

**1Q - 2023
Earnings Report**



May 25, 2023

AES ARGENTINA FIRST QUARTER 2023 RESULTS & HIGHLIGHTS

- AES Argentina Generación S.A. (AES Argentina, AAG, or the Company) reported a Gross Profit for the first quarter of 2023 of AR\$ 7,146 million, a 19% increase compared to the same period in 2022.
 - Higher Energía Base revenues due to the adjustments to energy and capacity tariffs from Resolutions 238/2022, 826/2022 and 59/2023, was the main driver for the increase in Gross Profit in the first quarter of 2023 compared to the same quarter in 2022. Lower contract sales as a result of the 34 GWh drop in wind generation, in addition to the effect of inflation when converting 2022 figures into the same purchasing power as current Argentine pesos partly compensated this positive variance.
 - Regulatory changes in effect from February 2020 involved a freeze 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. On December 12, 2022, Resolution 826/2022 was issued, once again modifying energy and capacity prices under the Energía Base regime, increasing tariffs by 20% and 10% since November 2022 (retroactive from September 2022) and December 2022, respectively, in addition to establishing tariff increases in advance of 25% and 28% from February 2023 and August 2023, respectively. In February 2023, Resolution 59/2023 was issued establishing a new voluntary remuneration scheme allowing to convert part of combined cycles' to US dollar denominated remuneration for up to 5 years. AAG's Paraná CCGT adhered to this new scheme in March 2023.
- AAG reported EBITDA of AR\$ 7,994 million for the first quarter of 2023, AR\$760 million above the first quarter of 2022's EBITDA.
 - The main driver of the increase in EBITDA was the growth in Gross Profit, offset in part by a 7% increase in Administrative and Trading Expenses compared to the same period in 2022. Trading expenses increased AR\$110 million primarily due to higher Taxes, rates and contributions.
- The Company reported a Net Income of AR\$888 million for the first quarter of 2023, AR\$307 million less compared to the AR\$1,196 million Net Income for the first quarter of 2022. The variance was due primarily to the negative impact from FX differences, in addition to a decrease in income tax, partly offset by the increase in EBITDA.
- FONINVEMEM collections, including interest, totaled approximately US\$12.2 million, net of VAT as of March 31, 2023, 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.

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 FIRST QUARTER 2023 RESULTS

Income Statement (AR\$ Million)	1Q			
	2023	2022	Var (\$)	Var (%)
Operating Revenue	24,840	21,432	3,408	16 %
Cost of Sales	(17,694)	(15,421)	(2,273)	15 %
Gross Profit	7,146	6,011	1,134	19 %
Administrative Expenses	(1,159)	(1,158)	(1)	— %
Trading Expenses	(463)	(353)	(110)	31 %
Other income and expenses	(29)	(28)	(1)	6 %
Operating Income	5,495	4,473	1,022	23 %
Financial Income	3,910	3,153	757	24 %
Financial Expense	(2,771)	(2,665)	(106)	4 %
Effect of FX differences	(1,344)	(150)	(1,194)	796 %
Inflation effect	(4,898)	(4,971)	73	(1)%
Income from Investments in Associates	45	125	(80)	(64)%
Income (Loss) before Taxes	437	(35)	472	---
Income Tax	451	1,230	(779)	(63)%
Net Income	888	1,196	(307)	(26)%
EBITDA	7,994	7,234	760	11 %

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 March 31, 2023, 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 March 31, 2023.

Generation

The Company generated 1,836 GWh during the first quarter of 2023, a 9% decrease compared to last year. Total thermal generation fell 14%, while hydro generation grew 28% between both periods. The 34GWh decrease in wind generation due to less wind, also contributed to the decrease in production. Thermal generation decreased mainly due to lower generation at Paraná, as a consequence of lower gas availability for the plant and lower oil generation, partly offset by higher generation at San Nicolás. Better hydrology at Alicurá led to an increase in hydro generation.

