
aes Argentina

Corporate Presentation

Bank of America Securities
2022 Emerging Markets
Debt and Equity Conference

June 1, 2022



AES Argentina Generación

At a Glance



POWER GENERATION

Diversified Portfolio

3,001 MW

7% Installed Capacity Market Share

- 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

\$142mn EBITDA LTM-1Q22

FONINVEMEM

Receivables

\$170mn
Outstanding in FONINVEMEM receivables as of 1Q-2022

Power Plants

Equity stakes in two FONINVEMEM plants (7% Belgrano, 6% San Martin and future 30% equity stake in Guillermo Brown)

\$48mn
FONINVEMEM collections LTM-1Q22

CAPITAL STRUCTURE

Leverage

\$351mn
Financial debt as of 1Q-2022

1.4x
Net Debt to EBITDA + FONINVEMEM collections as of 1Q-2022

CCC+/CCC/A+ **Credit Rating**
(S&P/Fitch/FIXSCR)

Manageable debt profile, with a deleveraging trajectory

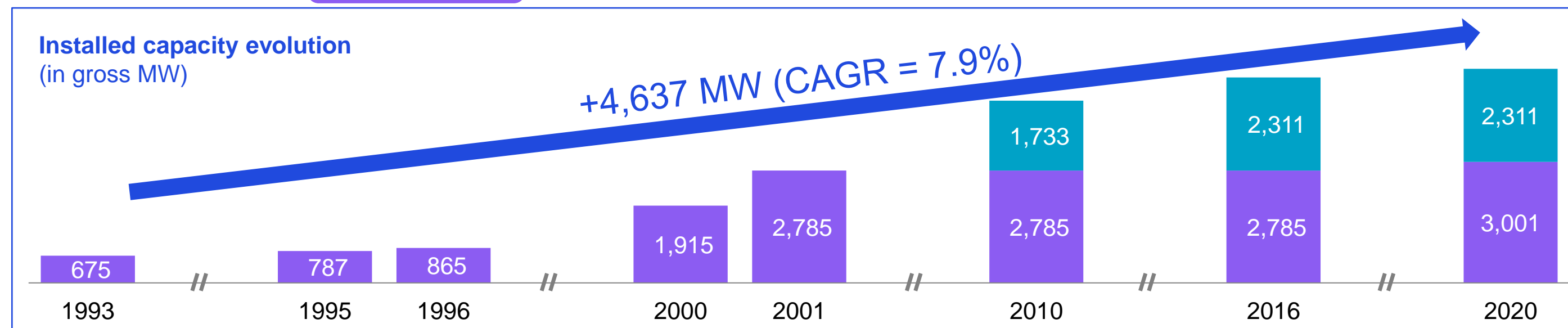
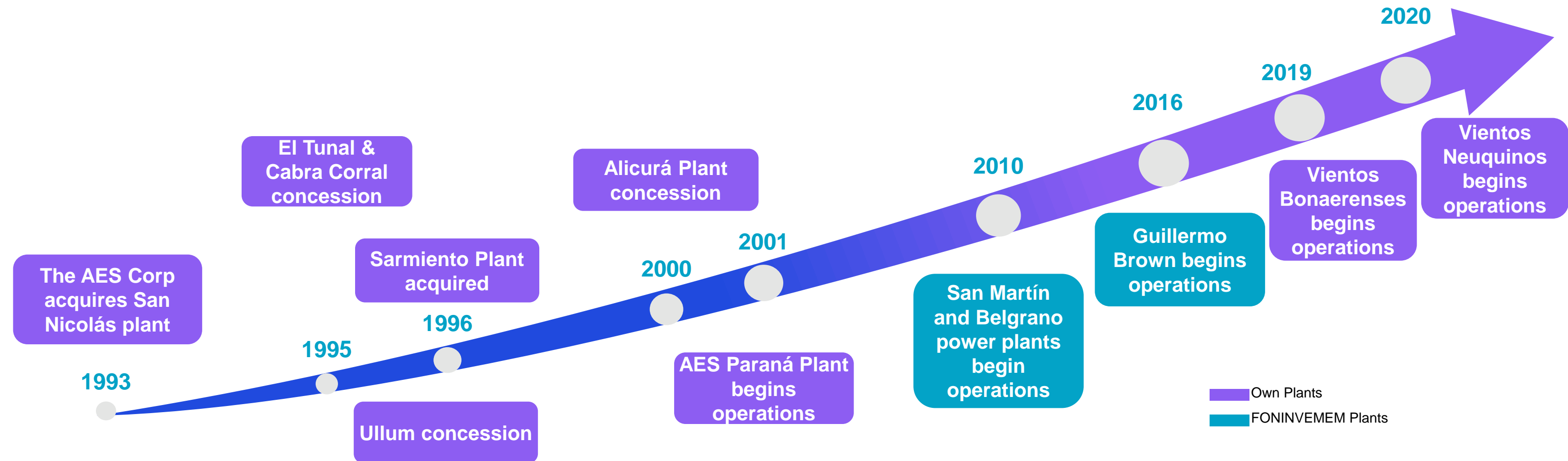
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Company Overview



DEVELOPMENT EXCELLENCE

AAG has 29+ 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

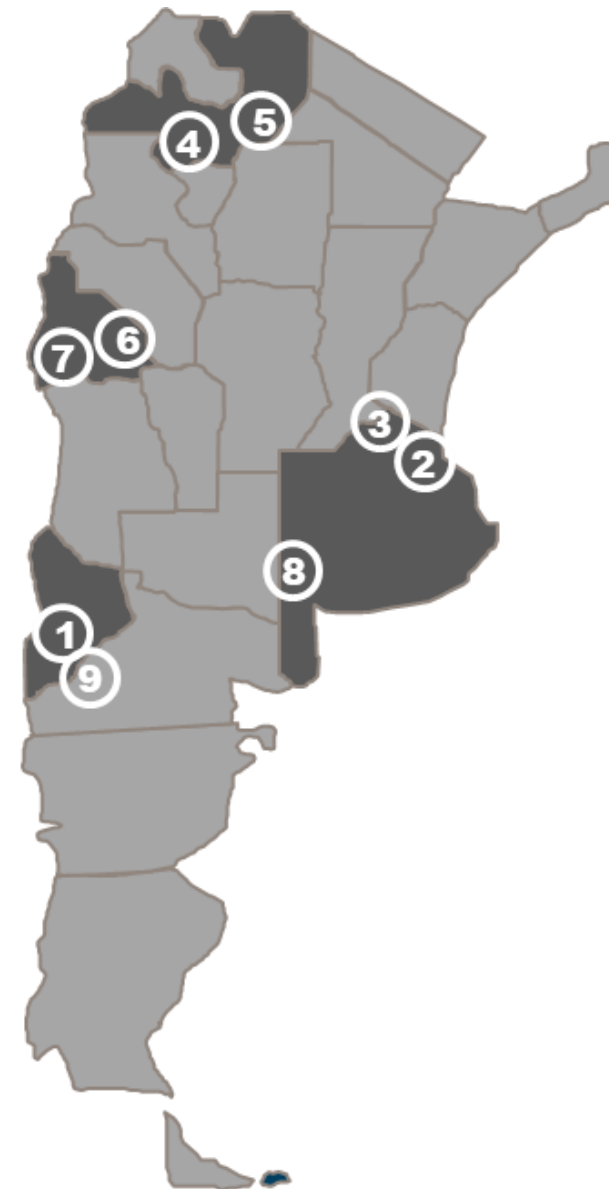
- 2 AES Paraná 870 MW
- 3 San Nicolás 675 MW + 16 MW BESS
- 7 Sarmiento 33 MW

