The AES Corporation

Second Quarter 2023 Financial Review

August 4, 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.

Financial Results & Strategic Priorities

Financial Results

→ Q2 2023 Adjusted EBITDA[1] with Tax Attributes[2] of $607 million

- Adjusted EBITDA[1] of $569 million and Tax Attributes[2] of $38 million

→ Q2 2023 Adjusted EPS[1] of $0.21

Strategic Priorities

→ Triple installed renewables capacity by 2027

→ Increase rate base at US utilities by more than 10% per year through 2027

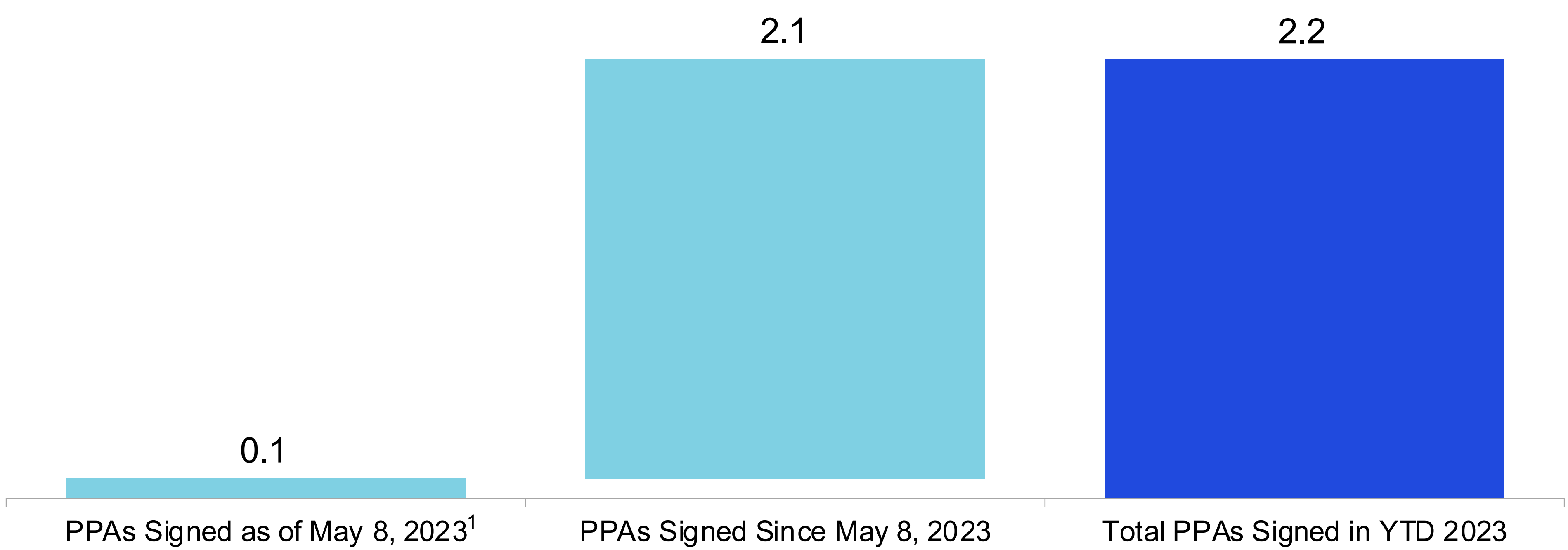
→ Exit coal by year-end 2025[3], while investing in new technologies

Reaffirming 2023 Guidance for All Metrics & Targeted Annualized Growth Rates Through 2027

1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.
3. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

AES is Among the Fastest Growing Renewables Companies

Capacity in GW



#1 Seller Globally of Clean Energy to Corporations Through PPAs in 2021 and 2022[2]

1. Excludes 0.2 GW of wind in Brazil, which replaced an existing contractual structure in the backlog.
2. According to Bloomberg New Energy Finance.

Customer Relationships Driving Strategic Acquisitions

185 MW Delta (Wind)
Mississippi

→ First utility-scale wind project in Mississippi

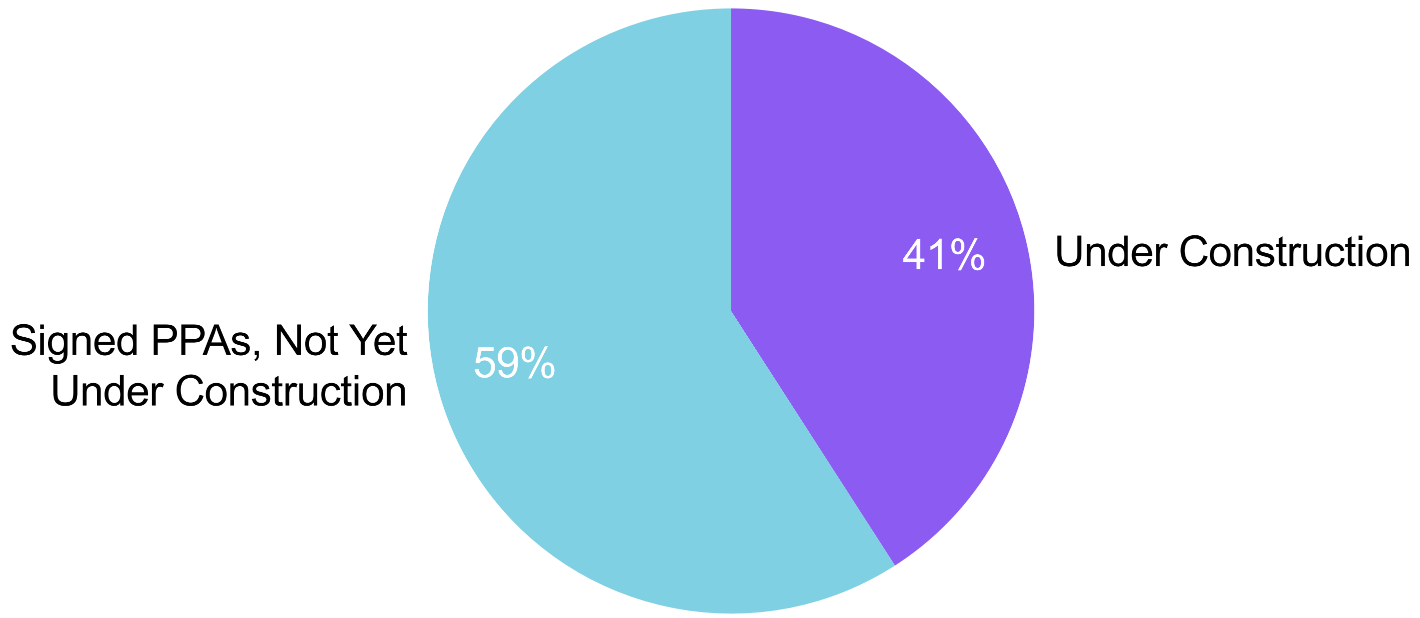
2 GW Bellefield[1] (Solar + Storage)
California

→ Largest solar-plus-storage project in the US

1. 1 GW of solar and 1 GW of energy storage.

Backlog of 13.2 GW is Largest in AES' History

Capacity in GW



Majority of Backlog Expected to Come Online Over the Next Three Years

In Q2 2023, We Completed Landmark Projects

238 MW Chevelon Butte Phase 1 (Wind) Arizona

- → One of the first projects to qualify for the 10% Energy Community Tax Credit Bonus
- → Once Phase 2 is completed, this will be the largest wind project in the State of Arizona

292 MW[1] Andes 2b (Solar + Storage) Chile

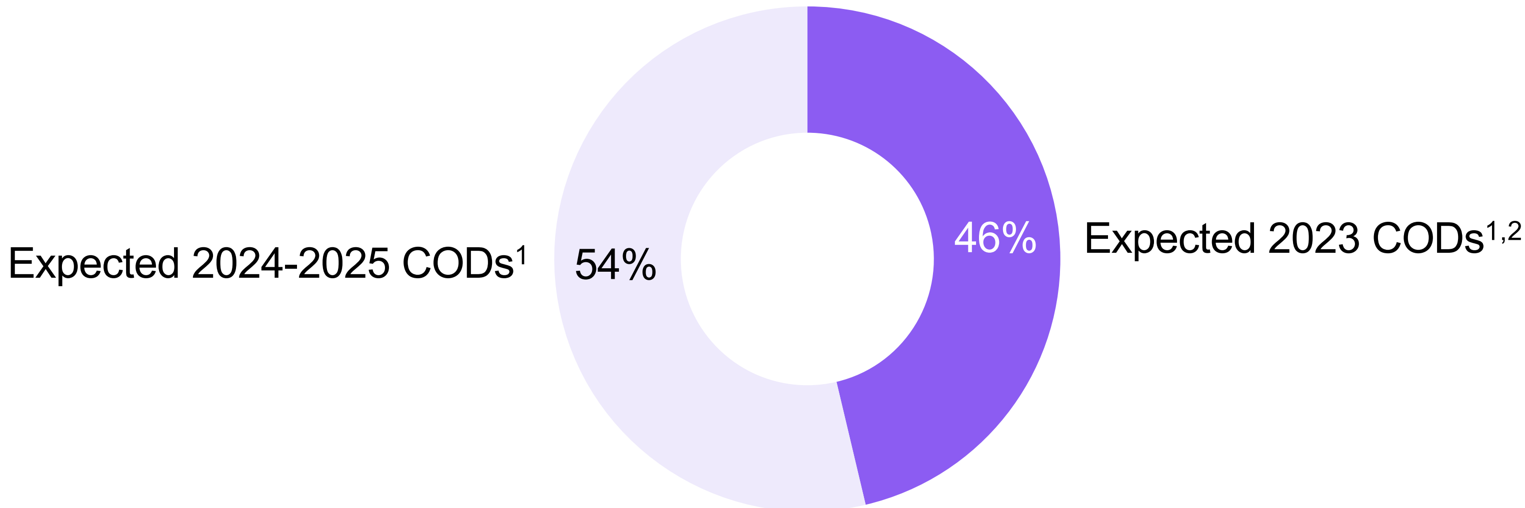
- → Includes 5B prefabricated solar panels
- → Largest battery storage installation in Latin America

1. 180 MW of solar and 112 MW of energy storage.

On Track to Complete 3.4 GW of New Projects in 2023, Including 0.8 GW YTD

Capacity in GW

5.4 GW Currently Under Construction



1. Commercial Operations Date.
2. Excludes 786 MW completed in 1H 2023 and the completion of acquisition of 146 MW Bolero project in Chile, which is expected in 2H 2023.