Net Generation by Plant (GWh)	1Q			
	2023	2022	Var (\$)	Var (%)
Paraná	714	1,042	(328)	(31)%
San Nicolás	588	486	102	21 %
Alicurá	265	179	86	48 %
Cabra Corral	28	34	(6)	(18)%
El Tunal	6	10	(4)	(40)%
Ullum	28	32	(4)	(13)%
Sarmiento	18	10	8	80 %
Vientos Bonaerenses	96	114	(18)	(16)%
Vientos Neuquinos	93	109	(16)	(15)%
Total Generation / Sales	1,836	2,016	(180)	(9)%

Operating Revenue

The adjustments to energy and capacity tariffs from Resolutions 238/2022, 826/2022 and 59/2023 (applied from March 2023 to the Company) were the primary drivers for the 16% increase in revenues to AR\$24,839 million in the first quarter of 2023, compared to AR\$21,433 million in the same period in 2022. This increase was partly offset by lower contract sales due to the drop in wind generation, in addition to the effect of inflation when converting 2022 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. On December 12, 2022, Resolution 826/2022 was issued, once again modifying energy and capacity prices under the Energía Base regime, increasing tariffs by 20% and 10% since November 2022 and December 2022, respectively, in addition to establishing tariff increases in advance of 25% and 28% from February 2023 and August 2023, respectively. For more details see the Regulatory Risk section of this report or Note 3.a of the Financial Statements.

On February 7, 2023, Resolution 59/2023 was issued allowing to convert part of combined cycles' remuneration to US dollar denominated contracts for up to 5 years. This portion would be paid in Argentine pesos at the official exchange rate. The new remuneration scheme is voluntary and the counterparty is the market administrator, CAMMESA, which requires an availability commitment of 85% from the units. AES Argentina agreed to adhere to this new scheme in March 2023. Updated capacity prices are 2,000 US\$/MW-month plus 65% of capacity price set by Resolution 826/2022 in winter and summer, and 85% of said prices during spring and autumn. The price of energy generated is established at the equivalent of 3.5 US\$/MWh with natural gas and 6.1 US\$/MWh with diesel.

Operating Revenue (AR\$ Million)	1Q			
	2023	2022	Var (\$)	Var (%)
Energy Sales	17,511	13,560	3,951	29 %
Capacity Sales	5,071	4,969	102	2 %
Contract Sales	2,089	2,801	(712)	(25)%
Other Revenue	168	103	65	63 %
Total Operating Revenue	24,839	21,433	3,406	16 %

Cost of Sales

Cost of Sales reached AR\$17,694 million in the first quarter of 2023, a 15% increase compared to the first quarter of 2022, mainly attributable to higher fuel cost as a result of the increase in the price of coal, used for a portion of San Nicolás' generation, partly offset by lower depreciation.

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)	1Q			
	2023	2022	Var (\$)	Var (%)
Fuel cost	11,264	8,799	2,465	28 %
Maintenance	911	1,092	(181)	(16)%
Personnel costs	1,296	1,159	137	12 %
Insurance	1,068	1,139	(71)	(6)%
Depreciation	2,009	2,281	(272)	(12)%
Rights and royalties	96	87	9	10 %
Amortization of intangible assets	377	324	53	16 %
Purchases of energy and power	70	18	52	294 %
Related-Party Services	81	93	(12)	(13)%
Operator Fee	75	72	3	3 %
Transmission charges	81	45	36	80 %
Fees and remuneration to third parties	23	28	(5)	(18)%
Frequency Regulation	76	80	(4)	(5)%
Travel and transportation	43	21	22	105 %
Safety services	34	36	(2)	(6)%
Others	190	147	43	29 %
Total Cost of Sales	17,694	15,421	2,273	15 %

Gross Profit

Gross Profit in the first quarter of 2023 reached AR\$7,146 million, a 19% increase compared to the same period in the previous year. This increase was mainly driven by higher Energía Base revenues due to the adjustments to energy and capacity tariffs from Resolutions 238/2022, 826/2022 and 59/2023, partly offset by lower contract sales as a result of the 34 GWh lower wind generation, in addition to the effect of inflation when converting 2022 figures into the same purchasing power as current Argentine pesos.

Administrative & Trading Expenses

Administrative and Trading Expenses reached AR\$1,622 million in the first quarter of 2023, compared to the AR\$1,511 million registered in the same period of 2022. The 7% increase is primarily due to a AR\$102 million increase in Taxes, rates and contributions.

