

**3Q - 2022  
Earnings Report**



December 05, 2022

## AES ARGENTINA THIRD QUARTER 2022 RESULTS & HIGHLIGHTS

- AES Argentina Generación S.A. (AES Argentina, AAG, or the Company) reported a Gross Profit for third quarter of 2022 of AR\$2,894 million, a 53% decrease compared to the same period in 2021.
  - Lower sales at Parana as a result of lower dispatch, lower wind generation, in addition to the inflation effect when converting 2021 revenues into current Argentine pesos were the main drivers for the decrease in Gross Profit in the third quarter of 2022 compared to the same period last year. The 30% and 10% tariffs adjustment executed in May 2022 (retroactive from February 2022) and June 2022 as per Resolution 238/2022 partly compensated these negative variances.
  - Regulatory changes in effect from February 2020 involved a freeze and a 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. This change was accrued starting in the 2Q-2022 results.
- AAG reported negative EBITDA of AR\$321 million for the third quarter of 2022, AR\$6,654 million below the third quarter of 2021's EBITDA.
  - The main driver of the decrease in EBITDA was lower Gross Profit, in addition to a 204% increase in Administrative and Trading Expenses compared to 2021. Trading expenses increased AR\$3,245 million due to a bad debt provision registered in the third quarter of 2022 associated to certain account receivables with Cammesa.
- The Company reported a Net Loss of AR\$255 million for the third quarter of 2022, AR\$1,484 million less compared to the AR\$1,229 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 (result for the exposure to the change in the purchasing power of the currency, for its acronym in Spanish) Inflation effect in 2022 than in 2021, in addition to a negative impact from FX differences, partly offset by decreases in income tax and financial expenses.
- During the third quarter of 2022, FONINVEMEM collections, including interest, totaled approximately US\$10.9 million, net of VAT, totaling US\$33.3 million as of September 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.

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 THIRD QUARTER 2022 RESULTS

Income Statement (AR\$ Million)	YTD			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Operating Revenue	48,512	42,541	14 %	15,388	16,339	(6)%
Cost of Sales	(37,936)	(26,887)	41 %	(12,494)	(10,197)	23 %
<b>Gross Profit</b>	<b>10,576</b>	<b>15,655</b>	<b>(32)%</b>	<b>2,894</b>	<b>6,143</b>	<b>(53)%</b>
Administrative Expenses	(2,545)	(2,811)	(9)%	(917)	(824)	11 %
Trading Expenses	(4,517)	(1,144)	295 %	(4,056)	(811)	400 %
Other income and expenses	(33)	(126)	(74)%	6	(15)	(139)%
<b>Operating Income</b>	<b>3,481</b>	<b>11,574</b>	<b>(70)%</b>	<b>(2,073)</b>	<b>4,492</b>	<b>(146)%</b>
Financial Income	6,893	7,367	(6)%	2,424	2,620	(7)%
Financial Expense	(5,629)	(7,328)	(23)%	(2,276)	(3,380)	(33)%
Effect of FX differences	(637)	1,167	(155)%	(265)	398	(166)%
Inflation effect	(10,498)	(7,379)	42 %	(3,771)	(2,524)	49 %
Income from Investments in Associates	38	84	(55)%	(15)	17	(190)%
<b>Income (Loss) before Taxes</b>	<b>(6,351)</b>	<b>5,485</b>	<b>(216)%</b>	<b>(5,976)</b>	<b>1,623</b>	<b>(468)%</b>
Income Tax	6,789	(2,354)	(388)%	5,721	(394)	(1,553)%
<b>Net Income</b>	<b>438</b>	<b>3,131</b>	<b>(86)%</b>	<b>(255)</b>	<b>1,229</b>	<b>(121)%</b>
<b>EBITDA</b>	<b>8,866</b>	<b>17,769</b>	<b>(50)%</b>	<b>(321)</b>	<b>6,333</b>	<b>(105)%</b>

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 September 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 September 30, 2022.

## Generation

The Company generated 1,717 GWh during the third quarter of 2022, a 33% decrease compared to last year. Total thermal generation fell 50%, while hydro generation grew 43% between both periods. The 68GWh decrease in wind generation is due to less wind at Vientos Bonaerenses wind farm. Thermal generation decreased due to lower generation at Parana and San Nicolás as a consequence of higher hydro generation in the system, lower demand and lower gas availability in the region where Parana is located, coupled with energy imports from Brazil. Better hydrology at Alicurá led to an increase in hydro generation.

