
aes Argentina

3Q-2022

Corporate Presentation

J.P. Morgan
2023 Global Emerging
Markets Corporate
Conference

March 6, 2023



AES Argentina Generación

At a Glance

3,001 MW DIVERSIFIED GENERATION PORTFOLIO

Legacy Portfolio

 **1,578 MW**
Thermal assets

 **1,207MW**
Hydro assets

 **200MW**
Wind Assets

 **16 MW**
Battery Storage

Wind Assets

 **200 MW**

Fully Contracted

80 MW under RenovAr PPA
120 MW with industrial customers under MATER PPAs

Diversifying client base

FONINVEMEM

Receivables

\$149mn
Outstanding in FONINVEMEM receivables as of 3Q-2022

Power Plants

Equity stakes in 2 FONINVEMEM era plants (7% Belgrano, 6% San Martin and future equity stake of up to 30% in Guillermo Brown)

CAPITAL STRUCTURE

Financials (3Q-2022 LTM)

\$368mn
Financial debt

\$24mn
Cash

\$106mn
EBITDA

\$45mn
FONINVEMEM collections

Leverage

2.3x
Net Debt to EBITDA + FONINVEMEM collections as of 3Q-2022

Manageable debt profile, with a deleveraging trajectory

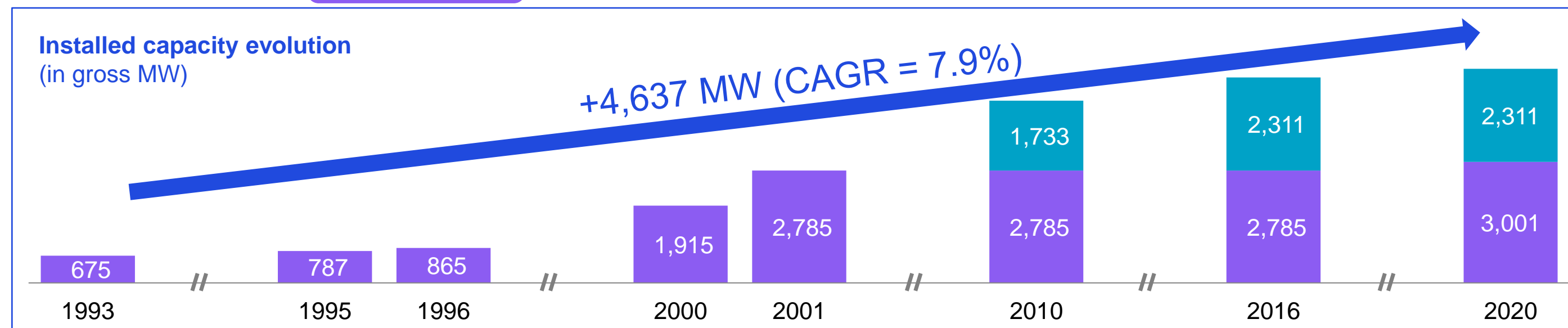
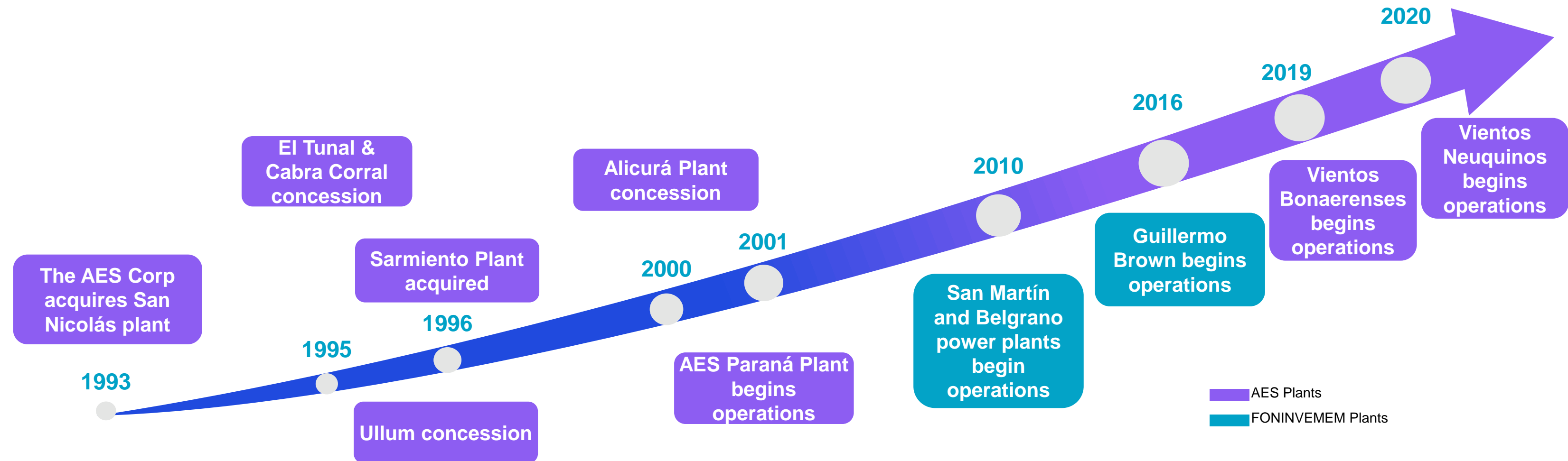
aes Argentina

Company Overview



DEVELOPMENT EXCELLENCE

AAG has 30 years of successful operations and growth through both greenfield and M&A



Note: Gross MW not adjusted by percentage ownership.

DIVERSIFIED PORTFOLIO

IN TERMS OF GEOGRAPHY AND TECHNOLOGY

Geographic footprint

- 1 Alicurá 1,050 MW
- 4 Cabra Corral 102 MW
- 5 El Tunal 10 MW
- 6 Ullum 45 MW

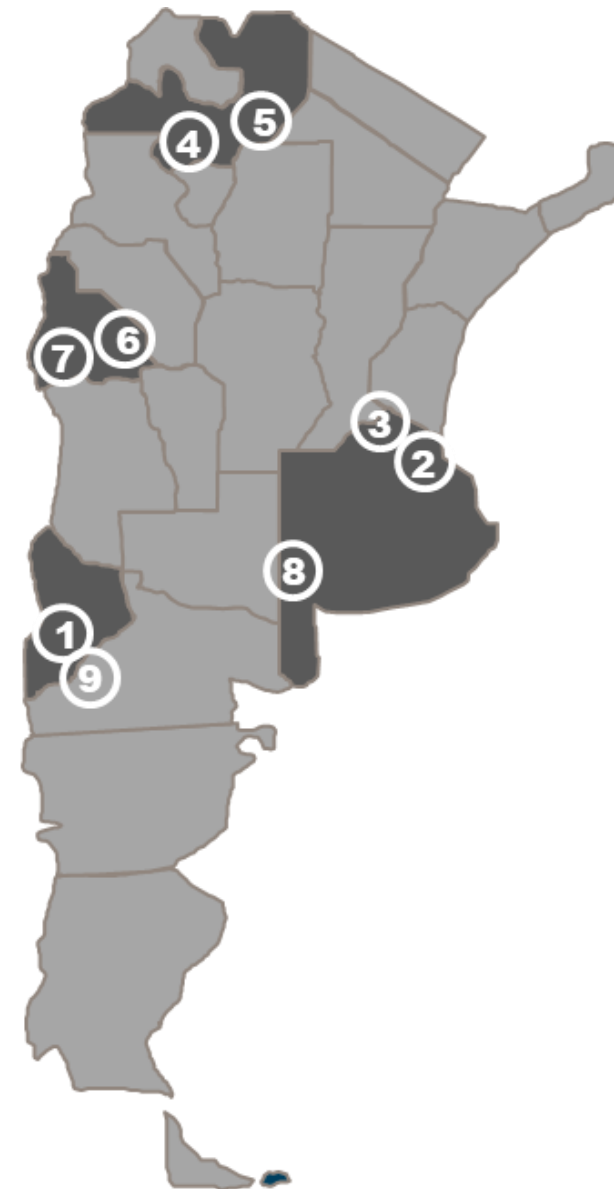
1,207 MW Hydro Assets

- 2 AES Paraná 870 MW
- 3 San Nicolás 675 MW + 16 MW BESS
- 7 Sarmiento 33 MW

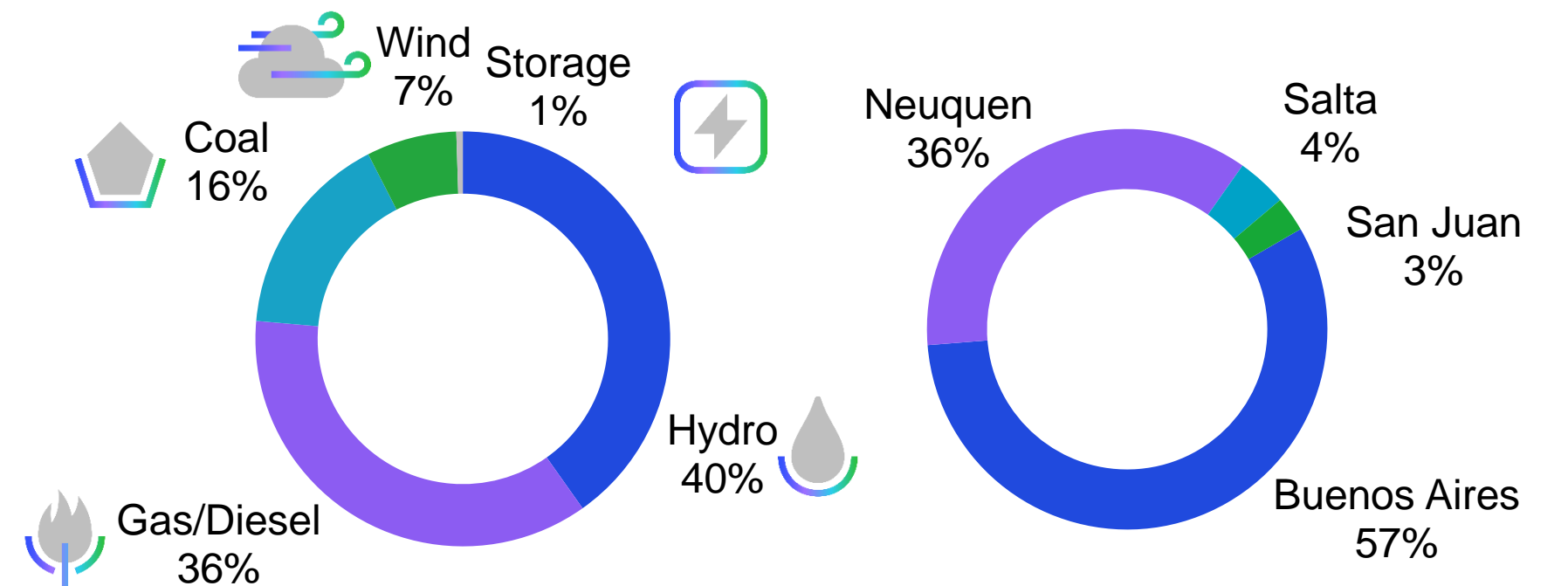
1,578 MW Thermal Assets
16 MW BESS

- 8 Vientos Bonaerenses 100 MW
- 9 Vientos Neuquinos 100 MW

200 MW Wind Assets



Capacity by technology and location



- **Most diversified GenCo in Argentina:** Only generator in SADI with the capacity to burn a variety of fuels, including gasoil, fuel oil, biodiesel, natural gas and coal
- **Strategic Plant locations:** in terms of access to fuel supply and connection points to the distribution grid
- **First GenCo to implement Battery Energy Storage in Argentina:** used for Frequency regulation at San Nicolás

