The AES Corporation

First Quarter 2021 Financial Review

May 6, 2021

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, the impact of the COVID-19 pandemic on our business, 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' 2020 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.

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

- → Reaffirming 2021 guidance range and 7% to 9% average annual growth target through 2025
- → Signed 1,088 MW of new PPAs[1] for renewables and energy storage, including a 10-year supply agreement with Google for 500 MW of 24/7 carbon-free energy in Virginia
- → Fluence maintained its global lead in the energy storage market and signed an agreement with Northvolt to co-develop next-generation battery technology
- → Secured a 20-year agreement for 34 TBTU of excess LNG throughput capacity in Central America

1. Power Purchase Agreements.

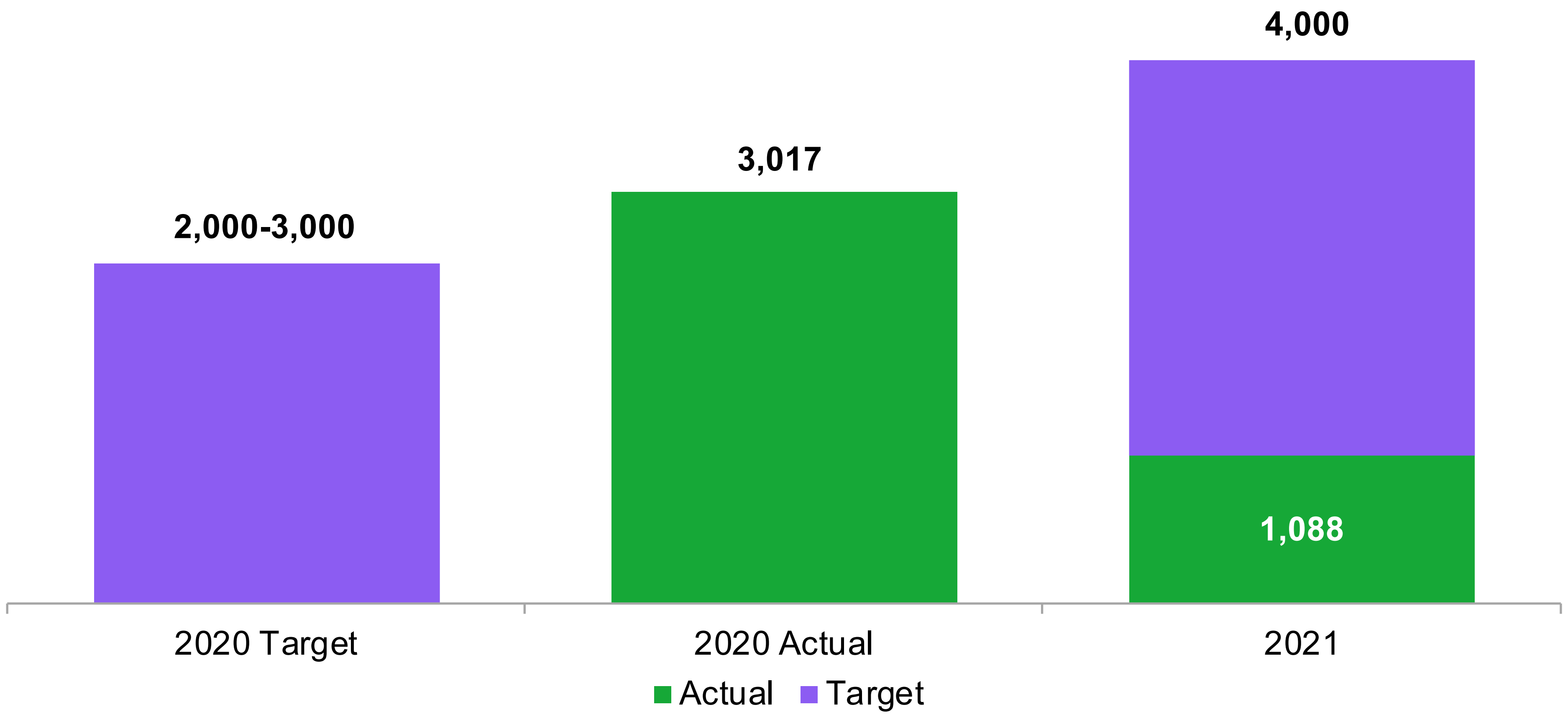
Progress on Strategic Goals for 2021

Goal	Progress to-Date
Sign contracts for 4 GW of renewables	1.1 GW
Launch first 24/7 product for carbon-free energy on an hourly basis	500 MW with Google
Unlock the value of technology platforms	$2.5 billion[2]
Improve ESG positioning through portfolio transformation	On track
Monetize excess LNG capacity in MCAC[1]	34 TBTU

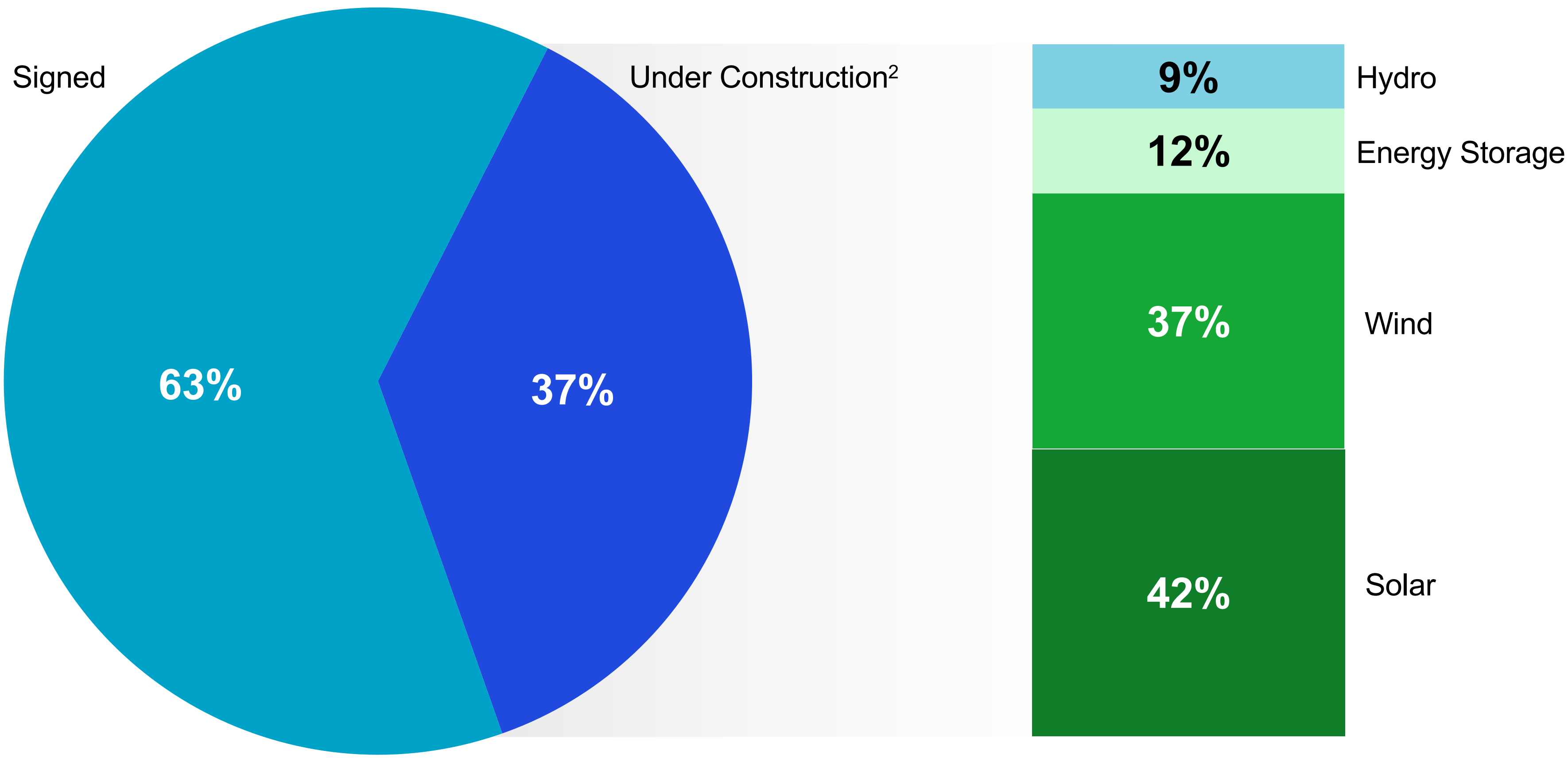
1. Mexico, Central America and the Caribbean.
2. $1.5 billion valuation of Uplight and $1 billion valuation of Fluence.

Expect to Sign 4 GW of Renewables Under Long-Term PPAs in 2021

Capacity in MW



6.9 GW Backlog of Renewables[1]

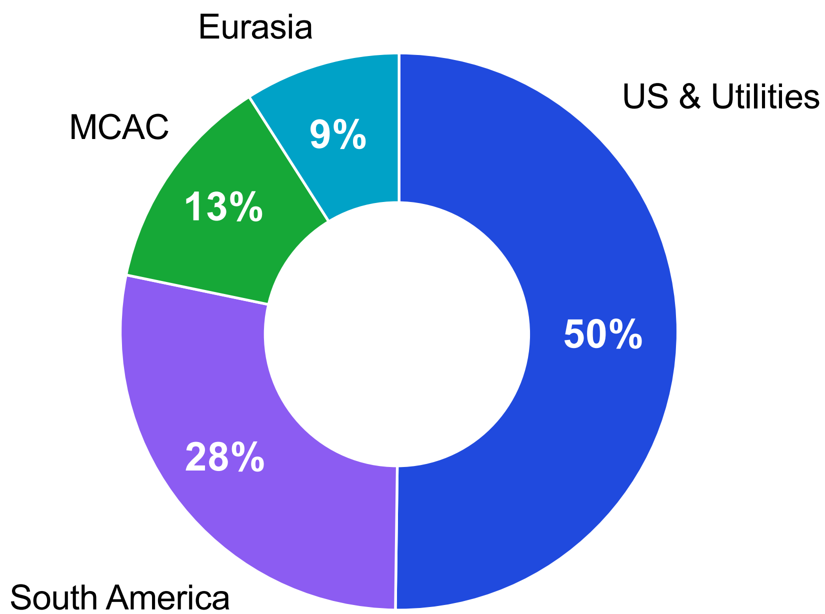


1. US & Utilities: 3,447 MW; South America: 2,948 MW; MCAC: 531 MW.
2. As of May 5, 2021.

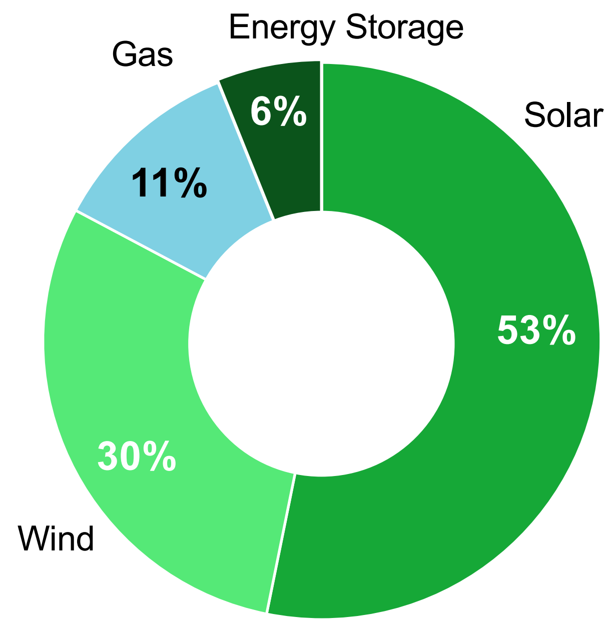
We Have a 33 GW Pipeline[1] to Meet Rapidly Growing Demand

