The AES Corporation

First Quarter 2023 Financial Review

May 5, 2023

Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Key Highlights

→ New Strategic Business Units (SBUs) better reflect simplified company that AES is today, and the pillars of our future growth:

- Renewables – solar, wind, energy storage and hydro businesses
- Utilities – AES Indiana, AES Ohio and AES El Salvador
- Energy Infrastructure – thermal generation and LNG businesses[1]
- New Energy Technologies – Fluence, Uplight, green hydrogen and future new business innovations to support our mission

→ Q1 2023 Adjusted EPS[2] of $0.22 compared to $0.21 in Q1 2022

- Reaffirming 2023 Adjusted EPS[2] guidance of $1.65 to $1.75
- Reaffirming 7% to 9% annualized growth target for Adjusted EPS[3] and Parent Free Cash Flow[4] through 2025, off a base year of 2020

1. Businesses in Chile, which have a mix of generation sources, including renewables, are included, as the generation from all sources is pooled to service our existing PPAs.
2. A non-GAAP financial measure. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2022.
3. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2022.
4. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2022.

Strong Demand for Renewables

→ Signed PPAs for 309 MW

- 154 MW with a US technology customer in Brazil[1]

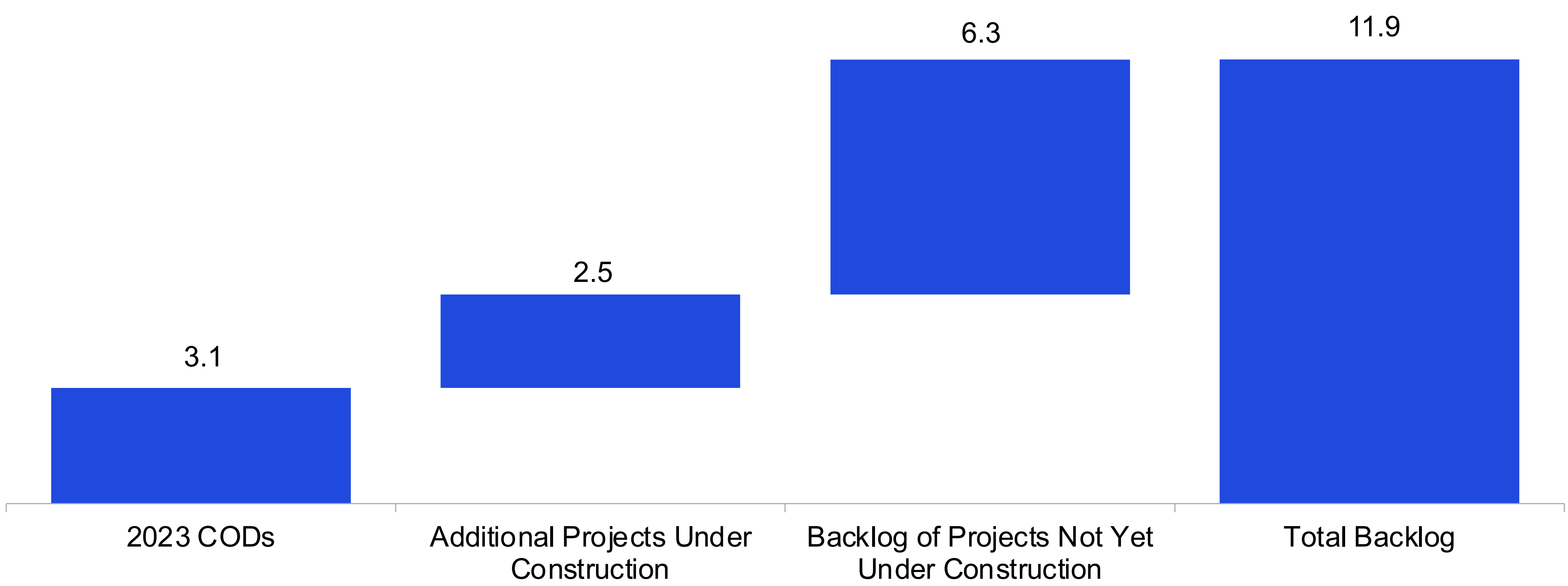
→ Benefits of IRA[2] becoming clearer

- One-third of 51 GW US pipeline eligible for additional tax credits due to location in energy communities
- Green hydrogen JV with Air Products is expected to qualify for highest tax credit

1. Replaced an existing contractual structure in the backlog.
2. Inflation Reduction Act.

Backlog of 11.9 GW, Including 5.6 GW Under Construction

Capacity in GW



AES Ohio Signed Comprehensive Settlement Agreement for ESP4

aes Ohio

Electric Security Plan (ESP 4)

→ Broad support from residential, commercial, industrial and low-income customers

→ Included Commission Staff as a signatory

→ Expect final approval by the end of the third quarter

Expect to More Than Double Rate Base by the End of 2027, Making AES Ohio One of the Fastest Growing Utilities in the US

Reached a Major Milestone Toward Exiting Coal by the End of 2025

→ Agreed to terminate the PPA for the 205 MW Warrior Run plant in Maryland, for total payments of $357 million[1]

→ Retain control of the site and exploring additional uses that capitalize on the valuable location and existing infrastructure

→ Transaction beneficial for all parties involved

→ Example of maximizing value as we exit coal

1. Subject to regulatory approval.

Signed Agreements to Extend Operations at Southland Legacy

- → 3-year extensions for 1.4 GW of gas generation in Southern California
- → Previously scheduled to retire at the end of 2023
- → Extensions will help meet California's grid reliability needs, while supporting its efforts to transition over time to low carbon sources of electricity

