

AES DOMINICANA

Relevant Results Third Quarter 2020

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Santo Domingo, Dominican Republic, December 23, 2020 - Andres-DPP and Itabo announced today financial results for the quarter ended September 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 \$95 million for the third quarter 2020.

- Third quarter 2020 revenue decreased (3)% and operating costs increased 7%, compared to the third quarter 2019.
- Net comprehensive income decreased (49)% to \$95 million.

Table 1: Summary of Financial Results - Andres & DPP

ANDRES - DPP		
(Millions of US\$)	2020	September 30, 2019
Revenues	490	507
Operating costs and expenses	(345)	(323)
Operating income	145	184
Operating income margin	30 %	36 %
Net Comprehensive Income	95	187
Net Cash Provided by Operating Activities	96	153

Itabo announced a Net Comprehensive Income of \$37 million for the third quarter 2020.

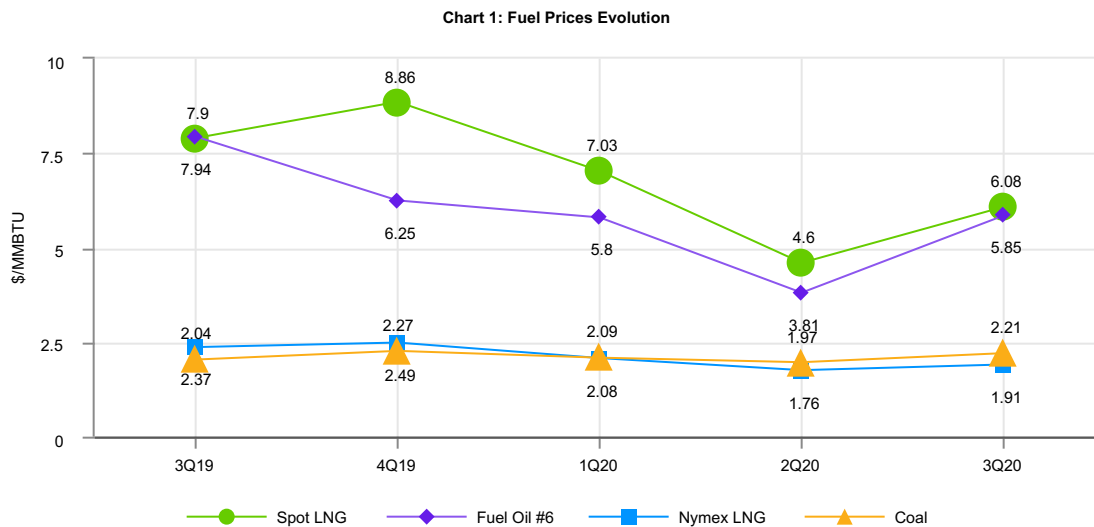
- Third quarter 2020 revenue and operating costs decreased (13)% and (25)%, respectively, compared to the third quarter 2019.
- Net comprehensive income was \$37 million in 2020 and \$32 million in 2019.

Table 2: Summary of Financial Results of Itabo

Itabo		
(Millions of US\$)	2020	September 30, 2019
Revenues	141	161
Operating costs and expenses	(86)	(115)
Operating income	55	47
Operating income margin	39 %	29 %
Net Comprehensive Income	37	32
Net Cash Provided by Operating Activities	28	94

External Factors¹

- Dominican Republic's annual GDP was -8.1% as of September 30, 2020 .²
- The accumulated Inflation stood at 3.74% as of September 2020.
- The exchange rate for Financial Entities as of September 30, 2020 was RD\$58.31 per US dollar (Ask) and RD\$58.50 per US dollar (Bid).
- Average Nymex Henry Hub natural gas prices were \$1.91 per MMBtu for the third quarter of 2020, with a peak of \$2.26 per MMBtu and a low of \$1.71 per MMBtu.³
- Average coal prices were \$2.21 per MMBtu for the third quarter of 2020, with a peak of \$2.25 per MMBtu and a low of S\$2.18 per MMBtu.
- Average spot liquefied natural gas ("LNG") prices were \$6.08 per MMBtu for the third quarter of 2020, with a peak of \$6.32 per MMBtu and a low of \$5.85 per MMBtu.
- Total electricity demand for Q3 2020 reached 13.2 GWh, an increase of 1.8% versus the same period of 2019.



