



aes Argentina

**3Q - 2023
Earnings Report**



December 29, 2023

AES ARGENTINA THIRD QUARTER 2023 RESULTS & HIGHLIGHTS

- AES Argentina Generación S.A. (AES Argentina, AAG, or the Company) reported a Gross Profit for the third quarter of 2023 of AR\$ 5,382 million, a 22% decrease compared to the same period in 2022.
 - Lower Energía Base revenues due to the decrease in generation at San Nicolás, in addition to the effect of inflation when converting 2022 figures into the same purchasing power as current Argentine pesos were the primary drivers for the 22% decrease in Gross Profit in the third quarter of 2023 compared to the same quarter in 2022. The adjustments to energy and capacity tariffs from Resolutions, 826/2022, 59/2023, 750/2023 and 869/2023, partly offset the negative variation in Gross profit.
 - 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 and December 2022, respectively, in addition to establishing tariff increases in advance of 25% and 28% from February 2023 and August 2023, respectively. On September 6, 2023 and on October 27, 2023, the Ministry of Energy issued Resolutions 750/2023 and 869/2023, through which tariffs were increased by 23% and 28% from September and November 2023, respectively.
- AAG reported EBITDA of AR\$ 8,618 million for the third quarter of 2023, AR\$9,381 million higher than the third quarter of 2022's EBITDA.
 - The main driver of EBITDA was lower trade expenses, which are explained by a reduction in bad debt expense in the third quarter of 2023, which was ARS\$9,096 lower than in the third quarter of 2022, partially offset by a lower gross profit of ARS\$1,504 compared to the same period last year.
- The Company reported a Net Loss of AR\$7,438 million for the third quarter of 2023, a AR\$6,832 million negative variation compared to the AR\$606 million Net Loss for the third quarter of 2022. The variation was mainly due to a lower income tax gain of ARS\$11,319 compared to the same period of the previous year. This variation is explained by a lower deferred tax gain compared to the third quarter of 2022.
- FONINVEMEM collections, including interest, totaled approximately US\$13 million, net of VAT as of September 30 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
- In July 13, 2023 the Company launched an exchange offer for its outstanding US\$275 million Class A Senior Notes due in 2024, offering 2 options including up to US\$30.5 million in cash and new amortizing 2027s notes, maturing in August 2027 with a 9.50% coupon. Participation in the exchange reached 53.13%.

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

REVIEW OF THIRD QUARTER 2023 RESULTS

Income Statement (AR\$ Million)	YTD				3Q			
	2023	2022	Var (\$)	Var (%)	2023	2022	Var (\$)	Var (%)
Operating Revenue	88,532	115,402	(26,870)	(23)%	24,924	36,606	(11,682)	(32)%
Cost of Sales	(66,651)	(90,244)	23,593	(26)%	(19,543)	(29,720)	10,177	(34)%
Gross Profit	21,880	25,158	(3,277)	(13)%	5,382	6,885	(1,504)	(22)%
Administrative Expenses	(6,657)	(6,053)	(604)	10 %	(2,480)	(2,181)	(299)	14 %
Trading Expenses	(2,901)	(10,744)	7,843	(73)%	(1,165)	(9,649)	8,484	(88)%
Other income and expenses	(144)	(78)	(66)	83 %	8	14	(6)	(46)%
Operating Income	12,179	8,282	3,898	47 %	1,744	(4,930)	6,674	---
Financial Income	28,538	16,398	12,140	74 %	11,570	5,765	5,805	101 %
Financial Expense	(17,565)	(13,391)	(4,174)	31 %	(8,545)	(5,413)	(3,132)	58 %
Effect of FX differences	(6,621)	(1,515)	(5,106)	337 %	(3,436)	(629)	(2,807)	446 %
Inflation effect	(27,391)	(24,973)	(2,418)	10 %	(11,008)	(8,972)	(2,036)	23 %
Income from Investments in Associates	104	90	14	16 %	(54)	(37)	(17)	46 %
Income (Loss) before Taxes	(10,756)	(15,109)	4,353	(29)%	(9,729)	(14,216)	4,488	---
Income Tax	4,676	16,151	(11,475)	(71)%	2,291	13,610	(11,319)	(83)%
Net Income	(6,080)	1,042	(7,123)	---	(7,438)	(606)	(6,832)	---
EBITDA	26,777	21,090	5,687	27 %	8,618	(763)	9,381	---

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 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 September 30 2023.

Generation

The Company generated 1,772 GWh during the third quarter of 2023, a 3% increase compared to last year. Total thermal generation fell 39%, while hydro generation grew 74% between both periods. A 13 GWh decrease in wind generation due to less wind, also contributed to the decrease in production. Thermal generation decreased mainly due to lower demand and dispatch offset by higher hydroelectric generation in the system. The greatest decrease in output was at the Parana Combined Cycle and San Nicolas thermal plants. The increase in hydro generation is due to higher inflows in the Comahue Region which led to a 106% increase in production at Alicura.