AES is Among the Fastest Growing US Utilities

Recent Developments in Our Utility Growth Plan

aes Ohio

→ Expect Commission approval for new Electric Security Plan (ESP4) by end of August

→ New distribution rates effective immediately following approval

→ Includes approval of timely recovery of $500 million of grid modernization over next three years, carrying 10% ROE

aes Indiana

→ Filed new rate case in June

- First rate case since 2018
- Proposed new rates designed to recover inflationary impacts since last rate case, investments in reliability, resiliency improvements and system upgrades
- Expect Commission approval by middle of 2024

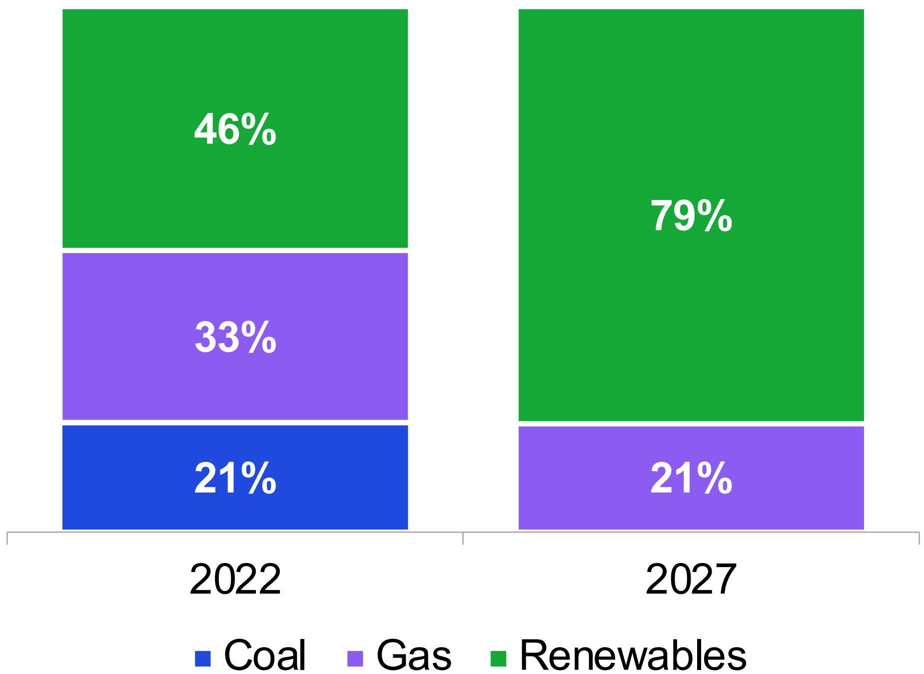
→ Filed for approval to build largest battery storage project in the Midwest on site of retiring Petersburg coal plant[1]

1. 200 MW/800 MWh of energy storage.

Continued Progress on the Transformation of Our Portfolio

Capacity in GW

Intend to Exit Coal by Year-End 2025[1], While Tripling Renewables Capacity



Coal Exit Milestones in Q2 2023

→ Retired 415 MW Petersburg Unit 2 in Indiana

→ Announced retirement of 276 MW Norgener in Chile expected in 2025

→ PPA termination at 205 MW Warrior Run in Maryland

Note: Excludes other fuel sources, such as oil and diesel.

1. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

Application of New Technologies is a Significant Competitive Advantage

→ Utilizing embedded artificial intelligence, including generative AI, across our operations

- Wind production forecasting
- Vegetation management at utilities
- Identification of isolated solar panel failures

→ Pioneering and advancing use of robotics

- Enables installation of projects significantly faster across a wider range of working conditions

Q2 2023 Financial Review

→ Q2 2023 results

→ 2023 Parent capital allocation

→ 2023 guidance

Q2 2023 Financial Results

$ in Millions

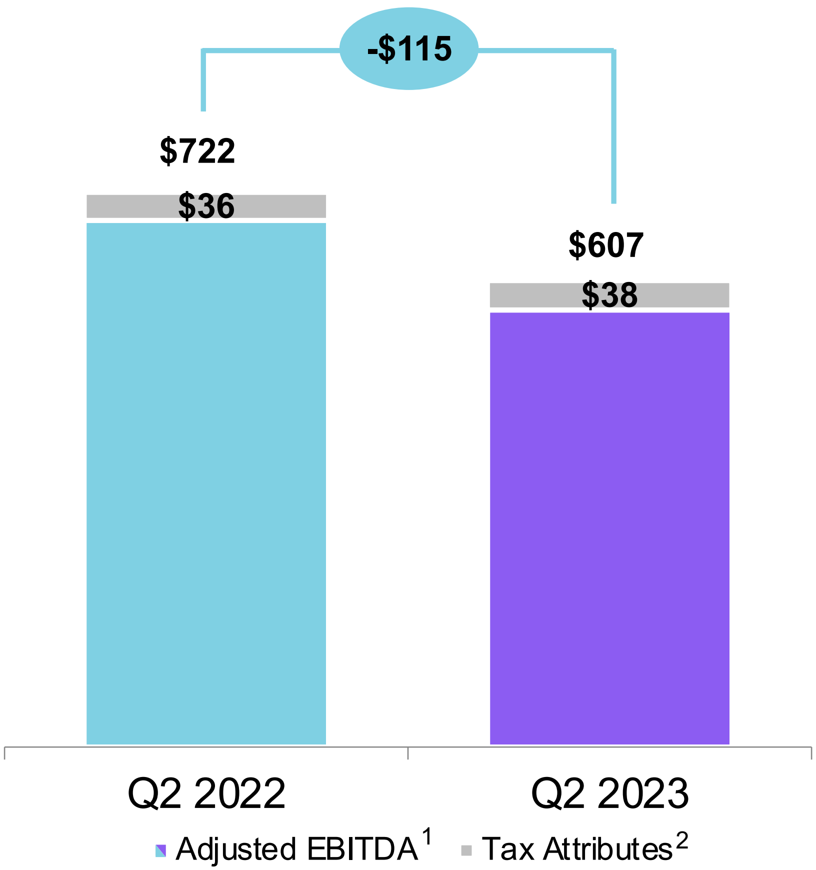
→ Lower Adjusted EBITDA with Tax Attributes[1] driven primarily by

- Lower margins at AES Andes; and
- Higher costs at Renewables SBU due to an accelerated growth plan

→ Partially offset by:

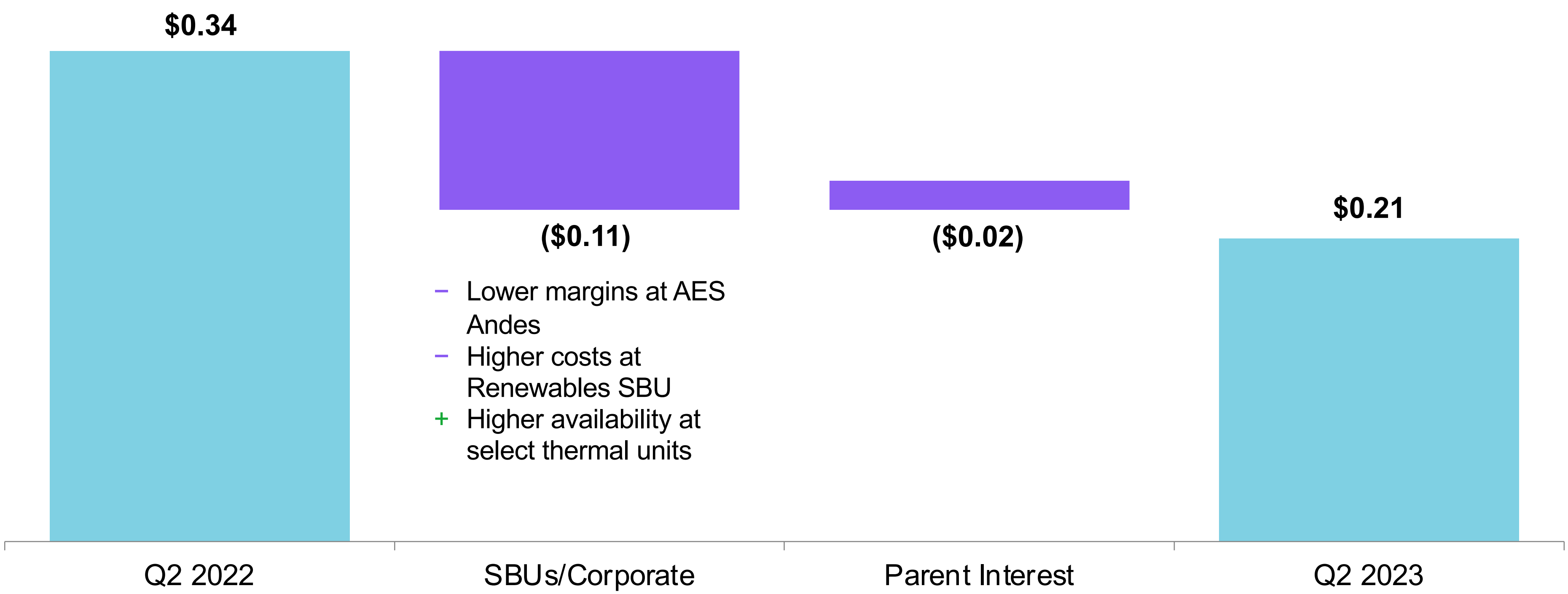
- Addition of new renewables; and
- Higher availability at select thermal units

Adjusted EBITDA with Tax Attributes[1]



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

Q2 2023 Adjusted EPS[1] Decreased $0.13



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

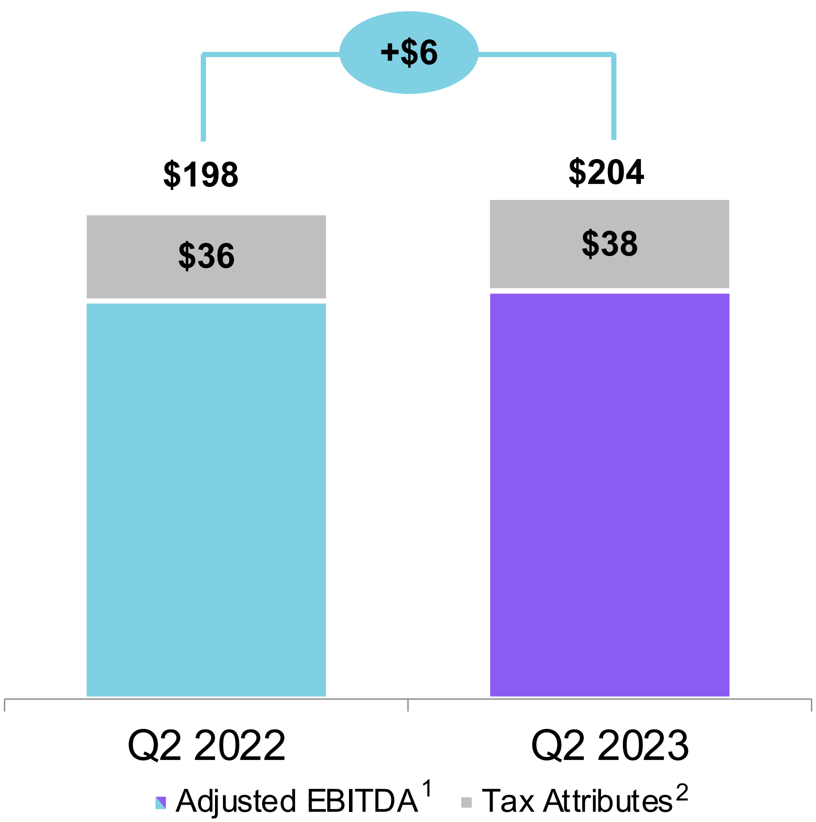
Q2 2023 Financial Results: Renewables

$ in Millions

→ Higher Adjusted EBITDA[1] with Tax Attributes driven primarily by:
- Higher wind generation; and
- Contributions from new projects

→ Partially offset by:
- Higher fixed costs due to an accelerated growth plan

Adjusted EBITDA with Tax Attributes[1]