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: September 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 third quarter 2020

	September 30,	
	2020	2019
	<i>(Millions of US\$)</i>	
Revenues	490	507
Electricity sales - Contracts	348	373
Electricity sales - spot market	6	13
Natural Gas Sales	136	121
Operating Costs and Expenses	(345)	(323)
Cost of sales - electricity purchases and fuel costs used for generation	(207)	(191)
Cost of sales - fuel and fuel related costs purchased for resale	(59)	(63)
Operating, maintenance and general expenses	(50)	(43)
Depreciation and amortization	(30)	(26)
Other Income (expense)	(17)	71
Interest expense - financial - net	(31)	(27)
Interest income - commercial - net	5	8
Investment in affiliate	1	—
Other income, net	—	89
Exchange gain (loss), net	9	2
Cash Flows Variations - Provided by Operating Activities	97	153
Increase in accounts payable	42	23
Increase in accounts receivable	(39)	(111)
(Decrease) increase in income tax payable	(36)	26
Decrease (increase) in Inventory	12	(5)
Increase in other assets	(4)	(4)
Positive adjustment	25	36
Net comprehensive income	95	187
Free Cash Flow	60	78
Net Cash Provided by Operating Activities	97	153
(Less) Maintenance and environmental CAPEX	(37)	(75)

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 third quarter 2020 - Andres-DPP Financial Results

- **Revenue** Decreased (3)% to \$490 million in 2020. The variation of \$(16.8) million, compared to the prior year, was mainly driven by decreases of :
 - \$(31.8) 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 to October 9, 2020 is out of service to vibration correction.
 - \$14.8 million in natural gas sales to third parties due to increase in volume sales as a result of a new costumers in 2020 partially offset by lower sales price as a consequence of the international LNG prices
- **Operating Costs and Expenses** increased 7% to \$345 million. The variance of \$22 million when compared to the same period of 2019 was mainly due to increases of:
 - \$16 million in "electricity purchases and fuel cost used for generation" mainly due to a increase in energy spot purchased.
 - \$7 increase in operating, maintenance and general expenses mostly related to Captiva insurance Cost by \$5M.
 - (\$4) 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 \$(17) million, (123)% lower than 2019. The variance of \$(88) million when compared to the same period of 2019 was mainly due to decrease of \$(89) 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** Decreased from \$153 million to \$97 million in 2020. The variation of \$(57) million was primarily driven by:
 - Lower net comprehensive income by \$(92) million mostly to the drivers discussed above.
 - Negative impact by \$(10) million increase in non-cash adjustments to net comprehensive income mainly related to the variances in exchange gain and loss on asset disposal.
 - Positive impact in accounts receivable by \$72 million mainly to the decrease in account receivable due to higher collection.
 - Negative impact of income tax by \$(61) million due to higher payment of income taxes in 2020.
 - Decrease of accounts payable by \$19 million mainly due to higher LNG payment.
 - Positive impact in inventory by \$16 million related to LNG Brent.

Analysis of Itabo Financial Results

Table 4: Financial results for the third quarter 2020

	September 30,	
	2020	2019
	<i>(Millions of US\$)</i>	
Revenues	141	161
Electricity Sales	140	159
Other revenues	1	3
Operating Costs and Expenses	(86)	(115)
Cost of electricity sales	(49)	(74)
Operating, general and maintenance expenses	(23)	(26)
Depreciation and amortization	(14)	(15)
Other Income (Expenses)	(5)	(3)
Interest (expense) - financial - net	(6)	(6)
Interest income - commercial - net	1	3
Cash Flows Variations - Provided by Operating Activities	28	94
Decrease in accounts payable	—	(6)
(Increase) decrease in accounts receivable	(23)	54
(Increase) decrease in inventory	—	2
Increase (decrease) in income tax payable	2	(2)
Increase in prepaid expense and other assets	(1)	(1)
Positive adjustment	14	17
Net income	37	32
Free Cash Flow	15	87
Net Cash Provided by in Operating Activities	28	94
(Less) Maintenance and environmental CAPEX	(13)	(7)