Q1 2023 Financial Review

- → Q1 2023 results
- → 2023 guidance
- → 2023 Parent capital allocation

New SBUs[1] Reflect Simplified Portfolio & Aligns Management Teams

Renewables

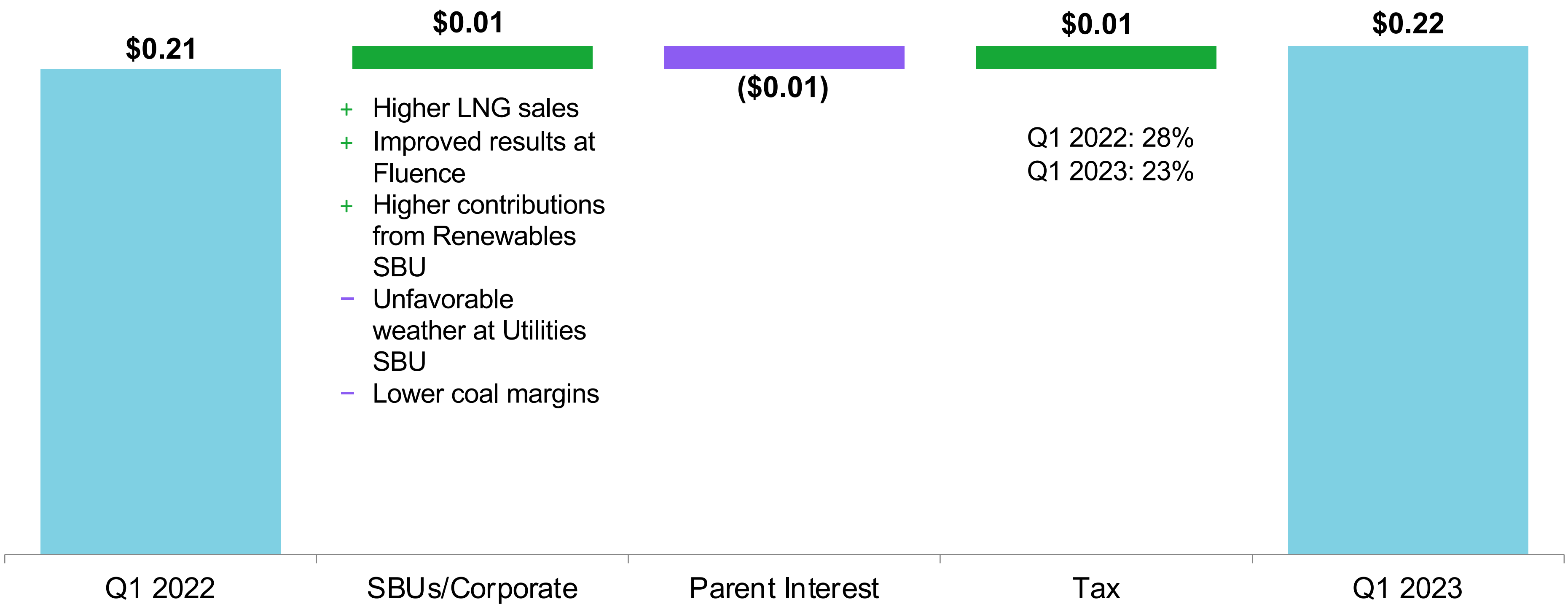
Utilities

Energy Infrastructure

New Energy Technologies

1. Strategic Business Units.

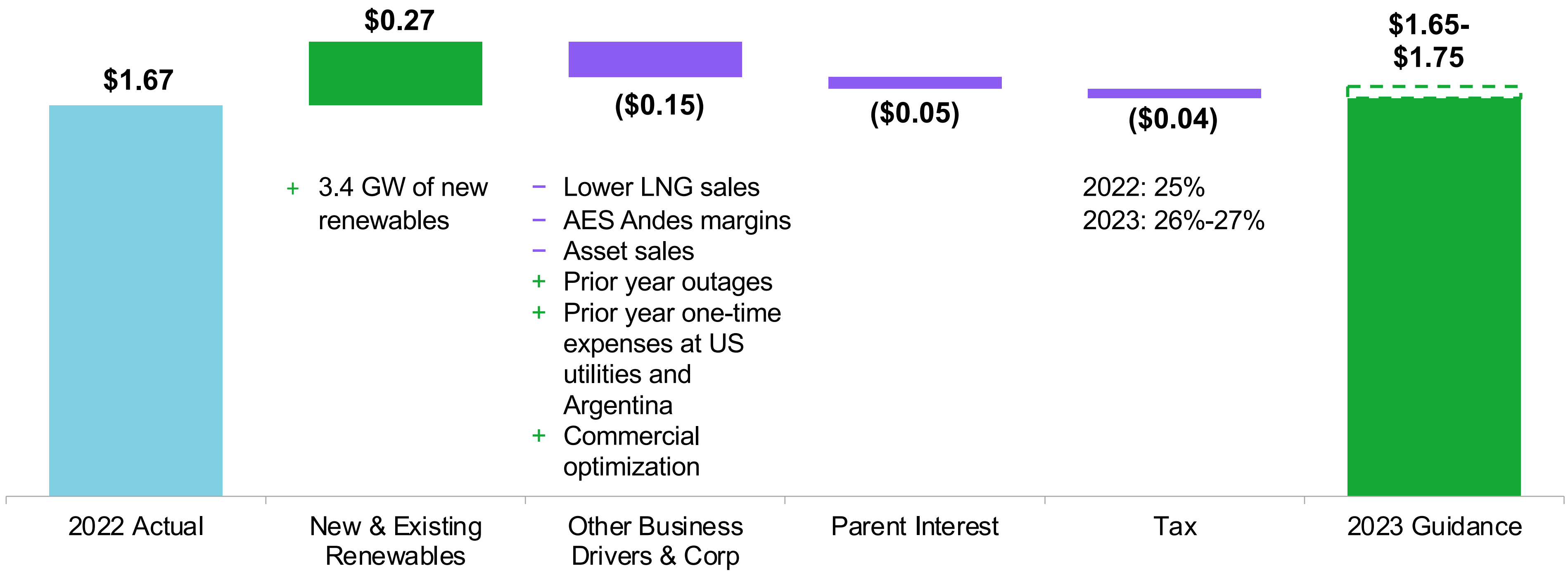
Q1 2023 Adjusted EPS[1] Increased $0.01



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Reaffirming 2023 Adjusted EPS[1] Guidance and 7%-9% Annualized Growth Through 2025[2]

$ Per Share



Excludes up to $0.10 of Potential Upside from Completion of an Additional 600 MW of Renewables

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2022.
2. From a base of 2020 Adjusted EPS of $1.44.

Q1 2023 Financial Results

$ in Millions

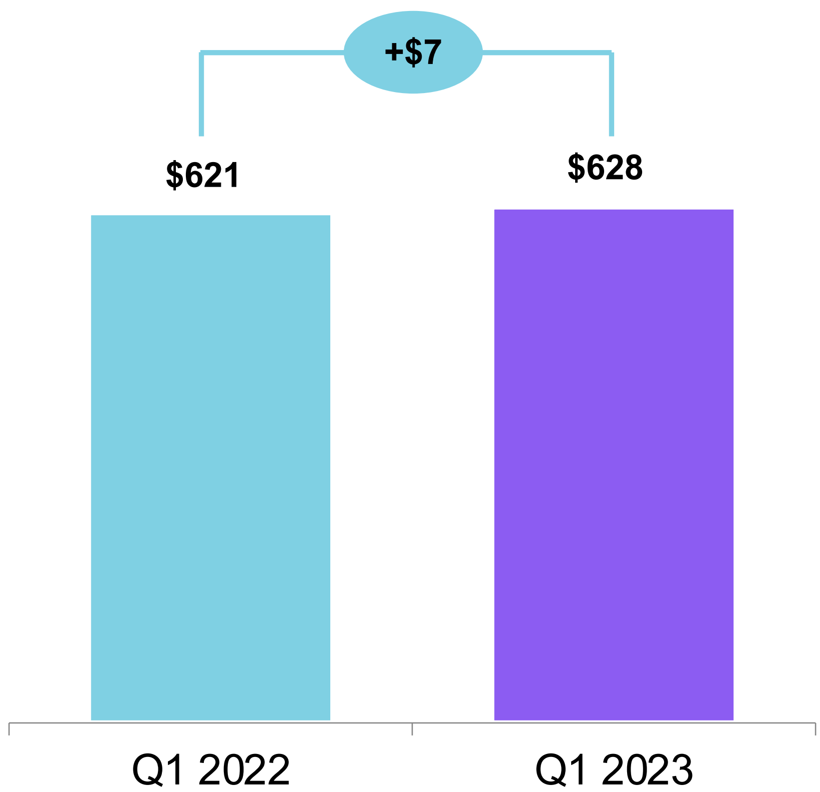
→ Higher Adjusted EBITDA[1] driven primarily by:

- Higher LNG sales;
- Improved results at Fluence; and
- Higher contributions from Renewables SBU

→ Partially offset by:

- Warmer weather at Utilities SBU; and
- Lower coal margins

Adjusted EBITDA[1]



