The AES Corporation

Third Quarter 2023 Financial Review

November 3, 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 Highlights

Financial Results

→ Reaffirming guidance for all metrics

- Expect 2023 Adjusted EPS[1] to be in top half of range of $1.65 to $1.75

→ Q3 2023 Adjusted EBITDA[1] with Tax Attributes[2] of $1.0 billion

- Adjusted EBITDA[1] of $990 million and Tax Attributes[2] of $18 million

→ Q3 2023 Adjusted EPS[1] of $0.60

Strategic Highlights

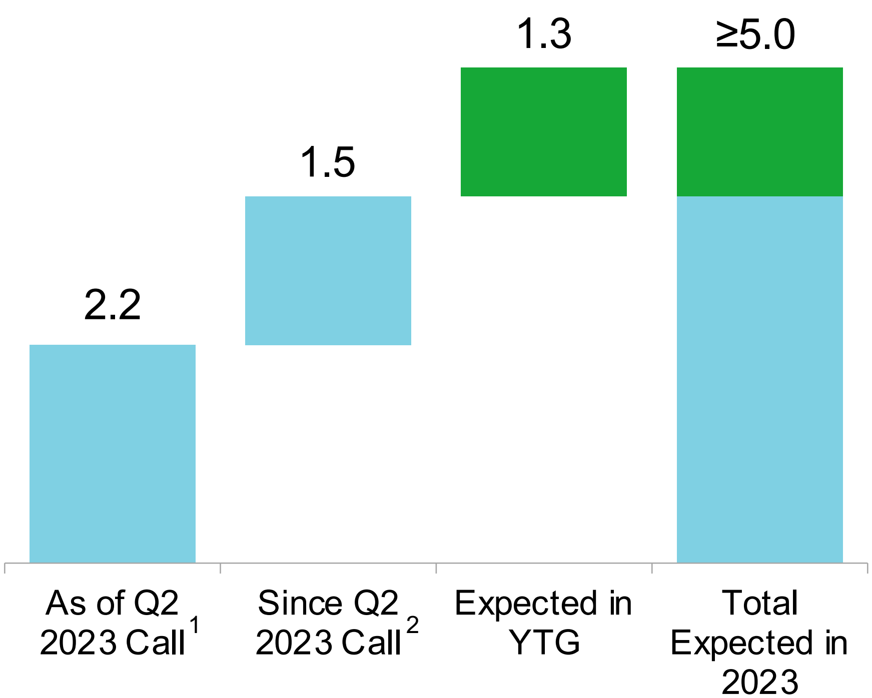
→ Signed 3.7 GW of new renewables year-to-date, including 1.5 GW since Q2 call in August

→ Increasing full year construction target to 3.5 GW in 2023

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.

Continued Strong Demand for Renewables with Long-Term Contracts

PPAs Signed, Capacity in GW



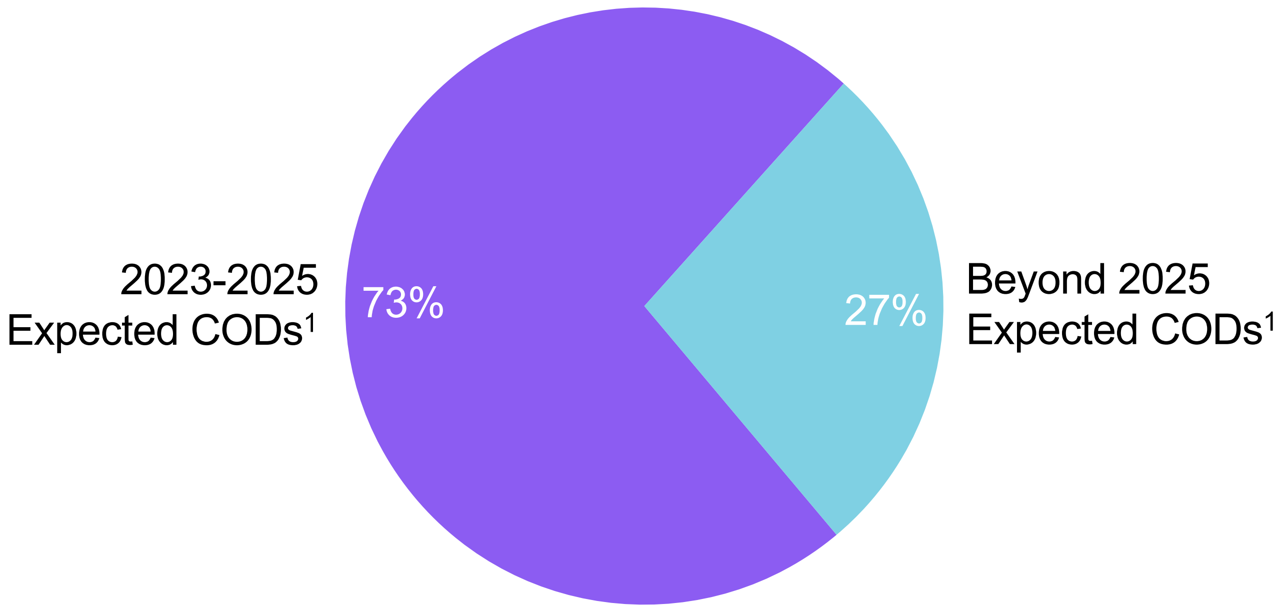
→ Large pending PPA signings in YTG 2023 or 2024 include[3]:

- 1.2 GW NYSERDA (awarded)
- 1.0 GW Bellefield 2
- 1.4 GW Green Hydrogen JV with Air Products

1. Excludes 0.2 GW of wind in Brazil, which replaced an existing contractual structure in the backlog.
2. Includes projects contracted for transfer to a utility at commencement of construction under a Develop Transfer Agreement (DTA). Not included in the backlog.
3. Examples, not inclusive of all potential PPA signings in year-to-go 2023 or 2024.

Backlog of 13.1 GW with Signed Long-Term Contracts

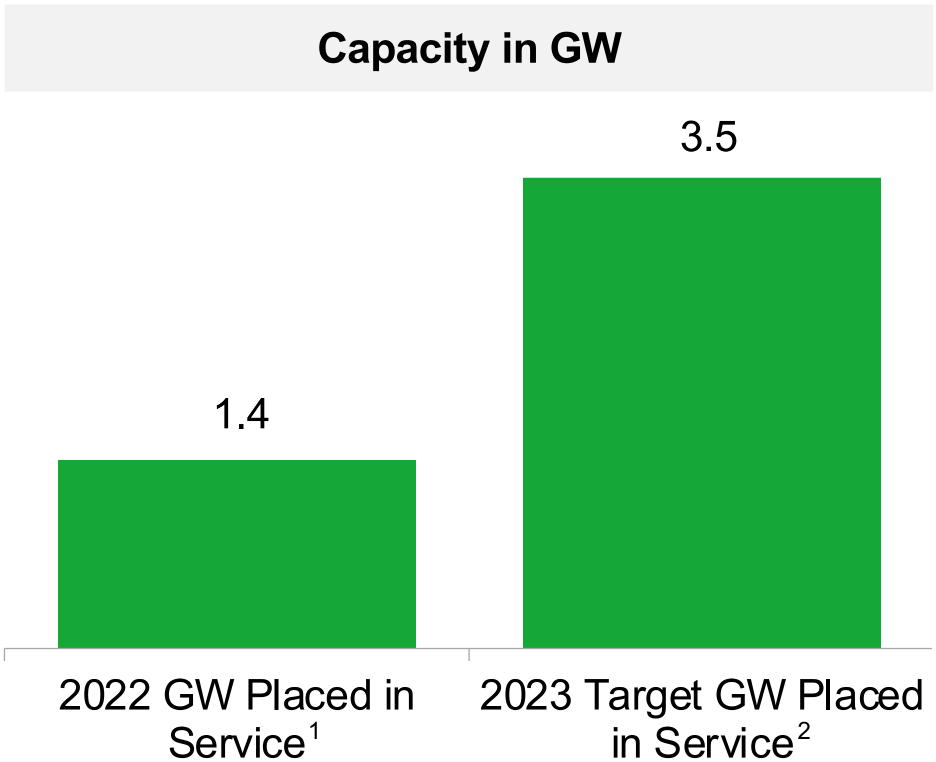
Capacity in GW



44% of Backlog Currently Under Construction

1. Commercial Operations Date.

Increasing FY 2023 Construction Completion Target to 3.5 GW



93% of 2023 MW Already Achieved Mechanical Completion;
More Than Doubling Renewables MW Placed in Service vs. 2022

1. Excludes 0.5 GW of acquisitions completed in 2022.
2. Includes 1.2 GW completed in YTD 2023. Excludes 0.1 GW acquisition in Chile completed in YTD 2023.

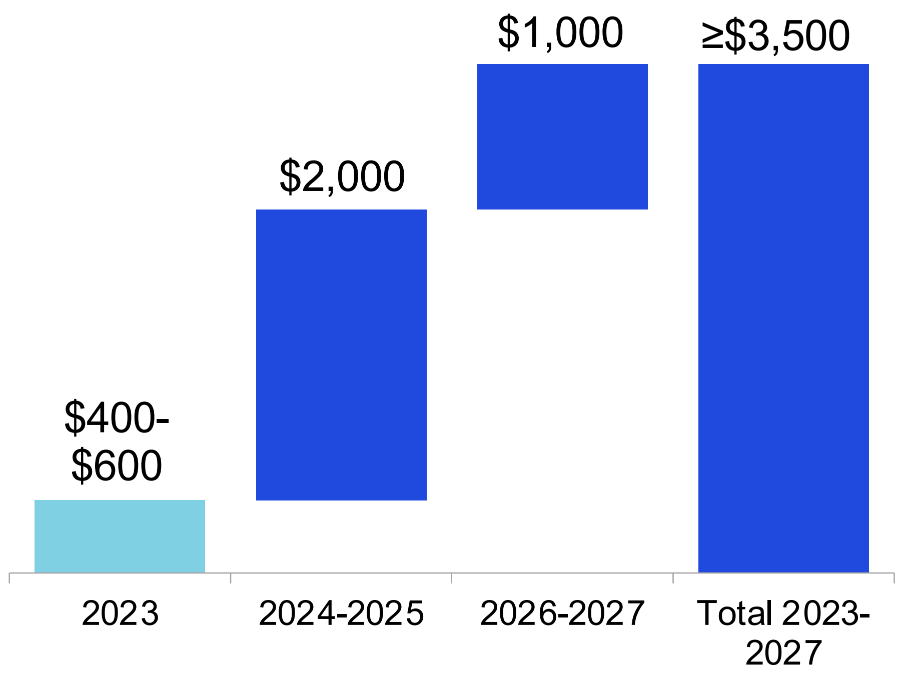
Accelerating & Increasing Asset Sale Plan

