



aes Argentina

**2Q - 2022
Earnings Report**



September 30, 2022

aes₁

AES ARGENTINA SECOND QUARTER 2022 RESULTS & HIGHLIGHTS

- AES Argentina Generación S.A. (AES Argentina, AAG, or the Company) reported a Gross Profit for second quarter of 2022 of AR\$2,846 million, a 37% decrease compared to the same period in 2021.
 - Lower sales at Parana due to maintenance performed during the second quarter of 2022, in addition to the inflation effect when converting 2021 figures into the same purchasing power as current Argentine pesos were the main drivers for the decrease in Gross Profit in the second quarter of 2022 compared to the same period last year. The 30% and 10% tariffs adjustment executed May 2022 (retroactive from February 2022) and June 2022 as per Resolution 238/2022 partly offset these positive variances.
 - Regulatory changes in effect from February 2020 involved freezing and reduction in tariffs perceived by the Company's legacy plants under Energía Base market framework. Tariffs were converted from US Dollars into Argentine Pesos with monthly adjustments for inflation, however this measure was postponed until new notice amid the COVID-19 pandemic. On May 29, 2021, Resolution 440/2021 was issued, increasing energy and capacity prices under the Energía Base regime, by 29% related to inflation, retroactive from February 2021. On April 18, 2022, Resolution 238/2022 was issued increasing energy and capacity prices under resolution 440/2021 by 30%, retroactive from February 2022 and an additional 10% from June 2022.
- AAG reported AR\$3,378 million in EBITDA for the second quarter of 2022, 31% below the second quarter of 2021's EBITDA.
 - The main driver of the decrease in EBITDA was lower Gross Profit partly offset by a 38% decrease in Administrative and Trading Expenses compared to 2021.
- The Company reported a Net Loss of AR\$119 million for the second quarter of 2022, AR\$429 million less compared to the AR\$310 million Net Income for the same period in 2021. The variance was due primarily to the decrease in EBITDA, a higher impact from the RECPAM Inflation effect in 2022 than in 2021, in addition to a negative impact from FX differences, partly offset by decreases in income tax financial expenses.
- During the second quarter of 2022, FONINVEMEM collections, including interest, totaled approximately US\$11.0 million, net of VAT, totaling US\$22.4 million as of June 30, 2022, year to date.
 - During the first quarter of 2020 FONINVEMEM 1 and FONINVEMEM 2 were fully repaid, with FONINVEMEM 3 remaining outstanding until April 2026, when it will be fully repaid.
- Wind Assets:
 - The 100MW Vientos Bonaerenses wind farm is 80% contracted under a RenovAr PPA and 20% contracted with C&I customers under MATER PPAs
 - The 100MW Vientos Neuquinos wind farm is fully contracted with C&I customers under MATER PPAs
- Since the third quarter of 2021, the Company has acquired a nominal amount of US\$25.5 million of its US\$300 million Class A Senior Notes due in 2024, US\$22.5 million were acquired in 2021 and US\$3 million in the first quarter of 2022.
- On April 18, 2022, Resolution 238/2022 was issued, modifying the established energy and capacity prices of Resolution 440/2021, applying tariff average increases of 30% from February 2022, and an additional 10% from June 2022 onwards. This change will be accrued starting in the 2Q-2022 results, and is not reflected in the 1Q-2022 figures in this report.

As of February 1, 2020, the company's functional currency was changed to AR\$ as a result of regulatory changes to the Energía Base framework included in Resolution 31/2020, explained in this report.

REVIEW OF SECOND QUARTER 2022 RESULTS

Income Statement (AR\$ Million)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Operating Revenue	27,192	21,548	26%	14,856	12,526	19%
Cost of Sales	(20,886)	(13,725)	52%	(12,010)	(8,023)	50%
Gross Profit	6,306	7,822	(19)%	2,846	4,503	(37)%
Administrative Expenses	(1,336)	(1,634)	(18)%	(670)	(981)	(32)%
Trading Expenses	(378)	(274)	38%	(175)	(387)	(55)%
Other income and expenses	(32)	(91)	(65)%	(16)	(50)	(68)%
Operating Income	4,559	5,824	(22)%	1,985	3,085	(36)%
Financial Income	3,669	3,904	(6)%	1,854	2,131	(13)%
Financial Expense	(2,753)	(3,246)	(15)%	(1,219)	(1,770)	(31)%
Effect of FX differences	(306)	617	(150)%	(219)	286	(177)%
Inflation effect	(5,522)	(4,102)	35%	(2,661)	(1,903)	40%
Income from Investments in Associates	44	55	(20)%	(28)	16	(272)%
Income (Loss) before Taxes	(308)	3,051	(110)%	(288)	1,845	(116)%
Income Tax	877	(1,612)	(154)%	169	(1,535)	(111)%
Net Income	569	1,440	(60)%	(119)	310	(138)%
EBITDA	7,541	9,405	(20)%	3,378	4,920	(31)%

It is worthy to note that numbers in the analysis along with business explanations are presented in AR\$ rounded to millions; therefore, differences may arise with the financial statements which are presented in thousands AR\$ as of June 30, 2022, to comply with local authorities' requirements. AR\$ Figures have been adjusted for local inflation to be presented in AR\$ of equal purchasing power as of June 30, 2022.

Generation

The Company generated 1,684 GWh during the second quarter of 2022, a 12% decrease compared to last year. Total thermal generation fell 29%, while hydro generation grew 20% between both periods. The 62GWh increase in generation at Vientos Bonaerenses and Vientos Neuquinos wind farms, along with the increase in hydro generation, partly offset the decrease in production. Thermal generation decreased due to lower generation at Parana as a consequence of maintenance during the second quarter of 2022, in addition to an increase in the use of diesel as fuel, implying a decrease in maximum available capacity at the plant. Better hydrology at Alicurá led to a decrease in hydro generation.

Net Generation by Plant (GWh)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Paraná	1,695	2,111	(20)%	653	998	(35)%
San Nicolás	1,035	844	23%	549	550	—%
Alicurá	447	445	—%	268	170	58%
Cabra Corral	48	61	(21)%	14	36	(61)%
El Tunal	15	24	(38)%	5	14	(64)%
Ullum	38	43	(12)%	6	15	(60)%
Sarmiento	11	2	450%	1	1	—%
Vientos Bonaerenses	220	156	41%	106	52	104%
Vientos Neuquinos	191	152	26%	82	74	11%
Total Generation / Sales	3,700	3,838	(4)%	1,684	1,910	(12)%

Operating Revenue

The increase in Energía Base energy sales revenue at San Nicolás as a result of higher coal prices was the primary driver for the 19% increase in operating revenues to AR\$14,856 million in the second quarter of 2022, compared to AR\$12,525 million in the same period last year. The 30% and an additional 10% adjustments to energy and capacity tariffs from February and June 2022, respectively, applied from May 2022, also helped to the increase in revenues. This positive variations were partly offset by lower generation at Paraná due to maintenance and the effect of inflation when converting 2021 figures into the same purchasing power as current Argentine pesos.