Net Generation by Plant (GWh)	YTD				3Q			
	2023	2022	Var (GWh)	Var (%)	2023	2022	Var (GWh)	Var (%)
Paraná	1,585	2,260	(675)	(30)%	300	565	(265)	(47)%
San Nicolás	1,105	1,405	(300)	(21)%	268	370	(102)	(28)%
Alicurá	1,301	912	389	43 %	956	465	491	106 %
Cabra Corral	93	128	(35)	(27)%	38	80	(42)	(53)%
El Tunal	27	33	(6)	(18)%	12	18	(6)	(33)%
Ullum	71	60	11	18 %	13	22	(9)	(41)%
Sarmiento	28	10	18	180 %	—	(1)	1	---
Vientos Bonaerenses	299	335	(36)	(11)%	105	115	(10)	(9)%
Vientos Neuquinos	242	274	(32)	(12)%	80	83	(3)	(4)%
Total Generation / Sales	4,751	5,417	(666)	(12)%	1,772	1,717	55	3 %

Operating Revenue

Lower Energía Base revenue as a consequence of lower generation at San Nicolás was the primary driver for the 32% decrease in total revenues to AR\$24,925 million in the third quarter of 2023, compared to AR\$36,606 million in the same period in 2022, in addition to the effect of inflation when converting 2022 figures into the same purchasing power as current Argentine pesos. The adjustments to energy and capacity tariffs from Resolutions Resolutions 826/2022,(which received a rate adjustment for August 2023) and and resolutions 750/2023 and 869/2023 of September and October respectively, partly offset the decrease in revenues.

In February 2020, Argentina's Secretariat of Energy issued Resolution 31/2020 establishing the current rates scheme. Energía Base rates were established in Argentine pesos with monthly adjustments by inflation. The monthly inflation adjustments were frozen in the early onset of the COVID pandemic. 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. On September 6, 2023 and on October 27, 2023, the Ministry of Energy issued Resolutions 750/2023 and 869/2023, through which tariffs were increased by 23% and 28% from September and November 2023, respectively.

On February 7, 2023, Resolution 59/2023 was issued allowing to convert part of combined cycles' remuneration to US dollars 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 826/22 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)	YTD				3Q			
	2023	2022	Var (\$)	Var (%)	2023	2022	Var (\$)	Var (%)
Energy Sales	53,684	77,218	(23,534)	(30)%	12,919	24,008	(11,089)	(46)%
Capacity Sales	23,847	25,708	(1,861)	(7)%	7,995	8,815	(820)	(9)%
Contract Sales	10,038	11,865	(1,827)	(15)%	3,501	3,555	(54)	(2)%
Other Revenue	962	612	350	57 %	510	228	282	124 %
Total Operating Revenue	88,531	115,403	(26,872)	(23)%	24,925	36,606	(11,681)	(32)%

Cost of Sales

Cost of Sales reached AR\$19,543 million in the third quarter of 2023, a 34% decrease compared to the third quarter of 2022, mainly attributable to lower fuel cost as a result of less coal-fired generation at San Nicolas. This decrease was partially offset by an increase in depreciation in the third quarter in 2023 due to a one off readjustment in the useful life of spare parts in Paraná.

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			
	2023	2022	Var (\$)	Var (%)	2023	2022	Var (\$)	Var (%)
Fuel cost	30,966	56,040	(25,074)	(45)%	5,184	18,996	(13,812)	(73)%
Maintenance	5,932	7,472	(1,540)	(21)%	2,086	1,851	235	13 %
Personnel costs	6,274	5,737	537	9 %	2,134	1,874	260	14 %
Insurance	6,267	5,537	730	13 %	2,244	1,776	468	26 %
Depreciation	12,029	10,254	1,775	17 %	6,025	3,311	2,714	82 %
Rights and royalties	764	452	312	69 %	538	179	359	201 %
Amortization of intangible assets	1,447	1,870	(423)	(23)%	355	604	(249)	(41)%
Purchases of energy and power	456	579	(123)	(21)%	190	481	(291)	(60)%
Related-Party Services	309	386	(77)	(20)%	80	115	(35)	(30)%
Operator Fee	339	360	(21)	(6)%	101	135	(34)	(25)%
Transmission charges	345	267	78	29 %	91	82	9	11 %
Fees and remuneration to third parties	87	93	(6)	(7)%	21	4	17	425 %
Frequency Regulation	207	221	(14)	(6)%	49	14	36	250 %
Travel and transportation	214	181	33	18 %	73	82	(9)	(11)%
Safety services	187	216	(29)	(13)%	62	56	6	11 %
Others	828	579	249	43 %	310	160	150	94 %
Total Cost of Sales	66,651	90,244	(23,593)	(26)%	19,543	29,720	(10,177)	(34)%

Gross Profit

Gross Profit in the third quarter of 2023 reached AR\$5,382 million, a 22% decrease compared to the same period in the previous year. This decrease was mainly driven by lower Energía Base revenues due to lower sales volumes as a consequence of the decrease in dispatch at San Nicolás, in addition to the effect of inflation when converting 2022 figures into the same purchasing power as current Argentine pesos. The adjustments to energy and capacity tariffs from Resolutions, 826/2022, 59/2023, 750/2023 and 869/2023, partly offset the negative variation in gross profit.

