

AES DOMINICANA

Relevant Results Second Quarter 2020

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Santo Domingo, Dominican Republic, September 28, 2020 - Andres-DPP and Itabo announced today financial results for the second ended June 30, 2020. 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 Subsidiaries and Dominican Power Partners announced a Combined Net Comprehensive Income of \$76 million for the second quarter 2020.

- Second quarter 2020 revenue decreased (9)% and operating costs decreased (24)%, compared to the second quarter 2019.
- Net comprehensive income increased 12% to \$76 million.

Table 1: Summary of Financial Results - Andres & DPP

ANDRES - DPP			
(Millions of US\$)	2020	June 30,	2019
Revenues	298		326
Operating costs and expenses	(193)		(254)
Operating income	105		72
Operating income margin	35%		22%
Net Comprehensive Income	76		68
Net Cash Provided by Operating Activities	85		49

Itabo announced a Net Comprehensive Income of \$26 million for the second quarter 2020.

- Second quarter 2020 revenue and operating costs decreased (14)% and (32)%, respectively, compared to the second quarter 2019.
- Net comprehensive income was \$26 million in 2020 and \$19 million in 2019.

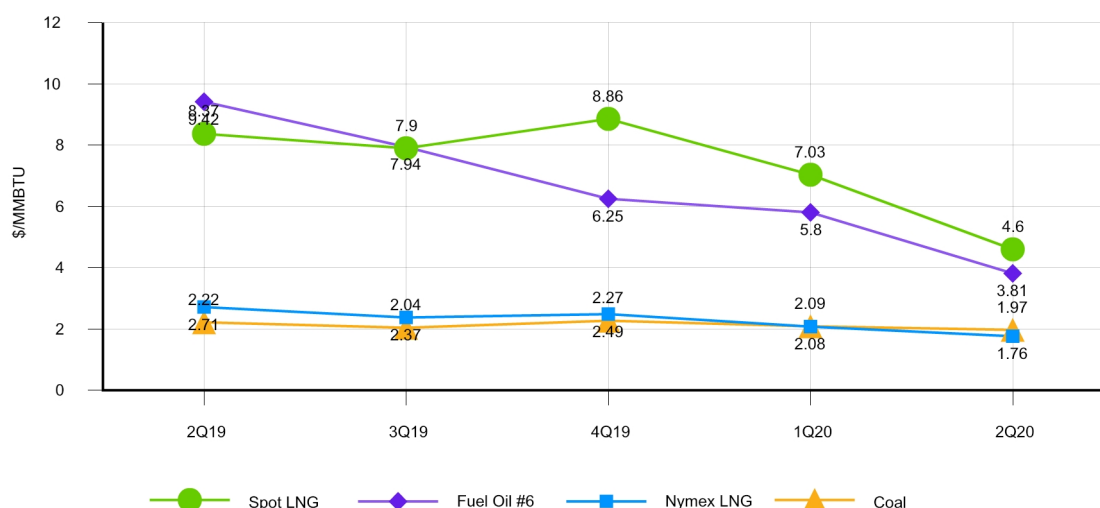
Table 2: Summary of Financial Results of Itabo

Itabo			
(Millions of US\$)	2020	June 30,	2019
Revenues	94		109
Operating costs and expenses	(56)		(81)
Operating income	38		28
Operating income margin	41%		26%
Net Comprehensive Income	26		19
Net Cash Provided by Operating Activities	25		84

External Factors¹

- Dominican Republic's annual GDP was -8.5% as of June 30, 2020 .²
- The accumulated Inflation stood at 0.43% as of June 2020.
- The exchange rate for Financial Entities as of June 30, 2020 was RD\$58.18 per US dollar (Ask) and RD\$58.25 per US dollar (Bid).
- Average Nymex Henry Hub natural gas prices were \$1.76 per MMBtu for the second quarter of 2020, with a peak of \$1.82 per MMBtu and a low of \$1.74 per MMBtu.³
- Average coal prices were \$1.97 per MMBtu for the second quarter of 2020, with a peak of \$2.03 per MMBtu and a low of \$1.87 per MMBtu.
- Average spot liquefied natural gas ("LNG") prices were \$4.6 per MMBtu for the second quarter of 2020, with a peak of \$5.7 per MMBtu and a low of \$3.61 per MMBtu.
- Total electricity demand for Q2 2020 reached 8.4 GWh, an increase of 1.5% versus the same period of 2019.

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.

¹Source: 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).

²Source: June 2020 Central Bank's Dominican Republic Economy Performance Report.