Administrative & Trading Expenses (AR\$ Million)	1Q			
	2023	2022	Var (\$)	Var (%)
Personnel costs	300	301	(1)	— %
Depreciation	83	128	(45)	(35)%
Taxes, rates and contributions	612	510	102	20 %
Related-Party Services	425	441	(16)	(4)%
Fees and remuneration to third parties	145	109	36	33 %
Bad Debt Expense	23	(7)	30	---
Others	34	29	5	17 %
Total Administrative & Trading Expenses	1,622	1,511	111	7 %

EBITDA

The Company reported EBITDA of AR\$7,994 million for the first quarter of 2023, a 11% increase over the same quarter in 2022 primarily due to higher gross profit, offset in part by higher administrative and trading expenses.

EBITDA (AR\$ Million)	1Q			
	2023	2022	Var (\$)	Var (%)
Net Income	888	1,196	(308)	(26)%
Income tax	(451)	(1,230)	779	(63)%
Other Income	29	28	1	6 %
Income from Investments in Associates	(45)	(125)	80	(64)%
Financial Income	(3,910)	(3,153)	(757)	24 %
Financial Expense	2,771	2,665	106	4 %
Effect of FX differences	1,344	150	1,194	795 %
Inflation effect	4,898	4,971	(73)	(1)%
Depreciation and Amortization	2,469	2,733	(264)	(10)%
EBITDA	7,994	7,234	760	11 %

Non-Operating Results

The Non-Operating Results of the Company in the first quarter of 2023 totaled AR\$-5,103 million, compared to the AR\$-4,632 million registered in the same period in 2022. The AR\$1,194 million negative variance in FX differences and the AR\$107 million higher Financial Expense, were partly offset by AR\$757 million increase in Financial Income and the AR\$73 million positive variation in Inflation Effect.

Financial Income grew AR\$757 million. This variance is primarily due to higher other financial income associated to increased interest earned on mutual funds, partly offset by lower interest income on financial assets mainly related to lower interest accrual on Cammesa accounts receivables.

Financial Expense grew AR\$107 million primarily due higher interest expenses on financial debt as a result of higher short term debt at higher interest rates.

Higher FX losses on liabilities partly offset by higher gains on assets in the first quarter of 2023, due to higher ARS devaluation compared to the same quarter in 2022, 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\$4,898 million negative inflation adjustment was registered in the first quarter of 2023 compared to AR\$4,971 million registered in the first quarter of 2022, both associated to the change in the functional currency of the company to AR\$ in February 2020.

Non-Operating Results (AR\$ Million)	1Q			
	2023	2022		Var (%)
Interest Income	1,828	2,158	(330)	(15)%
Other finance income	2,082	994	1,088	109 %
Interest income from related companies	1	1	—	---
Financial Income	3,910	3,153	757	24 %
			—	
Interest on financial debt	(2,564)	(2,106)	(458)	22 %
Interest on tax debts	—	(3)	3	(99)%
Interest on commercial loans	(41)	(3)	(38)	1,304 %
Interest on obligations for long-term benefits	(166)	(108)	(58)	55 %
Loss on liability early payment	—	(446)	446	---
Financial Expense	(2,771)	(2,665)	(107)	4 %
			—	
FX difference generated by assets	13,467	5,462	8,005	147 %
FX difference generated by liabilities	(14,810)	(5,612)	(9,198)	164 %
Hedging instruments	—	—	—	---
Total FX Differences	(1,344)	(150)	(1,194)	795 %
			—	
Inflation Effect	(4,898)	(4,971)	73	(1)%
			—	
Total Non-Operating Results	(5,103)	(4,632)	(471)	10 %

Exchange Rate

The average quarterly AR\$/US\$ exchange rate was 81% higher in the first quarter of 2023 compared to the same quarter of 2022. During the first quarter of 2023, the AR\$/US\$ exchange rate rose 15%, while in the same period of 2022, the AR\$/US\$ exchange rate increased 8%. During the twelve-month year ended March 31, 2023, the AR\$/US\$ exchange rate rose 83%.

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Argentine Peso EOP (ARS/US\$)	203.11	177.16	147.32	125.23
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Argentine Peso EOP (ARS/US\$)	111.01	102.72	98.74	95.72

	1Q		
	2023	2022	Var (%)
Argentine Peso AVG (ARS/US\$)	192.41	106.58	81%

Net Income

AES Argentina's Pre-tax Income reached AR\$437 in the first quarter of 2023 up from the AR\$35 million Pre-tax Loss in the first quarter of 2022 primarily due to higher Gross Profit and higher financial income, partly offset by higher Trading Expenses, in addition to a negative impact in FX Differences.