Administrative & Trading Expenses

Administrative and Trading Expenses reached AR\$3,645 million in the third quarter of 2023, compared to the AR\$11,830 million registered in the same period of 2022. The 69% decrease is primarily due to a reduction in bad debt expense in the third quarter of 2023, which was ARS\$9,096 lower than in the third quarter of 2022. The bad debt provisions are associated to changes in the factors taken into consideration in the expected credit losses calculations. The allowance for uncollectible accounts recorded in the third quarter of 2022 was associated with certain accounts receivable with Cammesa arising from Resolutions 95/2013 and 529/2014 which were intended to retribute certain operating and maintenance expenses, among others, which were modified in subsequent resolutions.

Administrative & Trading Expenses (-AR\$ Million)	YTD				3Q			
	2023	2022	Var (\$)	Var (%)	2023	2022	Var (\$)	Var (%)
Personnel costs	1,500	1,306	194	15 %	520	437	83	19 %
Depreciation	978	606	372	61 %	502	267	235	88 %
Taxes, rates and contributions	3,770	2,885	885	31 %	1,490	869	621	71 %
Related-Party Services	2,136	2,031	105	5 %	739	718	21	3 %
Fees and remuneration to third parties	786	725	61	8 %	249	311	(62)	(20)%
Bad Debt Expense	79	8,963	(8,884)	---	8	9,104	(9,096)	---
Others	308	282	26	9 %	137	124	13	10 %
Total Administrative & Trading Expenses	9,557	16,798	(7,241)	(43)%	3,645	11,830	(8,185)	(69)%

EBITDA

The Company reported EBITDA of AR\$8,618 million for the third quarter of 2023, a AR\$9,381 increase over the same quarter in 2022. The main driver of EBITDA was the reduction in bad debt expense in the third quarter of 2023, which was ARS\$9,096 lower than in the third quarter of 2022, partially offset by a lower gross profit of ARS\$1,504 compared to the same period last year.

EBITDA (AR\$ Million)	YTD				3Q			
	2023	2022	Var (\$)	Var (%)	2023	2022	Var (\$)	Var (%)
Net Income	(6,080)	1,042	(7,122)	(683)%	(7,438)	(606)	(6,832)	1,127 %
Income tax	(4,676)	(16,151)	11,475	(71)%	(2,291)	(13,610)	11,319	(83)%
Other Income	144	78	66	83 %	(8)	(14)	7	(46)%
Income from Investments in Associates	(104)	(90)	(14)	16 %	54	37	17	46 %
Financial Income	(28,538)	(16,398)	(12,140)	74 %	(11,570)	(5,765)	(5,805)	101 %
Financial Expense	17,565	13,391	4,174	31 %	8,545	5,413	3,131	58 %
Effect of FX differences	6,621	1,515	5,106	337 %	3,436	629	2,807	446 %
Inflation effect	27,391	24,973	2,418	10 %	11,008	8,972	2,036	23 %
Depreciation and Amortization	14,454	12,730	1,724	14 %	6,881	4,181	2,700	65 %
EBITDA	26,777	21,090	5,687	27 %	8,618	(763)	9,381	---

Non-Operating Results

The Non-Operating Results of the Company in the third quarter of 2023 totaled a AR\$7,423 million loss, a positive variation compared to the AR\$9,098 million loss registered in the same period in 2022. The main variance was a AR\$5,805 million increase in Financial Income which was partly offset by the AR\$714 growth in Financial Expense, the AR\$2,036 million negative variation in Inflation Effect, in addition to the AR\$2,807 million negative variance in FX differences.

Financial Income grew AR\$5,805 million. This variance is primarily due to higher other financial income associated to increased interest earned on mutual fund investments, in addition to higher interest income on financial assets mainly related to increased interest accrual on Cammesa accounts receivables. Financial Expense grew AR\$714 million primarily due to an increase in interest expenses on financial debt associated to short-term debt at higher interest rates, that was repaid during the third quarter of 2023.