GENERATION ASSETS

OVERVIEW



Plant	Alicurá	Paraná	San Nicolás	Cabra Corral	El Tunal	Ullum	Sarmiento	Vientos Bonaerenses	Vientos Neuquinos
Location	Comahue, Neuquén	San Nicolás, Buenos Aires	San Nicolás, Buenos Aires	Coronel Moldes, Salta	Metán, Salta	Between Ullum and Zonda, San Juan	City of San Juan, San Juan	Tres Picos, Buenos Aires	Piedra del Águila, Neuquén
Capacity	1,050 MW	870 MW	675 MW + 16 MW BESS	102 MW	10 MW	45 MW	33 MW	100 MW	100 MW
Fuel	Hydro	Gas / Diesel / Biodiesel / Energy Storage	Coal / Fuel Oil / Gas	Hydro	Hydro	Hydro	Gas / Diesel / Biodiesel	Wind	Wind
Water / Fuel Supply	Limay River	CAMMESA	CAMMESA / Self-procurement	Juramento River	Juramento River	San Juan River	CAMMESA	-	-

Wind Capacity

200 MW in operation

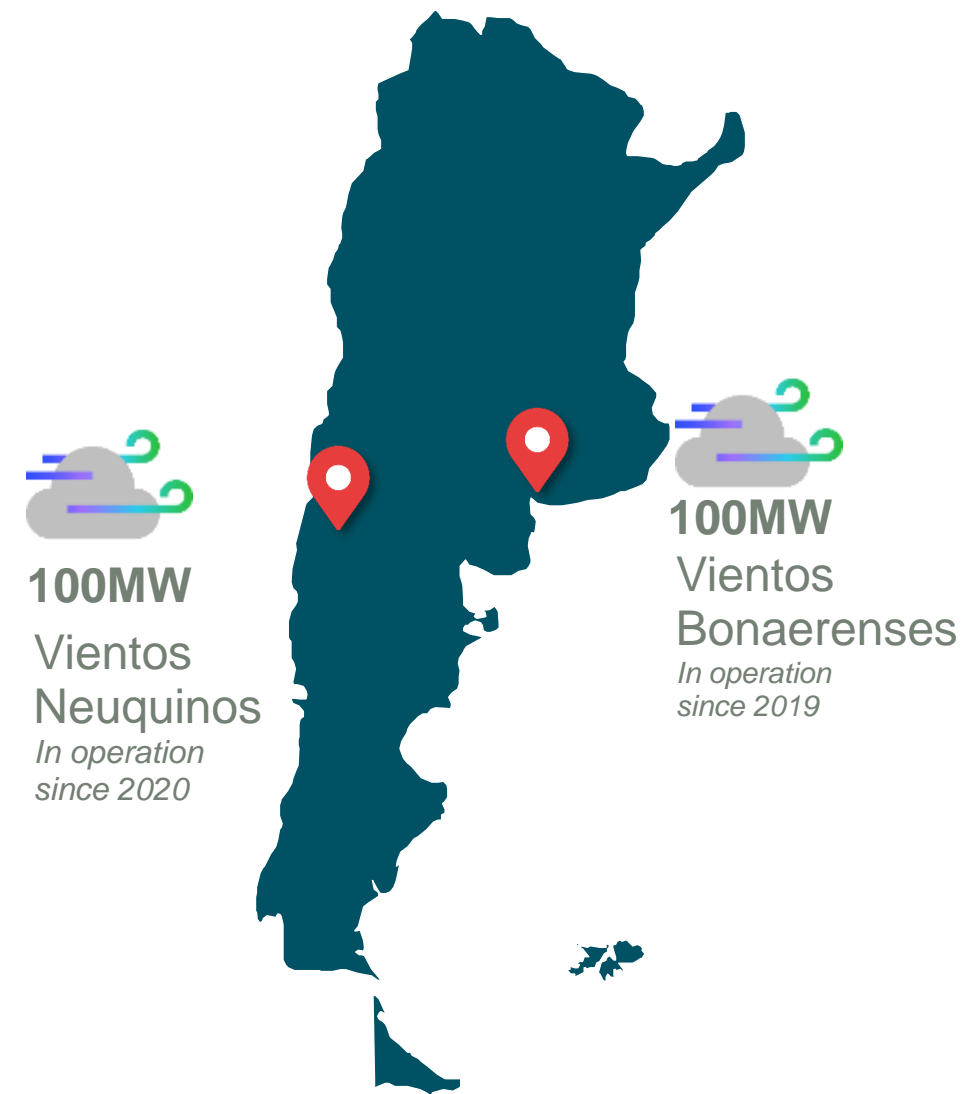