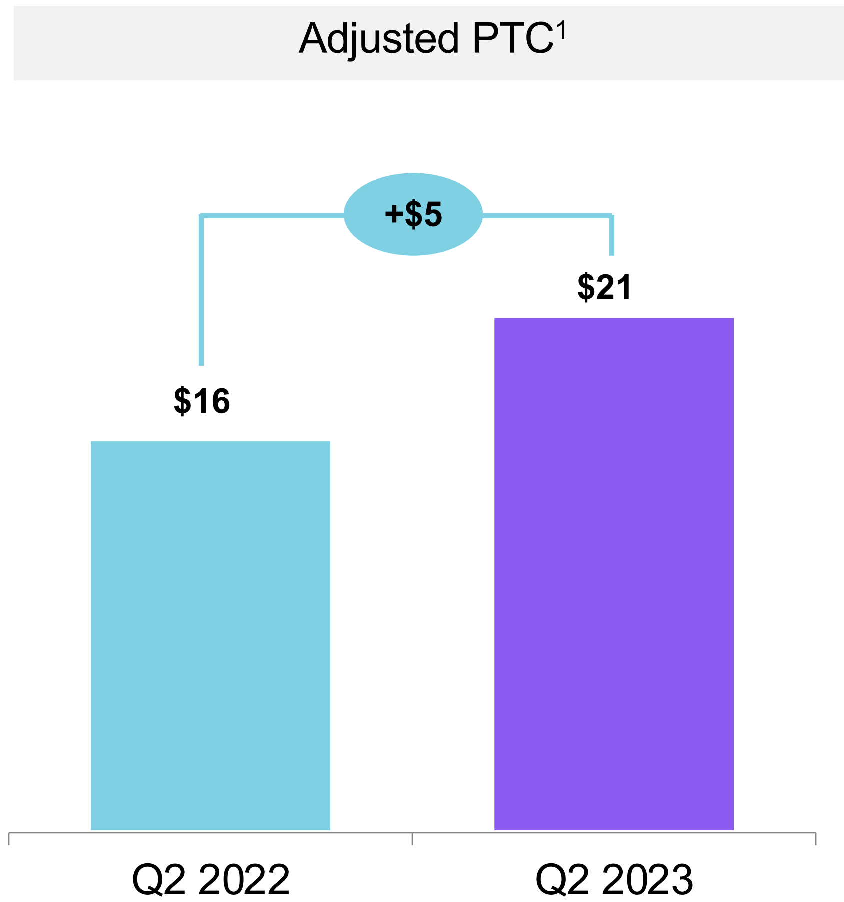


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

Q2 2023 Financial Results: Utilities

$ in Millions

- Higher Adjusted PTC[1] driven primarily by lower maintenance expenses
- Partially offset by higher interest expense due to new debt transactions

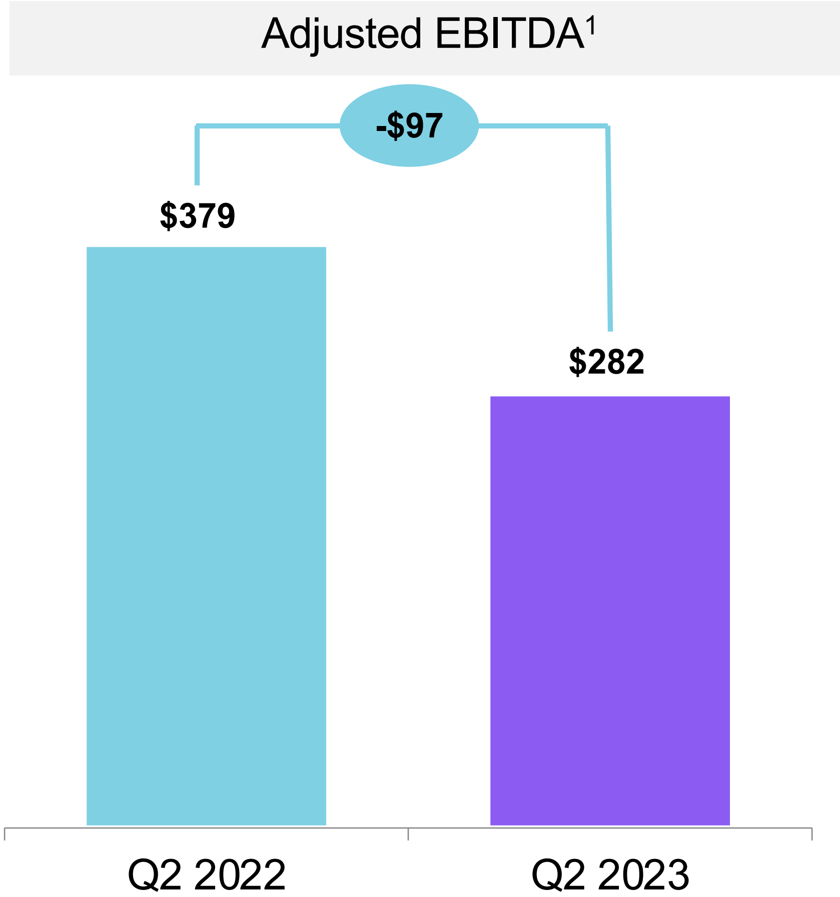


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q2 2023 Financial Results: Energy Infrastructure

$ in Millions

- Lower Adjusted EBITDA[1] driven primarily by lower margins at AES Andes
- Partially offset by higher availability at select thermal units



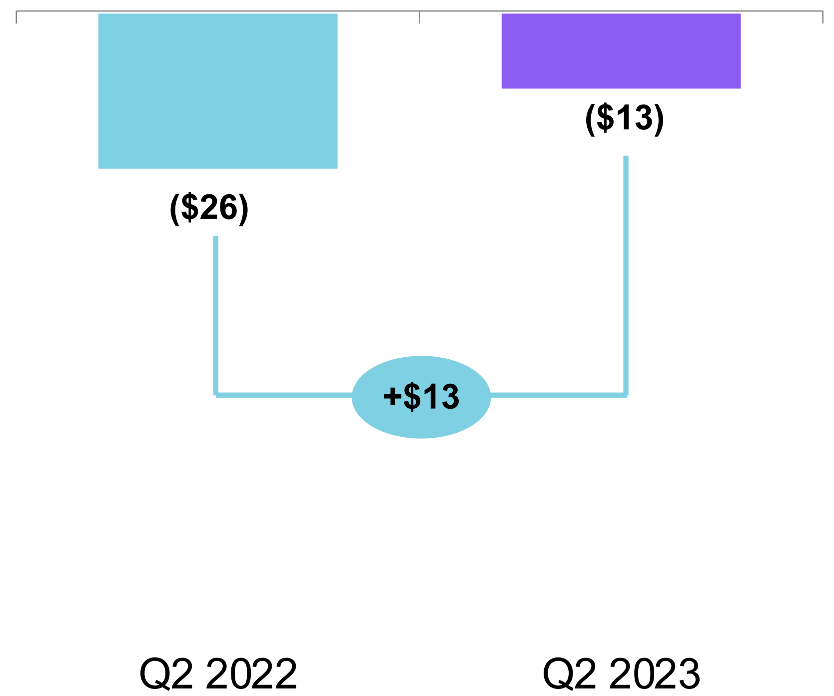
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q2 2023 Financial Results: New Energy Technologies

$ in Millions

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

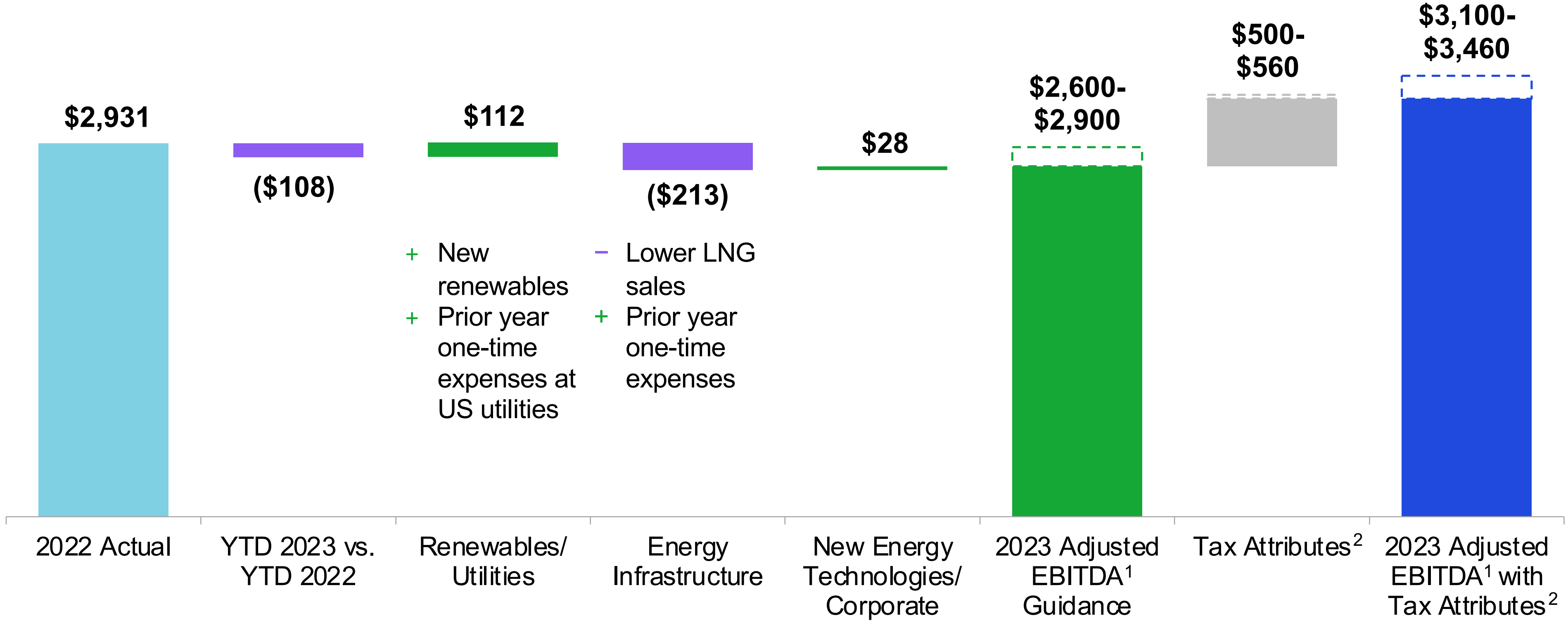
Adjusted EBITDA[1]