A higher negative variance in FX Differences partly offset by higher FX gains on assets in the third quarter of 2023, were the main drivers 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\$11,008 million negative inflation adjustment was registered in the third quarter of 2023 compared to AR\$8,972 million registered in the third 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)	YTD				3Q			
	2023	2022	Var (\$)	Var (%)	2023	2022	Var (\$)	Var (%)
Interest Income	12,501	11,891	610	5 %	3,408	4,922	(1,514)	(31)%
Other finance income	16,021	4,502	11,519	256 %	8,151	842	7,309	868 %
Interest income from related companies	15	5	10	195 %	11	1	10	689 %
Financial Income	28,538	16,398	12,139	74 %	11,570	5,765	5,805	101 %
Interest on financial debt	(12,731)	(12,018)	(713)	6 %	(4,315)	(5,131)	816	(16)%
Interest on tax debts	(4)	(8)	4	(50)%	(4)	(1)	(3)	300 %
Interest on commercial loans	(160)	(14)	(146)	1,019 %	(54)	(4)	(50)	1,250 %
Interest on obligations for long-term benefits	(675)	(457)	(218)	48 %	(175)	(126)	(49)	39 %
Loss on liability early payment	—	(743)	743	---	—	—	—	---
Financial Expense	(13,569)	(13,391)	(178)	1 %	(4,548)	(5,262)	714	(14)%
FX difference generated by assets	61,210	37,930	23,280	61 %	27,781	16,223	11,558	71 %
FX difference generated by liabilities	(67,831)	(39,445)	(28,386)	72 %	(31,217)	(16,852)	(14,365)	85 %
Total FX Differences	(6,621)	(1,515)	(5,106)	337 %	(3,436)	(629)	(2,807)	446 %
Inflation Effect	(27,391)	(24,973)	(2,418)	10 %	(11,008)	(8,972)	(2,036)	23 %
Total Non-Operating Results	(19,044)	(23,480)	4,436	(19)%	(7,423)	(9,098)	1,675	(18)%

Exchange Rate

The average quarterly AR\$/US\$ exchange rate was 144% higher in the third quarter of 2023 compared to the same quarter of 2022. During the third quarter of 2023, the AR\$/US\$ exchange rate rose 36%, while in the same period of 2022, the AR\$/US\$ exchange rate increased 18%. During the twelve-month year ended September 30 2023, the AR\$/US\$ exchange rate rose 138%.

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Argentine Peso EOP (ARS/US\$)	349.95	256.70	203.11	177.16
	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

	YTD		
	2023	2022	Var (%)
Argentine Peso AVG (ARS/US\$)	350.00	143.63	144%

Net Income

AES Argentina's Pre-tax Loss reached AR\$9,729 million in the third quarter of 2023 compared to the AR\$14,216 million Pre-tax Loss in the third quarter of 2022, primarily due to a higher Operating Income, with a positive variation of AR\$6,674 which is mainly due to lower Trading Expenses as a result of lower Bad Debt Expense.

AAG recorded a AR\$2,291 million Income tax gain in the third quarter of 2023 negative variation compared to the Income tax gain of AR\$13,610 million registered in the same period of 2022. This variation is mainly due to the higher tax inflation adjustment in 2022 derived from the income tax law provisions for the Company and its subsidiaries, plus the effect of the inflation adjustment of the subsidiaries losses, which impacted the deferred tax.

Despite the the increase in Pre-tax Income in the third quarter of 2023 explained above, AAG reported a Net Loss of AR\$7,438 million in the third quarter of 2023, compared to the third quarter of 2022's Net Loss of AR\$606 million primarily due to lower Income tax gain.

Cash Flow

Net Cash flow from operations reached AR\$14,479 million in inflows in the nine-month period ended September 30 2023, compared to AR\$2,337 million outflow in the same period in 2022. Operating cash flows grew AR\$12,142 million. The variation is due to lower coal consumption and lower coal price in 2023, plus lower spot sales.

Investing cash outflows totaled AR\$9,287 million in the period ended September 30 2023, compared to a cash outflow of AR\$5,910 million in the same period last year. This variance is primarily due to lower Mutual Funds investments balance as of September 30 2023, compared to 2022, partly offset by higher interest income on financial assets.

AES Argentina reported an outflow from financing activities of AR\$14,411 million in the nine-month period ended September 30 2023, compared to the net inflow of AR\$4,614 million in the same period in 2022. The main variation is attributable to higher payments of third-party loans of AR\$40,819 million in the first nine months of 2023, compared to AR\$27,370 million in the same period in 2022, and lower proceeds from loans to third parties and related entities.

The net outflow in cash and cash equivalents during the nine-month period ended September 30 2023, was AR\$6,033 million, compared to the AR\$653 million inflow registered in the same period of 2022.

Total cash and cash equivalents on the Cash Flow statement at the end of September 2023, reached AR\$7,006 million, compared to the AR\$6,928 million as of the period ended September 30 2022.