FULLY CONTRACTED
Under Robust PPA Frameworks
US\$ – Linked

PPA Breakdown
80MW RenovAr
120MW MATER

Capacity Factor
Vientos Bonaerenses: 50%
Vientos Neuquinos: 44%

~10 Years
average PPA tenor



Wind Capacity

Growth project



Vientos Bonaerenses Expansion

50MW expansion of existing 100MW complex

NTP: 2023

COD: 2024

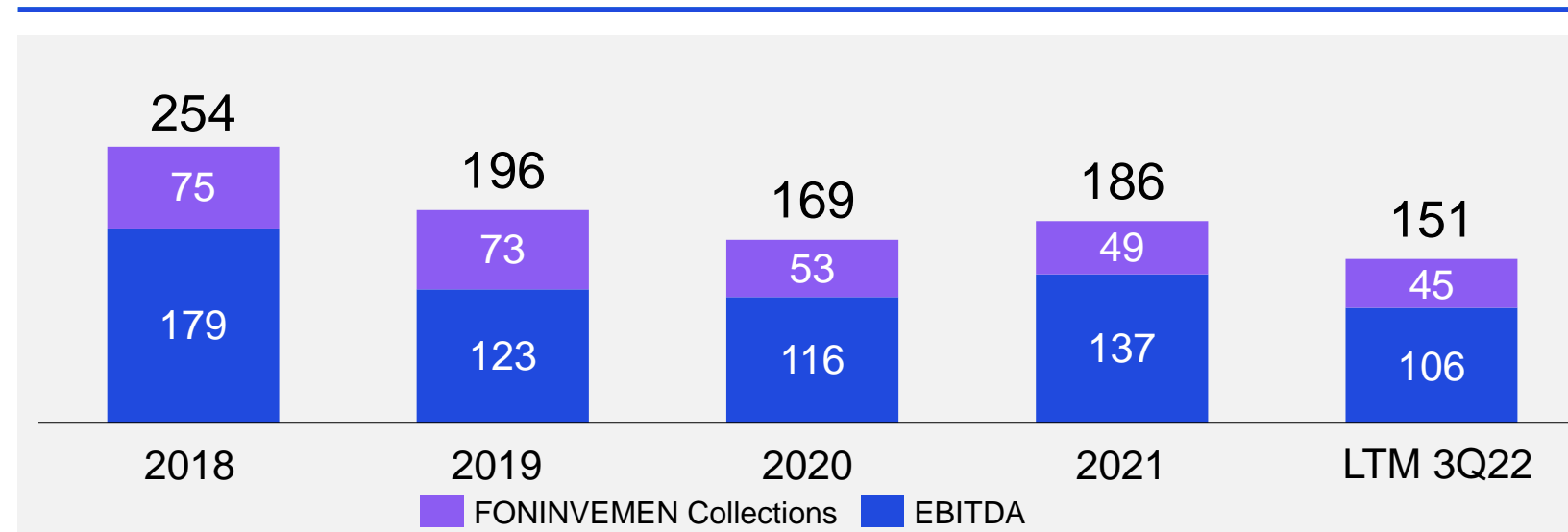
To be contracted under MATER PPAs



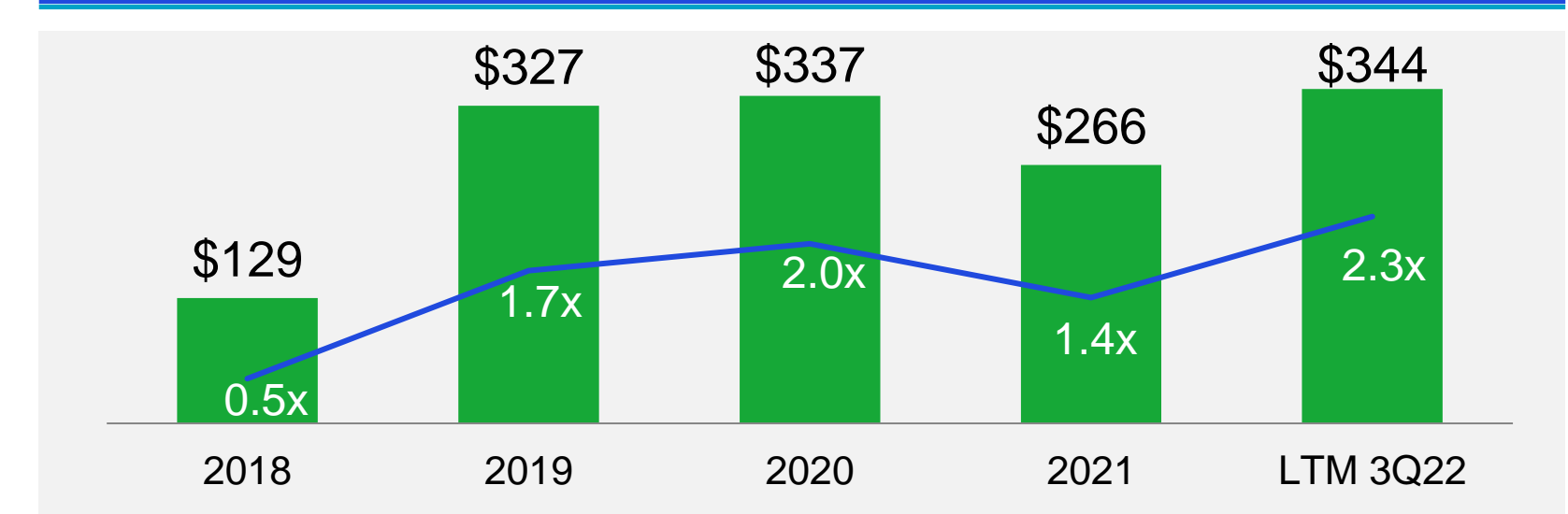
Financials

Diversified Cash Flow Generation

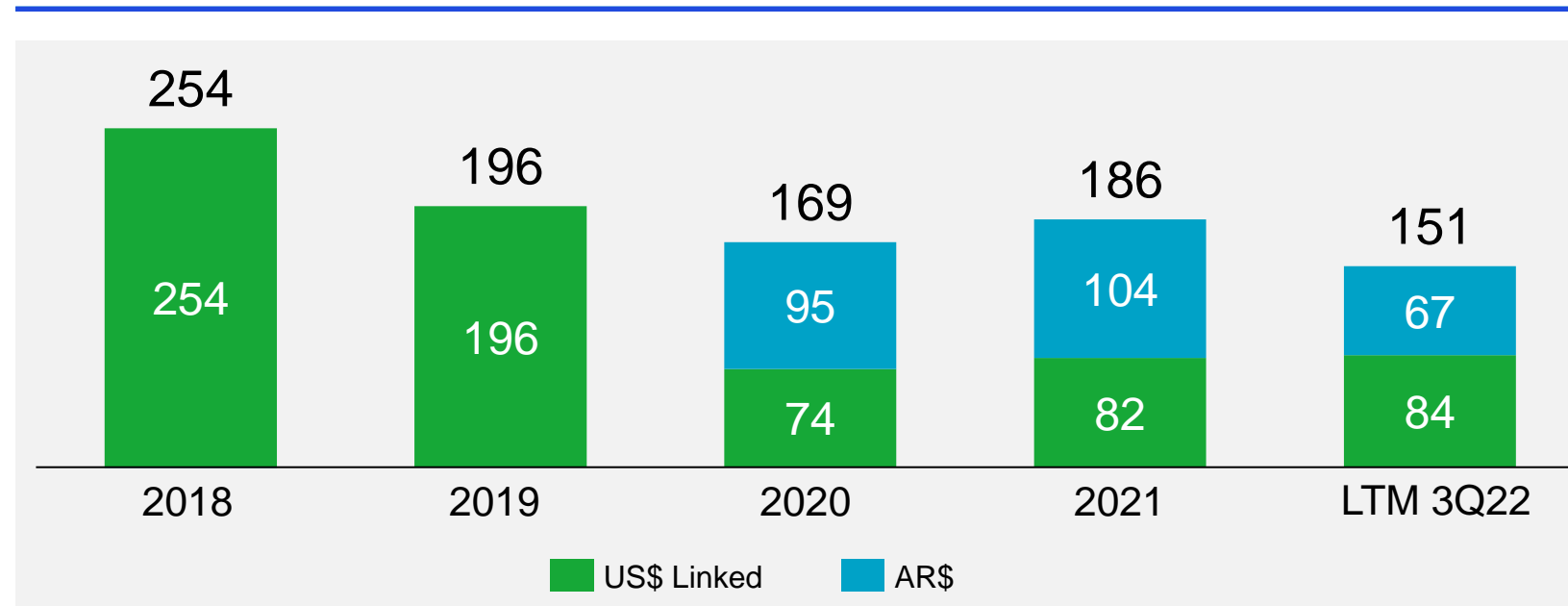
Adjusted EBITDA (mn\$)



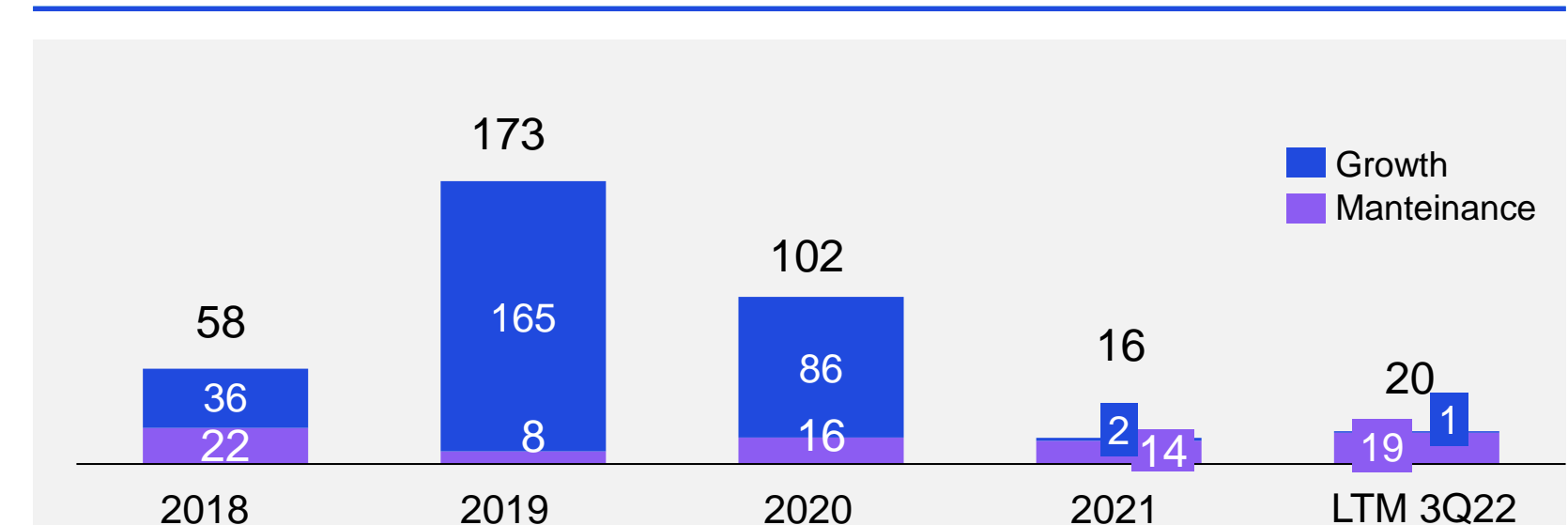
NET DEBT (mn\$) | ADJ EBITDA* / NET DEBT



Adjusted EBITDA | US\$ vs AR\$ (mn\$)



CAPEX (mn\$)



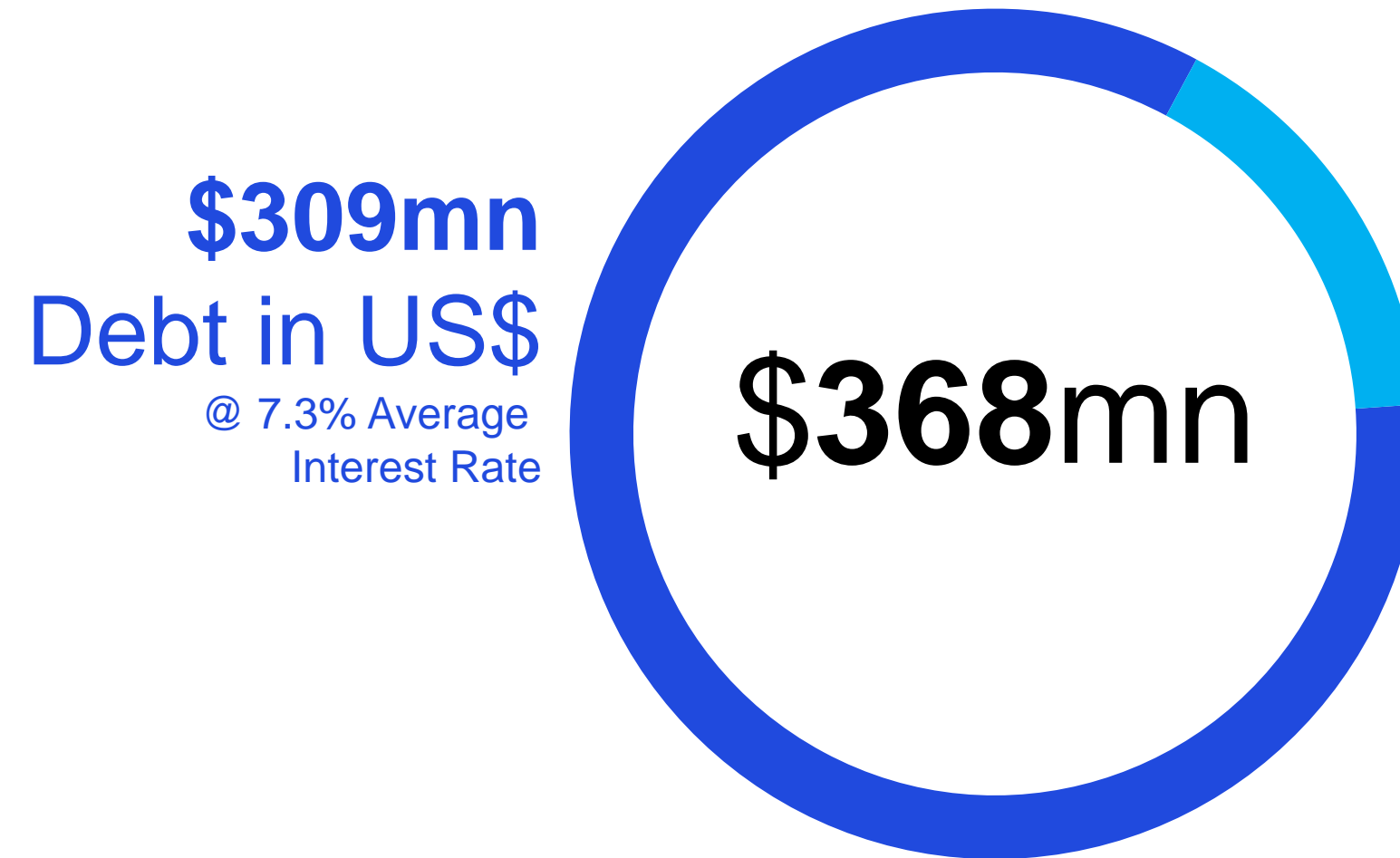
Figures as of September 30, 2022.