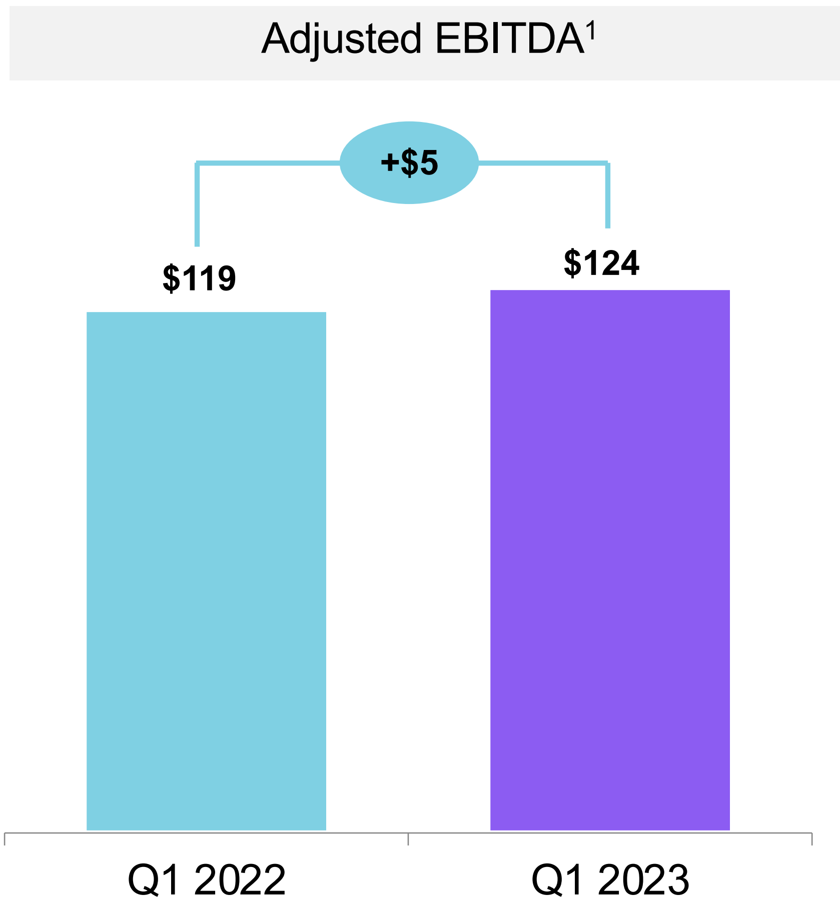
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q1 2023 Financial Results: Renewables

$ in Millions

→ Higher Adjusted EBITDA[1] driven primarily by:
- Higher margins in Panama;
- Higher wind generation; and
- Contributions from new businesses

→ Partially offset by:
- Higher spend due to an accelerated growth plan; and
- Lower power prices at Bulgaria wind

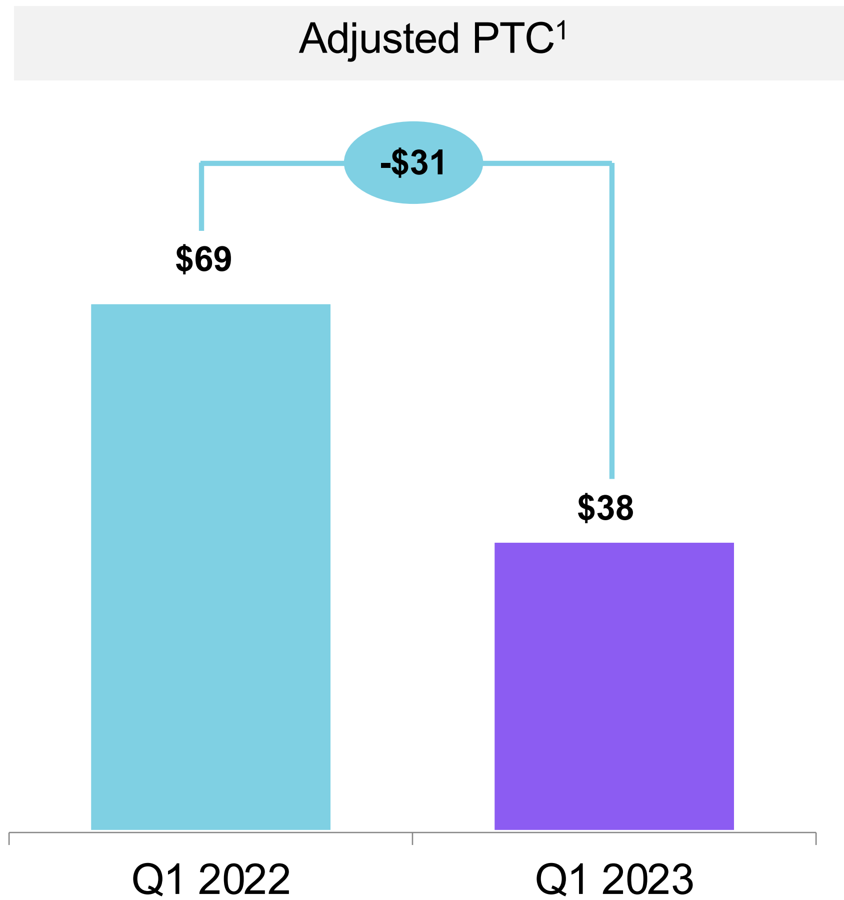


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q1 2023 Financial Results: Utilities

$ in Millions

- Lower Adjusted PTC[1] driven primarily by:
  - Warmer winter weather; and
  - Higher interest expense
- Partially offset by rate base growth



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

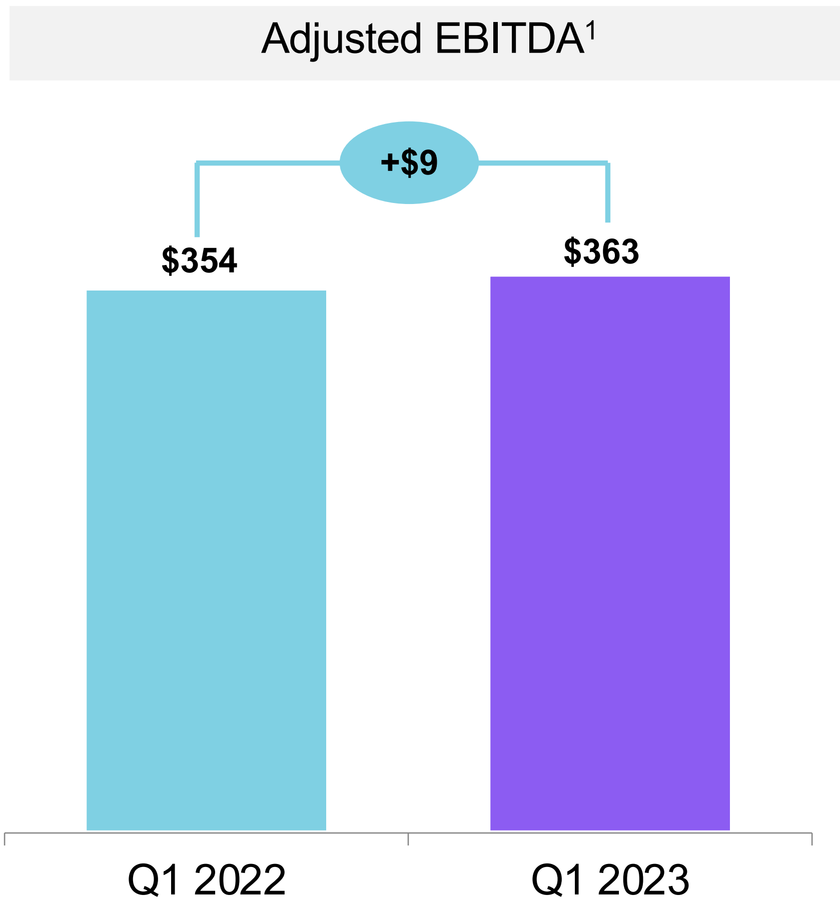
Q1 2023 Financial Results: Energy Infrastructure

$ in Millions

→ Higher Adjusted EBITDA[1] driven primarily by higher LNG sales

→ Partially offset by:

- Lower coal margins;
- Retirement of Hawaii coal plant; and
- Lower availability at Southland

