
Content

	Pages
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, June 27, 2019 - Andres-DPP and Itabo announced today financial results for the quarter ended March 31, 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 \$32 million for the first quarter 2019.

- First quarter 2019 revenue increased 10% and operating costs increased 19%, compared to the first quarter 2018.
- Net comprehensive income increased 55% to \$32 million.

Table 1: Summary of Financial Results - Andres & DPP

ANDRES - DPP			
(Millions of US\$)	2019	March 31	2018
Revenues	166		150
Operating costs and expenses	(136)		(114)
Operating income	30		36
Operating income margin	18%		24%
Net Comprehensive Income	32		21
Net Cash Provided by Operating Activities	88		52

Itabo announced a Net Comprehensive Income of \$11 million for the first quarter 2019.

- First quarter 2019 revenue and operating costs decreased (8)% and (5)%, respectively, compared to the first quarter 2018.
- Net comprehensive income was \$11 million in 2019 and \$13 million in 2018.

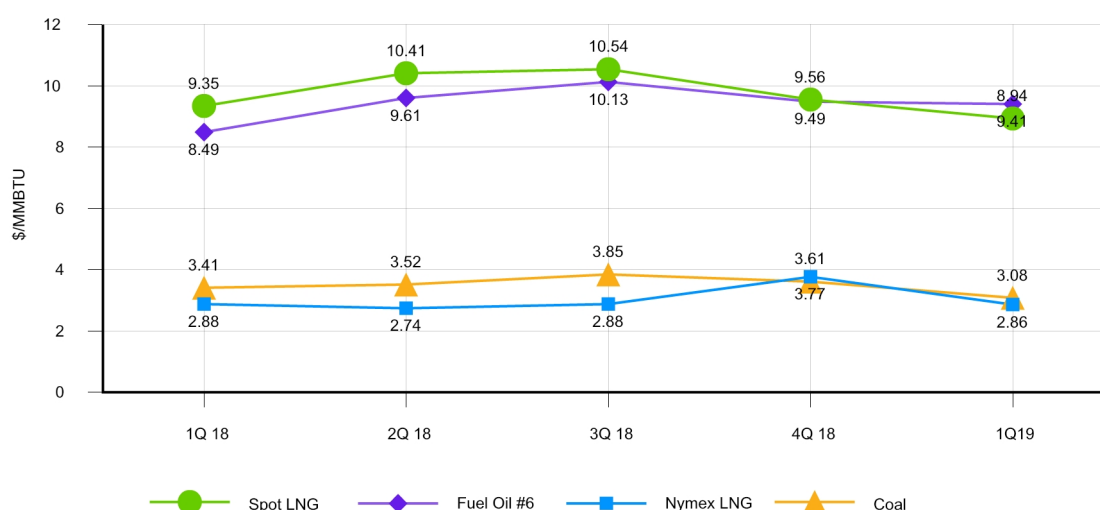
Table 2: Summary of Financial Results of Itabo

Itabo			
(Millions of US\$)	2019	March 31	2018
Revenues	56		61
Operating costs and expenses	(40)		(42)
Operating income	16		18
Operating income margin	29%		30%
Net Comprehensive Income	11		13
Net Cash Provided by Operating Activities	82		19

External Factors¹

- Dominican Republic's annual GDP grew 5.7% as of March 31, 2019 .²
- The accumulated Inflation stood at 1.47% as of March 2019.
- The exchange rate for Financial Entities as of March 31, 2019 was RD\$50.44 per US dollar (Ask) and RD\$50.54 per US dollar (Bid).
- Average Nymex Henry Hub natural gas prices were \$2.86 per MMBtu for the first quarter of 2019, with a peak of \$3.10 per MMBtu and a low of \$2.68 per MMBtu.³
- Average coal prices were \$3.08 per MMBtu for the first quarter of 2019, with a peak of \$3.33 per MMBtu and a low of \$2.84 per MMBtu.
- Average spot liquefied natural gas ("LNG") prices were \$8.94 per MMBtu for the first quarter of 2019, with a peak of \$9.38 per MMBtu and a low of \$8.42 per MMBtu.
- Total electricity demand for Q1 2019 reached 3.90 GWh, an increase of 12.3% 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.