→ Secured all external funding needs for 2023

→ Potential asset sales include:

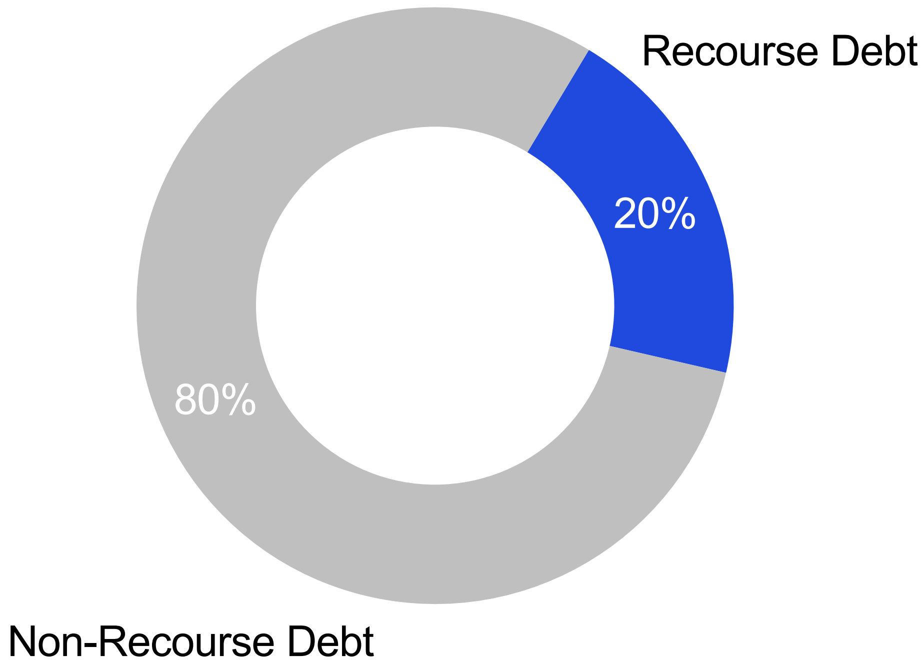
- Coal exits
- Sell-downs of US renewables
- Partial monetizations of technology business portfolio
- Exit of certain non-core businesses
- New and/or expanded partnerships

Asset Sale Proceeds Targets, $ in Millions



No Planned Equity Issuance Until at Least 2026; Will Only Issue Equity if Value Accretive

Focus on Non-Recourse Debt & Investment Grade Ratings Supports Low-Risk Corporate Profile



Agency	Rating
FitchRatings	BBB-
Moody's	Baa3
S&P Global Ratings	BBB-

Committed to Maintaining Investment Grade Ratings

Q3 2023 Financial Review

- → Q3 2023 results
- → 2023 guidance
- → Financial plan flexibility
- → Limited exposure to interest rates

Q3 2023 Financial Results

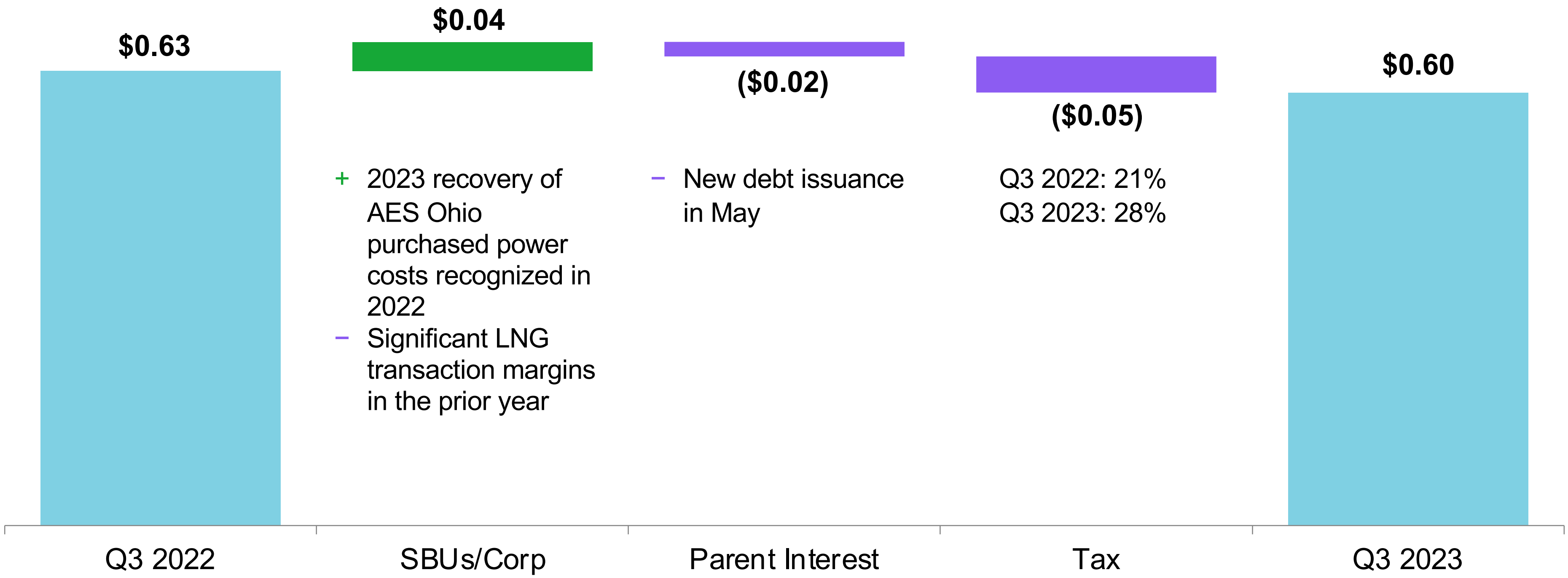
$ in Millions

→ Higher Adjusted EBITDA[1] with Tax Attributes[2] driven primarily by
- Higher contributions from Renewables SBU
- 2023 recovery of AES Ohio purchased power costs recognized in 2022; and
- Improved results at Fluence

→ Partially offset by significant LNG transaction margins in the prior year

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.

Q3 2023 Adjusted EPS[1] Decreased $0.03



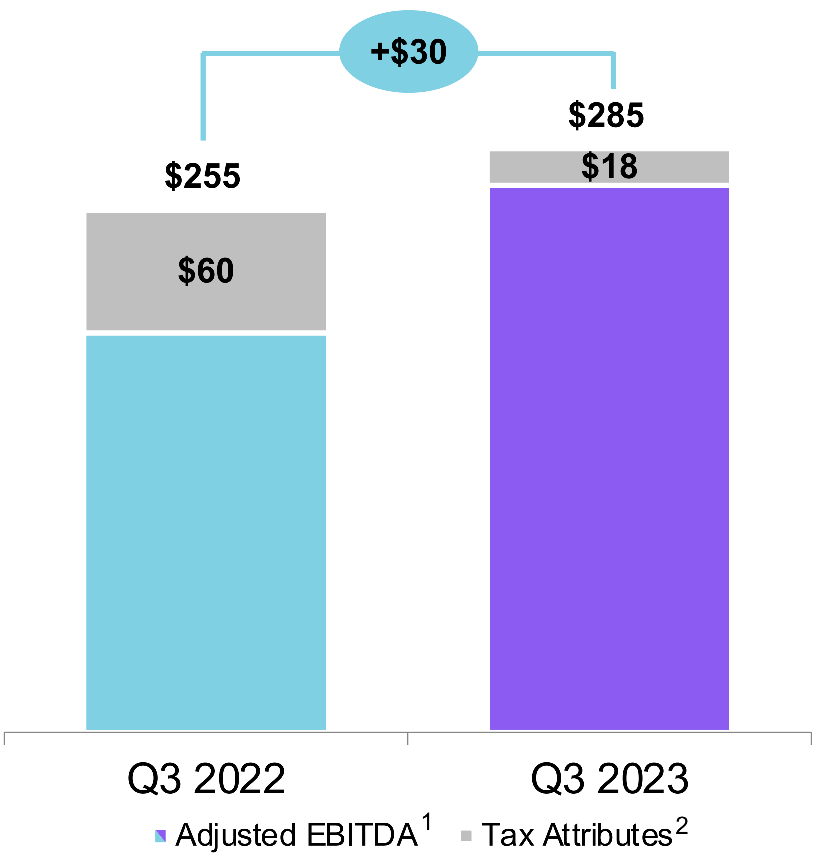
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q3 2023 Financial Results: Renewables

$ in Millions

- → Higher Adjusted EBITDA[1] with Tax Attributes[2] driven primarily by:
  - Contributions from new projects; and
  - Higher margins in Colombia
- → Partially offset by lower tax credit recognition due to fewer projects placed into service in Q3 2023

Adjusted EBITDA[1] with Tax Attributes[2]



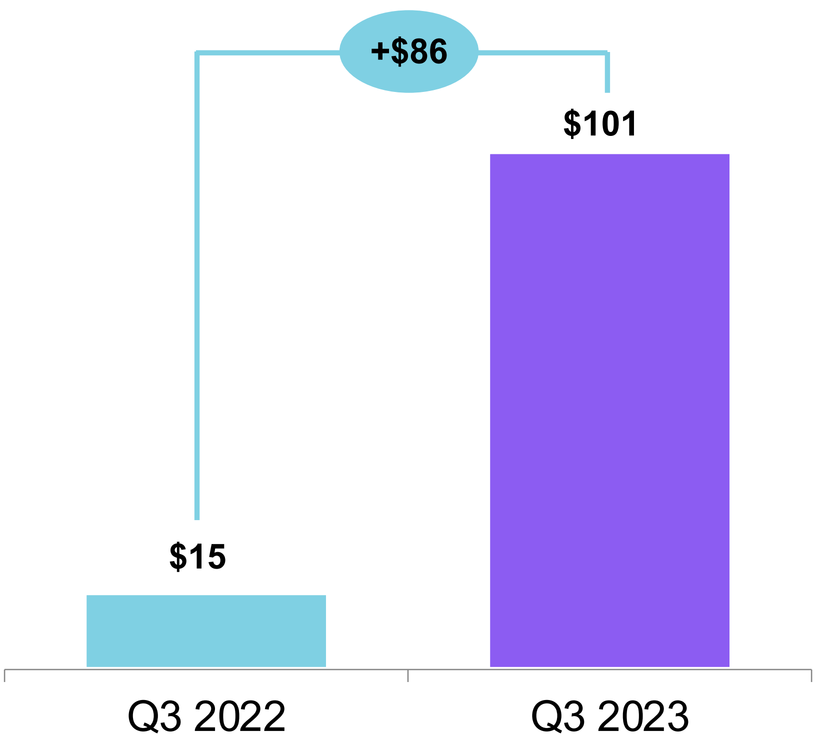
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Pre-tax effect of Production Tax Credits, Investment Tax Credits, and depreciation tax expense allocated to tax equity investors.