Capacity in GW

Geography



Technology



1. As of April 2021.

First-of-its-Kind Supply Agreement for 24/7 Carbon-Free Energy

→ Signed a 10-year contract to deliver 500 MW to Google's data centers in Virginia

→ Provides Google carbon-free energy on an hourly basis through a portfolio of wind, solar, hydro and battery storage from AES and third-parties

AES is Well-Positioned to Offer Innovative Solutions to C&I Customers, Who Signed 23 GW of PPAs in 2020

Uplight is at the Forefront of the Shift to Low-Carbon & Digital Solutions

- →Energy efficiency software company working directly with utilities
- →Access to more than 100 million households and businesses in the US
- →Recent capital raise with a consortium led by Schneider Electric valued Uplight at $1.5 billion

Fluence is a Globally Recognized and Trusted Brand in Energy Storage with a Demonstrated Track Record

→ 5.6 GW of storage and optimized bidding assets in operation or contracted

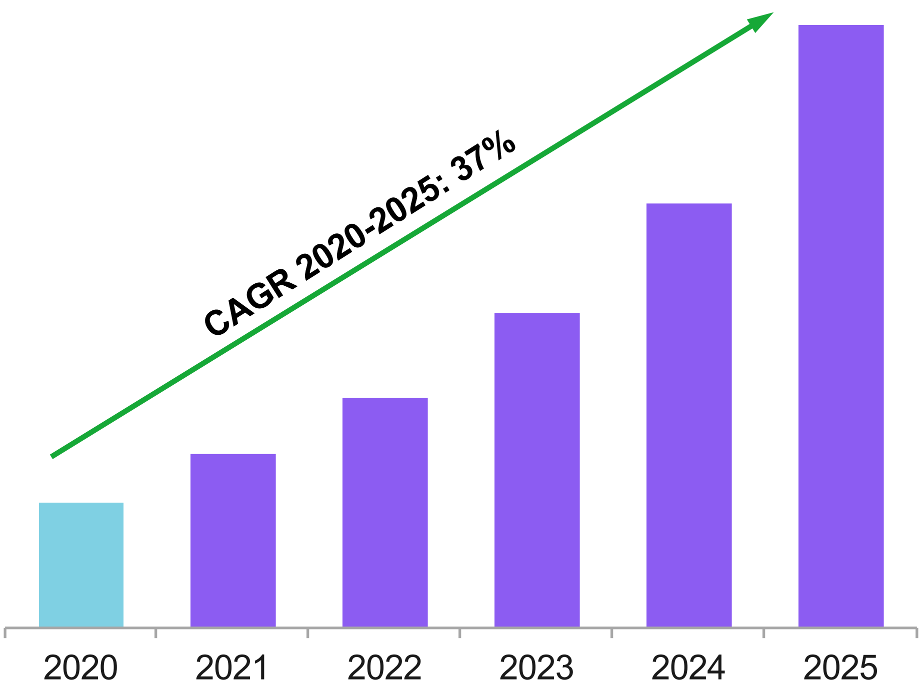
→ $770 million revenue in 2020 for 400% growth vs. 2019

→ Qatar Investment Authority committed to invest $125 million to fund near-term growth

→ Competitive advantages:

- Global presence in 29 markets
- Technologically differentiated, customer-centric products, services and digital intelligence packages
- An established track record over the last 13 years

Global Grid Energy Storage Growth[1] (GW)



Source: Bloomberg New Energy Finance Long-Term Energy Storage Outlook 2020, December 2020.
1. Installed cumulative capacity.

Fluence is Partnering with Northvolt to Develop Sustainable, Next-Generation Battery Systems

FLUENCE®

A Siemens and AES Company

northvolt®

→ Northvolt is the leading European battery developer and manufacturer

→ Multiyear agreement for assured supply and to co-develop next-generation battery technology for grid-scale storage applications

- Expands Fluence's supply chain
- Battery hardware and battery management systems optimized for Fluence energy storage solutions

→ Provides Northvolt with an unmatched channel to deliver systems to the global market

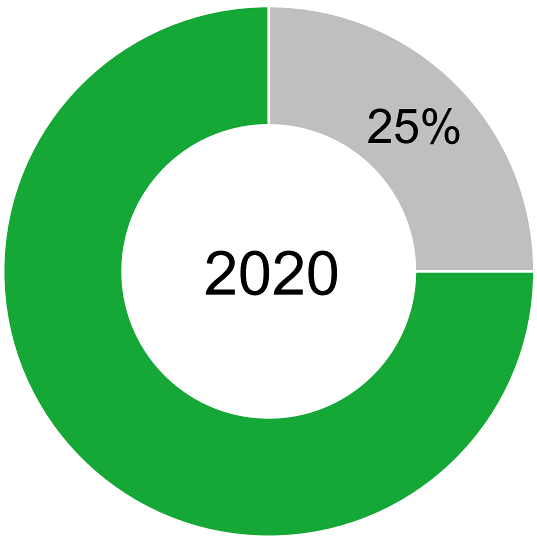
5B Accelerates the Global Transition to a Cleaner Energy Mix

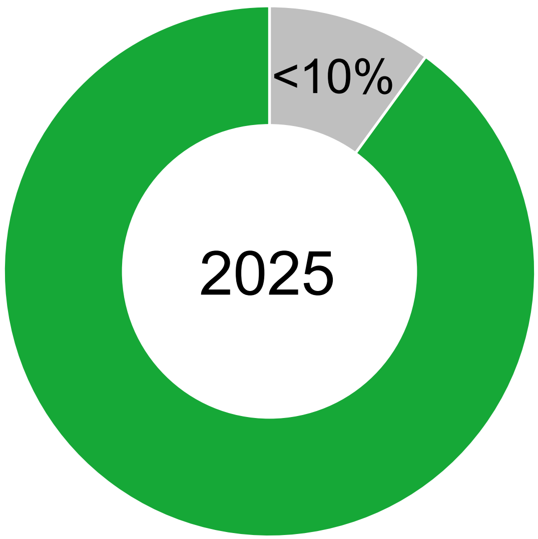
→ Doubles energy density and cuts construction time by two-thirds

→ Projects in Australia, Panama and Chile

Aggressively Accelerating Our Decarbonization

Generation in MWh from Coal[1]





Goal to Reach Net Zero from Electricity by 2040

1. Based on annual generation in MWh from the portfolio as of, or expected by, the relevant date, adjusted for: (i) (+) generation from new assets added to the portfolio; and (ii) (-) actual generation from announced asset sales or retirements.

LNG as the Transition Fuel to Lower Emissions and Reduce Overall Energy Costs

→200 TBTU of total installed capacity in the Dominican Republic and Panama

→155 TBTU contracted, including 34 TBTU secured in 2021

Q1 2021 Financial Review

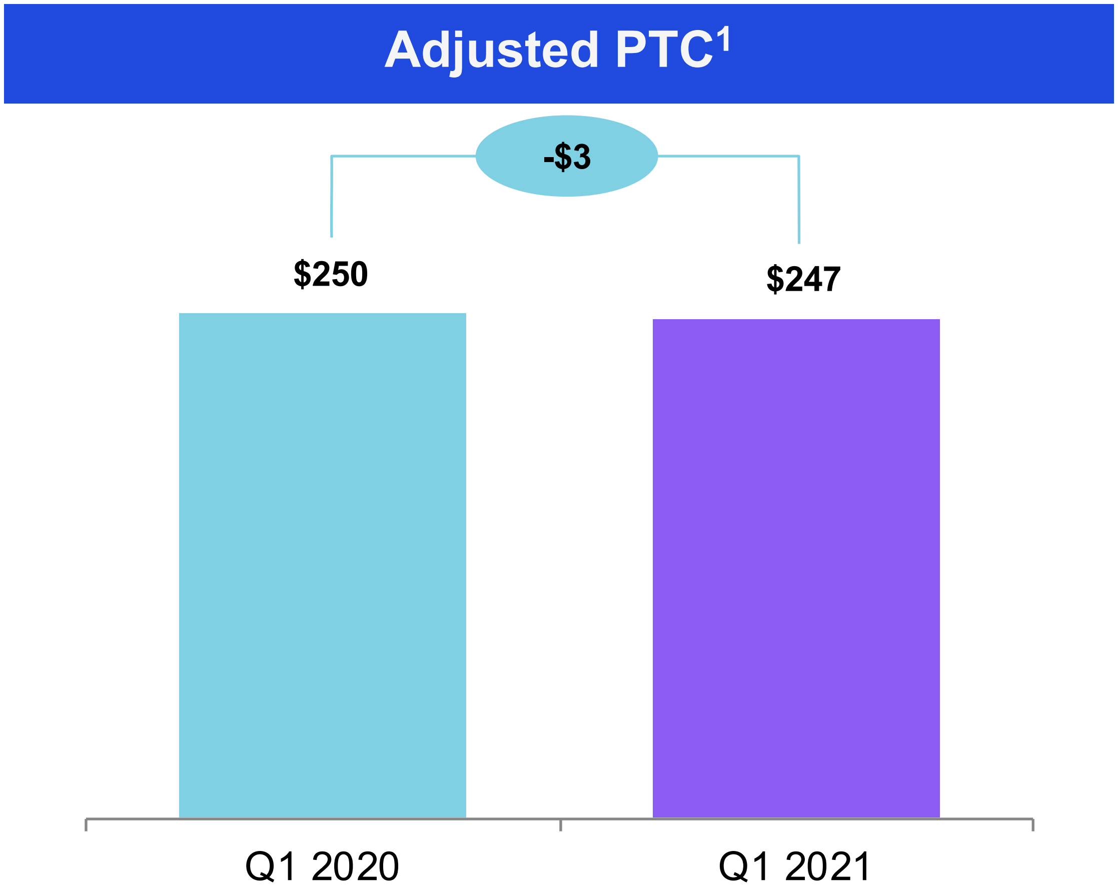
- → Q1 2021 results
- → Credit profile
- → Parent capital allocation plan