AAG recorded a AR\$451 million Income tax gain in the three-month period ended March 31, 2023, which negatively compares to the Income tax gain of AR\$1,230 million registered in the same period of 2022. This negative variation is due to lower deferred tax gain recorded as of March 31, 2023, in addition to the Pre-tax loss recorded as of March 31, 2022.

AAG reported a Net Income of AR\$888 million in the first quarter of 2023, compared to the first quarter of 2022's Net Income of AR\$1,196 million primarily due to lower Income tax gain, partly offset by the increase in Pre-tax Income in the first quarter of 2023 explained above.

Cash Flow

Net Cash flow from operations reached AR\$7,349 million in outflows in the three-month period ended March 31, 2023, compared to AR\$6,227 million inflow in the same period in 2022. Operating cash flows fell AR\$13,576 million primarily due to an increase in coal purchases as a result of higher coal prices, in addition to an increase in delays of collections from Cammesa.

Investing cash outflows totaled AR\$903 million in the period ended March 31, 2023, compared to a cash outflow of AR\$2,332 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 collections and interest on Mutual Funds, in addition to higher Mutual Funds investments balance as of March 31, 2023, compared to 2022, partly offset by higher Purchases of Property Plant & Equipment.

AES Argentina reported an inflow from financing activities of AR\$2,953 million in the three-month period ended March 31, 2023, compared to the net inflow of AR\$1,510 million in the same period in 2022. The main variance was attributable to higher proceeds from short-term loans of AR\$10,147 million in the first quarter of 2023, compared to AR\$7,570 million in the same period in 2022, partly offset by an increase in payments of third-party loans. During the first three months of 2023, AES Argentina repaid AR\$4,140 million debt compared to AR\$2,762 million paid in the same period in 2022.

The net outflow in cash and cash equivalents during the three-month period ended March 31, 2023, was AR\$6,649 million, compared to the AR\$5,267 million inflow registered in the same period of 2022.

Total cash and cash equivalents on the Cash Flow statement at the end of March 2023, reached AR\$1,169 million, compared to the AR\$9,028 million as of the period ended March 31, 2022. It is important to mention that as of March 31, 2023, 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)	1Q		
	2023	2022	Var (%)
Net cash from operating activities	(7,349)	6,227	(218)%
Net cash from investing activities	(903)	(2,332)	(61)%
Net cash from financing activities	2,953	1,510	96 %
Effects of Foreign Exchange Variations	(1,350)	(139)	871 %
Total Net Cash Flow for the Period	(6,649)	5,267	---
Cash at the beginning of the period	7,818	3,761	108 %
Total Cash at the End of the Period	1,169	9,028	(87)%

Total cash and cash equivalents on the Balance Sheet as of March 31, 2023, reached AR\$8,061 million, compared to the AR\$14,203 million as of March 31, 2022. 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. It is important to mention that as of March 31, 2023, 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 on the balance sheet, nor cash flow statement.

FONINVEMEM Receivables

As of March 31, 2023, outstanding FONINVEMEM Receivables associated with the FONINVEMEM fund III totaled US\$128.4 million, net of VAT. FONINVEMEM funds I and II were fully repaid during the first quarter of 2020.

In first quarter of 2023, FONINVEMEM collections, including interest, associated with FONINVEMEM fund totaled approximately US\$12.2 million, net of VAT.

AES Argentina received a 6% stake in the 865MW José de San Martín and a 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 March 31, 2023. For more details please see Note 3.c.1. of the Financial Statements.

Dividends

The Company paid no dividends in the periods ended March 31, 2023 and March 31, 2022.

CAPEX

As of March 31, 2023 the Company's CAPEX totaled US\$11 million in first quarter of 2023, compared to a total capex of US\$10 million in the same period of 2022.

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 March 31, 2023, AES Argentina has a total financial debt of US\$330 million. As of March 31, 2023, 83% of the Company's financial debt liabilities were at fixed interest rates and 87% 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.