1,578 MW Thermal Assets

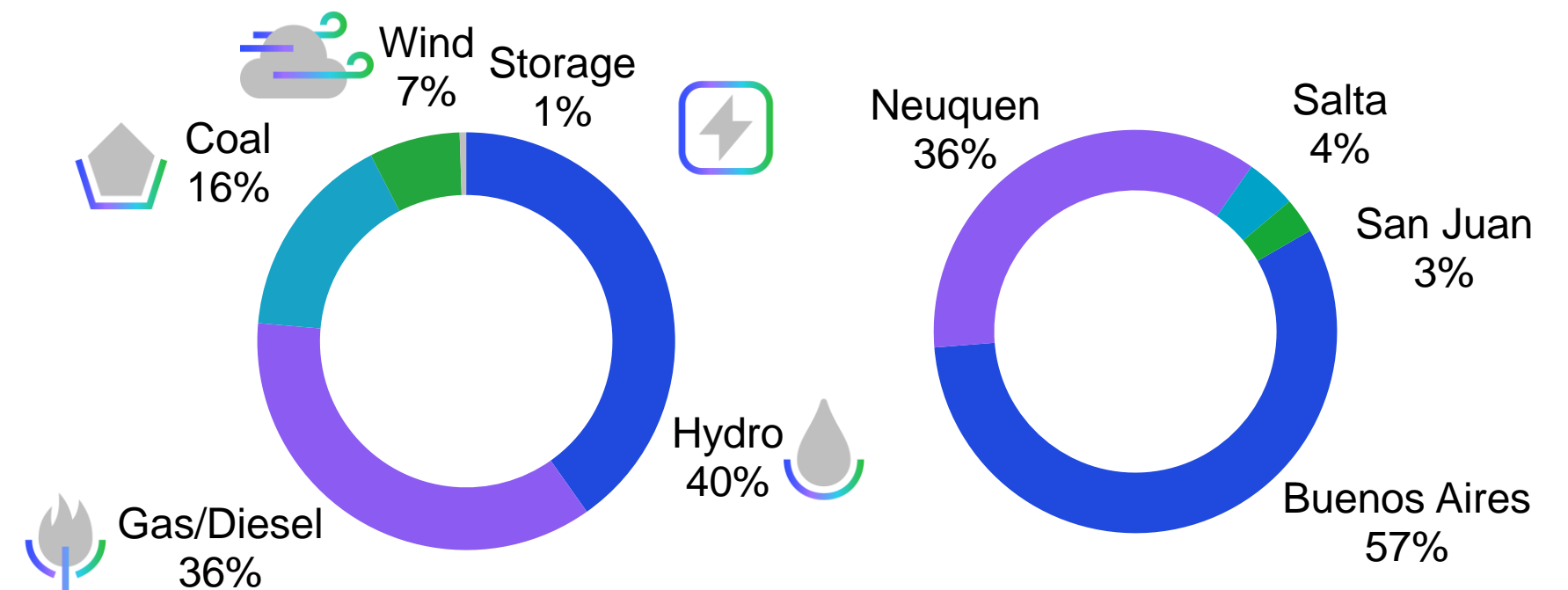
16 MW BESS

- 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	-	-

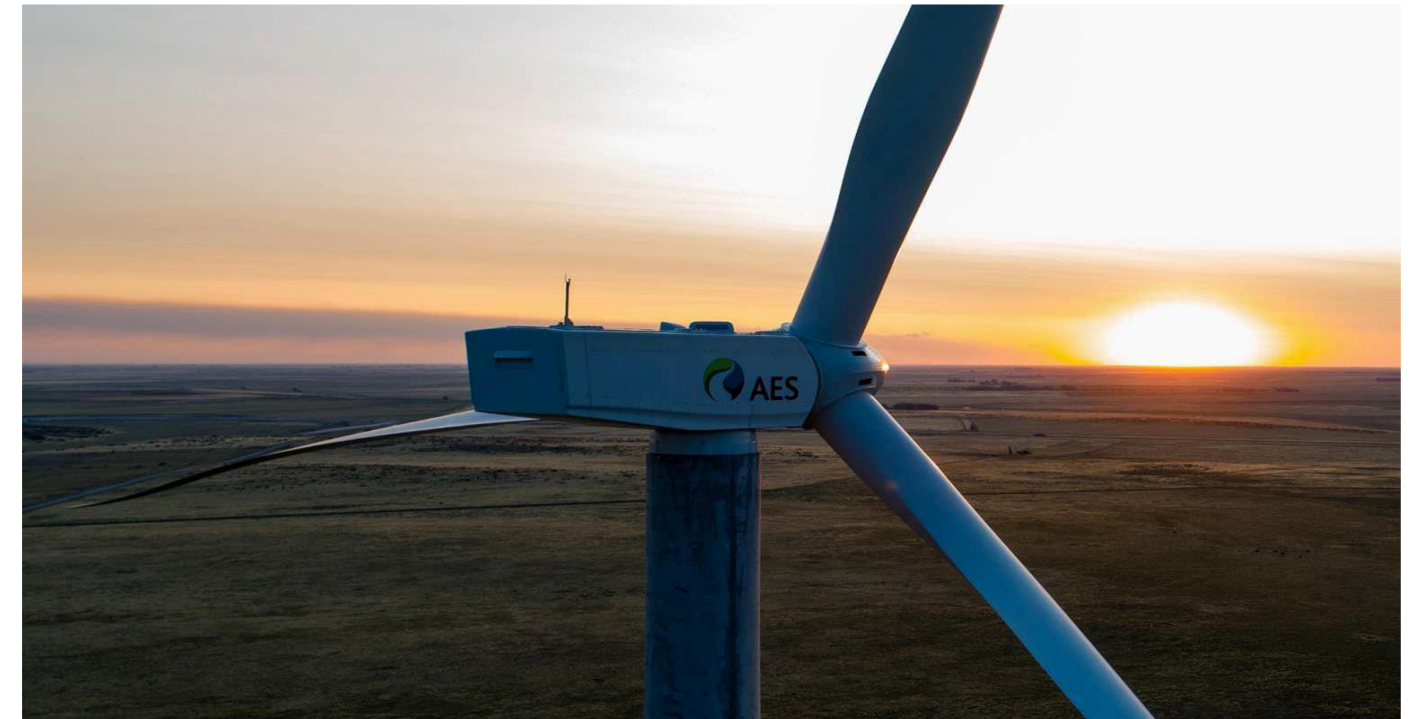
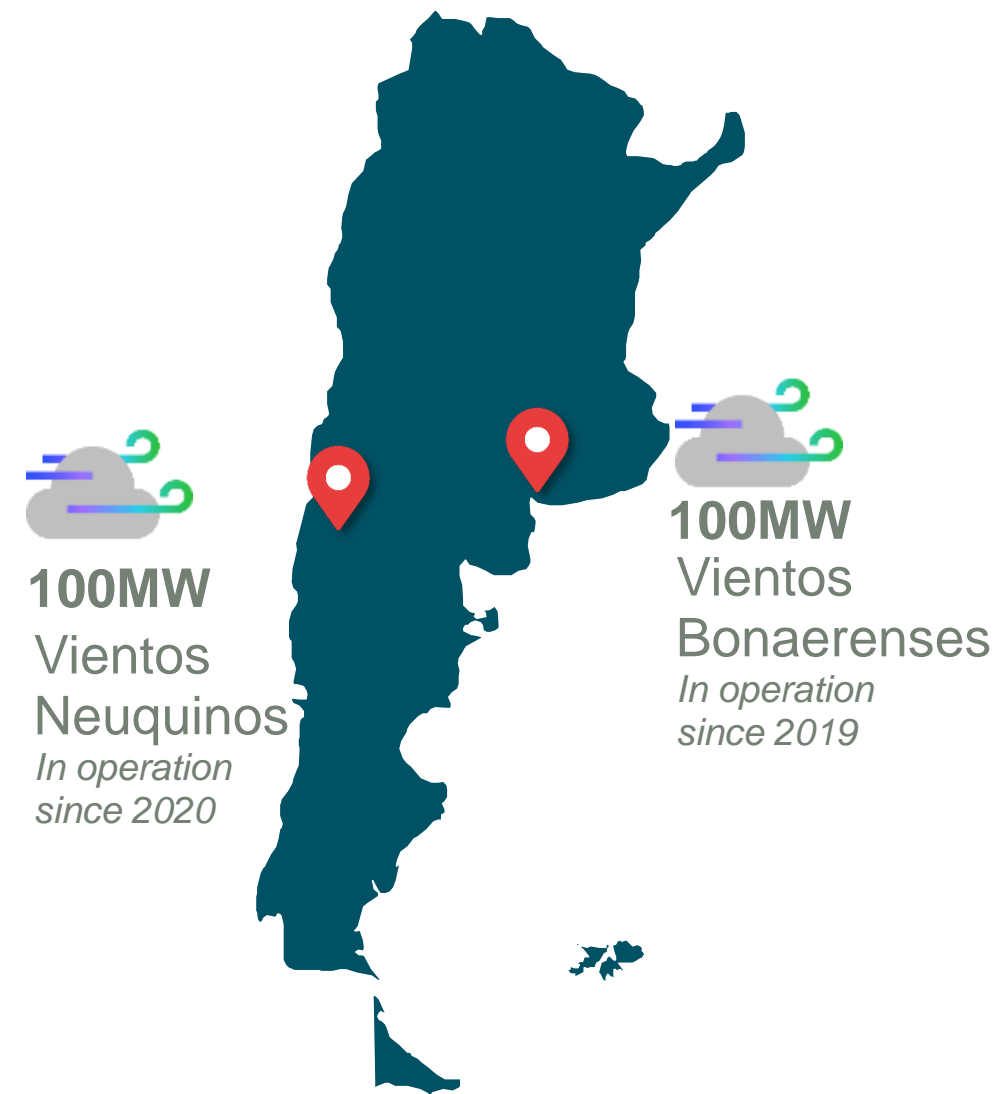
WIND CAPACITY