Key drivers of third quarter 2020 - Itabo Financial Results

- **Revenue** decreased (13)% to \$141 million. The variation of \$(20) million compared to 2019 was mainly driven by decrease of:
 - \$(11) 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 (25)% to \$86 million. The variance of \$29 million was primarily due to:
 - \$25 million in cost of sales due to lower coal prices and lower electricity purchased.
 - \$3 million due to lower expenses maintenances by less outages.
- **Other Income (Expense)** was \$(5) million, 39% higher than the third quarter 2019 due to lower interest income from costumers, mainly by higher collections in 2020.
- **Net Cash Provided by Operating Activities** Decreased from \$94 million in 2019 to \$28 million in 2020. The variation of \$(66) million is primarily driven by a:
 - Negative impact in accounts receivable by \$(77) million mainly to the increase in account receivable due to lower collection.
 - Positive impact in accounts payable by \$6 million.
 - Higher net income by \$5 million mostly to the drivers discussed above.

Financial Debt Summary

Table 5: Summary of Debt Profile of Andres-DPP

Financial Debt (expressed in millions of US\$)	Sep-20	Dec-19
Local Currency	—	—
Foreign Currency	666	605
Total Debt	666	605
Fixed Rate	86 %	95 %
Variable Rate	14 %	5 %
Short Term	8 %	4 %
Long Term	92 %	96 %
Financing Cost (*)	6.58 %	7.15 %
Average Life (years)	5.7	6.4

(*) (1) After tax rates

Table 6: Summary of Debt Profile of Itabo

Financial Debt (expressed in millions of US\$)	Sep-20	Dec-19
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)	5.7	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 \$87.1 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, Ferreteria 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).

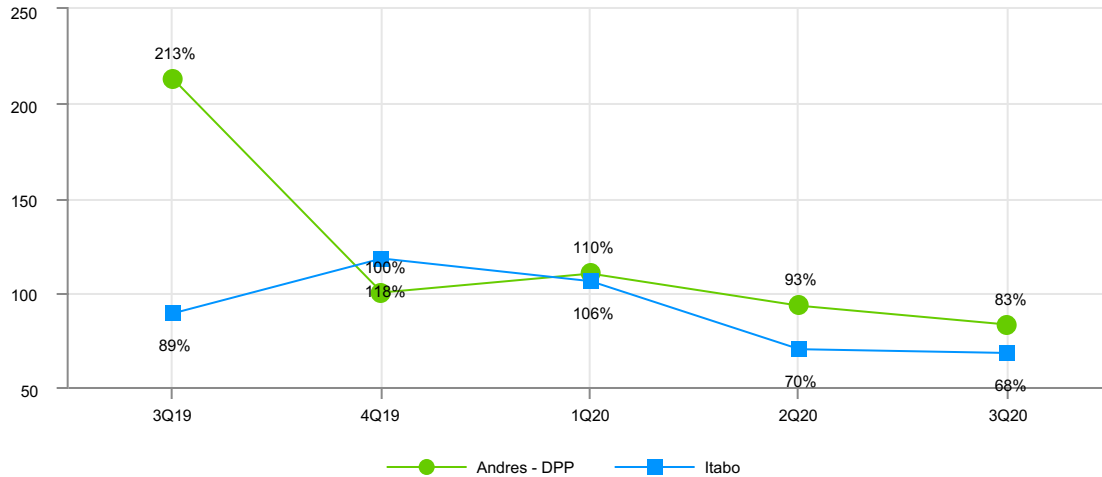
Under the terms of the Itabo Indenture, once the Sale is consummated, the Sale will (i) constitute a Separation Date and (ii) trigger a Change of Control subject to the repurchase requirements set forth in Section 4.2 of the Itabo Indenture, Repurchases at the Option of the Holders Upon a Change of Control.