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: March 2019 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 first quarter 2019

	March 31	
	2019	2018
	<i>(Millions of US\$)</i>	
Revenues	166	150
Electricity sales - Contracts	118	110
Electricity sales - spot market	14	13
Natural Gas Sales	35	27
Operating Costs and Expenses	(136)	(114)
Cost of sales - electricity purchases and fuel costs used for generation	(93)	(81)
Cost of sales - fuel and fuel related costs purchased for resale	(21)	(10)
Operating, maintenance and general expenses	(13)	(15)
Depreciation and amortization	(9)	(9)
Other Income (expense)	13	(12)
Interest expense - financial - net	(11)	(12)
Interest income - commercial - net	2	1
Other income (expenses)	23	(1)
Cash Flows Variations - Provided by Operating Activities	88	52
Increase in accounts payable	33	26
Decrease in accounts receivable	23	16
Increase (decrease) in income tax payable	4	(9)
Increase in inventory	(9)	(6)
Increase in other assets	(9)	(7)
Positive adjustment	13	10
Net comprehensive income	32	21
Free Cash Flow	49	47
Net Cash Provided by Operating Activities	88	52
(Less) Maintenance and environmental CAPEX	(39)	(5)

⁴The 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 first quarter 2019 - Andres-DPP Financial Results

- **Revenue** increased 10% to \$166 million in 2019. The variation of \$15.6 million, compared to the prior year, was mainly driven by increases of :
 - \$8.2 million in contracted and spot market sales due to higher spot sales prices in 2019 as a result of the increase of commodities prices and the dispatch of peaking power plants to cover for lower-cost plants outages.
 - \$7.4 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** increased 19% to \$136 million. The variance of \$22 million when compared to the same period of 2018 was mainly due to increases of:
 - \$13 million in "electricity purchases and fuel cost used for generation" as a result of the commencement of operations of Los Mina combined cycle facility in June 2017.
 - \$11 million in fuel purchased for resale mainly due to higher sale to third parties.
 - These drivers were partially offset by decreases of: \$2 million in operating, maintenance and general expenses due to lower contract services and maintenance costs as a result of Andres' Major Maintenance during 2018.
- **Other Income (Expense)** was \$13 million, 213% higher than 2018. The variance of \$25 million when compared to the same period of 2018 was mainly due to increases of \$23 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 \$52 million to \$88 million in 2019. The variation of \$36 million was primarily driven by:
 - Higher net comprehensive income by \$12 million mostly to the drivers discussed above.
 - Positive impact by \$3 million in non-cash adjustments to net comprehensive income mainly related to the variances in depreciation expenses and disposal of assets described above.
 - Positive impact in accounts receivable by \$7 million due to the commencement of operations of Los Mina combined cycle facility.
 - Positive impact of income tax by \$12 million due to lower payment of income taxes in 2019.
 - Increase of accounts payable by \$7 million mainly due to higher LNG payment.
 - Negative impact in inventory and other asset by \$(5) million related to LNG Brent.

Analysis of Itabo Financial Results

Table 4: Financial results for the first quarter 2019

	March 31	
	2019	2018
	<i>(Millions of US\$)</i>	
Revenues	56	61
Electricity Sales	55	54
Other revenues	1	6
Operating Costs and Expenses	(40)	(42)
Cost of electricity sales	(26)	(30)
Operating, general and maintenance expenses	(9)	(8)
Depreciation and amortization	(5)	(5)
Other Income (Expenses)	(1)	(1)
Interest (expense) - financial - net	(2)	(2)
Interest income - commercial - net	2	1
Cash Flows Variations - Provided by Operating Activities	82	19
(Decrease) increase in accounts payable	(4)	1
Decrease in accounts receivable	68	3
Decrease in inventory	2	—
Increase in income tax payable	1	1
Increase in prepaid expense and other assets	(3)	(3)
Positive adjustment	7	5
Net income	11	13
Free Cash Flow	80	18
Net Cash Provided by in Operating Activities	82	19
(Less) Maintenance and environmental CAPEX	(2)	(1)