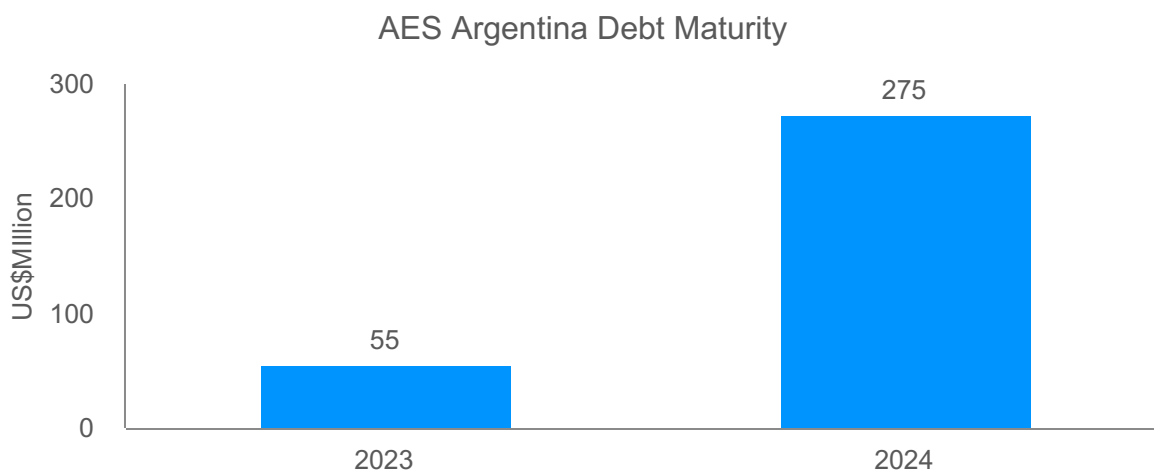
In May 2019, AES Argentina secured a US\$30 million bank loan with Citibank New York at LIBOR + 5.2% Spread interest rate with 12 quarterly payments, which was repaid in full in June 2022. Also, in May 2019, the Vientos Neuquinos project secured a US\$50 million loan with ICBC Argentina at LIBOR + 5.5% Spread with 15 quarterly payments which was fully repaid in February 2023.

In February 2020, 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 August 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 were repaid during 2022. In 2023, the company raised approximately US\$35 million short-term bank loans denominated in AR\$ with the same purpose.

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

The following graph details AES Argentina's debt maturity profile, as of March 31, 2023:



Debt Amortization (US\$ Million)		Average Interest Rate	March 31, 2023	
			2023	2024
AAG 2024 Notes	275	7.75%	—	275
GS Secured Loan	12	6.51%	12	—
ST Loan*	43	77.00%	43	—
Total	330		55	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 March 31, 2023, 96% 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\$125.0 million impact on the first quarter pretax income.

A 10% variation of the CAMMESA rate would have had a AR\$339 million impact on the first 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\$661 million impact on the first quarter pretax income.

The following table summarizes the value of assets and liabilities in foreign currencies at their value in AR\$ as of March 31, 2023.

AR\$ million	March 31, 2023
Non-current Assets	45,400
Current Assets	25,453
Total Assets	70,853
Non-current Liabilities	304
Current Liabilities	67,452
Total Liabilities	67,756

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\$2,343 million impact on the first 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 March 31, 2023, AES Argentina had AR\$8,061 million in available liquid resources, classified as cash and cash equivalents (including short-term investments) on the balance sheet, compared to AR\$14,203 million as of March 31, 2022. It is important to mention that as of March 31, 2023, 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.

On December 12, 2022, the Energy Secretariat issued Resolution 826/2022, which updated the prices established in Resolution 238/2022. The same became retroactively effective as from September 2022 and establishes the increases in tariffs by 20% and 10% since November 2022 and December 2022, respectively, in addition to establishing tariff increases in advance of 25% and 28% from February 2023 and August 2023, respectively.