* Adjusted EBITDA = EBITDA + FONINVEMEN collections

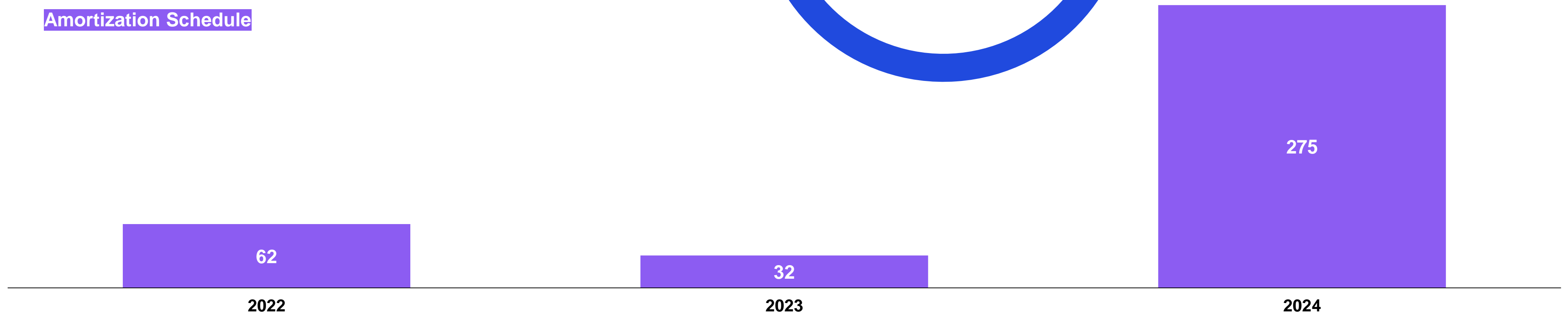
Capital Structure

Manageable Debt Profile

AVERAGE LIFE	NET DEBT/ Adj EBITDA	FIXED RATE
1 Year	2.3x	84% Fixed Rate



Amortization Schedule



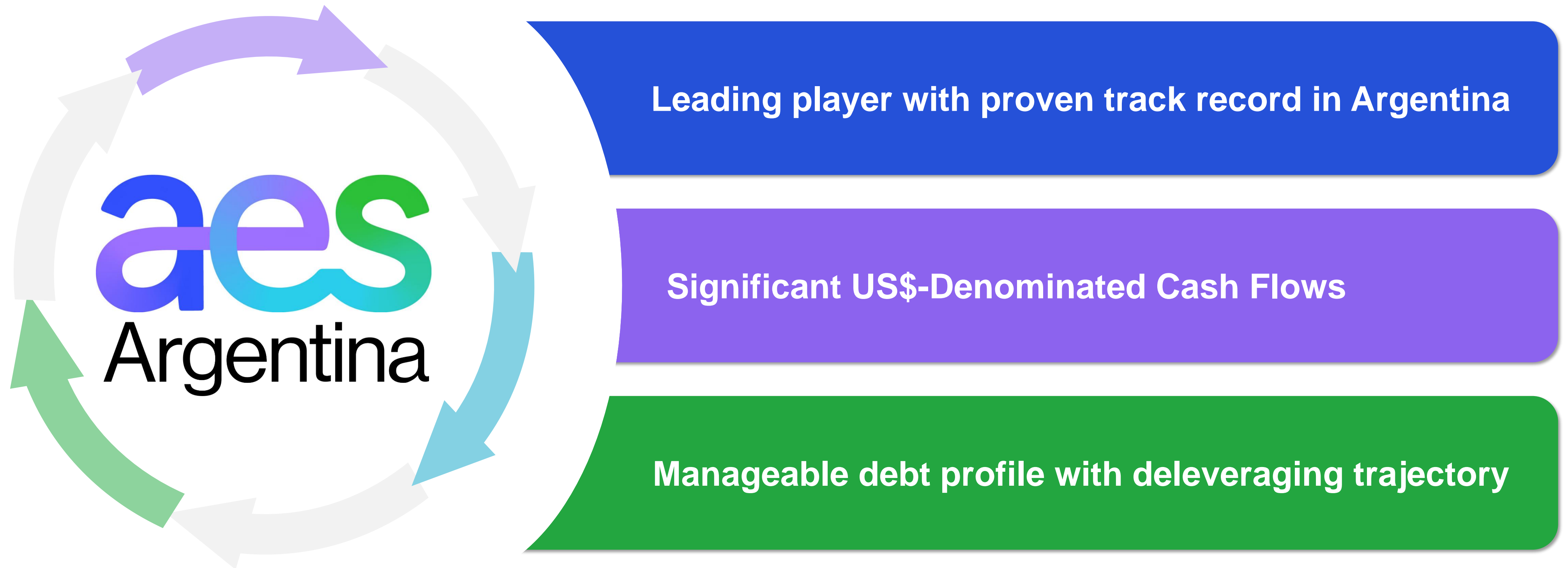
Figures as of September 30, 2022. Debt includes Bond repurchases by AES Argentina
 * Adjusted EBITDA = EBITDA + FONINVEMEN collections

Investment Highlights



Investment Highlights

Under Levered Asset with Seasoned Management and Resilient Cash Flow Generation



Investor Relations

Team

Investor Relations Team

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Appendix 1

External Environment



External Environment

Energy Sector Update

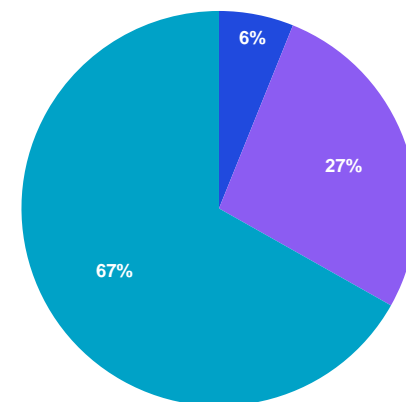
POWER MARKET

- ▶ Almost 70% of the system is Energia Base
- ▶ CAMMESA is delaying the payments
- ▶ GENCOSs tariff continue to be critical for the availability of the power sector
- ▶ The **lack of expansion of the transmission lines is a bottleneck** to develop the system.

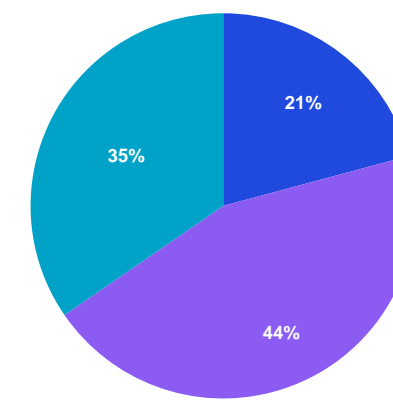
GAS MARKET (Vaca Muerta)

- ▶ **Total NQN Production: +7.6% Jun-22 vs Jun-21 (79 Mcmd) (*)**

June 2017



June 2022



- Non conventional Shale NG
- Non conventional Tight NG
- Conventional NG

TARIFFS

- ▶ **Market segmentation** strategy to decrease subsidies to Power and NG sectors. Y-2022 estimated deficit 12 BUSD (**)
- ▶ Cutting subsidies is expected to contribute to reduce GoA deficit in aprox. 370 MMUS\$ for Y-2022 and 1.800 MMUS\$ for Y-2023 (**Total savings 2022-2023: ~0,5% of GDP**).

(*) WM short-term outlook Jul-2022

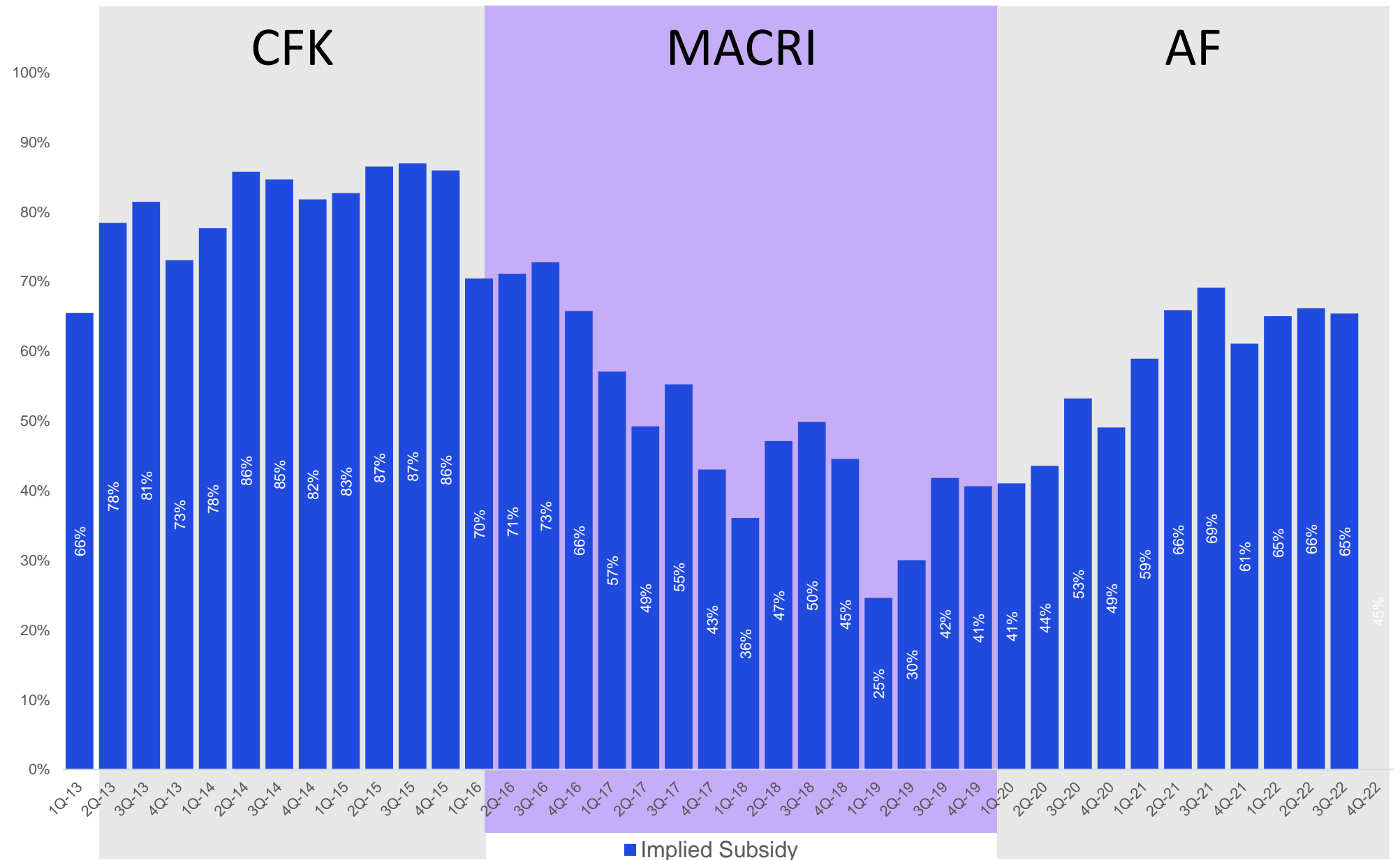
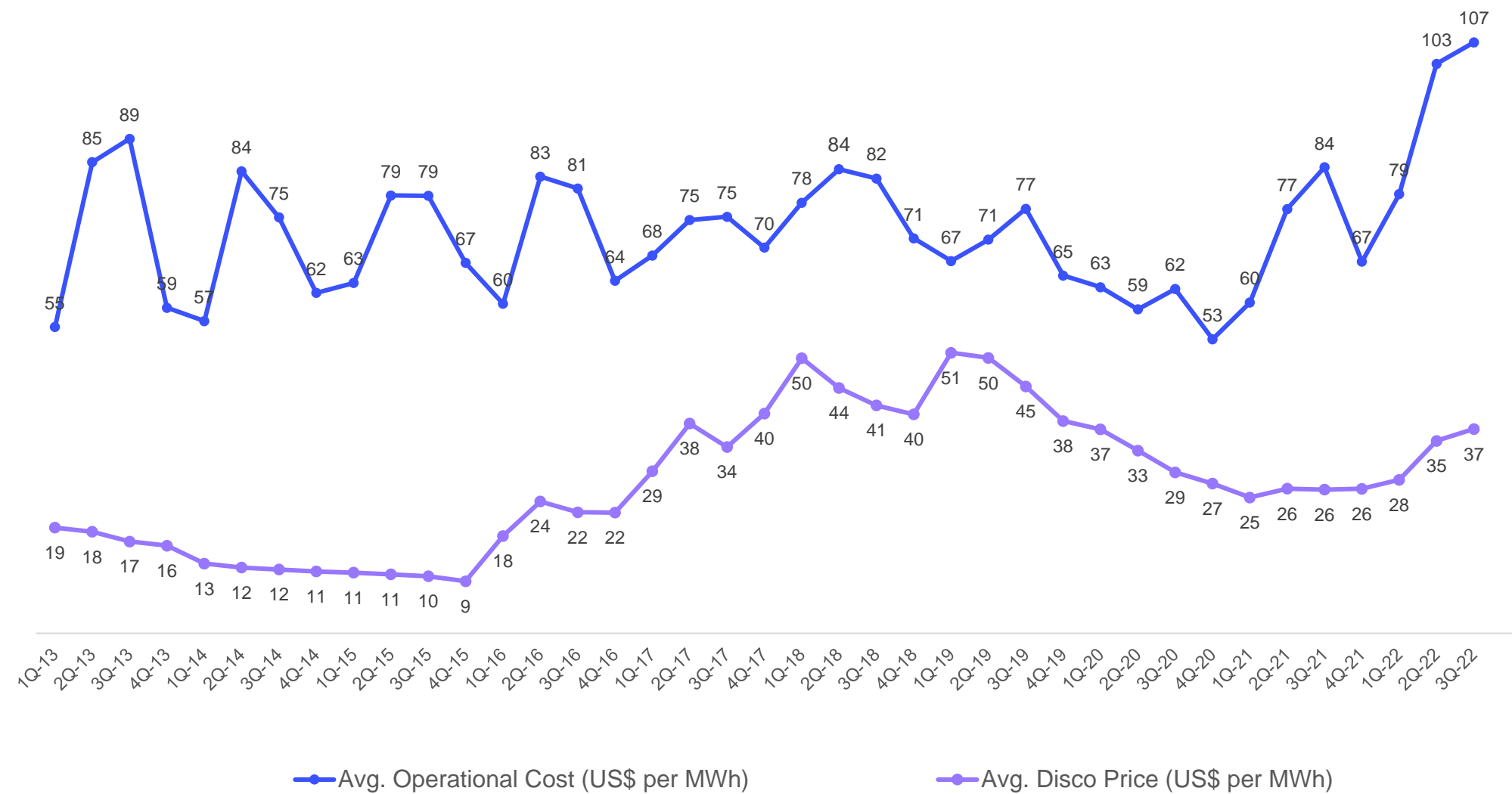
(**) EyE consultant

External Environment

Discos' Subsidies

- At the end of 3Q 2022 subsidies for DISCOs demand accounted for 65% of the average production cost per MWh.

