

**Content**

	<b>Pages</b>
Executive Summary	1
External Factors	2
Analysis of Andres-DPP Financial Results	3
Analysis of Itabo Financial Results	5
Financial Debt Summary	7
Dividends	7
Collections	8
Operational Results of Andres-DPP	9
Operational Results of Itabo	10
Safety Indicators	10
Environmental Matters	10
Financial Statements	11
Glossary of Key Terms	21

Santo Domingo, Dominican Republic, December 27, 2019 - Andres-DPP and Itabo announced today financial results for the quarter ended September 30, 2019. All operating and financial information, except where otherwise specified, are expressed in US Dollars and prepared in accordance with United States General Accepted Accounting Principles, as of any date of determination, or "US GAAP".

**AES Andres B.V. and Subsidiary and Dominican Power Partners announced a Combined Net Comprehensive Income of \$187 million for the third quarter 2019.**

- Third quarter 2019 revenue increased 2% and operating costs decreased (9)%, compared to the third quarter 2018.
- Net comprehensive income increased 120% to \$187 million.

**Table 1: Summary of Financial Results - Andres & DPP**

ANDRES - DPP		
(Millions of US\$)	2019	September 30, 2018
Revenues	507	498
Operating costs and expenses	(323)	(354)
Operating income	184	144
Operating income margin	36%	29%
Net Comprehensive Income	187	85
Net Cash Provided by Operating Activities	150	113

**Itabo announced a Net Comprehensive Income of \$32 million for the third quarter 2019.**

- Third quarter 2019 revenue and operating costs decreased (7)% and (13)%, respectively, compared to the third quarter 2018.
- Net comprehensive income was \$32 million in 2019 and \$29 million in 2018.

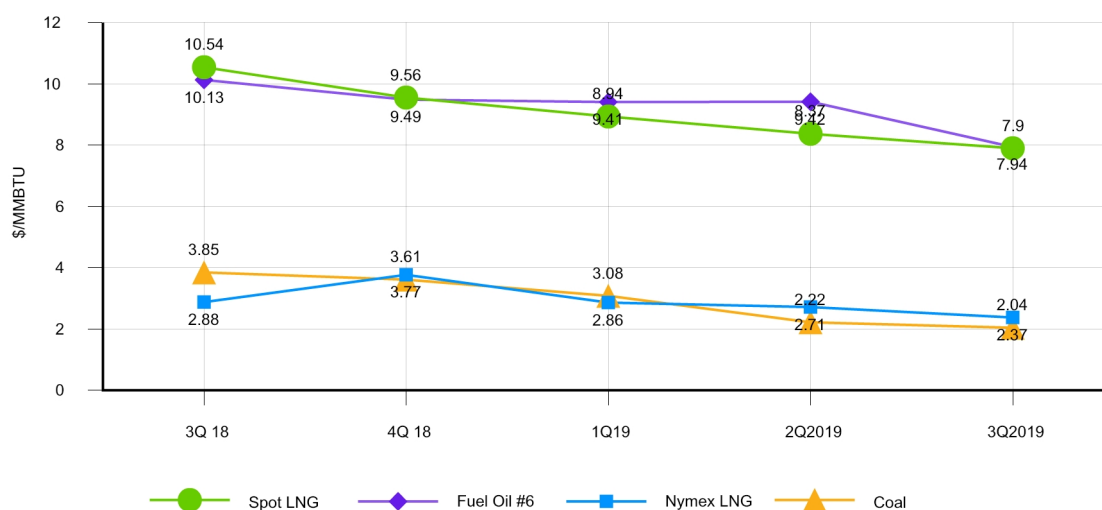
**Table 2: Summary of Financial Results of Itabo**

Itabo		
(Millions of US\$)	2019	September 30, 2018
Revenues	161	173
Operating costs and expenses	(115)	(131)
Operating income	47	42
Operating income margin	29%	24%
Net Comprehensive Income	32	29
Net Cash Provided by Operating Activities	94	12

## External Factors<sup>1</sup>

- Dominican Republic's annual GDP grew 4.8% as of September 30, 2019 .<sup>2</sup>
- The accumulated Inflation stood at 2.38% as of September 2019.
- The exchange rate for Financial Entities as of September 30, 2019 was RD\$51.53 per US dollar (Ask) and RD\$51.66 per US dollar (Bid).
- Average Nymex Henry Hub natural gas prices were \$2.37 per MMBtu for the third quarter of 2019, with a peak of \$2.60 per MMBtu and a low of \$2.16 per MMBtu.<sup>3</sup>
- Average coal prices were \$2.04 per MMBtu for the third quarter of 2019, with a peak of \$2.17 per MMBtu and a low of \$1.86 per MMBtu.
- Average spot liquefied natural gas ("LNG") prices were \$7.9 per MMBtu for the third quarter of 2019, with a peak of \$8.05 per MMBtu and a low of \$7.68 per MMBtu.
- Total electricity demand for Q3 2019 reached 8.2 GWh, an increase of 13.2% versus the same period of 2018.

Chart 1: Fuel Prices Evolution



**Spot LNG:** As reference, it is used the 14% of Dated Brent Index, published in the Platts Crude Oil Marketwire, which in the current market represents a valid reference price for spot LNG purchases in the Atlantic Basin.

<sup>1</sup>Source: Dominican Central Bank of the Dominican Republic (Macro-economic Data), Organismo Coordinador del Sistema Eléctrico Dominicano (Electric Sector Data) and FOB, 6000 kcal/kg NAR Colombia, Platts International Coal Report (Commodity Prices).

<sup>2</sup>Source: September 2019 Central Bank's Dominican Republic Economy Performance Report.

<sup>3</sup>Pricing under the BP Contract is at a premium to the Henry Hub natural gas price per MMBtu on the NYMEX Index.