Net Generation by Plant (GWh)	YTD			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Paraná	2,260	3,435	(34)%	565	1,324	(57)%
San Nicolás	1,405	1,403	— %	370	559	(34)%
Alicurá	912	764	19 %	465	319	46 %
Cabra Corral	128	113	13 %	80	52	54 %
El Tunal	33	36	(8)%	18	12	50 %
Ullum	60	68	(12)%	22	25	(12)%
Sarmiento	10	2	400 %	(1)	—	---
Vientos Bonaerenses	335	337	(1)%	115	181	(36)%
Vientos Neuquinos	274	237	16 %	83	85	(2)%
<b>Total Generation / Sales</b>	<b>5,417</b>	<b>6,395</b>	<b>(15)%</b>	<b>1,717</b>	<b>2,557</b>	<b>(33)%</b>

## Operating Revenue

The decrease in contract sales revenues as a result of lower wind generation at Vientos Bonaerenses in addition to lower Energía Base capacity sales revenues due to the effect of inflation when converting 2021 figures into the same purchasing power as current Argentine pesos were the primary drivers for the 6% decrease in operating revenues to AR\$15,388 million in the third quarter of 2022, compared to AR\$16,339 million in the same period last year. Higher Energía Base energy sales partly offset these negative variations, explained by higher coal prices associated to the coal generation at San Nicolás, compensated in part by lower energy sales volume at Parana and San Nicolás due to lower dispatch at both plants. 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 partly offset the negative variations.

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. This change was accrued starting in the 2Q-2022 results. For more details see the Regulatory Risk section of this report or Note 3.a of the Financial Statements.

Operating Revenue (AR\$ Million)	YTD			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Energy Sales	32,460	23,926	36 %	10,092	9,797	3 %
Capacity Sales	10,807	12,479	(13)%	3,706	4,400	(16)%
Contracts Sales	4,988	5,793	(14)%	1,494	1,999	(25)%
Other Revenue	257	343	(25)%	96	143	(33)%
<b>Total Operating Revenue</b>	<b>48,512</b>	<b>42,541</b>	<b>14 %</b>	<b>15,388</b>	<b>16,339</b>	<b>(6)%</b>

## Cost of Sales

Cost of Sales reached AR\$12,494 million in the third quarter of 2022, a 23% increase compared to the third 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			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Fuel cost	23,557	11,728	101 %	7,986	5,513	45 %
Maintenance	3,141	3,257	(4)%	778	923	(16)%
Personnel costs	2,412	2,338	3 %	788	785	— %
Insurance	2,327	2,544	(9)%	747	784	(5)%
Depreciation	4,310	5,184	(17)%	1,392	1,562	(11)%
Rights and royalties	190	226	(16)%	75	93	(19)%
Amortization of intangible assets	786	631	25 %	254	197	29 %
Purchases of energy and power	243	89	173 %	202	25	708 %
Related-Party Services	162	189	(14)%	48	57	(16)%
Operator Fee	151	119	27 %	57	45	27 %
Transmission charges	112	115	(2)%	35	36	(3)%
Fees and remuneration to third parties	39	50	(21)%	2	4	(50)%
Frequency Regulation	93	31	203 %	6	12	(50)%
Others	413	386	7 %	124	161	(23)%
<b>Total Cost of Sales</b>	<b>37,936</b>	<b>26,887</b>	<b>41 %</b>	<b>12,494</b>	<b>10,197</b>	<b>23 %</b>

## Gross Profit

Gross Profit in the third quarter of 2022 reached AR\$2,894 million, a 53% decrease compared to last year. This decrease was mainly driven by lower sales at Parana due to a 57% reduction in generation as a result of lower gas availability in the region where the plant is located, lower wind generation, 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. This change was accrued starting in the 2Q-2022 results.