200 MW

FULLY CONTRACTED
Under Robust PPA Frameworks

PPA Breakdown
80MW RenovAr
120MW MATTER

Capacity Factor
Vientos Bonaerenses: 53%
Vientos Neuquinos: 46%



RENEWABLES COMMERCIAL STRATEGY

120 MW – MATER PPAs WITH C&I CUSTOMERS

DIVERSIFYING CUSTOMER BASE

Reducing sole off-taker risk of CAMMESA

Tapping
new market of bilateral
Private Contracts

US\$-Linked
Contracts

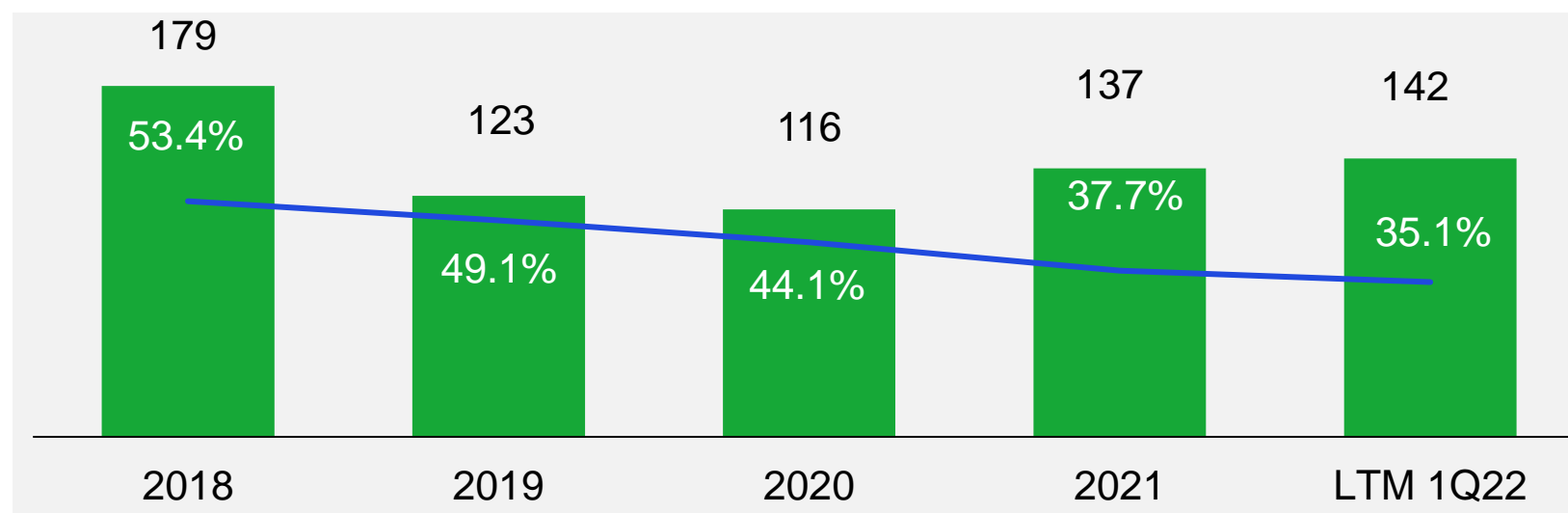
~11 Years
average PPA tenor



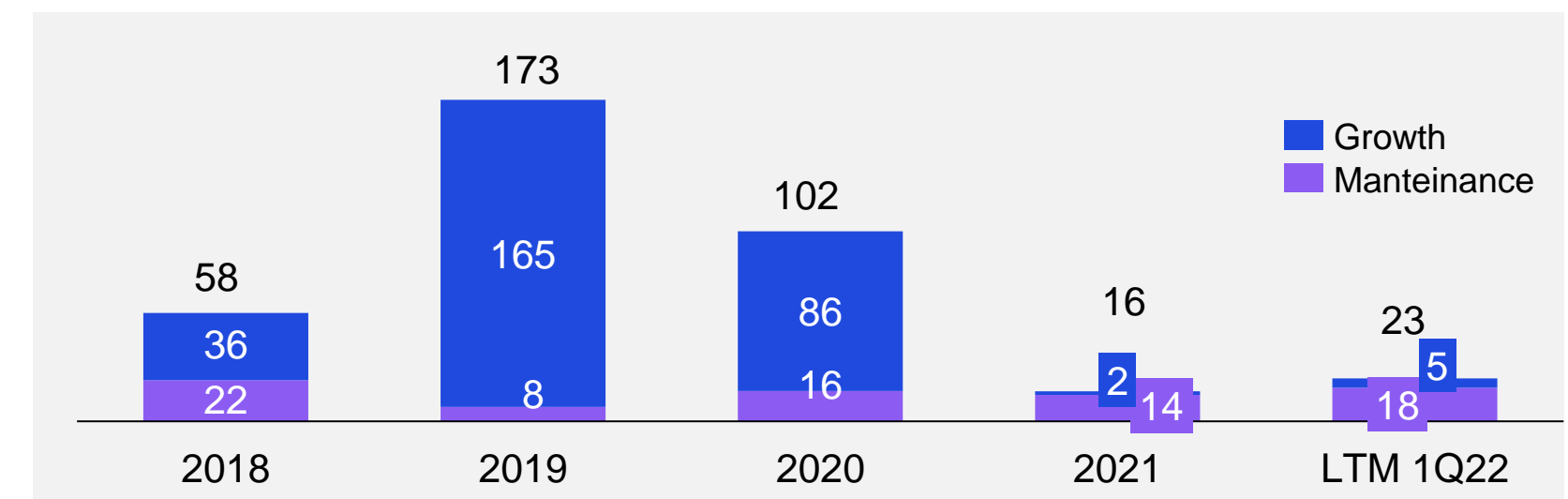
FINANCIALS

DIVERSIFIED CASH FLOW GENERATION

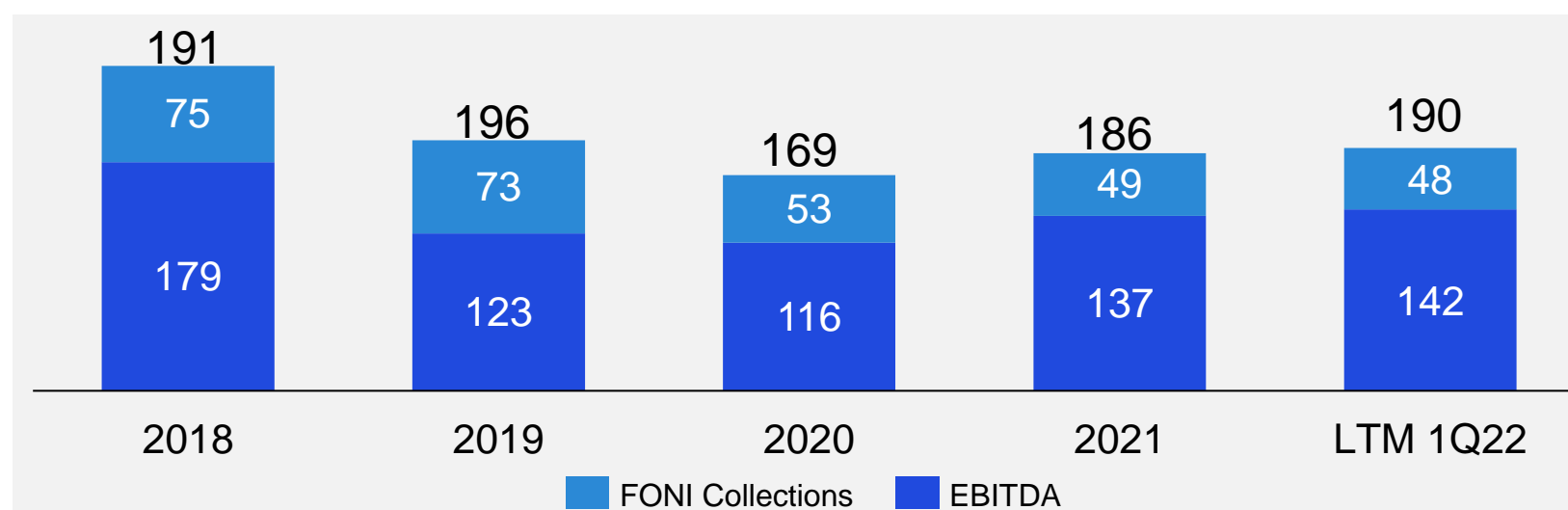
EBITDA | EBITDA MARGIN (mn\$)