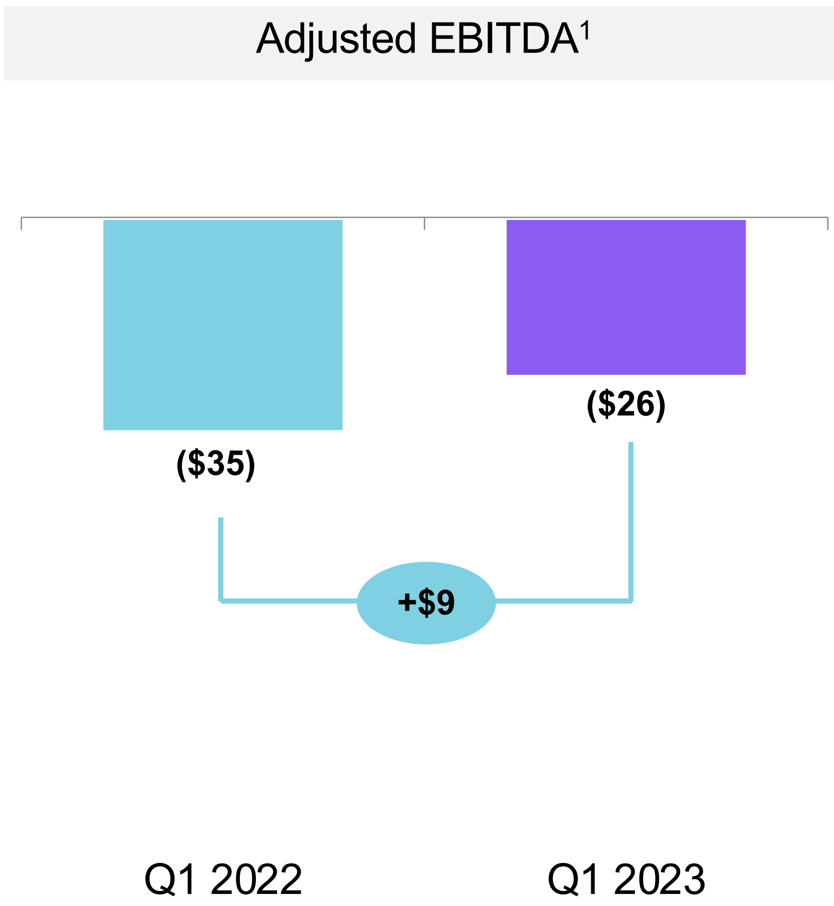


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q1 2023 Financial Results: New Energy Technologies

$ in Millions

→ Higher Adjusted EBITDA[1] driven primarily by improved results at Fluence

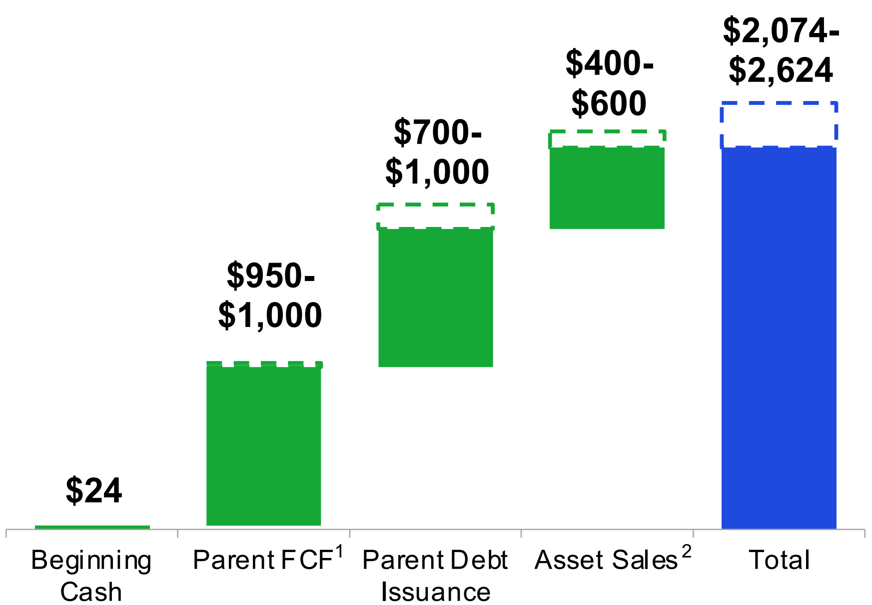


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

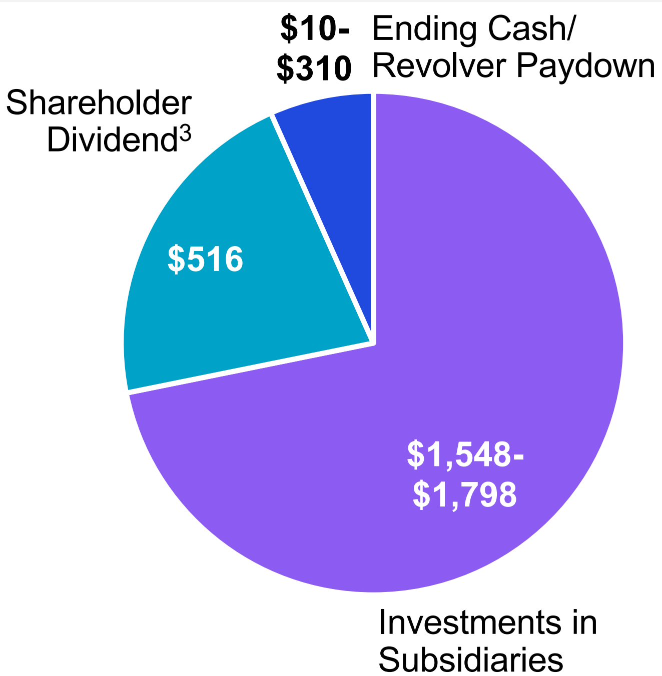
2023 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($2,074-$2,624)



Discretionary Cash – Uses ($2,074-$2,624)



1. A non-GAAP financial measure. See Appendix for definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2022.
2. Announced sell-downs of US renewables, Jordan, unannounced asset sales, and termination of the Warrior Run PPA.
3. Includes 2023 payment of $0.1659 per share each quarter on 669 million shares outstanding as of December 31, 2022, and 6.875% coupon on $1 billion of equity units issued in March 2021.

Key Takeaways

- → Remain on track to achieve 2023 Adjusted EPS[1] guidance of $1.65 to $1.75 and 7% to 9% annualized growth rate target through 2025
- → Continue to see strong demand for renewables, especially from corporate customers
- → Renewables construction projects are progressing as planned
- → Encouraged by the settlement agreement at AES Ohio, which paves the way for final approval of ESP4 later this year and creates the framework for significant investments
- → Successful negotiations to terminate the Warrior Run contract and extend the operations of 1.4 GW of Southland legacy units as indicative of success in maximizing shareholder value from our existing assets

Appendix

1. A non-GAAP financial measure. See "definitions".

Parent Sources and Uses of Liquidity

$ in Millions	Q1 2022	Q1 2023
Sources		
Total Subsidiary Distributions[1]	$165	$356
Proceeds from Asset Sales, Net	-	$98
Financing Proceeds, Net	-	-
Increased/(Decreased) Credit Facility Commitments	-	-
Issuance of Common Stock, Net	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	$486	$56
Beginning Parent Company Liquidity[2]	$878	$1,165
Total Sources	$1,529	$1,675
Uses		
Repayments of Debt	-	-
Shareholder Dividend	($123)	($129)
Investments in Subsidiaries, Net	($645)	($304)
Cash for Development, Selling, General & Administrative and Taxes	($102)	($113)
Cash Payments for Interest	($52)	($61)
Changes in Letters of Credit and Other, Net	$31	$19
Ending Parent Company Liquidity[2]	($638)	($1,087)
Total Uses	($1,529)	($1,675)

1. See “definitions”.
2. A non-GAAP financial measure. See “definitions”.

Q1 2023 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU	Q1 2023
Renewables	$34
Utilities	$22
Energy Infrastructure	$297
New Energy Technologies	-
Corporate[2]	$3
Total	$356

Top Subsidiary Distributions[1] by Business

Q1 2023

Business	Amount	Business	Amount
Maritza (Energy Infrastructure)	$154	Integrated Energy (Energy Infrastructure)	$5
US Generation (Energy Infrastructure)	$103	Global Insurance (Corporate)	$3
AES Clean Energy (Renewables)	$35	Puerto Rico (Energy Infrastructure)	$2
Southland (Energy Infrastructure)	$30	Mong Duong (Energy Infrastructure)	$1
AES Indiana (Utilities)	$22		

1. See “definitions”.
2. Corporate & Other includes Global Insurance.

Reconciliation of Subsidiary Distributions[1] and Parent Company Liquidity[1]