Resolution 31/2020 was enacted by Argentina's Secretariat of Electric Energy in February 2020, modifying the regulatory framework for the Energía Base market, under which the Company's thermal and hydro assets operate. The new framework modified the pricing scheme established by Resolution 1/2019. Energy and Capacity rates were converted from US Dollars under Resolution 1/2019, into Argentine Pesos under Resolution 31/2020. An inflation mechanism was established for the new AR\$-denominated rates to be adjusted on a monthly basis, however this measure was temporarily postponed amid the COVID-19 pandemic. Energy Rates were merely converted into AR\$ while Capacity rates were converted into AR\$ and reduced. An additional payment was introduced rewarding plants that generate energy during hours of peak thermal demand on the system.

On May 29, 2021, Resolution 440/2021 was issued which's main modification was a 29% inflation related increase in energy and capacity prices under the Energía Base regime, retroactive from February 2021. On April 18, 2022, Resolution 238/2022 was issued, modifying the established energy and capacity prices of Resolution 440/2021, applying tariff average increases of 30% from February 2022, and an additional 10% from June 2022 onwards. For more details see the Regulatory Risk section of this report or Note 3.a of the Financial Statements.

Operating Revenue (AR\$ Million)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Energy Sales	18,362	11,619	58%	10,558	7,418	42%
Capacity Sales	5,830	6,644	(12)%	2,969	3,536	(16)%
Contracts Sales	2,868	3,121	(8)%	1,256	1,504	(16)%
Other Revenue	132	165	(20)%	73	67	9%
Total Operating Revenue	27,192	21,549	26%	14,856	12,525	19%

Cost of Sales

Cost of Sales reached AR\$12,010 million in the second quarter of 2022, a 50% increase compared to the second quarter of 2021, mainly attributable to higher fuel cost as a result of the increase in coal prices associated to San Nicolás' generation.

It is important to mention that as per Resolution 12/2019, enacted in December 2019, the company can no longer opt to source its own natural gas for its plants, as was permitted under Resolution 70/2018, leaving CAMMESA as the sole supplier for natural gas. The Company does not incur costs for the natural gas and diesel fuel supplied by CAMMESA. The Company continues to source its own fuel for the coal fired units (1, 2 and 5) at San Nicolás.

Cost of Sales (AR\$ Million)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Fuel cost	12,783	5,111	150%	7,719	3,364	129%
Maintenance	1,940	1,919	1%	1,311	1,221	7%
Personnel costs	1,333	1,277	4%	666	677	(2)%
Insurance	1,298	1,447	(10)%	642	763	(16)%
Depreciation	2,396	2,978	(20)%	1,083	1,544	(30)%
Rights and royalties	94	109	(13)%	44	42	5%
Amortization of intangible assets	437	357	23%	251	175	43%
Purchases of energy and power	34	53	(37)%	23	31	(26)%
Related-Party Services	94	108	(13)%	40	40	—%
Operator Fee	78	61	28%	36	31	16%
Transmission charges	64	65	(3)%	38	33	15%
Fees and remuneration to third parties	31	38	(19)%	14	1	1,300%
Frequency Regulation	72	16	361%	26	12	117%
Others	232	186	25%	117	89	31%
Total Cost of Sales	20,886	13,725	52%	12,010	8,023	50%

Gross Profit

Gross Profit in the second quarter of 2022 reached AR\$2,846 million, a 37% decrease compared to last year. This decrease was mainly driven by lower sales at Parana due to a 35% reduction in generation as a result of maintenance performed during the second quarter of 2022, in addition to the inflation effect when converting 2021 revenues into current Argentine pesos, which is partly compensated by the 30% and 10% tariffs adjustment executed May 2022 (retroactive from February 2022) and June 2022 as per Resolution 238/2022.

Administrative & Trading Expenses

Administrative and Trading Expenses reached AR\$845 million in the second quarter of 2022, compared to the AR\$1,368 million registered in the same period of 2021. The 38% decrease is primarily due to a bad debt provision registered in the second quarter of 2021 associated to an adjustment in the provision from certain account receivables with Cammesa, in addition to lower Related-Party Services. For more details on the provision for bad debt please see Note 14.3 of the Financial Statements.

Administrative & Trading Expenses (AR\$ Million)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Personnel costs	300	299	—%	127	144	(12)%
Depreciation	117	155	(25)%	43	67	(36)%
Taxes, rates and contributions	696	654	6%	402	372	8%
Related-Party Services	453	658	(31)%	199	450	(56)%
Fees and remuneration to third parties	143	226	(37)%	80	144	(44)%
Bad Debt Expense	(49)	(121)	(60)%	(44)	177	---
Others	54	36	50%	38	14	171%
Total Administrative & Trading Expenses	1,714	1,907	(10)%	845	1,368	(38)%

EBITDA

The Company reported EBITDA of AR\$3,378 million for the second quarter of 2022, a 31% decrease over the same quarter of 2021 primarily due to lower gross profit.

EBITDA (AR\$ Million)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Net Income	569	1,440	(60)%	(119)	310	(138)%
Income tax	(877)	1,612	(154)%	(169)	1,535	(111)%
Other Income	32	91	(65)%	16	50	(68)%
Income from Investments in Associates	(44)	(55)	(20)%	28	(16)	(272)%
Financial Income	(3,669)	(3,904)	(6)%	(1,854)	(2,131)	(13)%
Financial Expense	2,753	3,246	(15)%	1,219	1,770	(31)%
Effect of FX differences	306	(617)	(150)%	219	(286)	(177)%
Inflation effect	5,522	4,102	35%	2,661	1,903	40%
Depreciation and Amortization	2,950	3,490	(15)%	1,377	1,786	(23)%
EBITDA	7,541	9,405	(20)%	3,378	4,920	(31)%

Non-Operating Results

The Non-Operating Results of the Company in the second quarter of 2022 totaled AR\$-2,245 million, compared to the AR\$-1,256 million registered in the same period in 2021. The AR\$758 million negative variation in Inflation Effect, the AR\$505 million negative variance in FX differences and the AR\$277 million less Financial Income were partly offset by a AR\$551 million decrease in Financial Expense.