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

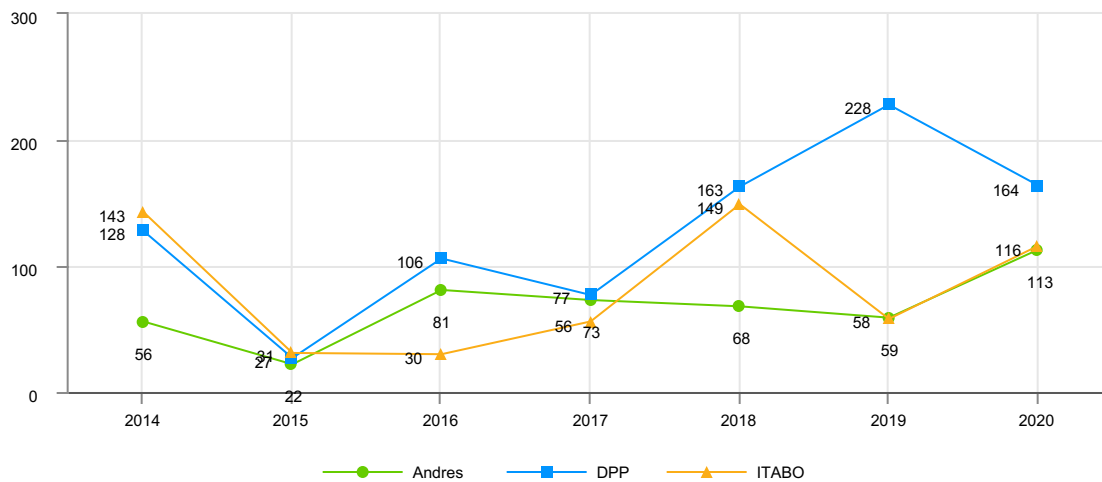
- During the third quarter 2020 the average collection rate for Andres-DPP was 83% compared to 100% as of December 31, 2019, and for Itabo 68% compared to 118%.
- As of September 30, 2020, Andres accounts receivable had a 113 days of sales outstanding ("DSO"), DPP had a 164 DSO and Itabo had a 116 DSO 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 September 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

September 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		Q3		YTD		YTD
		2020	2019	2020	2019	Var. %
Gross generation	GWh	778	958	2,688	2,505	7 %
Internal consumption	GWh	(21)	(21)	(68)	(55)	24 %
Net Generation	GWh	756	937	2,620	2,450	7 %
Total Energy Sold	GWh	1,257	1,298	3,605	3,648	(1)%
Andres' Firm Capacity (average)	MW	295	293	295	294	— %
Andres Heat Rate	Btu/KWh	9,917	10,817	9,634	11,426	(16)%
Andres EAF	%	69	72	67	64	5 %
Andres EFOR	%	41	29	24	—	100 %
DPP's Firm Capacity (average)	MW	313	214	313	212	48 %
DPP EAF	%	79	97	89	87	3 %
DPP EFOR	%	—	—	3	10	(67)%

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

- **Combined Net Generation** increased 7% to 2,688 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 5% to 67% mainly due to the damage since September 2018 in Andres, was in services again in September 2019. The **Heat Rate** decreased to 9,634.2 Btu/KWh.
- **Andres EFOR** increased to 24% due to steam turbine out of service to vibration correction since March 12, 2020 to October 9, 2020.
- **DPP Firm Capacity** increased to an average of 313 MW.
- **DPP EAF** was 3% higher due operation combine cycle in 2020.
- **DPP EFOR** was (67)% lower due to a vibration correction in 2019.

Operational Results of Itabo

Table 10: Summary of Technical Details

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

Table 11: Summary of Key Performance Indicators

Operating Data		Q3		YTD		YTD
		2020	2019	2020	2019	Var. %
Gross generation	GWh	453	518	1,464	1,480	(1)%
Internal consumption	GWh	(40)	(44)	(127)	(125)	1 %
Net Generation	GWh	413	474	1,337	1,355	(1)%
Total Energy Sold	GWh	436	476	1,363	1,385	(2)%
Firm Capacity (average)	MW	233	209	233	212	10 %
Heat Rate	Btu/KWh	11,215	11,064	11,143	11,054	0.8 %
EAF	%	80	91	88	89	(1)%
EFOR	%	2.17	2.50	1.10	1.40	(19)%

Key drivers of year to date variances - Itabo Operational Results

- **Net Generation** slightly decreased (1)% to 1,464 GWh..As a result, the total **Energy sold** decreased (2)%.
- **Itabo Firm Capacity** has an average of 233 MW.
- The **Heat Rate** slightly increased 0.8% to 11,143 Btu/KWh.