Analysis of Andres-DPP<sup>4</sup> Financial Results

Table 3: Financial results for the third quarter 2019

	September 30,	
	2019	2018
	(Millions of US\$)	
<b>Revenues</b>	<b>507</b>	<b>498</b>
Electricity sales - Contracts	373	350
Electricity sales - spot market	13	47
Natural Gas Sales	121	101
<b>Operating Costs and Expenses</b>	<b>(323)</b>	<b>(354)</b>
Cost of sales - electricity purchases and fuel costs used for generation	(191)	(232)
Cost of sales - fuel and fuel related costs purchased for resale	(63)	(57)
Operating, maintenance and general expenses	(43)	(39)
Depreciation and amortization	(26)	(26)
<b>Other Income (expense)</b>	<b>71</b>	<b>(27)</b>
Interest expense - financial - net	(27)	(28)
Interest income - commercial - net	8	5
Other (expense) income	89	(4)
<b>Cash Flows Variations - Provided by Operating Activities</b>	<b>150</b>	<b>113</b>
Increase in accounts payable	23	27
Increase in accounts receivable	(111)	(38)
Decrease in income tax payable	26	—
Increase in Inventory	(5)	(12)
(Increase) decrease in other assets	(7)	(3)
Positive adjustment	36	54
Net comprehensive income	187	85
<b>Free Cash Flow</b>	<b>28</b>	<b>100</b>
Net Cash Provided by Operating Activities	150	113
(Less) Maintenance and environmental CAPEX	(122)	(13)

<sup>4</sup>The accompanying combined financial results include the accounts of AES Andres, B.V. and its subsidiary AES Andres DR, S.A. and DPP. Intercompany balances and transactions have been eliminated in these combined financial statements.

### Key drivers of third quarter 2019 - Andres-DPP Financial Results

- **Revenue** increased 2% to \$507 million in 2019. The variation of \$8.7 million, compared to the prior year, was mainly driven by increases of :
  - (\$11.4) million in contracted and spot market sales due to lower volume sold in 2019 as a result of lower efficiency in both plants, Andres and DPP, as consequence of the plants operations as open cycle, Andres since September 2018 due to the Turbine damage (lightening) and DPP since February 2019 until April 2019 due to a vibration correction.
  - \$19.9 million in natural gas sales to third parties due to increase in volume sales as a result of a new client since 2019 and higher sales price as a consequence of the international LNG prices.
- **Operating Costs and Expenses** decreased (9)% to \$323 million. The variance of \$31 million when compared to the same period of 2018 was mainly due to decreases of:
  - \$41 million in "electricity purchases and fuel cost used for generation" mainly due to an decrease in consumption on LNG mainly due to lower generation in 2019.
  - (\$6) million in fuel purchased for resale mainly due to higher sale to third parties.
  - Increases of: (\$4) million in operating, maintenance and general expenses due to higher insurance expenses and other expenses.
- **Other Income (Expense)** was \$71 million, 360% higher than 2018. The variance of \$99 million when compared to the same period of 2018 was mainly due to increases of \$93 million in other income due to insurance claim received from the Insurance Company related to the writte off of the Andres Steam Turbine.
- **Net Cash Provided by Operating Activities** increased from \$113 million to \$150 million in 2019. The variation of \$37 million was primarily driven by:
  - Higher net comprehensive income by \$102 million mostly to the drivers discussed above.
  - Negative impact by \$(18) million in non-cash adjustments to net comprehensive income mainly related to the variances in disposal of assets described above.
  - Positive impact in accounts receivable by (\$72) million due to the increase in account receivable related to the insurance claim of Andres.
  - Positive impact of income tax by \$26 million due to lower payment of income taxes in 2019.
  - Decrease of accounts payable by \$(4) million mainly due to higher LNG payment.
  - Positive impact in inventory and other asset by \$3 million related to LNG Brent.

## Analysis of Itabo Financial Results

Table 4: Financial results for the third quarter 2019

	September 30,	
	2019	2018
	<i>(Millions of US\$)</i>	
<b>Revenues</b>	<b>161</b>	<b>173</b>
Electricity Sales	159	160
Other revenues	3	13
<b>Operating Costs and Expenses</b>	<b>(115)</b>	<b>(131)</b>
Cost of electricity sales	(74)	(88)
Operating, general and maintenance expenses	(26)	(29)
Depreciation and amortization	(15)	(14)
<b>Other Income (Expenses)</b>	<b>(3)</b>	<b>(4)</b>
Interest (expense) - financial - net	(6)	(6)
Interest income - commercial - net	3	2
<b>Cash Flows Variations - Provided by Operating Activities</b>	<b>94</b>	<b>12</b>
(Decrease) increase in accounts payable	(7)	1
Decrease (increase) in accounts receivable	54	(27)
Decrease (increase) in inventory	2	(2)
Decrease in income tax payable	(2)	(3)
Increase in prepaid expense and other assets	(1)	—
Positive adjustment	17	15
Net income	32	29
<b>Free Cash Flow</b>	<b>87</b>	<b>2</b>
Net Cash Provided by in Operating Activities	94	12
(Less) Maintenance and environmental CAPEX	(7)	(10)

### Key drivers of third quarter 2019 - Itabo Financial Results

- **Revenue** decreased (7)% to \$161 million. The variation of \$(11) million compared to 2018 was mainly driven by increases of:
  - \$12 million in contracted electricity sales mainly due higher volume sold.
  - \$(6) million decrease in other revenue due to lower volume of coal sold.
  - \$(4) million due to lower intercompany sales.
 These drivers were partially offset by \$(13) million in lower spot electricity sales due to higher volume sold to contract during the period.
- **Operating Costs and Expenses** decreased (12)% to \$115 million. The variance of \$16 million was primarily due to:
  - (\$14) million in cost of sales due to lower coal volume of coal sold to third and intercompany parties.
  - \$2.7 million due to timing of planned maintenances and other minor works on Itabo's unit 2.
- **Other Income (Expense)** was \$(3) million, (8)% lower than the third quarter 2018 but with no material variances.
- **Net Cash Provided by Operating Activities** increased from \$12 million in 2018 to \$94 million in 2019. The variation of \$82 million is primarily driven by a:
  - Decrease of accounts receivable by \$82 million due to higher collections in 2019 compared to the same period in 2018.
  - Positive impact in inventory and net income by \$7 million.
  - Positive adjustments by \$2 million.