Financial Income fell AR\$277 million. This variance is primarily due to lower interest income on financial assets due to the decrease in CAMMESA receivables from Res 95, in addition to higher other financial income associated to interests paid by Cammesa on Energía Base payments.

Financial Expense decreased AR\$551 million primarily due lower interest expenses on financial debt as a result of lower outstanding debt.

Higher FX losses on liabilities partly offset by higher gains on assets in the second quarter of 2022 compared to the same quarter in 2021, was the main driver of the negative variance in FX Differences. These drivers are associated mainly to the effect of FX rates on debt denominated in US\$ and FONINVEMEM account receivables, respectively.

A AR\$2,661 million negative inflation adjustment was registered in the second quarter of 2022 compared to AR\$1,903 million registered in the same period of 2021, both associated to the change in the functional currency of the company to AR\$ in February 2020.

Non-Operating Results (AR\$ Million)	YTD			2Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Interest Income	2,405	3,086	(22)%	1,163	1,562	(26)%
Other finance income	1,263	818	54%	691	569	21%
Interest income from related companies	1	—	---	1	—	---
Financial Income	3,669	3,904	(6)%	1,854	2,131	(13)%
Interest on financial debt	(2,377)	(3,124)	(24)%	(1,164)	(1,714)	(32)%
Interest on tax debts	(2)	(17)	(86)%	(1)	(7)	(86)%
Interest on commercial loans	(3)	(4)	(23)%	(2)	(2)	—%
Interest on obligations for long-term benefits	(114)	(101)	13%	(52)	(48)	8%
Loss on liability early payment	(256)	—	---	—	—	---
Financial Expense	(2,753)	(3,246)	(15)%	(1,219)	(1,770)	(31)%
FX difference generated by assets	7,491	7,860	(5)%	4,347	2,632	65%
FX difference generated by liabilities	(7,796)	(6,992)	11%	(4,566)	(2,346)	95%
Hedging instruments	—	(251)	---	—	—	---
Total FX Differences	(306)	617	(150)%	(219)	286	(177)%
Inflation Effect	(5,522)	(4,102)	35%	(2,661)	(1,903)	40%
Total Non-Operating Results	(4,911)	(2,827)	74%	(2,245)	(1,256)	79%

Exchange Rate

The average quarterly AR\$/US\$ exchange rate was 25% higher in the second quarter of 2022 compared to the same period in 2021. During the second quarter of 2022, the AR\$/US\$ exchange rate rose 13%, while in the same period of 2021, the AR\$/US\$ exchange rate increased 4%. During the twelve-month year ended June 30, 2022, the AR\$/US\$ exchange rate rose 31%.

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Argentine Peso EOP (ARS/US\$)	125.23	111.01	102.72	98.74
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Argentine Peso EOP (ARS/US\$)	95.72	92.00	84.15	76.18

	YTD		
	2022	2021	Var (%)
Argentine Peso AVG (ARS/US\$)	117.95	94.08	25%

Net Income

AES Argentina's Pre-tax Loss fell to AR\$288 in the second quarter of 2022 compared to AR\$1,845 million Net Income in the same period in 2021 primarily due to lower Gross Profit, higher Inflation Adjustments, in addition to a negative impact in FX Differences, offset in part by a reduction in Financial Expenses and lower Administrative and Trading Expenses.

AAG recorded an AR\$169 million Income tax gain in the three-month period ended June 30, 2022, which positively compares to the Income tax expense of AR\$1,535 million registered in the same quarter of 2021. This positive variation is due to lower Pre-tax income as of June 30, 2022, explained above.

AAG reported a Net Loss of AR\$119 million for the second quarter of 2022, compared to the second quarter 2021's Net Income of AR\$310 million primarily due to the Pre-tax Loss in 2022 explained above.

Cash Flow

Net Cash flow from operations reached AR\$3,098 million in outflows in the period ended June 30, 2022, compared to AR\$4,450 million inflow in the same period in 2021. Operating cash flows fell AR\$7,548 million primarily due to an increase in coal purchases as a result of higher coal prices, in addition to lower collections on Energía Base due to delays in payments from Cammesa.

Investing cash inflows totaled AR\$2,508 million in the period ended June 30, 2022, up from a cash outflow of AR\$690 million in the same period last year. This variance is primarily due to higher interest income on financial assets due to the increase in CAMMESA interest rates, in addition to net Mutual Funds Liquidations as of June 30, 2022, compared to net Mutual Funds investments in the same period of 2021.

AES Argentina reported an inflow from financing activities of AR\$468 million in the six-month period ended June 30, 2022, compared to the net outflow of AR\$2,482 million in the same period in 2021. The main variance was attributable to higher proceeds from loans of AR\$3,933 million primarily related to debt disbursements in 2022 to finance fuel shipments and fortify the company's liquidity position, in addition to lower interest payments. During the first six months of 2022, AES Argentina paid AR\$2,424 million in interest on debt compared to AR\$2,621 million paid in the same period of 2021. These positive variances were partly offset by AR\$647 million to repurchase a portion of AAG's Class A Senior Notes due in 2024, and higher debt amortizations. Principal payments were AR\$5,011 million in 2022 compared to AR\$3,848 million in 2021.

The net outflow in cash and cash equivalents during the period ended June 30, 2022, was AR\$215 million, compared to the AR\$1,152 million inflow registered in the same period of 2021.

Total cash and cash equivalents on the Cash Flow statement at the end of June 2022, reached AR\$1,950 million, compared to the AR\$3,462 million as of the period ended June 30, 2021. It is important to mention that as of June 30, 2022, the company had US\$12 million pledged as collateral for the bank loan with Goldman Sachs, according to the pledge agreement dated February 12, 2020, which is registered as other financial assets, and not cash and cash equivalent.

Cash Flow Statement Summary (AR\$ Million)	YTD		
	2022	2021	Var (%)
Net cash from operating activities	(3,098)	4,450	(170)%
Net cash from investing activities	2,508	(690)	(463)%
Net cash from financing activities	468	(2,482)	(119)%
Effects of Foreign Exchange Variations	(94)	(125)	(25)%
Total Net Cash Flow for the Period	(215)	1,152	---
Cash at the beginning of the period	2,165	2,310	(6)%
Total Cash at the End of the Period	1,950	3,462	(44)%

Total cash and cash equivalents on the Balance Sheet as of June 30, 2022, reached AR\$3,376 million, compared to the AR\$6,685 million as of June 30, 2021. The difference between the balance sheet and Cash Flow figures is explained primarily by the treatment of investment funds balances, which are included in the balance sheet cash and cash equivalents balance, however not included in the cash flow. For more details see the Note 15 of the Financial Statements.