$ in Millions

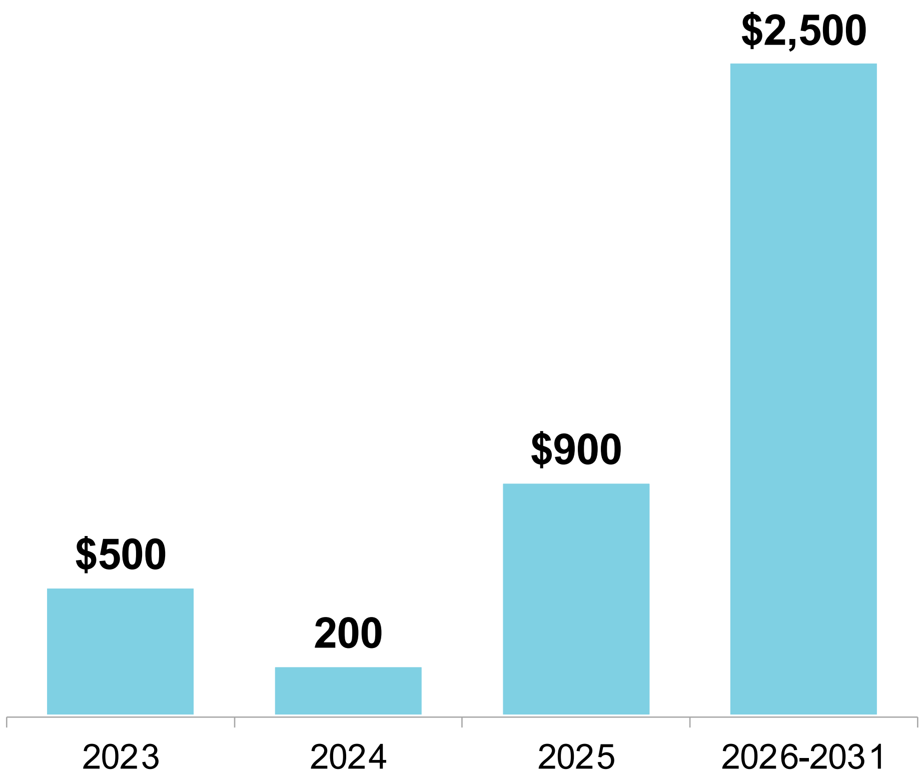
	Quarter Ended			
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$356	$753	$69	$311
Total Return of Capital Distributions to Parent & QHCs[2]	$56	-	-	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	$412	$753	$69	$311

	Balance as of			
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Cash at Parent & QHCs[2]	$117	$24	$49	$29
Availability Under Credit Facilities	$970	$1,141	$374	$414
Ending Liquidity	$1,087	$1,165	$423	$443

1. A non-GAAP financial measure. See “definitions”.
2. Qualified Holding Company. See “assumptions”.

Most Recourse Debt[1] Maturities in 2025 and Beyond

$ in Millions, as of March 31, 2023

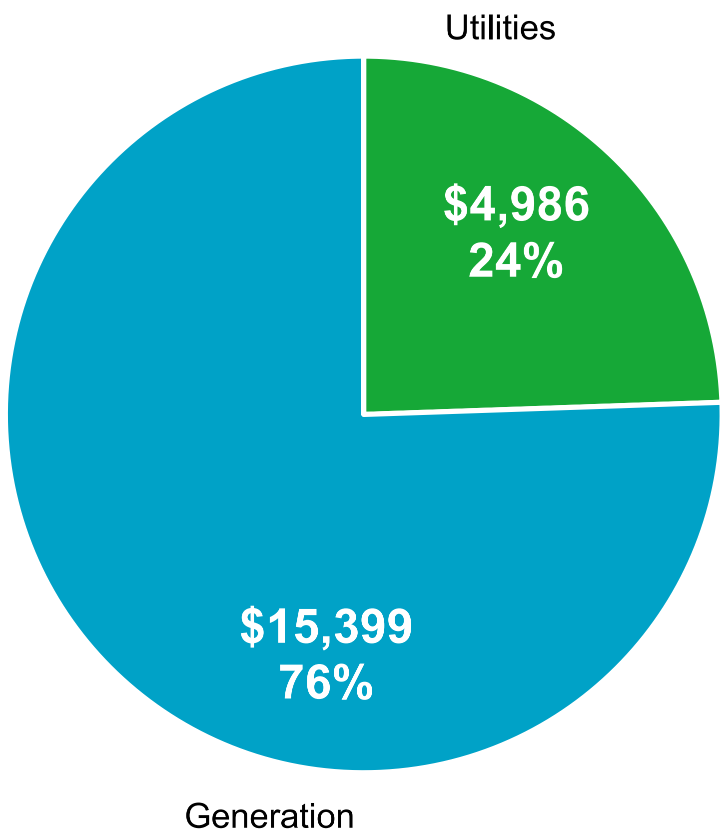


	Recourse Debt
Weighted Average All-in Cost	3.31%
Weighted Average Maturity	4.5 years
Percentage Fixed or Hedged	83%
Percentage in Functional Currency	100%

1. Does not include temporary drawings under revolvers of $160 million and commercial paper issuance of $350 million at Parent Company.

$20.4 Billion of Non-Recourse Debt[1]

$ in Millions, as of March 31, 2023

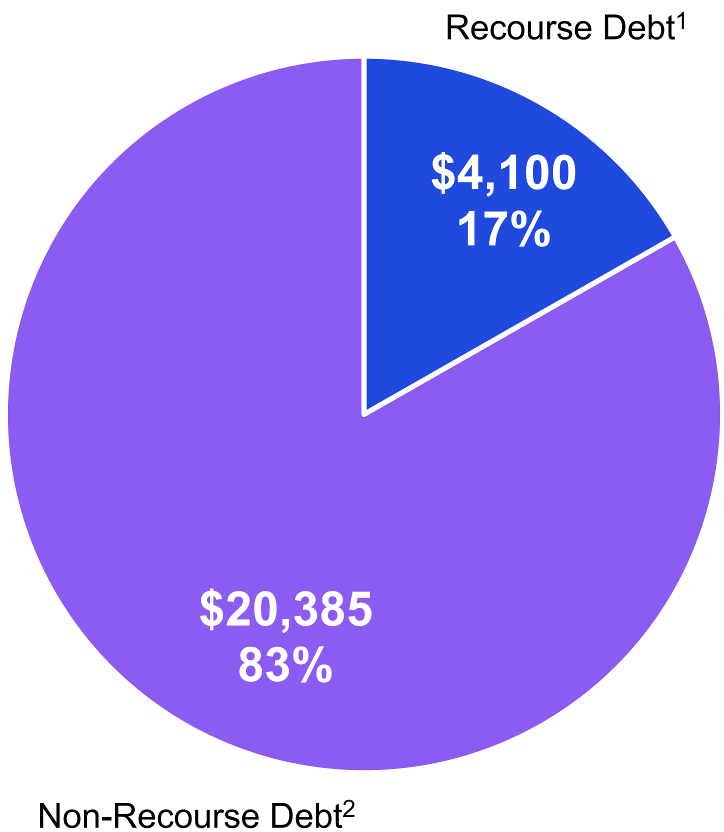


	Non-Recourse Debt
Weighted Average All-in Cost	5.56%
Weighted Average Maturity	9.0 years
Percentage Fixed or Hedged	71%
Percentage in Functional Currency	~100%

1. Does not include temporary drawings under revolvers at US Utilities.

Vast Majority of Interest Rate Exposure is Hedged Through Swaps or Contractual Arrangements

$ in Millions, as of March 31, 2023



	Recourse Debt	Non-Recourse Debt
Weighted Average All-in Cost	3.31%	5.56%
Weighted Average Maturity	4.5 years	9.0 years
Percentage Fixed or Hedged	83%	71%
Percentage in Functional Currency	100%	~100%

1. Does not include temporary drawings under revolvers and commercial paper at Parent Company.
2. Does not include temporary drawings under revolvers at US Utilities.