AVERAGE SYSTEM OPERATIONAL COST (US\$/MWH)



External Environment

2022 Regulatory Update

Resolución 238/2022

- ▶ In April 2022 the Secretary of Energy updated the tariff (in ARS\$) of the Energia Base legacy assets
 - ▶ Retroactive tariff adjustment from Feb to May: +30% vs Res 440/2021.
 - ▶ Tariff adjustment from Jun onwards: +43% vs Res 440/2021 (+10% vs May Tariff).

Resolución 826/2022

- ▶ In December 2022 the Secretary of Energy updated the tariff (in ARS\$) of the Energia Base legacy assets
 - ▶ Retroactive Tariff adjustment from September to October +20% vs Res 238/2022
 - ▶ Additional Retroactive Tariff adjustment for November +20% vs October
 - ▶ Tariff adjustment from December to January +10% vs November
 - ▶ Tariff adjustment from February to July 2023 +25% vs January
 - ▶ Tariff adjustment in August 2023 +28% vs July
 - ▶ Elimination of DIGO capacity payment calculations

External Environment

2023 Regulatory Update

Resolución 59/2023

- ▶ In February 2023 the Secretary of Energy issued Res 59/203 allowing Combined cycle power plants on the energia base to sign 5-year PPAs with CAMMESA with a partially dollarize rate
 - ▶ Capacity price: USD 2,000 + AR\$ 65% R826 in winter and summer
 - ▶ Capacity price: USD 2,000 + AR\$ 85% R826 in spring and fall
 - ▶ Operated energy + energy in peak hours in AR\$ R826
 - ▶ Energy at 3.5 USD/MWh with natural gas and 6.1 USD/MWh with gasoil