		Capacity (Price per MW/Month)						
		Res 826/2022***	Res 826/2022**	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019	
Hydro	Large Hydro	AR\$ 385,705	AR\$ 241,065	AR\$ 182,625	AR\$ 127,710	AR\$ 99,000 (US\$ 1,650)	US\$ 3,000	
	Small Hydro	AR\$ 707,125	AR\$ 441,953	AR\$ 334,813	AR\$ 234,135	AR\$ 181,000 (US\$ 3,025)	US\$ 5,500	
	Renewable Hydro	AR\$ 1,157,114	AR\$ 723,196	AR\$ 547,876	AR\$ 383,130	AR\$ 297,000 (US\$ 4,950)	US\$ 6,300	
Thermal	DIGO Rate	Winter/ Summer	AR\$ 1,402,562	AR\$ 876,601	AR\$ 664,092	AR\$ 464,400	AR\$ 360,000 (US\$ 6,000)	US\$ 7,000
		Spring/Fall	AR\$ 1,051,922	AR\$ 657,451	AR\$ 498,069	AR\$ 348,300	AR\$ 270,000 (US\$ 4,500)	US\$ 5,500
	Base Rate	Large CCGT	AR\$ 392,135	AR\$ 245,084	AR\$ 185,670	AR\$ 129,839	AR\$ 100,650 (US\$ 1,678)	US\$ 3,050
		Large Steam Turbine	AR\$ 559,273	AR\$ 349,546	AR\$ 264,807	AR\$ 185,180	AR\$ 143,550 (US\$ 2,393)	US\$ 4,350
		Small Steam Turbine	AR\$ 668,555	AR\$ 417,847	AR\$ 316,551	AR\$ 221,364	AR\$ 171,600 (US\$ 2,860)	US\$ 5,200
		Small GAS Turbine	AR\$ 591,414	AR\$ 369,634	AR\$ 280,025	AR\$ 195,822	AR\$ 151,800 (US\$ 2,530)	US\$ 4,600
	Utilization Factor	No	No	No	Yes	Yes	Yes	

* Includes all tariff increases of Res 238/2022

** Includes tariff increases as of December 31, 2022

*** Includes tariff increases as of August 2023

		Generated Energy				
		(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(US\$/MWh)
		Res 826/2022***	Res 826/2022**	Res 238/2022*	Res 440/2021	Res 31/2020 Res 1/2019
Hydro		AR\$ 818	AR\$ 512	AR\$ 388	AR\$ 271	AR\$ 210 (US\$ 3.5) 3.5
Thermal	Natural Gas	AR\$ 936	AR\$ 585	AR\$ 443	AR\$ 310	AR\$ 240 (US\$ 4) 4
	Fuel Oil / Gas Oil	AR\$ 1,637	AR\$ 1,023	AR\$ 775	AR\$ 542	AR\$ 420 (US\$ 7) 7
	Mineral Coal	AR\$ 2,806	AR\$ 1,754	AR\$ 1,328	AR\$ 929	AR\$ 720 (US\$ 12) 12

* Includes all tariff increases of Res 238/2022

** Includes tariff increases as of December 31, 2022

*** Includes tariff increases as of August 2023

		Operated Energy				
		(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(US\$/MWh)
		Res 826/2022***	Res 826/2022**	Res 238/2022*	Res 440/2021	Res 31/2020 Res 1/2019
Hydro		AR\$ 326	AR\$ 204	AR\$ 154	AR\$108	AR\$ 84 (US\$ 1.4) 1.4
Thermal		AR\$ 326	AR\$ 204	AR\$ 154	AR\$ 108	AR\$ 84 (US\$ 1.4) 1.4

* Includes all tariff increases of Res 238/2022

** Includes tariff increases as of December 31, 2022

*** Includes tariff increases as of August 2023

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

* Includes all tariff increases of Res 238/2022

		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](#).

Resolution 59/2023

On February 7, 2023, the Energy Secretariat published Resolution 59/2023, which allows to dollarize part of the remuneration of combined cycle plants for a period of up to 5 years, to be paid in Argentine pesos at the official exchange rate. The new remuneration scheme is voluntary and the agreement has as counterpart the market administrator CAMMESA, which requires a unit availability commitment of 85%. AES Argentina agreed to adhere to this new scheme during March 2023. The updated power prices are 2,000 USD + 65% of the power price set by Resolution 826/22 in winter and summer, and 2,000 U\$S + 85% of said prices for spring and autumn. The price of energy generated with natural gas is set at the equivalent of 3.5 U\$S/MWh and with diesel oil at 6.1 U\$S/MWh.