Q1 Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q1 2023	Q1 2022	Variance
Adjusted PTC[1]			
Renewables	$32	$45	($13)
Utilities	$38	$69	($31)
Energy Infrastructure	$211	$172	$39
New Energy Technologies[2]	($28)	($38)	$10
Corporate	($49)	($41)	($8)
Total AES Adjusted PTC[1,3]	$204	$207	($3)
Adjusted Effective Tax Rate	23%	28%	
Diluted Share Count	712	711	
Adjusted EPS[1]	$0.22	$0.21	

1. A non-GAAP financial measure. See Slide 36 for reconciliation to the nearest GAAP measure and “definitions”
2. Includes $22 million and $38 million of losses from AES Next for the three months ended March 31, 2023 and 2022, respectively.
3. Includes $20 million and $24 million of adjusted after-tax equity in losses for the three months ended March 31, 2023 and 2022, respectively.

Q1 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

AES SBU/Reporting Country	Utilities/US			
AES Company	IPL		DPL	
$ in Millions	Q1 2023	Q1 2022	Q1 2023	Q1 2022
US GAAP Reconciliation				
AES Business Unit Adjusted Earnings[1,2]	$13	$31	$1	$16
Adjusted PTC[1,3] Public Filer (Stand-alone)	$17	$39	$2	$12
Impact of AES Differences from Public Filings	-	-	-	-
AES Business Unit Adjusted PTC[1]	$17	$39	$2	$12
Unrealized Derivatives and Equity Security Gains (Losses)	-	-	-	($2)
Unrealized Foreign Currency Gains (Losses)	-	-	-	-
Impairment Expense	-	-	-	-
Disposition/Acquisition Gains (Losses)	-	-	-	$1
Losses on Extinguishment of Debt	-	-	-	-
Non-Controlling Interest before Tax	$7	$17	-	-
Income Tax Expenses	($5)	($12)	($1)	$4
US GAAP Income from Continuing Operations[3]	$19	$44	$1	$15

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's Adjusted PTC as it is included in AES consolidated Adjusted PTC with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. Total Adjusted PTC, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities.
3. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.

Q1 Adjusted EBITDA[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

AES SBU/Reporting Country	Renewables & Energy Infrastructure/Chile		Renewables/Brazil	
AES Company	AES Andes[2]		AES Brasil[2]	
$ in Millions	Q1 2023	Q1 2022	Q1 2023	Q1 2022
US GAAP Reconciliation				
AES Business Unit Adjusted Earnings[1,3]	$149	$146	$31	$24
Adjusted EBITDA[1,3] Public Filer (Stand-alone)	$177	$178	$35	$26
Impact of AES Differences from Public Filings	-	-	-	-
AES Business Unit Adjusted EBITDA[1]	$177	$178	$35	$26
Less: Adjustment for noncontrolling interests and redeemable stock of subsidiaries	$12	$4	($44)	($34)
Less: Income tax expense (benefit), interest expense (income) and depreciation and amortization from equity affiliates	-	-	$1	-
Interest income recognized under service concession arrangements	-	-	-	-
Unrealized derivative and equity securities losses (gains)	$3	($7)	$5	$45
Unrealized foreign currency losses (gains)	$17	$17	($19)	($47)
Disposition/ acquisition losses	-	-	$6	$2
Impairment losses	-	$1	-	-
Loss on extinguishment of debt	-	$4	-	-
EBITDA	$145	$159	$86	$60
Income Tax Expenses	$27	$31	$11	$6
Interest Expense	$51	$34	$54	$29
Interest Income	($18)	($4)	($29)	($9)
Depreciation and Amortization	$38	$37	$29	$23
Net Income	$47	$62	$21	$11
Adjustment to Depreciation & Amortization[5]	($11)	$4	($1)	($3)
Adjustment to Taxes	$2	($3)	$5	$7
Other Adjustments	($5)	-	($13)	($8)
IFRS Net Income	$33	$53	$12	$6
BRL-USD Implied Exchange Rate			5.1954	5.5972

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's Adjusted EBITDA as it is included in AES consolidated Adjusted EBITDA with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. The listed subsidiary is a public filer in its home country and reports its financial results locally under IFRS. Accordingly certain adjustments presented under IFRS Reconciliation are required to account for differences between US GAAP and local IFRS standards.
3. Total Adjusted EBITDA, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities.
4. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.
5. Adjustment to depreciation and amortization expense represents additional expense required due primarily to basis differences of long-lived and intangible assets under IFRS for each reporting period.

Q1 2023 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables	$32	$77	($28)	$49	$45	($19)	$26	$78	($24)	$54
Utilities[2]	$38	$61	($11)	$50	$4	($1)	$3	$97	($22)	$75
DPL	$2	$18	-	$18	-	-	-	$20	-	$20
IPL	$17	$35	($11)	$24	$2	-	$2	$70	($21)	$49
Energy Infrastructure	$211	$136	($25)	$111	$72	($19)	$53	$96	($17)	$79
New Energy Technologies	($28)	-	-	-	-	-	-	-	($1)	($1)
Corporate	($49)	$56	($1)	$55	$2	$1	$3	$3	-	$3
Total	$204	$330	($65)	$265	$123	($38)	$85	$273	($64)	$210

1. A non-GAAP financial measure. See Slide 36 for reconciliation to the nearest GAAP measure and "definitions".
2. Also includes El Salvador.

Q1 2023 Modeling Disclosures

$ in Millions

	Total Debt			Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables	$6,597	($1,754)	$4,843	$1,399	($577)	$822
Utilities[1]	$5,202	($986)	$4,216	$229	($56)	$173
DPL	$1,797	-	$1,797	$21	-	$21
IPL	$3,018	($905)	$2,112	$167	($50)	$117
Energy Infrastructure	$8,950	($1,298)	$7,652	$1,021	($138)	$884
New Energy Technologies	$1	-	-	$9	($1)	$7
Corporate	$4,081	-	$4,081	$241	-	$241
Total	$24,830	($4,038)	$20,792	$2,899	($771)	$2,127

1. Also includes El Salvador.

AES Modeling Disclosures

$ in Millions

	2023
Subsidiary Distributions (a)	$1,350-$1,400
Cash Interest (b)	($175)
Corporate Overhead	($115)
Parent-Funded SBU Overhead	($100)
Business Development/Taxes	($10)
Cash for Development, General & Administrative and Tax (c)	($225)
Parent Free Cash Flow[1] (a – b – c)	$950-$1,000

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See "definitions".

Year-to-Go 2023 Guidance Estimated Sensitivities

Interest Rates[1]

100 bps increase in interest rates over 2023 is forecasted to have a change in Adjusted EPS of ($0.01)

Currencies

10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts:	YTG 2023	
	Average Rate	Sensitivity
Argentine Peso (ARS)[2]	273.72	~($0.03)
Brazilian Real (BRL)	5.21	Less than ($0.005)
Chilean Peso (CLP)	805.37	~$0.01
Colombian Peso (COP)	4778.34	~($0.005)
Dominican Peso (DOP)	55.42	~$0.015
Euro (EUR)	1.08	Less than ($0.005)
Mexican Peso (MXN)	18.47	~$0.01

Commodities

10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	YTG 2023	
	Average **Rate**	Sensitivity
IPE Brent Crude Oil[3]	$79.11/bbl	Less than ($0.005)
NYMEX Henry Hub Natural Gas[3]	$2.84/mmbtu	Less than ($0.005)
Rotterdam Coal (API 2)[3]	$139.58/ton	Less than ($0.005)
US Power – SP15	$71.01MWh	Less than $0.01

