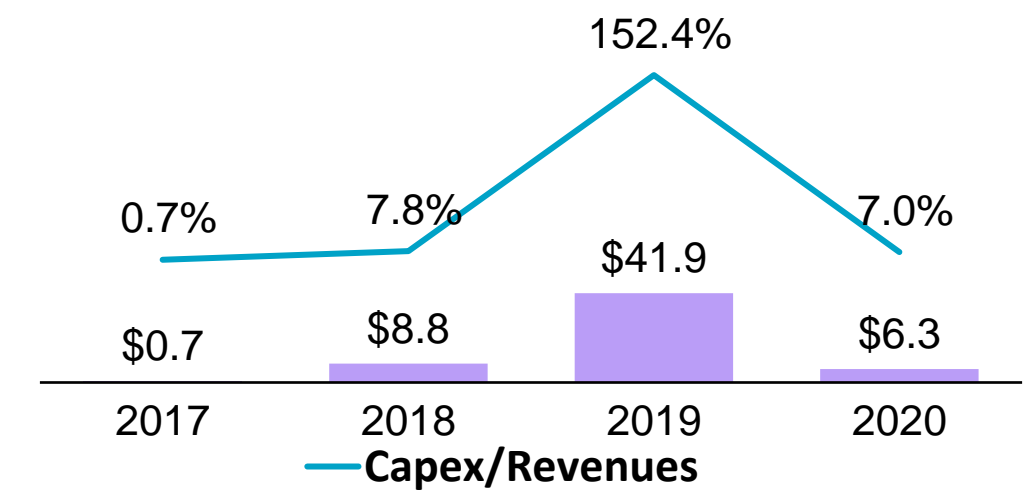
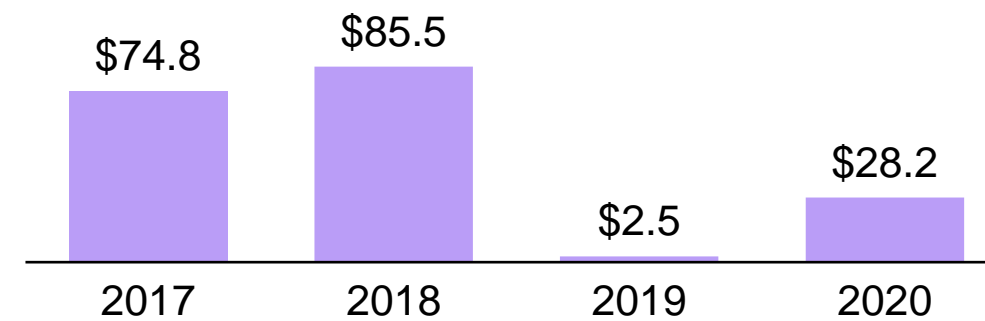
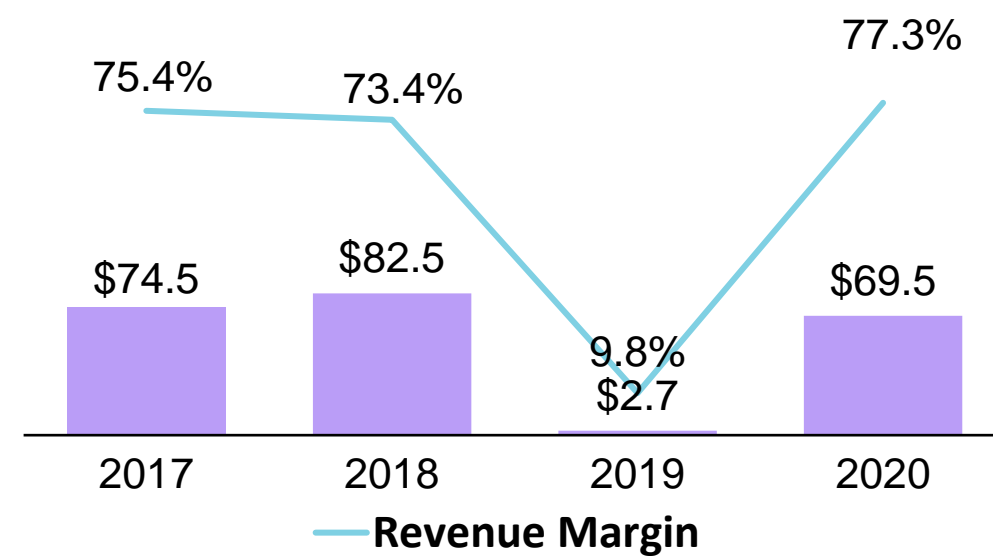
Cashflow from Operations