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

Analysis of Andres-DPP⁴ Financial Results

Table 3: Financial results for the second quarter 2020

	2020	June 30, 2019
	<i>(Millions of US\$)</i>	
Revenues	298	326
Electricity sales - Contracts	223	243
Electricity sales - spot market	5	9
Natural Gas Sales	69	73
Operating Costs and Expenses	(193)	(254)
Cost of sales - electricity purchases and fuel costs used for generation	(102)	(164)
Cost of sales - fuel and fuel related costs purchased for resale	(42)	(44)
Operating, maintenance and general expenses	(29)	(29)
Depreciation and amortization	(20)	(18)
Other Income (expense)	(7)	24
Interest expense - financial - net	(20)	(17)
Interest income - commercial - net	4	7
Investment in affiliate	1	—
Other income, net	—	35
Exchange gain (loss), net	9	(1)
Cash Flows Variations - Provided by Operating Activities	85	49
Increase in accounts payable	11	33
Decrease (increase) in accounts receivable	0.4	(60)
Decrease in income tax payable	(11)	(4)
Decrease (increase) in Inventory	3	(6)
Increase in other assets	(9)	(8)
Positive adjustment	15	26
Net comprehensive income	76	68
Free Cash Flow	53	—
Net Cash Provided by Operating Activities	85	49
(Less) Maintenance and environmental CAPEX	(32)	(49)

⁴The accompanying combined financial results include the accounts of AES Andres, B.V. and its subsidiaries AES Andres DR, S.A. and Parque Eólico Beata, S. R. L. and DPP Intercompany balances and transactions have been eliminated in these combined financial statements.

Key drivers of second quarter 2020 - Andres-DPP Financial Results

- **Revenue** Decreased (9)% to \$298 million in 2020. The variation of \$(27.9) million, compared to the prior year, was mainly driven by decreases of :
 - \$(24.7) million in contracted and spot market sales due to lower sale prices mainly by lower LNG cost, and lower demand. Andres Steam Turbine since March 12, 2020 is out of service to vibration correction.
 - \$(3.6) million in natural gas sales to third parties due to lower sales price as a consequence of the international LNG prices, partially offset increase in volume sales as a result of a new costumers in 2020.
- **Operating Costs and Expenses** decreased (24)% to \$193 million. The variance of \$61 million when compared to the same period of 2019 was mainly due to decreases of:
 - \$62 million in "electricity purchases and fuel cost used for generation" mainly due to a decrease in cost on LNG and energy spot price.
 - \$2 million in fuel purchased for resale mainly due to lower international prices of LNG.
 - Increases of: \$(3) million in depreciation and amortization mainly by capitalization Steam Turbine Andres in September 2019.
- **Other Income (Expense)** was \$(7) million, 131% lower than 2019. The variance of \$31 million when compared to the same period of 2019 was mainly due to decrease of \$35 million in other income due to insurance claim received from the Insurance Company related to the write off and property damage of Andres Steam Turbine.
- **Net Cash Provided by Operating Activities** Increased from \$49 million to \$85 million in 2020. The variation of \$37 million was primarily driven by:
 - Higher net comprehensive income by \$8 million mostly to the drivers discussed above.
 - Negative impact by \$(12) million increase in non-cash adjustments to net comprehensive income mainly related to the variances in exchange gain.
 - Positive impact in accounts receivable by \$61 million mainly to the decrease in account receivable due to higher collection.
 - Negative impact of income tax by \$(7) million due to higher payment of income taxes in 2020.
 - Decrease of accounts payable by \$(22) million mainly due to higher LNG payment.
 - Positive impact in inventory by \$9 million related to LNG Brent.

Analysis of Itabo Financial Results

Table 4: Financial results for the second quarter 2020

	2020	June 30, 2019
	<i>(Millions of US\$)</i>	
Revenues	94	109
Electricity Sales	93	108
Other revenues	1	1
Operating Costs and Expenses	(56)	(82)
Cost of electricity sales	(32)	(53)
Operating, general and maintenance expenses	(14)	(19)
Depreciation and amortization	(10)	(10)
Other Income (Expenses)	(3)	(2)
Interest (expense) - financial - net	(4)	(4)
Interest income - commercial - net	1	2
Cash Flows Variations - Provided by Operating Activities	25	84
Increase (decrease) in accounts payable	0.1	(8)
(Increase) decrease in accounts receivable	(9)	63
(Increase) decrease in inventory	(1)	3
Increase (decrease) in income tax payable	2	(3)
Increase in prepaid expense and other assets	(2)	(2)
Positive adjustment	9	12
Net income	26	19
Free Cash Flow	15	80
Net Cash Provided by in Operating Activities	25	84
(Less) Maintenance and environmental CAPEX	(10)	(4)