Q3 2023 Financial Results: Utilities

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by the 2023 recovery of AES Ohio purchased power costs as a part of ESP4[2] settlement, that were recognized in 2022

Adjusted PTC[1]



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

Progress on Utility Growth Program

→ In August, received Commission approval at AES Ohio for new Electric Security Plan (ESP4)

→ Expect to grow combined rate bases of US utilities at a 10% average annual rate through 2027, as we invest to improve quality of service

→ 80% of planned investments through 2027 already approved or under FERC formula rate programs

→ On track to increase capital expenditures in 2023 by >35% compared to 2022, consistent with our plan

AES Indiana & AES Ohio Have Lowest Residential Rates in Both States

Q3 2023 Financial Results: Energy Infrastructure

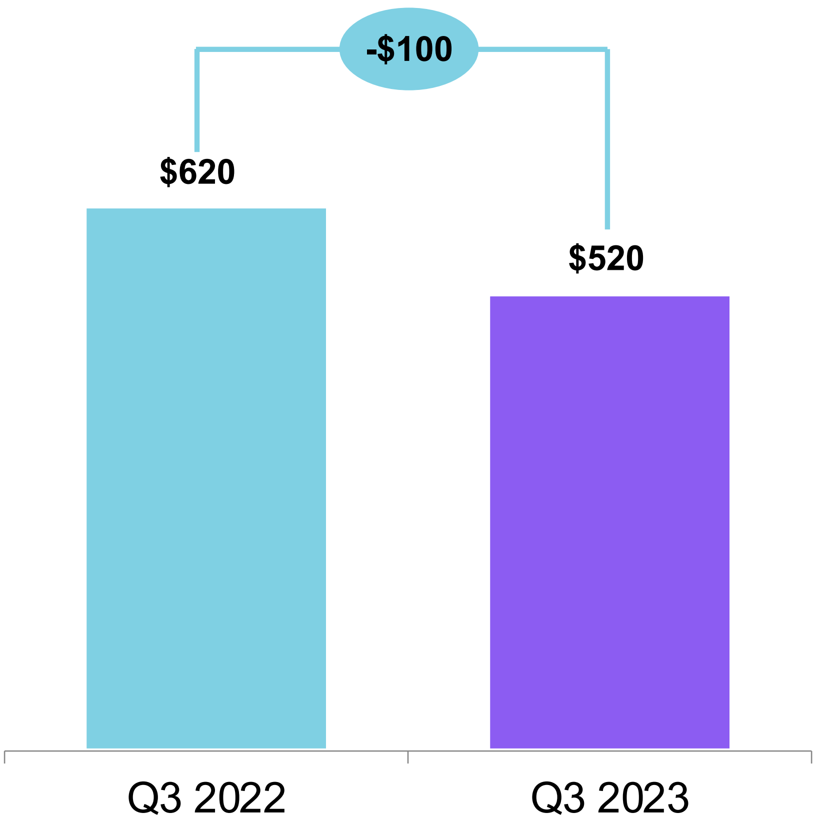
$ in Millions

→ Lower Adjusted EBITDA[1] driven primarily by significant LNG transaction margins in the prior year

→ Partially offset by:

- Prior year one-time expenses in Argentina; and
- Higher revenues due to Warrior Run PPA monetization

Adjusted EBITDA[1]



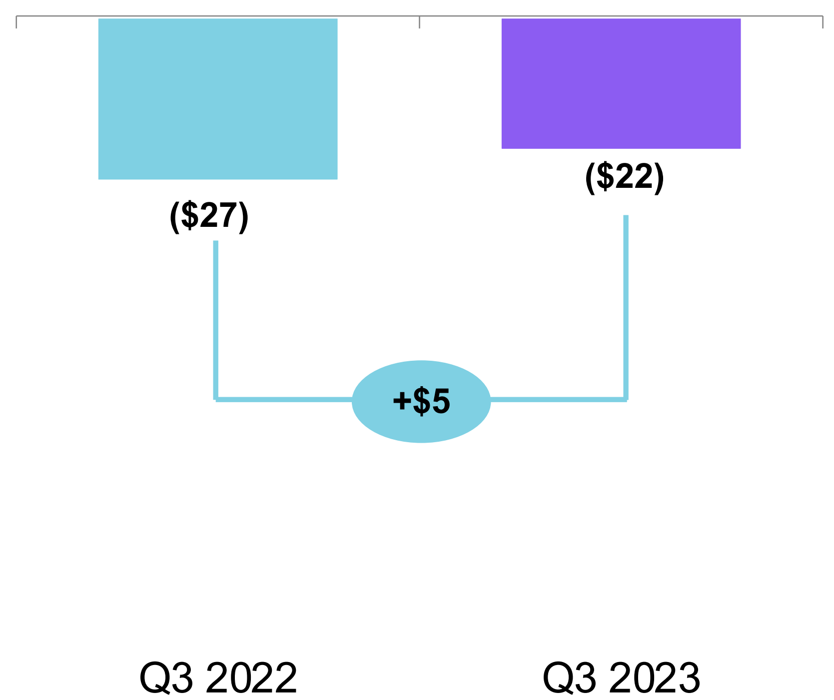
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q3 2023 Financial Results: New Energy Technologies

$ in Millions

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

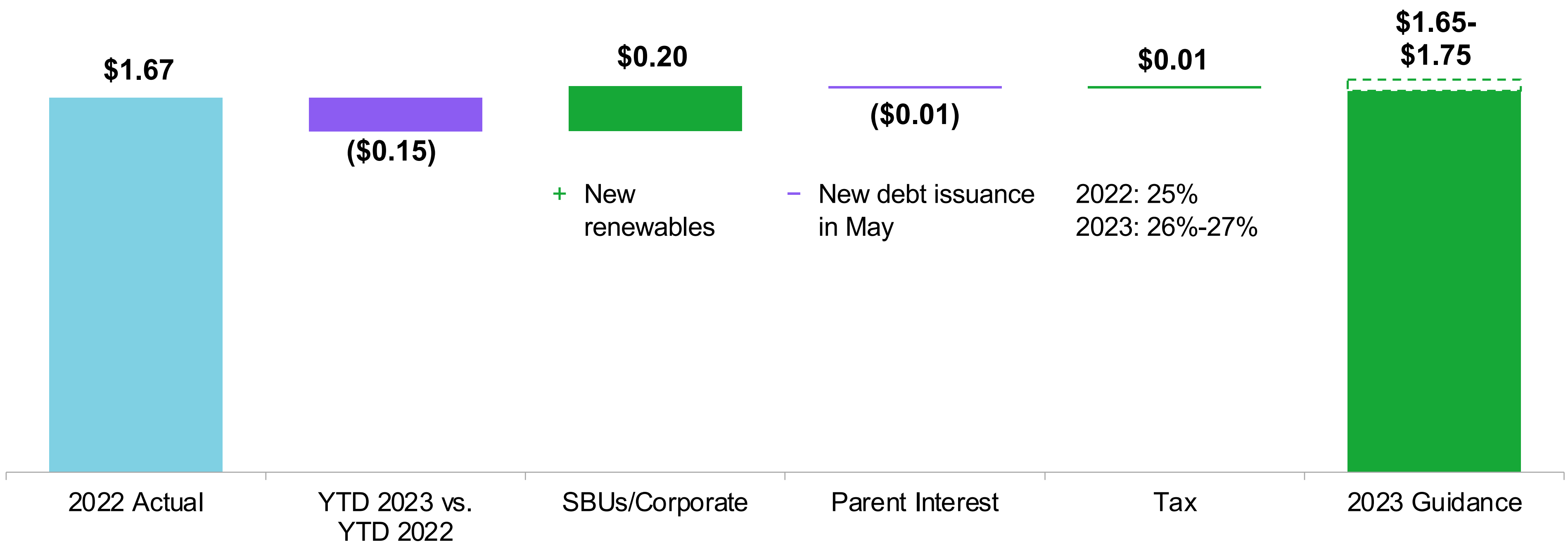
Adjusted EBITDA[1]