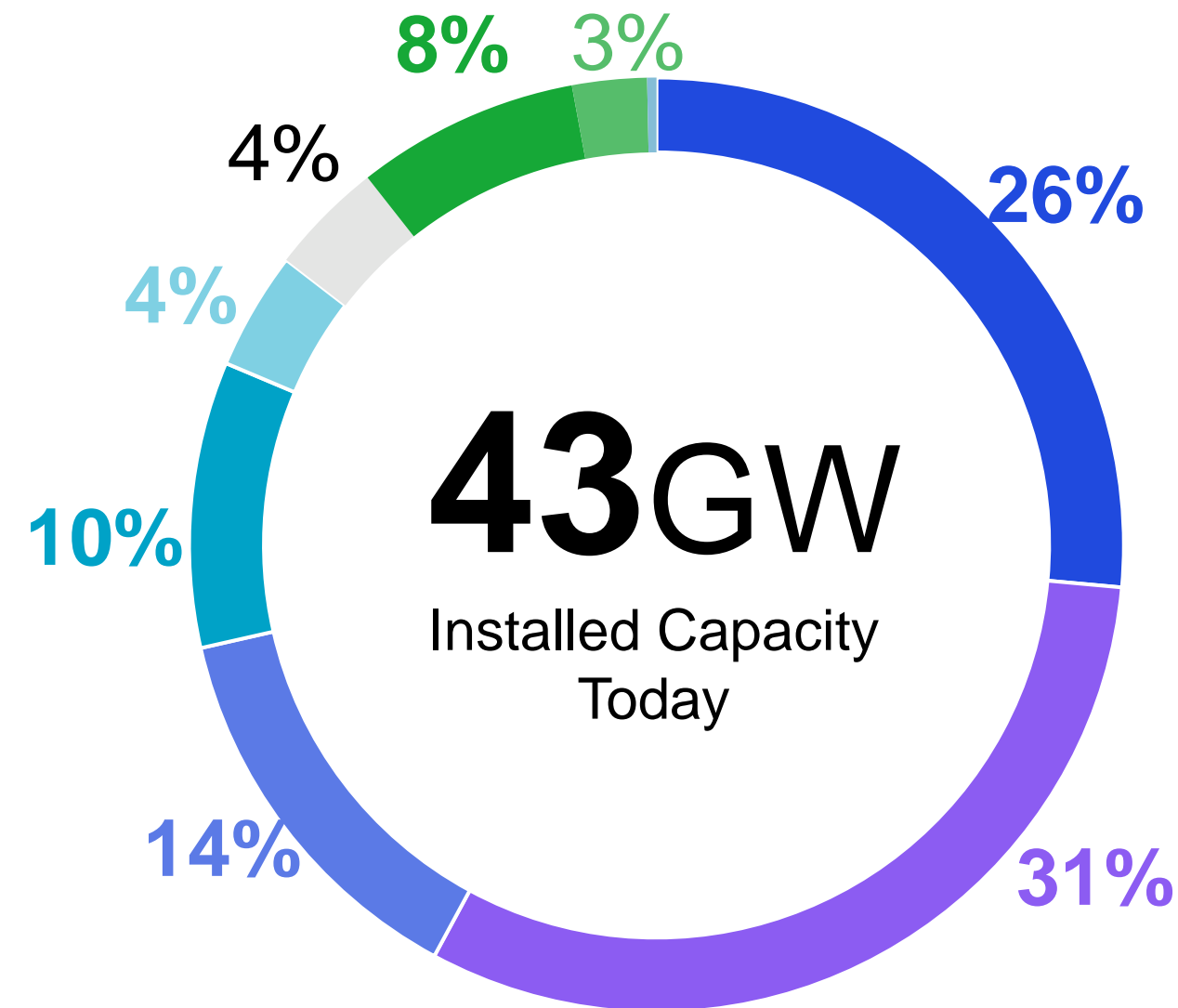
Appendix 2

Energy Sector Overview

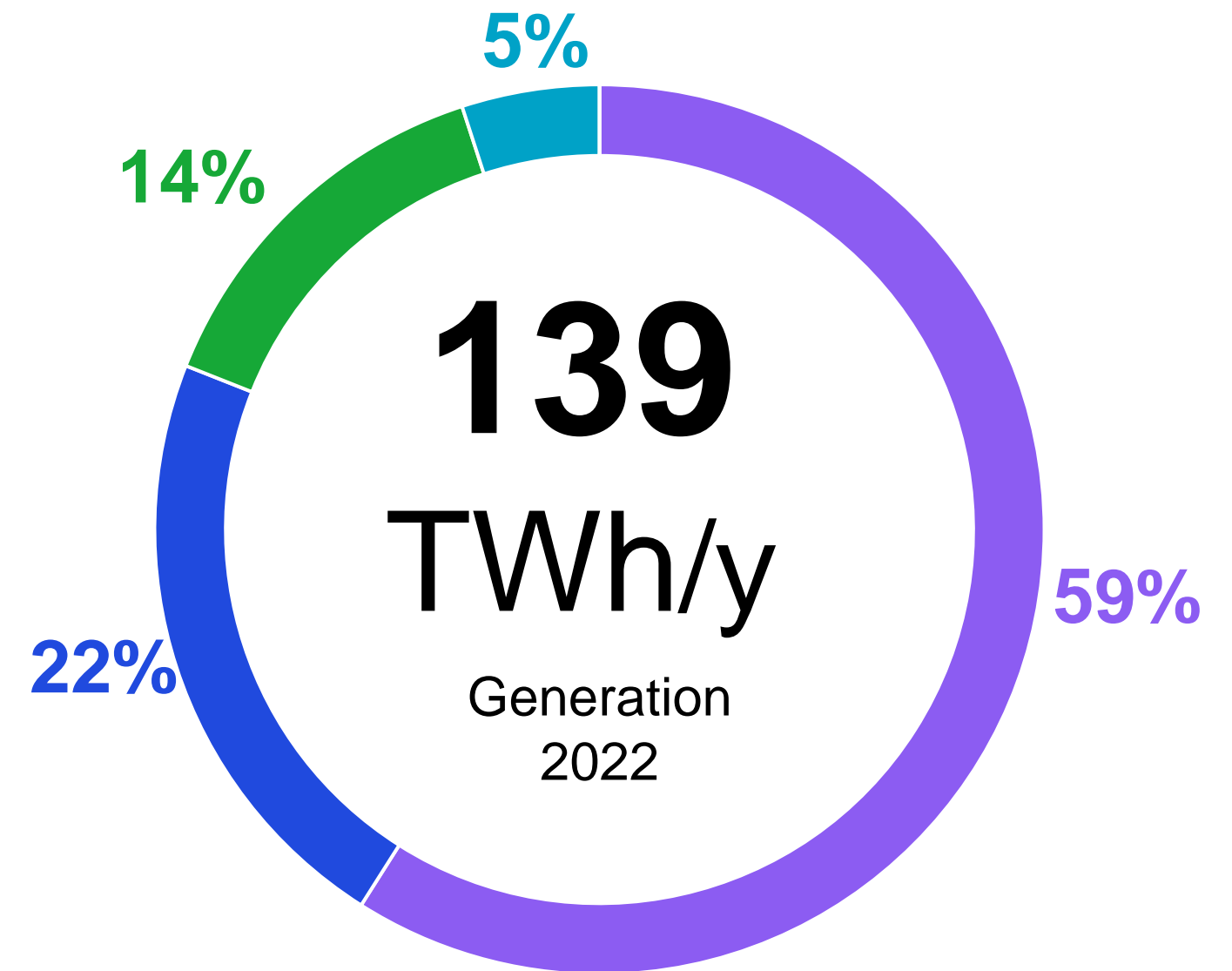


System Capacity and Generation

Overview 2022



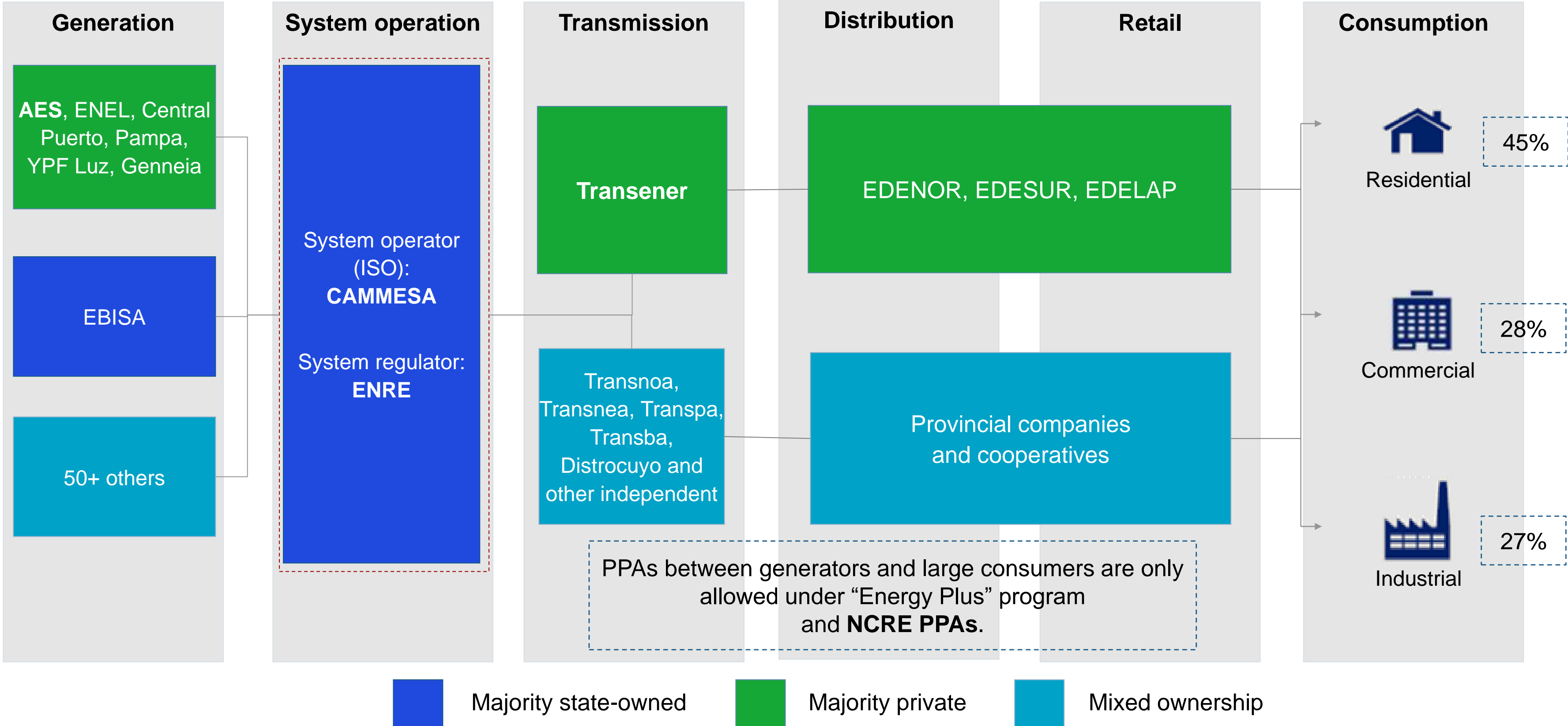
- Hydro
- Turbina Vapor
- Eolica
- Ciclos Comb
- Nuclear
- Solar
- Gas
- Diesel
- Otros



- Thermoelectric
- Hydro
- Renewable
- Nuclear
- Others

Electric Sector

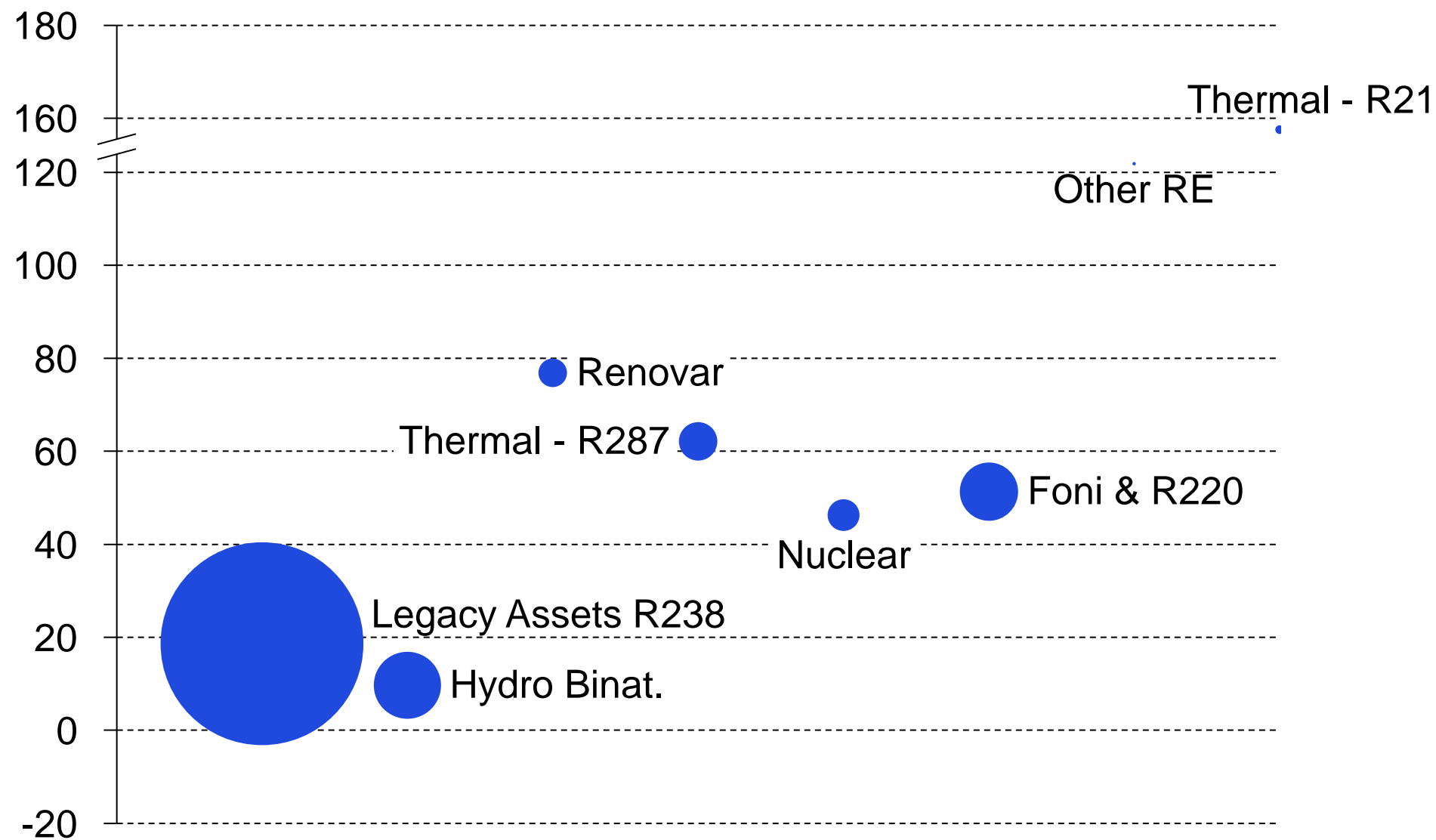
Overview 2022



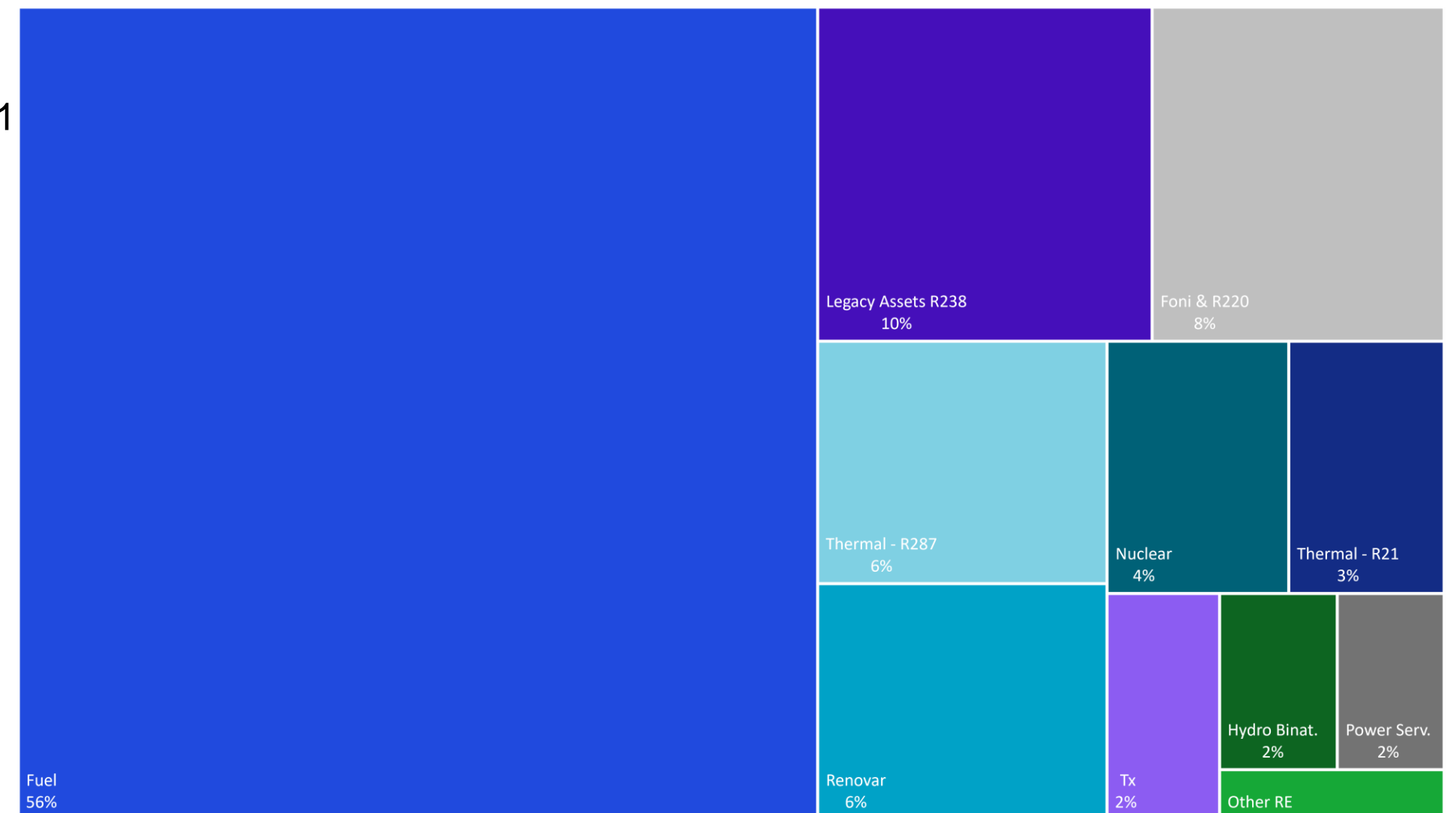
Electric Sector Overview

- ▶ Contracts signed with CAMMESA (at higher prices than R238/22) which represent 39% of the total cost, provides only 31% of the energy generated, while legacy assets under R238/22 represent 46% of the total generation and 10% of total cost.