Key drivers of second quarter 2020 - Itabo Financial Results

- **Revenue** decreased (14)% to \$94 million. The variation of \$(16) million compared to 2019 was mainly driven by decrease of:
 - \$(8) million in contracted electricity sales mainly due lower prices.
 - \$(7) million in lower spot electricity sales due to lower prices partially offset with higher volume sold.
- **Operating Costs and Expenses** decreased (32)% to \$56 million. The variance of \$26 million was primarily due to:
 - \$20 million in cost of sales due to lower coal prices and lower electricity purchased.
 - \$5 million due to lower expenses maintenances by less outages.
- **Other Income (Expense)** was \$(3) million, 54% higher than the second quarter 2019 by lower interest income from costumers, mainly by higher collections.
- **Net Cash Provided by Operating Activities** Decreased from \$84 million in 2019 to \$25 million in 2020. The variation of \$(59) million is primarily driven by a:
 - Negative impact in accounts receivable by \$(73) million mainly to the increase in account receivable due to lower collection.
 - Positive impact in accounts payable by \$8 million.
 - Higher net income by \$7 million mostly to the drivers discussed above.

Financial Debt Summary

Table 5: Summary of Debt Profile of Andres-DPP

Financial Debt	Jun-20	Dec-19
(expressed in millions of US\$)		
Local Currency	—	—
Foreign Currency	703	605
Total Debt	703	605
Fixed Rate	82%	95%
Variable Rate	18%	5%
Short Term	13%	4%
Long Term	87%	96%
Financing Cost (*)	6.31%	7.15%
Average Life (years)	6.0	6.4

(*) (1) After tax rates

Table 6: Summary of Debt Profile of Itabo

Financial Debt	Jun-20	Dec-19
(expressed in millions of US\$)		
Local Currency	—	—
Foreign Currency	100	100
Total Debt	100	100
Fixed Rate	100%	100%
Variable Rate	—%	—%
Short Term	—%	—%
Long Term	100%	100%
Financing Cost (*)	8.83%	8.83%
Average Life (years)	5.9	6.4

(*) (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-	Negative
Standard & Poor's (AES Andres/Itabo/DPP)	International	Senior Notes 2020	BB-	Negative
Feller Rate Dominicana (Andres/DPP)	Local	Guaranteed Ordinary Bonds	AA (dom)	Stable
Fitch Dominicana (DPP)	Local	Guaranteed Ordinary Bonds	AA (dom)	Stable
Fitch Ratings (Itabo)	International	Senior Notes 2026	BB-	Negative

Dividends

- Itabo declared and paid dividends in the aggregated amount of \$22.2 million during 2020.
- DPP declared and paid dividends in the aggregated amount of \$54.0 million during 2020.

Itabo - Sale

In June 2020, the holding company of ITABO entered into an agreement to sell its 43% ownership interest in Itabo, for \$101 million with Inversiones Radiante, member of Grupo Linda, which is one of the most influential economic groups in the Dominican Republic. The sale is subject to regulatory approval and is expected to close in the fourth quarter of 2020. As of June 30, 2020, Itabo was classified as held-for-sale for AES Corporation, but did not meet the criteria to be reported as discontinued operations.

Through their different companies, Grupo Linda offers a wide range of consumer and manufacturing goods in the Dominican Republic, the Caribbean, Central America and the United States. Grupo Linda's first company was founded in 1969, and today its strategic companies located in the Dominican Republic include Envases Antillanos (metal manufacturing), Transagricola (agricultural and consumer goods), Troquedom (plastic containers and metal caps), La Fabril (vegetable oil refinery and consumer goods) and Pinturas Tucán (paint manufacturing) with more than 6,000 employees, more than 33,000 points of sales reached by their consumer goods and more than 50 industrial customers served.

Grupo Linda also holds strategic investments in leading companies in the energy, construction, health, insurance, telecommunications, and tourism sectors within the Dominican Republic and elsewhere in Latin America. In the energy sector, indirectly, through affiliates of Inversiones Radiante, Grupo Linda is already a minority shareholder, and holds a seat on the board of administrators, of the holding company for all of the AES Dominicana consolidated companies (including Itabo, AES Andres and DPP). In tourism, Grupo Linda holds an interest in a chain of hotels in Bavaro as well as in the Santiago International Airport, the third largest private airport in the Dominican Republic. In insurance, the group has an interest in Seguros Universal, the largest insurance group in the country. In construction, the group has a 49% ownership interest in the largest hardware store chain in the Dominican Republic, Ferretería Ochoa. In telecommunications, they own an interest in Multimedios del Caribe, a media group encompassing television, radio and newspapers in the Dominican Republic and the Caribbean. They also have a stake in the largest private hospital in the Dominican Republic, Hospital Metropolitano de Santiago.