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

Expect to be in the Top Half of 2023 Adjusted EPS[1] Guidance

$ in Millions

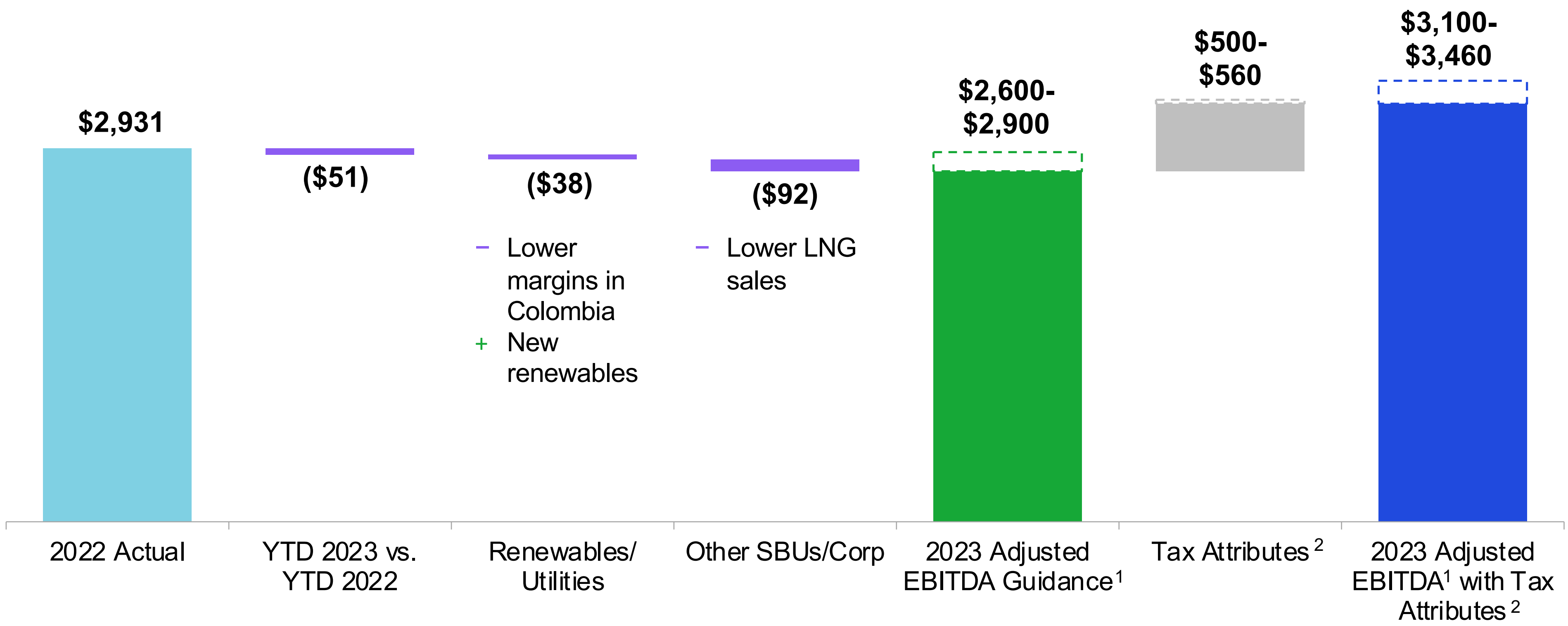


Increasing Expected Full Year Construction Target by 100 MW

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.

Reaffirming 2023 Adjusted EBITDA[1] Guidance

$ in Millions

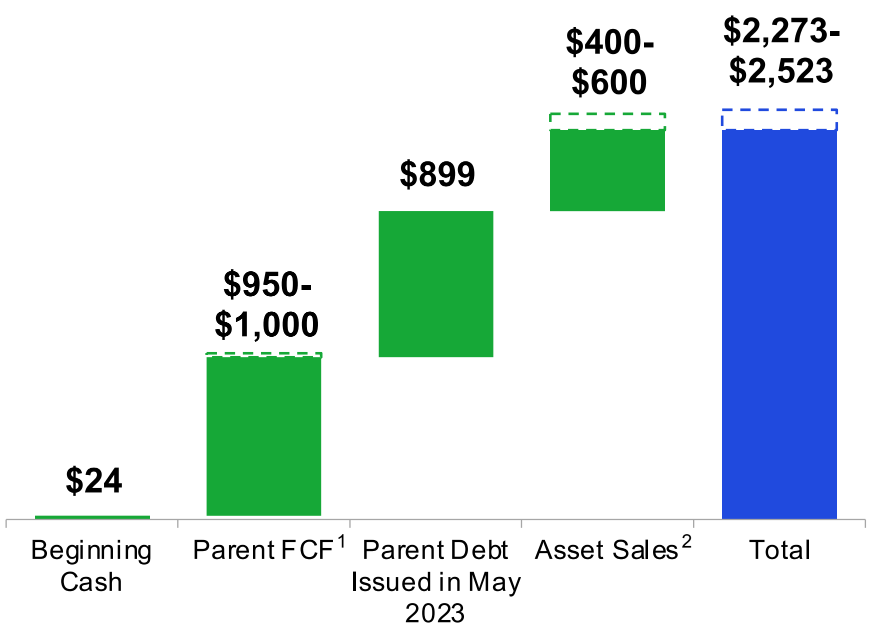


1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EBITDA guidance without unreasonable effort. See Appendix for definition and for a description of the adjustments to reconcile Adjusted EBITDA to Net Income for 2022.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

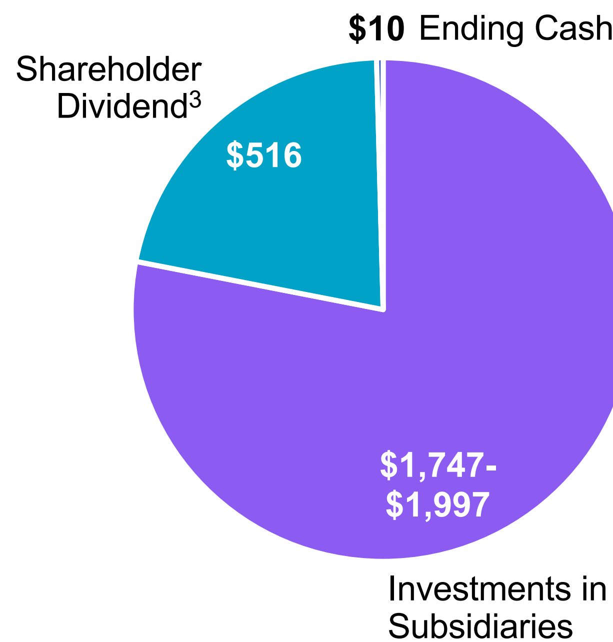
2023 Parent Capital Allocation Plan: Expect to be in Top Half of Parent Free Cash Flow[1] Range

$ 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, sell-downs of gas and LNG assets in the Dominican Republic and Panama, unannounced asset sales, and monetization 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.

Financial Plan Flexibility Eliminates Need for Equity Issuance Until at Least 2026

Multiple Paths to Achieve Accelerated & Increased Asset Sale Proceeds Target; New and/or Expanded Partnerships to Reduce AES Equity Requirement

Transferability Creates Additional Flexibility to Monetize Tax Value of US Renewables Projects

Potential to Extend Coal Exit to 2027 for Specific Projects; Still Intend to Exit Substantial Majority by 2025[1]

1. Intent to exit coal through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.

Limited Exposure to Rising Interest Rates

Recourse Debt

→ All long-term debt is at fixed rates

→ Hedging program for expected refinancings over next five years

Non-Recourse Debt

→ Pre-hedge future project debt issuances at time of PPA signing

→ Project debt is typically matched to project cash flows and self-amortizing over the course of the PPA with no need for refinancing

→ Most unhedged floating rate debt is outside the US, where PPAs are typically indexed to inflation, providing a natural hedge

Impact on Adjusted EPS[1] from 100 bps Move in Interest Rates:
<$0.01 in 2024 and $0.03-$0.04 in 2025[2]

1. A non-GAAP financial measure. See Appendix for definition.
2. Considers future issuances, refinancings and US floating rate debt.

Conclusion

→ Resilient business model with scale and proven track record

→ Flexible funding plan includes no planned equity issuances prior to 2026

→ Prioritizing risk-adjusted returns for shareholders

Appendix

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

Parent Sources and Uses of Liquidity

$ in Millions	Q3		YTD	
	2022	2023	2022	2023
Sources				
Total Subsidiary Distributions[1]	$69	$311	$545	$872
Proceeds from Asset Sales, Net	-	$78	-	$176
Financing Proceeds, Net	$197	-	$197	$890
Increased/(Decreased) Credit Facility Commitments	$250	-	$250	-
Issuance of Common Stock, Net	-	-	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	-	$60	$487	$117
Beginning Parent Company Liquidity[2]	$443	$918	$878	$1,165
Total Sources	$959	$1,367	$2,357	$3,220
Uses				
Repayments of Debt	-	-	-	-
Shareholder Dividend	($123)	($129)	($370)	($387)
Investments in Subsidiaries, Net	($296)	($367)	($1,245)	($1,647)
Cash for Development, Selling, General & Administrative and Taxes	($50)	($54)	($217)	($231)
Cash Payments for Interest	($58)	($66)	($117)	($139)
Changes in Letters of Credit and Other, Net	($10)	$157	$14	$92
Ending Parent Company Liquidity[2]	($422)	($908)	($422)	($908)
Total Uses	($959)	($1,367)	($2,357)	($3,220)

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

Q3 & YTD 2023 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU	Q3 2023	YTD
Renewables	$42	$125
Utilities	$25	$75
Energy Infrastructure	$242	$627
New Energy Technologies	-	-
Corporate[2]	$2	$45
Total	$311	$872

Top Subsidiary Distributions[1] by Business

Q3 2023				YTD			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
AES Andes (Energy Infrastructure)	$117	Arlington (Corporate)	$2	Maritza East (Energy Infrastructure)	$225	Global Insurance (Corporate)	$43
Maritza East (Energy Infrastructure)	$71	Southland (Energy Infrastructure)	$2	US Holdco (Energy Infrastructure)	$203	Southland (Energy Infrastructure)	$34
US Holdco (Energy Infrastructure)	$50	CLESA (Utilities)	$1	AES Andes (Energy Infrastructure)	$117	CAESS & EEO (Utilities)	$27
AES Clean Energy (Renewables)	$42	Mong Duong (Energy Infrastructure)	$1	AES Clean Energy (Renewables)	$109	Colon (Energy Infrastructure)	$18
CAESS & EEO (Utilities)	$24	Amman East (Energy Infrastructure)	$1	IPALCO (Utilities)	$47	Los Mina (Energy Infrastructure)	$13

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

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

$ in Millions

	Quarter Ended			
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$311	$205	$356	$753
Total Return of Capital Distributions to Parent & QHCs[2]	$60	-	$56	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	$371	$205	$412	$753

	Balance as of			
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Cash at Parent & QHCs[2]	$51	$35	$117	$24
Availability Under Credit Facilities	$857	$883	$970	$1,141
Ending Liquidity	$908	$918	$1,087	$1,165

