



# US\$ 400 million Green Loan Impact Report

November 2022

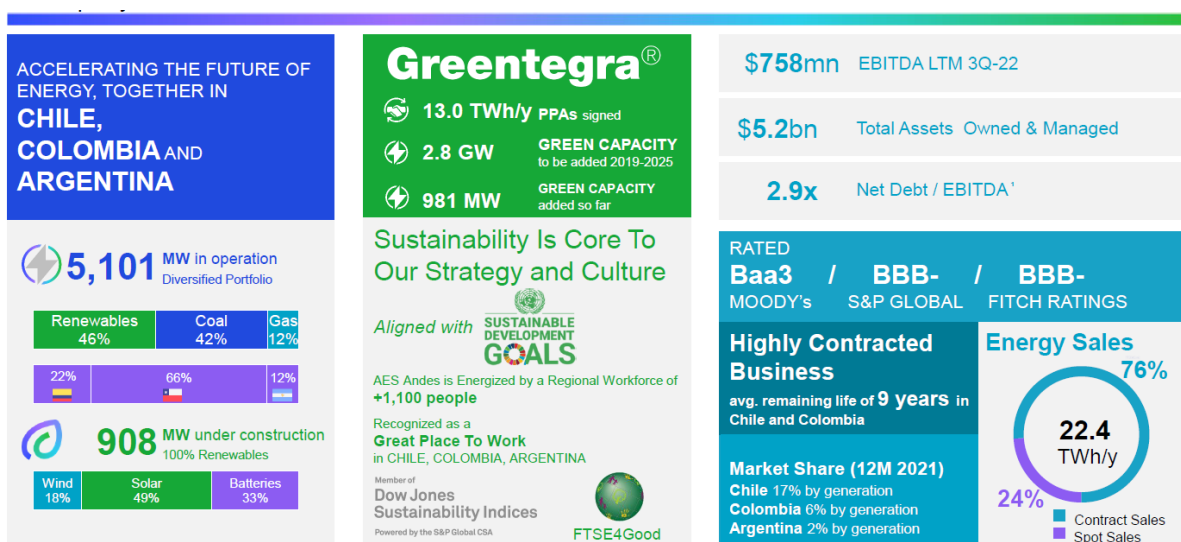
# AES Andes

AES Andes is an affiliate of The AES Corporation (“AES”) with presence in Chile, Colombia and Argentina. We are committed to the sustainable development of South America through a diverse portfolio of energy generation facilities. We are the second largest generation company in Chile in terms of installed capacity and a relevant energy solutions provider in Chile.

We generate and sell electricity in Chile, Colombia and Argentina to customers, including distribution companies, commercial, industrial, and mining customers, and other generators, with the purpose of accelerating the future of energy, together. In addition, we sell energy to the spot market.

We operate a total installed capacity of 5.101 MW in the region, along with a large portfolio of renewable energy and battery projects under construction. In Chile, we have an installed capacity of 3.356 MW, consisting of 2.129 MW of thermoelectric, 771 MW of hydroelectric, 277 MW of wind, 104 MW of solar photovoltaic and 13 MW of biomass capacity, in addition to 62 MW of battery energy storage systems, seawater desalination plants, transmission lines, and gas pipelines. We also have hydroelectric and solar plants in Colombia for a total capacity of 1,102 MW, in addition to a combined-cycle natural gas power plant in Argentina with an installed capacity of 643 MW.

## Company overview (as of November 2022)



## Our Greentegra Strategy: accelerate the future of energy

At AES Andes our ultimate goal is to be the “energy solution provider of choice in South America” through the execution of our Greentegra strategy that has three main objectives: make our customers' electricity supply more sustainable and competitive, reduce the carbon intensity of our portfolio and strengthen our company's investment grade.

Our strategy considers the needs and concerns of our stakeholders and of both national and international clean energy agendas. In this way, we also help to accelerate a more sustainable energy matrix for the markets where we operate.