Cash Flow Statement Summary (AR\$ Million)	YTD			
	2023	2022	Var (\$)	Var (%)
Net cash from operating activities	14,479	2,337	12,142	520 %
Net cash from investing activities	(9,287)	(5,910)	(3,377)	57 %
Net cash from financing activities	(14,411)	4,614	(19,025)	(412)%
Effects of Foreign Exchange Variations	3,187	(387)	3,574	(924)%
Total Net Cash Flow for the Period	(6,033)	653	(6,685)	---
Cash at the beginning of the period	13,039	6,275	6,764	108 %
Total Cash at the End of the Period	7,006	6,928	78	1 %

Total cash and cash equivalents on the Balance Sheet as of September 30 2023, reached AR\$36,406 million, compared to the AR\$23,690 million as of December 31, 2022. This variation is explained by a higher amount in mutual funds of AR\$29,399 as of September 30, 2023, compared to AR\$10,650 as of December 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 September 30 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.

FONINMEM Receivables

As of September 30 2023, outstanding FONINVEMEM Receivables associated with the FONINVEMEM fund III totaled US\$108.6 million, net of VAT. FONINVEMEM funds I and II were fully repaid during the first quarter of 2020.

In third quarter of 2023, FONINVEMEM collections, including interest, associated with FONINVEMEM fund totaled approximately US\$13 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 September 30 2023. For more details please see Note 3.c.1. of the Financial Statements.

Dividends

The Company paid AR\$171 million in dividends in the period ended September 30 2023 and AR\$310 million as of September 30 2022, mainly to fund tax payments of holding companies.

CAPEX

As of September 30 2023 the Company's CAPEX totaled US\$16 million in third quarter of 2023, compared to a total capex of US\$18 million in the same period of 2022.

Financial Debt

As of September 30 2023, AES Argentina has a total financial debt of US\$293 million. As of September 30 2023, 96% of the Company's financial debt liabilities were at fixed interest rates and 100% 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. As of the close of this report, this debt was refinanced to be paid in January 2024.

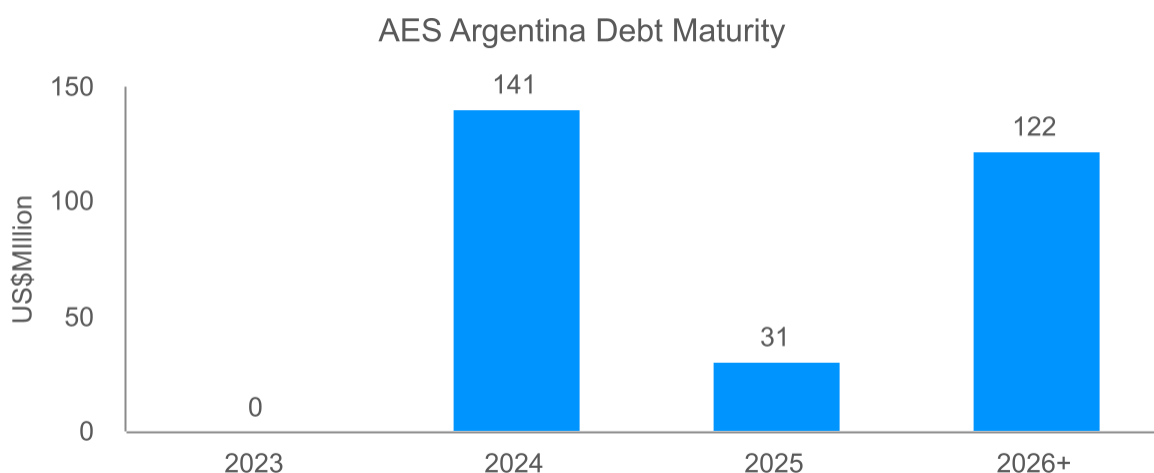
In addition, in 2022, the company raised approximately US\$35 million short-term bank loans denominated in AR\$ with local banks to finance fuel purchases and fortify the company's liquidity position, all of which were repaid during 2022.

In the first quarter of 2023, the company raised approximately US\$35 million short-term bank loans denominated in AR\$ with the same purpose, which was repaid in the second quarter of 2023.

In July 13, 2023 the Company launched an exchange offer for its outstanding US\$275 million Class A Senior Notes due in 2024, offering 2 options including up to US\$30.5 million in cash and new amortizing 2027s notes, maturing in August 2027 with a 9.50% coupon. Participation in the exchange reached 53%. Final cash to be paid is US\$29.2 million, while new debt issued reached US\$122 million which will be amortized in 4 semiannual installments from February 2026 to August 2027. Outstanding from the original notes is US\$129 million.

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 2023:



Debt Amortization (US\$ Million)		Average Interest Rate	September 30 2023			
			2023	2024	2025	2026+
AAG 2024 Notes	129	7.75%		129		
AAG ON Class 2 2027	122	9.50%				122
AAG ON Class 1 2025	31	8.00%			31	
GS Secured Loan	12	7.11%		12		
Total	293	8.48%	—	141	31	122

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 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 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\$215.0 million impact on the third quarter pretax income.

A 10% variation of the CAMMESA rate would have had a AR\$473 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\$1,832 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 2023.