Key drivers of first quarter 2019 - Itabo Financial Results

- **Revenue** decreased (8)% to \$56 million. The variation of \$(5) million compared to 2018 was mainly driven by increases of:
 - \$3 million in contracted electricity sales due higher prices.
 - \$(1) million decrease in other revenue due to higher volume of coal sold.
 - \$(4) million due to lower intercompany sales.
 These drivers were partially offset by \$(3) million in lower spot electricity sales due to lower generation during the first quarter.
- **Operating Costs and Expenses** decreased (6)% to \$40 million. The variance of \$2 million was primarily due to increases of:
 - (\$4) million in cost of sales due to lower coal consumptions and lower volume of coal sold to third and intercompany parties.
 - \$1 million due to timing of planned maintenances and other minor works on Itabo's unit 2.
- **Other Income (Expense)** was \$(1) million, (45)% lower than the first quarter 2018 but with no material variances.
- **Net Cash Provided by Operating Activities** increased from \$19 million in 2018 to \$82 million in 2019. The variation of \$63 million is primarily driven by a:
 - Decrease of accounts receivable by \$71 million due to higher collections in 2019 compared to the same period in 2018.
 - Positive impact in prepaid expenses and other assets by \$2 million.
 These effects were partially offset by (i) a negative impact in accounts payable of \$(5) million due to unpaid energy purchases in 2018.

Financial Debt Summary

Table 5: Summary of Debt Profile of Andres-DPP

Financial Debt	Mar-19	Dec-18
(expressed in millions of US\$)		
Local Currency	—	—
Foreign Currency	554	544
Total Debt	554	544
Fixed Rate	96%	97%
Variable Rate	4%	3%
Short Term	—%	—%
Long Term	100%	100%
Financing Cost (*)	7.48%	7.43%
Average Life (years)	7.9	8

Table 6: Summary of Debt Profile of Itabo

Financial Debt	Mar-19	Dec-18
(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 (*)	8.79%	8.79%
Average Life (years)	7.2	7.4

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

Dividends

- Itabo declared and paid dividends in the aggregated amount of \$16.7 million in March 2019.