Q1 2021 Financial Results

$ in Millions

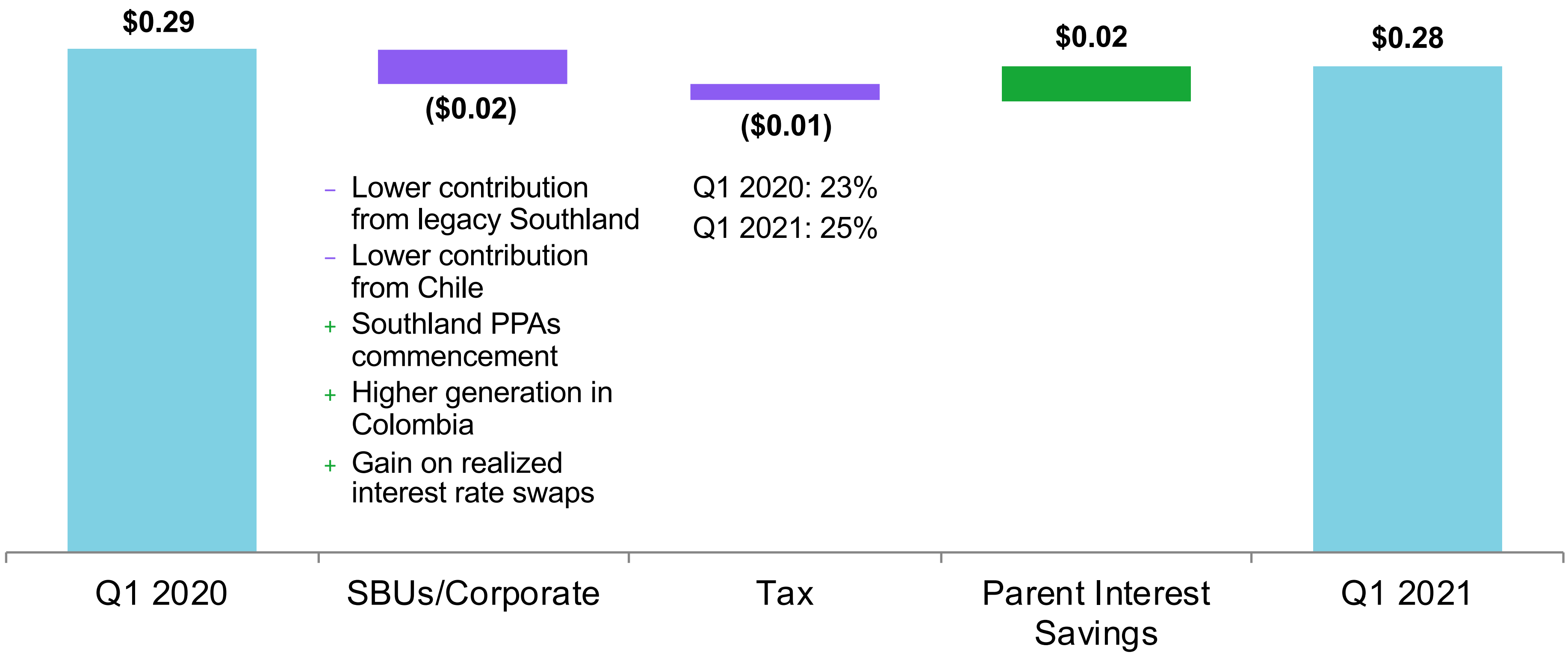
→ Relatively flat Adjusted PTC[1] driven primarily by:
- Lower contribution from legacy units at Southland in the US; and
- Lower contribution from Chile

→ Largely offset by:
- Higher contribution from the commencement of new PPAs at Southland CCGTs;
- Improved availability at the Chivor hydro plant in Colombia; and
- Interest savings



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

Q1 2021 Adjusted EPS[1] Decreased $0.01



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

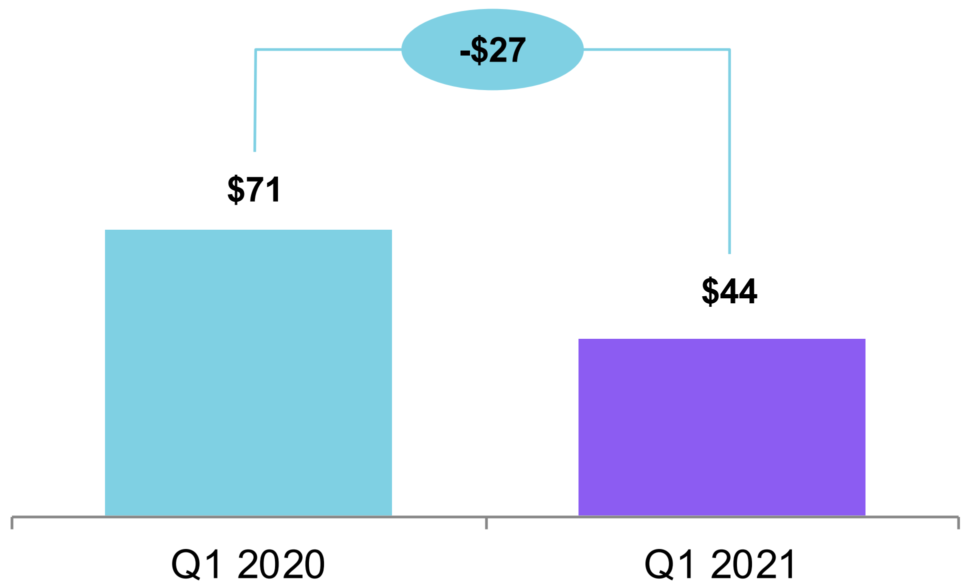
Q1 Financial Results: US & Utilities SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:
  - Lower contribution from legacy units at Southland; and
  - Higher spend at AES Clean Energy due to an accelerated growth plan

→ Partially offset by:
  - Higher contribution from the commencement of new PPAs at Southland CCGTs

Adjusted PTC[1]



1. A non-GAAP financial measure. See Appendix for definition.

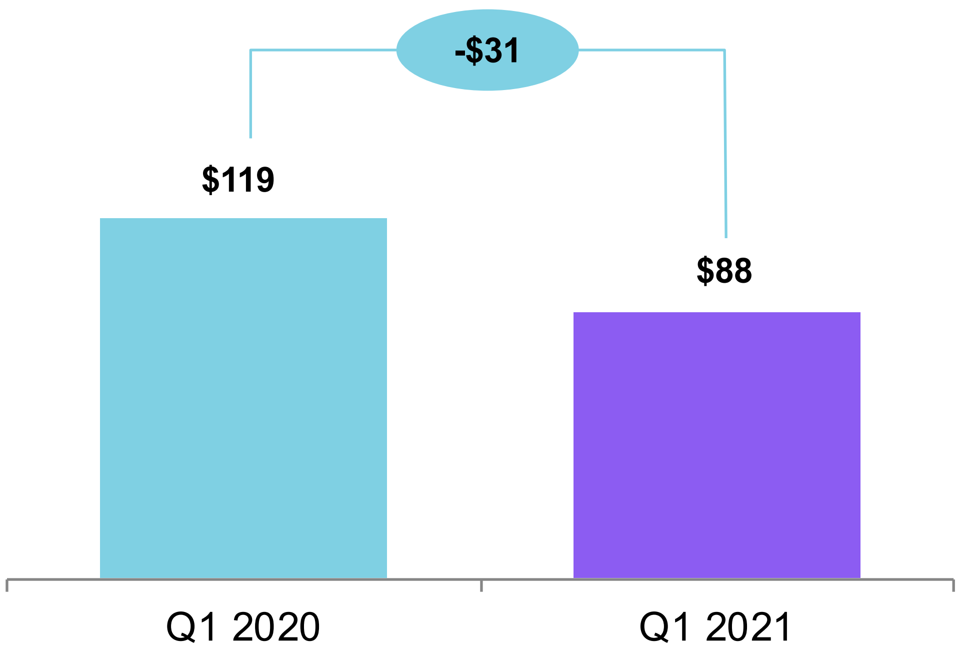
Q1 Financial Results: South America SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:
- Lower contributions from AES Andes (AES Gener) due to higher interest expense and lower equity earnings from Guacolda in Chile; and
- Higher realized FX losses in Argentina in Q1 2021

→ Partially offset by:
- Improved availability at the Chivor hydro plant in Colombia

Adjusted PTC[1]



1. A non-GAAP financial measure. See Appendix for definition.

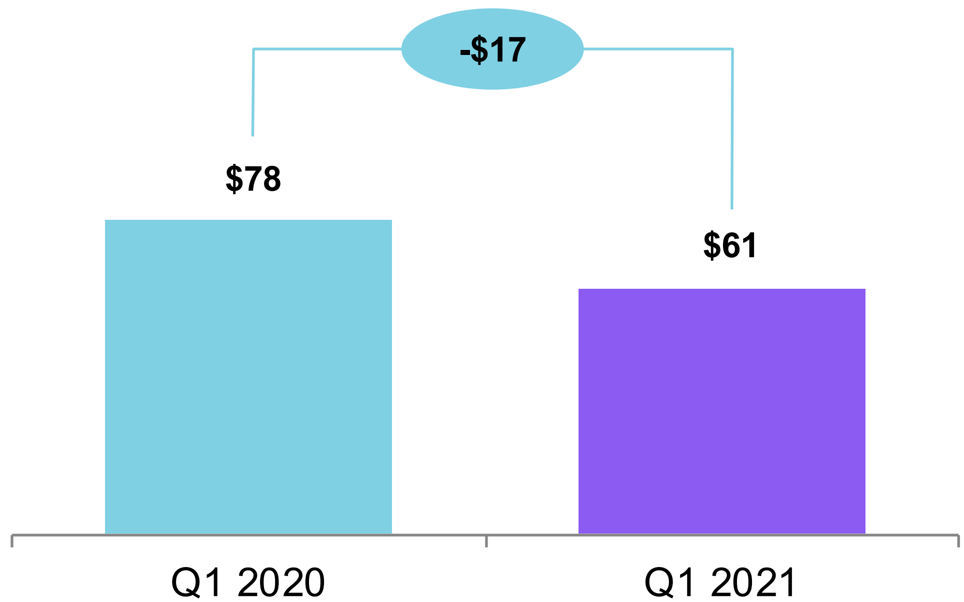
Q1 Financial Results: MCAC SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:

- Outages at two facilities in Dominican Republic and Mexico, both of which came back on-line in April; and
- Expiration in Q3 2020 of the 72 MW barge PPA in Panama

Adjusted PTC[1]



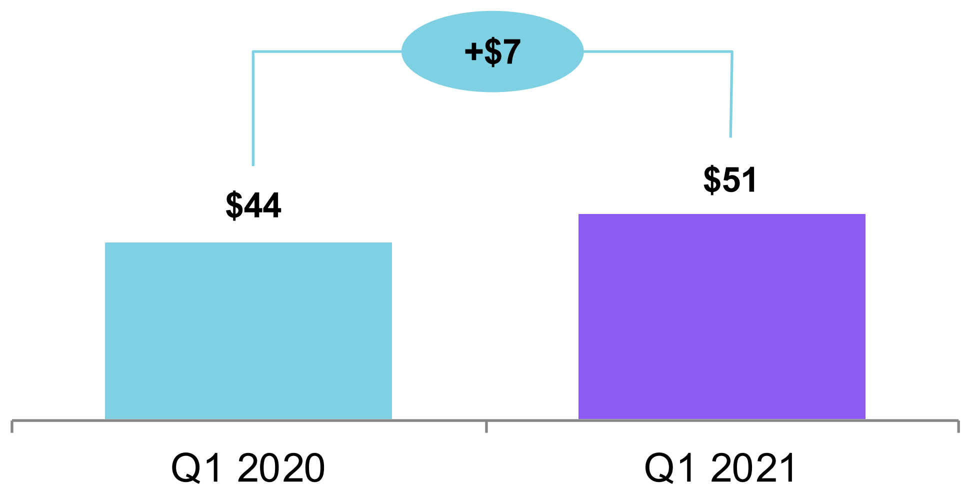
1. A non-GAAP financial measure. See Appendix for definition.