AR\$ million	September 30, 2023
Non-current Assets	75,111
Current Assets	43,221
Total Assets	118,332
Non-current	55,636
Current Liabilities	58,277
Total Liabilities	113,913

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\$3,713 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 2023, AES Argentina had AR\$36,406 million in available liquid resources, classified as cash and cash equivalents (including short-term investments) on the balance sheet, compared to AR\$23,690 million as of September 30 2022. It is important to mention that as of September 30 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 the Secretariat of Energy modified the pricing scheme of the electric energy commercialized in the "Energia Base" regulatory framework established by Resolution 440/2021 by means of Resolution 238/2022, effective as from the economic transactions of the months of February and June 2022. Additionally, the application of the Usage Factor that could reduce the capacity payment based on the generation of the last 12 months was eliminated and a new charge "Remuneration to Exports" related to energy exports from Argentina to Brazil was created.

In December 2022, the Energy Secretariat issued Resolution 826/2022, which updates the prices established in Resolution 238/2022. This Resolution was retroactively effective as from September 2022 and establishes the increases to be made in the remuneration of energy in the months of November and December 2022, and February and August 2023. To date, work continues on updating the price for the months after August 2023.

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. On September 6, 2023 and on October 27, 2023, the Ministry of Energy issued Resolutions 750/2023 and 869/2023, through which tariffs were increased by 23% and 28% from September and November 2023, respectively.

		Capacity (Price per MW/Month)						
		(AR\$/MW/month)	(AR\$/MW/month)	(AR\$/MW/month)	(AR\$/MW/month)	(US\$/MW/month)		
		Res 869/2023	Res 750/2023	Res 826/2022*	Res 440/2021	Res 31/2020	Res 1/2019	
Hydro	Large Hydro	AR\$ 607,254	AR\$ 474,417	AR\$ 385,705	AR\$ 127,710	AR\$ 99,000 (US\$ 1,650)	US\$ 3,000	
	Small Hydro	AR\$ 1,113,298	AR\$ 869,764	AR\$ 707,125	AR\$ 234,135	AR\$ 181,000 (US\$ 3,025)	US\$ 5,500	
	Renewable Hydro	AR\$ 1,821,760	AR\$ 1,423,250	AR\$ 1,157,114	AR\$ 383,130	AR\$ 297,000 (US\$ 4,950)	US\$ 6,300	
Thermal	DIGO Rate	Winter/Summer	AR\$ 2,208,195	AR\$ 1,725,152	AR\$ 1,402,562	AR\$ 464,400	AR\$ 360,000 (US\$ 6,000)	US\$ 7,000
		Spring/Fall	AR\$ 1,656,146	AR\$ 1,293,864	AR\$ 1,051,922	AR\$ 348,300	AR\$ 270,000 (US\$ 4,500)	US\$ 5,500
	Base Rate	Large CCGT	AR\$ 617,337	AR\$ 482,326	AR\$ 392,135	AR\$ 129,839	AR\$ 100,650 (US\$ 1,678)	US\$ 3,050
		Large Steam Turbine	AR\$ 880,520	AR\$ 687,906	AR\$ 559,273	AR\$ 185,180	AR\$ 143,550 (US\$ 2,393)	US\$ 4,350
		Small Steam Turbine	AR\$ 1,052,573	AR\$ 822,323	AR\$ 668,555	AR\$ 221,364	AR\$ 171,600 (US\$ 2,860)	US\$ 5,200
		Small GAS Turbine	AR\$ 591,414	AR\$ 727,439	AR\$ 591,414	AR\$ 195,822	AR\$ 151,800 (US\$ 2,530)	US\$ 4,600
	Utilization Factor	No	No	No	Yes	Yes	Yes	

* Resolution 826/2022 issued in December 2022, retroactive to September, with adjustments in December 2022, February 2023 and August 2023.

		Generated Energy					
		(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(AR\$/MWh)	(US\$/MWh)	
		Res 869/2023	Res 750/2023	Res 238/2022*	Res 440/2021	Res 31/2020	Res 1/2019
Hydro		AR\$ 1,288		AR\$ 388	AR\$ 271	AR\$ 210 (US\$ 3.5)	3.5
Thermal	Natural Gas	AR\$ 1,473	AR\$ 1,151	AR\$ 443	AR\$ 310	AR\$ 240 (US\$ 4)	4
	Fuel Oil / Gas Oil	AR\$ 2,578	AR\$ 2,014	AR\$ 775	AR\$ 542	AR\$ 420 (US\$ 7)	7
	Mineral Coal	AR\$ 4,417	AR\$ 3,541	AR\$ 1,328	AR\$ 929	AR\$ 720 (US\$ 12)	12

* Resolution 826/2022 issued in December 2022, retroactive to September, with adjustments in December 2022, February 2023 and 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 US\$ + 85% of said prices for spring and autumn. The price of energy generated with natural gas is set at the equivalent of 3.5 US\$/MWh and with diesel oil at 6.1 US\$/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.