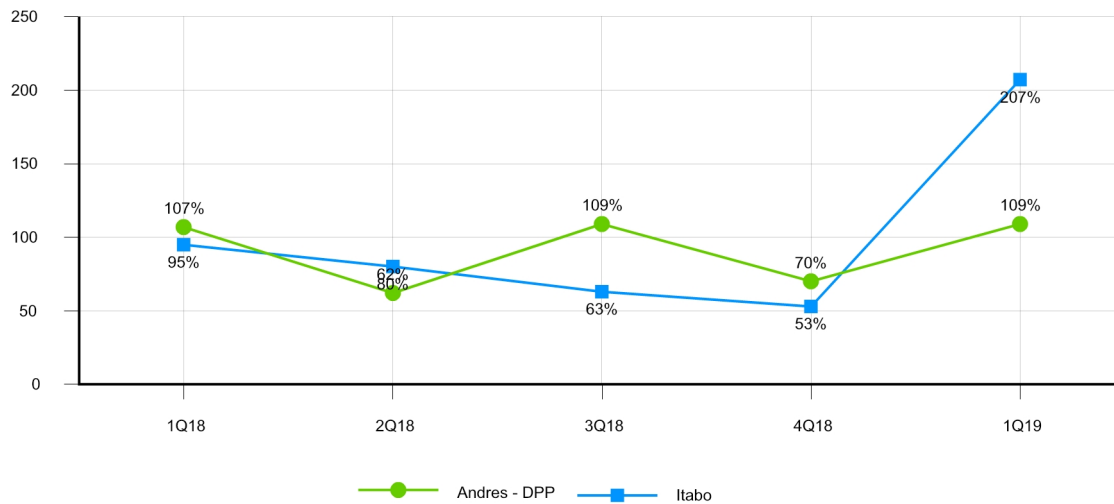
(*) (1) After tax rates

(*) (1) After tax rates

Collections

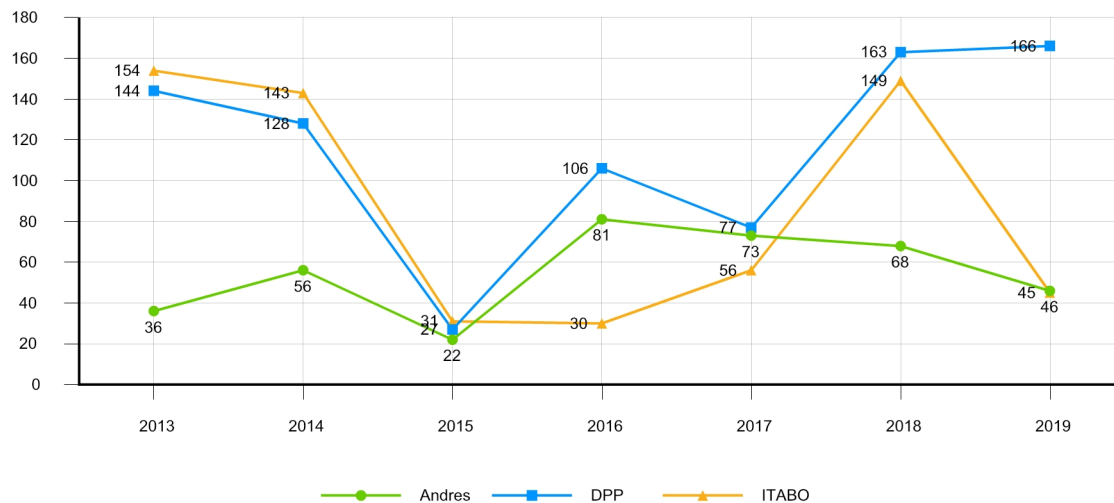
- During the first quarter 2019 the average collection rate for Andres-DPP was 109% compared to 70% as of December 31, 2018, and for Itabo 207% compared to 53%.
- As of March 31, 2019, Andres accounts receivable had a 46 days of sales outstanding ("DSO"), DPP had a 166 DSO and Itabo had a 45 DSO compared 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 March 31, 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.

Table 8: Summary of Technical Details

March 31, 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		Q1		YTD		YTD
		2019	2018	2019	2018	Var. %
Gross generation	GWh	749	1,083	749	1,083	(31)%
Internal consumption	GWh	(19)	(24)	(19)	(24)	(20)%
Net Generation	GWh	731	1,059	731	1,059	(31)%
Total Energy Sold	GWh	1,122	1,278	1,122	1,278	(12)%
Andres Firm Capacity (average)	MW	295	281	295	281	5 %
Andres Heat Rate	Btu/KWh	11,923	7,634	11,926	7,634	56 %
Andres EAF	%	84	88	83	88	(5)%
Andres EFOR	%	1	—	—	—	(100)%
DPP Firm Capacity (average)	MW	215	188	215	188	15 %
DPP EAF	%	77	86	73	86	(15)%
DPP EFOR	%	17	2	22	2	998 %

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

- **Combined Net Generation** decreased (31)% to 749 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 due to a vibration correction.
- The **Energy Sold** decreased also (12)% to 1,122 GWh due to the lower generation.
- **Andres Firm Capacity** increased to an average of 295 MW.
- **Andres EAF** was lower than last year, decreasing (5)% to 83% mainly due to the damage in September 2018 in Andres. The **Heat Rate** increased to 11,926 Btu/KWh.
- **DPP Firm Capacity** increased to an average of 215 MW.
- **DPP EAF** decreased to 73% due to lower force outage days during the first quarter 2019 compared to 2018 that translated to a increase in EFOR.

Operational Results of Itabo

Table 10: Summary of Technical Details

As of March 31, 2019	
Installed capacity (MW)	295
Power Generation Units	3

Table 11: Summary of Key Performance Indicators

Operating Data		Q1		YTD		YTD
		2019	2018	2019	2018	Var. %
Gross generation	GWh	485	519	485	519	(7)%
Internal consumption	GWh	(40)	(44)	(40)	(44)	(9)%
Net Generation	GWh	445	475	445	475	(6)%
Total Energy Sold	GWh	445	475	445	475	(6)%
Firm Capacity (average)	MW	215	215	215	215	— %
Heat Rate	Btu/KWh	11,012	11,034	11,005	11,034	(0.3)%
EAF	%	89	93	88	93	(5)%
EFOR	%	0.3	2	0.3	2	(85)%

Key drivers of year to date variances - Itabo Operational Results

- **Net Generation** decreased (7)% to 485 GWh due to lower plant availability. As a result, the total **Energy sold** decreased (6)%.
- **Itabo Firm Capacity** has an average of 214.85 MW.
- The **Heat Rate** slightly decreased (0.3)% to 11,005 Btu/KWh.
- The **EAF** decreased 5% due to outage days during the first quarter 2019 compared to 2018, that translated to a increase in EFOR.