Q1 Financial Results: Eurasia SBU

$ in Millions

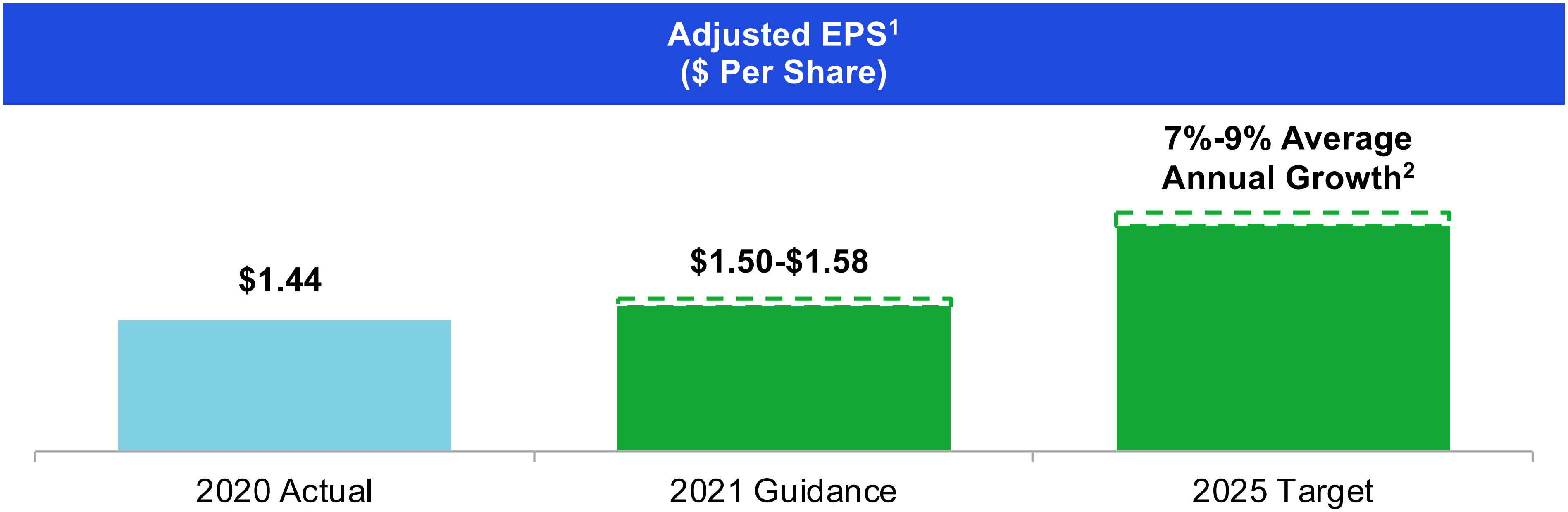
→ Higher Adjusted PTC[1] driven primarily by improved operational performance and lower interest expense in Bulgaria

Adjusted PTC[1]



1. A non-GAAP financial measure. See Appendix for definition.

Reaffirming 2021 Guidance & Expectations Through 2025

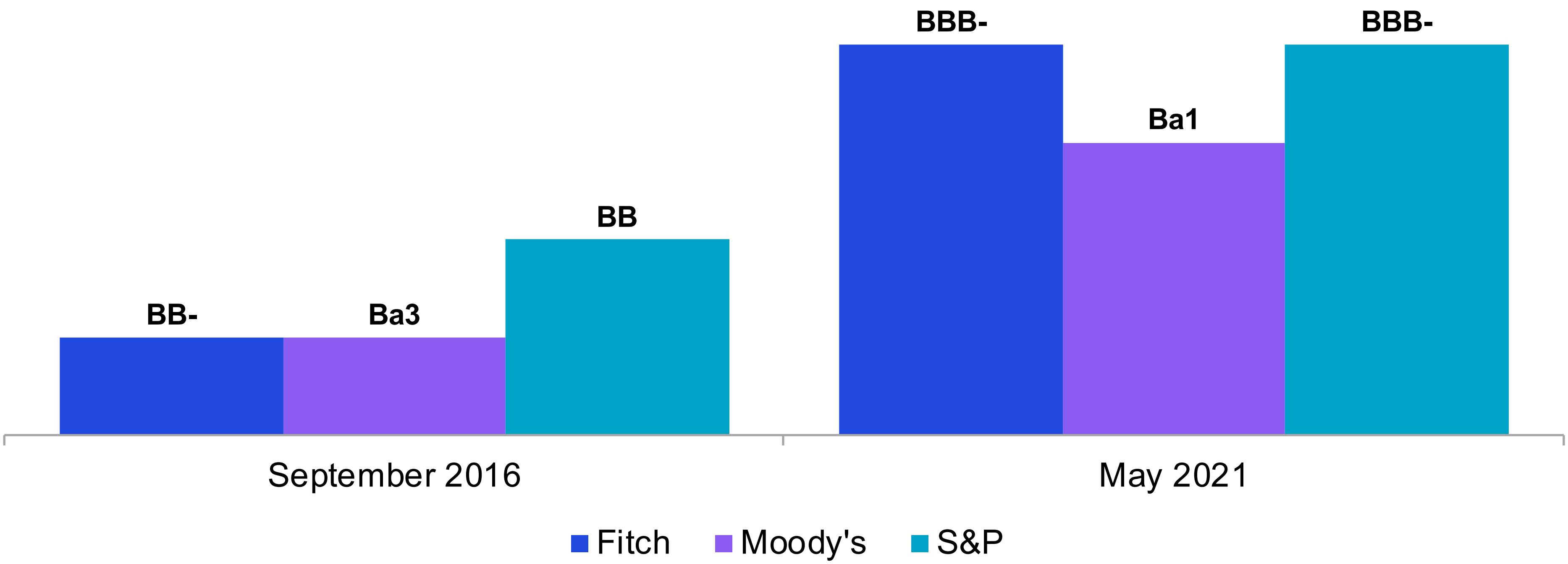


→ Growth in year-to-go 2021 primarily driven by:

- Contributions from new businesses: Southland Energy in California, which came on-line in mid-2020; 2.3 GW of projects in renewables backlog expected to be completed in 2021
- Reduced interest expense from refinancings in 2020 and benefits from cost savings initiatives; and
- Demand normalization

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 2020.
2. From a base of 2020 Adjusted EPS of $1.44.

Continuing Positive Momentum on Ratings Improvement

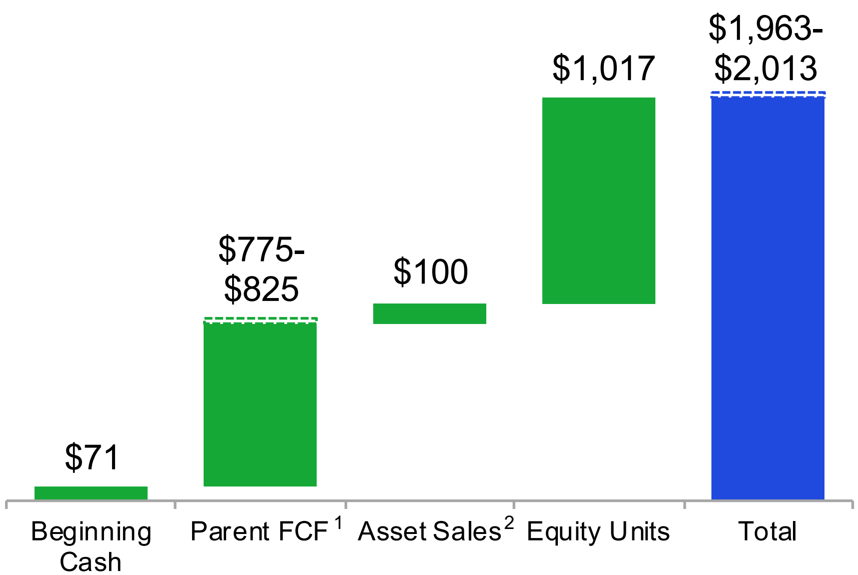


Targeting BBB Flat Credit Metrics by 2025

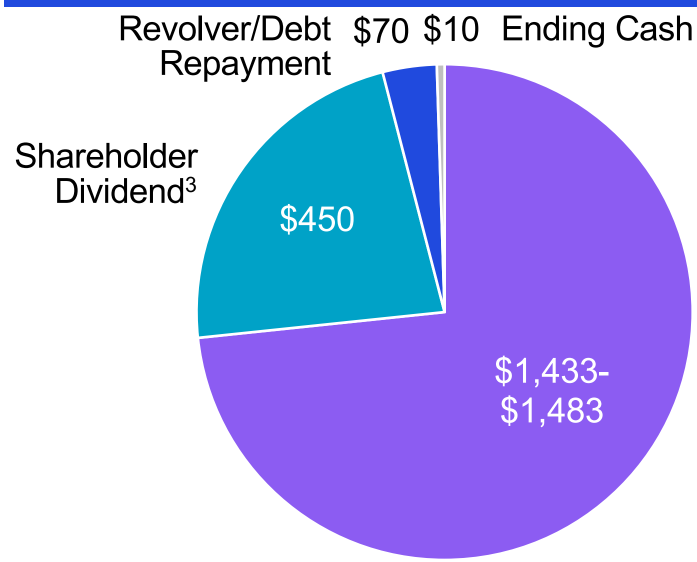
2021 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,963-$2,013)



Discretionary Cash – Uses ($1,963-$2,013)



Investments in Subsidiaries

- → Renewables (including AES Andes (AES Gener)): $800-$900
- → US Utilities: $350
- → LNG Infra & New Technologies: $250

1. A non-GAAP financial measure. See Appendix for definition.
2. Includes the sale of Itabo in the Dominican Republic.
3. Includes 2021 payment of $0.1505 per share each quarter on 665 million shares outstanding as of December 31, 2020, and 6.875% coupon on $1 billion of equity units issued in March 2021.