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

Recourse Debt Summary

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

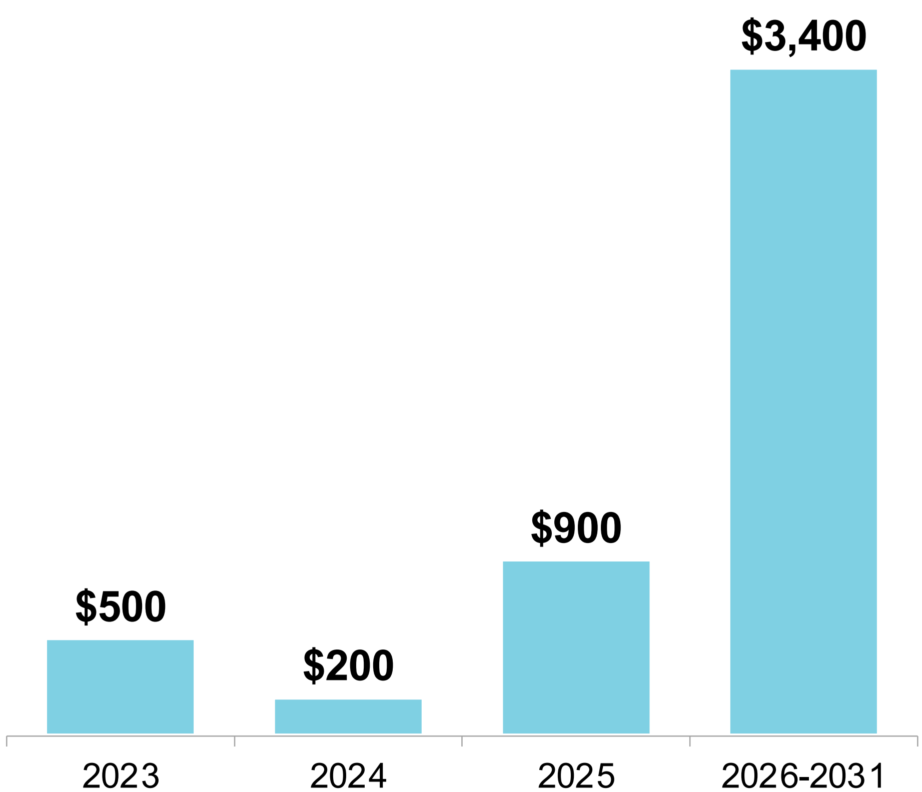
	SBU	Principal Balance	Interest Rate	Maturity	Ratings Moody's/S&P/Fitch
Senior Variable Rate Term Loan	Corporate	$200	Term SOFR + 1.125%	9/30/24	N/A
AES Clean Energy Senior Variable Rate Term Loan	Renewables	$500	Term SOFR + 1.25%	12/21/23	N/A
3.300% Senior Unsecured Notes due 2025	Corporate	$900	3.300%	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 September 30, 2023)		$5,000			

Note: Ratings as of September 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 $604 million of commercial paper outstanding at Parent Company.

Most Recourse Debt[1] Maturities in 2025 and Beyond

$ in Millions, as of September 30, 2023



	Recourse Debt
Weighted Average All-in Cost	3.63%
Weighted Average Maturity	4.0 years
Percentage Fixed or Hedged	86%
Percentage in Functional Currency	100%

1. Does not include $604 million of commercial paper outstanding at Parent Company.

Q3 2023 Non-Recourse Debt[1] Schedule

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

SBU/Business	Country/State	Ownership Percentage	September 30, 2023 Total Balance	Debt Maturity and Amortization Schedule						September 30, 2023 Total Balance (Ownership-Adjusted)
				2023	2024	2025	2026	2027	2028 and Thereafter	
Renewables										
AES Clean Energy	USA	82%	4,623	59	1,447	457	1,300	643	717	3,770
AES Brasil (AES Tietê)	Brazil	46%	2,262	42	420	572	242	427	559	1,049
Changuinola	Panama	90%	62	62	-	-	-	-	-	56
Chivor	Columbia	99%	481	19	64	77	36	277	8	478
DR Renewables	Dominican Republic	85%	154	-	5	125	6	6	12	131
Jordan Solar	Jordan	36%	12	-	1	1	1	1	8	4
Kavarna	Bulgaria	89%	25	-	15	10	-	-	-	22
Puerto Rico Solar	USA - Puerto Rico	100%	27	-	3	3	3	3	15	27
Total Renewables			**7,646**	**182**	**1,955**	**1,245**	**1,588**	**1,357**	**1,319**	**5,537**
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%	402	30	26	20	23	146	157	319
Total Utilities			**5,088**	**30**	**471**	**475**	**113**	**286**	**3,713**	**4,095**

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 $195 million at US utilities.

Q3 2023 Non-Recourse Debt[1] Schedule

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

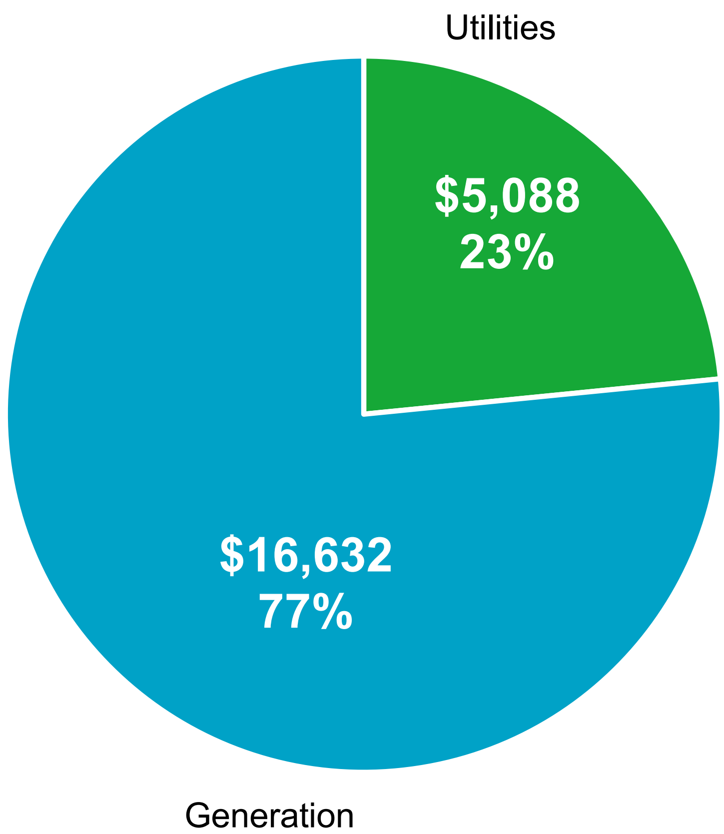
SBU/Business	Country/State	Ownership Percentage	September 30, 2023 Total Balance	Debt Maturity and Amortization Schedule						September 30, 2023 Total Balance (Ownership-Adjusted)
				2023	2024	2025	2026	2027	2028 And Thereafter	
Energy Infrastructure										
AES Andes (AES Gener)	Chile	99%	2,154	202	144	197	248	513	850	2,141
AES Argentina	Argentina	100%	294	-	141	31	-	122	-	294
AES Panama	Panama	100%	1,418	12	47	20	22	25	1,292	1,418
Andres	Dominican Republic	91%	800	50	91	25	26	7	601	727
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%	159	-	68	91	-	-	-	159
Mong Duong	Vietnam	100%	798	58	118	229	130	116	147	798
Puerto Rico	USA - Puerto Rico	100%	144	18	42	45	39	-	-	144
Southland Energy	USA - California	55%	1,942	-	86	85	93	98	1,580	1,063
TEG TEP	Mexico	100%	161	8	50	35	36	32	-	161
US Generation	USA	100%	-	-	-	-	-	-	-	-
Total Energy Infrastructure			**8,986**	**411**	**853**	**830**	**717**	**1,223**	**4,952**	**7,679**
Total Non-Recourse Debt[1] Across All SBUs			**21,720**	**623**	**3,279**	**2,550**	**2,418**	**2,866**	**9,984**	**17,311**

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 $195 million at US utilities.

$21.7 Billion of Non-Recourse Debt[1]

$ in Millions, as of September 30, 2023

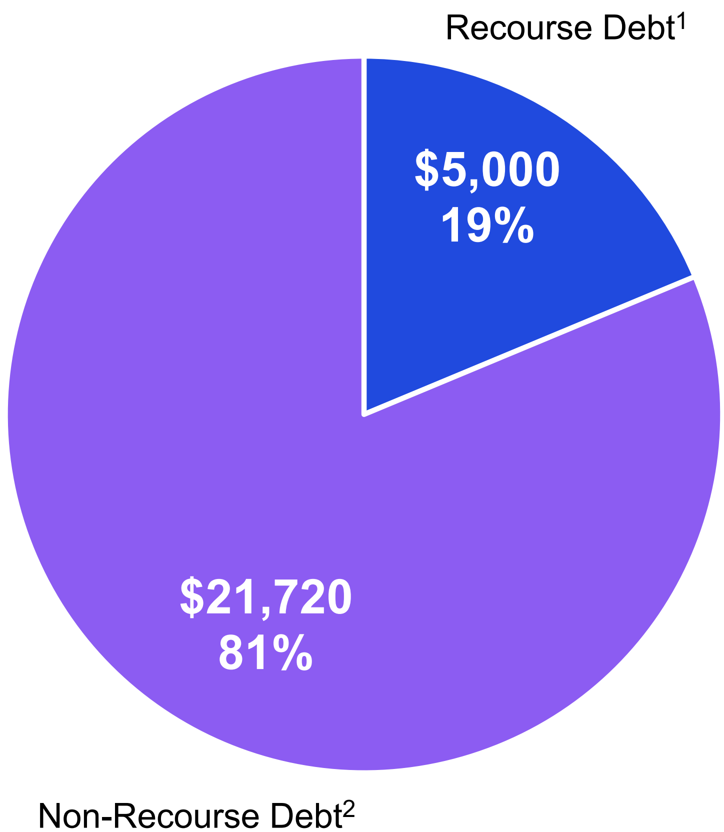


	Non-Recourse Debt
Weighted Average All-in Cost	5.75%
Weighted Average Maturity	8.1 years
Percentage Fixed or Hedged	69%[2]
Percentage in Functional Currency	~100%

1. Does not include temporary drawings under revolvers of $195 million at US Utilities.
2. Majority of floating rate debt is outside the US, where PPAs are typically indexed to inflation.

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

$ in Millions, as of September 30, 2023



	Recourse Debt	Non-Recourse Debt
Weighted Average All-in Cost	3.63%	5.75%
Weighted Average Maturity	4.0 years	8.1 years
Percentage Fixed or Hedged	86%	69%[3]
Percentage in Functional Currency	100%	~100%

1. Does not include $604 million of commercial paper at Parent Company.
2. Does not include temporary drawings under revolvers of $195 million at US Utilities.
3. Majority of floating rate debt is outside the US, where PPAs are typically indexed to inflation.