## Administrative & Trading Expenses

Administrative and Trading Expenses reached AR\$4,973 million in the third quarter of 2022, compared to the AR\$1,635 million registered in the same period of 2021. The 204% increase is primarily due to a bad debt provision registered in the third quarter of 2022 associated to certain account receivables with Cammesa from Resolutions 95/2013 and 529/2014 which aimed to remunerate certain operating and maintenance costs, among others, that were modified in subsequent resolutions. For more details on the provision for bad debt please see Note 14.3 of the Financial Statements.

Administrative & Trading Expenses (AR\$ Million)	YTD			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Personnel costs	549	546	1 %	184	182	1 %
Depreciation	255	254	— %	112	66	70 %
Taxes, rates and contributions	1,213	1,202	1 %	365	407	(10)%
Related-Party Services	854	1,097	(22)%	302	298	1 %
Fees and remuneration to third parties	305	385	(21)%	131	110	19 %
Bad Debt Expense	3,768	407	826 %	3,827	554	591 %
Others	117	64	83 %	52	18	189 %
<b>Total Administrative &amp; Trading Expenses</b>	<b>7,061</b>	<b>3,955</b>	<b>79 %</b>	<b>4,973</b>	<b>1,635</b>	<b>204 %</b>

## EBITDA

The Company reported a negative EBITDA of AR\$321 million for the third quarter of 2022, a AR\$6,654 million decrease over the same quarter of 2021 primarily due to lower gross profit, in addition to a bad debt provision registered in the third quarter of 2022 mentioned above.

EBITDA (AR\$ Million)	YTD			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Net Income	438	3,131	(86)%	(255)	1,229	(121)%
Income tax	(6,789)	2,354	(388)%	(5,721)	394	(1,553)%
Other Income	33	126	(74)%	(6)	15	(139)%
Income from Investments in Associates	(38)	(84)	(55)%	15	(17)	(190)%
Financial Income	(6,893)	(7,367)	(6)%	(2,424)	(2,620)	(7)%
Financial Expense	5,629	7,328	(23)%	2,276	3,380	(33)%
Effect of FX differences	637	(1,167)	(155)%	265	(398)	(166)%
Inflation effect	10,498	7,379	42 %	3,771	2,524	49 %
Depreciation and Amortization	5,351	6,069	(12)%	1,758	1,826	(4)%
<b>EBITDA</b>	<b>8,866</b>	<b>17,769</b>	<b>(50)%</b>	<b>(321)</b>	<b>6,333</b>	<b>(105)%</b>

## Non-Operating Results

The Non-Operating Results of the Company in the third quarter of 2022 totaled AR\$-3,888 million, compared to the AR\$-2,887 million registered in the same period in 2021. The AR\$1,248 million negative variation in Inflation Effect, the AR\$663 million negative variance in FX differences and the AR\$196 million less Financial Income were partly offset by a AR\$1,105 million decrease in Financial Expense.

Financial Income fell AR\$196 million. This variance is primarily due to lower other financial income associated to interests paid by Cammesa on Energía Base payments, partly offset by higher interest income on financial assets.

Financial Expense decreased AR\$1,105 million primarily due a loss registered in 2021 associated to the prepayment of a portion of the 144A/RegS Senior Notes.

Higher FX losses on liabilities partly offset by higher gains on assets in the third 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\$3,771 million negative inflation adjustment was registered in the third quarter of 2022 compared to AR\$2,524 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			3Q		
	2022	2021	Var (%)	2022	2021	Var (%)
Interest Income	4,999	5,708	(12)%	2,069	1,902	9 %
Other finance income	1,892	1,658	14 %	354	717	(51)%
Interest income from related companies	2	1	77 %	1	1	— %
<b>Financial Income</b>	<b>6,893</b>	<b>7,367</b>	<b>(6)%</b>	<b>2,424</b>	<b>2,620</b>	<b>(7)%</b>
Interest on financial debt	(5,052)	(5,642)	(10)%	(2,157)	(1,843)	17 %
Interest on tax debts	(3)	(24)	(87)%	—	(3)	(100)%
Interest on commercial loans	(6)	(36)	(83)%	(2)	(30)	(93)%
Lost interest with related companies	(64)	—	---	(64)	—	---
Interest on obligations for long-term benefits	(192)	(176)	9 %	(53)	(53)	— %
Loss on liability early payment	(312)	(1,450)	---	—	(1,450)	---
<b>Financial Expense</b>	<b>(5,629)</b>	<b>(7,328)</b>	<b>(23)%</b>	<b>(2,276)</b>	<b>(3,380)</b>	<b>(33)%</b>
FX difference generated by assets	15,945	11,253	42 %	6,820	1,696	302 %
FX difference generated by liabilities	(16,581)	(9,780)	70 %	(7,084)	(1,298)	446 %
Hedging instruments	—	(305)	---	—	—	---
<b>Total FX Differences</b>	<b>(637)</b>	<b>1,167</b>	<b>(155)%</b>	<b>(265)</b>	<b>398</b>	<b>(166)%</b>
<b>Inflation Effect</b>	<b>(10,498)</b>	<b>(7,379)</b>	<b>42 %</b>	<b>(3,771)</b>	<b>(2,524)</b>	<b>49 %</b>
<b>Total Non-Operating Results</b>	<b>(9,870)</b>	<b>(6,173)</b>	<b>60 %</b>	<b>(3,888)</b>	<b>(2,887)</b>	<b>35 %</b>