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

Reaffirming 2023 Adjusted EBITDA[1] Guidance

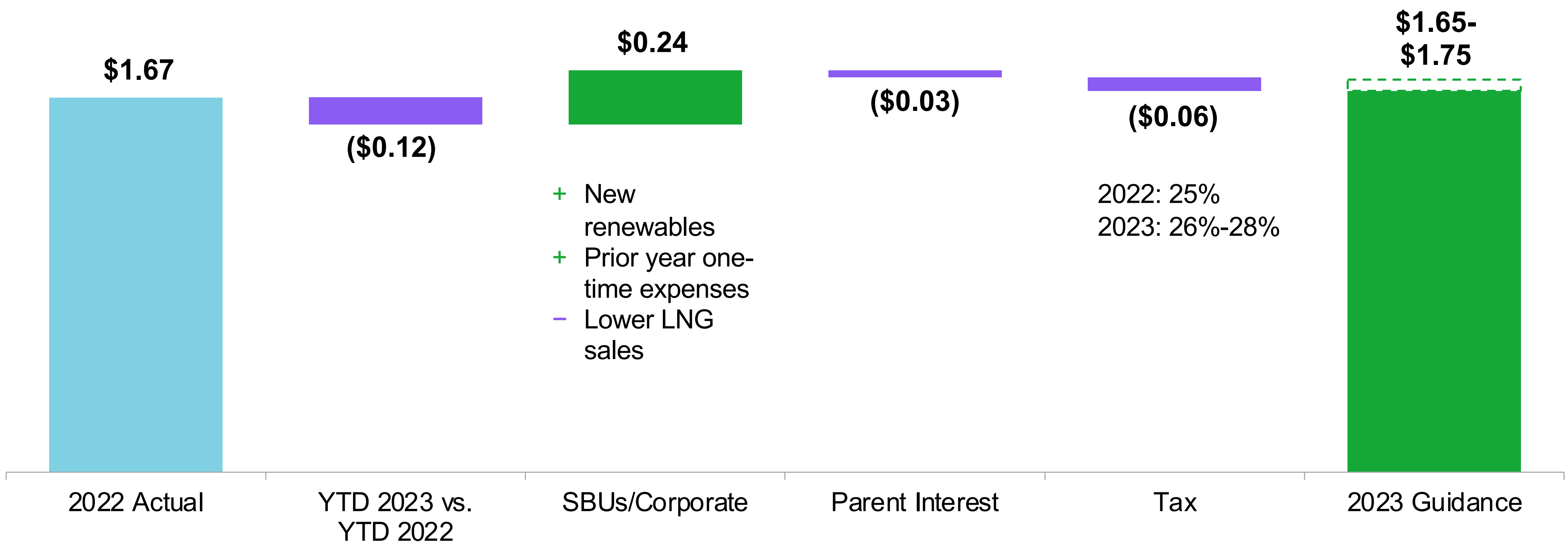
$ in Millions



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA to Net Income for 2022.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

Reaffirming 2023 Adjusted EPS[1] Guidance

$ in Millions



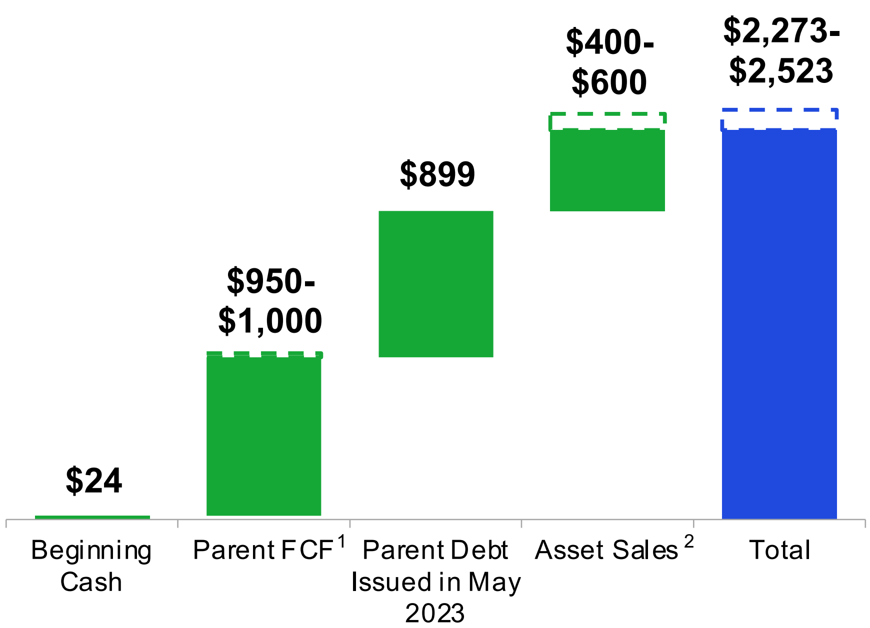
Excludes up to $0.10 of Potential Upside from Completion of an Additional 600 MW of Renewables

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.

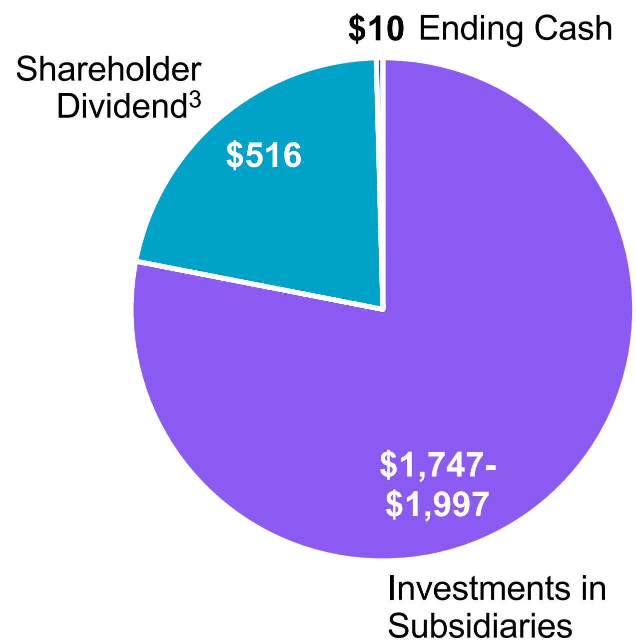
2023 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($2,273-$2,523)



Discretionary Cash – Uses ($2,273-$2,523)



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

→ Reaffirming 2023 guidance for all metrics and targeted annualized growth rates through 2027

→ We continue to make substantial progress on our strategic priorities, including:

- Tripling our installed renewables capacity by 2027
- Increasing the rate base at our US utilities by more than 10% per year through 2027
- Transforming our portfolio by exiting coal by the end of 2025[1], while investing in the new technologies

1. Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

Appendix

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

Parent Sources and Uses of Liquidity

$ in Millions	Q2		YTD	
	2022	2023	2022	2023
Sources				
Total Subsidiary Distributions[1]	$311	$205	$476	$561
Proceeds from Asset Sales, Net	-	-	-	$98
Financing Proceeds, Net	-	$890	-	$890
Increased/(Decreased) Credit Facility Commitments	-	-	-	-
Issuance of Common Stock, Net	-	-	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	-	-	$487	$56
Beginning Parent Company Liquidity[2]	$638	$1,087	$878	$1,165
Total Sources	$949	$2,182	$1,841	$2,770
Uses				
Repayments of Debt	-	-	-	-
Shareholder Dividend	($123)	($129)	($247)	($258)
Investments in Subsidiaries, Net	($304)	($976)	($949)	($1,280)
Cash for Development, Selling, General & Administrative and Taxes	($66)	($64)	($167)	($178)
Cash Payments for Interest	($7)	($12)	($59)	($73)
Changes in Letters of Credit and Other, Net	($6)	($83)	$24	($63)
Ending Parent Company Liquidity[2]	($443)	($918)	($443)	($918)
Total Uses	($949)	($2,182)	($1,841)	($2,770)

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

Q2 & YTD 2023 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU	Q2 2023	YTD
Renewables	$49	$83
Utilities	$28	$50
Energy Infrastructure	$88	$385
New Energy Technologies	-	-
Corporate[2]	$40	$43
Total	$205	$561

Top Subsidiary Distributions[1] by Business

Q2 2023				YTD			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
US Holdco (Energy Infrastructure)	$50	Los Mina (Energy Infrastructure)	$13	Maritza East (Energy Infrastructure)	$154	Southland (Energy Infrastructure)	$32
Global Insurance (Corporate)	$40	Kavarna (Renewables)	$9	US Holdco (Energy Infrastructure)	$153	Colon (Energy Infrastructure)	$18
AES Clean Energy (Renewables)	$33	Panama (Renewables)	$7	AES Clean Energy (Renewables)	$68	Los Mina (Energy Infrastructure)	$13
AES Indiana (Utilities)	$25	Mong Duong (Energy Infrastructure)	$5	AES Indiana (Utilities)	$47	Kavarna (Renewables)	$9
Colon (Energy Infrastructure)	$18	CAESS & EEO (Utilities)	$3	Global Insurance (Corporate)	$43	Panama (Renewables)	$7

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

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

$ in Millions

	Quarter Ended			
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$205	$356	$753	$69
Total Return of Capital Distributions to Parent & QHCs[2]	-	$56	-	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	$205	$412	$753	$69

	Balance as of			
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Cash at Parent & QHCs[2]	$35	$117	$24	$49
Availability Under Credit Facilities	$883	$970	$1,141	$374
Ending Liquidity	$918	$1,087	$1,165	$423

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

Recourse Debt Summary

$ in Millions, Except Percentages; as of June 30, 2023

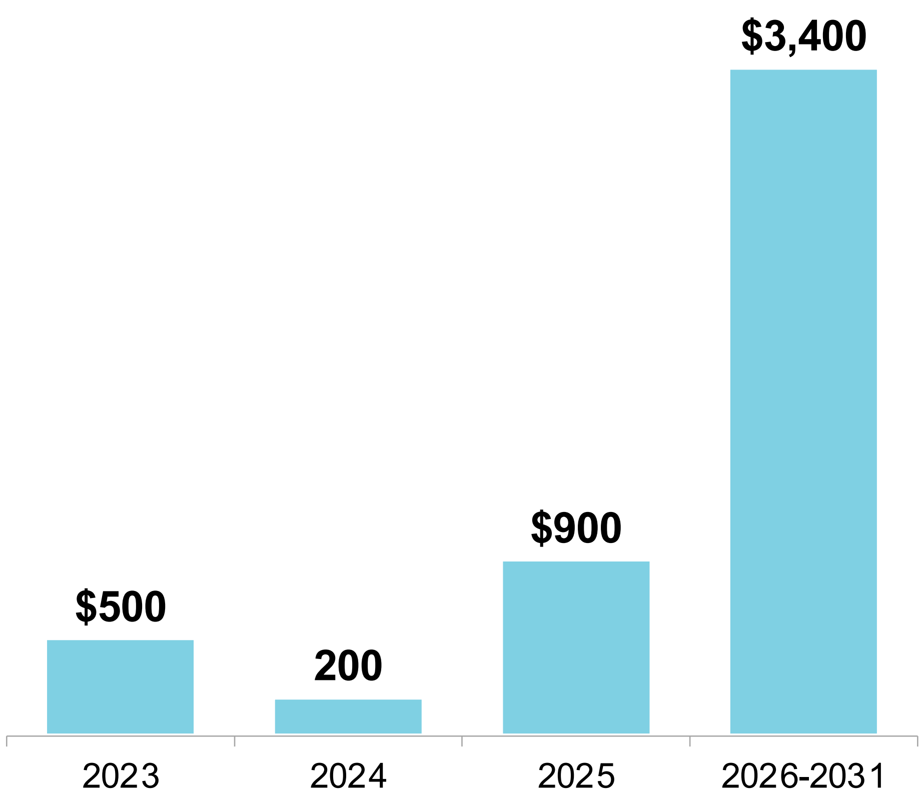
	SBU	Principal Balance	Interest Rate	Maturity	Ratings Moody's/S&P/Fitch
Senior Variable Rate Term Loan	Corporate	200	Term SOFR + 1.125%	9/30/24	N/A
AES Clean Energy Senior Variable Rate Term Loan	Renewables	500	Term SOFR + 1.25%	12/21/23	N/A
3.300% Senior Unsecured Notes due 2025	Corporate	900	3.300%	7/15/25	Baa3/BBB-/BBB-
1.375% Senior Unsecured Notes due 2026	Corporate	800	1.375%	1/15/26	Baa3/BBB-/BBB-
5.450% Senior Unsecured Notes due 2028	Corporate	900	5.450%	6/1/28	Baa3/BBB-/BBB-
3.950% Senior Unsecured Notes due 2030	Corporate	700	3.950%	7/15/30	Baa3/BBB-/BBB-
2.450% Senior Unsecured Notes due 2031	Corporate	1,000	2.450%	1/15/31	Baa3/BBB-/BBB-
Total Recourse Debt[1] (as of June 30, 2023)		$5,000			

Note: Ratings as of June 30, 2023. To request an Excel version of this table, please contact Max Trask at max.trask@aes.com.