On July 21, 2023, the Federal Administration of Public Revenues published in the Official Gazette General Resolution 5391, by means of which, it was established the obligation to pay an extraordinary advance payment of Income Tax under the following premises:

- 15% of the Tax Income before offsetting with tax losses from previous years, when such Tax Income is equal to or exceeds AR\$ 600,000,000 without applying the deduction of tax losses from previous periods.
- The companies have not determined Income Tax.

The Argentine companies included in the aforementioned Resolution will comply with this obligation during the months of August, September and October 2023. None of the companies included in the Termoandes group were affected by the issuance of this Resolution.

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of September 30 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 349.95 AR\$/US\$.)

Assets	AR\$ Million			US\$ Million
	September 30, 2023	December 31, 2022	Var. %	September 30, 2023
Non- Current Assets				
Investments in subsidiaries and associates	328	610	(46)%	1
Property, plant & equipment	140,922	155,001	(9)%	403
Intangible Assets	7,922	9,199	(14)%	23
Inventory	3,995	3,995	— %	11
Accounts receivable from related parties	16	17	(6)%	0
Other financial assets	144	290	(50)%	0
Other non-financial assets	277	638	(57)%	1
Trade & Other accounts receivable	23,753	35,531	(33)%	68
Tax assets	1,149	5,799	(80)%	3
Deferred tax assets	12,581	10,151	24 %	36
Total Non-Current Assets	191,088	221,232	(14)%	546
Current Assets				
Inventory	26,061	26,151	— %	74
Accounts receivable from related parties	323	159	103 %	1
Other financial assets	4,234	4,351	(3)%	12
Other non-financial assets	715	464	54 %	2
Trade & Other accounts receivable	38,759	41,511	(7)%	111
Cash & Cash equivalents	36,406	23,690	54 %	104
Tax assets	3,343	6,545	(49)%	10
Total Current Assets	109,841	102,871	7 %	314
TOTAL ASSETS	300,929	324,103	(7)%	860

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of September 30, 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 349.95 AR\$/US\$)

Liabilities and Shareholders' Equity	AR\$ Million			US\$ Million
	September 30, 2023	December 31, 2022	Var. %	September 30, 2023
Equity				
Issued Equity	1,153	1,153	— %	3
Equity Adjustment	25,125	25,125	— %	72
Irrevocable contributions	652	652	— %	2
Additional paid-in capital	6,331	6,331	— %	18
Legal Reserve	6,522	6,522	— %	19
IFRS special reserve	15,011	15,011	— %	43
Optional Reserves	83,511	79,461	5 %	239
Other Reserves	46,458	48,059	(3)%	133
Retained Earnings	(6,067)	4,332	(240)%	(17)
Equity Attributable to Shareholders of Parent	178,695	186,644	(4)%	511
Non-controlling Interest in Controlled Subsidiaries	622	666	(7)%	2
TOTAL EQUITY	179,317	187,310	(4)%	512
Non-Current Liabilities				
Employee benefits	1,152	1,212	(5)%	3
Tax liabilities	422	816	(48)%	1
Deferred tax liabilities	—	2,067	(100)%	—
Provisions	745	873	(15)%	2
Accounts payable to related parties	326	570	(43)%	1
Interest-accruing liabilities	54,537	98,367	(45)%	156
Total Non-Current liabilities	57,182	103,904	(45)%	163
Current Liabilities				
Employee benefits	2,654	3,195	(17)%	8
Tax liabilities	1,158	739	57 %	3
Accounts payable to related parties	5,287	4,746	11 %	15
Trade & other accounts payable	5,194	9,449	(45)%	15
Interest-accruing liabilities	50,138	14,760	240 %	143
Total Current liabilities	64,430	32,888	96 %	184
TOTAL LIABILITIES	121,612	136,792	(11)%	348
Total Liabilities and Equity	300,929	324,103	(7)%	860

AES ARGENTINA GENERACIÓN INCOME STATEMENT

For the periods ended September 30, 2023, and September 30 2022

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is 245.82 AR\$/US\$ for the nine-month periods ended September 30, 2023 and 312.85 AR\$/US\$ for the three-month periods ended September 30 2023September 30, 2023)