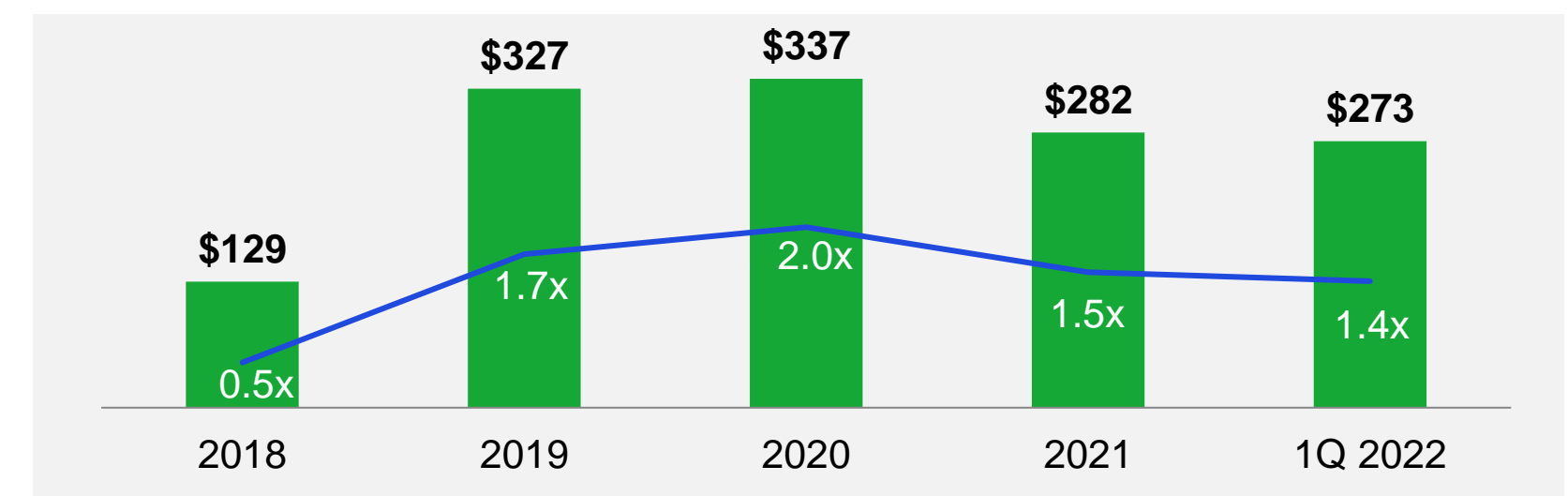
CAPEX (mn\$)



EBITDA + FONI COLLECTIONS (mn\$)



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



Figures as of March 31, 2022.

* Adjusted EBITDA = EBITDA + FONI collections

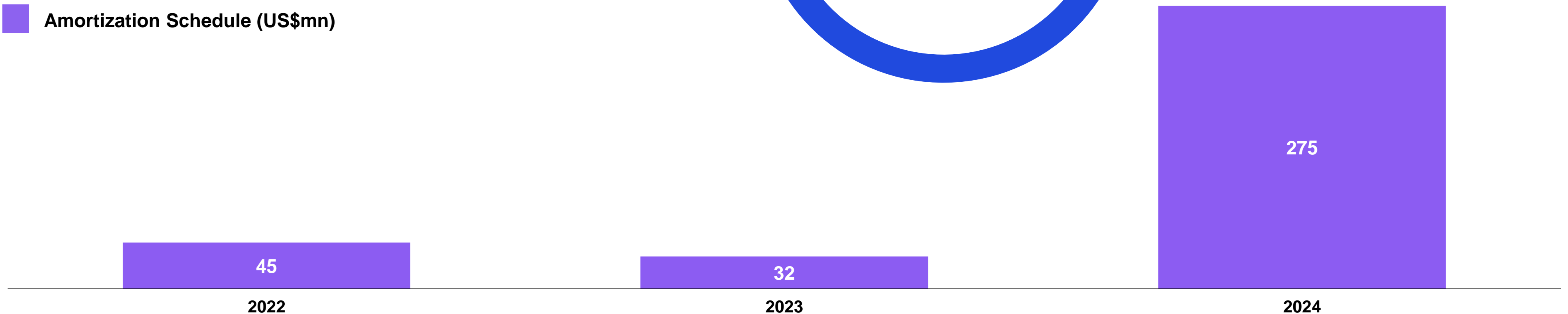
CAPITAL STRUCTURE

MANAGEABLE DEBT PROFILE

AVERAGE LIFE	NET DEBT/ Adj EBITDA*	FIXED RATE
1.6 Years	1.4x	87% Fixed Rate



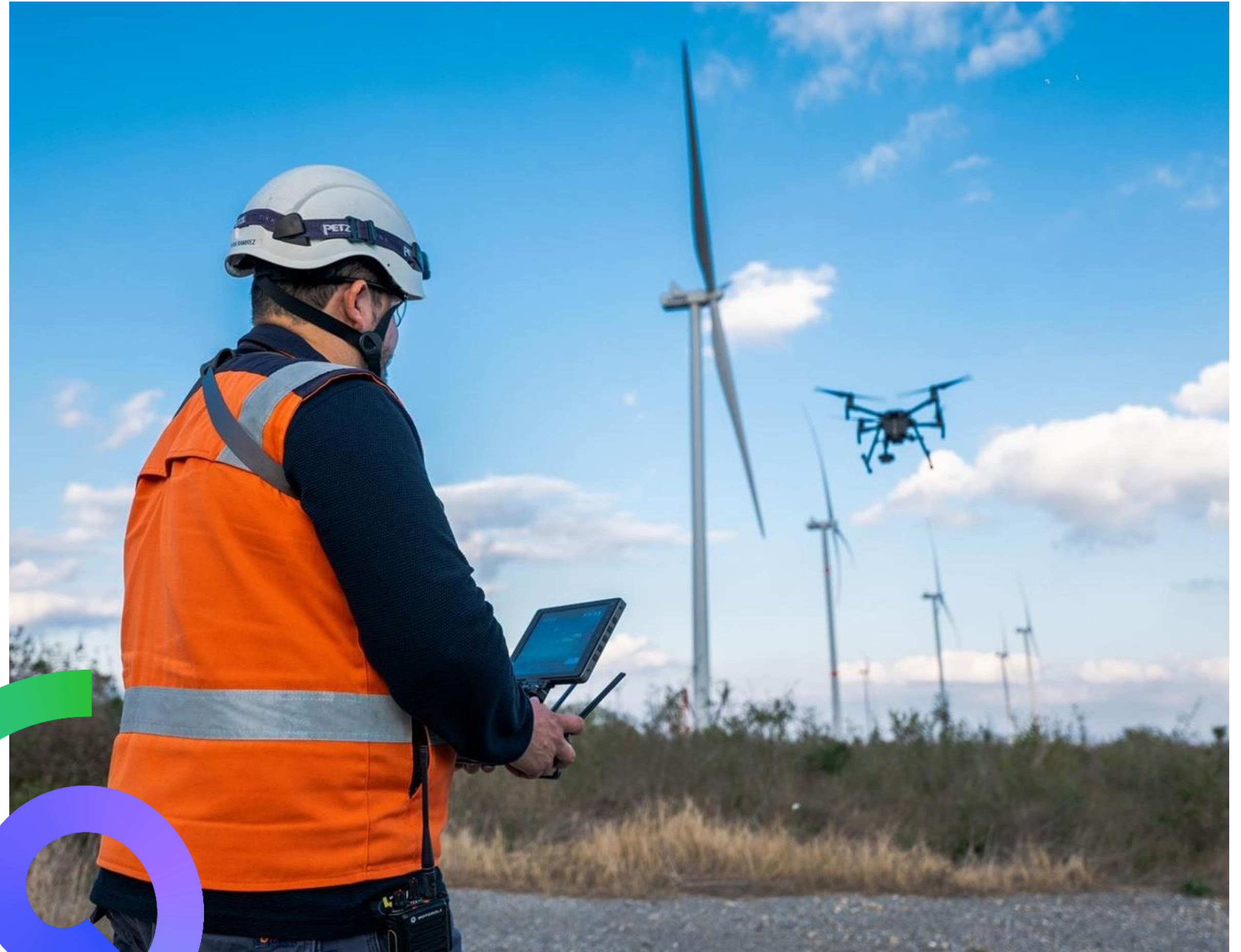
Amortization Schedule (US\$mn)