Safety Indicators

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

Environmental Matters

- During the t 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)

	September 30, 2020	September 30, 2019
REVENUES		
Electricity sales - contracts	\$ 347,467	\$ 372,496
Electricity sales - spot market	5,920	12,685
Natural gas sales	135,752	120,963
Other sales	1,024	855
Total revenues	490,163	506,999
OPERATING COSTS AND EXPENSES		
Cost of sales - electricity purchases and fuel costs used for generation	(206,768)	(190,629)
Cost of sales - fuel and fuel related costs purchased for resale	(58,812)	(63,257)
Operating, maintenance and general expenses	(49,743)	(42,852)
Depreciation and amortization	(29,688)	(26,421)
Total operating costs and expenses	(345,011)	(323,159)
OPERATING INCOME	145,152	183,840
OTHER INCOME (EXPENSES)		
Interest expense - net	(26,638)	(18,994)
Investment in affiliate	1,094	(15)
Debt discount amortization	(364)	(400)
Other income – net	284	89,192
Exchange gain, net	8,935	1,600
Total other income (expense) - net	(16,689)	71,383
INCOME BEFORE TAXES	128,463	255,223
Income tax expense	(33,413)	(68,167)
NET COMPREHENSIVE INCOME	\$ 95,050	\$ 187,056

**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)

	September 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 88,152	\$ 75,525
Restricted cash	109	119
Short term Investment unrestricted	90	95
Accounts receivable	212,806	202,347
Accounts receivable - related parties	32,896	477
Other receivables	863	944
Other receivable - related parties	23,469	27,779
Inventories - net	17,217	29,390
Prepaid expenses and other assets	5,162	1,118
Derivative asset	—	1
Income tax receivable	73	—
Total current assets	380,837	337,795
PROPERTY, PLANT AND EQUIPMENTS, NET:		
Land	44,906	44,906
Plant and electricity generating equipment	1,072,501	1,032,966
Less accumulated depreciation	(278,757)	(253,584)
Property, plant and equipment, net	838,650	824,288
OTHER ASSETS:		
Intangible assets, net	6,473	6,450
Deferred financing costs	—	—
Derivative instruments	873	873
Deferred tax	—	—
Prepayments and other assets	8,015	3,427
Affiliate investment	48,637	47,544
Right-of-use assets, net	5,155	4,175
Total other assets	69,153	62,469
TOTAL ASSETS	\$ 1,288,640	\$ 1,224,552
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 101,061	\$ 81,414
Accounts payable - related parties	5,297	8,971
Line of credit	52,500	25,000
Short term debt	45,068	—
Income tax payable	4,120	41,471
Lease liability	650	244
Dividends payable	—	—
Derivative instruments	61	61
Total current liabilities	208,757	157,161
LONG TERM LIABILITIES:		
Deferred income tax	43,183	42,885
Financial debt - net	557,843	568,896
Derivate instrument	307	363
Long term compensation	—	—
Lease liability	4,089	3,740
Other liabilities	15,056	55
total long-term liabilities	620,478	615,939
SHAREHOLDER'S EQUITY:		
Common stock	15,018	15,018
Contributed capital	104,976	104,976
Additional paid-in capital	272,688	272,656
Retained earnings	66,723	58,802
Total shareholders' equity	459,405	451,452
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,288,640	\$ 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)