## Financial Debt Summary

**Table 5: Summary of Debt Profile of Andres-DPP**

Financial Debt	Sept-19	Dec-18
<b>(expressed in millions of US\$)</b>		
Local Currency	—	—
Foreign Currency	575	542
<b>Total Debt</b>	<b>575</b>	<b>542</b>
Fixed Rate	92%	98%
Variable Rate	8%	2%
Short Term	8%	—%
Long Term	92%	100%
Financing Cost (*)	7.3%	7.53%
Average Life (years)	6.8	7.6

(\*) (1) After tax rates

**Table 6: Summary of Debt Profile of Itabo**

Financial Debt	Sept-19	Dec-18
<b>(expressed in millions of US\$)</b>		
Local Currency	—	—
Foreign Currency	100	100
<b>Total Debt</b>	<b>100</b>	<b>100</b>
Fixed Rate	100%	100%
Variable Rate	—%	—%
Short Term	—%	—%
Long Term	100%	100%
Financing Cost (*)	8.83%	8.79%
Average Life (years)	6.7	7.4

(\*) (1) After tax rates

**Table 7: Summary of International & Local Ratings**

Rating Agency	Market	Type of Debt	Rating	Outlook
Fitch Ratings (AES Andres/DPP)	International	Senior Notes 2026	BB-	RWN*
Standard & Poor's (AES Andres/Itabo/DPP)	International	Senior Notes 2020	BB-	Stable
Feller Rate Dominicana (Andres/DPP)	Local	Guaranteed Ordinary Bonds	AA (dom)	Stable
Fitch Dominicana (Andres/DPP)	Local	Guaranteed Ordinary Bonds	AA (dom)	RWN*
Fitch Ratings (Itabo)	International	Senior Notes 2026	BB-	Stable

\*Rating Watch Negative

## Dividends

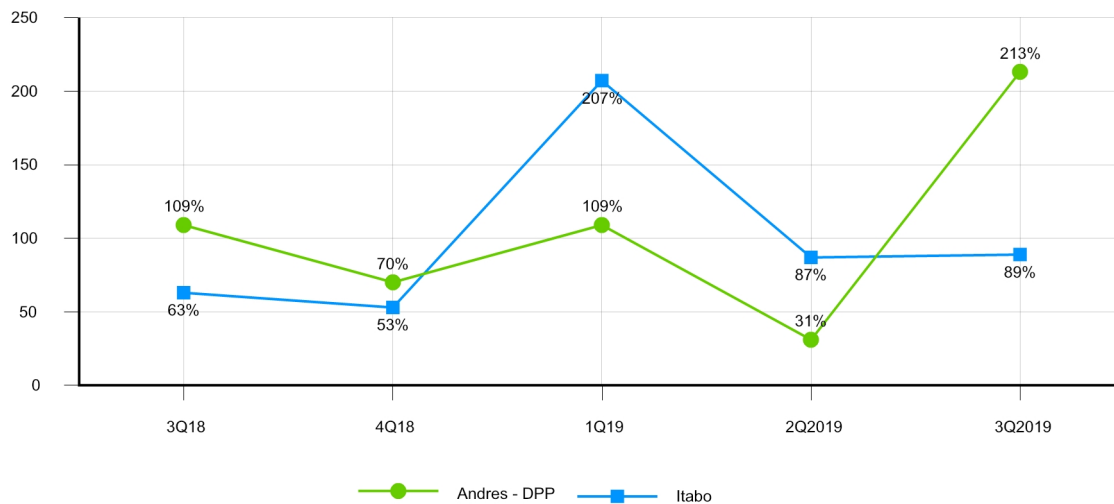
- Itabo declared and paid dividends in the aggregated amount of \$41.3 million during 2019.
- DPP paid dividends in the aggregated amount of \$59.9 million during 2019 related to dividends declared in 2018, and declared and paid \$28.6 million during 2019.



## Collections

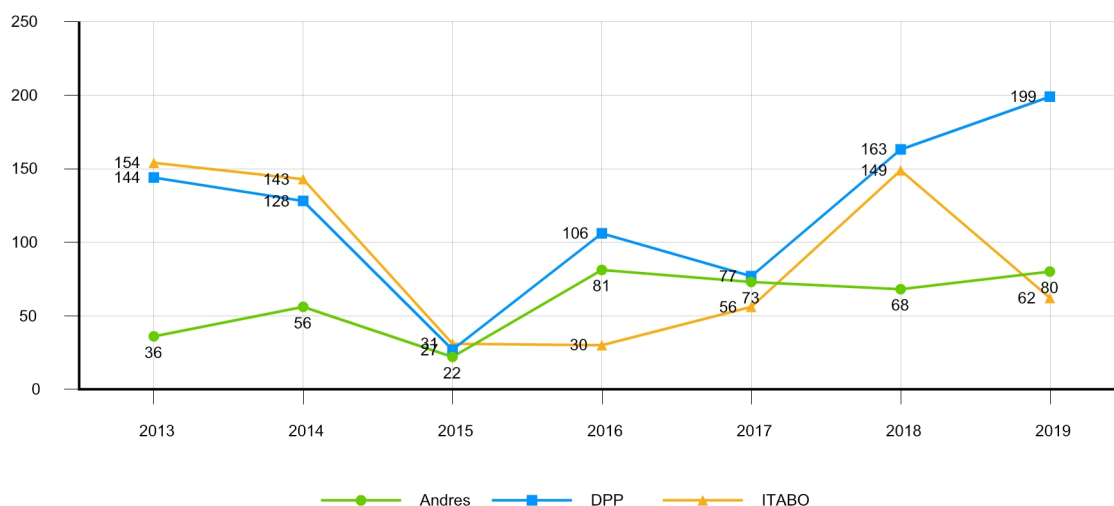
- During the third quarter 2019 the average collection rate for Andres-DPP was 213% compared to 70% as of December 31, 2018, and for Itabo 89% compared to 53%.
- As of September 30, 2019, Andres accounts receivable had a 84 days of sales outstanding ("DSO"), DPP had a 151 DSO and Itabo had a 75 DSO compared to 68, 163 and 149 DSO, respectively as of December 31, 2018.