Figures as of March 31, 2022. Debt includes Bond repurchases by AES Argentina

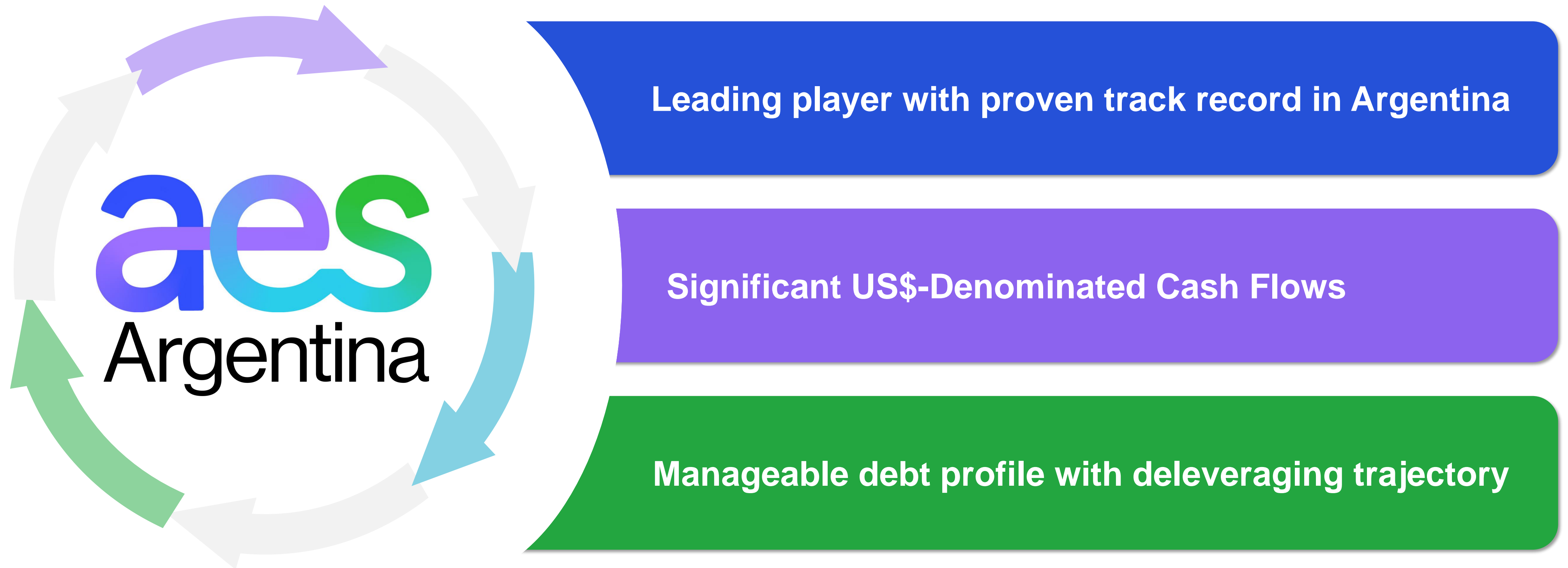
* Adjusted EBITDA = EBITDA + FONI collections

Investment Highlights



Investment Highlights

Under Levered Asset with Seasoned Management and Resilient Cash Flow Generation



Investor Relations

Team

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Appendix 1

External Environment



EXTERNAL ENVIRONMENT

POLITICAL & ECONOMIC CONTEXT

COUNTRY'S SCENARIO

- ▶ The GoA has limited maneuver for the future years given several macro challenges, such as fiscal deficit, Central Bank available net reserves, currency restrictions, high inflation, among others under a complex social situation and with the threat of a 4th COVID-19 wave.

POLITICAL CONTEXT

- ▶ The Nov 21 elections and the IMF agreement broke the ruling coalition, which is going through a deep internal crisis that paralyzes the administration in many aspects. The fragile political situation and its consequent social impact raise the **probability of a change in the ideological and political/economic model** with presidential elections at the end of 2023.

KEY MACRO - INDICATORS (*)

- | ▶ 2021: | ▶ 2022(*): |
|--|--|
| ▶ Inflation FYF: 50.8% | ▶ Inflation 67% |
| ▶ ARS \$ Depreciation FYF: 22% | ▶ ARS \$ Depreciation: 60%(**) |
| ▶ Primary Fiscal Result FYF: - 3.2% of GDP | ▶ Annual GDP: +2% |
| | ▶ Current Country Risk (EMBI+) at ~1,900 bps |

(*) Apr-2022 Macroview Consultant

(**) Macroview: FX dec-22: 165 ARS\$/USD

EXTERNAL ENVIRONMENT

ENERGY SECTOR UPDATE

GENCOS TARIFF

- ▶ Secretary of Energy updated the tariff (in ARS\$) of the legacy assets (Res.238/2022) which were under Res. 440/2021 with the following main considerations:
 - ▶ 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).
 - ▶ Elimination of capacity payment adjustment by last 12-month capacity factor.
- ▶ This Resolution impacts on 26.5 GW of installed capacity which provides ~47% of annual generation and represents an increase in the cost of the whole sector of ~US\$450mn.

NCRE

- ▶ **Total RENOVAR and MATER: 6.6 GW^(*).**
- ▶ Total Constructed as of Mar-22: 4.2 GW; Under construction: 0.5 GW
- ▶ Not constructed/pending of definition: 1.9 GW (due to financial issues.)
- ▶ During the coming years, no new RENOVAR auctions are expected. Only quarterly MATER tenders (limited due to transmission constraints).

VACA MUERTA

- ▶ Vaca Muerta development has shown a rebound in its gas production since the Plan GasAr was launched at the beginning of 2021, after the impact of the decrease of investments during 2019 & 2020.
- ▶ **Total Production 1Q 2022 +18% vs 1Q 2021 (107 Mcmd); NQN 1Q 2022: +31% vs 1Q 2022 (83 Mcmd) (**)**

(*) RENOVAR: 5.2 GW (Includes Res 202 projects) ; MATER:1.4 GW (3Q 2021);

(**) Secretary of Energy (SESCO data).

