

Dominican Power Partners
(An Indirectly Owned Subsidiary of The AES
Corporation)

Unaudited Financial Statements for the
three months ended March 31, 2019 and audited December 31, 2018;
and for the three months ended March 31, 2019 and
2018

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS
As of March 31, 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	\$ 8,888	\$ 30,884
Short term investments	95	89
Accounts receivable	108,215	105,531
Other receivable – related parties	144,708	149,298
Other receivable	16	11
Inventories	2,425	2,447
Prepaid expenses	<u>2,842</u>	<u>231</u>
Total current assets	267,189	288,491
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	8,006	8,006
Plant and electricity generating equipment	393,311	392,344
Accumulated depreciation	(84,549)	(80,870)
Construction in progress	<u>2,456</u>	<u>2,571</u>
Property, plant and equipment, net	319,224	322,051
OTHER ASSETS:		
Intangible assets, net	1,868	1,894
Prepayments	<u>213</u>	<u>197</u>
Total other assets	<u>2,081</u>	<u>2,091</u>
TOTAL	<u><u>\$ 588,494</u></u>	<u><u>\$ 612,633</u></u>

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS (CONTINUED)
As of March 31, 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	\$ 14,830	\$ 10,384
Accounts payable – related parties	108,752	82,641
Dividends payable	—	59,669
Income tax payable	20,796	24,629
Other liabilities	95	—
Total current liabilities	<u>144,473</u>	<u>177,323</u>
LONG TERM LIABILITIES:		
Bonds payable	305,566	305,434
Deferred income tax	11,656	11,095
Long – term compensation	44	41
Total long – term liabilities	<u>317,266</u>	<u>316,570</u>
SHAREHOLDER'S EQUITY:		
Common stock, US\$1 par value; 500,000,000 shares authorized; 15,000,100 shares issued and outstanding	15,000	15,000
Contributed capital	104,976	104,976
Additional paid-in capital	1,003	996
Retained Earnings (Accumulated deficit)	5,776	(2,232)
Total shareholder's equity	<u>126,755</u>	<u>118,740</u>
TOTAL	<u>\$ 588,494</u>	<u>\$ 612,633</u>

Dominican Power Partners

(An Indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**For the three months ended March 31, 2019 and 2018**

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
REVENUES:		
Electricity sales – contracts	\$ 60,040	\$ 46,635
Electricity sales – spot market	<u>7,439</u>	<u>16,192</u>
Total revenues	<u>67,479</u>	<u>62,827</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases	15,582	13,280
Cost of revenues – fuel and fuel related costs	26,342	21,680
Operating, maintenance and general expenses	5,422	5,722
Depreciation and amortization	<u>3,975</u>	<u>3,894</u>
Total operating costs and expenses	<u>51,321</u>	<u>44,576</u>
OPERATING INCOME	16,158	18,251
OTHER (EXPENSE) INCOME:		
Interest income – net	(2,718)	(4,425)
Debt discount amortization	(33)	(17)
Other (expense) income – net	2	(560)
Exchange (loss) gain, net	<u>(192)</u>	<u>97</u>
Total other loss - net	<u>(2,941)</u>	<u>(4,905)</u>
Income before income tax expense	13,217	13,346
Income tax expense	<u>(5,209)</u>	<u>(3,540)</u>
NET COMPREHENSIVE INCOME	<u>\$ 8,008</u>	<u>\$ 9,806</u>

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2019 and 2018

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 8,008	\$ 9,806
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	3,949	3,867
Amortization of intangible asset	27	28
Exchange loss (gain), net	192	(97)
Long term compensation	11	14
Loss on asset disposal	—	585
Deferred income tax	615	737
Deferred financing costs amortizations	99	78
Amortization of debt discount	33	17
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,876)	7,258
Decrease (increase) in other receivable – related parties	4,590	(16,223)
(Increase) decrease in other receivable	(5)	1,389
Decrease (increase) in inventories	22	(361)
Increase in prepaid expenses and other assets	(2,705)	(2,547)
Increase in accounts payable and accrued liabilities	4,394	11,006
Increase (decrease) in accounts payable – related parties	26,111	(3,454)
Increase in other liabilities	95	—
Decrease in income tax receivable	(3,833)	(4,374)
Net cash provided by operating activities	<u>38,727</u>	<u>7,729</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,453)	(1,283)
Increase in restricted cash	(119)	(338)
Decrease in investments	—	2
Net cash used in investing activities	<u>(1,572)</u>	<u>(1,619)</u>
FINANCING ACTIVITIES:		
Dividends paid	(59,669)	—
Net cash used in financing activities	<u>(59,669)</u>	<u>—</u>
Effect of exchange rate changes on cash	<u>518</u>	<u>482</u>
Net (decrease) increase in cash and cash equivalents	(21,996)	6,592
Cash and cash equivalents at the beginning of the year	<u>30,884</u>	<u>18,548</u>
Cash and cash equivalents at the end of the period	<u><u>\$ 8,888</u></u>	<u><u>\$ 25,140</u></u>