Chart 2: Average Collection Rate



The average collection is calculated using the total collected vs. the total billed to the distribution companies during the quarter.

Chart 3: Days Sales Outstanding



The DSO was calculated using the current account receivables as of September 30, 2019 divided by the average month sales for 12 months. It assumes 30 days in a month.

## Operational Results of Andres-DPP

### Andres damage:

On September 3, 2018, a lightning affected Andres 319MW combined cycle natural gas facility in the Dominican Republic ("the Plant") resulting in significant damage to its steam turbine and generator. As a result of this event, Andres has declared an event of Force Majeure for its existing PPAs. The Company has business interruption and property damage insurance coverage, subject to pre-defined deductibles, under its existing programs.

On September 25, 2018, the Plant restarted operations running the gas turbine in simple cycle at partial load of approximately 120MW. Management estimates that the Plant will operate the gas turbine in simple cycle at full load of approximately 185MW starting in the first quarter of 2019, and in combined cycle at full capacity by the fourth quarter of 2019. To mitigate the impact of the reduced capacity in the local energy market, the Company is installing 120MW of rental power (gas turbines) until the combined cycle facility is at full load. The rental units will be in operation by the fourth quarter of 2018. On September 21, 2019 the steam turbine and generator of AES Andres are back online, currently under test and it is estimated that the first week of October the COD will be completed.

**Table 8: Summary of Technical Details**

September 30, 2019	Andres	DPP	Aggregate
Installed capacity (MW)	329	368	697
Power Generation Units	1	2	3
Energy Storage Solutions	1	1	2

**Table 9: Summary of Key Performance Indicators**

Operating Data		Q3		YTD		YTD Var. %
		2019	2018	2019	2018	
Gross generation	GWh	797	1,334	1,547	2,417	(36)%
Internal consumption	GWh	(15)	(28)	(34)	(52)	(35)%
Net Generation	GWh	<b>782</b>	<b>1,305</b>	<b>1,513</b>	<b>2,365</b>	<b>(36)%</b>
Total Energy Sold	GWh	1,228	1,561	2,350	2,838	(17)%
Andres Firm Capacity (average)	MW	295	281	295	281	5 %
Andres Heat Rate	Btu/KWh	11,718	7,645	11,788	7,640	54 %
Andres EAF	%	39	100	61	94	(35)%
Andres EFOR	%	—	—	—	—	(100)%
DPP Firm Capacity (average)	MW	206	144	210	144	47 %
DPP EAF	%	92	100	83	84	(2)%
DPP EFOR	%	8	—	15	1	2,392 %

### Key drivers of year to date variances - Andres-DPP Operational Results

- **Combined Net Generation** decreased (36)% to 1,547 GWh due to lower efficiency in both plants, Andres and DPP, as consequence of the plants operations as open cycle, Andres since September 2018 due to the Turbine damage (lightening) and DPP since February 2019 until April 2019 due to a vibration correction.
- The **Energy Sold** decreased also (17)% to 2,350 GWh due to the lower generation.
- **Andres Firm Capacity** increased to an average of 295 MW.
- **Andres EAF** was lower than last year, decreasing (35)% to 61% mainly due to the damage in September 2018 in Andres. The **Heat Rate** increased to 11,788 Btu/KWh.
- **DPP Firm Capacity** increased to an average of 210 MW.
- **DPP EAF** was 83% as of September 2019, it is not a significant variation.

## Operational Results of Itabo

**Table 10: Summary of Technical Details**

September 30, 2019	
Installed capacity (MW)	295
Power Generation Units	3

**Table 11: Summary of Key Performance Indicators**

Operating Data		Q3		YTD		YTD
		2019	2018	2019	2018	Var. %
Gross generation	GWh	518	477	1,480	1,374	8 %
Internal consumption	GWh	(44)	(41)	(125)	(120)	4 %
Net Generation	GWh	<b>474</b>	<b>435</b>	<b>1,355</b>	<b>1,254</b>	<b>8 %</b>
Total Energy Sold	GWh	476	444	1,385	1,298	7 %
Firm Capacity (average)	MW	209	212	212	214	(1)%
Heat Rate	Btu/KWh	11,064	11,114	11,054	11,113	(0.5)%
EAF	%	91	87	89	83	8 %
EFOR	%	2.5	3	1.4	2	(42)%

### Key drivers of year to date variances - Itabo Operational Results

- **Net Generation** increased 8% to 1,480 GWh due to higher plant availability. As a result, the total **Energy sold** increased 7%.
- **Itabo Firm Capacity** has an average of 212 MW.
- The **Heat Rate** slightly decreased (0.5)% to 11,054 Btu/KWh.
- The **EAF** increased 8% due to outage days during the third quarter 2019 compared to 2018, that translated to a decreased in EFOR.

### Safety Indicators

- During the third quarter 2019, Andres, DPP and Itabo did not have lost-time incidents or fatalities.