## Exchange Rate

The average quarterly AR\$/US\$ exchange rate was 29% higher in the third quarter of 2022 compared to the same period in 2021. During the third quarter of 2022, the AR\$/US\$ exchange rate rose 18%, while in the same period of 2021, the AR\$/US\$ exchange rate increased 3%. During the twelve-month year ended September 30, 2022, the AR\$/US\$ exchange rate rose 49%.

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Argentine Peso EOP (ARS/US\$)	147.32	125.23	111.01	102.72
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Argentine Peso EOP (ARS/US\$)	98.74	95.72	92.00	84.15

	YTD		
	2022	2021	Var (%)
Argentine Peso AVG (ARS/US\$)	120.11	93.29	29%

## Net Income

AES Argentina's Pre-tax Loss fell to AR\$5,976 in the third quarter of 2022 compared to AR\$1,623 million Pre-tax Net Income in the same period in 2021 primarily due to lower Gross Profit, higher Trading Expenses due to a bad debt provision mentioned earlier, higher Inflation Adjustments, in addition to a negative impact in FX Differences, offset in part by a reduction in Financial Expenses.

AAG recorded an AR\$5,721 million Income tax gain in the three-month period ended September 30, 2022, which positively compares to the Income tax expense of AR\$394 million registered in the same quarter of 2021. This positive variation is due to lower Pre-tax income as of September 30, 2022, explained above.

AAG reported a Net Loss of AR\$255 million for the third quarter of 2022, compared to the third quarter 2021's Net Income of AR\$1,229 million primarily due to the Pre-tax Loss in 2022 explained above.

## Cash Flow

Net Cash flow from operations reached AR\$982 million in inflows in the period ended September 30, 2022, compared to AR\$17,255 million inflow in the same period in 2021. Operating cash flows fell AR\$16,273 million primarily due to an increase in coal purchases as a result of higher coal prices, in addition to lower collections on Energia Base due to delays in payments from Cammesa in 2022.

Investing cash outflows totaled AR\$2,484 million in the period ended September 30, 2022, down from a cash outflow of AR\$3,946 million in the same period last year. This variance is primarily due to lower net Mutual Funds investments as of September 30, 2022, compared to the same period of 2021.

AES Argentina reported an inflow from financing activities of AR\$1,939 million in the nine-month period ended September 30, 2022, compared to the net outflow of AR\$10,664 million in the same period in 2021. The main variances were attributable to higher proceeds from loans of AR\$13,357 million primarily related to debt disbursements in 2022 to finance fuel shipments and fortify the company's liquidity position and AR\$937 million proceeds from related-

party loans, in addition to lower interest payments. During the first nine months of 2022, AES Argentina paid AR\$5,676 million in interest on debt compared to AR\$6,021 million paid in the same period of 2021. These positive variances were partly offset higher debt amortizations, despite AR\$2,723 million lower repurchase of a portion of AAG's Class A Senior Notes due in 2024. Principal payments were AR\$10,718 million in 2022 compared to AR\$5,977 million in 2021.

The net inflow in cash and cash equivalents during the period ended September 30, 2022, was AR\$274 million, compared to the AR\$2,993 million inflow registered in the same period of 2021.