Q3 & YTD Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q3 2023	Q3 2022	Variance	YTD 2023	YTD 2022	Variance
Adjusted PTC[1]						
Renewables	$184	$180	$4	$322	$351	($29)
Utilities	$101	$15	$86	$160	$100	$60
Energy Infrastructure	$386	$445	($59)	$747	$820	($73)
New Energy Technologies[2]	($23)	($29)	$6	($67)	($96)	$29
Corporate	($55)	($42)	($13)	($174)	($95)	($79)
Total AES Adjusted PTC[1,3]	$593	$569	$24	$988	$1,080	($92)
Adjusted Effective Tax Rate	28%	21%		26%	23%	
Diluted Share Count	712	711		712	711	
Adjusted EPS[1]	$0.60	$0.63	($0.03)	$1.03	$1.18	($0.15)

1. A non-GAAP financial measure. See Slides 50-51 for reconciliation to the nearest GAAP measure and “definitions”
2. Includes $18 million and $29 million of losses from AES Next for the three months ended September 30, 2023 and 2022, respectively, and $58 million and $96 million of losses for the nine months ended September 30, 2023 and 2022, respectively.
3. Includes $11 million and $26 million of adjusted after-tax equity in losses for the three months ended September 30, 2023 and 2022, respectively, and $23 million and $36 million of adjusted after-tax equity in losses for the nine months ended September 30, 2023 and 2022, respectively.

YTD 2023 Financial Results

$ in Millions

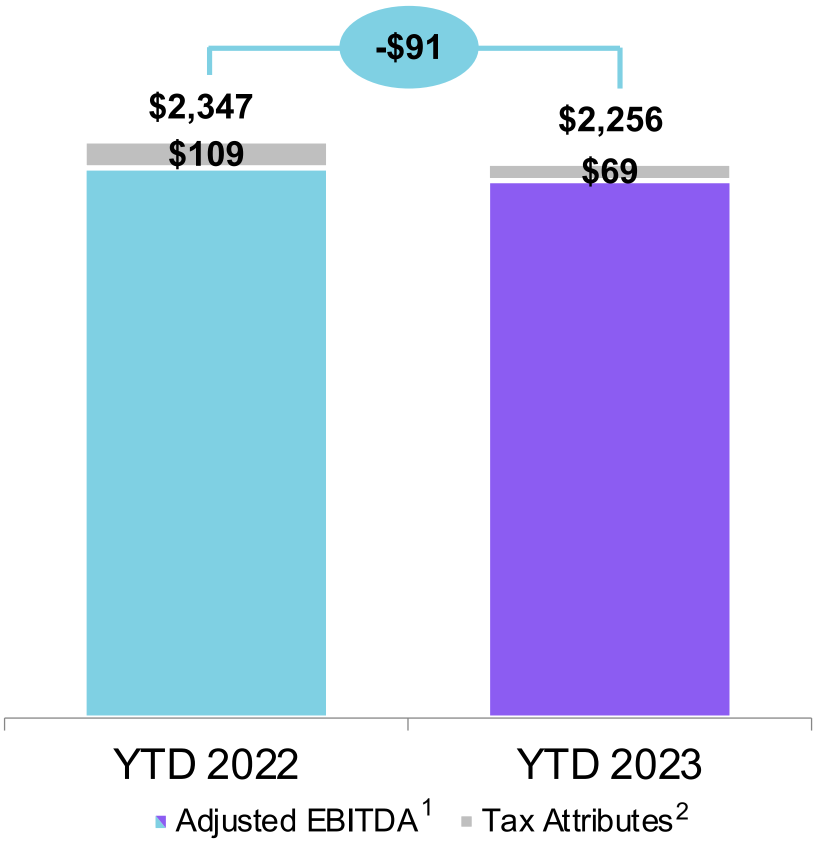
→ Lower Adjusted EBITDA[1] with Tax Attributes[2] driven primarily by:

- Significant LNG transaction margins in the prior year; and
- Lower margins at AES Andes

→ Partially offset by:

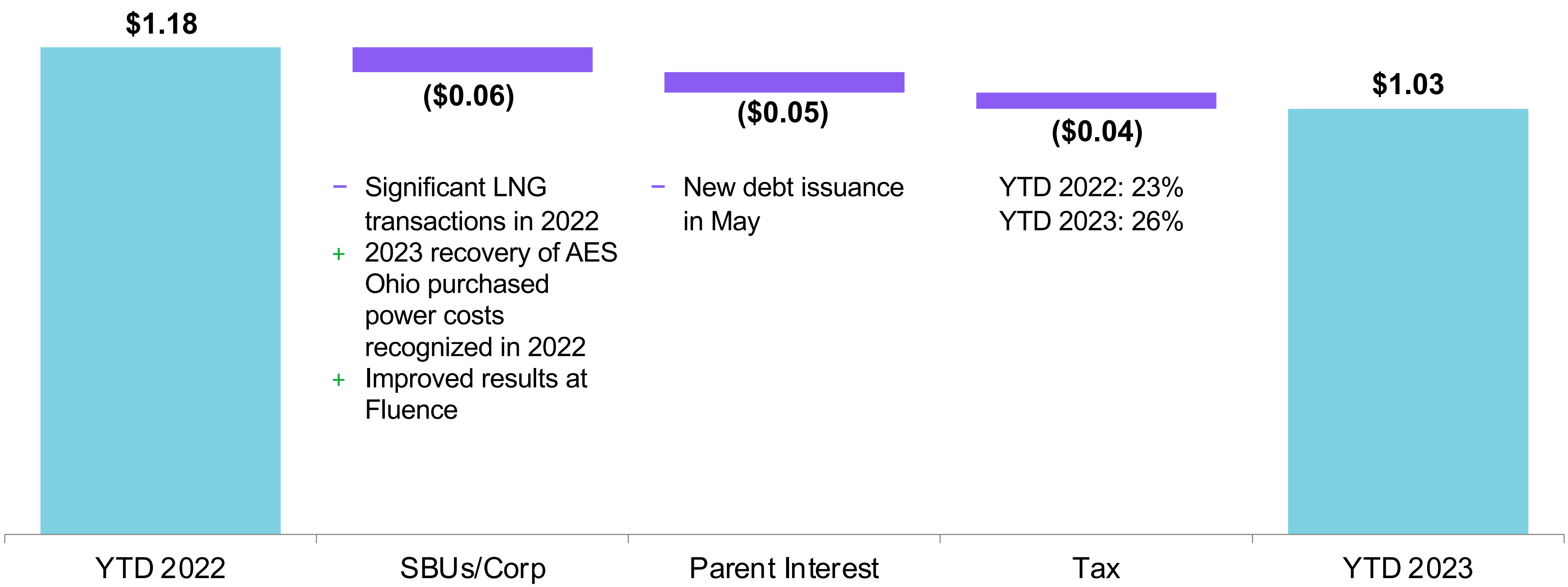
- 2023 recovery of AES Ohio purchased power costs recognized in 2022;
- Higher contributions from Renewables SBU; and
- Improved results at Fluence

Adjusted EBITDA[1] with Tax Attributes[2]



1. A non-GAAP financial measure. See Slide 53 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 $0.15



SBUs/Corp:
- − Significant LNG transactions in 2022
- + 2023 recovery of AES Ohio purchased power costs recognized in 2022
- + Improved results at Fluence

Parent Interest:
- − New debt issuance in May

Tax:

YTD 2022: 23%
YTD 2023: 26%

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] with Tax Attributes[2] driven primarily by:
- Contributions from new projects; and
- Higher margins in Colombia

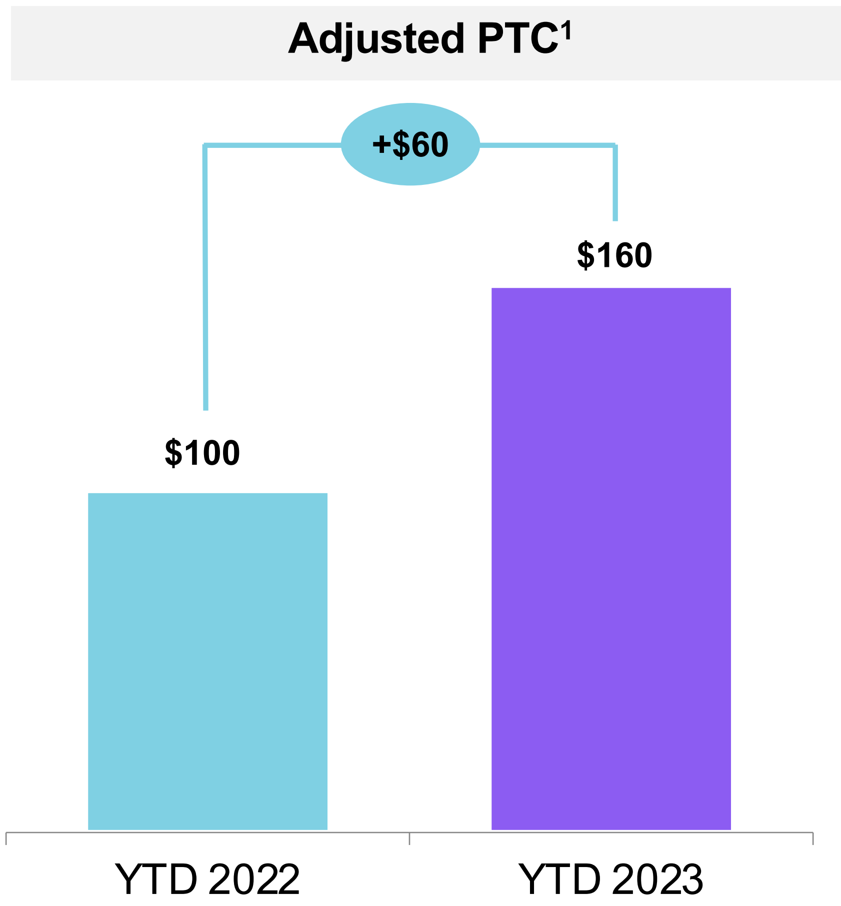
→ Partially offset by:
- Lower tax credit recognition from projects placed into service; and
- Higher fixed costs due to an accelerated growth plan

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

- Higher Adjusted PTC[1] driven primarily by the 2023 recovery of AES Ohio purchased power costs as a part of ESP4[2] settlement, that were recognized in 2022
- Partially offset by higher interest expense due to new debt transactions