Key Takeaways

→ Making good progress on key strategic and financial objectives

- Reaffirming 2021 guidance range and 7% to 9% average annual growth target through 2025
- Signed 1,088 MW of new PPAs for renewables
- Fluence signed an agreement with Northvolt to co-develop next-generation battery technology
- Secured a 20-year agreement for 34 TBTU of excess LNG throughput capacity in Central America

→ Well-positioned to capitalize on immense opportunities as the sector transitions:

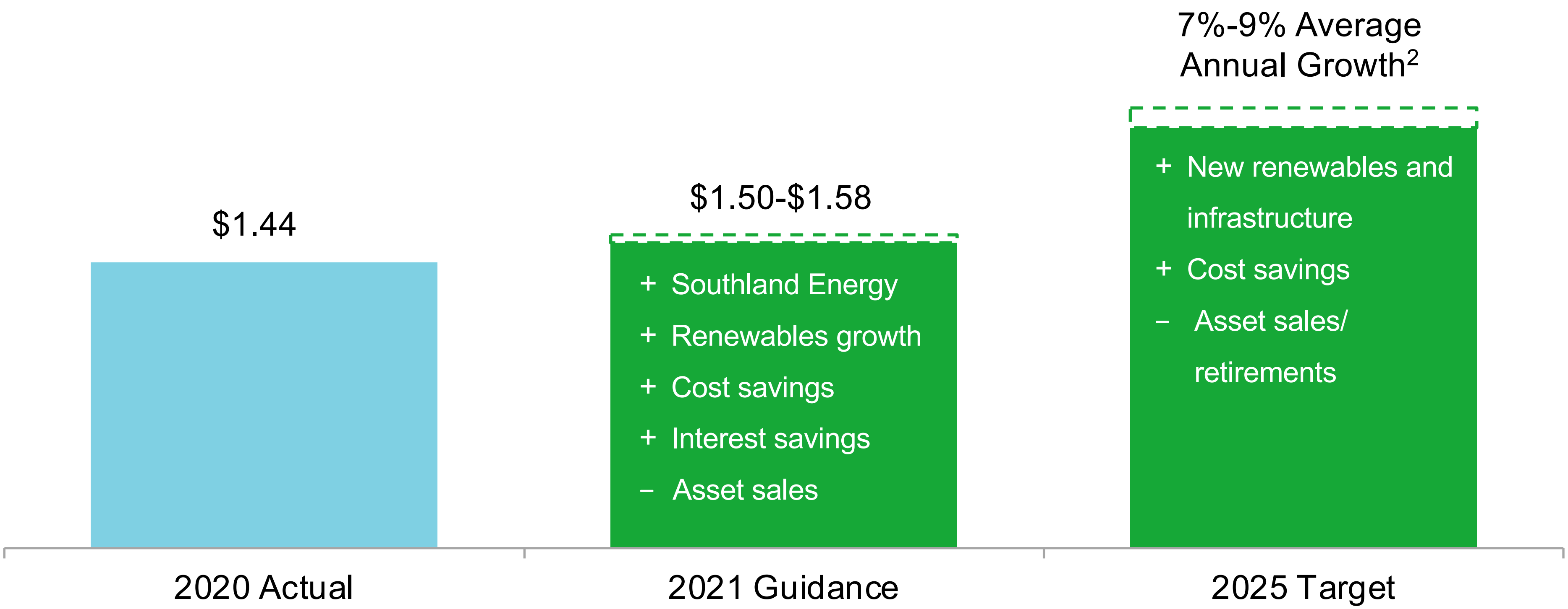
- Presence, scale and development pipeline in key growth markets
- Deployment of new technologies, such as Fluence, Uplight and 5B

Appendix

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

2021 Guidance and Expectations Through 2025: Adjusted EPS[1]

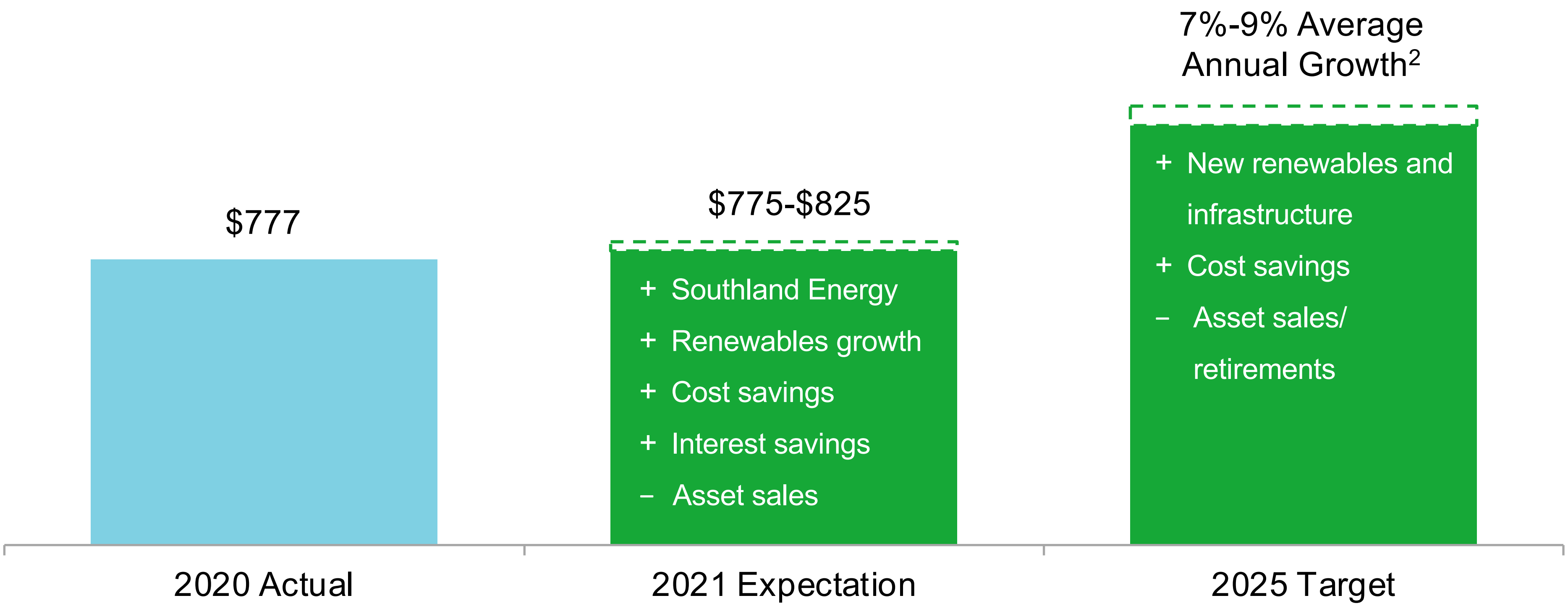
$ Per Share



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 "definitions" and Slide 49 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2020.
2. From a base of 2020 Adjusted EPS of $1.44.

2021 Guidance and Expectations Through 2025: Parent Free Cash Flow[1]

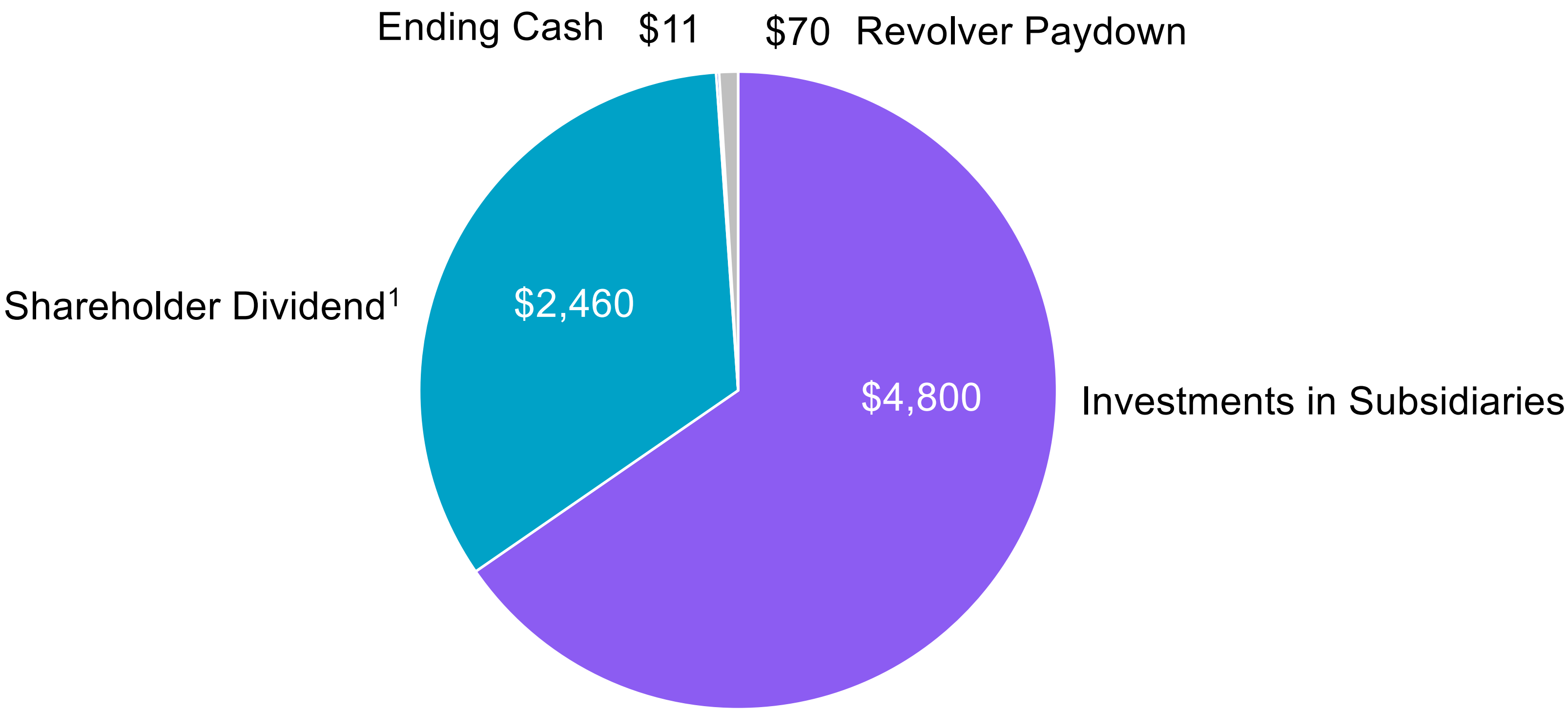
$ in Millions



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" and Slide 50 for a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2020.
2. From a base of 2020 Parent Free Cash Flow of $777 million.