Total cash and cash equivalents on the Cash Flow statement at the end of September 2022, reached AR\$2,912 million, compared to the AR\$5,801 million as of the period ended September 30, 2021. It is important to mention that as of September 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	982	17,255	(94)%
Net cash from investing activities	(2,484)	(3,946)	(37)%
Net cash from financing activities	1,939	(10,664)	(118)%
Effects of Foreign Exchange Variations	(163)	348	(147)%
<b>Total Net Cash Flow for the Period</b>	<b>274</b>	<b>2,993</b>	<b>---</b>
Cash at the beginning of the period	2,638	2,808	(6)%
<b>Total Cash at the End of the Period</b>	<b>2,912</b>	<b>5,801</b>	<b>(50)%</b>

Total cash and cash equivalents on the Balance Sheet as of September 30, 2022, reached AR\$9,903 million, compared to the AR\$8,144 million as of September 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 September 30, 2022, outstanding FONINVEMEM Receivables associated with the FONINVEMEM fund III totaled US\$149.4 million, net of VAT. FONINVEMEM funds I and II were fully repaid during the first quarter of 2020.

During the third quarter of 2022, FONINVEMEM collections, including interest, associated with FONINVEMEM fund totaled approximately US\$10.9 million, net of VAT.

AES Argentina is in the process of receiving 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 September 30, 2022. For more details please see Note 3.d.1. of the Financial Statements.

## Dividends

The Company paid AR\$130 million in dividends in the period ended September 30, 2022 and AR\$111 million as of September 30, 2021, mainly to fund tax payments of holding companies.

## CAPEX

As of September 30, 2022 the Company's CAPEX totaled US\$16 million in 2022, compared to a total capex of US\$16 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 September 30, 2022, AES Argentina has a total financial debt of US\$368 million. As of September 30, 2022, 90% of the Company's financial debt liabilities were at fixed interest rates and 84% 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\$23 million outstanding as of September, 30, 2022).

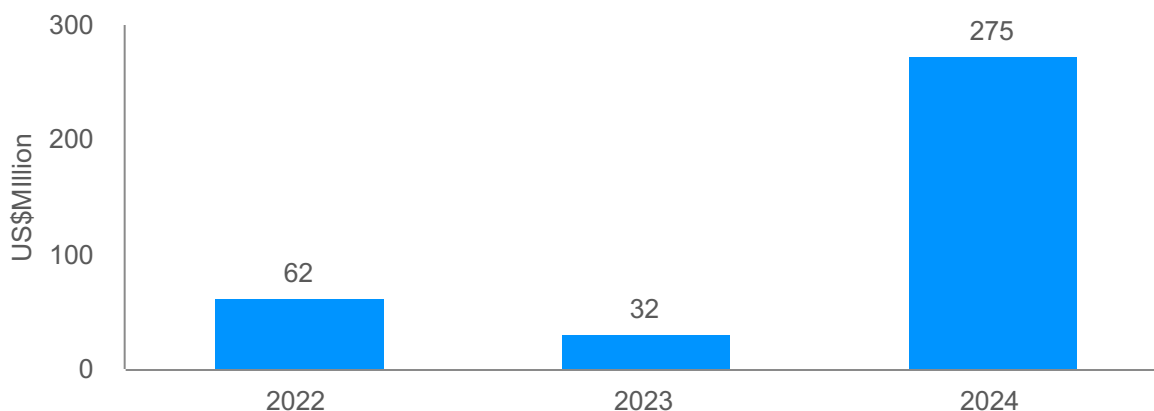
A cash collateralized short-term loan for US\$20 million was raised with Goldman Sachs, at LIBOR + 1.75% Spread interest Rate with due date in February 2021. In February 2021, the Company paid US\$8 million of the outstanding US\$20 million Goldman Sachs Secured Loan. The remaining US\$12 million was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

In addition, in 2022, the company raised approximately US\$59 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 September 30, 2022:

AES Argentina Debt Maturity



Debt Amortization (US\$ Million)					
		Average Interest Rate	September 30, 2022		
			2022	2023	2024
AAG 2024 Notes	275	7.75%	—	—	275
ICBC US\$ 50mn Loan Vientos Neuquinos 2023	23	9.44%	3	20	—
GS Secured Loan	12	4.66%	—	12	—
ST Loan*	59	62.23%	59	—	—
<b>Total</b>	<b>368</b>		<b>62</b>	<b>32</b>	<b>275</b>

\* 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 September 30, 2022, 90% 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\$42.3 million impact on the third quarter pretax income.