	September 30, 2020	September 30, 2019
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 95,050	\$ 187,056
Adjustments to reconcile net comprehensive income to net cash provided by		
Operating activities:		
Depreciation	28,803	25,779
Amortization of intangible assets	884	643
Amortization of right-of-use assets	560	—
Gain on derivative financial instruments	(57)	(1,805)
Deferred income tax	3,965	4,254
Deferred financing costs amortization	820	791
Debt discount amortization	364	400
Loss on asset disposal	13	7,287
Long term compensation	32	—
Affiliate investment	(1,094)	—
Exchange gain, net	(8,935)	(1,600)
Increase in accounts receivable	(10,459)	(17,157)
Increase in accounts receivable – related parties	(32,419)	(12,889)
Increase in other receivable	(98)	(5,388)
Decrease (increase) in other receivable – related parties	4,310	(75,033)
Decrease (increase) in inventories	12,173	(4,540)
Increase in other assets	(4,221)	(3,857)
(Decrease) increase in income tax payable	(35,517)	25,707
Increase in accounts payable and accrued liabilities	45,892	1,543
(Decrease) increase in accounts payable – related parties	(3,674)	21,756
Increase in accrued and other liabilities	—	(1)
Net cash provided by operating activities	96,392	152,946
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(51,176)	(121,773)
Advances payment for the acquisition of property, plant and equipment	(6,606)	(853)
Additions of intangible assets	(38)	(1,550)
Insurance proceeds	—	79,437
Proceeds from sales of business	—	47,348
Affiliate investment	—	(48,664)
Net cash used in investing activities	(57,820)	(46,055)
FINANCING ACTIVITIES:		
Proceeds from issuance of financial debt	33,000	55,000
Proceeds from line of credit	75,000	100,000
Payment of line of credit	(47,500)	(55,000)
Payment of financing costs and debt discount	—	(139)
Penalty payment on early extinguishment of debt	—	(240)
Dividends payment	(87,129)	(88,469)
Repayment of capital of loan	—	(24,000)
Payment of lease liabilities	(170)	—
Net cash used in financing activities	(26,799)	(12,848)
Effect of exchange rate changes on cash	844	596
Net increase in cash, cash equivalents and restricted cash	12,617	94,639
Cash and cash equivalents at the beginning of the year	75,644	71,206
Cash and cash equivalents at the end of the period	\$ 88,261	\$ 165,845

AES ANDRES B.V. (*)

Property, plant and equipment, net (Expressed in thousands of US\$)	December 31,				September 30,
	2019	Additions	Reductions	Transfers	2020
<u>Original value:</u>					
Generation plant	\$ 524,856	\$ —	\$ (751)	\$ 2,340	\$ 526,445
LNG facility, pier and pipeline	61,522	—	—	—	61,522
Spare parts	23,525	65	—	(206)	23,384
Buildings	15,830	—	(21)	179	15,988
Vehicles	714	—	—	40	754
Office equipment and others	4,715	193	(42)	104	4,970
Subtotal	<u>631,162</u>	<u>258</u>	<u>(814)</u>	<u>2,457</u>	<u>633,063</u>
<u>Accumulated depreciation</u>					
Generation plant	(80,030)	(12,922)	738	—	(92,214)
LNG facility, pier and pipeline	(70,278)	(3,287)	—	—	(73,565)
Spare parts	(2,726)	(575)	—	15	(3,286)
Buildings	(3,673)	(275)	21	(15)	(3,942)
Vehicles	(472)	(85)	—	—	(557)
Office equipment and others	(3,934)	(224)	42	—	(4,116)
Subtotal	<u>(161,113)</u>	<u>(17,368)</u>	<u>801</u>	<u>—</u>	<u>(177,680)</u>
Subtotal	470,049	(17,110)	(13)	2,457	455,383
Land	36,900	—	—	—	36,900
Construction in progress	6,074	30,930	—	(2,520)	34,484
Total, net	\$ 513,023	\$ 13,820	\$ (13)	\$ (63)	\$ 526,767

DOMINICAN POWER PARTNERS (*)