1. A non-GAAP financial measure. See "definitions".
2. Electric Security Plan.

YTD 2023 Financial Results: Energy Infrastructure

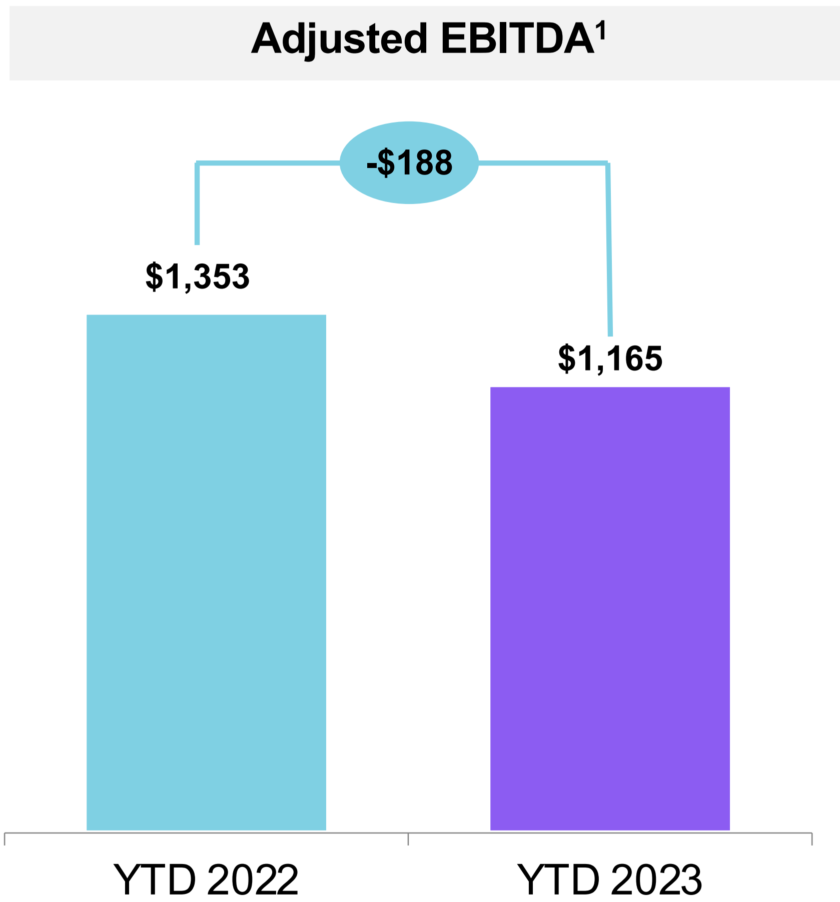
$ in Millions

→ Lower Adjusted EBITDA[1] driven primarily by:

- Significant LNG transaction margins in the prior year;
- Lower margins at AES Andes; and
- Retirement of Hawaii coal plant

→ Partially offset by:

- One-time expenses in Argentina in 2022; and
- Higher revenues due to Warrior Run PPA monetization

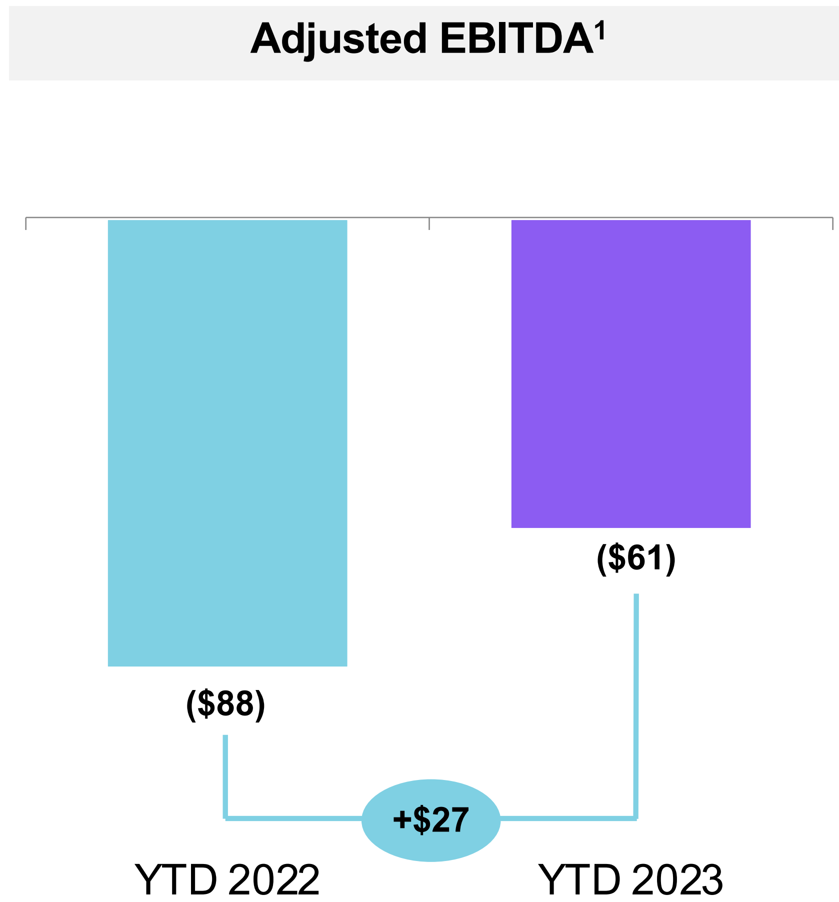


1. A non-GAAP financial measure. See “definitions”.

YTD 2023 Financial Results: New Energy Technologies

$ in Millions

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



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

Q3 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

AES SBU/Reporting Country	Utilities/US			
AES Company	IPL		DPL	
$ in Millions	Q3 2023	Q3 2022	Q3 2023	Q3 2022
US GAAP Reconciliation				
AES Business Unit Adjusted Earnings[1,2]	$25	$18	$38	($19)
Adjusted PTC[1,3] Public Filer (Stand-alone)	$28	$22	$48	($23)
Impact of AES Differences from Public Filings	-	-	-	-
AES Business Unit Adjusted PTC[1]	$28	$22	$48	($23)
Unrealized Derivatives and Equity Security Gains (Losses)	-	-	-	-
Unrealized Foreign Currency Gains (Losses)	-	-	-	-
Impairment Expense	-	-	-	-
Disposition/Acquisition Gains (Losses)	($1)	($1)	-	-
Losses on Extinguishment of Debt	-	-	-	-
Non-Controlling Interest before Tax	$12	$10	-	-
Income Tax Benefit	($3)	($6)	($10)	$3
US GAAP Income from Continuing Operations[3]	$36	$25	$38	($20)

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.

Q3 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	Q3 2023	Q3 2022	Q3 2023	Q3 2022
US GAAP Reconciliation				
Adjusted EBITDA[1,3] Public Filer (Stand-alone)	$233	$159	$39	$22
Impact of AES Differences from Public Filings	-	-	-	-
AES Business Unit Adjusted EBITDA[1]	$233	$159	$39	$22
Less: Adjustment for noncontrolling interests and redeemable stock of subsidiaries	($27)	($22)	($51)	($31)
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)	($2)	($5)	($19)	($2)
Unrealized foreign currency losses (gains)	$42	($4)	$21	-
Disposition/ acquisition losses	$2	($1)	$1	$2
Impairment losses	-	-	-	-
Loss on extinguishment of debt	-	-	-	-
EBITDA	$218	$191	$86	$53
Income Tax Expenses	$54	$40	$1	$4
Interest Expense	$79	$40	$50	$27
Interest Income	($45)	($10)	($25)	($22)
Depreciation and Amortization	$38	$38	$32	$20
Net Income	$92	$83	$28	$24
Adjustment to Depreciation & Amortization[5]	($7)	($11)	($1)	$3
Adjustment to Taxes	($8)	$4	$4	($5)
Other Adjustments	($3)	($4)	($6)	($14)
IFRS Net Income	$74	$72	$25	$8
BRL-USD Implied Exchange Rate			4.8803	5.2462

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.

Q3 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	$184	$76	($28)	$48	$48	($16)	$32	$88	($27)	$61
Utilities[2]	$101	$50	($12)	$38	$2	-	$2	$100	($23)	$77
DPL	$48	$8	-	$8	-	-	-	$21	-	$21
IPL	$28	$34	($10)	$24	$1	($1)	-	$72	($22)	$50
Energy Infrastructure	$386	$136	($25)	$111	$88	($20)	$68	$95	($19)	$77
New Energy Technologies	($23)	-	-	-	$1	-	$1	-	-	-
Corporate	($55)	$64	-	$64	$5	-	$5	$3	-	$3
Total	$593	$326	($65)	$261	$144	($36)	$108	$286	($69)	$217

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

Q3 2023 Modeling Disclosures

$ in Millions

	Total Debt as of September 30, 2023			2027 Forecasted Total Debt		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
Renewables*,[1]	$8,197	($2,093)	$6,104	$16,200-$17,800	($6,000)-($6,600)	$10,200-$11,200
Utilities[2]	$5,243	($1,009)	$4,234	$6,100-$6,700	($1,000)-($1,200)	$5,100-$5,500
DPL	$1,758	-	$1,758			
IPL	$3,095	($929)	$2,167			
Energy Infrastructure	$8,887	($1,280)	$7,607	$6,300-$6,900	($1,500)-($1,700)	$4,800-$5,200
New Energy Technologies	-	-	-	-	-	-
Corporate	$5,063	-	$5,063	$5,900-$6,100	-	$5,900-$6,100
Total	$27,391	($4,382)	$23,009	$34,500-$37,500	($8,500)-($9,500)	$26,000-$28,000
**Includes Non-Recourse AES Clean Energy Construction Warehouse:*						
Total Balance	$2,423	($606)	$1,817	$3,750-$4,250	($950)-($1,050)	$2,800-$3,200
Portion to be Replaced with Tax Equity	~$1,150	~($300)	~$850	$1,800-$2,000	($450)-($500)	$1,350-$1,500

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

Q3 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	$1,311	($454)	$857
Utilities[1]	$104	($10)	$94
DPL	$49	-	$49
IPL	$22	($6)	$15
Energy Infrastructure	$1,135	($188)	$947
New Energy Technologies	$6	($1)	$5
Corporate	$318	-	$318
Total	$2,874	($652)	$2,221

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

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)[1]	391.03	Less than ($0.005)
Brazilian Real (BRL)	5.05	Less than ($0.005)
Chilean Peso (CLP)	855.13	Less than $0.005
Colombian Peso (COP)	4114.87	Less than $0.005
Dominican Peso (DOP)	56.89	~$0.01
Euro (EUR)	1.10	Less than $0.005
Mexican Peso (MXN)	17.48	~$0.01