Safety Indicators

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

Environmental Matters

- During the first 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)

	March 31, 2019	March 31, 2018
REVENUES		
Electricity sales - contracts	\$ 117,500	\$ 110,101
Electricity sales - spot market	13,738	12,871
Natural gas sales	34,552	27,168
Other sales	224	257
Total revenues	166,014	150,397
OPERATING COSTS AND EXPENSES		
Cost of sales - electricity purchases and fuel costs used for generation	(93,342)	(80,827)
Cost of sales - fuel and fuel related costs purchased for resale	(20,723)	(9,741)
Operating, maintenance and general expenses	(13,435)	(15,142)
Depreciation and amortization	(8,793)	(8,622)
Total operating costs and expenses	(136,293)	(114,332)
OPERATING INCOME	29,721	36,065
OTHER INCOME (EXPENSES)		
Interest expense - net	(5,976)	(8,258)
Debt discount amortization	(176)	(93)
Other income (expenses) - net	22,509	(532)
Exchange (loss) gain, net	(253)	91
Total other expense - net	16,104	(8,792)
INCOME BEFORE TAXES	45,825	27,273
Income tax expense	(13,511)	(6,460)
NET COMPREHENSIVE INCOME	\$ 32,314	\$ 20,813

**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)

	March 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 131,228	\$ 71,081
Restricted cash	124	125
Short term Investment unrestricted	95	89
Accounts receivable	168,620	181,358
Accounts receivable - related parties	542	827
Other receivables	80	95
Other receivable - related parties	32,955	74,403
Inventories - net	24,172	15,675
Prepaid expenses and other assets	9,220	859
Derivative asset	15	18
Income tax receivable	2,679	10,337
Total current assets	369,730	354,867
PROPERTY, PLANT AND EQUIPMENTS, NET:		
Land	44,528	44,528
Plant and electricity generating equipment	938,647	913,109
Less accumulated depreciation	(243,437)	(237,378)
Property, plant and equipment, net	739,738	720,259
OTHER ASSETS:		
Intangible assets - net	3,701	3,771
Derivative instruments	1,102	1,191
Prepayments and other assets	23,686	17,380
Total other assets	28,489	22,342
TOTAL ASSETS	\$ 1,137,957	\$ 1,097,468
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 51,502	\$ 38,861
Accounts payable - related parties	20,404	2,234
Line of credit	30,000	—
Dividends payable	—	59,669
Income tax payable	20,793	24,629
Other financial liabilities	190	—
Accrued expenses and other liabilities	67	67
Total current liabilities	122,956	125,460
LONG TERM LIABILITIES:		
Deferred income tax	37,005	36,772
Financial debt - net	541,032	530,578
Derivate instrument	81	71
Long term compensation	447	474
Other liabilities	20	20
total long-term liabilities	578,585	567,915
SHAREHOLDER'S EQUITY:		
Common stock	15,018	15,018
Contributed capital	376,597	376,595
Additional paid-in capital	1,003	996
Retained earnings	43,798	11,484
Total shareholders' equity	436,416	404,093
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,137,957	\$ 1,097,468

**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)

	March 31, 2019	March 31, 2018
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 32,314	\$ 20,813
Adjustments to reconcile net comprehensive income to net cash provided by Operating activities:		
Depreciation	8,723	8,545
Amortization of intangible assets	71	89
Loss (gain) on derivative instruments	63	(28)
Deferred income tax	428	815
Deferred financing costs amortization	309	192
Debt discount amortization	176	93
Loss on asset disposal	2,809	585
Long term compensation	13	(26)
Exchange loss (gain), net	253	(91)
Decrease in accounts receivable	12,546	14,477
Decrease in accounts receivable – related parties	285	77
(Increase) decrease in other receivable	(19)	1,413
Decrease (increase) in other receivable – related parties	10,022	(52)
Increase in inventories	(8,497)	(5,875)
(Increase) in other assets	(8,878)	(6,776)
Increase (decrease) in income tax payable	3,825	(8,457)
Increase in accounts payable and accrued liabilities	14,136	10,705
Increase in accounts payable – related parties	18,170	15,845
Increase (decrease) in accrued and other liabilities	93	(593)
Net cash provided by operating activities	86,842	51,751
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(15,384)	(4,169)
Advances payment for the acquisition of property, plant and equipment	(23,151)	(552)
Additions of intangible assets	(432)	(12)
Insurance proceeds	31,427	—
Short term investment	—	2
Net cash used in investing activities	(7,540)	(4,731)
FINANCING ACTIVITIES:		
Proceeds from issuance of financial debt	10,000	—
Proceeds from line of credit	30,000	—
Payment of financing costs and debt discount	(5)	—
Dividend payment	(59,669)	—
Net cash used in financing activities	(19,674)	—
Effect of exchange rate changes on cash	518	482
Net increase in cash, cash equivalents and restricted cash	60,146	47,502
Cash, cash equivalents and restricted cash at the beginning of the year	71,206	48,021
Cash, cash equivalents and cash restricted at the end of the period	\$ 131,352	\$ 95,523