2021-2025: Planned Capital Allocation

$ in Millions

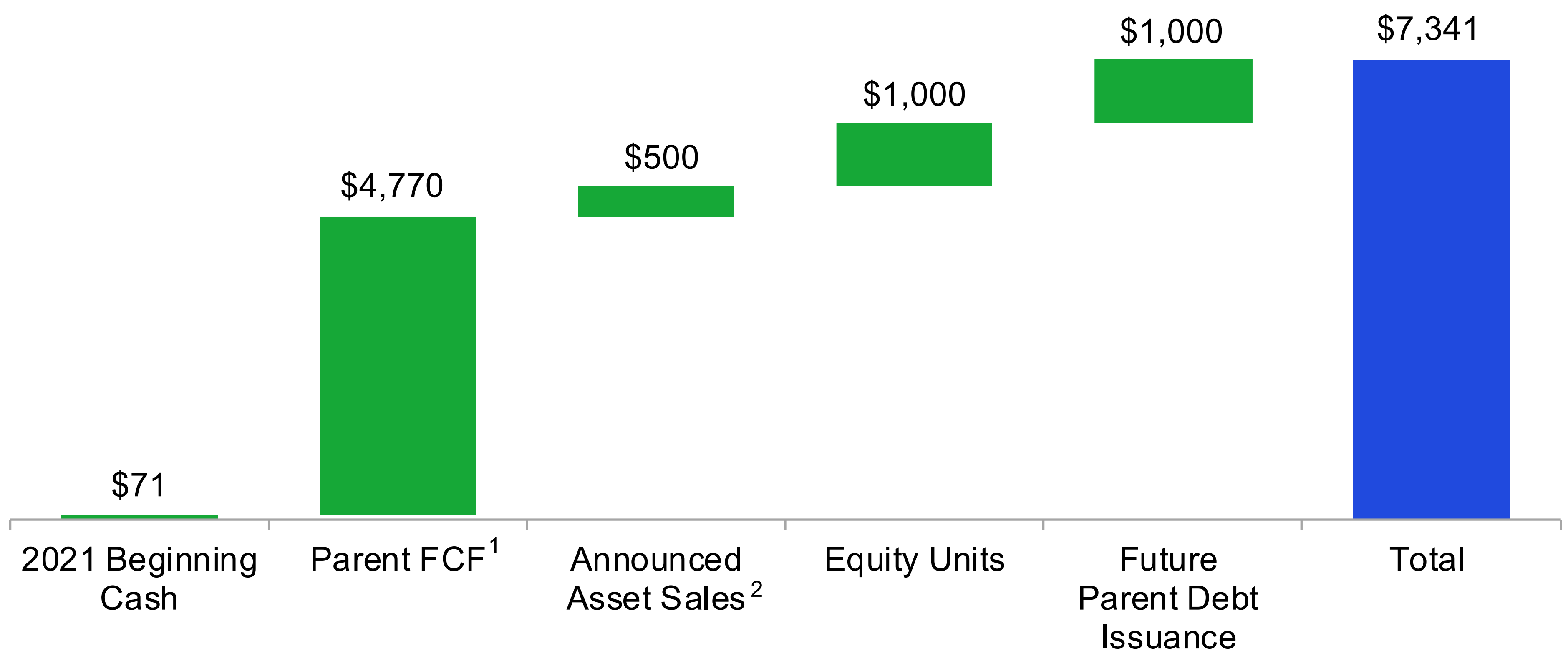


Delivering Value by Allocating $7.3 Billion of Discretionary Cash

1. Assumes 2021 payment of $0.1505 per share each quarter on 665 million shares outstanding as of December 31, 2020, growing at 4%-6% per year through 2025, subject to Board approval, and 6.875% coupon on $1 billion of equity units issued in March 2021.

2021-2025: Sources of $7.3 Billion Discretionary Cash

$ in Millions



1. A non-GAAP financial measure. See “definitions”. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort.
2. Includes announced pending asset sales in Jordan, the Dominican Republic and Vietnam.

Parent Sources and Uses of Liquidity

$ in Millions	Q1 2021	Q1 2020
Sources		
Total Subsidiary Distributions[1]	$247	$189
Proceeds from Asset Sales, Net	-	-
Financing Proceeds, Net	$1,017	-
Increased/(Decreased) Credit Facility Commitments	-	-
Issuance of Common Stock, Net	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	-	-
Beginning Parent Company Liquidity[2]	$924	$814
Total Sources	$2,188	$1,003
Uses		
Repayments of Debt	-	($18)
Shareholder Dividend	($100)	($95)
Investments in Subsidiaries, Net	($445)	($256)
Cash for Development, Selling, General & Administrative and Taxes	($113)	($107)
Cash Payments for Interest	($38)	($38)
Changes in Letters of Credit and Other, Net	($12)	$38
Ending Parent Company Liquidity[2]	($1,480)	($527)
Total Uses	($2,188)	($1,003)

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

Q1 2021 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU	Q1 2021
US & Utilities	$168
South America	-
MCAC	$9
Eurasia	$34
Corporate & Other[2]	$36
Total	$247

Top Ten Subsidiary Distributions[1] by Business

Q1 2021

Business	Amount	Business	Amount
Southland (US & Utilities)	$136	sPower (US & Utilities)	$5
Global Insurance (Corp & Other)	$36	Amman East (Eurasia)	$4
Maritza East (Eurasia)	$28	Mountain View (US & Utilities)	$3
IPALCO (US & Utilities)	$21	Laurel Mountain (US & Utilities)	$1
TEG TEP (MCAC)	$9	Kavarna (Eurasia)	$1

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

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

$ in Millions

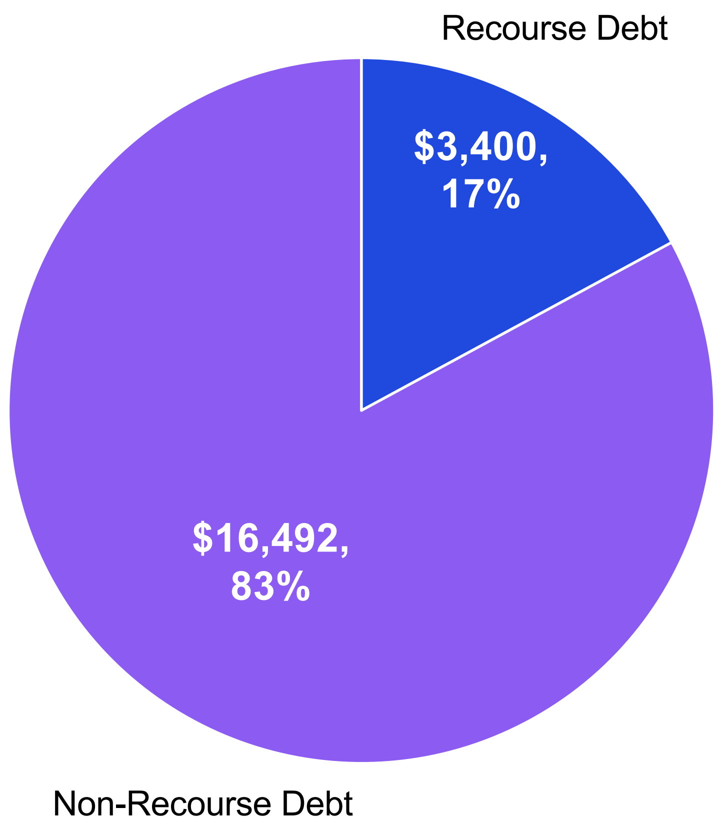
	Quarter Ended			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$247	$335	$220	$401
Total Return of Capital Distributions to Parent & QHCs[2]	-	($118)	-	$163
Total Subsidiary Distributions[1] & Returns of Capital to Parent	$247	$217	$220	$564

	Balance as of			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Cash at Parent & QHCs[2]	$265	$71	$26	$91
Availability Under Credit Facilities	$916	$853	$274	$518
Ending Liquidity	$1,181	$924	$300	$609

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

$19.9 Billion of Total Consolidated Debt[1]

$ in Millions, as of March 31, 2021

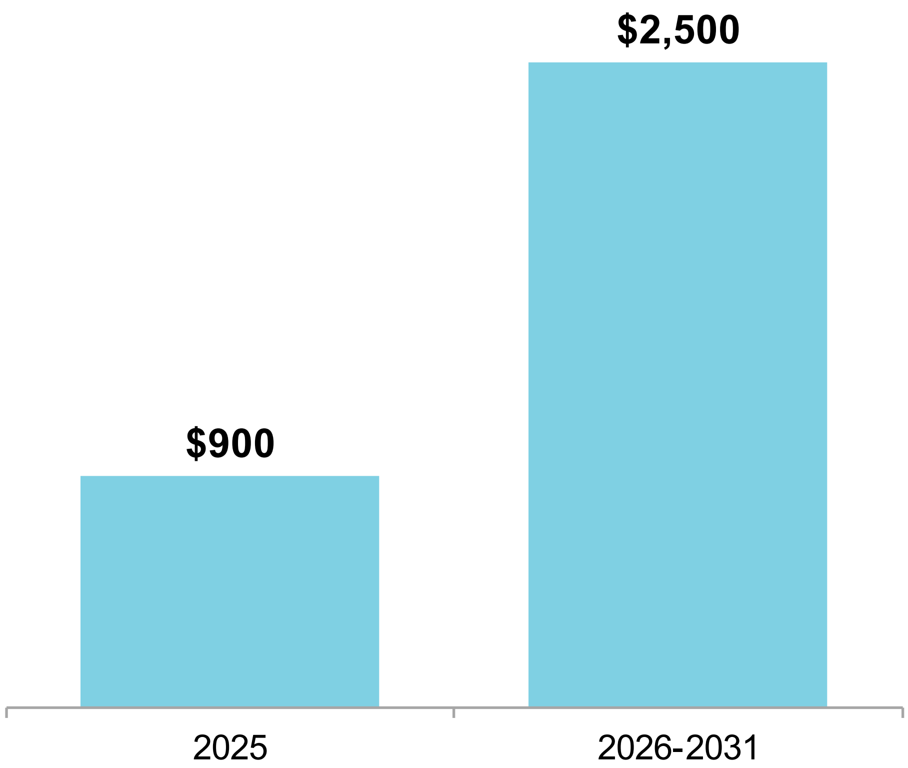


	Recourse Debt	Non-Recourse Debt
Weighted Average All-in Cost	2.73%	4.95%
Weighted Average Maturity	7.1 years	14.5 years
Percentage Fixed or Hedged	100%	~87%
Percentage in Functional Currency	100%	~99%

1. Does not include $250 million of RLOC draws at US Utilities.

No Recourse Debt Maturities Until 2025

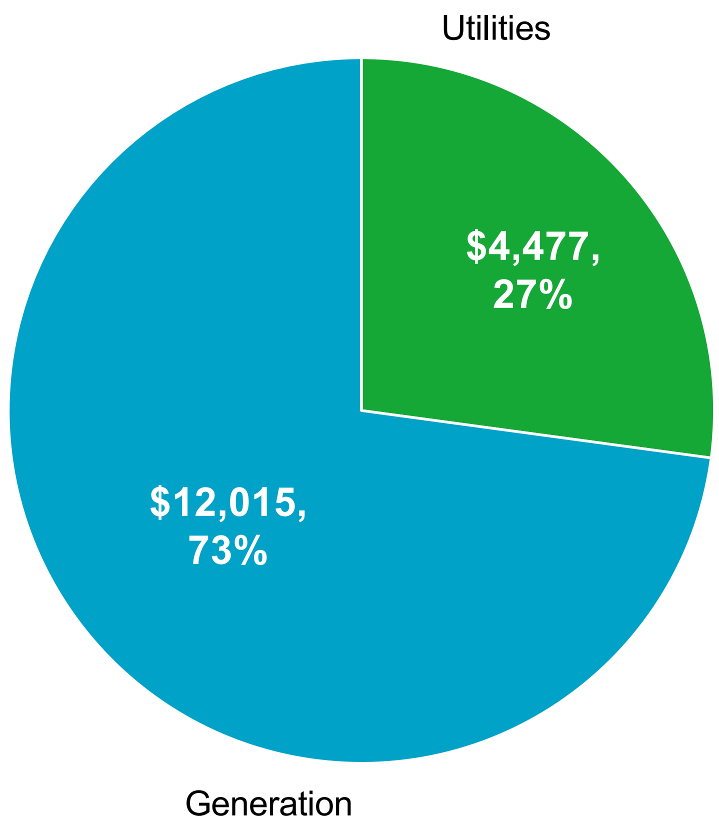
$ in Millions, as of March 31, 2021



	Recourse Debt
Weighted Average All-in Cost	2.73%
Weighted Average Maturity	7.1 years
Percentage Fixed or Hedged	100%
Percentage in Functional Currency	100%