### Environmental Matters

- During the third quarter 2019, Andres, DPP and Itabo have complied with all environmental requirements of The AES Corporation and the Dominican laws.

**AES ANDRES B.V. AND SUBSIDIARY, AND  
DOMINICAN POWER PARTNERS**  
(Indirectly Owned Subsidiaries of The AES Corporation)  
**Unaudited Combined Statements of Comprehensive Income**  
(Amounts expressed in thousands of US dollars)

	September 30, 2019	September 30, 2018
<b>REVENUES</b>		
Electricity sales - contracts	\$ 372,496	\$ 349,788
Electricity sales - spot market	12,685	46,796
Natural gas sales	120,963	101,053
Other sales	855	659
<b>Total revenues</b>	<b>506,999</b>	<b>498,296</b>
<b>OPERATING COSTS AND EXPENSES</b>		
Cost of sales - electricity purchases and fuel costs used for generation	(190,629)	(231,866)
Cost of sales - fuel and fuel related costs purchased for resale	(63,257)	(56,982)
Operating, maintenance and general expenses	(42,852)	(39,112)
Depreciation and amortization	(26,421)	(26,012)
<b>Total operating costs and expenses</b>	<b>(323,159)</b>	<b>(353,972)</b>
<b>OPERATING INCOME</b>	<b>183,840</b>	<b>144,324</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest expense - net	(18,994)	(23,052)
Investment in affiliate	(15)	—
Debt discount amortization	(400)	(283)
Other income (expense) - net	89,192	(3,520)
Exchange gain (loss), net	1,600	(584)
<b>Total other expense - net</b>	<b>71,383</b>	<b>(27,439)</b>
<b>INCOME BEFORE TAXES</b>	<b>255,223</b>	<b>116,885</b>
Income tax expense	(68,167)	(31,684)
<b>NET COMPREHENSIVE INCOME</b>	<b>\$ 187,056</b>	<b>\$ 85,201</b>

**AES ANDRES B.V. AND SUBSIDIARY, AND  
DOMINICAN POWER PARTNERS**  
(Indirectly Owned Subsidiaries of The AES Corporation)  
**Unaudited Combined Balance Sheets**  
(Amounts expressed in thousands of US dollars)

	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 165,724	\$ 71,081
Restricted cash	121	125
Short term Investment unrestricted	95	89
Accounts receivable	198,853	181,358
Accounts receivable - related parties	13,716	827
Other receivables	5,223	95
Other receivable - related parties	70,159	74,403
Inventories - net	20,215	15,675
Prepaid expenses and other assets	3,538	859
Derivative asset	2,098	18
Income tax receivable	417	10,337
<b>Total current assets</b>	<b>480,159</b>	<b>354,867</b>
PROPERTY, PLANT AND EQUIPMENTS, NET:		
Land	44,953	44,528
Plant and electricity generating equipment	1,024,259	913,109
Less accumulated depreciation	(248,604)	(237,378)
<b>Property, plant and equipment, net</b>	<b>820,608</b>	<b>720,259</b>
OTHER ASSETS:		
Intangible assets - net	3,597	3,771
Derivative instruments	—	1,191
Deferred tax	1,945	—
Prepayments and other assets	970	17,380
Affiliate investment	48,664	—
<b>Total other assets</b>	<b>55,176</b>	<b>22,342</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,355,943</b>	<b>\$ 1,097,468</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 79,938	\$ 38,861
Accounts payable - related parties	23,990	2,234
Line of credit	45,000	—
Income tax payable	11,952	24,629
Other financial liabilities	28,492	—
Dividends payable	—	59,669
Accrued expenses and other liabilities	132	67
<b>Total current liabilities</b>	<b>189,504</b>	<b>125,460</b>
LONG TERM LIABILITIES:		
Deferred income tax	39,510	36,772
Financial debt - net	564,111	530,578
Derivate instrument	391	474
Long term compensation	—	71
Other liabilities	48	20
<b>total long-term liabilities</b>	<b>604,060</b>	<b>567,915</b>
SHAREHOLDER'S EQUITY:		
Common stock	15,018	15,018
Contributed capital	376,601	376,595
Additional paid-in capital	1,020	996
Retained earnings (Accumulated deficit)	169,740	11,484
<b>Total shareholders' equity</b>	<b>562,379</b>	<b>404,093</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,355,943</b>	<b>\$ 1,097,468</b>

**AES ANDRES B.V. AND SUBSIDIARY, AND  
DOMINICAN POWER PARTNERS**  
(Indirectly Owned Subsidiaries of The AES Corporation)  
**Unaudited Combined Statements of Cash Flow**  
(Amounts expressed in thousands of US dollars)

	September 30, 2019	September 30, 2018
<b>OPERATING ACTIVITIES:</b>		
Net comprehensive income	\$ 187,056	\$ 85,201
Adjustments to reconcile net comprehensive income to net cash provided by Operating activities:		
Depreciation	25,779	25,798
Amortization of intangible assets	643	214
Gain on derivative instruments	(1,805)	(84)
Deferred income tax	4,254	5,590
Deferred financing costs amortization	791	585
Debt discount amortization	400	283
Loss on asset disposal	7,287	20,640
Long term compensation	—	13
Exchange (loss) gain, net	(1,600)	584
Increase in accounts receivable	(17,157)	(22,070)
Increase in accounts receivable – related parties	(12,889)	(163)
(Increase) decrease in other receivable	(5,388)	1,207
Increase in other receivable – related parties	(75,033)	(17,092)
Increase in inventories	(4,540)	(11,778)
Increase in other assets	(3,857)	(2,565)
Increase (decrease) in income tax payable	25,707	(300)
Increase in accounts payable and accrued liabilities	1,543	9,854
Increase in accounts payable – related parties	21,756	17,921
Decrease in accrued and other liabilities	(1)	(646)
<b>Net cash provided by operating activities</b>	<b>152,946</b>	<b>113,192</b>
<b>INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(121,773)	(10,541)
Advances payment for the acquisition of property, plant and equipment	(853)	(2,298)
Additions of intangible assets	(1,550)	(383)
Insurance proceeds	79,437	—
Proceeds from sales of property, plant and equipment	—	9
Affiliate investment	(48,664)	—
Proceeds from sales of business	47,348	—
<b>Net cash used in investing activities</b>	<b>(46,055)</b>	<b>(13,213)</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from issuance of financial debt	55,000	—
Proceeds from line of credit	100,000	25,000
Payment of line of credit	(55,000)	(25,000)
Payment of financing costs and debt discount	(139)	—
Dividend payment	(88,469)	—
Loan principal payments	(24,000)	—
Penalty payment on early extinguishment of debt	(240)	—
<b>Net cash used in financing activities</b>	<b>(12,848)</b>	<b>—</b>
Effect of exchange rate changes on cash	596	495
<b>Net increase in cash, cash equivalent and restricted cash</b>	<b>94,639</b>	<b>100,474</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>71,206</b>	<b>48,021</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 165,845</b>	<b>\$ 148,495</b>