FONINVEMEM Receivables

As of June 30, 2022, outstanding FONINVEMEM Receivables associated with the FONINVEMEM fund III totaled US\$159.5 million, net of VAT. FONINVEMEM funds I and II were fully repaid during the first quarter of 2020.

During the second quarter of 2022, FONINVEMEM collections, including interest, associated with FONINVEMEM fund totaled approximately US\$11.0 million, net of VAT.

AES Argentina is in the process of receiving a 6% stake in the 865MW José de San Martín and a and 7% stake in the 868MW Manuel Belgrano, combined cycle plants associated with FONINVEMEM I and II, as per the agreements

reached in May 2020 between the Argentine authorities, AES Argentina and the rest of the generation companies who participate in the operating companies who manage the aforementioned plants. Final transfer of these assets has not been formalized as of June 30, 2022. For more details please see Note 3.d.1. of the Financial Statements.

Dividends

The Company paid AR\$107 million in dividends in the period ended June 30, 2022 and AR\$92 million as of June 30, 2021, mainly to fund tax payments of holding companies.

CAPEX

As of June 30, 2022 the Company's CAPEX totaled US\$13 million in 2022, compared to a total capex of US\$12 million in the same period of 2021.

The Company invested approximately US\$278 million to add 200MW of wind capacity to its portfolio. The 100MW Vientos Bonaerenses project was completed in February 2020 while The 100MW Vientos Neuquinos project was completed in September 2020.

Financial Debt

As of June 30, 2022, AES Argentina has a total financial debt of US\$348 million. As of June 30, 2022, 89% of the Company's financial debt liabilities were at fixed interest rates and 90% were US\$-denominated.

On January 26, 2017, the Company issued US\$300 million of 144A/RegS Senior Notes at 7.750% annual interest rate with 7-year tenor and bullet amortization. Since the third quarter of 2021, the Company has acquired a nominal amount of US\$25.5 million of this bond, US\$22.5 million were acquired in 2021 and US\$3 million in the first quarter of 2022.

In May 2019, AES Argentina secured a US\$30 million bank loan with Citibank New York at LIBOR + 5.2% Spread interest rate with 12 quarterly payments, which was repaid in full in June 2022. Also, in May 2019, the Vientos Neuquinos project secured a US\$50 million loan with ICBC Argentina at LIBOR + 5.5% Spread with 15 quarterly payments (US\$26,5 million outstanding as of June, 30, 2022).

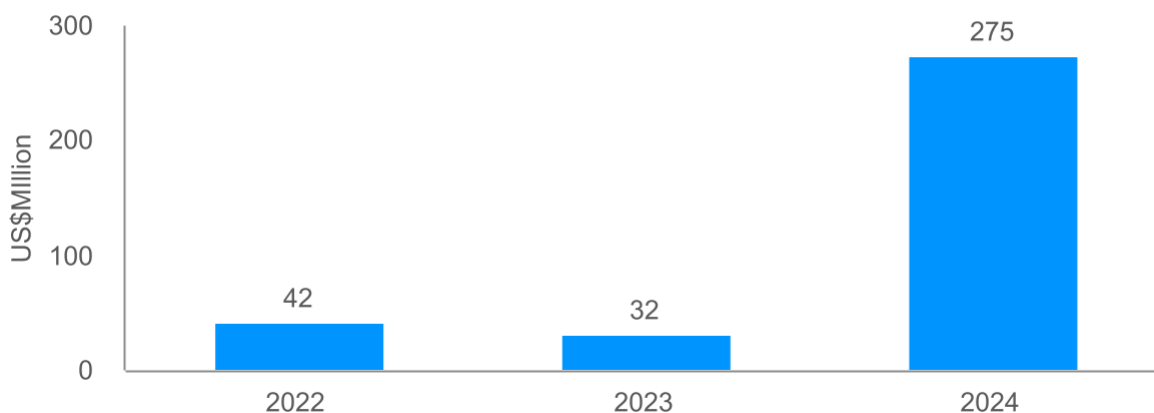
A cash collateralized short-term loan for US\$20 million was raised with Goldman Sachs, at LIBOR + 1.75% Spread interest Rate with due date in February 2021. In February 2021, the Company paid US\$8 million of the outstanding US\$20 million Goldman Sachs Secured Loan. The remaining US\$12 million was refinanced to be paid in February 2023.

In addition, in 2022, the company raised approximately US\$35 million short-term bank loans denominated in AR\$ with local banks to finance fuel purchases and fortify the company's liquidity position, all of which is expected to be repaid during 2022.

For more details please see Note 19 of the Financial Statements.

The following graph details AES Argentina's debt maturity profile, as of June 30, 2022:

AES Argentina Debt Maturity



Debt Amortization (US\$ Million)		Average Interest Rate	June 30, 2022		
			2022	2023	2024
AAG 2024 Notes	275	7.75%	—	—	275
ICBC US\$ 50mn Loan Vientos Neuquinos 2023	27	5.6%	7	20	—
GS Secured Loan	12	3.17%	—	12	—
ST Loan*	35	52.60%	35	—	—
Total	348		42	32	275

* Debt in Argentine Pesos

RISK ANALYSIS

MARKET AND FINANCIAL RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument might fluctuate because of a change in market prices. Market risks affecting the Company include Exchange Rate Risk, Interest Rate Risk, and Commodity Price Risk. Financial instruments affected by the market risk include interest-accruing debts and loans, cash deposits, trades receivable and other accounts receivable, available-for-sale financial assets and financial assets at fair value through profits or loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument might fluctuate as a result of changes in market interest rates. Variations in Interest rates affect the value of assets and liabilities, accrued interests, as well as the flow of financial assets with variable interest rates.

The grand majority of the Company's debt, including the US\$300 million in 144A/RegS Senior Notes, has a fixed interest rate while the Company's medium-term bank loans and main interest incurring assets, FONINVEMEM Receivables, are exposed to variations in LIBOR. AAG has other accounts receivables and debts with CAMMESA that are exposed to changes to the interest rate set by the grid operator (CAMMESA rate) which is calculated based on LIBOR and the interest rate the ISO achieves with its financial instruments.