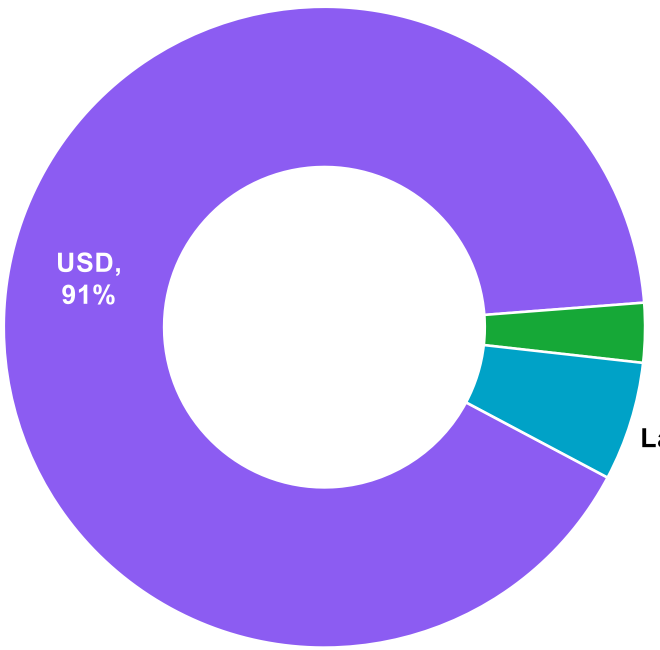
Note: Guidance reaffirmed on May 5, 2023. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES guidance issued on February 27, 2023. Estimates show the impact on year-to-go 2023 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2023 guidance is based on currency and commodity forward curves and forecasts as of March 31, 2023. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented. Please see Item 1 of the Form 10-K for a more complete discussion of this topic. AES has exposure to multiple coal, oil, natural gas and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest $0.005 per share.

1. The move is applied to the floating interest rate portfolio balances as of March 31, 2023
2. Argentine Peso sensitivities are based on AES internal FX rate assessment.
3. Sensitivity assumes no change in power prices.

Limited Exposure to Fluctuations in Foreign Currency

2023-2026 Cumulative Exposure

Composition by Currency



Annualized Impact[1] of 10% USD Appreciation on Adjusted PTC[2,3] After Hedging

Non-USD Currencies	$ in Millions
Argentine Peso (ARS)	($16.0)
Euro (EUR)	($5.0)
Chilean Peso (CLP)	$14.0
Brazilian Real (BRL)	($3.0)
Others	~$0
% of Annualized Adjusted PTC[2]	-0.99%

($10) Million Annualized Adjusted PTC Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of March 31, 2023. Exception: Argentine Peso and Brazilian Real forward curves are based on AES internal FX rate assessment. Sensitivities are rounded to the nearest $1 million. Excludes inflation adjustments earned through contracts in Argentina and Colombia in the first 12 months.
2. Annualized values are cumulative exposure as of March 31, 2023.
3. As of March 31, 2023. A non-GAAP financial measure. See “definitions”.

PPAs Signed in Q1 2023

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
AES Dominicana	Dominican Republic	Solar	155	85%	1H-2H 2024	15
Total Q1 2023			155[2]			

1. Commercial Operations Date.
2. Excludes 154 MW of wind in Brazil, which replaced an existing contractual structure in the backlog.

Reconciliation of Q1 Adjusted PTC and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q1 2023 Net of NCI[2]	Q1 2023 Per Share (Diluted) Net of NCI[2]	Q1 2022 Net of NCI[2]	Q1 2022 Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$151	$0.21	$115	$0.16
Add: Income Tax Expense from Continuing Operations Attributable to AES	$51		$50	
Pre-Tax Contribution	$202		$165	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	($39)	($0.06)[3]	$41	$0.06[4]
Unrealized Foreign Currency Losses (Gains)	$31	$0.04[5]	($19)	($0.02)[6]
Disposition/Acquisition Losses	($3)	-	$9	$0.01
Impairment Losses	$9	$0.01	$1	-
Loss on Extinguishment of Debt	$4	$0.01	$10	$0.01
Less: Net Income Tax Benefit	-	$0.01	-	($0.01)
Adjusted PTC[1] & Adjusted EPS[1]	$204	$0.22	$207	$0.21

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses at Energy Infrastructure SBU of $48 million, or $0.07 per share.
4. Amount primarily relates to unrealized commodity derivative losses at New York Wind of $20 million, or $0.03 per share, and unrealized foreign currency derivative losses in Brazil of $20 million, or $0.03 per share.
5. Amount primarily relates to unrealized foreign currency losses mainly associated with the devaluation of long-term receivables denominated in Argentine pesos of $25 million, or $0.03 per share.
6. Amount primarily relates to unrealized foreign currency gains in Brazil of $22 million, or $0.03 per share, mainly associated with debt denominated in Brazilian reais.

Reconciliation of Q1 Adjusted EBITDA[1]

$ in Millions	Q1 2023	Q1 2022
Net Income	$189	$171
Income Tax Expense	$72	$60
Interest Expense	$330	$258
Interest Income	($123)	($75)
Depreciation and Amortization	$273	$270
EBITDA	$741	$684
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries[1]	($170)	($155)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation and Amortization from Equity Affiliates	$39	$34
Interest Income Recognized Under Service Concession Arrangements	$18	$19
Unrealized Derivative and Equity Securities Losses (Gains)	($39)	$42
Unrealized Foreign Currency Losses (Gains)	$32	($19)
Disposition/Acquisition Losses	($3)	$9
Impairment Losses	$9	$1
Loss on Extinguishment of Debt	$1	$6
Total Adjusted EBITDA	$628	$621

Renewables SBU	$124	$119
Utilities SBU	$162	$184
Energy Infrastructure SBU	$363	$354
New Energy Technologies SBU	($26)	($35)
Corporate	$5	($1)
Total Adjusted EBITDA	$628	$621

1. The allocation of HLBV earnings to noncontrolling interests is adjusted out of Adjusted EBITDA.

Reconciliation of 2020 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	FY 2020	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$43	$0.06
Add: Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	$130	
Pre-Tax Contribution	$173	
Adjustments		
Unrealized Derivative and Equity Securities Losses	$3	$0.01
Unrealized Foreign Currency (Gains)	($10)	($0.01)
Disposition/Acquisition Losses	$112	$0.17[3]
Impairment Losses	$928	$1.39[4]
Loss on Extinguishment of Debt	$223	$0.33[5]
Net Gains from Early Contract Terminations at Angamos	($182)	($0.27)[6]
U.S. Tax Law Reform Impact	-	$0.02[7]
Less: Net Income Tax Benefit	-	($0.26)[8]
Adjusted PTC[1] & Adjusted EPS[1]	$1,247	$1.44

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to loss on sale of Uruguaiana of $85 million, or $0.13 per share, loss on sale of the Kazakhstan HPPs of $30 million, or $0.05 per share, as a result of the final arbitration decision, and advisor fees associated with the successful acquisition of additional ownership interest in AES Brasil of $9 million, or $0.01 per share; partially offset by gain on sale of OPGC of $23 million, or $0.03 per share.
4. Amount primarily relates to asset impairments at AES Andes of $527 million, or $0.79 per share, other-than-temporary impairment of OPGC of $201 million, or $0.30 per share, impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $85 million, or $0.13 per share, and $57 million, or $0.09 per share, respectively; impairment at AES Hawaii of $38 million, or $0.06 per share, and impairment at Panama of $15 million, or $0.02 per share.
5. Amount primarily relates to losses on early retirement of debt at the Parent Company of $146 million, or $0.22 per share, DPL of $32 million, or $0.05 per share, Angamos of $17 million, or $0.02 per share, and Panama of $11 million, or $0.02 per share.
6. Amounts relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $182 million, or $0.27 per share.
7. Amount represents adjustment to tax law reform remeasurement due to incremental deferred taxes related to DPL of $16 million, or $0.02 per share.
8. Amount primarily relates to income tax benefits associated with the impairments at AES Andes and Guacolda of $164 million, or $0.25 per share, and income tax benefits associated with losses on early retirement of debt at the Parent Company of $31 million, or $0.05 per share; partially offset by income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $49 million, or $0.07 per share.