**AES ANDRES B.V. (\*)**

Property, plant and equipment, net	December 2018	Additions	Reductions	Reductions for business sale	Transfers	September 2019
(Expressed in thousands of US\$)						
<u>Original value:</u>						
Generation plant	\$ 398,057	\$ 2,206	\$ (16,071)	\$ —	\$ 133,317	\$ 517,509
LNG facility, pier and pipeline	61,522	—	—	—	—	61,522
Spare parts	22,190	129	—	—	1,401	23,720
Buildings	15,899	—	—	—	—	15,899
Vehicles	688	—	—	(172)	172	688
Office equipment and others	4,506	51	—	(23)	84	4,618
Subtotal	502,862	2,386	(16,071)	(195)	134,974	623,956
<u>Accumulated depreciation</u>						
Generation plant	(80,538)	(9,448)	13,262	—	(57)	(76,781)
LNG facility, pier and pipeline	(65,817)	(3,346)	—	—	—	(69,163)
Spare parts	(2,056)	(546)	—	—	57	(2,545)
Buildings	(3,348)	(253)	—	—	—	(3,601)
Vehicles	(465)	(83)	—	17	—	(531)
Office equipment and others	(3,637)	(231)	—	13	—	(3,855)
Subtotal	(155,861)	(13,907)	13,262	30	—	(156,476)
Subtotal	347,001	(11,521)	(2,809)	—	134,974	467,480
Land	36,522	—	—	—	425	36,947
Construction in progress	13,628	178,013	—	(52,166)	(135,550)	3,925
<b>Total, net</b>	<b>\$ 397,151</b>	<b>\$ 166,492</b>	<b>\$ (2,809)</b>	<b>\$ (52,166)</b>	<b>\$ (151)</b>	<b>\$ 508,352</b>

**DOMINICAN POWER PARTNERS (\*)**

Property, plant and equipment, net	December 31, 2018	Additions	Retirements	Transfer	September 30, 2019
(Expressed in thousands of US\$)					
<u>Original value:</u>					
Generation plant	\$ 373,315	\$ 32	\$ (894)	\$ 1,085	\$ 373,538
Buildings	3,545	—	(267)	950	4,228
Vehicles	467	—	—	—	467
Spare parts	13,435	25	(98)	(620)	12,742
Office equipment and others	1,582	22	(3)	179	1,780
Subtotal	392,344	79	(1,262)	1,594	392,755
<u>Accumulated depreciation</u>					
Generation plant	(77,977)	(11,103)	894	(97)	(88,283)
Buildings	(1,900)	(137)	267	—	(1,770)
Vehicles	(316)	(22)	—	—	(338)
Spare parts	534	(472)	98	97	257
Office equipment and others	(1,211)	(105)	3	—	(1,313)
Subtotal	(80,870)	(11,839)	1,262	—	(91,447)
Subtotal	311,474	(11,760)	—	1,594	301,308
Land	8,006	—	—	—	8,006
Construction in progress	2,571	1,053	—	(1,706)	1,918
<b>Total, net</b>	<b>\$ 322,051</b>	<b>\$ (10,707)</b>	<b>\$ —</b>	<b>\$ (112)</b>	<b>\$ 311,232</b>

(\*) Property, plant and equipment, net included US\$1 million adjustment due to combined Balance Sheet presentation

**AES ANDRES B.V and DPP:****Combined interest expenses - net**

(Expressed in thousands of US\$)

	September 30, 2019	September 30, 2018
	<u>2019</u>	<u>2018</u>
Interest expense - borrowings	\$ (25,654)	\$ (28,396)
Interest expense - commercial	(447)	(210)
Subtotal	<u>(26,101)</u>	<u>(28,606)</u>
Deferred financing cost amortization	(457)	(585)
Write off of deferred financing cost and debt discount due to early debt payment	<u>(1,655)</u>	<u>—</u>
Interest income - commercial	7,949	5,441
Interest income - financial	1,270	698
Subtotal	<u>7,564</u>	<u>6,139</u>
Total	<u><b>\$ (18,994)</b></u>	<u><b>\$ (23,052)</b></u>



**EMPRESA GENERADORA DE ELECTRICIDAD ITABO, S. A.**  
**(An Indirectly Owned Subsidiary of The AES Corporation)**  
**Unaudited Statements of Comprehensive Income**  
*(Amounts expressed in thousands of US dollars)*