Subject to the terms of the Share Purchase Agreement and related agreements, AES Dominicana will continue to operate and manage Itabo for at least a three-year period following the consummation of the Sale with an automatic renewal clause. This will ensure that the same standards, policies and level of service will be maintained at Itabo. Upon consummation of the Sale Grupo Linda will indirectly control Itabo through Inversiones Radiante, which will own 50% of Itabo's capital stock, the Dominican government will continue to own 49.97% and 0.03% will be continue to be owned by former employees of the Dominican Corporation of State Electricity Companies (Corporación Dominicana de Empresas Eléctricas Estatales).

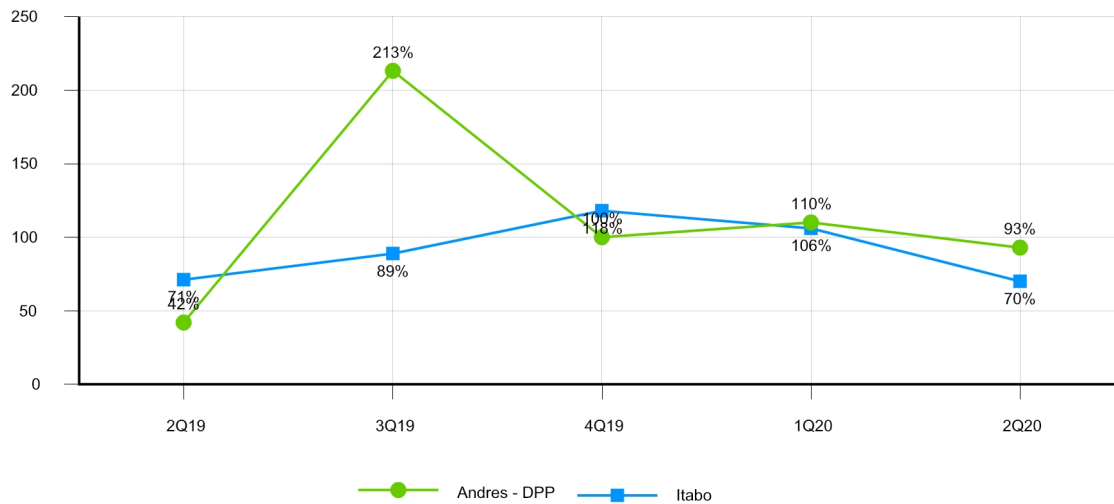
Under the terms of the Itabo Indenture, once the Sale is consummated, the Sale will (i) constitute a Separation Date and (ii) trigger a Change of Control subject to the repurchase requirements set forth in Section 4.2 of the Itabo Indenture, Repurchases at the Option of the Holders Upon a Change of Control.

On August 13th 2020, Itabo launched a successful Consent solicitation to waive the Repurchase clause triggered by the Change of Control described above, finishing the process with 78% consent from bondholders well above the required 50.1%.

Collections

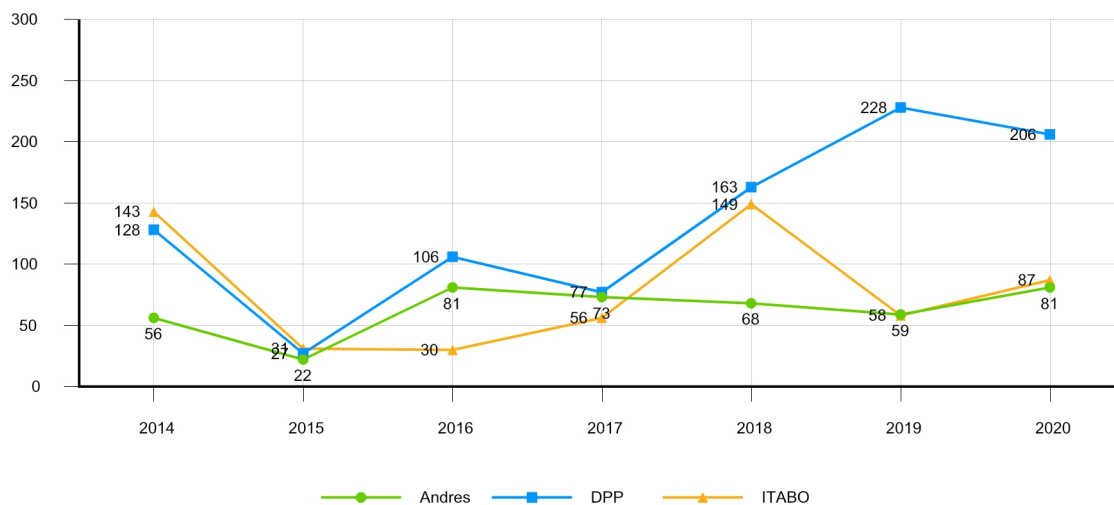
- During the second quarter 2020 the average collection rate for Andres-DPP was 93% compared to 100% as of December 31, 2019, and for Itabo 70% compared to 118%.
- As of June 30, 2020, Andres accounts receivable had a 81 days of sales outstanding ("DSO"), DPP had a 206 DSO and Itabo had a 87 DSO compared to 59, 228 and 58 DSO, respectively as of December 31, 2019.

