



aes Argentina

1Q - 2024 Earnings Report



June XX, 2024

AES ARGENTINA 1Q 2024 RESULTS & HIGHLIGHTS

- AES Argentina Generación S.A. (AES Argentina, AAG, or the Company) reported a Gross Profit for the first quarter of 2024 of AR\$ 7,146 million, a 19% decrease compared to same period in 2023.
 - This Gross Profit negative variation is mainly due to lower sales resulting from the lower dispatch of the CTSN and Paraná power plants, partially offset by a decrease in coal consumption costs at CTSN.
- AAG reported EBITDA of AR\$ 8,547 million for the first quarter of 2024, AR\$760 million lower than the first quarter of 2023's EBITDA.
 - This decrease is mainly explained by a the AR\$21,228 decrease in Gross profit, due to lower energy sales resulting from the lower dispatch of the CTSN and Paraná power plants.
- The Company reported a Net Loss of AR\$3,604 million in the first quarter of 2024, compared to the first quarter of 2023's Net Gain of AR\$3,432 ..
 - The variation was mainly due to a higher Pre-tax Loss, due to a lower Gross Profit during the first quarter of 2024, partially offset by lower Non operating Loss of during the first quarter of 2024 compared to the same period in 2023, and an increase in Income Tax benefits.
- As of March 31 2024, outstanding FONINVEMEM Receivables associated with the FONINVEMEM fund III totaled US\$91 million, net of VAT.
 - 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.
 - In first quarter of 2024, FONINVEMEM collections, including interest, associated with FONINVEMEM fund totaled approximately US\$8 million, net of VAT.
- 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.
- The remaining USD 129 million at December 31, 2023 as a result of this 7.750% swap maturing on February 2, 2024 was paid in full on that date.

REVIEW OF FIRST QUARTER 2024 RESULTS

Income Statement (AR\$ Million)	1Q			
	2024	2023	Var (\$)	FIRST Var (%)
Operating Revenue	36,472	96,255	(59,783)	(62)%
Cost of Sales	(30,009)	(68,565)	38,556	(56)%
Gross Profit	6,463	27,690	(21,228)	(77)%
Administrative Expenses	(5,562)	(4,490)	(1,072)	24 %
Trading Expenses	(1,633)	(1,793)	160	(9)%
Other income and expenses	(28)	(123)	95	(77)%
Operating Income	(761)	21,283	(22,044)	---
Financial Income	12,925	15,151	(2,226)	(15)%
Financial Expense	(18,056)	(10,739)	(7,317)	68 %
Effect of FX differences	(175)	(5,207)	5,032	(97)%
Inflation effect	(9,184)	(18,979)	9,795	(52)%
Income from Investments in Associates	139	175	(36)	(21)%
Income (Loss) before Taxes	(15,112)	1,685	(16,796)	---
Income Tax	11,507	1,747	9,760	---
Net Income	(3,604)	3,432	(7,036)	---
EBITDA	8,547	30,976	(22,429)	(72)%

It is worthy to note that numbers in the analysis along with business explanations are presented in AR\$ rounded to millions; therefore, differences may arise with the financial statements which are presented in thousands AR\$ as of March 31 2024, to comply with local authorities' requirements. AR\$ Figures have been adjusted for local inflation to be presented in AR\$ of equal purchasing power as of March 31 2024.

Generation

The Company generated 968 GWh during the first quarter of 2024, a 47% decrease compared to the same period last year, mostly explained by a decrease in thermal generation, partially offset by an increase in hydro and wind generation. Total thermal generation fell 73%, mainly due to lower demand and dispatch offset by higher renewable generation in the system. The hydro generation grew 31%, due to higher inflows in the Comahue Region which led to a 29% increase in production at Alicura. The wind generation decrease 3% between both periods.

Net Generation by Plant (GWh)	1Q			
	2024	2023	Var (GWh)	Var (%)
Paraná	284	714	(430)	(60)%
San Nicolás	59	588	(529)	(90)%
Alicurá	343	265	78	29 %
Cabra Corral	21	28	(7)	(25)%
El Tunal	13	6	7	117 %
Ullum	52	28	24	86 %
Sarmiento	12	18	(6)	(33)%
Vientos Bonaerenses	88	96	(8)	(8)%
Vientos Neuquinos	96	93	3	3 %
Total Generation / Sales	968	1,836	(868)	(47)%

Operating Revenue

Operating revenues as of March 31 2024, amounted to AR\$36,472 million, a decrease of 62% compared to the first quarter of 2023, which totaled AR\$96,255 million. This decrease was mainly due to a lower dispatch of the Paraná and CTSN power plants, which implied a decrease in physical sales of 430 GWh and 529 GWh, respectively.

The adjustments to energy and capacity tariffs from resolutions 750/2023 and 869/2023 of September and October 2023 respectively, and Resolution 9/2024 of February 2024 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.

On February 07, 2024 the Ministry of Economy - Secretariat of Energy published Resolution 9/2024 which establishes a 74% increase of the remunerations established in Resolution 869/2023 published on October 27, 2023, this new resolution became effective as from the economic transactions corresponding to the month of February 2024.