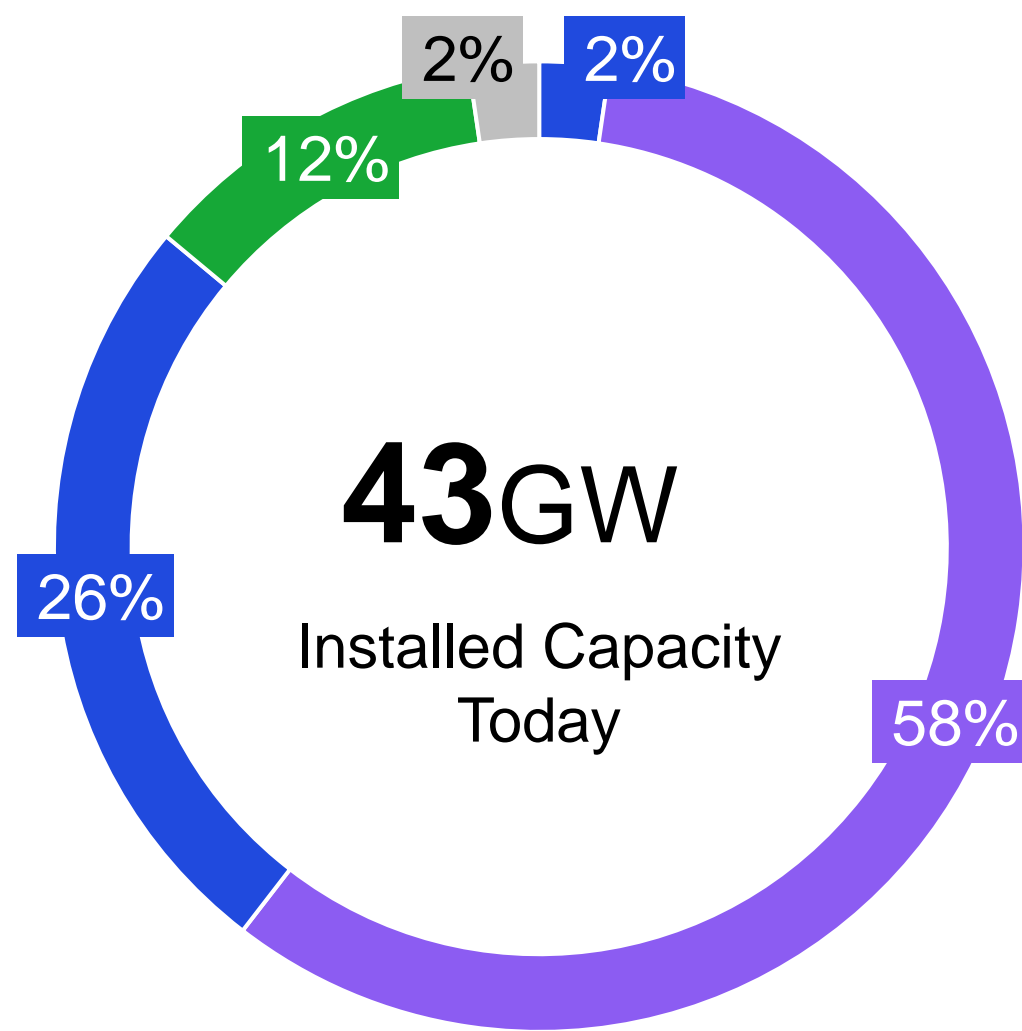
Appendix 2

Energy Sector Overview

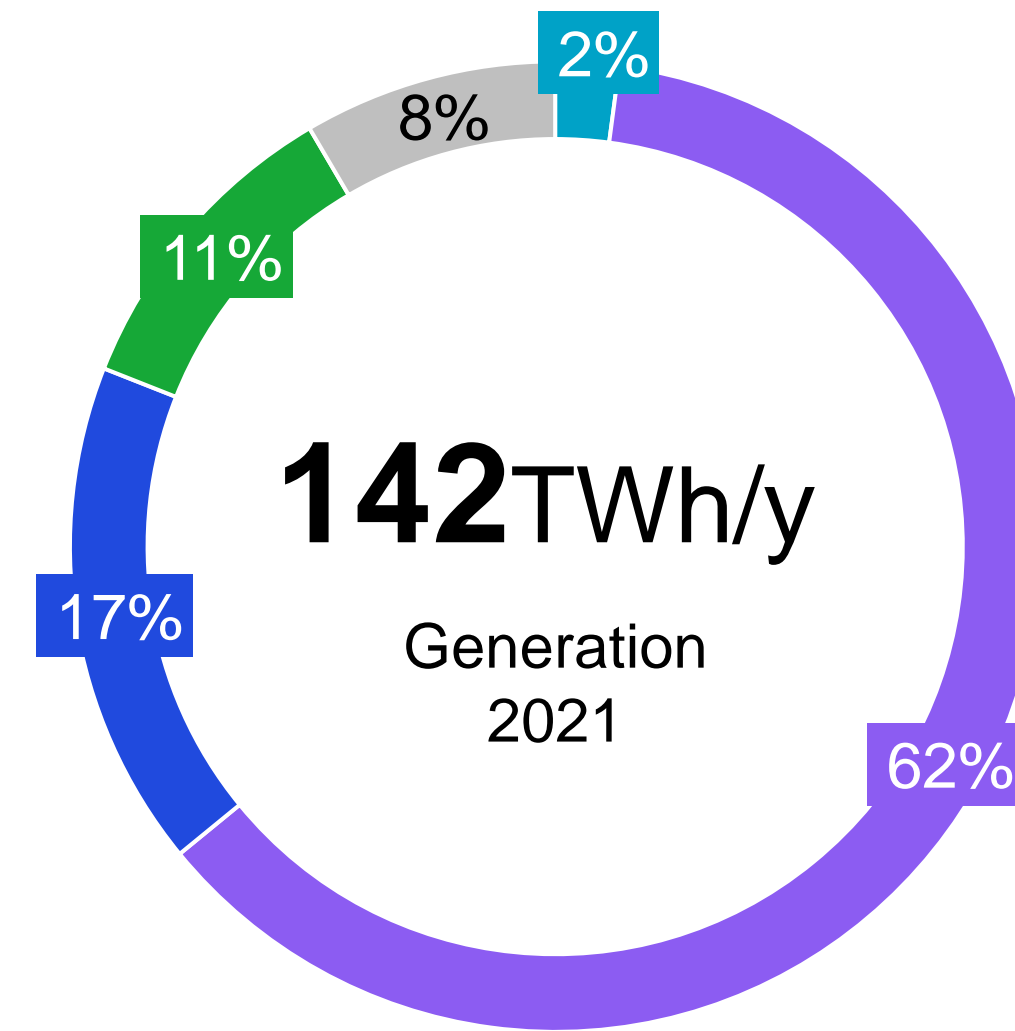


System Capacity and Generation

Overview 2021



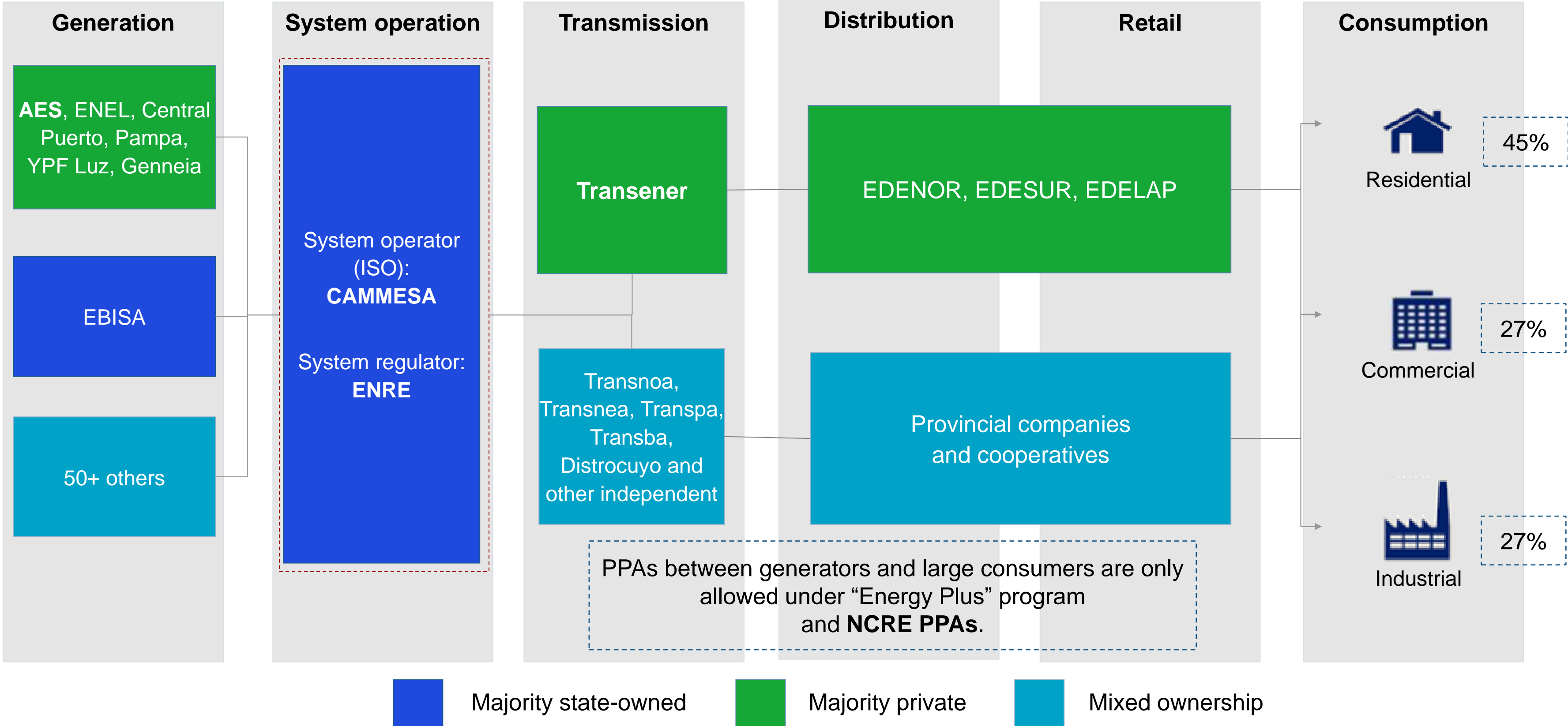
■ Coal ■ Gas & Oil ■ Hydro ■ NCRE ■ Others