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 June 30, 2020 divided by the average month sales for 12 months. It assumes 30 days in a month.

Operational Results of Andres-DPP

Table 8: Summary of Technical Details

June 30, 2020	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		Q2		YTD		YTD
		2020	2019	2020	2019	Var. %
Gross generation	GWh	909	797	1,910	1,547	23 %
Internal consumption	GWh	(22)	(15)	(47)	(34)	38 %
Net Generation	GWh	887	782	1,863	1,513	23 %
Total Energy Sold	GWh	1,210	1,228	2,348	2,350	— %
Andres' Firm Capacity (average)	MW	295	295	295	295	— %
Andres Heat Rate	Btu/KWh	11,853	11,718	9,529	11,788	(19)%
Andres EAF	%	51	39	66	61	9 %
Andres EFOR	%	35	—	21	—	— %
DPP's Firm Capacity (average)	MW	315	206	313	210	49 %
DPP EAF	%	98	92	94	83	14 %
DPP EFOR	%	1	8	5	15	(68)%

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

- **Combined Net Generation** increased 23% to 1,910 GWh due to higher efficiency in both plants. In 2019 Andres and DPP, as consequence of the plants operations as open cycle, Andres since September 2018 until September 2019 due to the Turbine damage (lightening) and DPP since February 2019 until April 2019 due to a vibration correction.
- The **Energy Sold** did not show significant variance.
- **Andres Firm Capacity** remained to an average of 295 MW.
- **Andres EAF** was higher than last year, increasing 9% to 66% mainly due to the damage since September 2018 in Andres, was in services again in September 2019. The **Heat Rate** decreased to 9,529 Btu/KWh.
- **DPP Firm Capacity** increased to an average of 313 MW.
- **DPP EAF** was 14% higher due operation combine cycle in 2020.

Operational Results of Itabo

Table 10: Summary of Technical Details

June 30, 2020	
Installed capacity (MW)	295
Power Generation Units	3

Table 11: Summary of Key Performance Indicators

Operating Data		Q2		YTD		YTD
		2020	2019	2020	2019	Var.%
Gross generation	GWh	486	477	1,010	962	5 %
Internal consumption	GWh	(43)	(41)	(86)	(81)	7 %
Net Generation	GWh	444	436	924	881	5 %
Total Energy Sold	GWh	474	464	927	910	2 %
Firm Capacity (average)	MW	233	213	233	214	9 %
Heat Rate	Btu/KWh	11,179	11,105	11,110	11,049	0.6 %
EAF	%	89	87	92	88	5 %
EFOR	%	1.12	1.13	0.68	0.80	(13)%

Key drivers of year to date variances - Itabo Operational Results

- **Net Generation** increased 5% to 1,010 GWh due to higher plant availability. As a result, the total **Energy sold** increased 2%.
- **Itabo Firm Capacity** has an average of 233 MW.
- The **Heat Rate** slightly increased 0.6% to 11,110 Btu/KWh.
- The **EAF** increased 5% due to less outage days during the 2020 compared to 2019.

Safety Indicators

- During the second quarter 2020, Andres, DPP and Itabo did not have lost-time incidents or fatalities.

Environmental Matters

- During the second quarter 2020, Andres, DPP and Itabo have complied with all environmental requirements of The AES Corporation and the Dominican laws.

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

	June 30, 2020	June 30, 2019
REVENUES		
Electricity sales - contracts	\$ 222,699	\$ 243,262
Electricity sales - spot market	5,338	9,446
Natural gas sales	69,019	72,581
Other sales	824	442
Total revenues	297,880	325,731
OPERATING COSTS AND EXPENSES		
Cost of sales - electricity purchases and fuel costs used for generation	(101,907)	(163,691)
Cost of sales - fuel and fuel related costs purchased for resale	(41,876)	(43,744)
Operating, maintenance and general expenses	(29,277)	(28,880)
Depreciation and amortization	(20,221)	(17,469)
Total operating costs and expenses	(193,281)	(253,784)
OPERATING INCOME	104,599	71,947
OTHER INCOME (EXPENSES)		
Interest expense - net	(16,845)	(10,338)
Investment in affiliate	892	—
Debt discount amortization	(241)	(287)
Other income (expense) – net	291	35,219
Exchange gain (loss), net	8,516	(898)
Total other income (expense) - net	(7,387)	23,696
INCOME BEFORE TAXES	97,212	95,643
Income tax expense	(21,402)	(27,918)
NET COMPREHENSIVE INCOME	\$ 75,810	\$ 67,725