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 it provided for a 7% withholding on dividends distributed to individuals and beneficiaries abroad and established a scale for the calculation of income tax as from fiscal years beginning on January 1, 2021 and subsequent years. The scale applicable for fiscal years beginning on January 1, 2023 is:

Accumulated Net Taxable Profit ⁽¹⁾					
Since	Up to	Will Pay	Plus % of	On the surplus of	
—	14,301,209	—	25%	—	
14,301,209	143,012,092	3,575,302	30%	14,301,209	
143,012,092	onwards	42,188,567	35%	143,012,092	

(1) Amounts expressed in Argentine pesos.

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of March 31, 2023, and December 31, 2022

International Financial Reporting Standards (IFRS).

(End of period exchange rate used to convert AR\$ into US\$ for referential purposes is 203.11 AR\$/US\$.)

Assets	AR\$ Million			US\$ Million
	March 31, 2023	December 31, 2021	Var. %	March 31, 2023
Non- Current Assets				
Investments in subsidiaries and associates	307	366	(16)%	2
Property, plant & equipment	89,618	92,930	(4)%	441
Intangible Assets	5,136	5,515	(7)%	25
Inventory	2,395	2,395	— %	12
Accounts receivable from related parties	10	10	— %	0
Other financial assets	143	174	(18)%	1
Other non-financial assets	424	383	11 %	2
Trade & Other accounts receivable	18,493	21,303	(13)%	91
Tax assets	3,888	3,477	12 %	19
Deferred tax assets	6,599	6,086	8 %	32
Total Non-Current Assets	127,011	132,639	(4)%	625
Current Assets				
Inventory	14,717	15,679	(6)%	72
Accounts receivable from related parties	143	95	51 %	1
Other financial assets	2,529	2,609	---	12
Other non-financial assets	303	278	9 %	1
Trade & Other accounts receivable	39,974	24,888	61 %	197
Cash & Cash equivalents	8,061	14,203	(43)%	40
Tax assets	1,977	3,924	(50)%	10
Total Current Assets	67,703	61,676	10 %	333
TOTAL ASSETS	194,714	194,314	— %	959

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of March 31, 2023, and December 31, 2022

International Financial Reporting Standards (IFRS).

(End of period exchange rate used to convert AR\$ into US\$ for referential purposes is 203.11 AR\$/US\$)

Liabilities and Shareholders' Equity	AR\$ Million			US\$ Million
	March 31, 2023	December 31, 2022	Var. %	March 31, 2023
Equity				
Issued Equity	1,153	1,153	— %	6
Equity Adjustment	14,602	14,602	— %	72
Irrevocable contributions	391	391	— %	2
Additional paid-in capital	3,796	3,796	— %	19
Legal Reserve	3,910	3,910	— %	19
IFRS special reserve	9,000	9,000	— %	44
Optional Reserves	47,640	47,640	— %	235
Other Reserves	27,945	28,813	(3)%	138
Retained Earnings	3,477	2,597	34 %	17
Equity Attributable to Shareholders of Parent	111,914	111,902	— %	551
Non-controlling Interest in Controlled Subsidiaries	393	400	(2)%	2
TOTAL EQUITY	112,307	112,301	— %	553
Non-Current Liabilities				
Employee benefits	779	726	7 %	4
Tax liabilities	398	489	(19)%	2
Deferred tax liabilities	1,455	1,239	17 %	7
Provisions	493	523	(6)%	2
Accounts payable to related parties	287	342	(16)%	1
Interest-accruing liabilities	—	58,976	(100)%	—
Total Non-Current liabilities	3,413	62,295	(95)%	17
Current Liabilities				
Employee benefits	1,285	1,915	(33)%	6
Tax liabilities	364	443	(18)%	2
Accounts payable to related parties	2,891	2,845	2 %	14
Trade & other accounts payable	4,505	5,665	(20)%	22
Interest-accruing liabilities	69,950	8,849	690 %	344
Total Current liabilities	78,995	19,718	301 %	389
TOTAL LIABILITIES	82,408	82,013	— %	406
Total Liabilities and Equity	194,714	194,314	— %	959

AES ARGENTINA GENERACIÓN INCOME STATEMENT

For the periods ended March 31, 2023, and March 31, 2022

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is 192.41 AR\$/US\$ for the three-month periods ended March 31, 2023)