AES ANDRES B.V. (*)

Property, plant and equipment, net (Expressed in thousands of US\$)	December 31, 2018	Additions	Reductions	Transfers	March 31, 2019
<u>Original value:</u>					
Generation plant	\$ 398,057	\$ —	\$ (5,191)	\$ 53	\$ 392,919
LNG facility, pier and pipeline	61,522	—	—	—	61,522
Spare parts	22,190	47	—	—	22,237
Buildings	15,899	—	—	—	15,899
Vehicles	688	—	—	172	860
Office equipment and others	4,506	—	(11)	—	4,495
Subtotal	502,862	47	(5,202)	225	497,932
<u>Accumulated depreciation</u>					
Generation plant	(80,538)	(3,289)	2,382	—	(81,445)
LNG facility, pier and pipeline	(65,817)	(1,116)	—	—	(66,933)
Spare parts	(2,056)	(173)	—	—	(2,229)
Buildings	(3,348)	(84)	—	—	(3,432)
Vehicles	(465)	(25)	—	—	(490)
Office equipment and others	(3,637)	(76)	11	—	(3,702)
Subtotal	(155,861)	(4,763)	2,393	—	(158,231)
Subtotal	347,001	(4,716)	(2,809)	225	339,701
Land	36,522	—	—	—	36,522
Construction in progress	13,628	29,841	—	(225)	43,244
Total, net	\$ 397,151	\$ 25,125	\$ (2,809)	\$ —	\$ 419,467

DOMINICAN POWER PARTNERS (*)

Property, plant and equipment, net (Expressed in thousands of US\$)	December 31, 2018	Additions	Retirements	Transfer	March 31, 2019
<u>Original value:</u>					
Generation plant	\$ 373,315	\$ 32	\$ —	\$ 372	\$ 373,719
Buildings	3,545	—	(267)	950	4,228
Vehicles	467	—	—	—	467
Spare parts	13,435	34	—	(151)	13,318
Office equipment and others	1,582	—	(3)	—	1,579
Subtotal	392,344	66	(270)	1,171	393,311
<u>Accumulated depreciation</u>					
Generation plant	(77,977)	(3,703)	—	(21)	(81,701)
Buildings	(1,900)	(43)	267	—	(1,676)
Vehicles	(316)	(8)	—	—	(324)
Spare parts	534	(158)	—	21	397
Office equipment and others	(1,211)	(37)	3	—	(1,245)
Subtotal	(80,870)	(3,949)	270	—	(84,549)
Subtotal	311,474	(3,883)	—	1,171	308,762
Land	8,006	—	—	—	8,006
Construction in progress	2,571	1,152	—	(1,267)	2,456
Total, net	\$ 322,051	\$ (2,731)	\$ —	\$ (96)	\$ 319,224

(*) 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\$)

	March 31, 2019	March 31, 2018
Interest expense - borrowings	\$ (9,051)	\$ (9,628)
Interest expense - commercial	(355)	(43)
Subtotal	(9,406)	(9,671)
Deferred financing cost amortization	(309)	(192)
Interest income - commercial	3,328	1,494
Interest income - financial	411	111
Subtotal	3,739	1,605
Total	\$ (5,976)	\$ (8,258)

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)

	Marzo 31, 2019	Marzo 31, 2018
REVENUES:		
Electricity sales	\$ 54,746	\$ 54,185
Other revenues	921	6,377
Total revenues	55,667	60,562
OPERATING COSTS AND EXPENSES:		
Cost of revenues	(26,078)	(29,740)
Operating, general and maintenance expenses	(8,842)	(7,615)
Depreciation and amortization	(4,869)	(4,766)
Total operating costs and expenses	(39,789)	(42,121)
OPERATING INCOME	15,878	18,441
OTHER INCOME (EXPENSE):		
Interest expense - net	(483)	(1,242)
Debt discount amortization	(64)	(33)
Other income - net	7	6
Exchange (loss) gain - net	(114)	74
Total other expense	(654)	(1,195)
INCOME BEFORE TAXES	15,224	17,246
Income tax expense	3,896	4,203
NET COMPREHENSIVE INCOME	\$ 11,328	\$ 13,043