MONOMIC COSTS BY CONTRACT [\$/MWh] AND GENERATION [TWh]

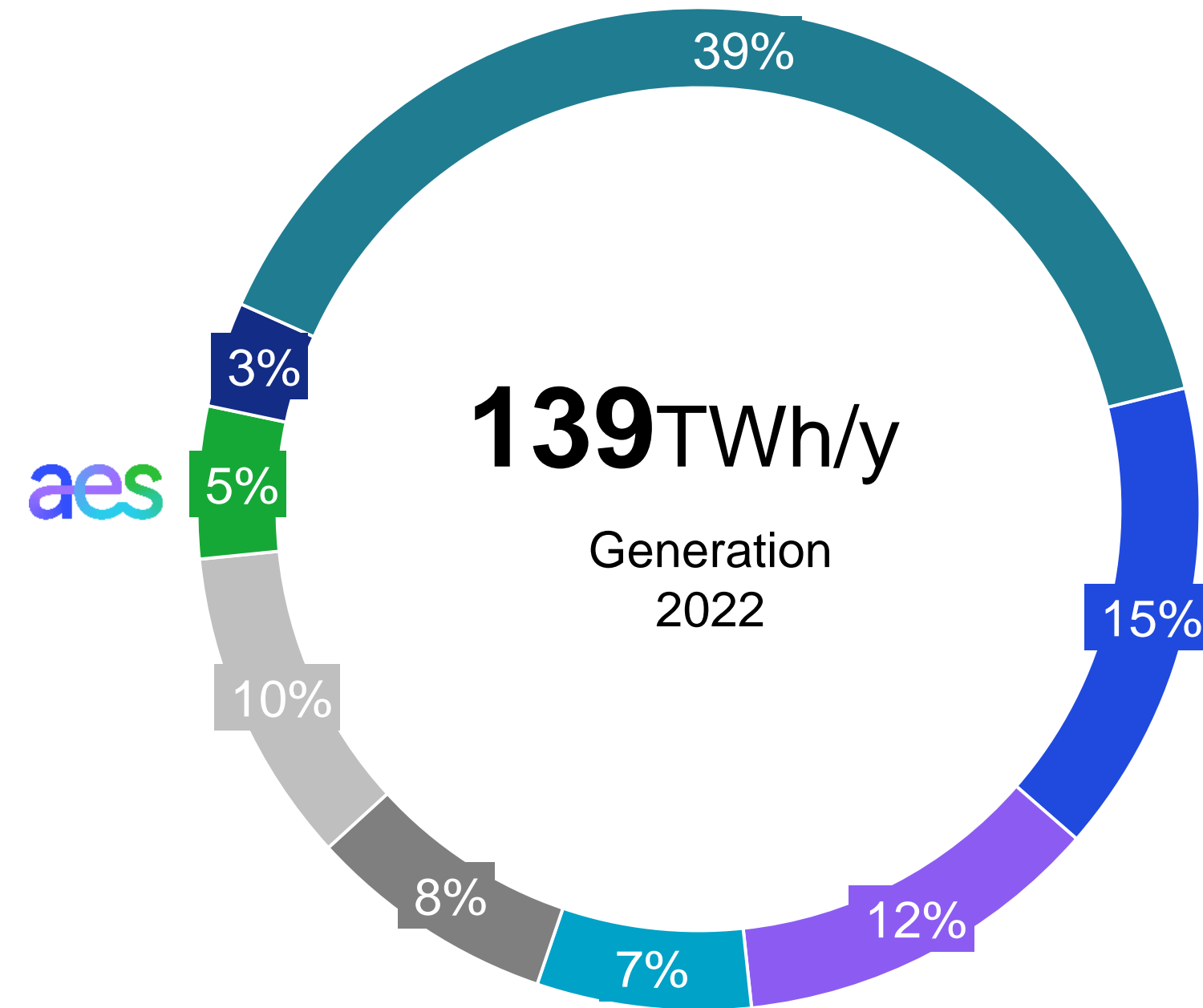
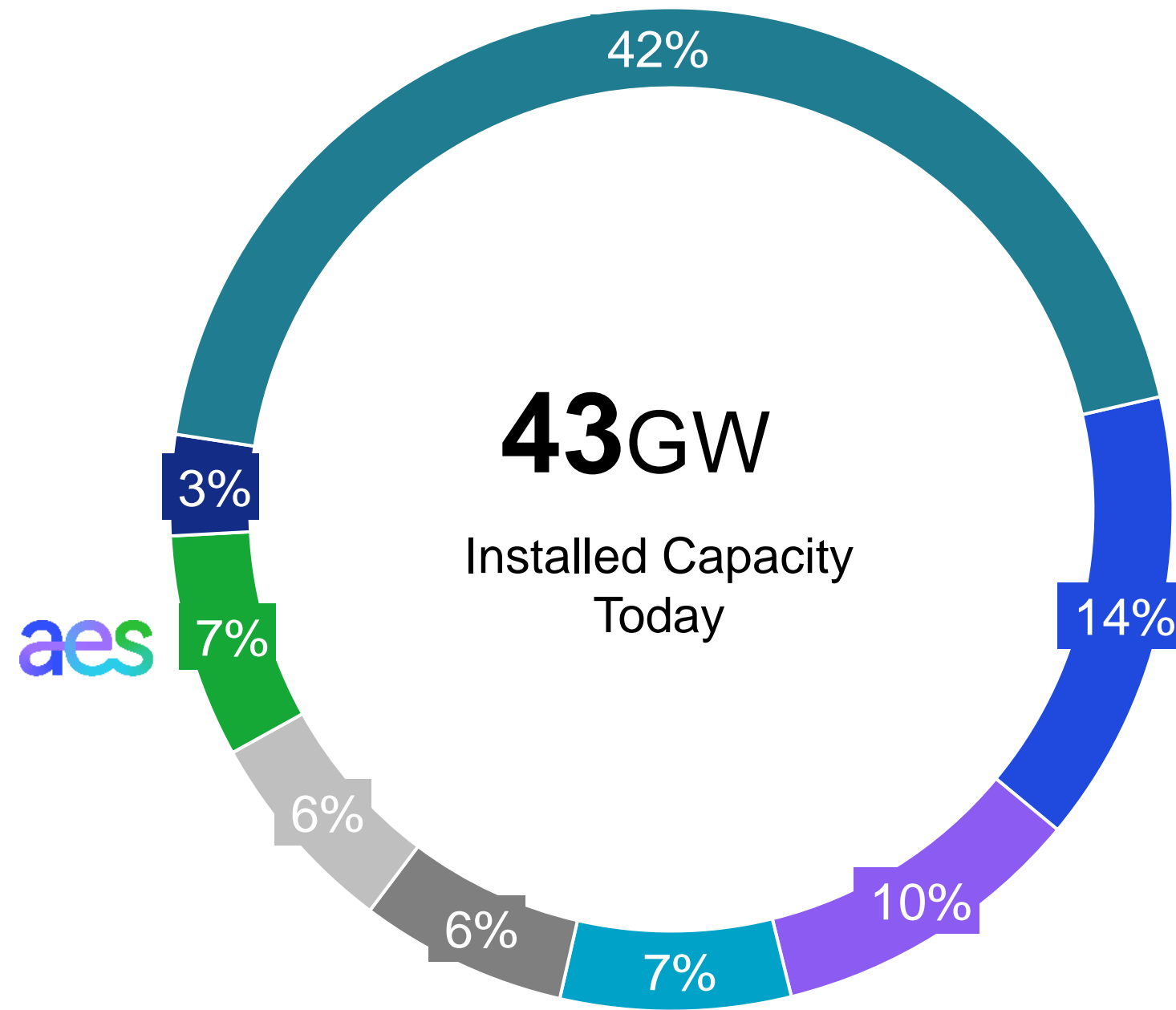


TOTAL SYSTEM COST BY ITEM [%]
AVERAGE SYSTEM COST 2023-2027: \$12.0 BN/Y



Market Relevance

AES Argentina



- Central Puerto
- Pampa Energia
- ENARSA
- ENEL
- EBISA
- AES Argentina
- YPF Luz
- Others

Termoandes and Guillermo Brown power plants are not considered in AES Argentina Generation

Appendix 3

FONINVEMEN



Foninvemem

Predictable Cash Flow

\$149mn
Outstanding
Principal Accruing Interest

US\$ Dollar
Denominated

Predictable
Monthly Payments
into 2026

FONINVEMEM Payments continue to be collected on time

Foninvemem

Program Overview

AAG has an outstanding US\$149mm in CAMMESA receivables in FONINVEMEM III fund, while FONINVEMEM I and II funds were fully repaid. AAG will hold minority equity interest in three operational power plants upon repayment of the receivables

- ▶ As a result of energy market reforms and overdue account receivables, AAG contributed certain receivables from 2004-2013 to fund the construction of new power plants
- ▶ The program works as a compulsory financing mechanism for power additions, as it capitalizes CAMMESA's commercial debt with generators
- ▶ These receivables accrue interests and are collected in monthly instalments over 10 years once the related plants begin operations
- ▶ Three funds were created to build three plants
- ▶ The plants are operated by SPVs controlled by the GenCos that contributed receivables to the funds.
- ▶ AAG will receive a pro rata ownership in the plants once the receivables are repaid

Fund Summary

	FONINVEMEM I & FONINVEMEM II		FONINVEMEM III
PLANT	Manuel Belgrano	San Martín	Guillermo Brown
DESCRIPTION	868 MW Combined Cycle	865 MW Combined Cycle	578 MW Open Cycle
COD	January 2010	February 2010	October 2016
RECEIVABLES ACCRUED IN	2004-2006	2007	2008-2013
AES EQUITY INTEREST	7%	6%	30% ⁽¹⁾
PAYMENT SCHEDULE	120 monthly installments		
FINAL MATURITY	January 2020	February 2020	April 2026
INTEREST RATE	LIBOR + 1%	LIBOR + 2%	LIBOR + 5%
OUTSTANDING	US\$149mm		

Figures as of September 30, 2022

(1) Estimated percentage ownership upon full repayment of the respective FONINVEMEM receivables and transfer of trust assets to the O&M SPVs

Foninvemem

Power Plants



1

MANUEL BELGRANO (TMB)

- 868 MW (Combined Cycle)
- Located in Campana, Buenos Aires Province
- AAG will hold approximately a 7% equity interest
- COD: 2010



2

JOSE DE SAN MARTIN (TJSM)

- 865 MW (Combined Cycle)
- Located in Timbues, Santa Fe Province
- AAG will hold approximately a 6% equity interest
- COD: 2010



3

GUILLERMO BROWN (TGB)

- 578 MW Gas (Open Cycle)
- Located in Bahia Blanca, Buenos Aires Province
- AAG will hold up to a 30% equity interest¹
- COD: October 2016