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

	June 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 156,332	\$ 75,525
Restricted cash	109	119
Short term Investment unrestricted	89	95
Accounts receivable	194,361	202,347
Accounts receivable - related parties	1,671	477
Other receivables	368	944
Other receivable - related parties	34,661	27,779
Inventories - net	26,118	29,390
Prepaid expenses and other assets	9,421	1,118
Derivative asset	—	1
Total current assets	423,130	337,795
PROPERTY, PLANT AND EQUIPMENTS, NET:		
Land	45,102	44,906
Plant and electricity generating equipment	1,061,721	1,032,966
Less accumulated depreciation	(272,402)	(253,584)
Property, plant and equipment, net	834,421	824,288
OTHER ASSETS:		
Intangible assets, net	6,641	6,450
Derivative instruments	873	873
Prepayments and other assets	6,801	3,427
Affiliate investment	48,436	47,544
Right-of-use assets, net	5,100	4,175
Total other assets	67,851	62,469
TOTAL ASSETS	\$ 1,325,402	\$ 1,224,552
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 59,307	\$ 81,414
Accounts payable - related parties	7,326	8,971
Line of credit	90,000	25,000
Short term debt	46	—
Income tax payable	32,111	41,471
Lease liability	460	244
Derivative instruments	61	61
Total current liabilities	189,311	157,161
LONG TERM LIABILITIES:		
Deferred income tax	41,926	42,885
Financial debt - net	602,520	568,896
Derivate instrument	307	363
Lease liability	4,119	3,740
Other liabilities	13,937	55
total long-term liabilities	662,809	615,939
SHAREHOLDER'S EQUITY:		
Common stock	15,018	15,018
Contributed capital	104,976	104,976
Additional paid-in capital	272,677	272,656
Retained earnings	80,611	58,802
Total shareholders' equity	473,282	451,452
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,325,402	\$ 1,224,552

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

	June 30, 2020	June 30, 2019
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 75,810	\$ 67,725
Adjustments to reconcile net comprehensive income to net cash provided by Operating activities:		
Depreciation	19,616	17,151
Amortization of intangible assets	604	319
Amortization of right-of-use assets	419	—
Loss on derivative instruments	(58)	2,917
Deferred income tax	2,568	1,355
Deferred financing costs amortization	519	548
Debt discount amortization	241	287
Loss on asset disposal	13	2,809
Long term compensation	21	5
Affiliate investment	(892)	—
Exchange (gain) loss, net	(8,516)	898
Decrease (increase) in accounts receivable	7,986	(54,815)
(Increase) decrease in accounts receivable – related parties	(1,194)	191
Decrease (increase) in other receivable	477	(6,128)
(Increase) decrease in other receivable – related parties	(6,881)	694
Decrease (increase) in inventories	3,272	(5,752)
Increase in other assets	(8,480)	(7,905)
Decrease in income tax payable	(11,192)	(4,211)
Increase in accounts payable and accrued liabilities	12,408	6,501
(Decrease) increase in accounts payable – related parties	(1,645)	26,014
Increase in accrued and other liabilities	—	59
Net cash provided by operating activities	85,096	48,662
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(42,688)	(59,765)
Advances payment for the acquisition of property, plant and equipment	(6,337)	(16,750)
Additions of intangible assets	—	(1,451)
Insurance proceeds	—	53,772
Net cash used in investing activities	(49,025)	(24,194)
FINANCING ACTIVITIES:		
Proceeds from issuance of financial debt	33,000	10,000
Proceeds from line of credit	75,000	30,000
Payment of line of credit	(10,000)	(30,000)
Payment of financing costs and debt discount	—	(139)
Dividends payment	(54,000)	(59,669)
Payment of lease liabilities	(107)	—
Net cash provided (used) in financing activities	43,893	(49,808)
Effect of exchange rate changes on cash	833	531
Net increase (decrease) in cash, cash equivalents and restricted cash	80,797	(24,809)
Cash and cash equivalents at the beginning of the year	75,644	71,206
Cash and cash equivalents at the end of the period	\$ 156,441	\$ 46,397

AES ANDRES B.V. (*)