As of June 30, 2022, 89% of the Company's interest-bearing liabilities, including CAMMESA loans, had fixed interest rates.

A 10% variation of the LIBOR would have had a AR\$7.8 million impact on the second quarter pretax income.

A 10% variation of the CAMMESA rate would have had a AR\$184 million impact on the second quarter pretax income.

Foreign Currency Risk

The exchange rate risk is the risk of fluctuations in the fair value or the future cash flows of financial instruments due to changes in the exchange rates. The value of those financial assets and liabilities denominated in a currency other than the functional currency of the Company, the AR\$, are subject to variations arising from the fluctuation of exchange rates. The main source of FX exposure is now related to US\$ denominated assets and liabilities.

Since the change in functional currency to US\$ on February 1, 2017, until the dollarization of Energía Base tariffs according to the regulation in force until January 2020, FX exposure was limited as most of the assets and liabilities of the Company were dollar-denominated or dollar-linked. The main exposure came from fixed costs and taxes denominated in AR\$. From February 2020 onwards, after Resolution 31/2020 came in force, tariffs were established in Argentine pesos. The impact of Resolution 31/2020 resulted in a change in functional currency from March 31, 2020 onwards.

According to Argentine tax law, the Company's taxable base is calculated in AR\$ and taxes are paid in AR\$. The variation in the exchange rate can impact the valuation in AR\$ of the Company's US\$ denominated assets and liabilities, which can impact the tax expense.

Foreign currency exchange controls, transfer restrictions, restrictions imposed by the IMF, and other policies of the Argentine government may limit the availability of international and local credit or otherwise adversely affect AES Argentina Generación's business, as well as its ability to repay the notes.

A 10% variation of the US\$/AR\$ exchange rate would have had a AR\$344 million impact on the second quarter pretax income.

The following table summarizes the value of assets and liabilities in foreign currencies at their value in AR\$ as of June 30, 2022.

AR\$ million	June 30, 2022
Non-current Assets	28,528
Current Assets	15,195
Total Assets	43,723
Non-current Liabilities	34,600
Current Liabilities	7,429
Total Liabilities	42,029

Inflation Risks

Changes in the purchasing power of the AR\$ currency affect the value of assets and liabilities, mainly the monetary type.

A 10% variation of the AR\$ real purchasing power would have had a AR\$1,419 million impact on the second quarter pretax income.

Energy Price Risks

The Company faces price risk, as revenues depend directly on tariffs set for the “Energía Base” price structure, which are based on a fixed price remuneration set at the regulator’s discretion. These tariffs are readjusted at the discretion of the regulator.

Commodity Price Risk

Most of the fuel for the Company’s thermal plants is provided by CAMMESA, free of charge. However, the Company itself procures the coal used at the San Nicolás plant’s Unit 1, Unit 2 and Unit 5. The cost of coal is currently reimbursed by CAMMESA, as part of the variable cost payment, effectively mitigating the risk of commodity price fluctuations.

Between the fourth quarter of 2018 and the fourth quarter of 2019, as per Resolution 70, the Company could opt to source its own natural gas and diesel fuel or have CAMMESA to supply it. In December 2019, the Argentine Government repealed Resolution 70, and therefore generation companies can no longer source their own diesel or natural gas, leaving CAMMESA as the sole supplier.

Credit Risk

Credit risk is related to the ability of the Company’s counterparties to meet their financial obligations. The Company’s financing and investment agreements are executed with high-quality local and foreign financial institutions.

The main off-taker of the Company is CAMMESA, who acquires all the energy produced by the Company. CAMMESA is directly funded by the Argentine national treasury. Since December 2016, CAMMESA has been meeting its payment obligations, diminishing the credit risk faced by the Company.

The credit risk associated with CAMMESA is linked to Argentina’s country risk. The Argentine sovereign credit rating has been under pressure due to the rapid depreciation of the AR\$ and the high inflation in recent years.

For more details of the Credit risk and commercial operations with CAMMESA please see Notes 1, 3 and 14 of the Financial Statements.

Liquidity Risk

The Company manages its liquidity to secure the necessary funds to support its business strategy. AES Argentina uses self-generated funds for the payment of its obligations and maintains uncommitted credit lines with premier banks in Argentina, which are disbursed if necessary.

As of June 30, 2022, AES Argentina had AR\$3,376 million in available liquid resources, classified as cash and cash equivalents (including short-term investments) on the balance sheet, compared to AR\$6,685 million as of June 30, 2021. It is important to mention that as of June 30, 2022, the company had US\$12 million restricted, registered as other financial assets, pledged as collateral for the bank loan with Goldman Sachs, according to the pledge agreement dated February 12, 2020, and the outstanding amount.

Country Risk

The Company's operations, properties and customers are located in Argentina, and, as a result, its business is to some extent, dependent upon economic conditions prevailing in Argentina. The changes in economic, political and regulatory conditions in Argentina and measures taken by the Argentine government have had and are expected to continue to have an impact on the Company.

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation, and may experience further volatility in the future.

As a consequence, the Company could in the future be, affected from time to time to varying degrees by economic and political developments and other material events affecting the Argentine economy, such as inflation; price controls; foreign exchange controls; fluctuations in foreign currency exchange rates and interest rates; governmental policies regarding spending and investment, national, provincial or municipal tax increases and other initiatives increasing government involvement with economic activity; civil unrest and local security concerns. The Argentine economy continues to remain vulnerable. It is possible that similar measures could be adopted by the current or future Argentine government or that economic, social and political developments in Argentina, over which the Company has no control, could have a material adverse effect on the Argentine economy and, in turn, adversely affect AES Argentina Generación's financial condition and results of operations.

OPERATIONAL RISKS

Operational risks relate to the possibility of future outages or deficiencies that can negatively affect the Company's strategic operational and/or financial objectives.

Hydrology

Approximately 40% of AES Argentina Generación's installed capacity is made up of hydroelectric operations, which may be affected by hydrological conditions, a key factor in determining plant dispatch in Argentina. The main river basins which affect the Company's hydroelectric plants' availability include the Limay, San Juan, and Juramento river.

Operational Failures and Maintenance

Mechanical failures, accidents, planned or unplanned maintenance that affects the availability of the Company's efficient capacity could have a material adverse effect on results.

Although the Company performs regular maintenance and operational enhancements to guarantee the commercial availability of its generation plants and operational insurance policies remain in effect, mechanical failures or accidents could result in periods of commercial unavailability. Significant periods of unavailability of AES Argentina Generación's plants as a result of mechanical failure or unplanned maintenance would impact the Company's fulfillment of its availability commitments.

