

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

Unaudited Financial Statements for the
six months ended June 30, 2020 and audited December 31, 2019;
and for the six months ended June 30, 2020 and
2019

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS
As of June 30, 2020 and December 31, 2019

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 62,792	\$ 11,258
Short term investment	89	95
Accounts receivable	124,269	137,367
Other receivable – related parties	89,541	128,601
Other receivables	21	839
Inventories	2,636	4,312
Prepaid expenses	2,957	87
Total current assets	<u>282,305</u>	<u>282,559</u>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	8,202	8,006
Plant and electricity generating equipment	392,816	390,931
Accumulated depreciation	(99,368)	(91,782)
Construction in progress	10,269	3,345
Property, plant and equipment, net	<u>311,919</u>	<u>310,500</u>
OTHER ASSETS:		
Intangible assets, net	1,053	1,790
Prepayments	981	510
Right of use asset, net	600	172
Total other assets	<u>2,634</u>	<u>2,472</u>
TOTAL	<u><u>\$ 596,858</u></u>	<u><u>\$ 595,531</u></u>

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS (CONTINUED)
As of June 30, 2020 and December 31, 2019

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 17,982	\$ 17,889
Accounts payable – related parties	48,799	76,504
Line of credit	37,500	5,000
Income tax payable	7,859	6,027
Lease liabilities	168	177
Total current liabilities	<u>112,308</u>	<u>105,597</u>
LONG TERM LIABILITIES:		
Bonds payable	306,132	305,900
Deferred income tax	18,132	18,498
Other liabilities	9,007	36
Total long – term liabilities	<u>333,271</u>	<u>324,434</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	1,049	1,029
Retained Earnings	30,254	44,495
Total shareholder's equity	<u>151,279</u>	<u>165,500</u>
TOTAL	<u>\$ 596,858</u>	<u>\$ 595,531</u>

Dominican Power Partners

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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**For the six months ended June 30, 2020 and 2019**

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
REVENUES:		
Electricity sales – contracts	\$ 117,138	\$ 126,536
Electricity sales – spot market	9,829	17,678
Total revenues	<u>126,967</u>	<u>144,214</u>
OPERATING COSTS AND EXPENSES:		
Cost of revenues – electricity purchases	9,476	24,279
Cost of revenues – fuel and fuel related costs	38,266	51,074
Operating, maintenance and general expenses	10,094	9,991
Depreciation and amortization	8,278	8,047
Total operating costs and expenses	<u>66,114</u>	<u>93,391</u>
OPERATING INCOME	60,853	50,823
OTHER (EXPENSE) INCOME:		
Interest expense – net	(7,457)	(4,427)
Debt discount amortization	(44)	(53)
Other income – net	34	1
Exchange gain (loss), net	2,332	(815)
Total other expense - net	<u>(5,135)</u>	<u>(5,294)</u>
Income before income tax expense	55,718	45,529
Income tax expense	<u>(15,959)</u>	<u>(14,844)</u>
NET COMPREHENSIVE INCOME	<u>\$ 39,759</u>	<u>\$ 30,685</u>

Dominican Power Partners

(An Indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2020 and 2019

(Amounts expressed in thousands of US dollars)

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 39,759	\$ 30,685
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation	7,998	7,899
Amortization of intangible asset	280	149
Amortization of assets right of use	166	—
Exchange (gain) loss, net	(2,332)	815
Stock - based compensation	20	31
Deferred income tax	971	1,682
Deferred financing costs amortization	185	186
Amortization and capitalization of debt discount	44	53
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	13,098	(58,620)
Decrease in other receivable – related parties	39,060	28,343
Decrease (increase) in other receivable	818	(5,978)
Decrease (increase) in inventories	1,676	(14)
Increase in prepaid expenses and other assets	(2,870)	(1,692)
Increase in accounts payable and accrued liabilities	7,659	663
(Decrease) increase in accounts payable – related parties	(27,705)	49,830
Increase in other liabilities	—	60
Decrease in income tax receivable	—	(15,651)
Net cash provided by operating activities	<u>78,827</u>	<u>38,441</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(5,935)	(1,052)
Additions to intangible assets	—	(1,013)
Advance payments for the acquisition of property, plant and equipment	(637)	(113)
Net cash used in investing activities	<u>(6,572)</u>	<u>(2,178)</u>
FINANCING ACTIVITIES:		
Dividends paid	(54,000)	(59,669)
Proceeds from line of credit	42,500	—
Payment of line of credit	(10,000)	—
Payment of lease liability	(54)	—
Net cash used in financing activities	<u>(21,554)</u>	<u>(59,669)</u>
Effect of exchange rate changes on cash	<u>833</u>	<u>531</u>
Net increase (decrease) in cash and cash equivalents	51,534	(22,875)
Cash and cash equivalents at the beginning of the year	<u>11,258</u>	<u>30,884</u>
Cash and cash equivalents at the end of the period	<u><u>\$ 62,792</u></u>	<u><u>\$ 8,009</u></u>