Property, plant and equipment, net	December 31,				June 30,
(Expressed in thousands of US\$)	2019	Additions	Reductions	Transfers	2020
<u>Original value:</u>					
Generation plant	\$ 524,856	\$ —	\$ (365)	\$ 1,448	\$ 525,939
LNG facility, pier and pipeline	61,522	—	—	—	61,522
Spare parts	23,525	113	—	(152)	23,486
Buildings	15,830	—	(14)	72	15,888
Vehicles	714	—	—	40	754
Office equipment and others	4,715	101	(22)	20	4,814
Subtotal	631,162	214	(401)	1,428	632,403
<u>Accumulated depreciation</u>					
Generation plant	(80,030)	(8,636)	355	—	(88,311)
LNG facility, pier and pipeline	(70,278)	(2,192)	—	—	(72,470)
Spare parts	(2,726)	(385)	—	13	(3,098)
Buildings	(3,673)	(178)	10	(13)	(3,854)
Vehicles	(472)	(57)	—	—	(529)
Office equipment and others	(3,934)	(150)	23	—	(4,061)
Subtotal	(161,113)	(11,598)	388	—	(172,323)
Subtotal	470,049	(11,384)	(13)	1,428	460,080
Land	36,900	—	—	—	36,900
Construction in progress	6,074	19,917	—	(1,462)	24,529
Total, net	\$ 513,023	\$ 8,533	\$ (13)	\$ (34)	\$ 521,509

DOMINICAN POWER PARTNERS (*)

Property, plant and equipment, net	December 31,				June 30,
(Expressed in thousands of US\$)	2019	Additions	Retirements	Transfer	2020
<u>Original value:</u>					
Generation plant	\$ 372,653	\$ —	\$ —	\$ 472	\$ 373,125
Buildings	4,611	—	(366)	1,610	5,855
Vehicles	467	—	—	40	507
Spare parts	11,379	16	—	(44)	11,351
Office equipment and others	1,821	8	(46)	195	1,978
Subtotal	390,931	24	(412)	2,273	392,816
<u>Accumulated depreciation</u>					
Generation plant	(88,842)	(7,487)	—	—	(96,329)
Buildings	(1,818)	(131)	366	—	(1,583)
Vehicles	(344)	(14)	—	—	(358)
Spare parts	568	(278)	—	—	290
Office equipment and others	(1,346)	(88)	46	—	(1,388)
Subtotal	(91,782)	(7,998)	412	—	(99,368)
Subtotal	299,149	(7,974)	—	2,273	293,448
Land	8,006	—	—	196	8,202
Construction in progress	3,345	9,418	—	(2,494)	10,269
Total, net	\$ 310,500	\$ 1,444	\$ —	\$ (25)	\$ 311,919

(*) 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\$)

	June 30, 2020	June 30, 2019
Interest expense - borrowings	\$ (20,197)	\$ (17,433)
Interest expense - commercial	(895)	(374)
Subtotal	<u>(21,092)</u>	<u>(17,807)</u>
Deferred financing cost amortization	<u>(520)</u>	<u>(548)</u>
Interest income - commercial	4,389	7,148
Interest income - financial	378	869
Subtotal	<u>4,767</u>	<u>8,017</u>
Total	<u><u>\$ (16,845)</u></u>	<u><u>\$ (10,338)</u></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)

	June 30, 2020	June 30, 2019
REVENUES:		
Electricity sales	\$ 92,878	\$ 107,990
Other revenues	863	1,403
Total revenues	93,741	109,393
OPERATING COSTS AND EXPENSES:		
Cost of revenues	(32,348)	(52,600)
Operating, general and maintenance expenses	(13,513)	(18,962)
Depreciation and amortization	(9,702)	(9,861)
Total operating costs and expenses	(55,563)	(81,423)
OPERATING INCOME	38,178	27,970
OTHER INCOME (EXPENSE):		
Interest expense - net	(3,308)	(1,624)
Debt discount amortization	(85)	(102)
Other income (expenses) - net	112	26
Exchange gain (loss) - net	436	(152)
Total other expense	(2,845)	(1,852)
INCOME BEFORE TAXES	35,333	26,118
Income tax expense	9,400	6,919
NET COMPREHENSIVE INCOME	\$ 25,933	\$ 19,199

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)

	June 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 44,188	\$ 51,353
Accounts receivable - trade	18,748	7,247
Accounts receivable - related parties	40,909	43,129
Inventories, net	21,434	20,612
Prepaid expenses and other assets	2,610	243
Total current assets	127,889	122,584
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	7,389	7,389
Plant and electricity generating equipment	412,741	412,335
Accumulated depreciation	(229,890)	(221,826)
Construction in progress	13,902	7,429
Total Property, plant and equipment, net	204,142	205,327
OTHER ASSETS:		
Intangible assets, net	925	1,194
Prepayments	2,790	3,147
Right of use asset, net	555	36
Total other assets	4,270	4,377
TOTAL ASSETS	\$ 336,301	\$ 332,288
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 13,323	\$ 14,625
Accounts payable - related parties	1,306	1,463
Lease liability	121	36
Income tax payable	4,352	2,264
Total current liabilities	19,102	18,388
LONG TERM LIABILITIES:		
Financial debt - net	96,826	96,631
Deferred income tax	7,660	8,692
Long - term compensation	8	—
Lease liability - LT	424	—
Total long-term liabilities	104,918	105,323
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	379	378
Accumulated deficit	(143,654)	(147,357)
Total shareholder's equity	212,281	208,577
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 336,301	\$ 332,288