Regulatory Risks

AES Argentina Generación is subject to several different aspects of regulation in Argentina. Modifications to the existing legislation could adversely affect the Company's financial results.

Resolution 1/2019 was enacted by Argentina's Secretariat of Electric Energy in March 2019, modifying the regulatory framework for the Energía Base market, under which the Company's thermal and hydro assets operate. The new framework established different thermal plant capacity tariff structures for peak (summer and winter) and non-peak seasons (spring and fall). During peak seasons January, February, June, July, August and December, the capacity price remained unchanged, at US\$7,000/MW/month, while during non-peak seasons, March, April, May, September, October and November, capacity prices were reduced to US\$5,500/MW/month. A new usage factor was also included a capacity payment structure, which is determined by the plants' usage over the previous 12 months. In addition, Resolution 1/2019 reduced energy prices by US\$1.6/MWh compared to Resolution 19/2017.

In February 2020, [Resolution 31/2020](#) modified the tariff structure established by Resolution 1/2019. Energía Base rates were converted from US Dollars to Argentine Pesos, an inflation-based indexation mechanism was introduced, capacity rates were reduced, and an additional remuneration mechanism was added for plants operating during hours of peak thermal requirement on the system. Energy and Capacity Rates from resolution 1/2019 were converted to Argentine pesos at an exchange rate of 60 AR\$/US\$ under Resolution 31/2020.

All rates are to be adjusted on a monthly basis for local inflation based on an index made up of 60% Consumer price index (IPC) and 40% Wholesale Internal Price Index (IPIM). In April 2020 however, amid the COVID-19 Pandemic, the Argentine authorities postponed until new notice the inflation adjustments. On May 21, 2021, Resolution 440/2021 was issued which's main modification was a 29% inflation related increase in energy and capacity prices under the Energía Base regime, retroactive from February 2021.

Capacity rates for thermal units were reduced between 14% and 45%, while hydro units' capacity rates were reduced approximately 45%. The thermal capacity offered guaranteed availability rate (DIGO) during peak seasons, was reduced 14% to US\$6,000/MW/month (AR\$360,000/MW/month), while during non-peak seasons, the rate was reduced 18% to US\$4,500/MW/month (AR\$270,000/MW/month). Thermal capacity base rates, applicable to plants that do not offer a guaranteed availability (DIGO), were reduced 45%.

The usage factor introduced under Resolution 1/2019 was maintained in the thermal capacity rate structure. The usage factor adjusts thermal capacity rates between 60% and 100% according to the plants' usage over the previous 12 months. Capacity rates for hydro assets were reduced to US\$1,650/MW/month (AR\$99,000/MW/month) for Large hydro (Alicurá), to US\$3,025/MW/month (AR\$181,500/MW/month) for Small hydro (Cabra Corral) and to US\$4,950/MW/month (AR\$297,000) for Renewable hydro (Ullum and El Tunal).

An additional remuneration mechanism was introduced for plants operating during hours of peak requirement on the system. Plants operating during the first and second 25 hours per month of peak thermal demand on the system in summer / winter months and the first 25 hours of maximum thermal requirement in autumn / spring are eligible for the new remuneration framework. The remuneration amount under this mechanism is determined by four factors: the average capacity of the plant during the first or second 25 hours of peak thermal requirement on the system, a capacity rate based on the type of plant, an adjustment factor for the first and second 25 hours of each month, and finally the month of the year in question which are categorized by season. The average capacity of the plant is based on the energy produced, in the case of thermal plants, and operated energy, in the case of hydroelectric plants during the hours of peak thermal requirement on the system.

Rates for generated and operated energy for both hydro and thermal plants under Res 31/2020 were not changed in US\$ terms compared to Resolution 1/2019, however they were converted into AR\$ as were all rates under Energía Base.

On May 29, 2021, Resolution 440/2021 was issued which's main modification was a 29% inflation related increase in energy and capacity prices under the Energía Base regime, retroactive from February 2021. It additionally suppressed an inflation-based indexation mechanism. The prices rates continue to be denominated in Argentine pesos. The rates increase was reflected starting in the second quarter of 2021.

On November 2, 2021, Resolution 1037/2021 was issued, which mainly establishes an additional and transitory remuneration will be recognized for Generation Companies with regards to energy exports from September 2021. This regulation also establishes a Utilization Factor equal to 70% for the determination of the Power Availability Remuneration.

On April 18, 2022, Resolution 238/2022 was issued, modifying the established energy and capacity prices of Resolution 440/2021, applying tariff average increases of 30% from February 2022, and an additional 10% from June 2022 onwards. Additionally by this Resolution, the capacity payment adjustment based on the last 12 months capacity factor (usage factor) was eliminated. This change was be accrued starting in the second quarter 2022 results.

		Capacity (Price per MW/Month)					
		Res 238/2022**	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019	
Hydro	Large Hydro	AR\$ 182,625	AR\$ 166,023	AR\$ 127,710	AR\$ 99,000 (US\$ 1,650)	US\$ 3,000	
	Small Hydro	AR\$ 334,813	AR\$ 304,376	AR\$ 234,135	AR\$ 181,000 (US\$ 3,025)	US\$ 5,500	
	Renewable Hydro	AR\$ 547,876	AR\$ 498,069	AR\$ 383,130	AR\$ 297,000 (US\$ 4,950)	US\$ 6,300	
Thermal	DIGO Rate	Winter/ Summer	AR\$ 664,092	AR\$ 603,720	AR\$ 464,400	AR\$ 360,000 (US\$ 6,000)	US\$ 7,000
		Spring/Fall	AR\$ 498,069	AR\$ 452,790	AR\$ 348,300	AR\$ 270,000 (US\$ 4,500)	US\$ 5,500
	Base Rate	Large CCGT	AR\$ 185,670	AR\$ 168,791	AR\$ 129,839	AR\$ 100,650 (US\$ 1,678)	US\$ 3,050
		Large Steam Turbine	AR\$ 264,807	AR\$ 240,734	AR\$ 185,180	AR\$ 143,550 (US\$ 2,393)	US\$ 4,350
		Small Steam Turbine	AR\$ 316,551	AR\$ 287,773	AR\$ 221,364	AR\$ 171,600 (US\$ 2,860)	US\$ 5,200
		Small GAS Turbine	AR\$ 280,025	AR\$ 254,569	AR\$ 195,822	AR\$ 151,800 (US\$ 2,530)	US\$ 4,600
	Utilization Factor	No	No	Yes	Yes	Yes	

