

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

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

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS
As of September 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 | \$ 40,546 | \$ 30,884 |
| Short term investments | 95 | 89 |
| Accounts receivable | 119,450 | 105,531 |
| Other receivable – related parties | 121,950 | 149,298 |
| Other receivable | 1,567 | 11 |
| Inventories | 2,636 | 2,447 |
| Prepaid expenses | <u>972</u> | <u>231</u> |
| Total current assets | 287,216 | 288,491 |
| PROPERTY, PLANT AND EQUIPMENT, NET: | | |
| Land | 8,006 | 8,006 |
| Plant and electricity generating equipment | 392,754 | 392,344 |
| Accumulated depreciation | (91,448) | (80,870) |
| Construction in progress | <u>1,919</u> | <u>2,571</u> |
| Property, plant and equipment, net | 311,231 | 322,051 |
| OTHER ASSETS: | | |
| Intangible assets, net | 1,933 | 1,894 |
| Prepayments | 97 | 197 |
| Loan receivable-related parties | 3,004 | — |
| Total other assets | <u>5,034</u> | <u>2,091</u> |
| TOTAL | <u>\$ 603,481</u> | <u>\$ 612,633</u> |

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED BALANCE SHEETS (CONTINUED)
As of September 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 | \$ 10,793 | \$ 10,384 |
| Accounts payable – related parties | 113,177 | 82,641 |
| Dividends payable | — | 59,669 |
| Income tax payable | 11,952 | 24,629 |
| Other liabilities | 24 | — |
| Total current liabilities | <u>135,946</u> | <u>177,323</u> |
| LONG TERM LIABILITIES: | | |
| Bonds payable | 305,788 | 305,434 |
| Deferred income tax | 13,979 | 11,095 |
| Long – term compensation | 29 | 41 |
| Total long – term liabilities | <u>319,796</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 | 1,020 | 996 |
| Retained Earnings (Accumulated deficit) | 26,743 | (2,232) |
| Total shareholder's equity | <u>147,739</u> | <u>118,740</u> |
| TOTAL | <u>\$ 603,481</u> | <u>\$ 612,633</u> |

Dominican Power Partners

(An Indirectly Owned Subsidiary of The AES Corporation)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**For the nine months ended September 30, 2019 and 2018**

(Amounts expressed in thousands of US dollars)

| | <u>2019</u> | <u>2018</u> |
|--|------------------|------------------|
| REVENUES: | | |
| Electricity sales – contracts | \$ 195,365 | \$ 151,745 |
| Electricity sales – spot market | <u>24,669</u> | <u>76,654</u> |
| Total revenues | <u>220,034</u> | <u>228,399</u> |
| OPERATING COSTS AND EXPENSES: | | |
| Cost of revenues – electricity purchases | 27,197 | 29,221 |
| Cost of revenues – fuel and fuel related costs | 73,425 | 73,398 |
| Operating, maintenance and general expenses | 15,327 | 14,481 |
| Depreciation and amortization | <u>12,143</u> | <u>11,742</u> |
| Total operating costs and expenses | <u>128,092</u> | <u>128,842</u> |
| OPERATING INCOME | 91,942 | 99,557 |
| OTHER (EXPENSE) INCOME: | | |
| Interest income – net | (9,251) | (13,011) |
| Debt discount amortization | (74) | (52) |
| Other (expense) income – net | 1 | (763) |
| Exchange gain (loss), net | <u>338</u> | <u>(305)</u> |
| Total other loss - net | <u>(8,986)</u> | <u>(14,131)</u> |
| Income before income tax expense | 82,956 | 85,426 |
| Income tax expense | <u>(25,181)</u> | <u>(23,474)</u> |
| NET COMPREHENSIVE INCOME | <u>\$ 57,775</u> | <u>\$ 61,952</u> |

Dominican Power Partners
 (An Indirectly Owned Subsidiary of The AES Corporation)
UNAUDITED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2019 and 2018

(Amounts expressed in thousands of US dollars)

| | <u>2019</u> | <u>2018</u> |
|---|-------------------------|-------------------------|
| OPERATING ACTIVITIES: | | |
| Net comprehensive income | \$ 57,775 | \$ 61,952 |
| Adjustments to reconcile net comprehensive income to net cash provided by operating activities: | | |
| Depreciation | 11,839 | 7,753 |
| Amortization of intangible asset | 304 | 47 |
| Exchange (gain) loss, net | (338) | 218 |
| Long term compensation | 48 | 29 |
| Loss on asset disposal | — | 785 |
| Deferred income tax | 3,381 | 2,738 |
| Deferred financing costs amortizations | 276 | 159 |
| Amortization of debt discount | 74 | 35 |
| Changes in assets and liabilities: | | |
| Increase in accounts receivable | (13,581) | (18,187) |
| Decrease (increase) in other receivable – related parties | 27,348 | (41,819) |
| (Increase) decrease in other receivable | (1,556) | 1,407 |
| Increase in inventories | (189) | (274) |
| Increase in prepaid expenses and other assets | (3,769) | (1,541) |
| Increase (decrease) in accounts payable and accrued liabilities | 568 | (3,177) |
| Increase in accounts payable – related parties | 30,536 | 22,097 |
| Increase in other liabilities | 24 | — |
| Decrease in income tax receivable | (12,677) | (688) |
| Net cash provided by operating activities | <u>100,063</u> | <u>31,534</u> |
| INVESTING ACTIVITIES: | | |
| Additions to property, plant and equipment | (1,340) | (3,814) |
| Advance payments for the acquisition of fixed assets | (1,115) | — |
| Increase in restricted cash | (73) | (115) |
| Net cash used in investing activities | <u>(2,528)</u> | <u>(3,929)</u> |
| FINANCING ACTIVITIES: | | |
| Dividends paid | (88,469) | — |
| Proceeds from issuance of financial debt | — | — |
| Proceeds from line of credit | 25,000 | — |
| Payment of line of credit | (25,000) | — |
| Payment of financing costs and debt discount | — | — |
| Net cash used in financing activities | <u>(88,469)</u> | <u>—</u> |
| Effect of exchange rate changes on cash | <u>596</u> | <u>485</u> |
| Net decrease in cash and cash equivalents | 9,662 | 28,090 |
| 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>\$ 40,546</u></u> | <u><u>\$ 46,638</u></u> |