A 10% variation of the CAMMESA rate would have had a AR\$263 million impact on the third 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\$604 million impact on the third quarter pretax income.

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

AR\$ million	September 30, 2022
Non-current Assets	33,003
Current Assets	16,126
<b>Total Assets</b>	<b>49,129</b>
Non-current Liabilities	40,675
Current Liabilities	9,522
<b>Total Liabilities</b>	<b>50,197</b>

### **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\$1,004 million impact on the third 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 September 30, 2022, AES Argentina had AR\$9,903 million in available liquid resources, classified as cash and cash equivalents (including short-term investments) on the balance sheet, compared to AR\$8,144 million as of December 31, 2021. It is important to mention that as of September 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.

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
<b>Hydro</b>	AR\$ 154	AR\$ 140	AR\$108	AR\$ 84 (US\$ 1.4)	1.4
<b>Thermal</b>	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
<b>Hydro</b>	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	—
<b>Thermal</b>	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
<b>Hydro &amp; Thermal</b>	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 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, 2022 is:

Accumulated Net Taxable Profit		Will Pay	Plus % of	On the surplus of
Since	Up to			
—	7,604,948	—	25%	—
7,604,948	76,049,485	1,901,237	30%	7,604,948
76,049,485	onwards	22,434,598	35%	76,049,485

## AES ARGENTINA GENERACIÓN BALANCE SHEET

As of September 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 147.32 AR\$/US\$.)

Assets	AR\$ Million			US\$ Million
	September 30, 2022	December 31, 2020	Var. %	September 30, 2022
<b>Non- Current Assets</b>				
Investments in subsidiaries and associates	219	264	(17)%	1
Property, plant & equipment	65,292	73,274	(11)%	443
Intangible Assets	4,072	4,725	(14)%	28
Inventory	1,679	1,679	— %	11
Accounts receivable from related parties	7	10	(30)%	0
Other financial assets	45	2,110	---	0
Other non-financial assets	276	341	(19)%	2
Trade & Other accounts receivable	16,161	27,926	(42)%	110
Tax assets	3,181	620	413 %	22
Deferred tax assets	4,131	528	682 %	28
<b>Total Non-Current Assets</b>	<b>95,064</b>	<b>111,477</b>	<b>(15)%</b>	<b>645</b>
<b>Current Assets</b>				
Inventory	13,369	7,541	77 %	91
Accounts receivable from related parties	75	99	(24)%	1
Other financial assets	1,783	0	---	12
Other non-financial assets	858	282	204 %	6
Trade & Other accounts receivable	20,109	18,024	12 %	136
Cash & Cash equivalents	9,903	8,144	22 %	67
Tax assets	2,653	5,119	(48)%	18
<b>Total Current Assets</b>	<b>48,751</b>	<b>39,208</b>	<b>24 %</b>	<b>331</b>
<b>TOTAL ASSETS</b>	<b>143,814</b>	<b>150,685</b>	<b>(5)%</b>	<b>976</b>

## AES ARGENTINA GENERACIÓN BALANCE SHEET

As of September 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 147.32 AR\$/US\$)