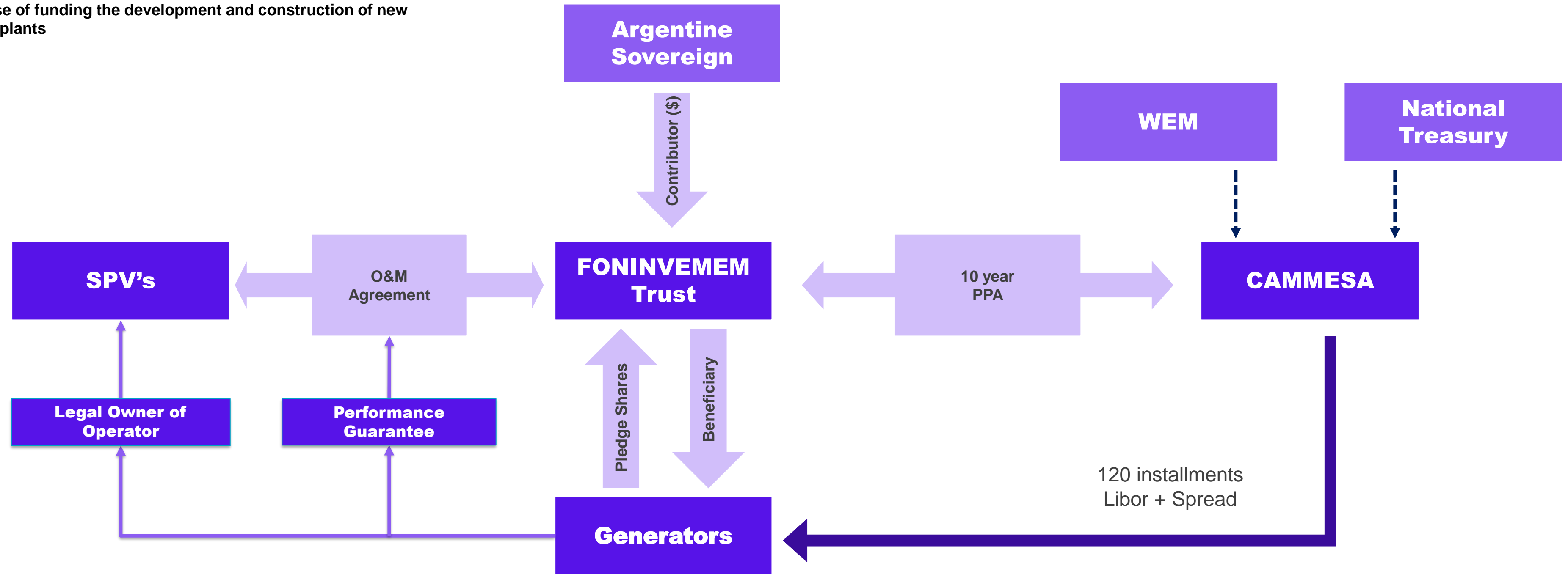


(1) Estimated percentage ownership upon full repayment of the respective FONINVEMEM receivables and transfer of trust assets to the O&M SPVs

Foninvemem

Program Overview

FONINVEMEM is an Argentinian Sovereign owned fund made with contributions from the generation companies with purpose of funding the development and construction of new power plants



Appendix 4

About AES Corporation



AES Corporation Overview

We are part of The AES Corporation, a global energy company accelerating the future of energy

4 MARKET-ORIENTED STRATEGIC BUSINESS UNITS

SOUTH AMERICA, MCAC, USA & UTILITIES, EURASIA

6 Utility Companies

2.6 M AES Service Over Utilities Customers

AES is Energized by Global Workforce of approximately 8,450 people

 **31,493** MW in operation
Diversified Portfolio

 **5,188** MW under construction

GENERATION

TENCHNOLOGY

RENEWABLES 44%

GAS 33%

COAL 21%

OIL/DIESEL/PET COKE 2%

PURPOSE

Accelerating the future of energy, together

COMPETITIVE ADVANTAGES

- Scale enables valuable supplier relationships
- Strong renewables platform & pipeline
- Strategic partnerships with global customers
- Innovating to drive adoption of smart solutions

\$33B Total Assets Owned & Managed

\$11B Total Revenues

Listed in
NYSE

Founded in 1981

Named to

Dow Jones Sustainability Index

for North America for the **Nine Year in a Row** (2014-2022)

Fortune 500

Global Energy Company

AES Corporation Overview

AES has a strong regional presence of 12,363 MW¹ in the region, owning assets in Argentina, Brazil, Chile and Colombia

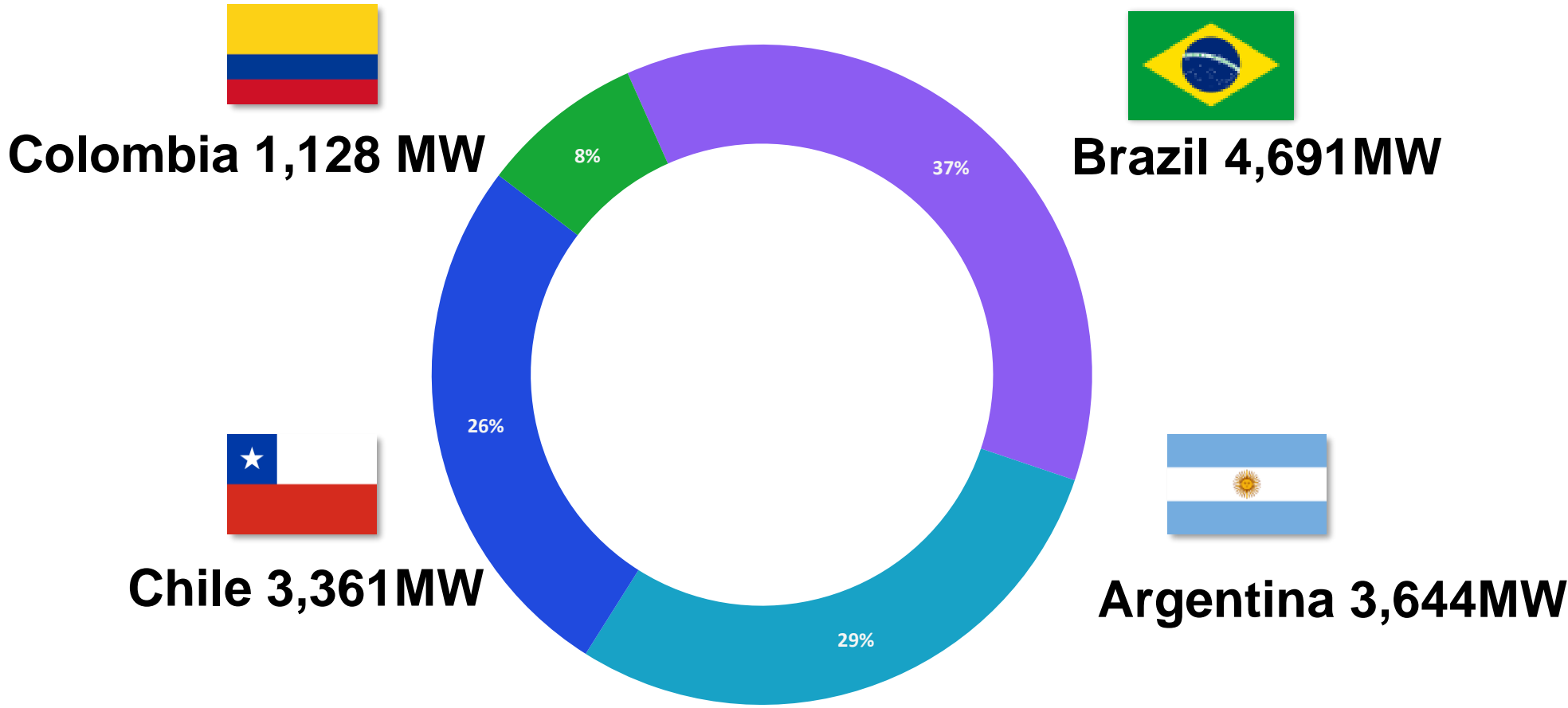
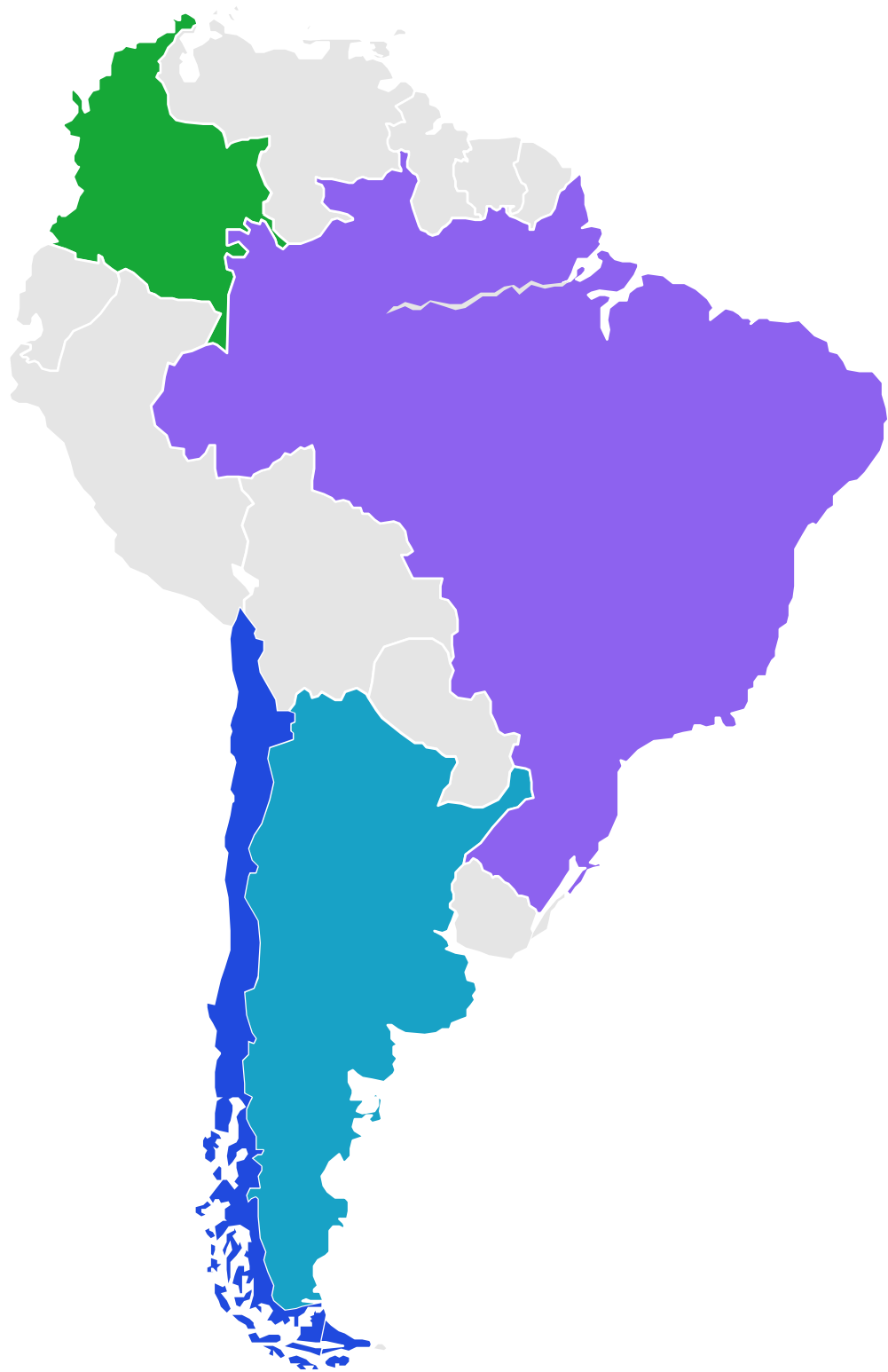
South America Overview

Leading Energy Producer in Chile

Third Largest Hydro Plant in Colombia

Most diversified GenCo in Argentina

A leader of 100% renewable energy generation in Brazil



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