1. These balances do not reflect unamortized discounts and other accounting adjustments that are used to calculate the book value of the debt. Certain amounts may vary slightly from other presentations due to rounding. Does not include $517 million of commercial paper at Parent Company.

Most Recourse Debt[1] Maturities in 2025 and Beyond

$ in Millions, as of June 30, 2023



	Recourse Debt
Weighted Average All-in Cost	3.69%
Weighted Average Maturity	4.4 years
Percentage Fixed or Hedged	86%
Percentage in Functional Currency	100%

1. Does not include commercial paper of $517 million at Parent Company.

Q2 2023 Non-Recourse Debt[1] Schedule

As of June 30, 2023, $ in Millions, Except Percentages

SBU/Business	Country/State	Ownership Percentage	June 30, 2023 Total Balance	Debt Maturity Schedule						June 30, 2023 Total Balance (Ownership-Adjusted)
				2023	2024	2025	2026	2027	2028 and Thereafter	
Renewables										
AES Clean Energy	USA	83%	3,718	82	1,348	452	483	644	709	3,093
AES Brasil (AES Tietê)	Brazil	46%	2,363	80	423	534	234	437	655	1,096
Changuinola	Panama	90%	62	62	-	-	-	-	-	56
Chivor	Columbia	99%	487	38	63	75	35	269	7	484
DR Renewables	Dominican Republic	85%	156	2	5	125	6	6	12	133
Jordan Solar	Jordan	36%	12	-	1	1	1	1	8	4
Kavarna	Bulgaria	89%	34	7	27	-	-	-	-	30
Puerto Rico Solar	USA - Puerto Rico	100%	28	1	3	3	3	3	15	28
Total Renewables			**6,860**	**272**	**1,870**	**1,190**	**762**	**1,360**	**1,406**	**4,924**
Utilities										
AES Indiana (IPALCO)	USA - Indiana	70%	3,034	-	445	40	90	-	2,459	2,124
AES Ohio (Dayton Power & Light)	USA - Ohio	100%	1,652	-	-	415	-	140	1,097	1,652
El Salvador	El Salvador	79%	407	40	21	20	23	146	157	323
Total Utilities			**5,093**	**40**	**466**	**475**	**113**	**286**	**3,713**	**4,099**

Note: To request an Excel version of this table, please contact Max Trask at max.trask@aes.com.

1. These balances do not reflect unamortized discounts and other accounting adjustments that are used to calculate the book value of the debt. Certain amounts may vary slightly from other presentations due to rounding. Does not include temporary drawings under revolvers of $140 million at US utilities.

Q2 2023 Non-Recourse Debt[1] Schedule

As of June 30, 2023, $ in Millions, Except Percentages

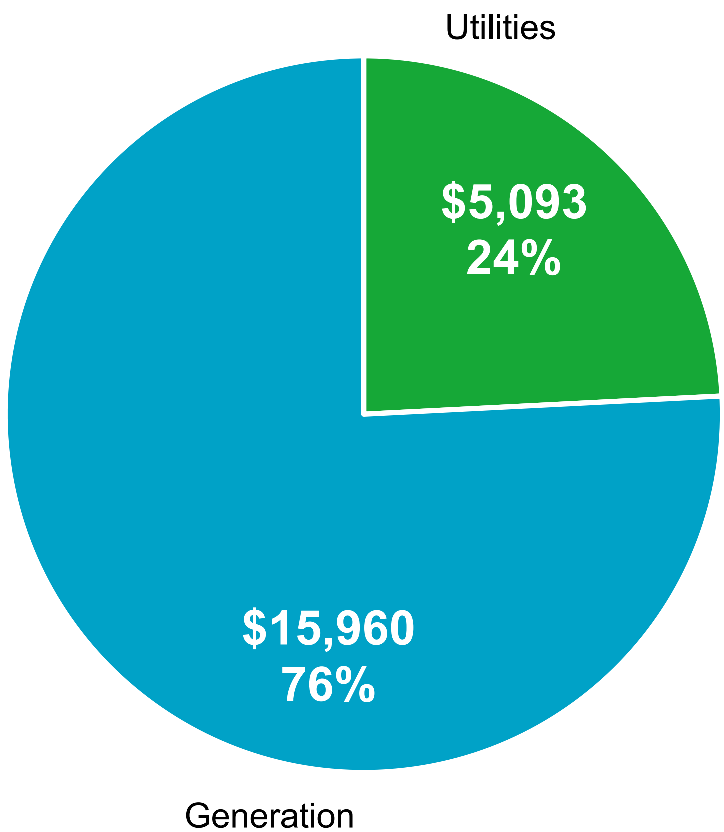
SBU/Business	Country/State	Ownership Percentage	June 30, 2023 Total Balance	Debt Maturity Schedule 2023	2024	2025	2026	2027	2028 And Thereafter	June 30, 2023 Total Balance (Ownership-Adjusted)
Energy Infrastructure										
AES Andes (AES Gener)	Chile	99%	2,185	308	70	197	248	518	844	2,172
AES Argentina	Argentina	100%	287	12	275	-	-	-	-	286
AES Panama	Panama	100%	1,418	12	47	20	22	25	1,292	1,418
Andres	Dominican Republic	91%	774	76	39	25	26	7	601	703
Angamos	Chile	99%	36	3	6	6	6	6	9	36
Atlantico	Panama	100%	77	27	-	-	50	-	-	77
Cochrane	Chile	59%	743	33	60	66	67	44	473	441
Los Mina	Dominican Republic	85%	260	-	-	-	-	260	-	221
Maritza East I	Bulgaria	100%	164	-	70	94	-	-	-	164
Mong Duong	Vietnam	100%	814	74	118	229	130	116	147	814
Puerto Rico	USA - Puerto Rico	100%	144	18	42	45	39	-	-	144
Southland Energy	USA - California	55%	1,994	52	86	85	93	98	1,580	1,092
TEG TEP	Mexico	100%	169	16	50	35	36	32	-	169
US Generation	USA	100%	35	8	9	9	9	-	-	35
Total Energy Infrastructure			**9,100**	**639**	**872**	**811**	**726**	**1,106**	**4,946**	**7,772**
Total Non-Recourse Debt[1] Across All SBUs			**21,053**	**951**	**3,208**	**2,476**	**1,601**	**2,752**	**10,065**	**16,795**

Note: To request an Excel version of this table, please contact Max Trask at max.trask@aes.com.

1. These balances do not reflect unamortized discounts and other accounting adjustments that are used to calculate the book value of the debt. Certain amounts may vary slightly from other presentations due to rounding. Does not include temporary drawings under revolvers of $140 million at US utilities.

$21.1 Billion of Non-Recourse Debt[1]

$ in Millions, as of June 30, 2023

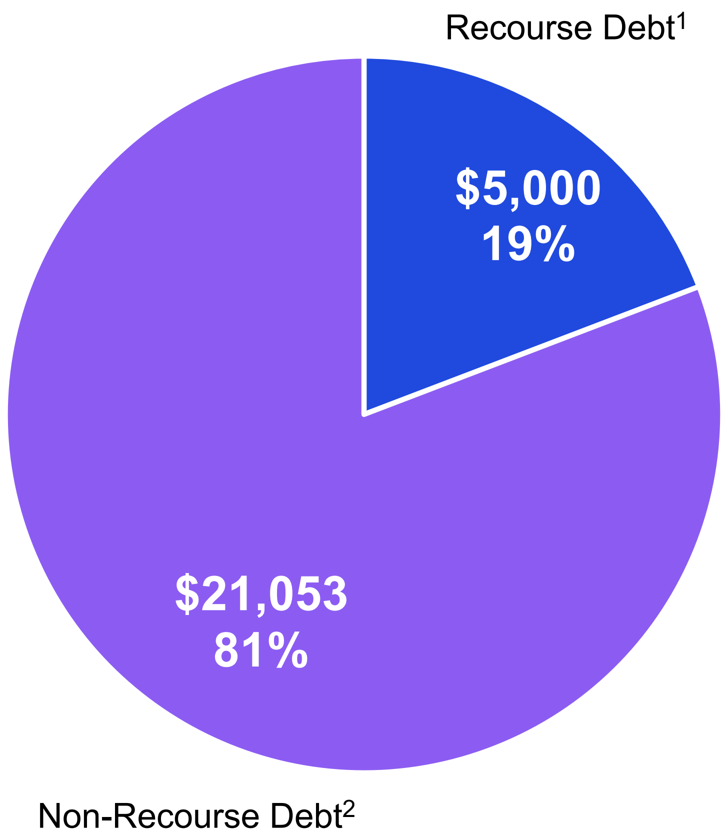


	Non-Recourse Debt
Weighted Average All-in Cost	5.61%
Weighted Average Maturity	8.6 years
Percentage Fixed or Hedged	69%
Percentage in Functional Currency	~100%

1. Does not include temporary drawings under revolvers of $140 million at US Utilities.

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

$ in Millions, as of June 30, 2023



	Recourse Debt	Non-Recourse Debt
Weighted Average All-in Cost	3.69%	5.61%
Weighted Average Maturity	4.4 years	8.6 years
Percentage Fixed or Hedged	86%	69%
Percentage in Functional Currency	100%	~100%

1. Does not include commercial paper of $517 million at Parent Company.
2. Does not include temporary drawings under revolvers of $140 million at US Utilities.

Q2 & YTD Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q2 2023	Q2 2022	Variance	YTD 2023	YTD 2022	Variance
Adjusted PTC[1]						
Renewables	$106	$126	($20)	$138	$171	($33)
Utilities	$21	$16	$5	$59	$85	($26)
Energy Infrastructure	$150	$203	($53)	$361	$375	($14)
New Energy Technologies[2]	($16)	($29)	$13	($44)	($67)	$23
Corporate	($70)	($12)	($58)	($119)	($53)	($66)
Total AES Adjusted PTC[1,3]	$191	$304	($113)	$395	$511	($116)
Adjusted Effective Tax Rate	21%	22%		22%	24%	
Diluted Share Count	712	711		712	711	
Adjusted EPS[1]	$0.21	$0.34	($0.13)	$0.43	$0.55	($0.12)

1. A non-GAAP financial measure. See Slides 50-51 for reconciliation to the nearest GAAP measure and “definitions”
2. Includes $18 million and $28 million of losses from AES Next for the three months ended June 30, 2023 and 2022, respectively, and $40 million and $60 million of losses for the six months ended June 30, 2023 and 2022, respectively.
3. Includes $7 million and $15 million of adjusted after-tax equity in losses for the three months ended June 30, 2023 and 2022, respectively, and $13 million and $9 million of adjusted after-tax equity in losses for the six months ended June 30, 2023 and 2022, respectively.