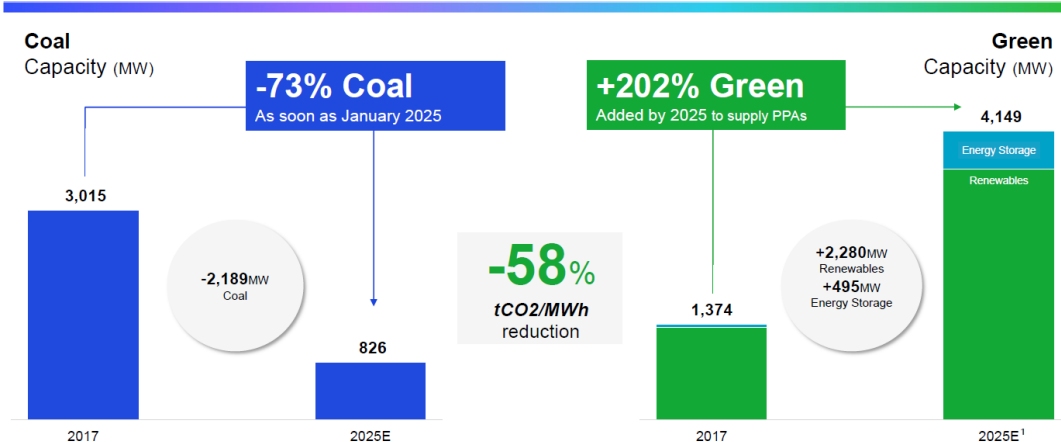
# Transform AES Andes into a Leading Renewable Business in South America



We are committed to working toward a more sustainable future for all, transforming our portfolio and increasing our renewable power generation capacity by 202% from 2017 to 2025, including the incorporation of renewable projects through development and acquisition and the retirement of coal-fired power plants as part of the gradual and responsible process agreed with the authorities for the decarbonization of Chile's energy matrix.

### Portfolio Transformation

AES Andes Decarbonization Plan

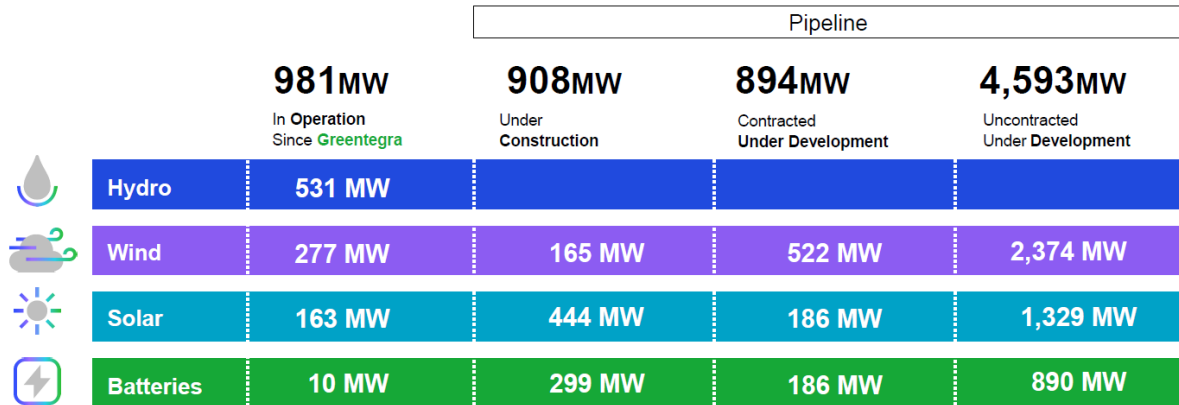


2025 Estimate based on contracted growth projects and AES' global intention to exit coal-fired generation by the end of 2025 by means of conversion to less carbon intensive technology, asset sales and retirements, all subject to the necessary regulatory process and approvals and while ensuring the grid's security, sufficiency and competitiveness.

Currently, we have under construction 908MW of renewable energy totaling a pipeline of 7376 MW to support commercial agreements.

## Renewable Projects

7,376 MW to Support Commercial Agreements



Project progress and commercial operation status as of October 31, 2022

## Green loan impact

On 2021, AES Andes entered its first green credit agreement with 3 international banks for an initial amount of US\$150 million. Subsequently, the Company signed on March 10, 2022, and on April 22, 2022, modifications to the initial credit agreement, including 5 new international banks for a total additional amount of US\$250 million.

The green loan agreement, which is due in five years (2027), was placed at SOFR 3m plus an spread. The following report refers to the period of October 01, 2021 to November 30, 2022.