	September 30, 2019	September 30, 2018
<b>REVENUES:</b>		
Electricity sales	\$ 158,513	\$ 159,534
Other revenues	2,708	13,146
<b>Total revenues</b>	<b>161,221</b>	<b>172,680</b>
<b>OPERATING COSTS AND EXPENSES:</b>		
Cost of revenues	(73,584)	(87,904)
Operating, general and maintenance expenses	(26,230)	(28,897)
Depreciation and amortization	(14,925)	(14,329)
<b>Total operating costs and expenses</b>	<b>(114,739)</b>	<b>(131,130)</b>
<b>OPERATING INCOME</b>	<b>46,482</b>	<b>41,550</b>
<b>OTHER INCOME (EXPENSE):</b>		
Interest expense - net	(3,148)	(3,284)
Debt discount amortization	(140)	(102)
Other income (expenses) - net	1	43
Exchange (loss) - net	(25)	(263)
<b>Total other expense</b>	<b>(3,312)</b>	<b>(3,606)</b>
<b>INCOME BEFORE TAXES</b>	<b>43,170</b>	<b>37,944</b>
Income tax expense	11,577	9,199
<b>NET COMPREHENSIVE INCOME</b>	<b>\$ 31,593</b>	<b>\$ 28,745</b>

**EMPRESA GENERADORA DE ELECTRICIDAD ITABO, S. A.**  
**(An Indirectly Owned Subsidiary of The AES Corporation)**  
**Unaudited Statements of Balance Sheets**  
**(Amounts expressed in thousands of US dollars)**

	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 54,711	\$ 13,455
Accounts receivable - trade	9,290	8,778
Accounts receivable - related parties	51,058	105,579
Inventories, net	20,923	22,392
Derivative instrument	—	1,658
Prepaid expenses and other assets	1,247	72
<b>Total current assets</b>	<b>137,229</b>	<b>151,934</b>
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	7,389	7,389
Plant and electricity generating equipment	411,400	409,642
Accumulated depreciation	(217,732)	(204,913)
Construction in progress	7,418	1,557
<b>Total Property, plant and equipment, net</b>	<b>208,475</b>	<b>213,675</b>
OTHER ASSETS:		
Intangible assets, net	1,160	1,162
Prepayments	2,413	707
Other asset	24	—
<b>Total other assets</b>	<b>3,597</b>	<b>1,869</b>
<b>TOTAL ASSETS</b>	<b>\$ 349,301</b>	<b>\$ 367,478</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 12,057	\$ 16,855
Accounts payable - related parties	4,520	5,847
Other liabilities	24	—
Income tax payable	1,069	3,202
<b>Total current liabilities</b>	<b>17,670</b>	<b>25,904</b>
LONG TERM LIABILITIES:		
Financial debt - net	96,537	96,209
Deferred income tax	9,182	9,766
Long - term compensation	—	15
<b>Total long-term liabilities</b>	<b>105,719</b>	<b>105,990</b>
SHAREHOLDERS'S EQUITY		
Common stock RD\$100 par value (56,355,556 shares issued, authorized and outstanding)	355,556	355,556
Additional paid-in-capital	376	370
Accumulated deficit	(130,020)	(120,342)
<b>Total shareholder's equity</b>	<b>225,912</b>	<b>235,584</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>\$ 349,301</b>	<b>\$ 367,478</b>

**EMPRESA GENERADORA DE ELECTRICIDAD ITABO, S. A.**  
**(An indirectly Owned Subsidiary of The AES Corporation)**  
**Unaudited Statements of Cash Flow**  
**(Amounts expressed in thousands of US dollars)**

	September 30, 2019	September 30, 2018
<b>OPERATING ACTIVITIES:</b>		
Net comprehensive income	\$ 31,593	\$ 28,745
Adjustments to reconcile net comprehensive income to net cash provided in operating activities:		
Depreciation	14,666	14,215
Amortization of intangible assets	259	115
Derivative Instruments	1,658	—
Deferred financing costs amortization	170	123
Debt discount amortization	140	102
Deferred income tax	(204)	36
Loss on sale of asset	—	17
Long term compensation	6	12
Exchange loss, net	25	263
(Increase) Decrease in accounts receivable	(512)	1,138
Decrease (increase) in other accounts receivable – related companies	54,521	(27,913)
Decrease (increase) in inventories	1,510	(2,314)
Increase in prepaid expense and other assets	(1,175)	(345)
Decrease in income tax payable	(2,133)	(3,270)
Decrease in accounts payable and accrued liabilities	(5,141)	(1,823)
(Decrease) increase in accounts payable - related parties	(1,327)	2,887
<b>Net cash provided by operating activities</b>	<b>94,056</b>	<b>11,988</b>
<b>INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(8,551)	(10,137)
Advance payments for the acquisition of property, plant and equipment	(2,413)	(396)
Additions to intangible assets	(565)	(384)
<b>Net cash used in investing activities</b>	<b>(11,529)</b>	<b>(10,917)</b>
<b>FINANCING ACTIVITIES:</b>		
Dividends payment	(41,271)	(30,000)
<b>Net cash used in financing activities</b>	<b>(41,271)</b>	<b>(30,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>41,256</b>	<b>(28,929)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13,455</b>	<b>43,743</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 54,711</b>	<b>\$ 14,814</b>

**Property, plant and equipment, net**  
 (Expressed in thousands of US\$)

	December 31, 2018	Additions	Retirements	Transfers	September 30, 2019
<u>Original value:</u>					
Buildings	\$ 37,601	\$ —	\$ —	\$ —	\$ 37,601
Generating equipment	358,589	16	(1,847)	3,003	359,761
Spare parts	5,511	529	—	(27)	6,013
Vehicles	336	—	—	—	336
Office equipment	7,605	84	—	—	7,689
Subtotal	409,642	629	(1,847)	2,976	411,400
<u>Accumulated depreciation:</u>					
Buildings	(17,683)	(556)	—	—	(18,239)
Generating equipment	(180,588)	(13,641)	1,847	(3)	(192,385)
Spare parts	(707)	(309)	—	3	(1,013)
Vehicles	(280)	(21)	—	—	(301)
Office equipment	(5,655)	(139)	—	—	(5,794)
Subtotal	(204,913)	(14,666)	1,847	—	(217,732)
Construction in progress	1,557	8,878	—	(3,017)	7,418
Land	7,389	—	—	—	7,389
Subtotal	8,946	8,878	—	(3,017)	14,807
<b>Total, net</b>	<b>\$ 213,675</b>	<b>\$ (5,159)</b>	<b>\$ —</b>	<b>\$ (41)</b>	<b>\$ 208,475</b>