YTD 2023 Financial Results

$ in Millions

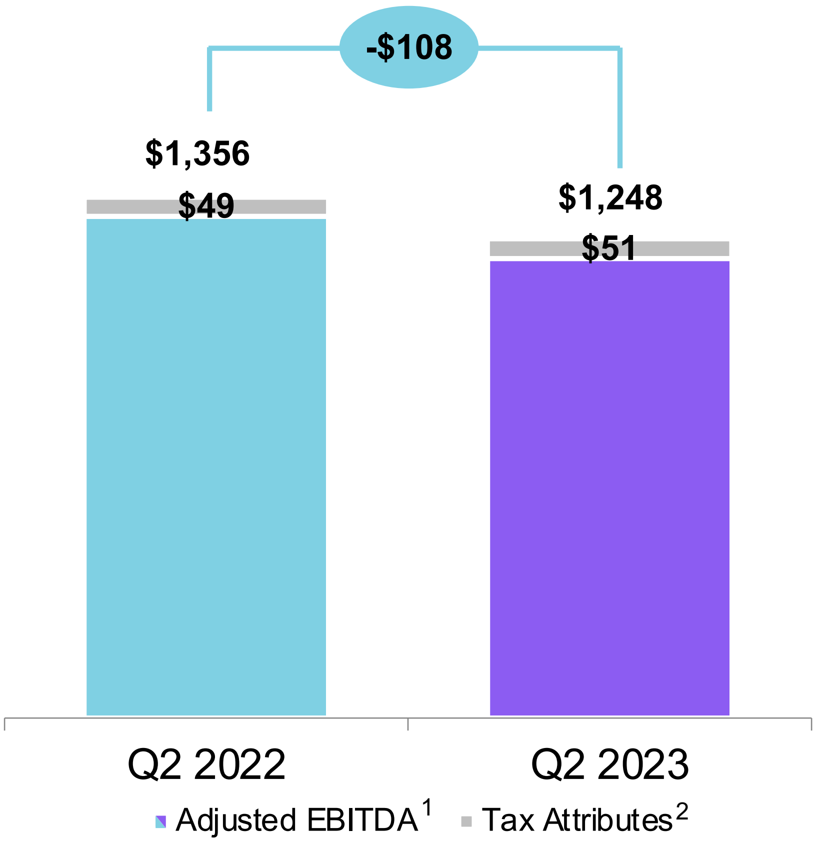
→ Lower Adjusted EBITDA[1] driven primarily by:

- Lower margins at AES Andes
- Unfavorable weather at AES Indiana and AES Ohio; and
- Retirement of Hawaii coal plant

→ Partially offset by:

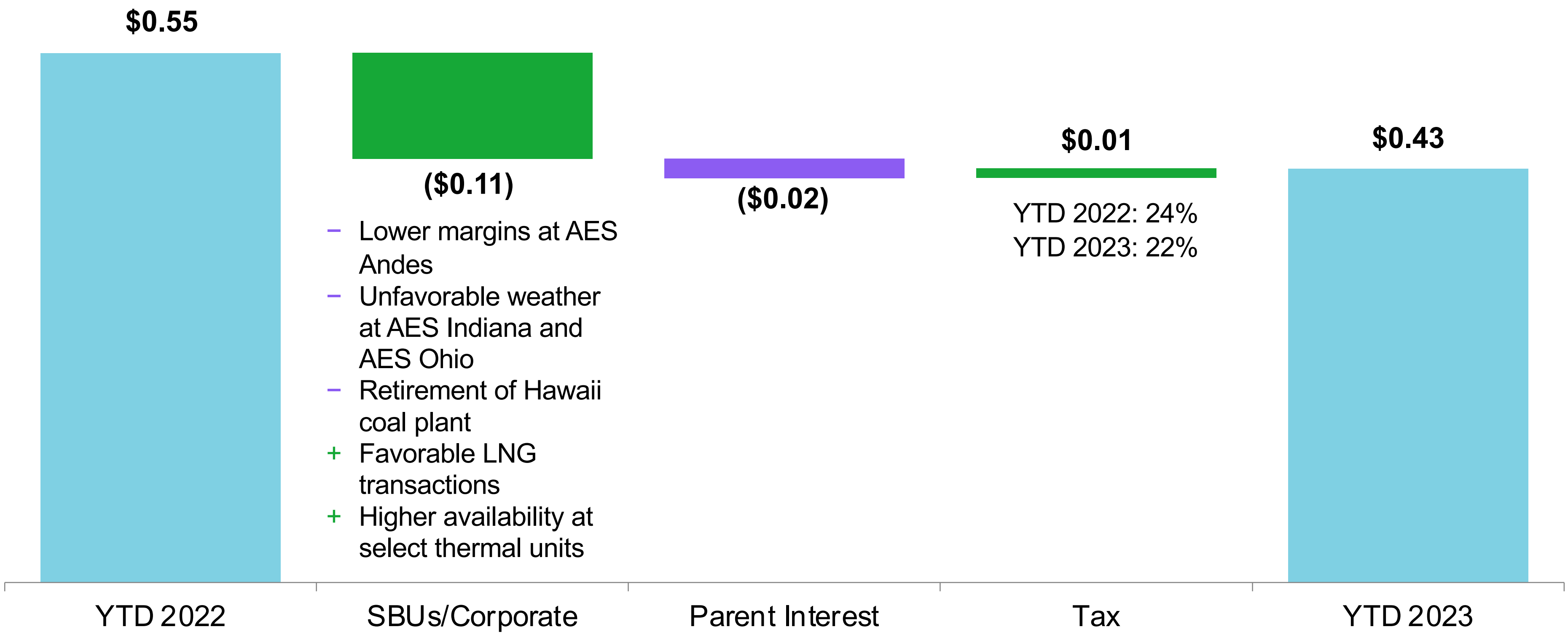
- Favorable LNG transactions; and
- Higher availability at select thermal units

Adjusted EBITDA with Tax Attributes[1]



1. A non-GAAP financial measure. See Slide 51 for reconciliation to the nearest GAAP measure and "definitions".
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

YTD 2023 Adjusted EPS[1] Decreased $0.12



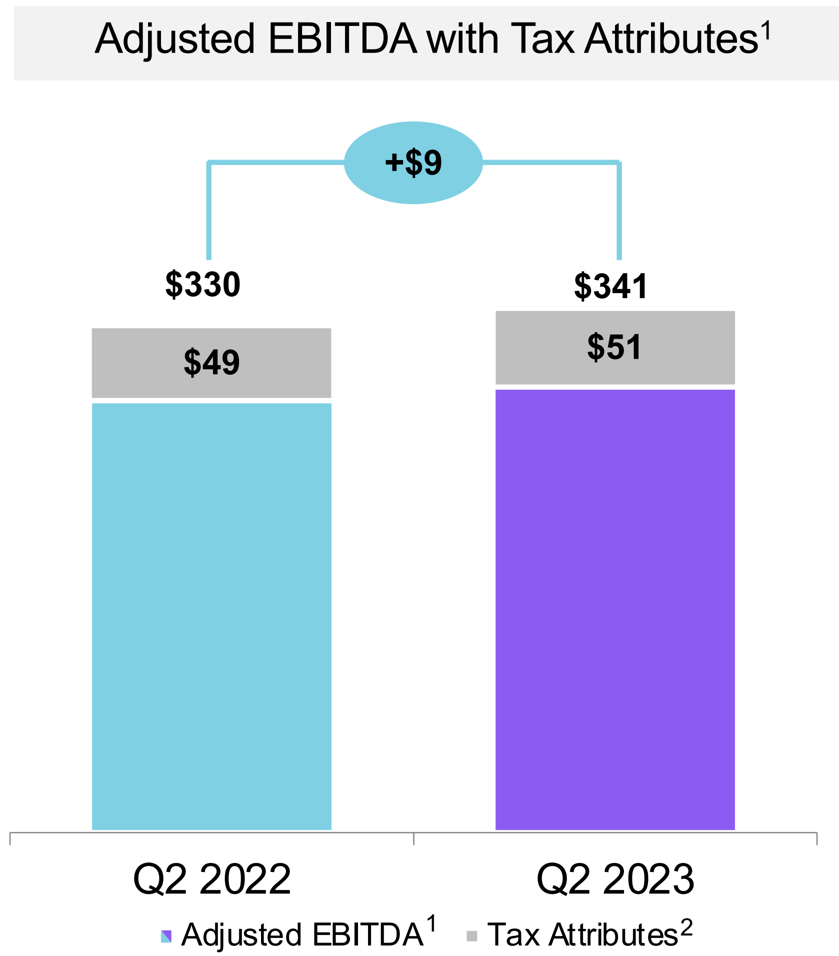
1. A non-GAAP financial measure. See Slide 51 for reconciliation to the nearest GAAP measure and "definitions".

YTD 2023 Financial Results: Renewables

$ in Millions

→ Higher Adjusted EBITDA[1] driven primarily by:
- Contributions from new projects; and
- Higher wind generation

→ Partially offset by higher fixed costs due to an accelerated growth plan



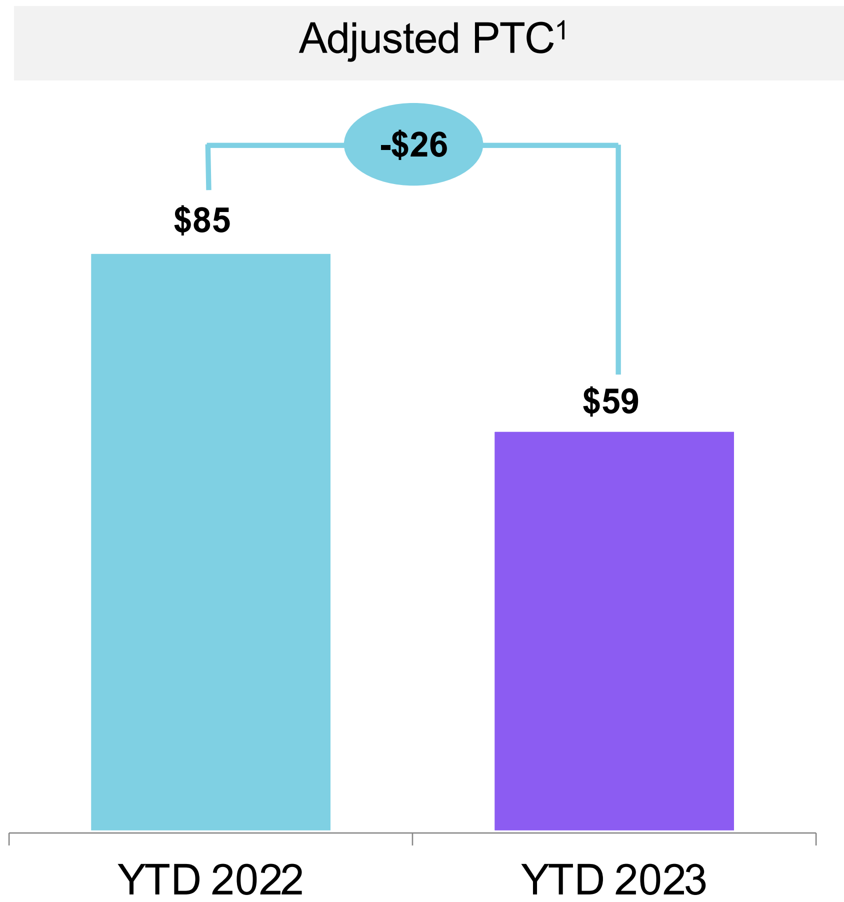
1. A non-GAAP financial measure. See “definitions”.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