■ Coal ■ Gas & Oil ■ Hydro ■ NCRE ■ Others

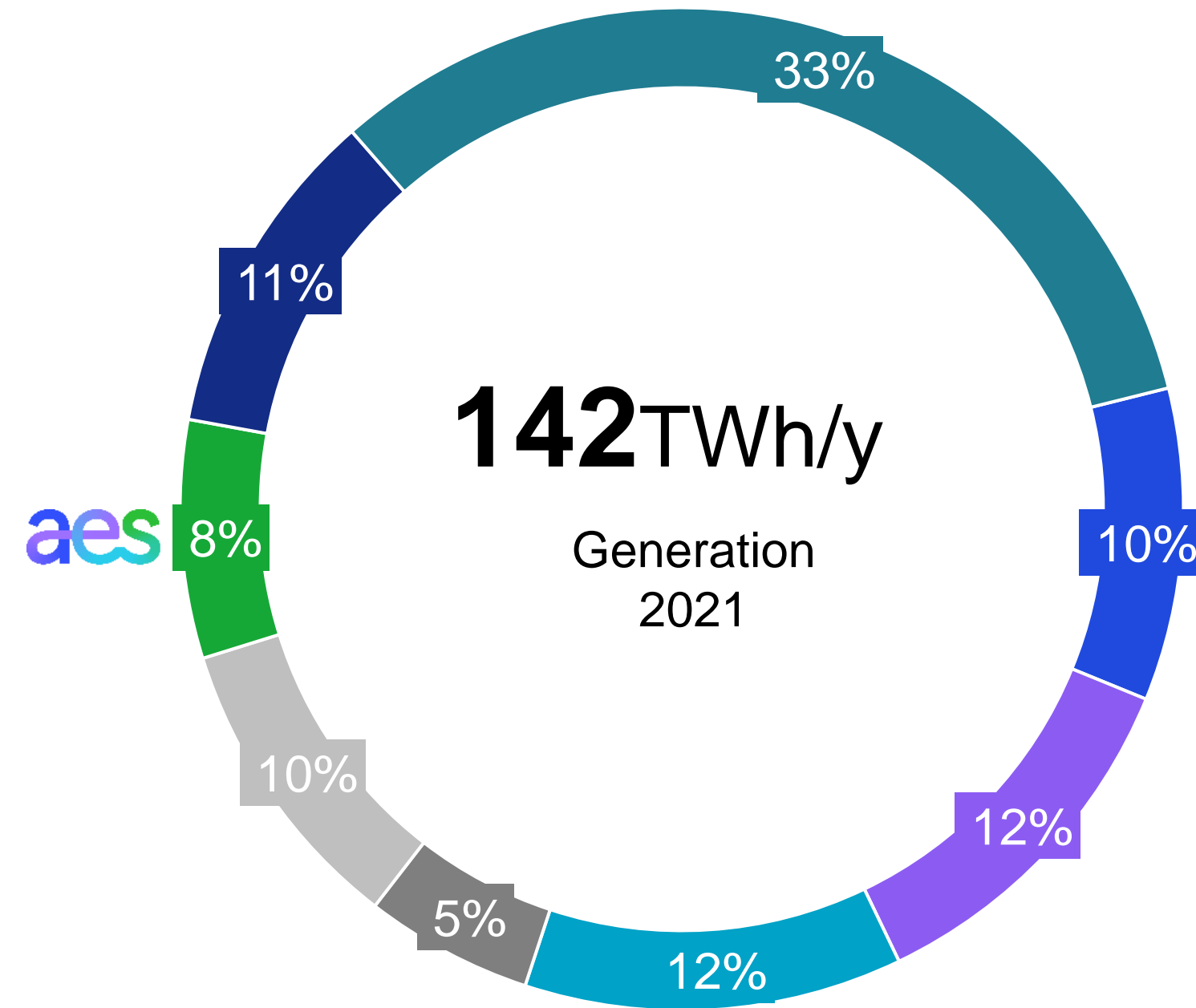
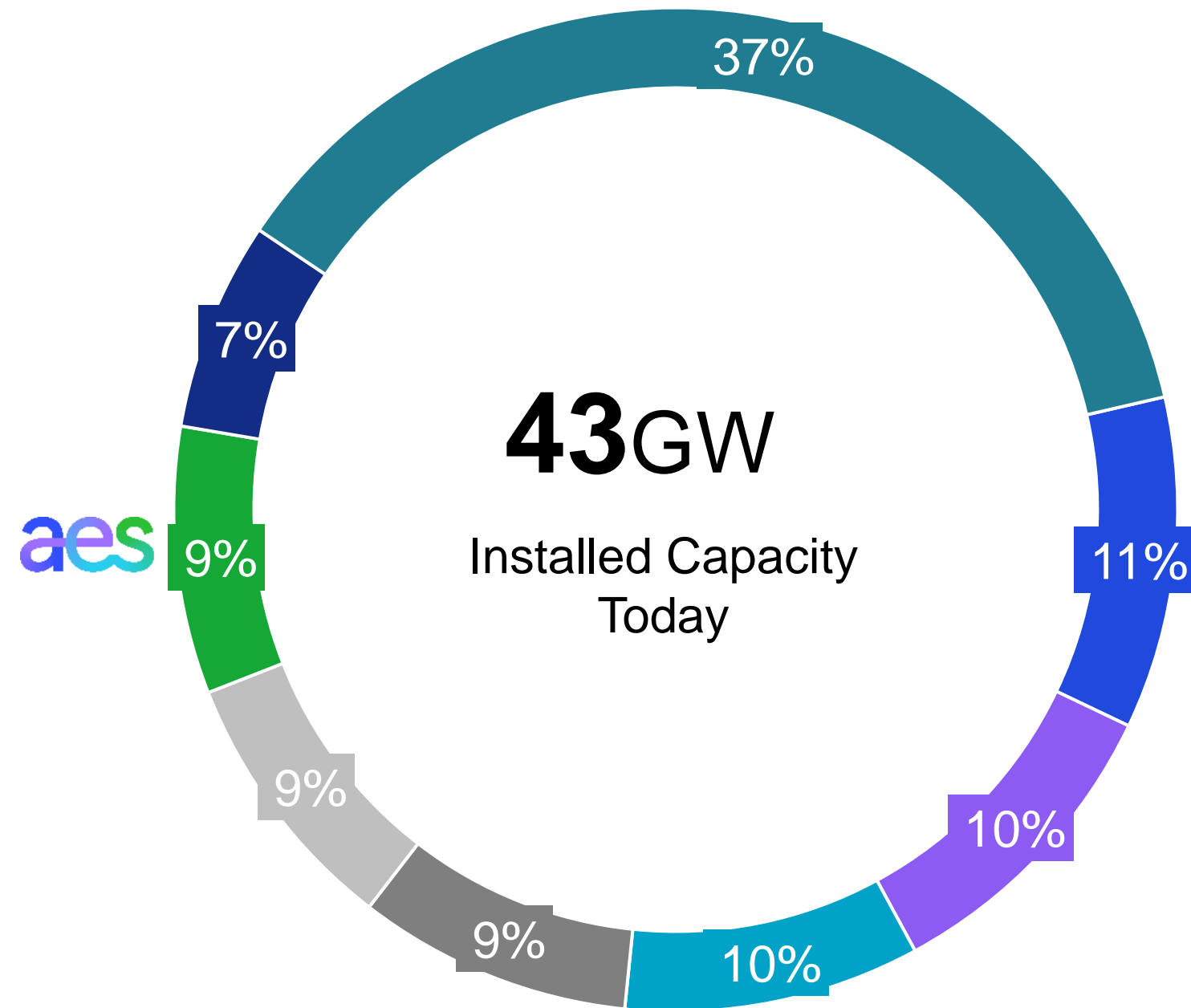
Electric Sector