Property, plant and equipment, net (Expressed in thousands of US\$)	December 31,				September 30,
	2019	Additions	Retirements	Transfer	2020
<u>Original value:</u>					
Generation plant	\$ 372,653	\$ —	\$ (2,416)	\$ 10,750	\$ 380,987
Buildings	4,611	—	(366)	1,610	5,855
Vehicles	467	—	—	40	507
Spare parts	11,379	34	—	(74)	11,339
Office equipment and others	1,821	55	(46)	246	2,076
Subtotal	<u>390,931</u>	<u>89</u>	<u>(2,828)</u>	<u>12,572</u>	<u>400,764</u>
<u>Accumulated depreciation</u>					
Generation plant	(88,842)	(10,651)	2,416	—	(97,077)
Buildings	(1,818)	(183)	366	—	(1,635)
Vehicles	(344)	(22)	—	—	(366)
Spare parts	568	(408)	—	—	160
Office equipment and others	(1,346)	(139)	46	1	(1,438)
Subtotal	<u>(91,782)</u>	<u>(11,403)</u>	<u>2,828</u>	<u>1</u>	<u>(100,356)</u>
Subtotal	299,149	(11,314)	—	12,573	300,408
Land	8,006	—	—	—	8,006
Construction in progress	3,345	11,768	—	(12,627)	2,486
Total, net	\$ 310,500	\$ 454	\$ —	\$ (54)	\$ 310,900

(*) 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\$)

	<u>September 30,</u> <u>2020</u>	<u>September 30,</u> <u>2019</u>
Interest expense - borrowings	\$ (31,030)	\$ (25,654)
Interest expense - commercial	(1,863)	(447)
Subtotal	<u>(32,893)</u>	<u>(26,101)</u>
Deferred financing cost amortization	<u>(819)</u>	<u>(457)</u>
Interest income - commercial	6,619	7,949
Interest income - financial	455	1,270
Subtotal	<u>7,074</u>	<u>9,219</u>
Total	<u>\$ (26,638)</u>	<u>\$ (18,994)</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, 2020	September 30, 2019
REVENUES:		
Electricity sales	\$ 139,639	\$ 158,513
Other revenues	1,173	2,708
Total revenues	140,812	161,221
OPERATING COSTS AND EXPENSES:		
Cost of revenues	(48,632)	(73,584)
Operating, general and maintenance expenses	(22,815)	(26,230)
Depreciation and amortization	(14,418)	(14,925)
Total operating costs and expenses	(85,865)	(114,739)
OPERATING INCOME	54,947	46,482
OTHER INCOME (EXPENSE):		
Interest expense - net	(5,037)	(3,148)
Debt discount amortization	(126)	(140)
Other income - net	119	1
Exchange gain (loss) - net	424	(25)
Total other expense	(4,620)	(3,312)
INCOME BEFORE TAXES	50,327	43,170
Income tax expense	13,669	11,577
NET COMPREHENSIVE INCOME	\$ 36,658	\$ 31,593

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, 2020	December 31,2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 43,562	\$ 51,353
Accounts receivable - trade	6,263	7,247
Accounts receivable - related parties	66,785	43,129
Inventories, net	20,631	20,612
Prepaid expenses and other assets	1,635	243
Total current assets	138,876	122,584
PROPERTY, PLANT AND EQUIPMENT, NET:		
Land	7,389	7,389
Plant and electricity generating equipment	412,191	412,335
Accumulated depreciation	(233,176)	(221,826)
Construction in progress	16,086	7,429
Total Property, plant and equipment, net	202,490	205,327
OTHER ASSETS:		
Intangible assets, net	581	1,194
Prepayments	4,214	3,147
Right of use asset, net	525	36
Total other assets	5,320	4,377
TOTAL ASSETS	\$ 346,686	\$ 332,288
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 12,236	\$ 14,625
Accounts payable - related parties	2,529	1,463
Lease liability	122	36
Income tax payable	3,922	2,264
Total current liabilities	18,809	18,388
LONG TERM LIABILITIES:		
Financial debt - net	96,927	96,631
Deferred income tax	7,542	8,692
Long - term compensation	8	—
Lease liability - LT	394	—
Total long-term liabilities	104,871	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	(132,929)	(147,357)
Total shareholder's equity	223,006	208,577
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 346,686	\$ 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)