YTD 2023 Financial Results: Utilities

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:
- Unfavorable weather at AES Indiana and AES Ohio; and
- Higher interest expense

→ Partially offset by rate base growth



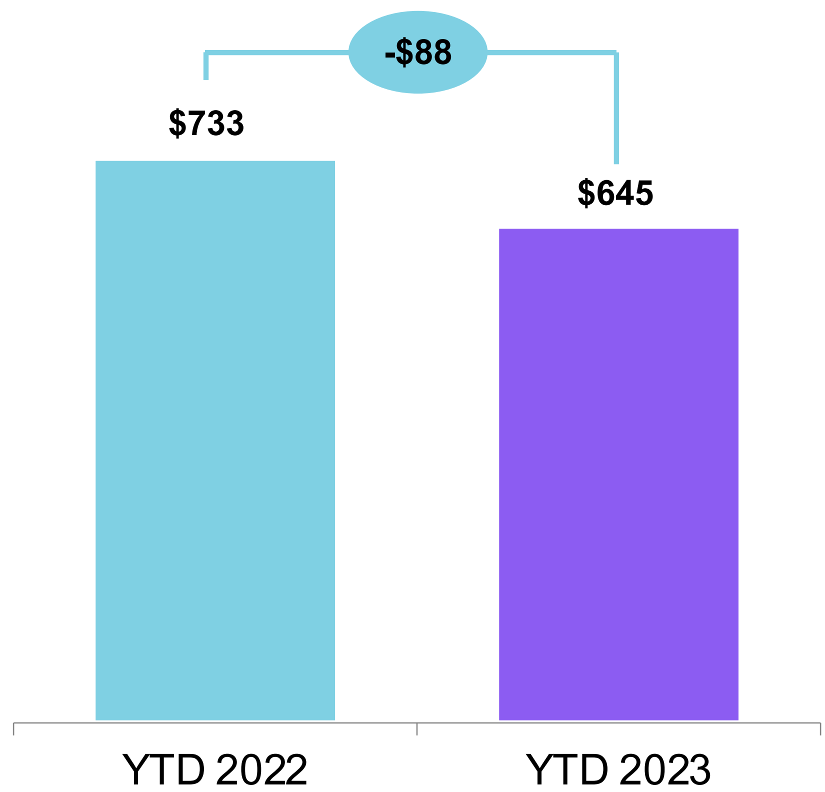
1. A non-GAAP financial measure. See "definitions".

YTD 2023 Financial Results: Energy Infrastructure

$ in Millions

- Lower Adjusted EBITDA[1] driven primarily by:
  - Lower margins at AES Andes; and
  - Retirement of Hawaii coal plant
- Partially offset by:
  - Favorable LNG transactions; and
  - Higher availability at select thermal units

Adjusted EBITDA[1]



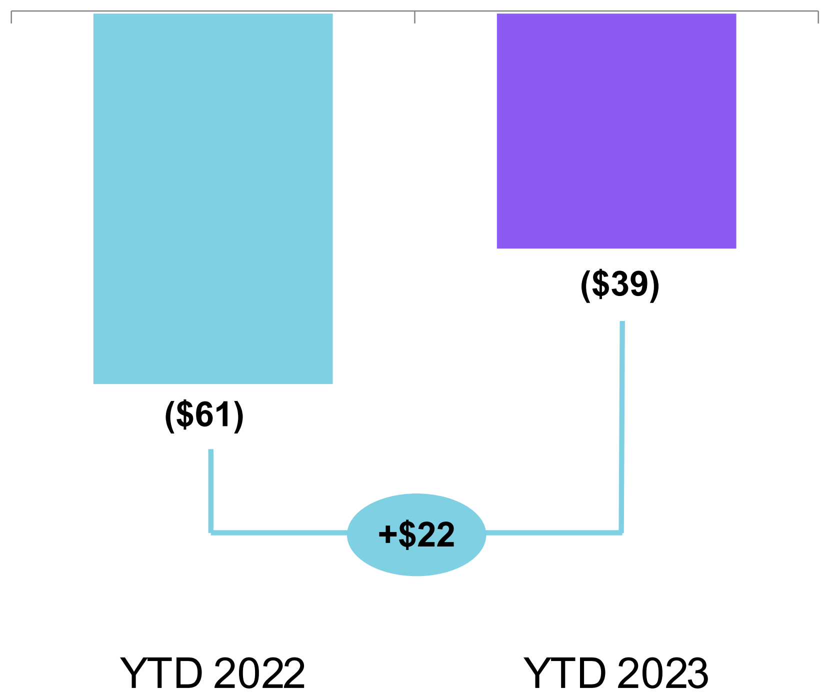
1. A non-GAAP financial measure. See “definitions”.

YTD 2023 Financial Results: New Energy Technologies

$ in Millions

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

Adjusted EBITDA[1]



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

Q2 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

AES SBU/Reporting Country	Utilities/US			
AES Company	IPL		DPL	
$ in Millions	Q2 2023	Q2 2022	Q2 2023	Q2 2022
US GAAP Reconciliation				
AES Business Unit Adjusted Earnings[1,2]	$5	($1)	($5)	$1
Adjusted PTC[1,3] Public Filer (Stand-alone)	$5	($1)	($10)	-
Impact of AES Differences from Public Filings	($1)	-	-	-
AES Business Unit Adjusted PTC[1]	$4	($1)	($10)	-
Unrealized Derivatives and Equity Security Gains (Losses)	-	-	-	-
Unrealized Foreign Currency Gains (Losses)	-	-	-	-
Impairment Expense	-	-	-	-
Disposition/Acquisition Gains (Losses)	-	$1	-	-
Losses on Extinguishment of Debt	-	-	-	-
Non-Controlling Interest before Tax	$2	$2	-	-
Income Tax Benefit	-	-	$5	$1
US GAAP Income from Continuing Operations[3]	$6	$2	($5)	$1

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.

Q2 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	Q2 2023	Q2 2022	Q2 2023	Q2 2022
US GAAP Reconciliation				
AES Business Unit Adjusted Earnings[1,3]	$74	$143	$28	$21
Adjusted EBITDA[1,3] Public Filer (Stand-alone)	$82	$181	$32	$21
Impact of AES Differences from Public Filings	-	-	-	-
AES Business Unit Adjusted EBITDA[1]	$82	$181	$32	$21
Less: Adjustment for noncontrolling interests and redeemable stock of subsidiaries	($26)	($26)	($35)	($27)
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)	$10	($10)	($23)	($13)
Unrealized foreign currency losses (gains)	$34	$17	$24	$25
Disposition/ acquisition losses	($5)	-	($2)	$2
Impairment losses	($138)	-	-	-
Loss on extinguishment of debt	-	-	-	-
EBITDA	($79)	$200	$69	$34
Income Tax Expenses	($30)	$39	$11	($4)
Interest Expense	$63	$37	$48	$47
Interest Income	($35)	($7)	($27)	($18)
Depreciation and Amortization	$36	$38	$28	$23
Net Income	($113)	$93	$9	($14)
Adjustment to Depreciation & Amortization[5]	($10)	($10)	($2)	($2)
Adjustment to Taxes	$32	$3	$7	($3)
Other Adjustments	($120)	($8)	($7)	$17
IFRS Net Income	($211)	$78	$7	($2)
BRL-USD Implied Exchange Rate			4.9485	4.8462

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.

Q2 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	$106	$61	($20)	$41	$45	($17)	$28	$81	($25)	$57
Utilities[2]	$21	$64	($13)	$51	$3	-	$3	$98	($23)	$76
DPL		$19	-	$19	-	-	-	$21	-	$21
IPL		$35	($10)	$25	$2	($1)	$1	$70	($21)	$49
Energy Infrastructure	$150	$126	($24)	$102	$80	($18)	$62	$95	($17)	$78
New Energy Technologies	($16)	-	-	-	-	-	-	-	-	-
Corporate	($70)	$59	-	$59	$3	-	$3	$2	-	$2
Total	$191	$310	($57)	$253	$131	($35)	$96	$277	($65)	$212

1. A non-GAAP financial measure. See Slide 50 for reconciliation to the nearest GAAP measure and "definitions".
2. Also includes El Salvador.

Q2 2023 Modeling Disclosures

$ in Millions

	Total Debt as of June 30, 2023			2027 Forecasted Total Debt		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables*,[1]	$7,382	($1,939)	$5,443	$16,200-$17,800	($6,000)-($6,600)	$10,200-$11,200
Utilities[2]	$5,191	($987)	$4,204	$6,100-$6,700	($1,000)-($1,200)	$5,100-$5,500
DPL	$1,777	-	$1,777			
IPL	$3,020	($906)	$2,114			
Energy Infrastructure	$8,993	($1,299)	$7,694	$6,300-$6,900	($1,500)-($1,700)	$4,800-$5,200
New Energy Technologies	-	-	-	-	-	-
Corporate	$4,976	-	$4,976	$5,900-$6,100	-	$5,900-$6,100
Total	$26,542	($4,225)	$22,317	$34,500-$37,500	($8,500)-($9,500)	$26,000-$28,000
Includes Non-Recourse AES Clean Energy Construction Warehouse:						
Total Balance	$1,560	($390)	$1,170	$3,750-$4,250	($950)-($1,050)	$2,800-$3,200
Portion to be Replaced with Tax Equity	~$750	~($200)	~$550	$1,800-$2,000	($450)-($500)	$1,350-$1,500

1. Includes $500 million of Recourse debt.
2. Also includes El Salvador.

Q2 2023 Modeling Disclosures

$ in Millions

	Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables	$1,367	($534)	$832
Utilities[1]	$195	($36)	$159
DPL	$45	-	$45
IPL	$92	($28)	$65
Energy Infrastructure	$906	($108)	$798
New Energy Technologies	$8	($2)	$6
Corporate	$247	-	$247
Total	$2,723	($681)	$2,042

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".

2023 SBU Modeling Ranges

$ in Millions

	2022 Adjusted EBITDA[1]	2023 Adjusted EBITDA[1] Modeling Ranges as of 5/8/23	Drivers of Growth Versus 2022
Renewables	$605	$660-$730	+ New projects – Sell-downs
Utilities	$612	$600-$670	+ Prior year one-time expenses at US utilities + Prior year outage at AES Indiana + Rate base growth – Weather
Energy Infrastructure	$1,836	$1,450-$1,620	– Lower LNG sales – Lower coal margins – Asset sales + Prior year outages at Southland and Chile coal + Prior year one-time expenses in Argentina + Commercial optimization
Total SBUs (excluding New Energy Technologies)	$3,053	$2,710-$3,020	
New Energy Technologies/ Corporate	($122)	($110)-($120)	+ Mostly flat year-over-year
Adjusted EBITDA[1]	$2,931	$2,600-$2,900	

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA to Net Income for 2022.