Overview



Market Relevance

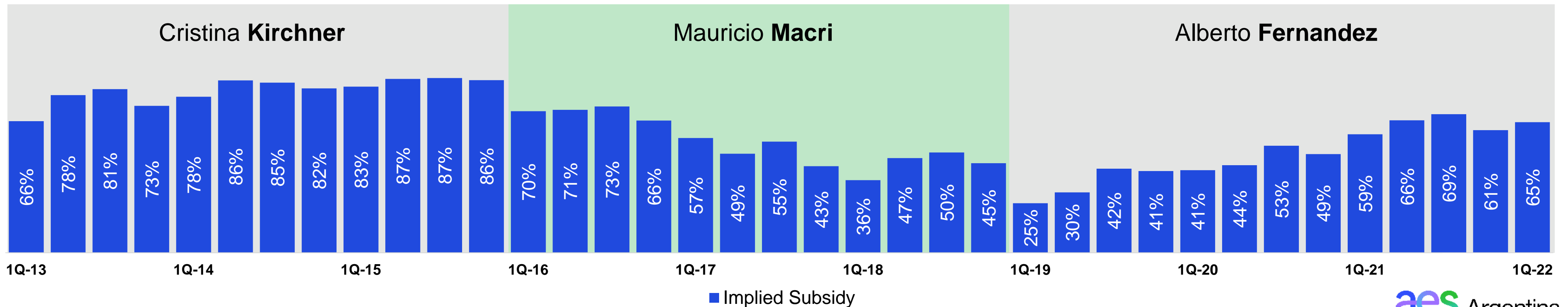
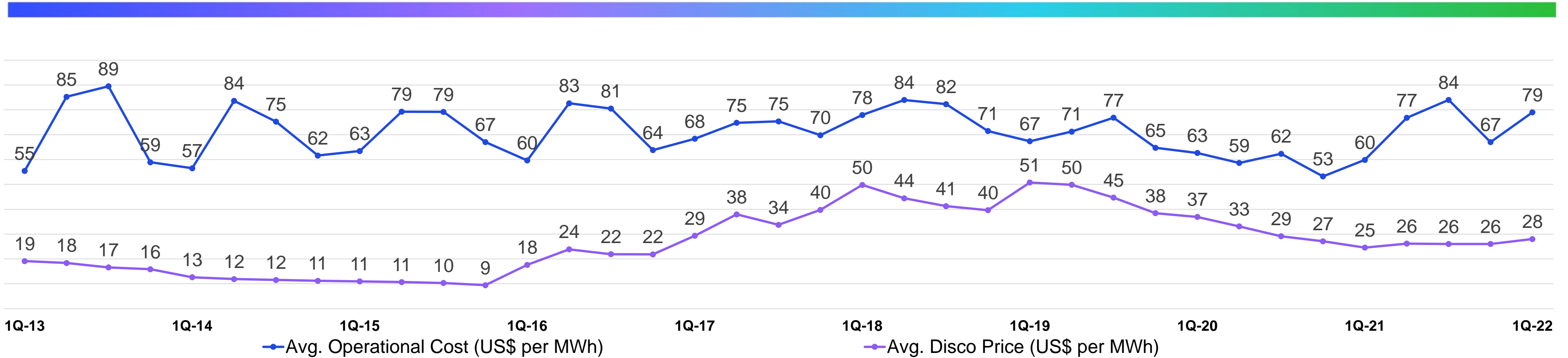
AES Argentina



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

Generation Cost vs Subsidies

Evolution over time



Regulatory Update

Energía Base modifications over time

AR\$ Peso
Denominated
Rates

Capacity and energy
Rates
Reduced

Peak Demand
Premium
Introduced

Usage factor
Removed

FONINVEMEM Payments, MATER & RenovAr PPAs Unaffected

- Resolution 1/2019 Capacity and energy Rates according to technology, size and fuels in USD.
- Resolution 31/2020 was issued on February 27th, with a retroactive implementation date of February 1, 2020
 - Rate Pesification at a Fx rate of 60 AR\$/US\$, with inflation adjustments on monthly basis starting in March 2020, but inflation adjustments were postponed amid covid pandemic.
 - Thermal Capacity Payments Reduced:
 - DIGO Rate reduced by 1,000 US\$/MW-month
 - Minimum Capacity Price reduced 45%
 - Hydro Capacity Payments reduced 45%
 - New concept to recognize an additional price for the first 50 hours of maximum thermal demand during the summer & winter months and 25 hours in spring and fall.
- Updates prices Resolution 31/2020: 29% applied from February 2021 under Resolution 440/2021. 30% applied from February 2022 and an additional 10% from June 2022 under Resolution 238/2022.
- Resolution 1037/2021 issued in November 2021: Adjustment by usage factor for capacity payments was eliminated and a temporary remuneration from exports to Brazil was created (Retroactive from September 2021 until February 2022)
- Resolution 238/2022 eliminated the capacity payment adjustment by last 12 months capacity factor (usage factor).

Regulatory Update

Resolution 31/2020: Key Highlights

		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

		Capacity (Price per MW/Month)					
		Res 238/2022**	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019	
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		

	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	AR\$ 433	AR\$ 403	AR\$ 310	AR\$ 240 (US\$ 4)	4
	AR\$ 775	AR\$ 705	AR\$ 542	AR\$ 420 (US\$ 7)	7
	AR\$ 1,328	AR\$ 1,208	AR\$ 929	AR\$ 720 (US\$ 12)	12

	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

		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	—

		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

Prices in US\$/MWh for Res 31/2020 calculated with FX as of February 2020, equivalent to 60 AR\$/USD

*Tariffs from February 2022

**Tariffs from June 2022

Appendix 3

FONINVEMEN



FONINVEMEM

PREDICTABLE CASH FLOW

\$170mn
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\$170mm 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\$170mm		

Figures as of March 31, 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

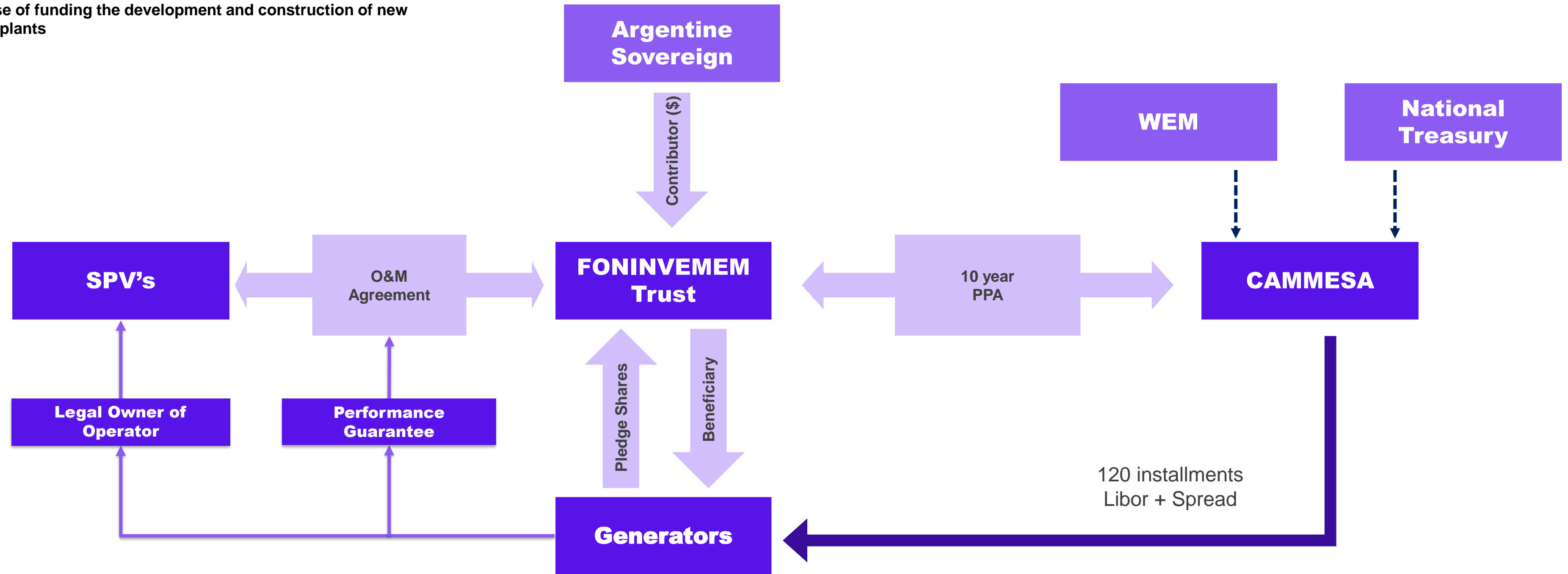


(1) Estimated percentage ownership upon full repayment of the respective FONINVEMEM receivables and transfer of trust assets to the O&M SPVs

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



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