**INTEREST EXPENSE - NET**

(Expressed in thousands of US\$)

	September 30, 2019	September 30, 2018
Interest expense - financial	\$ (6,529)	\$ (5,766)
Subtotal	(6,529)	(5,766)
Amortization of deferred financing costs	(170)	(123)
Interest income - commercial	2,716	2,239
Interest income - financial	835	366
Subtotal	3,551	2,605
<b>Total</b>	<b>\$ (3,148)</b>	<b>\$ (3,284)</b>

*Andres-DPP and Itabo are controlled and managed by subsidiaries of The AES Corporation.*

*Itabo owns the lowest-cost thermal power generation units in the Dominican Republic. Itabo operates power generation units that in the aggregate have 295 MW of installed capacity. Itabo also has the only loading dock with the capacity to service Panamax vessels and to unload to 60,000 tons of solid fuels in bulk.*

*Andres and DPP own and operate power generation units and energy storage solutions that in aggregate have 697 MW of installed capacity. Andres also has the only LNG shipment receiving terminal in the Dominican Republic, a regasification facility, a LNG storage facility, and a natural gas pipeline.*

*The pro forma combined balance sheet and statement of operations presented in this report have not been audited and were derived from the unaudited consolidated financial statements of Andres and unaudited financial statements of DPP. The information provided by the consolidated financial statements of Andres and financial statements of DPP and for Itabo has been prepared in accordance with United States General Accepted Accounting Principles (US GAAP) as established in the Offering Memorandum of the \$370 million notes units.*

*The non-audited pro forma combined financial information described above is being provided for illustrative purposes only. Andres and DPP may have performed differently if they had actually been combined during the periods presented. This non-audited proforma combined financial information should be read in conjunction with the unaudited consolidated financial statements as of and for the periods ended September 30, 2019 and 2018 and notes thereto, of each Andres and DPP.*

*You should not rely on the pro forma combined financial information as being indicative of the historical results that would have been achieved by Andres and DPP if they had always been combined.*

*The AES Corporation (NYSE: AES) is a global power company that owns and operates a diverse and growing portfolio of electricity generation and distribution businesses, which provide reliable, affordable energy to customers in 15 countries. AES understands that a reliable, affordable supply of electricity is essential to human progress, economic growth, public health and security. - See more at: [www.aes.com](http://www.aes.com).*

*This report may contain forward-looking statements speculative in nature based on the information, operational plans and forecasts currently available about future trends and facts. As such, they are subject to risks and uncertainties. A wide variety of factors may cause future real facts to differ significantly from the issues presented or anticipated in this report, including, among others, changes in general economic, political, government and business conditions. In the event of materializing any of these risks or uncertainties, or if underlying assumptions prove to be mistaken, future real facts may vary significantly. Itabo is not bound to update or correct the information contained in this report.*

*Please address any questions or comments related to this report to Investor Relations, email address: [inversoraescac@aes.com](mailto:inversoraescac@aes.com)*

## Glossary of key terms

<b>Btu:</b>	British thermal units of measurement. It is an unit of heat in the English European System. Its equivalence in the International System (IS) is the Calorie. The prices of Natural Gas are usually expressed in US\$/MMBtu. 1 Btu is equivalent to 252 calories.
<b>Capex:</b>	Capitalized expenditures.
<b>CDEEE:</b>	Corporación Dominicana de Empresas Eléctricas Estatales. Previously known as CDE.
<b>Coordinating Body:</b>	“OC” or Organismo Coordinador. Whose function is to plan and coordinate the economic operations of the power providers with those of the transmission, distribution and commercialization system that form the SENI.
<b>Deregulated Users (NRU):</b>	The user of the electrical service which monthly demand exceeds the limit established by the Superintendence of Electricity in order to be classified as an unregulated user under the General Electricity Law.
<b>EAF:</b>	Equivalent Availability Factor
<b>EFOR:</b>	Equivalent Forced Outage Rate
<b>Firm Capacity:</b>	The amount of capacity assigned by the Coordinating Body to each power generation unit for being available to cover the demand in peak hours.
<b>FX:</b>	Foreign exchange, a banking term for changing money from one currency into another.
<b>GDP:</b>	The gross domestic product (GDP) is one of the measures of national income and output for a given country's economy. GDP is defined as the total market value of all final goods and services produced within the country in a given period of time (usually a calendar year).
<b>Henry Hub:</b>	The specific pricing point for natural gas future contracts on the New York Mercantile Exchange, or NYMEX.
<b>Installed capacity:</b>	The amount of MW a turbine is designed to produce upon installment (name-plate capacity).
<b>Liquid Natural Gas (LNG):</b>	Natural Gas processed to be transported in liquid form. It is the best alternative for transporting and storage because when transformed into liquid at atmospheric pressure and -163° C, the liquefaction process reduces the volume of gas by 600 times.
<b>Platts:</b>	Provider of energy information around the world that has been in business in various forms for more than a century and is now a division of The McGraw-Hill Companies. Products include Platts Energy Economist, industry news and price benchmarks for the oil, natural gas, electricity, nuclear power, coal, petrochemical and metals markets.
<b>PPA:</b>	Power Purchase Agreement.
<b>SENI:</b>	Sistema Eléctrico Nacional Interconectado or the National Interconnected Electrical System.