* Tariffs from February 2022

**Tariffs from June 2022

		Generated Energy				
		(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(US\$/MWh)	
		Res 238/2022**	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019
Hydro		AR\$ 388	AR\$ 352	AR\$ 271	AR\$ 210 (US\$ 3.5)	3.5
Thermal	Natural Gas	AR\$ 443	AR\$ 403	AR\$ 310	AR\$ 240 (US\$ 4)	4
	Fuel Oil / Gas Oil	AR\$ 775	AR\$ 705	AR\$ 542	AR\$ 420 (US\$ 7)	7
	Mineral Coal	AR\$ 1,328	AR\$ 1,208	AR\$ 929	AR\$ 720 (US\$ 12)	12

* Tariffs from February 2022

**Tariffs from June 2022

	Operated Energy				
	(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(US\$/MWh)	
	Res 238/2022**	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019
Hydro	AR\$ 154	AR\$ 140	AR\$108	AR\$ 84 (US\$ 1.4)	1.4
Thermal	AR\$ 154	AR\$ 140	AR\$ 108	AR\$ 84 (US\$ 1.4)	1.4

* Tariffs from February 2022

**Tariffs from June 2022

Peak System Thermal Requirement Capacity Rate (AR\$/MW)						
		Res 238/2022**	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019
Hydro	Large Hydro	50,729	46,118	35,475	27,500	—
	Small Hydro	59,953	54,503	41,925	32,500	—
	Renewable Hydro	64,565	58,695	45,150	35,000	—
Thermal	All Fuels	69,176	62,888	48,375	37,500	—

* Tariffs from February 2022

**Tariffs from June 2022

Peak System Thermal Requirement Adjustment Factor			
		Summer & Winter Months	Fall & Spring Months
Hydro & Thermal	First 25 hours	1.2x	0.2x
	Second 25 hours	0.6x	0.0x

For more details of the regulatory framework of Energía Base please see Notes 3 of the Financial Statements or Resolution 31/2020 available [here](#).

Tax Regulation

AES Argentina Generación, its subsidiaries, and affiliates are subject to existing tax legislation in Argentina. Amendments to laws or modifications in tax rates may have a direct impact on earnings.

On June 16, 2021, the National Executive Power enacted Law 27,630, through which a scale was established for the rate of the Income Tax from the fiscal years beginning on January 1, 2021 and subsequent at 25% for companies with accumulated net earnings of up to 7.6 million Argentine pesos, in 30% above this amount and until reaching 76 million and in 35% when said profits exceed 76 million Argentine pesos, updated amounts in RG 5168/2022. It also established a 7% withholding tax on dividends distributed to individuals and beneficiaries abroad.

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of June 30, 2022, and December 31, 2021

International Financial Reporting Standards (IFRS).

(End of period exchange rate used to convert AR\$ into US\$ for referential purposes is 125.23 AR\$/US\$.)

Assets	AR\$ Million			US\$ Million
	June 30, 2022	December 31, 2021	Var. %	June 30, 2022
Non- Current Assets				
Investments in subsidiaries and associates	236	254	(7)%	2
Property, plant & equipment	55,855	60,149	(7)%	446
Intangible Assets	3,540	3,878	(9)%	28
Inventory	1,379	1,379	—%	11
Accounts receivable from related parties	6	7	(14)%	0
Other financial assets	—	1,696	---	0
Other non-financial assets	198	280	(29)%	2
Trade & Other accounts receivable	18,241	22,924	(20)%	146
Tax assets	67	509	(87)%	1
Deferred tax assets	561	433	30%	4
Total Non-Current Assets	80,082	91,508	(12)%	639
Current Assets				
Inventory	6,849	6,190	11%	55
Accounts receivable from related parties	65	81	(20)%	1
Other financial assets	1,515	0	---	12
Other non-financial assets	1,478	232	537%	12
Trade & Other accounts receivable	19,330	14,795	31%	154
Cash & Cash equivalents	3,376	6,685	(49)%	27
Tax assets	6,095	4,202	45%	49
Total Current Assets	38,709	32,185	20%	309
TOTAL ASSETS	118,791	123,693	(4)%	949

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of June 30, 2022, and December 31, 2021

International Financial Reporting Standards (IFRS).

(End of period exchange rate used to convert AR\$ into US\$ for referential purposes is 125.23 AR\$/US\$)

Liabilities and Shareholders' Equity	AR\$ Million			US\$ Million
	June 30, 2022	December 31, 2021	Var. %	June 30, 2022
Equity				
Issued Equity	1,153	1,153	—%	9
Equity Adjustment	7,915	7,915	—%	63
Irrevocable contributions	225	225	—%	2
Additional paid-in capital	2,185	2,185	—%	17
Legal Reserve	2,250	2,250	—%	18
IFRS special reserve	5,180	5,180	—%	41
Optional Reserves	27,420	25,492	8%	219
Other Reserves	16,568	18,007	(8)%	132
Retained Earnings	566	2,100	(73)%	5
Equity Attributable to Shareholders of Parent	63,462	64,506	(2)%	507
Non-controlling Interest in Controlled Subsidiaries	119	133	(11)%	1
TOTAL EQUITY	63,581	64,639	(2)%	508
Non-Current Liabilities				
Employee benefits	417	405	3%	3
Tax liabilities	411	579	(29)%	3
Deferred tax liabilities	3,731	4,503	(17)%	30
Provisions	322	343	(6)%	3
Accounts payable to related parties	207	48	331%	2
Interest-accruing liabilities	34,214	43,061	(21)%	273
Total Non-Current liabilities	39,302	48,939	(20)%	314
Current Liabilities				
Employee benefits	731	1,127	(35)%	6
Tax liabilities	199	237	(16)%	2
Accounts payable to related parties	1,539	1,296	19%	12
Trade & other accounts payable	2,981	3,212	(7)%	24
Interest-accruing liabilities	10,457	4,243	146%	84
Total Current liabilities	15,908	10,115	57%	127
TOTAL LIABILITIES	55,209	59,054	(7)%	441
Total Liabilities and Equity	118,791	123,693	(4)%	949

AES ARGENTINA GENERACIÓN INCOME STATEMENT

For the periods ended June 30, 2022, and June 30, 2021

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is 112.27 AR\$/US\$ for the six-month periods ended June 30, 2022 and 117.95 AR\$/US\$ for the three-month periods ended June 30, 2022)