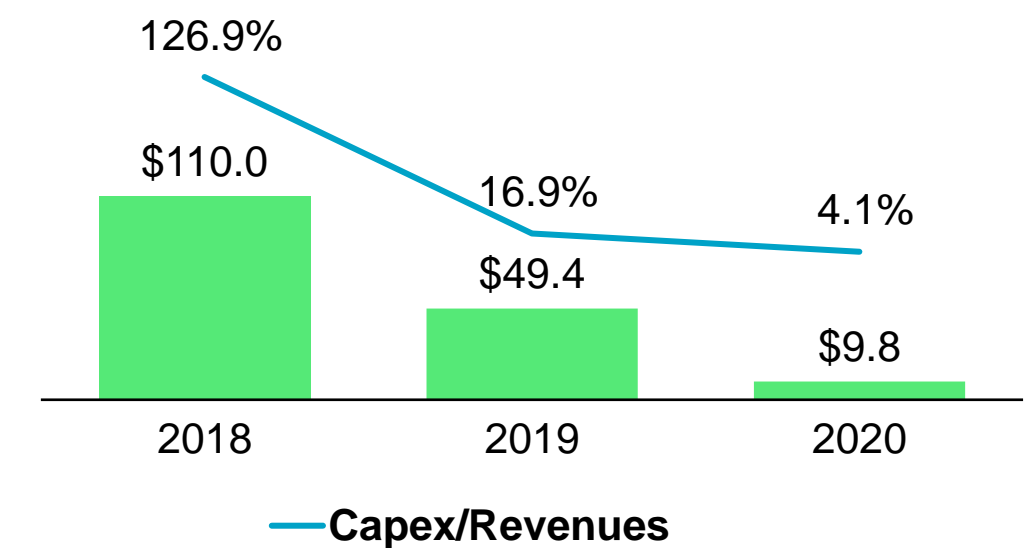
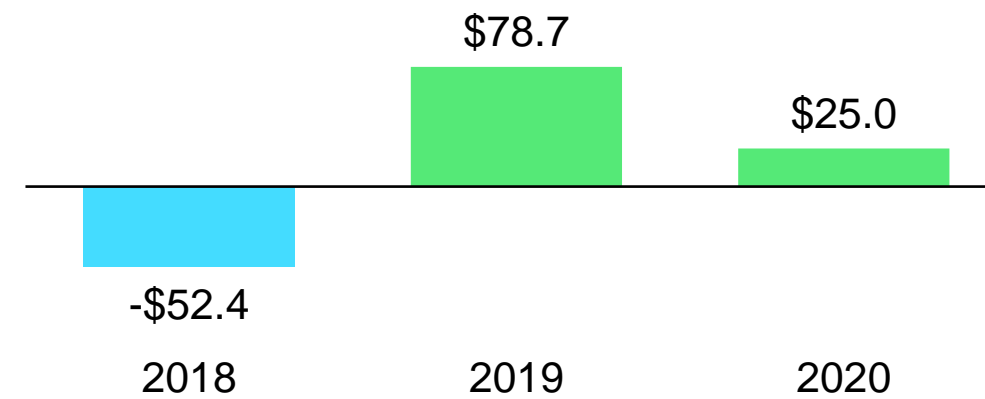
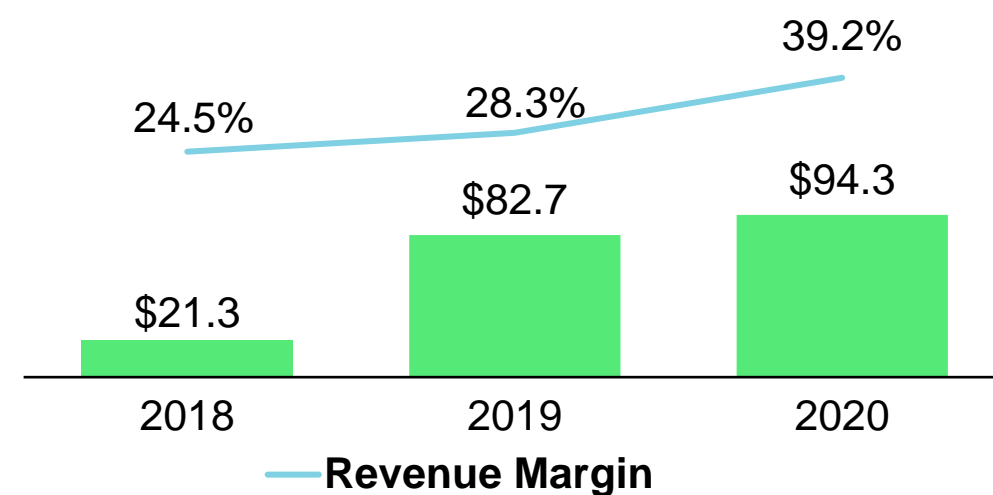
CAPEX