Liabilities and Shareholders' Equity	AR\$ Million			US\$ Million
	September 30, 2022	December 31, 2021	Var. %	September 30, 2022
<b>Equity</b>				
Issued Equity	1,153	1,153	— %	8
Equity Adjustment	9,894	9,894	— %	67
Irrevocable contributions	274	274	— %	2
Additional paid-in capital	2,661	2,661	— %	18
Legal Reserve	2,741	2,741	— %	19
IFRS special reserve	6,310	6,310	— %	43
Optional Reserves	33,403	31,055	8 %	227
Other Reserves	19,863	21,937	(9)%	135
Retained Earnings	325	2,558	(87)%	2
<b>Equity Attributable to Shareholders of Parent</b>	<b>76,625</b>	<b>78,582</b>	<b>(2)%</b>	<b>520</b>
Non-controlling Interest in Controlled Subsidiaries	257	162	59 %	2
<b>TOTAL EQUITY</b>	<b>76,882</b>	<b>78,744</b>	<b>(2)%</b>	<b>522</b>
<b>Non-Current Liabilities</b>				
Employee benefits	479	494	(3)%	3
Tax liabilities	407	705	(42)%	3
Deferred tax liabilities	2,069	5,486	(62)%	14
Provisions	319	418	(24)%	2
Accounts payable to related parties	214	59	263 %	1
Interest-accruing liabilities	40,267	52,458	(23)%	273
<b>Total Non-Current liabilities</b>	<b>43,754</b>	<b>59,619</b>	<b>(27)%</b>	<b>297</b>
<b>Current Liabilities</b>				
Employee benefits	998	1,373	(27)%	7
Tax liabilities	217	288	(25)%	1
Accounts payable to related parties	3,036	1,579	92 %	21
Trade & other accounts payable	5,039	3,913	29 %	34
Interest-accruing liabilities	13,889	5,168	169 %	94
<b>Total Current liabilities</b>	<b>23,178</b>	<b>12,322</b>	<b>88 %</b>	<b>157</b>
<b>TOTAL LIABILITIES</b>	<b>66,932</b>	<b>71,941</b>	<b>(7)%</b>	<b>454</b>
<b>Total Liabilities and Equity</b>	<b>143,814</b>	<b>150,685</b>	<b>(5)%</b>	<b>976</b>

## AES ARGENTINA GENERACIÓN INCOME STATEMENT

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

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is 120.11 AR\$/US\$ for the nine-month periods ended September 30, 2022 and 135.80 AR\$/US\$ for the three-month periods ended September 30, 2022)

Income Statement	AR\$ Million			US\$ Million	AR\$ Million			US\$ Million
	YTD		Var (%)	YTD	3Q		Var (%)	3Q
	2022	2021		2021	2022	2021		2022
Operating Revenue	48,512	42,541	14 %	404	15,388	16,339	(6)%	113
Cost of Sales	(37,936)	(26,887)	41 %	(316)	(12,494)	(10,197)	23 %	(92)
<b>Gross Profit</b>	<b>10,576</b>	<b>15,655</b>	<b>(32)%</b>	<b>88</b>	<b>2,894</b>	<b>6,142</b>	<b>(53)%</b>	<b>21</b>
Administrative Expenses	(2,545)	(2,811)	(9)%	(21)	(917)	(824)	11 %	(7)
Trading Expenses	(4,517)	(1,144)	295 %	(38)	(4,056)	(811)	400 %	(30)
Other income and expenses	(33)	(126)	(74)%	—	6	(15)	(140)%	—
<b>Operating Income</b>	<b>3,481</b>	<b>11,574</b>	<b>(70)%</b>	<b>29</b>	<b>(2,073)</b>	<b>4,492</b>	<b>(146)%</b>	<b>(16)</b>
Financial Income	6,893	7,367	(6)%	57	2,424	2,620	(7)%	18
Financial Expense	(5,629)	(7,328)	(23)%	(47)	(2,276)	(3,380)	(33)%	(17)
Effect of FX differences	(637)	1,167	(155)%	(5)	(265)	398	(167)%	(2)
Inflation effect	(10,498)	(7,379)	42 %	(87)	(3,771)	(2,524)	---	(28)
Income from Investments in Associates	38	84	(55)%	0	(15)	17	(188)%	0
<b>Income (Loss) before Taxes</b>	<b>(6,351)</b>	<b>5,485</b>	<b>(216)%</b>	<b>(53)</b>	<b>(5,976)</b>	<b>1,623</b>	<b>(468)%</b>	<b>(45)</b>
Income Tax	6,789	(2,354)	---	57	5,721	(394)	---	42
<b>Net Income</b>	<b>438</b>	<b>3,131</b>	<b>(86)%</b>	<b>4</b>	<b>(255)</b>	<b>1,229</b>	<b>(121)%</b>	<b>(3)</b>
<b>EBITDA</b>	<b>8,866</b>	<b>17,769</b>	<b>(50)%</b>	<b>74</b>	<b>(321)</b>	<b>6,333</b>	<b>(105)%</b>	<b>(2)</b>

## AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT

For the nine and three months periods ended September 30, 2022, and September 30, 2021 (cumulative results) International Financial Reporting Standards (IFRS)  
 (Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$120.11 AR\$/US\$ for the nine-month period ended September 30, 2022)

	AR\$ Million			US\$ Million
	September 30,		Var (%)	September 30,
	2022	2021		2021
<b>Operating Activities</b>				
<b>Net income</b>	<b>438</b>	<b>3,131</b>	<b>(86)%</b>	<b>4</b>
<b>Earnings reconciliation adjustments</b>				
Depreciation & amortization expenses	5,351	6,069	(12)%	45
Result due to loss of property, plant and equipment and intangibles	13	34	(62)%	—
FX differences and conversion differences	10,993	4,134	---	92
Loss for partial repurchase of negotiable obligations	312	1,450	---	3
Interest gains and other financial income	(6,893)	(7,367)	(6)%	(57)
Income from investments in other companies	(38)	(84)	(55)%	—
Income tax expenses	(6,789)	2,354	(388)%	(57)
Provision expenses	75	109	(31)%	1
Accrued interest expenses	5,100	5,795	(12)%	42
Bad debt provision	3,768	407	---	31
Pension plan	221	208	6 %	2
<b>Adjustments for balance sheet accounts variations</b>				
Inventory	(5,828)	(2,455)	137 %	(49)
Trade & other account receivables	(4,834)	7,870	(161)%	(40)
Account receivables from related parties	(1,654)	(2,159)	(23)%	(14)
Other non-financial assets	(381)	9	(4333)%	(3)
Trade & other account payables	1,586	(2,939)	(154)%	13
Accounts payable to related parties	1,495	1,519	(2)%	12
Provisions	(16)	(16)	---	0
Tax Assets	218	691	(68)%	2
Tax Liabilities	(374)	1,274	(129)%	(3)
Employee benefits	99	157	(37)%	1
Income tax paid	(2,892)	(3,567)	(19)%	(24)
Hedging instruments	—	(305)	---	0
Interests received on trade accounts	1,011	1,473	(31)%	8
<b>Net cash flow from operations</b>	<b>982</b>	<b>17,255</b>	<b>(94)%</b>	<b>8</b>

## AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT (CONTINUED)

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

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$120.11 AR\$/US\$ for the nine-month period ended September 30, 2022)

	AR\$ Million			US\$ Million
	September 30,			September 30,
	2022	2021	Var (%)	2022
<b>Investment Activities</b>				
Purchase of Property, Plant & Equipment	(1,882)	(1,893)	(1)%	(16)
Purchase of intangible assets	(96)	(167)	(43)%	(1)
Sale of intangible assets	—	116	---	—
Interests received	2,190	1,707	28 %	18
Dividend Received	33	61	(46)%	—
Sale of short term investment	—	406	(100)%	—
Purchase of short term investment	—	(255)	(100)%	—
Net decrease of common investment funds	(2,737)	(3,872)	(29)%	(23)
Loans granted to related parties	7	(50)	---	—
<b>Net cash flows used in investment activities</b>	<b>(2,484)</b>	<b>(3,946)</b>	<b>(37)%</b>	<b>(21)</b>
<b>Financing Activities</b>				
Proceeds from third-party loans	18,320	4,963	---	153
Guarantee deposit	—	—	---	—
Payments of third-party loans	(11,506)	(5,977)	93 %	(96)
Interests paid on third-party loans	(5,676)	(6,021)	(6)%	(47)
Proceeds from related party loans	937	—	---	8
Payment of financial leases	(6)	(7)	(14)%	0
Dividend payments	(130)	(111)	---	(1)
<b>Net Cash flows from (used in) financing activities</b>	<b>1,939</b>	<b>(10,664)</b>	<b>(118)%</b>	<b>16</b>
Effect of FX difference on cash & cash equivalents	(163)	348	(147)%	(1)
<b>Net Increase in cash &amp; cash equivalents</b>	<b>274</b>	<b>2,993</b>	<b>(91)%</b>	<b>2</b>
Opening Cash & Cash Equivalent	2,638	2,808	(6)%	22
<b>Ending Cash &amp; Cash Equivalent</b>	<b>2,912</b>	<b>5,801</b>	<b>(50)%</b>	<b>24</b>

## 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](http://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](http://www.aes.com)