Reconciliation of 2021-2022 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	FY 2022 Net of NCI[2]	FY 2022 Per Share (Diluted) Net of NCI[2]	FY 2021 Net of NCI[2]	FY 2021 Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	($546)	($0.77)	($413)	($0.59)
Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	$210		($31)	
Pre-Tax Contribution	($336)		($444)	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$128	$0.18[3]	($1)	-
Unrealized Foreign Currency Losses	$42	$0.07[4]	$14	$0.02
Disposition/Acquisition Losses	$40	$0.06[5]	$861	$1.22[6]
Impairment Losses	$1,658	$2.33[7]	$1,153	$1.65[8]
Loss on Extinguishment of Debt	$35	$0.05[9]	$91	$0.13[10]
Net Gains from Early Contract Terminations at Angamos	-	-	($256)	($0.37)[11]
U.S. Tax Law Reform Act	-	-	-	($0.25)[12]
Less: Net Income Tax Benefit	-	($0.25)[13]	-	($0.29)[14]
Adjusted PTC[1] & Adjusted EPS[1]	$1,567	$1.67	$1,418	$1.52

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized losses on power swaps at Southland Energy of $109 million, or $0.15 per share.
4. Amount primarily relates to unrealized foreign currency losses in Argentina of $39 million, or $0.05 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos.
5. Amount primarily relates to costs on disposition of AES Gilbert, including the recognition of an allowance on the sales-type lease receivable, of $10 million, or $0.01 per share, and a day-one loss recognized at commencement of a sales-type lease at AES Waikoloa Solar of $5 million, or $0.01 per share.
6. Amount primarily relates to loss on deconsolidation of Alto Maipo of $1.5 billion, or $2.09 per share, loss on Uplight transaction with shareholders of $25 million, or $0.04 per share, and a day-one loss recognized at commencement of a sales-type lease at AES Renewable Holdings of $13 million, or $0.02 per share, partially offset by gain on initial public offering of Fluence of $325 million, or $0.46 per share, gain on remeasurement of our equity interest in sPower to acquisition-date fair value of $249 million, or $0.35 per share, gain on Fluence issuance of shares of $60 million, or $0.09 per share, and gain on sale of Guacolda of $22 million, or $0.03 per share.
7. Amount primarily relates to goodwill impairments at AES Andes of $644 million, or $0.91 per share, and at AES El Salvador of $133 million, or $0.19 per share, other-than-temporary impairment at sPower of $175 million, or $0.25, as well as long-lived asset impairments at Maritza of $468 million, or $0.66 per share, at TEG TEP of $191 million, or $0.27 per share, and at Jordan of $28 million, or $0.04 per share.
8. Amount primarily relates to asset impairments at AES Andes of $540 million, or $0.77 per share, at Puerto Rico of $475 million, or $0.68 per share, at Mountain View of $67 million, or $0.10 per share, at our sPower equity affiliate, impacting equity earnings by $24 million, or $0.03 per share, at Buffalo Gap of $22 million, or $0.03 per share, at Clean Energy of $14 million, or $0.02 per share, and at Laurel Mountain of $7 million, or $0.01 per share.
9. Amount primarily relates to losses on early retirement of debt due to refinancing at AES Renewable Holdings of $12 million, or $0.02 per share, at AES Clean Energy of $5 million, or $0.01 per share, at Mong Duong of $4 million, or $0.01 per share, and at TEG TEP of $4 million, or $0.01 per share.
10. Amount primarily relates to losses on early retirement of debt at AES Brasil of $27 million, or $0.04 per share, at Argentina of $17 million, or $0.02 per share, at AES Andes of $15 million, or $0.02 per share, and at Andres and Los Mina of $15 million, or $0.02 per share.
11. Amount relates to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $256 million, or $0.37 per share.
12. Amount relates to the tax benefit on reversal of uncertain tax positions effectively settled upon closure of the Company's 2017 U.S. tax return exam of $176 million, or $0.25 per share.
13. Amount primarily relates to the income tax benefits associated with the impairment at Maritza of $48 million, or $0.07 per share, the income tax benefits associated with the other-than-temporary impairment at sPower of $39 million, or $0.06 per share, the income tax benefits associated with the impairment at TEG TEP of $34 million, or $0.05, and the income tax benefits associated with the unrealized losses on power swaps at Southland Energy of $24 million, or $0.03 per share.
14. Amount primarily relates to income tax benefits associated with the loss on deconsolidation of Alto Maipo of $209 million, or $0.30 per share, income tax benefits associated with the impairments at AES Andes of $146 million, or $0.21 per share, at Puerto Rico of $20 million, or $0.03 per share, and at Mountain View of $15 million, or $0.02 per share, partially offset by income tax expense associated with the gain on initial public offering of Fluence of $73 million, or $0.10 per share, income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $69 million, or $0.10 per share, and income tax expense associated with the gain on remeasurement of our equity interest in sPower of $55 million, or $0.08 per share.

Reconciliation of Parent Free Cash Flow[1]

$ in Millions	2022	2021	2020
Net Cash Provided by Operating Activities at the Parent Company[2]	$434	$570	$434
Subsidiary Distributions to QHCs Excluded from Schedule 1[3]	$257	$47	$198
Subsidiary Distributions Classified in Investing Activities[4]	$366	$290	$238
Parent-Funded SBU Overhead and Other Expenses Classified in Investing Activities[5]	($149)	($69)	($85)
Other	($2)	$1	($8)
Parent Free Cash Flow[1]	$906	$839	$777

1. Parent Free Cash Flow (a non-GAAP financial measure) should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company's cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company's investment plan.
2. Refer to Net Cash Provided by Operating Activities at the Parent Company as reported at Part IV—Item 15—Schedule I—Condensed Financial Information of Registrant included in the Company's most recent 10-K filed with the SEC.
3. Subsidiary distributions received by Qualified Holding Companies ("QHCs") excluded from Schedule 1. Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries' business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Consolidated Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.
4. Subsidiary distributions that originated from the results of operations of an underlying investee but were classified as investing activities when received by the relevant holding company included in Schedule 1.
5. Net cash payments for parent-funded SBU overhead, business development, taxes, transaction costs, and capitalized interest that are classified as investing activities or excluded from Schedule 1.

Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in the Gross Domestic Product (GDP), foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain Key Performance Indicators (KPIs) such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualified holding companies ("QHCs") represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to AES, the Parent Company; however, cash held at qualified holding companies does not reflect the impact of any tax liabilities that may result from any such cash being repatriated to the Parent Company in the U.S. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES' indebtedness.

Definitions

Adjusted EBITDA, a non-GAAP measure, is defined by the Company as earnings before interest income and expense, taxes, depreciation and amortization, adjusted for the impact of NCI, interest, taxes, depreciation and amortization of our equity affiliates, and adding-back interest income recognized under service concession; excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; and (f) net gains at Angamos, one of our businesses in the Energy Infrastructure SBU, associated with the early contract terminations with Minera Escondida and Minera Spence.

Adjusted Earnings Per Share, a non-GAAP financial measure, is defined as diluted earnings per share from continuing operations excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and the tax impact from the repatriation of sales proceeds, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence; and (g) tax benefit or expense related to the enactment effects of 2017 U.S. tax law reform and related regulations and any subsequent period adjustments related to enactment effects to include the 2021 tax benefit on reversal of uncertain tax positions effectively settled upon the closure of the Company's 2017 U.S. tax return exam.

Adjusted Pre-Tax Contribution, a non-GAAP financial measure, is defined as pre-tax income from continuing operations attributable to The AES Corporation excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; and (f) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence. Adjusted PTC also includes net equity in earnings of affiliates on an after-tax basis adjusted for the same gains or losses excluded from consolidated entities.

NCI is defined as noncontrolling interests.

Parent Company Liquidity (a non-GAAP financial measure) is defined as as cash available to the Parent Company, including cash at qualified holding companies (“QHCs”), plus available borrowings under our existing credit facility. The cash held at qualified holding companies represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to the Parent Company.

Parent Free Cash Flow (a non-GAAP financial measure) should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company’s cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company’s investment plan.

Subsidiary Liquidity (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.

Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries’ business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Consolidated Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.