AES Changuinola



AES Colon

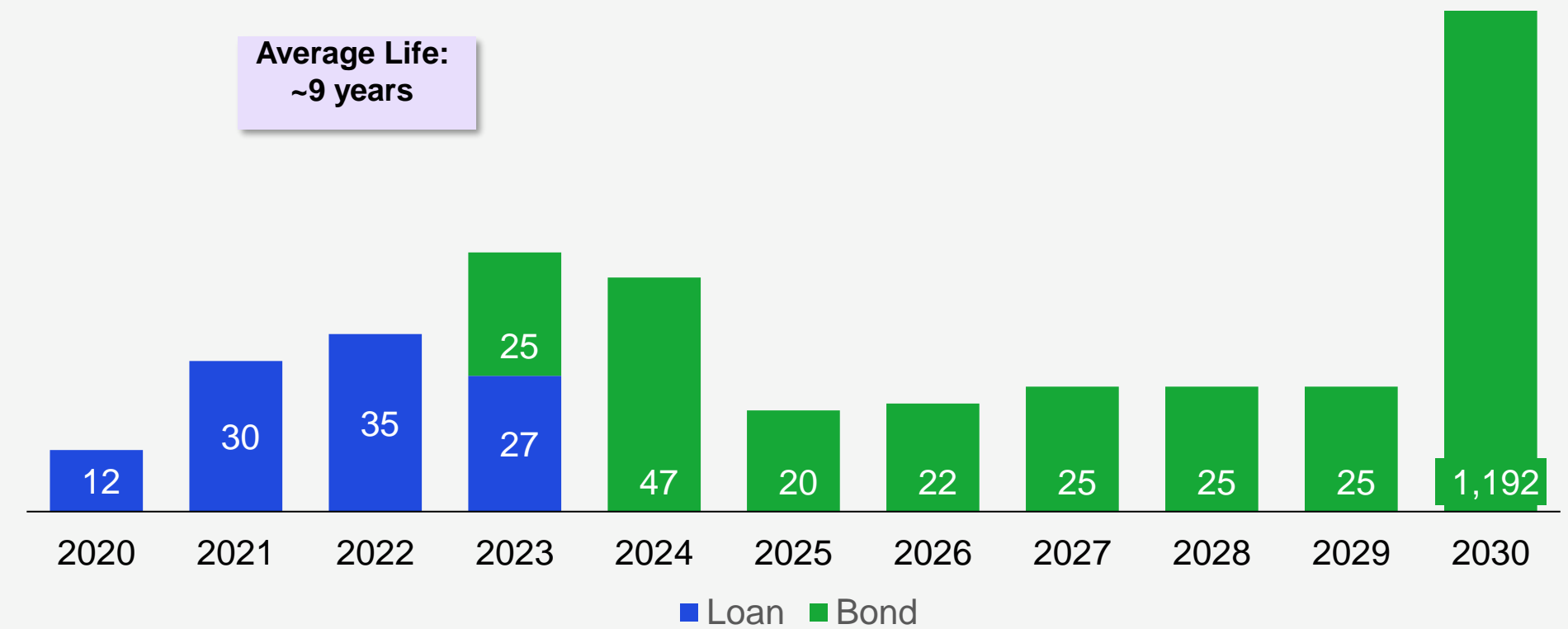


AES in Panama Capital Structure

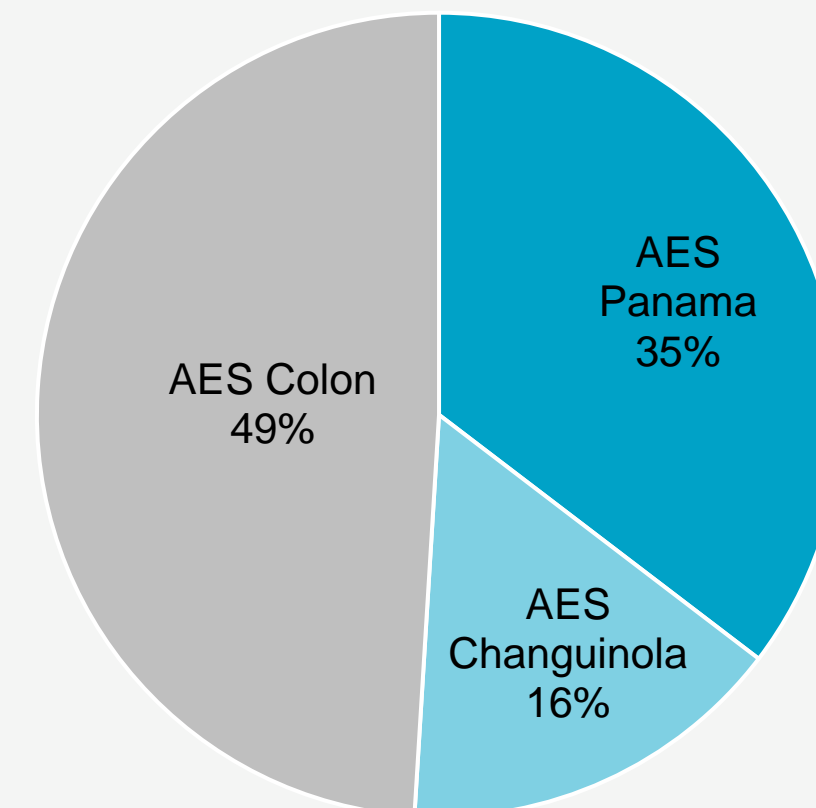
- **\$1,380M Notes**, due 2030 issued by AES Panama Generation Holdings as Issuer closed on Aug. 2020. **Coupon at 4.375%**
 - \$50 Unfunded Liquidity Facility
- **\$105M Term Loan**, due 2023 + \$50M Liquidity Facility. Interest Rate at L+3.50%
- Proceeds used to **refinance \$1,267M** of existing debt at Operating Company level. Intercompany Loans were issued between Issuer and OpCos
- **Investment Grade Rating** issued by Moody's (Baa3) & Fitch (BBB-)
- Debt to EBITDA for December 2020 was: 6.08x
- AES Changuinola **maintains \$90M of outstanding debt** in Local Bonds due 2023. Amortizing \$20M per year until maturity. 6.25% Coupon Rate

Debt Amortization

(US\$ in millions)



Outstanding Debt per Entity



Thank you