$16.5 Billion of Non-Recourse Debt[1]

$ in Millions, as of March 31, 2021



	Non-Recourse Debt
Weighted Average All-in Cost	4.95%
Weighted Average Maturity	14.5 years
Percentage Fixed or Hedged	~87%
Percentage in Functional Currency	~99%

1. Does not include $250 million of RLOC draws at US Utilities.

Q1 Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q1 2021	Q1 2020	Variance
Adjusted PTC[1]			
US & Utilities	$44	$71	($27)
South America	$88	$119	($31)
MCAC	$61	$78	($17)
Eurasia	$51	$44	$7
Total SBUs	$244	$312	($68)
Corp/Other	$3	($62)	$65
Total AES Adjusted PTC[1,2]	$247	$250	($3)
Adjusted Effective Tax Rate	25%	23%	
Diluted Share Count	670	668	
Adjusted EPS[1]	$0.28	$0.29	

1. A non-GAAP financial measure. See Slide 48 for reconciliation to the nearest GAAP measure and “definitions”.
2. Includes ($30) million and $6 million of adjusted after-tax equity in earnings for Q1 2021 and Q1 2020, respectively.

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

AES SBU/Reporting Country	US & Utilities/US				South America/Chile		South America/Brazil	
AES Company	IPL		DPL		AES Gener[2]		AES Brasil[2]	
$ in Millions	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
US GAAP Reconciliation								
AES Business Unit Adjusted Earnings[1,3]	$26	$25	$15	$3	$49	$60	$9	$5
Adjusted PTC[1,3] Public Filer (Stand-alone)	$33	$32	$14	$3	$71	$81	$13	$7
Impact of AES Differences from Public Filings	-	-	-	-	-	$1	-	-
AES Business Unit Adjusted PTC[1]	$33	$32	$14	$3	$71	$82	$13	$7
Unrealized Derivatives and Equity Security Gains (Losses)	-	-	-	($1)	$9	$9	-	-
Unrealized Foreign Currency Gains (Losses)	-	-	-	-	($6)	($6)	$2	($1)
Impairment Expense	-	($1)	-	-	-	($4)	-	-
Disposition/Acquisition Gains (Losses)	-	-	($1)	-	-	-	-	-
Losses on Extinguishment of Debt	-	-	-	-	($1)	($2)	-	-
Net gains from early contract terminations at Angamos	-	-	-	-	$110	-	-	-
Non-Controlling Interest before Tax	$16	$15	-	-	$97	$41	$17	$21
Income Tax Expenses	($10)	($10)	$1	-	($78)	($35)	($9)	($8)
US GAAP Income from Continuing Operations[4]	$39	$36	$14	$2	$202	$85	$23	$19
Adjustment to Depreciation & Amortization[5]					($12)	($11)	($2)	($2)
Adjustment to Taxes					$2	$10	$2	-
Other Adjustments					($11)	($7)	($6)	-
IFRS Net Income					$181	$77	$17	$17
BRL-USD Implied Exchange Rate							5.5294	4.4165

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. 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 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.
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 2021 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
US & Utilities	$44	$92	($18)	$74	$7	($2)	$5	$141	($26)	$115
DPL	$14	$16	-	$16	-	-	-	$19	-	$19
IPL	$33	$30	($9)	$21	-	-	-	$63	($19)	$44
South America	$88	$52	($22)	$30	$17	($2)	$15	$75	($30)	$45
AES Andes (AES Gener)	$71	$18	($9)	$9	$4	($1)	$3	$50	($20)	$30
AES Brasil (AES Tietê)	$13	$19	($10)	$9	$1	-	$1	$17	($9)	$8
MCAC	$61	$37	($3)	$34	$3	($1)	$2	$39	($11)	$28
Eurasia	$51	$24	($9)	$15	$41	($20)	$21	$17	($1)	$16
Subtotal	$244	$205	($52)	$153	$68	($25)	$43	$272	($68)	$204
Corp/Other	$3	($15)	-	($15)	-	-	-	$3	-	$3
Total	$247	$190	($52)	$138	$68	($25)	$43	$275	($68)	$207

1. A non-GAAP financial measure. See Slide 48 for reconciliation to the nearest GAAP measure and “definitions”.

Q1 2021 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
US & Utilities	$8,033	($1,527)	$6,506	$764	($111)	$653
DPL	$1,554	-	$1,554	$34	-	$34
IPL	$2,742	($823)	$1,919	$49	($15)	$34
South America	$5,667	($2,227)	$3,440	$974	($379)	$595
AES Andes (AES Gener)	$4,071	($1,650)	$2,421	$566	($202)	$364
AES Brasil (AES Tietê)	$1,054	($576)	$478	$320	($175)	$145
MCAC	$2,105	($50)	$2,055	$229	($57)	$172
Eurasia	$718	($58)	$660	$100	($5)	$95
Subtotal	$16,523	($3,862)	$12,661	$2,067	($552)	$1,515
Corp/Other	$3,361	-	$3,361	$726	-	$726
Total	$19,884	($3,862)	$16,022	$2,793	($552)	$2,241

2021 Adjusted PTC Modeling Ranges

$ in Millions

SBU	2021 Adjusted PTC Modeling Ranges as of 2/25/21[1]	Drivers of Growth Versus 2020
US & Utilities	$620 - $650	+ Southland Energy full year operations + Renewables + Normalized pre-COVID demand
South America	$430 - $450	− Brazil GSF revision in 2020 + Normalized hydrology
MCAC	$300 - $320	+ Higher availability in DR and Panama − Itabo sale
Eurasia	$160 - $170	− OPGC
Total SBUs	$1,510 - $1,590	
Corporate & Other[2]	($165) - ($175)	+ Interest savings + Cost savings
Total AES Adjusted PTC[1,2]	$1,345 - $1,415	

1. A non-GAAP financial metric. See "definitions".
2. Total AES Adjusted PTC includes after-tax adjusted equity in earnings.

AES Modeling Disclosures

$ in Millions

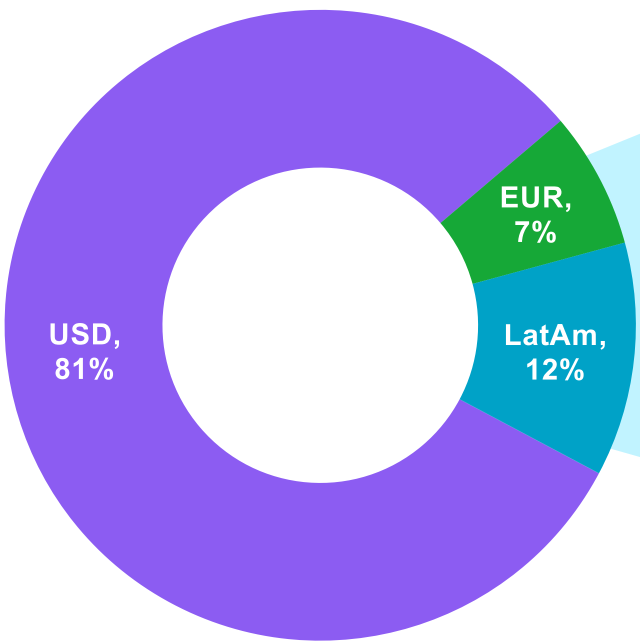
	2021
Subsidiary Distributions (a)	$1,050-$1,100
Cash Interest (b)	($95)
Corporate Overhead	($90)
Parent-Funded SBU Overhead	($85)
Business Development/Taxes	($5)
Cash for Development, General & Administrative and Tax (c)	($180)
Parent Free Cash Flow[1] (a – b – c)	$775-$825

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".

Limited Exposure to Fluctuations in Foreign Currency

2021-2023 Cumulative Exposure

Composition by Currency



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

	$ in Millions
Argentine Peso (ARS)	($15.0)
Colombian Peso (COP)	($8.0)
Euro (EUR)	($7.0)
Chilean Peso (CLP)	$5.0
Brazilian Real (BRL)	($2.0)
Others	<($0)
% of Annualized Adjusted PTC[2]	1.6%

$0.03 Annualized EPS Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of March 31, 2021. Exception: Argentine Peso and Brazilian Real forward curves are based on AES internal FX rate assessment. Sensitivities are rounded to the nearest $1M. Excludes inflation adjustments earned through contracts in Argentina and Colombia that provide additional benefit.
2. As of March 31, 2021. A non-GAAP financial measure. See “definitions”.

Year-to-Go 2021 Guidance Estimated Sensitivities

Interest Rates[1]

100 bps increase in interest rates over 2021 is forecasted to have a change in Adjusted EPS of approximately ($0.015)

Currencies

10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts:	Year-to-Go 2021	
	Average Rate	Sensitivity
Argentine Peso (ARS) [2]	101.96	Less than ($0.005)
Brazilian Real (BRL) [2]	5.40	Less than ($0.005)
Chilean Peso (CLP)	719	Less than $0.005
Colombian Peso (COP)	3,681	($0.005)
Dominican Peso (DOP)	57.65	$0.015
Euro (EUR)	1.18	($0.005)
Mexican Peso (MXN)	20.71	$0.015

Commodity

10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	Year-to-Go 2021	
	Average Rate	Sensitivity
IPE Brent Crude Oil	$62.10/bbl	Less than $0.005
NYMEX Henry Hub Natural Gas	$2.72/mmbtu	Less than ($0.005)
Rotterdam Coal (API 2)	$71.66/ton	Less than ($0.005)
US Power – SP15	$51.32/MWh	$0.005

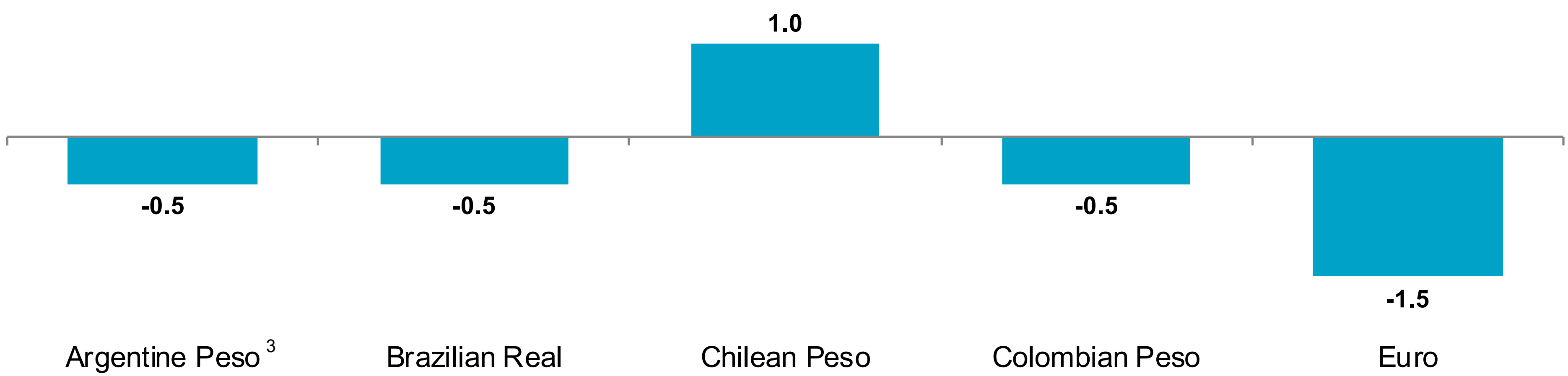
Note: Guidance reaffirmed on May 6, 2021. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on year-to-go 2021 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2021 guidance is based on currency and commodity forward curves and forecasts as of March 31, 2021. 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, 2021.
2. Argentine Peso and Brazilian Real sensitivities are based on AES internal FX rate assessment.