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]	357.52	~($0.015)
Brazilian Real (BRL)	4.85	Less than ($0.005)
Chilean Peso (CLP)	808.66	~$0.005
Colombian Peso (COP)	4252.42	~($0.005)
Dominican Peso (DOP)	54.89	~$0.015
Euro (EUR)	1.10	Less than ($0.005)
Mexican Peso (MXN)	17.37	~$0.015

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]	$77.98/bbl	Less than ($0.005)
NYMEX Henry Hub Natural Gas[3]	$2.98/mmbtu	Less than $0.005
Rotterdam Coal (API 2)[3]	$121.59/ton	Less than $0.005
US Power – SP15	$77.83MWh	Less than $0.005

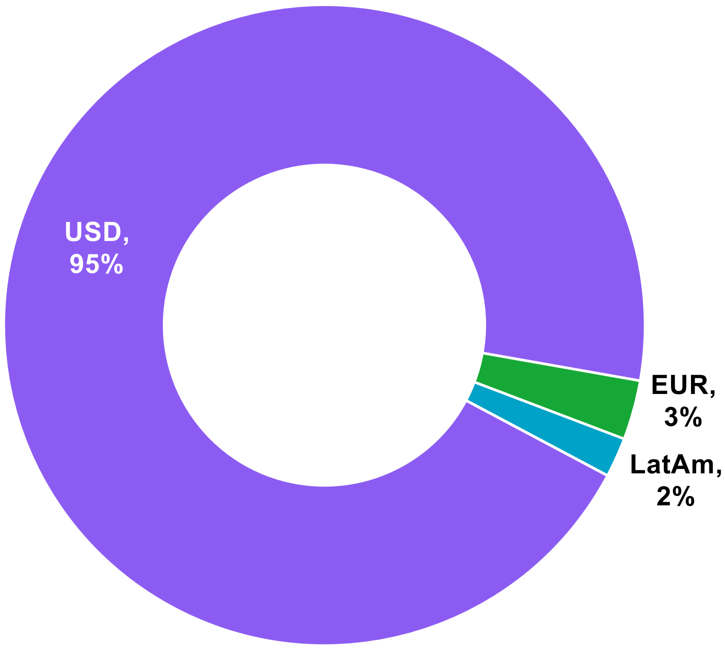
Note: Guidance reaffirmed on August 4, 2023. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES guidance issued on February 27, 2023. Estimates show the impact on year-to-go 2023 Adjusted 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 June 30, 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 June 30, 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)	($8.0)
Euro (EUR)	($5.0)
Chilean Peso (CLP)	$13.0
Brazilian Real (BRL)	($3.0)
Others	~$0
% of Annualized Adjusted PTC[2]	-0.56%

($3) Million Annualized Adjusted PTC Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of June 30, 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 June 30, 2023.
3. As of June 30, 2023. A non-GAAP financial measure. See "definitions".

PPAs Signed in YTD 2023

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
AES Dominicana	Dominican Republic	Solar	170	85%	1H-2H 2024	15
AES Andes	Chile	Solar	146	99%	In Operation[2]	17
Bellefield Phase 1 (AES Clean Energy)	US-CA	Solar	500	75%	2H 2025	15
		Energy Storage	500			
AES Clean Energy	US-Various	Solar	418	75%	1H 2025-2H 2026	15-20
		Energy Storage	185			
AES Indiana	US-IN	Wind	106	70%	In Operation[3]/ 2H 2024	20
		Energy Storage	200			
Total YTD 2023			2,225[4]			

1. Commercial Operations Date.
2. Acquisition expected to close in 2H 2023.
3. Acquisition of 106 MW of wind expected to close in 1H 2024.
4. Excludes 154 MW of wind in Brazil, which replaced an existing contractual structure in the backlog.

Reconciliation of Q2 Adjusted PTC and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q2 2023		Q2 2022	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	($39)	($0.05)	($179)	($0.25)
Add: Income Tax Expense from Continuing Operations Attributable to AES	($16)		($29)	
Pre-Tax Contribution	($55)		($208)	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$33	$0.05[3]	($35)	($0.05)[4]
Unrealized Foreign Currency Losses	$33	$0.04[5]	$39	$0.05[6]
Disposition/Acquisition Losses	$16	$0.02	$23	$0.03[7]
Impairment Losses	$164	$0.23[8]	$479	$0.68[9]
Loss on Extinguishment of Debt	-	-	$6	$0.01
Less: Net Income Tax Benefit	-	($0.08)[10]	-	($0.13)[11]
Adjusted PTC[1] & Adjusted EPS[1]	$191	$0.21	$304	$0.34

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized losses due to the termination of a PPA of $72 million, or $0.10 per share, partially offset by unrealized derivative gains at the Energy Infrastructure SBU of $37 million, or $0.05 per share.
4. Amount primarily relates to the unrealized gain on remeasurement of our existing investment in 5B, accounted for using the measurement alternative, of $26 million, or $0.04 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 $24 million, or $0.03 per share, and unrealized foreign currency losses at AES Andes due to the depreciating Colombian peso of $15 million, or $0.02 per share.
6. Amount primarily relates to unrealized foreign currency losses on debt in Brazil of $12 million, or $0.02 per share, and unrealized foreign currency losses of $9 million, or $0.01 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos.
7. Amount primarily relates to the recognition of an allowance on the AES Gilbert sales-type lease receivable as a cost of disposition of a business interest of $20 million, or $0.03 per share.
8. Amount primarily relates to asset impairments at the Norgener coal-fired plant in Chile of $136 million, or $0.19 per share, and the GAF Projects at AES Renewable Holdings of $18 million, or $0.03 per share.
9. Amount primarily relates to asset impairment at Maritza of $475 million, or $0.67 per share.
10. Amount primarily relates to income tax benefits associated with the asset impairment at the Norgener coal fired plant in Chile of $33 million, or $0.05 per share, and income tax benefits associated with unrealized losses due to the termination of a PPA of $18 million, or $0.02 per share.
11. Amount primarily relates to income tax benefits associated with the impairment at Maritza of $110 million, or $0.15 per share, partially offset by income tax expense associated with the unrealized gain on remeasurement of our existing investment in 5B of $6 million, or $0.01 per share.

Reconciliation of YTD Adjusted PTC and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	YTD 2023		YTD 2022	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$112	$0.16	($64)	($0.09)
Add: Income Tax Expense from Continuing Operations Attributable to AES	$35		$21	
Pre-Tax Contribution	$147		($43)	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	($6)	($0.01)[3]	$6	$0.01
Unrealized Foreign Currency Losses	$64	$0.09[4]	$20	$0.03
Disposition/Acquisition Losses	$13	$0.02	$32	$0.04[5]
Impairment Losses	$173	$0.24[6]	$480	$0.68[7]
Loss on Extinguishment of Debt	$4	$0.01	$16	$0.02
Less: Net Income Tax Benefit	-	($0.08)[8]	-	($0.14)[9]
Adjusted PTC[1] & Adjusted EPS[1]	$395	$0.43	$511	$0.55

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative gains at the Energy Infrastructure SBU of $87 million, or $0.12 per share, partially offset by unrealized losses due to the termination of a PPA of $72 million, or $0.10 per share.
4. Amount primarily relates to unrealized foreign currency losses mainly associated with the devaluation of long-term receivables denominated in Argentine pesos of $49 million, or $0.07 per share, and unrealized foreign currency losses at AES Andes due to the depreciating Colombian peso of $31 million, or $0.04 per share.
5. Amount primarily relates to the recognition of an allowance on the AES Gilbert sales-type lease receivable as a cost of disposition of a business interest of $20 million, or $0.03 per share.
6. Amount primarily relates to asset impairments at the Norgener coal-fired plant in Chile of $136 million, or $0.19 per share, and the GAF Projects at AES Renewable Holdings of $18 million, or $0.03 per share.
7. Amount primarily relates to asset impairment at Maritza of $475 million, or $0.67 per share.
8. Amount primarily relates to income tax benefits associated with the asset impairment at the Norgener coal fired plant in Chile of $33 million, or $0.05 per share, and income tax benefits associated with unrealized losses due to the termination of a PPA of $18 million, or $0.02 per share.
9. Amount primarily relates to income tax benefits associated with the impairment at Maritza of $110 million, or $0.15 per share, partially offset by income tax expense associated with the unrealized gain on remeasurement of our existing investment in 5B of $6 million, or $0.01 per share.

Reconciliation of Q2 Adjusted EBITDA[1]

$ in Millions	Q2 2023	Q2 2022
Net Income (Loss)	($19)	($136)
Income Tax Expense (Benefit)	($2)	($19)
Interest Expense	$310	$279
Interest Income	($131)	($95)
Depreciation and Amortization	$277	$264
EBITDA	$435	$293
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries[1]	($155)	($156)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation and Amortization from Equity Affiliates	$27	$23
Interest Income Recognized Under Service Concession Arrangements	$18	$20
Unrealized Derivative and Equity Securities Losses (Gains)	$32	($34)
Unrealized Foreign Currency Losses	$32	$38
Disposition/Acquisition Losses	$16	$23
Impairment Losses	$164	$479
Loss on Extinguishment of Debt	-	-
Adjusted EBITDA	$569	$686
Tax Attributes Allocated to Tax Equity Investors[2]	$38	$36
Adjusted EBITDA with Tax Attributes[2]	$607	$722

Renewables SBU	$166	$162
Utilities SBU	$148	$135
Energy Infrastructure SBU	$282	$379
New Energy Technologies SBU	($13)	($26)
Corporate	($14)	$36
Total Adjusted EBITDA	$569	$686

1. The allocation of earnings to tax equity investors from both consolidated entities and equity affiliates is removed from Adjusted EBITDA.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

Reconciliation of YTD Adjusted EBITDA[1]

$ in Millions	YTD 2023	YTD 2022
Net Income (Loss)`	$170	$35
Income Tax Expense (Benefit)	$70	$41
Interest Expense	$640	$537
Interest Income	($254)	($170)
Depreciation and Amortization	$550	$534
EBITDA	$1,176	$977
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries[1]	($325)	($312)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation and Amortization from Equity Affiliates	$66	$57
Interest Income Recognized Under Service Concession Arrangements	$36	$39
Unrealized Derivative and Equity Securities Losses (Gains)	($7)	$8
Unrealized Foreign Currency Losses	$64	$20
Disposition/Acquisition Losses	$13	$32
Impairment Losses	$173	$480
Loss on Extinguishment of Debt	$1	$6
Adjusted EBITDA	$1,197	$1,307
Tax Attributes Allocated to Tax Equity Investors[2]	$51	$49
Adjusted EBITDA with Tax Attributes[2]	$1,248	$1,356

Renewables SBU	$290	$281
Utilities SBU	$310	$319
Energy Infrastructure SBU	$645	$733
New Energy Technologies SBU	($39)	($61)
Corporate	($9)	$35
Total Adjusted EBITDA	$1,197	$1,307

1. The allocation of earnings to tax equity investors from both consolidated entities and equity affiliates is removed from Adjusted EBITDA.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

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 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 EBITDA with Tax Attributes, a non-GAAP financial measure, is defined as Adjusted EBITDA, adding back the pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

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.