Income Statement	AR\$ Million			US\$ Million
	1Q			1Q
	2023	2022	Var (%)	2023
Operating Revenue	24,840	21,432	16 %	129
Cost of Sales	(17,694)	(15,421)	15 %	(92)
Gross Profit	7,146	6,011	19 %	37
Administrative Expenses	(1,159)	(1,158)	— %	(6)
Trading Expenses	(463)	(353)	31 %	(2)
Other income and expenses	(29)	(28)	4 %	—
Operating Income	5,495	4,473	23 %	29
Financial Income	3,910	3,153	24 %	20
Financial Expense	(2,771)	(2,665)	4 %	(14)
Effect of FX differences	(1,344)	(150)	796 %	(7)
Inflation effect	(4,898)	(4,971)	(1)%	(25)
Income from Investments in Associates	45	125	(64)%	0
Income (Loss) before Taxes	437	(35)	(1,349)%	2
Income Tax	451	1,230	---	2
Net Income	888	1,196	(26)%	5
EBITDA	7,994	7,234	11 %	42

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT

For the three months period ended March 31, 2023, and March 31, 2022 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$192.41 AR\$/US\$ for the three-month period ended March 31, 2023)

	AR\$ Million		US\$ Million	
	March 31,		March 31,	
	2023	2022	Var (%)	2023
Operating Activities				
Net income	888	1,196	(26)%	5
Earnings reconciliation adjustments				
Depreciation & amortization expenses	2,469	2,733	(10)%	13
Result due to loss of property, plant and equipment and intangibles	3	6	(55)%	—
FX differences and conversion differences	5,783	4,458	30 %	30
Loss for partial repurchase of negotiable obligations	—	446	---	—
Interest gains and other financial income	(3,910)	(3,153)	24 %	(20)
Income from investments in other companies	(45)	(125)	(64)%	—
Income tax expenses	(451)	(1,230)	(63)%	(2)
Provision expenses	32	43	(27)%	—
Accrued interest expenses	2,587	2,078	24 %	13
Bad debt provision	23	(7)	---	—
Pension plan	187	126	48 %	1
Adjustments for balance sheet accounts variations				
Inventory	962	110	775 %	5
Trade & other account receivables	(12,548)	(393)	3092 %	(65)
Account receivables from related parties	(375)	317	(218)%	(2)
Other non-financial assets	(55)	(313)	(82)%	—
Trade & other account payables	(3,174)	(1,231)	158 %	(16)
Accounts payable to related parties	159	70	127 %	1
Provisions	(8)	(7)	14 %	0
Tax Assets	375	241	56 %	2
Tax Liabilities	(422)	2,309	(118)%	(2)
Employee benefits	(345)	(375)	(8)%	(2)
Income tax paid	(80)	(1,572)	(95)%	—
Hedging instruments	—	—	---	0
Interests received on trade accounts	595	499	19 %	3
Net cash flow from operations	(7,349)	6,227	(218)%	(38)

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT (CONTINUED)

For the years ended March 31, 2023, and March 31, 2022 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$192.41 AR\$/US\$ for the three-month period ended March 31, 2023)

	AR\$ Million			US\$ Million
	2023	March 31, 2022	Var (%)	March 31, 2023
Investment Activities				
Purchase of Property, Plant & Equipment	(2,091)	(1,978)	6 %	(11)
Purchase of intangible assets	(67)	(69)	(3)%	—
Interests received	2,082	1,208	72 %	11
Dividend Received	91	—	---	—
Net decrease of common investment funds	(917)	(1,493)	(39)%	(5)
Net cash flows used in investment activities	(903)	(2,332)	(61)%	(5)
Financing Activities				
Proceeds from third-party loans	10,147	7,570	34 %	53
Payments of third-party loans	(4,140)	(2,762)	50 %	(22)
Interests paid on third-party loans	(3,051)	(3,294)	(7)%	(16)
Payment of financial leases	(3)	(3)	— %	0
Net Cash flows from (used in) financing activities	2,953	1,510	96 %	15
Effect of FX difference on cash & cash equivalents	(1,350)	(139)	871 %	(7)
Net Increase in cash & cash equivalents	(6,649)	5,267	(226)%	(35)
Opening Cash & Cash Equivalent	7,818	3,761	108 %	41
Ending Cash & Cash Equivalent	1,168	9,028	(87)%	6

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 2022, The AES Corporation reported \$12.6 billion in revenues and owned and managed \$38 billion in total assets.

To learn more, please visit www.aes.com