

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

Unaudited Financial Statements for the
six months ended June 30, 2019 and audited December 31, 2018;
and for the six months ended June 30, 2019 and
2018

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS
As of June 30, 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	\$ 8,009	\$ 30,884
Short term investments	96	89
Accounts receivable	163,336	105,531
Other receivable – related parties	120,955	149,298
Other receivable	5,989	11
Inventories	2,461	2,447
Prepaid expenses	1,863	231
Total current assets	<u>302,709</u>	<u>288,491</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	8,006	8,006
Plant and electricity generating equipment	393,589	392,344
Accumulated depreciation	(88,401)	(80,870)
Construction in progress	1,603	2,571
Property, plant and equipment, net	<u>314,797</u>	<u>322,051</u>
OTHER ASSETS:		
Intangible assets, net	1,975	1,894
Prepayments	173	197
Total other assets	<u>2,148</u>	<u>2,091</u>
TOTAL	<u>\$ 619,654</u>	<u>\$ 612,633</u>

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS (CONTINUED)
As of June 30, 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	\$ 10,345	\$ 10,384
Accounts payable – related parties	132,472	82,641
Dividends payable	—	59,669
Income tax payable	8,978	24,629
Other liabilities	60	—
Total current liabilities	<u>151,855</u>	<u>177,323</u>
LONG TERM LIABILITIES:		
Bonds payable	305,676	305,434
Deferred income tax	12,660	11,095
Long – term compensation	22	41
Total long – term liabilities	<u>318,358</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	1,012	996
Retained Earnings (Accumulated deficit)	28,453	(2,232)
Total shareholder's equity	<u>149,441</u>	<u>118,740</u>
TOTAL	<u>\$ 619,654</u>	<u>\$ 612,633</u>

Dominican Power Partners

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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**For the six months ended June 30, 2019 and 2018**

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
REVENUES:		
Electricity sales – contracts	\$ 126,536	\$ 97,054
Electricity sales – spot market	17,678	46,069
Total revenues	<u>144,214</u>	<u>143,123</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases	24,279	21,290
Cost of revenues – fuel and fuel related costs	51,074	47,074
Operating, maintenance and general expenses	9,991	10,119
Depreciation and amortization	8,047	7,800
Total operating costs and expenses	<u>93,391</u>	<u>86,283</u>
OPERATING INCOME	50,823	56,840
OTHER (EXPENSE) INCOME:		
Interest income – net	(4,427)	(8,776)
Debt discount amortization	(53)	(35)
Other (expense) income – net	1	(763)
Exchange (loss) gain, net	(815)	(218)
Total other loss - net	<u>(5,294)</u>	<u>(9,792)</u>
Income before income tax expense	45,529	47,048
Income tax expense	<u>(14,844)</u>	<u>(13,342)</u>
NET COMPREHENSIVE INCOME	<u>\$ 30,685</u>	<u>\$ 33,706</u>

Dominican Power Partners

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UNAUDITED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2019 and 2018

(Amounts expressed in thousands of US dollars)

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 30,685	\$ 33,706
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	7,899	7,753
Amortization of intangible asset	149	47
Exchange loss (gain), net	815	218
Long term compensation	31	29
Loss on asset disposal	—	785
Deferred income tax	1,682	2,738
Deferred financing costs amortizations	186	159
Amortization of debt discount	53	35
Changes in assets and liabilities:		
Increase in accounts receivable	(58,620)	(18,187)
Decrease (increase) in other receivable – related parties	28,343	(41,819)
(Increase) decrease in other receivable	(5,978)	1,407
Increase in inventories	(14)	(274)
Increase in prepaid expenses and other assets	(1,692)	(1,541)
Increase (decrease) in accounts payable and accrued liabilities	663	(3,177)
Increase in accounts payable – related parties	49,830	22,097
Increase in other liabilities	60	—
Decrease in income tax receivable	(15,651)	(688)
Net cash provided by operating activities	<u>38,441</u>	<u>3,288</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,052)	(3,814)
Advance payments for the acquisition of fixed assets	(1,013)	—
Increase in restricted cash	(113)	(115)
Net cash used in investing activities	<u>(2,178)</u>	<u>(3,929)</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>531</u>	<u>485</u>
Net decrease in cash and cash equivalents	(22,875)	(156)
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>\$ 8,009</u></u>	<u><u>\$ 18,392</u></u>