Income Statement	AR\$ Million			US\$ Million	AR\$ Million			US\$ Million
	YTD			YTD	3Q			3Q
	2023	2022	Var (%)	2023	2023	2022	Var (%)	2023
Operating Revenue	88,532	115,402	(23)%	360	24,924	36,606	(32)%	80
Cost of Sales	(66,651)	(90,244)	(26)%	(271)	(19,543)	(29,720)	(34)%	(62)
Gross Profit	21,880	25,158	(13)%	89	5,381	6,886	(22)%	18
Administrative Expenses	(6,657)	(6,053)	10 %	(27)	(2,480)	(2,181)	14 %	(8)
Trading Expenses	(2,901)	(10,744)	(73)%	(12)	(1,165)	(9,649)	(88)%	(4)
Other income and expenses	(144)	(78)	85 %	(1)	8	14	(43)%	—
Operating Income	12,179	8,282	47 %	50	1,744	(4,930)	(135)%	6
Financial Income	28,538	16,398	74 %	116	11,570	5,765	101 %	37
Financial Expense	(17,565)	(13,391)	31 %	(71)	(8,545)	(5,413)	58 %	(27)
Effect of FX differences	(6,621)	(1,515)	337 %	(27)	(3,436)	(629)	446 %	(11)
Inflation effect	(27,391)	(24,973)	10 %	(111)	(11,008)	(8,972)	---	(35)
Income from Investments in Associates	104	90	16 %	0	(54)	(37)	46 %	0
Income (Loss) before Taxes	(10,756)	(15,109)	(29)%	(44)	(9,729)	(14,216)	(32)%	(30)
Income Tax	4,676	16,151	(71)%	19	2,291	13,610	(83)%	7
Net Income	(6,080)	1,042	(683)%	(25)	(7,438)	(606)	1,127 %	(24)
EBITDA	26,777	21,090	27 %	109	8,618	(763)	(1,229)%	28

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT

For the nine months period ended September 30, 2023, and September 30 2022 (cumulative results)
 International Financial Reporting Standards (IFRS)
 (Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$245.82 AR\$/US\$ for the nine-month period ended in September 30 2023)

	AR\$ Million			US\$ Million
	September 30			September 30
	2023	2022	Var (%)	2023
Operating Activities				
Net income	(6,080)	1,042	(683)%	(25)
Earnings reconciliation adjustments				
Depreciation & amortization expenses	14,454	12,730	14 %	59
Result due to loss of property, plant and equipment and intangibles	11	31	(65)%	—
FX differences and conversion differences	33,747	26,152	29 %	137
Loss for partial repurchase of negotiable obligations	3,996	743	---	16
Interest gains and other financial income	(28,538)	(16,398)	74 %	(116)
Income from investments in other companies	(104)	(90)	16 %	—
Income tax expenses	(4,676)	(16,151)	(71)%	(19)
Provision expenses	196	179	9 %	1
Accrued interest expenses	12,850	12,133	6 %	52
Bad debt provision	79	8,963	---	—
Pension plan	760	526	45 %	3
Adjustments for balance sheet accounts variations				
Inventory	92	(13,865)	(101)%	—
Trade & other account receivables	(9,154)	(11,499)	(20)%	(37)
Account receivables from related parties	(10,075)	(3,935)	156 %	(41)
Other non-financial assets	365	(906)	(140)%	1
Trade & other account payables	(1,391)	3,774	(137)%	(6)
Accounts payable to related parties	1,478	3,555	(58)%	6
Provisions	(5)	(38)	(87)%	0
Tax Assets	129	518	(75)%	1
Tax Liabilities	1,039	(890)	(217)%	4
Employee benefits	1,094	235	365 %	4
Income tax paid	1,382	(6,880)	(120)%	6
Interests received on trade accounts	2,829	2,405	18 %	12
Net cash flow from operations	14,479	2,337	520 %	59

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT (CONTINUED)

For the years ended September 30, 2023, and September 30 2022 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$245.82 AR\$/US\$ for the nine-month period ended September 30, 2023)

	AR\$ Million			US\$ Million
	September 30		Var (%)	September 30
	2023	2022		2023
Investment Activities				
Purchase of Property, Plant & Equipment	(3,871)	(4,478)	(14)%	(16)
Purchase of intangible assets	(120)	(228)	(47)%	—
Interests received	16,021	5,211	207 %	65
Dividend Received	142	80	---	1
Capital contribution in a subsidiary	(18)	—	---	—
Net decrease of common investment funds	(21,393)	(6,511)	229 %	(87)
Loans granted to related parties	(47)	—	---	(1)
Collections from loan to related parties	—	16		—
Net cash flows used in investment activities	(9,287)	(5,910)	57 %	(38)
Financing Activities				
Proceeds from third-party loans	40,066	43,581	(8)%	163
Payments of third-party loans	(40,819)	(27,370)	49 %	(166)
Interests paid on third-party loans	(13,339)	(13,502)	(1)%	(54)
Payment of financial leases	(14)	(14)	— %	0
Dividend payments	(171)	(310)	---	(1)
Net Cash flows from (used in) financing activities	(14,411)	4,614	(412)%	(59)
Effect of FX difference on cash & cash equivalents	3,187	(387)	(924)%	13
Net Increase in cash & cash equivalents	(6,033)	653	(1024)%	(25)
Opening Cash & Cash Equivalent	13,039	6,275	108 %	53
Ending Cash & Cash Equivalent	7,007	6,928	1 %	29

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