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)

	Marzo 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 75,589	\$ 13,455
Accounts receivable - trade	4,470	8,778
Accounts receivable - related parties	41,452	105,579
Inventories, net	20,152	22,392
Derivative instrument	—	1,658
Prepaid expenses and other assets	3,517	72
Total current assets	145,180	151,934
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	7,389	7,389
Plant and electricity generating equipment	410,356	409,642
Accumulated depreciation	(209,746)	(204,913)
Construction in progress	3,694	1,557
Total Property, plant and equipment, net	211,693	213,675
OTHER ASSETS:		
Intangible assets, net	1,126	1,162
Other asset	95	—
Prepayment	437	707
Total other assets	1,658	1,869
TOTAL ASSETS	\$ 358,531	\$ 367,478
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 14,520	\$ 16,855
Accounts payable - related parties	3,894	5,847
Other liabilities	95	—
Income tax payable	3,878	3,202
Total current liabilities	22,387	25,904
LONG TERM LIABILITIES:		
Financial debt - net	96,354	96,209
Deferred income tax	9,560	9,766
Long - term compensation	16	15
Total long-term liabilities	105,930	105,990
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	373	370
Accumulated deficit	(125,715)	(120,342)
Total shareholder's equity	230,214	235,584
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 358,531	\$ 367,478

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)

	Marzo 31, 2019	Marzo 31, 2018
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 11,328	\$ 13,043
Adjustments to reconcile net comprehensive income to net cash provided in operating activities:		
Depreciation	4,833	4,723
Amortization of intangible assets	37	43
Derivative Instruments	1,658	—
Deferred financing costs amortization	77	40
Debt discount amortization	64	33
Deferred income tax	(155)	(50)
Long term compensation	3	5
Exchange gain, net	114	(74)
Increase in accounts receivable	4,308	2,197
Increase in other accounts receivable – related companies	64,127	346
Decrease (increase) in inventories	2,244	(73)
Increase in prepaid expense and other assets	(3,445)	(2,746)
Increase in income tax payable	676	1,113
Decrease in accounts payable and accrued liabilities	(1,931)	(416)
(Decrease) increase in accounts payable - related parties	(1,953)	894
Net cash provided by operating activities	81,985	19,078
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,186)	(713)
Advance payments for the acquisition of property, plant and equipment	(437)	(646)
Additions to intangible assets	(527)	(157)
Net cash used in investing activities	(3,150)	(1,516)
FINANCING ACTIVITIES:		
Dividends payment	(16,701)	—
Net cash used in financing activities	(16,701)	—
Net increase in cash and cash equivalents	62,134	17,562
Cash and cash equivalents at the beginning of the year	13,455	43,743
Cash and cash equivalents at the end of the period	\$ 75,589	\$ 61,305

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

	December 31, 2018	Additions	Retirements	Transfers	March 31, 2019
<u>Original value:</u>					
Buildings	\$ 37,601	\$ —	\$ —	\$ —	\$ 37,601
Generation plant	358,589	16	—	199	358,804
Spare parts	5,511	558	—	(59)	6,010
Vehicles	336	—	—	—	336
Office equipment	7,605	—	—	—	7,605
Subtotal	409,642	574	—	140	410,356
<u>Accumulated depreciation:</u>					
Buildings	(17,683)	(186)	—	—	(17,869)
Generation plant	(180,588)	(4,493)	—	—	(185,081)
Spare parts	(707)	(102)	—	—	(809)
Vehicles	(280)	(7)	—	—	(287)
Office equipment	(5,655)	(45)	—	—	(5,700)
Subtotal	(204,913)	(4,833)	—	—	(209,746)
Construction in progress	1,557	2,281	—	(144)	3,694
Land	7,389	—	—	—	7,389
Subtotal	8,946	2,281	—	(144)	11,083
Total, net	\$ 213,675	\$ (1,978)	\$ —	\$ (4)	\$ 211,693

INTEREST EXPENSE - NET

(Expressed in thousands of US\$)

	March 31, 2019	March 31, 2018
Interest expense - financial	\$ (2,240)	\$ (2,164)
Subtotal	(2,240)	(2,164)
Amortization of deferred financing costs	(77)	(40)
Interest income - commercial	1,745	917
Interest income - financial	89	45
Subtotal	1,834	962
Total	\$ (483)	\$ (1,242)

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 March 31, 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.

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.