Commodities

10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	YTG 2023	
	Average **Rate**	Sensitivity
IPE Brent Crude Oil[2]	$92.12/bbl	Less than $0.005
NYMEX Henry Hub Natural Gas[3]	$3.00/mmbtu	Less than ($0.005)
Rotterdam Coal (API 2)[2]	$128.12/ton	Less than ($0.005)
US Power – SP15	$64.49/MWh	Less than ($0.005)

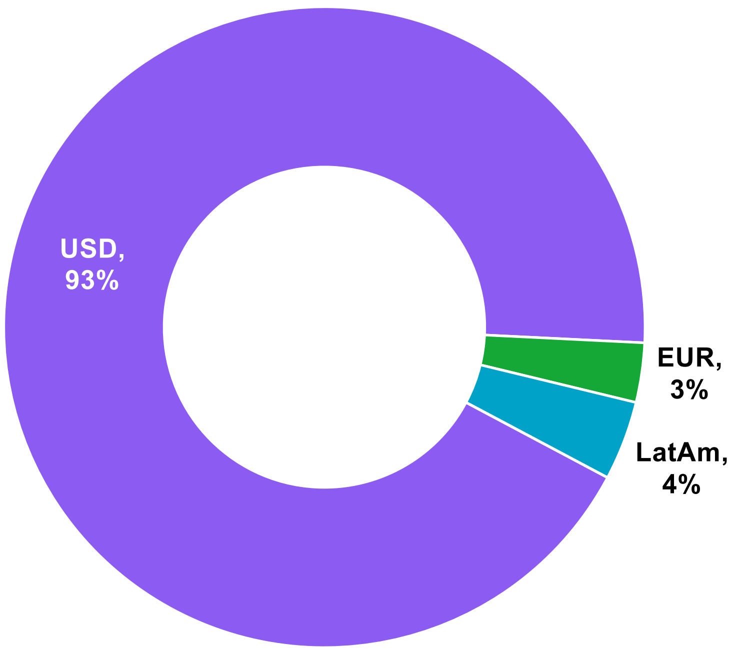
Note: Guidance reaffirmed on November 3, 2023. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES guidance issued on February 27, 2023. Estimates show the impact on year-to-go 2023 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 September 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. Argentine Peso sensitivities are based on AES internal FX rate assessment.
2. 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)	$11.0
Brazilian Real (BRL)	($2.0)
Others	~$0
% of Annualized Adjusted PTC[2]	-0.58%

($4) Million Annualized Adjusted PTC Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of September 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 September 30, 2023.
3. As of September 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			
Rexford (AES Clean Energy)	US-CA	Solar	300	100%	2H 2024	15
		Energy Storage	240			
Mountain Solar 325 (AES Clean Energy)[4]	US-CO	Solar	325	-	2H 2025	N/A
		Energy Storage	200			
Pawnee (AES Clean Energy)[4]	US-CO	Solar	250	-	1H 2027	N/A
		Energy Storage	200			
Total YTD 2023[5]			3,740			

1. Commercial Operations Date.
2. Acquisition closed in 1H 2023.
3. Acquisition of 106 MW of wind expected to close in 1H 2024.
4. Project contracted for transfer to a utility at commencement of construction under a Develop Transfer Agreement (DTA). Not included in the backlog.
5. Excludes 154 MW of wind in Brazil, which replaced an existing contractual structure in the backlog.

Reconciliation of Q3 Adjusted PTC and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q3 2023		Q3 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	$231	$0.32	$421	$0.59
Add: Income Tax Expense from Continuing Operations Attributable to AES	$101		$128	
Pre-Tax Contribution	$332		$549	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$9	$0.01	($8)	($0.01)
Unrealized Foreign Currency Losses	$96	$0.14[3]	$3	-
Disposition/Acquisition Losses	$8	$0.01	$4	$0.01
Impairment Losses	$145	$0.21[4]	$17	$0.02[5]
Loss on Extinguishment of Debt	$3	-	$4	$0.01
Less: Net Income Tax Expense (Benefit)	-	($0.09)[6]	-	$0.01
Adjusted PTC[1] & Adjusted EPS[1]	$593	$0.60	$569	$0.63

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized foreign currency losses mainly associated with the devaluation of long-term receivables denominated in Argentine pesos of $60 million, or $0.08 per share, unrealized foreign currency losses at AES Andes of $21 million, or $0.03 per share, and unrealized foreign currency losses on debt in Brazil of $10 million, or $0.01 per share.
4. Amount primarily relates to asset impairments at TEG and TEP of $76 million and $58 million, respectively, or $0.19 per share.
5. Amount primarily relates to asset impairment at Jordan of $19 million, or $0.03 per share.
6. Amount primarily relates to income tax benefits associated with the asset impairments at TEG and TEP of $34 million, or $0.05 per share and income tax benefits associated with unrealized foreign currency losses at AES Andes 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	$343	$0.48	$357	$0.50
Add: Income Tax Expense from Continuing Operations Attributable to AES	$136		$149	
Pre-Tax Contribution	$479		$506	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	$3	-[3]	($2)	-
Unrealized Foreign Currency Losses	$160	$0.22[4]	$23	$0.03[5]
Disposition/Acquisition Losses	$21	$0.03	$36	$0.05[6]
Impairment Losses	$318	$0.45[7]	$497	$0.70[8]
Loss on Extinguishment of Debt	$7	$0.01	$20	$0.03
Less: Net Income Tax Expense (Benefit)	-	($0.16)[9]	-	($0.13)[10]
Adjusted PTC[1] & Adjusted EPS[1]	$988	$1.03	$1,080	$1.18

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses due to the termination of a PPA of $72 million, or $0.10 per share and unrealized derivative losses at AES Clean Energy of $20 million, or $0.03 per share, offset by unrealized derivative gains at the Energy Infrastructure SBU of $108 million, or $0.15 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 $109 million, or $0.15 per share, and unrealized foreign currency losses at AES Andes of $54 million, or $0.08 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 $19 million, or $0.03 per share.
6. 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.
7. Amount primarily relates to asset impairments at the Norgener coal-fired plant in Chile of $136 million, or $0.19 per share, at TEG and TEP of $76 million and $58 million, respectively, or $0.19 per share, the GAF Projects at AES Renewable Holdings of $18 million, or $0.03 per share, and at Jordan of $16 million, or $0.02 per share.
8. Amount primarily relates to asset impairment at Maritza of $468 million, or $0.66 per share, and at Jordan of $19 million, or $0.03 per share.
9. Amount primarily relates to income tax benefits associated with the asset impairments at the Norgener coal fired plant in Chile of $35 million, or $0.05 per share and at TEG and TEP of $34 million, or $0.05 per share, income tax benefits associated with the recognition of unrealized losses due to the termination of a PPA of $18 million, or $0.02 per share, and income tax benefits associated with unrealized foreign currency losses at AES Andes of $14 million, or $0.02 per share.
10. Amount primarily relates to income tax benefits associated with the impairment at Maritza of $73 million, or $0.10 per share, and at Jordan of $8 million, or $0.01 per share.

Reconciliation of Q3 Adjusted EBITDA[1]

$ in Millions	Q3 2023	Q3 2022
Net Income (Loss)	$291	$446
Income Tax Expense (Benefit)	$109	$145
Interest Expense	$326	$276
Interest Income	($144)	($100)
Depreciation and Amortization	$286	$266
EBITDA	$868	$1,033
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries[1]	($183)	($174)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation and Amortization from Equity Affiliates	$27	$36
Interest Income Recognized Under Service Concession Arrangements	$18	$19
Unrealized Derivative and Equity Securities Losses (Gains)	$10	($8)
Unrealized Foreign Currency Losses	$97	$3
Disposition/Acquisition Losses	$8	$4
Impairment Losses	$145	$17
Loss on Extinguishment of Debt	-	$1
Adjusted EBITDA	$990	$931
Tax Attributes Allocated to Tax Equity Investors	$18	$60
Adjusted EBITDA with Tax Attributes[2]	$1,008	$991

Renewables SBU	$267	$195
Utilities SBU	$216	$137
Energy Infrastructure SBU	$520	$620
New Energy Technologies SBU	($22)	($27)
Corporate	$9	$6
Total Adjusted EBITDA	$990	$931

1. The allocation of earnings to tax equity investors from both consolidated entities and equity affiliates is removed from Adjusted EBITDA.
2. Adjusted EBITDA with Tax Attributes includes the impact of the share of Investment Tax Credits, Production Tax Credits, and depreciation expense allocated to tax equity investors under the HLBV accounting method and recognized as Net Loss Attributable to Noncontrolling Interests and Redeemable Stock of Subsidiaries on the Condensed Consolidated Statements of Operations. All of the tax attributes are related to the Renewables SBU.

Reconciliation of YTD Adjusted EBITDA[1]

$ in Millions	YTD 2023	YTD 2022
Net Income (Loss)`	$461	$481
Income Tax Expense (Benefit)	$179	$186
Interest Expense	$966	$813
Interest Income	($398)	($270)
Depreciation and Amortization	$836	$800
EBITDA	$2,044	$2,010
Less: Adjustment for Noncontrolling Interests and Redeemable Stock of Subsidiaries[1]	($508)	($486)
Less: Income Tax Expense (Benefit), Interest Expense (Income) and Depreciation and Amortization from Equity Affiliates	$93	$93
Interest Income Recognized Under Service Concession Arrangements	$54	$58
Unrealized Derivative and Equity Securities Losses (Gains)	$3	-
Unrealized Foreign Currency Losses	$161	$23
Disposition/Acquisition Losses	$21	$36
Impairment Losses	$318	$497
Loss on Extinguishment of Debt	$1	$7
Adjusted EBITDA	$2,187	$2,238
Tax Attributes Allocated to Tax Equity Investors	$69	$109
Adjusted EBITDA with Tax Attributes[2]	$2,256	$2,347

Renewables SBU	$557	$476
Utilities SBU	$526	$456
Energy Infrastructure SBU	$1,165	$1,353
New Energy Technologies SBU	($61)	($88)
Corporate	-	$41
Total Adjusted EBITDA	$2,187	$2,238

1. The allocation of earnings to tax equity investors from both consolidated entities and equity affiliates is removed from Adjusted EBITDA.
2. Adjusted EBITDA with Tax Attributes includes the impact of the share of Investment Tax Credits, Production Tax Credits, and depreciation expense allocated to tax equity investors under the HLBV accounting method and recognized as Net Loss Attributable to Noncontrolling Interests and Redeemable Stock of Subsidiaries on the Condensed Consolidated Statements of Operations. All of the tax attributes are related to the Renewables SBU.

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.