## Allocation of proceeds

AES Andes has an internal tracking system to monitor and account for an amount equal to the net proceeds.

An internal committee comprised of members from the Sustainability, Finance, and Development teams evaluate the projects to ensure meeting the criteria of development, construction, installation, and/or acquisition of renewable energy.

The proceeds from the credit have been used to finance the purchase and construction of diverse renewable projects including wind, solar or energy storage (battery) that are part of AES Andes renewable growth pipeline.

The following table summarizes the proceeds allocated since October 01, 2021, through November 30, 2022. The amount of net proceeds allocated to Eligible Green Projects is US\$400 million. Therefore, there is no pending amount to be allocated.

Type of project	Country	Amount disbursed (US\$)
Wind	Chile	397,033,423
Solar + energy storage	Chile	2,966,577
	<b>Total</b>	<b>400,000,000</b>

## Projects funded

Renewable Energy	Commissioning	Lifetime	Yearly Generation <sup>1</sup>	Capacity	GHG Emissions avoided <sup>1</sup>
<i>Project name</i>	<i>Date</i>	<i>In years</i>	<i>Gwh</i>	<i>MW</i>	<i>Annual Tonnes of CO2e</i>
Andes Solar IIB	2023	25	397	180	244,870
Andes Solar IIB expansion	2023	25	56	27	34,541
Andes Solar IV	2024	25	454	263	280,027
Campo Lindo	2023	30	210	73	129,528

### Andes Solar IIB – Solar + battery storage



- Location: it is located in the commune, province and Region of Antofagasta, at 2,800 m altitude.
- Installed Capacity: 180 MW // 344,142 solar panels
- Description: AES Solar IIB comprises 249,132 bifacial solar panels of 530Wp and 95,004 bifacial solar panels of 535Wp, it will also have 112 MW of lithium battery storage, the largest in Latin America.
- Total Annual Generation estimated: 397,000 MWh
- Annual Estimated GHG avoided: 244,870 tCO2

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<sup>1</sup> Values are estimated

### Andes Solar IIB expansion - Solar



- Location: Located in the commune, province and Region of Antofagasta, at 2,800 m altitude.
- Installed Capacity: 27 MW // 50,316 solar panels
- Description: AES Solar IIB comprises 30,072 bifacial solar panels of 545Wp and 20,244 bifacial solar panels of 540Wp.
- Total Annual Generation estimated: 56,000 MWh
- Annual Estimated GHG avoided: 34,541 tCO<sub>2</sub>

### Andes Solar IV - Solar



- Location: Located in the commune, province and Region of Antofagasta, at 2,800 m altitude.
- Installed Capacity: 263 MW // 598,104 solar panels
- Description: AES Solar IV comprises 598,104 bifacial solar panels of 440Wp or similar.
- Total Annual Generation estimated: 454,000 MWh
- Annual Estimated GHG avoided: 280,027 tCO<sub>2</sub>



## Campo Lindo - Wind



- Location: located in the commune of Los Angeles and Laja, Biobío Region, Chile, 10 km northwest (NW) of the city of Los Angeles.
- Installed Capacity: 73 MW // 23 turbines
- Campo Lindo wind farm is currently under construction, and it comprises the installation of wind turbines with a nominal power of 4,3 MW each.
- Total Annual Generation estimated: 210,000 MWh
- Annual Estimated GHG avoided: 129,528 tCO<sub>2</sub>

Calculations for avoided emissions were made according to the following formula:  $ER_y = EG_{\text{facility},y} * EF_{\text{grid,CM},y}$

- $ER_y$  = Emission reduction in year y (tCO<sub>2</sub>)
- $EG_{\text{facility},y}$  = Quantity of net electricity generation supplied by the project plant to the grid (MWh)
- $EF_{\text{grid,CM},y}$  = CM CO<sub>2</sub> emission factor in year y (\*CM: Combined Margin)



AES Andes S.A.94.272.000-9

Open Corporation

Registration with the Registry of SecuritiesNo. 0176

Los Conquistadores 1730, 10<sup>th</sup> floor,Providencia, Santiago, Chile

Phone: (56) 2 3333 83 00

Box No. 3514, Santiago

[www.aesandes.com](http://www.aesandes.com)

Santiago Stock Exchange Mnemonic Code AESANDES