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share

Full Year 2023 Adjusted EPS[1] FX Sensitivity[2]



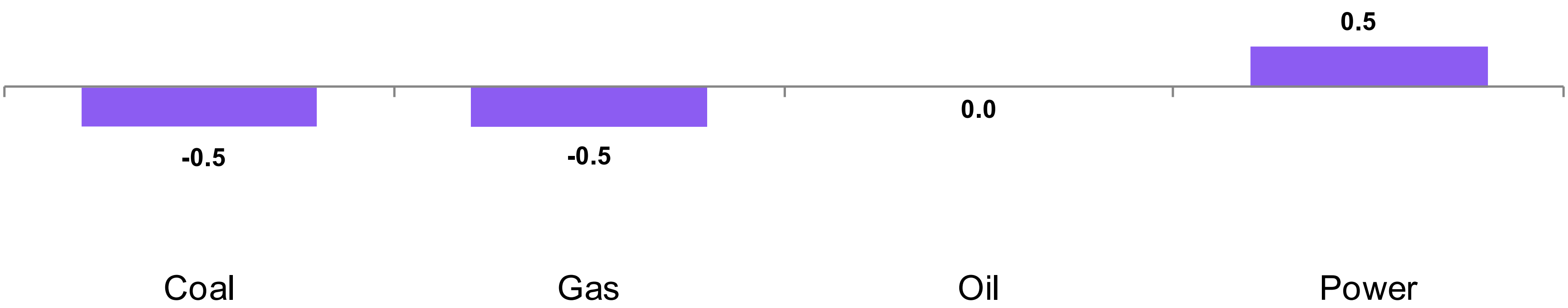
- → 2023 FX risk for 10% US Dollar appreciation against foreign currency, before impact of financial hedge instruments
- → Estimated realized FX moves include inflation adjustments earned through contracts in Argentina and Colombia; historic analysis indicates that such adjustments could offset FX risk by at least 60% in Argentina and 80% in Colombia over a 3-year period

1. A non-GAAP financial measure. See "definitions".
2. Sensitivity represents full year 2023 exposure as of December 31, 2020.
3. Argentine Peso 2023 sensitivity based on AES internal FX rate assessment (Average USD/ARS rate = 180) due to lack of liquidity in forward market.

Commodity Risk

Cents Per Share

Full Year 2023 Adjusted EPS[1] Commodity Sensitivity[2]



1. A non-GAAP financial measure. See “definitions”.
2. Sensitivities assumes fuel moves 10% relative to commodities as of December 31, 2020. Adjusted EPS is negatively correlated to coal and oil price movement, and positively correlated gas and power price movements.

PPAs Signed in YTD 2021

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
AES Indiana	US-IN	Solar	195	70%	1H 2023	N/A[2]
AES Clean Energy	US-Various	Solar	264	50%-100%	1H-2H 2022	10-25
		Wind	359			
		Energy Storage	35			
		Hydro	24			
AES Brasil	Brazil	Wind	211	45%	1H 2023- 1H 2024	20
Total YTD 2021			1,088			

1. Commercial Operations Date.
2. Project will be built under a build-transfer structure and will be owned by an AES Indiana project company.

Reconciliation of Q1 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q1 2021 Net of NCI[2]	Q1 2021 Per Share (Diluted) Net of NCI[2]	Q1 2020 Net of NCI[2]	Q1 2020 Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	($148)	($0.22)	$144	$0.22
Add: Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	($36)		$55	
Pre-Tax Contribution	($184)		$199	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$69	$0.10[3]	($16)	($0.02)
Unrealized Foreign Currency Losses	$6	$0.01	$9	$0.01
Disposition/Acquisition Losses (Gains)	($15)	($0.02)[4]	$1	-
Impairment Losses	$475	$0.71[5]	$53	$0.08[6]
Loss on Extinguishment of Debt	$6	$0.01	$4	-
Net Gains from Early Contract Terminations at Angamos	($110)	($0.16)[7]	-	-
Less: Net Income Tax Benefit	-	($0.15)[8]	-	-
Adjusted PTC[1] & Adjusted EPS[1]	$247	$0.28	$250	$0.29

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses in Argentina mainly associated with foreign currency derivatives on government receivables of $38 million, or $0.06 per share, and net unrealized derivative losses on power and commodities swaps at Southland of $33 million, or $0.05 per share.
4. Amount primarily relates to gain on remeasurement of our equity interest in sPower to acquisition-date fair value of $36 million, or $0.05 per share, partially offset by day-one loss recognized at commencement of a sales-type lease at AES Distributed Energy of $13 million, or $0.02 per share.
5. Amount primarily relates to asset impairment at Puerto Rico of $475 million, or $0.71 per share.
6. Amount primarily relates to other-than-temporary impairment of OPGC of $43 million, or $0.06 per share.
7. Amount relates to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $110 million, or $0.16 per share.
8. Amount primarily relates to income tax benefits associated with the impairment at Puerto Rico of $119 million, or $0.18 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 $28 million, or $0.04 per share..

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

$ in Millions, Except Per Share Amounts	FY 2020 Net of NCI[2]	FY 2020 Per Share (Diluted) Net of NCI[2]	FY 2019 Net of NCI[2]	FY 2019 Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$43	$0.06	$302	$0.45
Add: Income Tax Expense from Continuing Operations Attributable to AES	$130		$250	
Pre-Tax Contribution	$173		$552	
Adjustments				
Unrealized Derivative and Equity Securities Losses	$3	$0.01	$113	$0.17[3]
Unrealized Foreign Currency Losses (Gains)	($10)	($0.01)	$36	$0.05[4]
Disposition/Acquisition Losses	$112	$0.17[5]	$12	$0.02[6]
Impairment Expense	$928	$1.39[7]	$406	$0.61[8]
Loss on Extinguishment of Debt	$223	$0.33[9]	$121	$0.18[10]
Net Gains from Early Contract Terminations at Angamos	($182)	($0.27)[11]	-	-
U.S. Tax Law Reform Impact	-	$0.02[12]	-	($0.01)
Less: Net Income Tax Benefit	-	($0.26)[13]	-	($0.11)[14]
Adjusted PTC[1] & Adjusted EPS[1]	$1,247	$1.44	$1,240	$1.36

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses in Argentina of $89 million, or $0.13 per share, mainly associated with foreign currency derivatives on government receivables.
4. Amount primarily relates to unrealized FX losses in Argentina of $25 million, or $0.04 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos, and unrealized FX losses at the Parent Company of $12 million, or $0.02 per share, mainly associated with intercompany receivables denominated in Euro.
5. 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.
6. Amount primarily relates to losses recognized at commencement of sales-type leases at Distributed Energy of $36 million, or $0.05 per share, and loss on sale of Kilroot and Ballylumford of $31 million, or $0.05 per share; partially offset by gain on sale of a portion of our interest in sPower's operating assets of $28 million, or $0.04 per share, gain on disposal of Stuart and Killen at AES Ohio (DPL) of $20 million, or $0.03 per share, and gain on sale of ownership interest in Simple Energy as part of the Uplight merger of $12 million, or $0.02 per share.
7. Amount primarily relates to asset impairments at Gener 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 Hawaii of $38 million, or $0.06 per share, and impairment at Panama of $15 million, or $0.02 per share.
8. Amount primarily relates to asset impairments at Kilroot and Ballylumford of $115 million, or $0.17 per share, and Hawaii of $60 million, or $0.09 per share; impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $105 million, or $0.16 per share, and $21 million, or $0.03 per share, respectively; and other-than-temporary impairment of OPGC of $92 million, or $0.14 per share.
9. Amount primarily relates to losses on early retirement of debt at the Parent Company of $146 million, or $0.22 per share, AES Ohio (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.
10. Amount primarily relates to losses on early retirement of debt at AES Ohio (DPL) of $45 million, or $0.07 per share, AES Gener of $35 million, or $0.05 per share, Mong Duong of $17 million, or $0.03 per share, and Colon of $14 million, or $0.02 per share.
11. Amounts primarily relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $110 million, or $0.16 per share, for the three months ended December 31, 2020, and $182 million, or $0.27 per share, for the twelve months ended December 31, 2020.
12. Amount represents adjustment to tax law reform remeasurement due to incremental deferred taxes related to AES Ohio (DPL) of $16 million, or $0.02 per share.
13. Amount primarily relates to income tax benefits associated with the impairments at Gener 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.
14. Amount primarily relates to the income tax benefits associated with the impairments at OPGC of $23 million, or $0.03 per share, Guacolda of $13 million, or $0.02 per share, Hawaii of $13 million, or $0.02 per share, and Kilroot and Ballylumford of $11 million, or $0.02 per share, and income tax benefits associated with losses on early retirement of debt of $24 million, or $0.04 per share; partially offset by an adjustment to income tax expense related to 2018 gains on sales of business interests, primarily Masinloc, of $25 million, or $0.04 per share.

Reconciliation of Parent Free Cash Flow[1]

$ in Millions	2020	2019	2018
Net Cash Provided by Operating Activities at the Parent Company[2]	$434	$583	$409
Subsidiary Distributions to QHCs Excluded from Schedule 1[3]	$198	$183	$117
Subsidiary Distributions Classified in Investing Activities[4]	$238	$60	$267
Parent-Funded SBU Overhead and Other Expenses Classified in Investing Activities[5]	($85)	($97)	($84)
Other	($8)	($3)	($20)
Parent Free Cash Flow[1]	$777	$726	$689

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 Part IV—Item 15—Schedule I—Condensed Financial Information of Registrant of the Company's 2020 10-K filed with the SEC on February 25, 2021.
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 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.

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.

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.