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)

	June 30, 2020	June 30, 2019
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 25,933	\$ 19,199
Adjustments to reconcile net comprehensive income to net cash provided in operating activities:		
Depreciation	9,546	9,726
Amortization of intangible assets	157	135
Right of use amortization	85	—
Derivative Instruments	—	1,658
Deferred financing costs amortization	102	124
Debt discount amortization	85	102
Deferred income tax	(265)	(134)
Long term compensation	1	4
Exchange (gain) loss, net	(436)	152
(Increase) decrease in accounts receivable	(11,501)	4,367
Decrease in other accounts receivable – related companies	2,220	58,906
(Increase) decrease in inventories	(822)	2,793
Increase in prepaid expense and other assets	(2,367)	(2,183)
Increase (decrease) in income tax payable	2,088	(3,093)
Increase (decrease) in accounts payable and accrued liabilities	189	(5,996)
Decrease in accounts payable - related parties	(157)	(1,953)
Net cash provided by operating activities	24,858	83,807
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(8,636)	(5,470)
Advance payments for the acquisition of property, plant and equipment	(1,103)	(2,196)
Additions to intangible assets	—	(548)
Net cash used in investing activities	(9,739)	(8,214)
FINANCING ACTIVITIES:		
Proceeds from line of credit	25,000	—
Payment of line of credit	(25,000)	—
Payment of lease liability	(54)	—
Dividends payment	(22,230)	(41,271)
Net cash used in financing activities	(22,284)	(41,271)
Net (decrease) increase in cash and cash equivalents	(7,165)	34,322
Cash and cash equivalents at the beginning of the year	51,353	13,455
Cash and cash equivalents at the end of the period	\$ 44,188	\$ 47,777

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

	December 31, 2019	Additions	Retirements	Transfers	June 30, 2020
<u>Original value:</u>					
Buildings	\$ 37,846	\$ —	\$ —	\$ —	\$ 37,846
Generating equipment	360,364	—	(1,446)	1,830	360,748
Spare parts	6,016	72	—	(35)	6,053
Vehicles	336	—	—	—	336
Office equipment	7,773	22	(37)	—	7,758
Subtotal	412,335	94	(1,483)	1,795	412,741
<u>Accumulated depreciation:</u>					
Buildings	(18,426)	(376)	—	—	(18,802)
Generating equipment	(196,131)	(8,898)	1,446	(7)	(203,590)
Spare parts	(1,116)	(152)	—	7	(1,261)
Vehicles	(308)	(14)	—	—	(322)
Office equipment	(5,846)	(106)	37	—	(5,915)
Subtotal	(221,827)	(9,546)	1,483	—	(229,890)
Construction in progress	7,429	8,268	—	(1,795)	13,902
Land	7,389	—	—	—	7,389
Subtotal	14,818	8,268	—	(1,795)	21,291
Total, net	\$ 205,326	\$ (1,184)	\$ —	\$ —	\$ 204,142

INTEREST EXPENSE - NET

(Expressed in thousands of US\$)

	June 30, 2020	June 30, 2019
Interest expense - financial	\$ (4,320)	\$ (4,208)
Subtotal	(4,320)	(4,208)
Amortization of deferred financing costs	(102)	(124)
Interest income - commercial	653	2,151
Interest income - financial	461	557
Subtotal	1,114	2,708
Total	\$ (3,308)	\$ (1,624)

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 audited consolidated financial statements as of and for the periods ended June 30, 2020 and 2019 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.

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

Glossary of key terms

Btu:	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.
Capex:	Capitalized expenditures.
CDEEE:	Corporación Dominicana de Empresas Eléctricas Estatales. Previously known as CDE.
Coordinating Body:	“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.
Deregulated Users (NRU):	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.
EAF:	Equivalent Availability Factor
EFOR:	Equivalent Forced Outage Rate
Firm Capacity:	The amount of capacity assigned by the Coordinating Body to each power generation unit for being available to cover the demand in peak hours.
FX:	Foreign exchange, a banking term for changing money from one currency into another.
GDP:	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).
Henry Hub:	The specific pricing point for natural gas future contracts on the New York Mercantile Exchange, or NYMEX.
Installed capacity:	The amount of MW a turbine is designed to produce upon installment (name-plate capacity).
Liquid Natural Gas (LNG):	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.
Platts:	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.
PPA:	Power Purchase Agreement.
SENI:	Sistema Eléctrico Nacional Interconectado or the National Interconnected Electrical System.