	September 30, 2020	September 30, 2019
OPERATING ACTIVITIES:		
Net comprehensive income	\$ 36,658	\$ 31,593
Adjustments to reconcile net comprehensive income to net cash provided in operating activities:		
Depreciation	14,186	14,666
Amortization of intangible assets	231	259
Right of use amortization	125	—
Derivative Instruments	—	1,658
Deferred financing costs amortization	152	170
Debt discount amortization	126	140
Deferred income tax	(354)	(204)
Long term compensation	1	6
Exchange (gain) loss, net	(424)	25
Decrease (increase) in accounts receivable	983	(512)
(Increase) decrease in other accounts receivable – related companies	(23,656)	54,521
(Increase) decrease in inventories	(19)	1,510
Increase in prepaid expense and other assets	(1,392)	(1,175)
Increase (decrease) in income tax payable	1,658	(2,133)
Decrease in accounts payable and accrued liabilities	(1,275)	(5,140)
Increase (decrease) in accounts payable - related parties	1,066	(1,327)
Net cash provided by operating activities	28,067	94,056
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(9,315)	(8,551)
Advance payments for the acquisition of property, plant and equipment	(4,214)	(2,413)
Additions to intangible assets	(14)	(565)
Net cash used in investing activities	(13,543)	(11,529)
FINANCING ACTIVITIES:		
Proceeds from line of credit	25,000	10,000
Payment of line of credit	(25,000)	(10,000)
Payment of lease liability	(85)	—
Dividends payment	(22,230)	(41,271)
Net cash used in financing activities	(22,315)	(41,271)
Net (decrease) increase in cash and cash equivalents	(7,791)	41,256
Cash and cash equivalents at the beginning of the year	51,353	13,455
Cash and cash equivalents at the end of the period	\$ 43,562	\$ 54,711

Property, plant and equipment, net (Expressed in thousands of US\$)	December 31,				September 30,
	2019	Additions	Retirements	Transfers	2020
<u>Original value:</u>					
Buildings	\$ 37,846	\$ —	\$ —	\$ —	\$ 37,846
Generating equipment	360,364	—	(2,430)	2,474	360,408
Spare parts	6,016	464	(36)	(359)	6,085
Vehicles	336	—	—	—	336
Office equipment	7,773	114	(371)	—	7,516
Subtotal	<u>412,335</u>	<u>578</u>	<u>(2,837)</u>	<u>2,115</u>	<u>412,191</u>
<u>Accumulated depreciation:</u>					
Buildings	(18,426)	(563)	—	—	(18,989)
Generating equipment	(196,131)	(13,212)	2,430	(7)	(206,920)
Spare parts	(1,116)	(228)	36	7	(1,301)
Vehicles	(308)	(21)	—	—	(329)
Office equipment	(5,846)	(162)	371	—	(5,637)
Subtotal	<u>(221,827)</u>	<u>(14,186)</u>	<u>2,837</u>	<u>—</u>	<u>(233,176)</u>
Construction in progress	7,429	10,772	—	(2,115)	16,086
Land	7,389	—	—	—	7,389
Subtotal	<u>14,818</u>	<u>10,772</u>	<u>—</u>	<u>(2,115)</u>	<u>23,475</u>
Total, net	\$ 205,326	\$ (2,836)	\$ —	\$ —	\$ 202,490

INTEREST EXPENSE - NET (Expressed in thousands of US\$)	September 30,	September 30,
	2020	2019
Interest expense - financial	\$ (6,328)	\$ (6,529)
Subtotal	<u>(6,328)</u>	<u>(6,529)</u>
Amortization of deferred financing costs	<u>(152)</u>	<u>(170)</u>
Interest income - commercial	924	2,716
Interest income - financial	519	835
Subtotal	<u>1,443</u>	<u>3,551</u>
Total	\$ (5,037)	\$ (3,148)

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 September 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 <u>measures of national income and output</u> for a given <u>country's economy</u> . GDP is defined as the total <u>market value</u> of all final goods and services produced within the country in a given period of time (usually a <u>calendar year</u>).
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 <u>The McGraw-Hill Companies</u> . Products include Platts Energy Economist, <u>industry news</u> and <u>price benchmarks</u> for the <u>oil</u> , <u>natural gas</u> , <u>electricity</u> , <u>nuclear power</u> , <u>coal</u> , <u>petrochemical</u> and <u>metals</u> markets.
PPA:	Power Purchase Agreement.
SENI:	Sistema Eléctrico Nacional Interconectado or the National Interconnected Electrical System.