Income Statement	AR\$ Million			US\$ Million	AR\$ Million			US\$ Million
	YTD			YTD	2Q			2Q
	2022	2021	Var (%)	2021	2022	2021	Var (%)	2022
Operating Revenue	27,192	21,548	26%	242	14,856	12,526	19%	126
Cost of Sales	(20,886)	(13,725)	52%	(186)	(12,010)	(8,023)	50%	(102)
Gross Profit	6,306	7,822	(19)%	56	2,846	4,503	(37)%	24
Administrative Expenses	(1,336)	(1,634)	(18)%	(12)	(670)	(981)	(32)%	(6)
Trading Expenses	(378)	(274)	38%	(3)	(175)	(387)	(55)%	(1)
Other income and expenses	(32)	(91)	(65)%	—	(16)	(50)	(68)%	—
Operating Income	4,559	5,824	(22)%	41	1,985	3,085	(36)%	17
Financial Income	3,669	3,904	(6)%	33	1,854	2,131	(13)%	16
Financial Expense	(2,753)	(3,246)	(15)%	(25)	(1,219)	(1,770)	(31)%	(10)
Effect of FX differences	(306)	617	(150)%	(3)	(219)	286	(177)%	(2)
Inflation effect	(5,522)	(4,102)	35%	(49)	(2,661)	(1,903)	---	(23)
Income from Investments in Associates	44	55	(20)%	0	(28)	16	(275)%	0
Income (Loss) before Taxes	(308)	3,051	(110)%	(3)	(288)	1,845	(116)%	(2)
Income Tax	877	(1,612)	---	8	169	(1,535)	---	1
Net Income	569	1,440	(60)%	5	(119)	310	(138)%	(1)
EBITDA	7,541	9,405	(20)%	67	3,378	4,920	(31)%	29

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT

For the six and three months periods ended June 30, 2022, and June 30, 2021 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$112.27 AR\$/US\$ for the six-month period ended June 30, 2022)

	AR\$ Million			US\$ Million
	June 30,		Var (%)	June 30,
	2022	2021		2021
Operating Activities				
Net income	569	1,440	(60)%	5
Earnings reconciliation adjustments				
Depreciation & amortization expenses	2,950	3,490	(15)%	26
Result due to loss of property, plant and equipment and intangibles	5	23	(79)%	—
FX differences and conversion differences	4,817	2,107	---	43
Loss for partial repurchase of negotiable obligations	256	—	---	2
Interest gains and other financial income	(3,669)	(3,904)	(6)%	(33)
Income from investments in other companies	(44)	(55)	(20)%	—
Income tax expenses	(877)	1,612	(154)%	(8)
Provision expenses	73	61	19%	1
Accrued interest expenses	2,402	3,193	(25)%	21
Bad debt provision	(49)	(121)	---	—
Pension plan	134	120	12%	1
Adjustments for balance sheet accounts variations				
Inventory	(659)	(1,533)	(57)%	(6)
Trade & other account receivables	(5,175)	(678)	664%	(46)
Account receivables from related parties	(319)	(792)	(60)%	(3)
Other non-financial assets	(1,267)	(965)	31%	(11)
Trade & other account payables	423	1,193	(65)%	4
Accounts payable to related parties	(325)	808	(140)%	(3)
Provisions	(15)	(18)	---	0
Tax Assets	268	545	(51)%	2
Tax Liabilities	(1,518)	(778)	95%	(14)
Employee benefits	(107)	(108)	—%	(1)
Income tax paid	(1,515)	(1,780)	(15)%	(13)
Hedging instruments	—	(251)	---	0
Interests received on trade accounts	544	841	(35)%	5
Net cash flow from operations	(3,098)	4,450	(170)%	(28)

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT (CONTINUED)

For the years ended June 30, 2022, and June 30, 2021 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$112.27 AR\$/US\$ for the six-month period ended June 30, 2022)

	AR\$ Million			US\$ Million
	2022	June 30, 2021	Var (%)	June 30, 2022
Investment Activities				
Purchase of Property, Plant & Equipment	(1,418)	(1,310)	8%	(13)
Purchase of intangible assets	(57)	(96)	(41)%	(1)
Sale of intangible assets	—	94	---	—
Interests received	1,508	822	83%	13
Dividend Received	27	50	(46)%	—
Sale of short term investment	—	334	(100)%	—
Purchase of short term investment	—	(210)	(100)%	—
Net decrease of common investment funds	2,442	(332)	(836)%	22
Loans granted to related parties	6	(42)	---	—
Net cash flows used in investment activities	2,508	(690)	(463)%	22
Financing Activities				
Proceeds from third-party loans	8,015	4,082	---	71
Guarantee deposit	—	—	---	—
Payments of third-party loans	(5,011)	(3,848)	13%	(39)
Interests paid on third-party loans	(2,424)	(2,621)	(8)%	(22)
Proceeds from related party loans	—	—	---	—
Payment of financial leases	(3)	(4)	(25)%	0
Dividend payments	(107)	(92)	---	(1)
Net Cash flows from (used in) financing activities	468	(2,482)	(119)%	4
Effect of FX difference on cash & cash equivalents	(94)	(125)	(25)%	(1)
Net Increase in cash & cash equivalents	(215)	1,152	(119)%	(2)
Opening Cash & Cash Equivalent	2,165	2,310	(6)%	19
Ending Cash & Cash Equivalent	1,950	3,462	(44)%	17

ABOUT AES ARGENTINA GENERACIÓN

AES Argentina Generación S.A. is a wholly owned subsidiary of the AES Corporation, engaged in power generation in Argentina. It owns and operates a portfolio of seven power plants, four hydro-electrical plants, three thermal power plants and two wind farms located in the Provinces of Buenos Aires, Salta, San Juan, and Neuquén, with a total installed capacity of 2,985 MW, in addition to 16 MW of battery energy storage systems.

To learn more, please visit www1.aesargentina.com.ar/en

ABOUT THE AES CORPORATION

The AES Corporation (NYSE: AES) is a Fortune 500 global energy company accelerating the future of energy. Together with our many stakeholders, we're improving lives by delivering the greener, smarter energy solutions the world needs. The company's diverse workforce is committed to continuous innovation and operational excellence while partnering with our customers on their strategic energy transitions and continuing to meet their energy needs today.

In 2021, The AES Corporation reported \$11 billion in revenues and owned and managed \$33 billion in total assets.

To learn more, please visit www.aes.com