Operating Revenue (AR\$ Million)	1Q			
	2024	2023	Var (\$)	Var (%)
Energy Sales	9,000	67,856	(58,856)	(87)%
Capacity Sales	17,776	19,652	(1,876)	(10)%
Contract Sales	9,209	8,095	1,114	14 %
Other Revenue	487	652	(165)	(25)%
Total Operating Revenue	36,472	96,255	(59,783)	(62)%

Cost of Sales

Cost of sales at March 31 2024 totaled AR\$30,009 million, a decrease of 56% compared to the AR\$68,565 million for the first quarter of 2023. This decrease was mainly due to a decrease of AR\$40,544 million in fuel costs attributable to lower coal consumption as a result of lower CTSN dispatch, partially offset by an increase of AR\$2,550 million in the cost of insurance in dollars and an increase of AR\$(589) million in the cost of salaries, social charges and other personnel expenses, and an increase of AR\$1,010 in maintenance cost, this increase is due to an increase in the supplier's cost of additional services and an increase due to the indexation of contracts in the renewable energy companies.

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 CTSN.

Cost of Sales (AR\$ Million)	1Q			
	2024	2023	Var (\$)	Var (%)
Fuel cost	3,104	43,648	(40,544)	(93)%
Maintenance	4,542	3,532	1,010	29 %
Personnel costs	4,434	5,023	(589)	(12)%
Insurance	6,690	4,140	2,550	62 %
Depreciation	7,653	7,786	(133)	(2)%
Rights and royalties	404	371	33	9 %
Amortization of intangible assets	1,077	1,460	(383)	(26)%
Purchases of energy and power	340	272	68	25 %
Related-Party Services	213	313	(100)	(32)%
Operator Fee	161	290	(129)	(44)%
Transmission charges	192	315	(123)	(39)%
Fees and remuneration to third parties	106	90	16	18 %
Frequency Regulation	322	295	27	9 %
Travel and transportation	203	167	36	22 %
Safety services	128	132	(4)	(3)%
Others	440	731	(291)	(40)%
Total Cost of Sales	30,009	68,565	(38,556)	(56)%

Gross Profit

Gross profit as of March 31 2024 amounted to AR\$6,463 million, 77% lower than the profit of AR\$27,690 million of the first quarter of 2023. This negative variation is mainly due to lower energy sales resulting from the lower dispatch of the CTSN and Paraná power plants, partially offset by a decrease in coal consumption costs at CTSN.

Administrative & Trading Expenses

Administrative and Trading Expenses reached AR\$7,195 million in the first quarter of 2024, a 14% increase compared to the AR\$6,284 million registered in the first quarter of 2023. The increase is primarily due an increase of AR\$227 million, this variation is due to equipment purchases and the effect of depreciation revaluation; and an increase of AR\$ 194 million in Office and communication expenses due to Internet and telephone service fees, which began in 2Q 2023.

Administrative & Trading Expenses (-AR\$ Million)	1Q			
	2024	2023	Var (\$)	Var (%)
Personnel costs	1,019	1,162	(143)	(12)%
Depreciation	550	323	227	70 %
Taxes, rates and contributions	2,674	2,373	301	13 %
Related-Party Services	1,778	1,646	132	8 %
Fees and remuneration to third parties	616	562	54	10 %
Bad Debt Expense	175	88	87	99 %
Office and communication expenses	206	12	194	---
Others	177	118	59	50 %
Total Administrative & Trading Expenses	7,195	6,284	911	14 %

EBITDA

The Company reported EBITDA of AR\$8,547 million for the first quarter of 2024, a AR\$22,429 million decrease over the same period in 2023. This decrease is mainly explained by a the AR\$21,228 decrease in Gross profit, due to lower energy sales resulting from the lower dispatch of the CTSN and Paraná power plants.

EBITDA (AR\$ Million)	1Q			
	2024	2023	Var (\$)	Var (%)
Net Income	(3,532)	3,442	(6,974)	---
Income tax	(11,507)	(1,747)	(9,760)	---
Other Income	(44)	113	(157)	---
Income from Investments in Associates	(139)	(175)	36	(21)%
Financial Income	(12,925)	(15,151)	2,226	(15)%
Financial Expense	18,056	10,739	7,317	68%
Effect of FX differences	175	5,207	(5,032)	(97)%
Inflation effect	9,184	18,979	(9,795)	(52)%
Depreciation and Amortization	9,279	9,569	(290)	(3)%
EBITDA	8,547	30,976	(22,429)	(72)%

Non-Operating Results

The Non-Operating Results of the Company in the first quarter of 2024 totaled a AR\$14,483 million loss, a positive variation compared to the AR\$19,184 million loss registered in the same period in 2023. The increase is mainly due to an AR\$9,795 million positive variation in Inflation Effect and a AR\$5,032 positive variation in FX Differences. This increase was partially offset by a AR\$2,226 million decrease in financial income and a AR\$7,310 increase in Financial Expenses.

Financial Income decrease AR\$2,226 million. This variance is primarily due to an decrease of AR\$1,270 million in Interest income, which is mainly driven by lower financial investments and lower interest delay on the account receivable with Cammesa due to lower generation in 2024.

Financial Expense grew AR\$7,310 million mainly due to an increase in AR\$6,545 million in Interest on financial debt, which is mainly driven by higher interest expenses related to a new syndicated loan.

Total FX differences registered a AR\$5,032 million positive variance compared to the same quarter in 2023. This variance is explained by a positive variance of AR\$41,828 million in FX Differences on liabilities due to the devaluation of the Argentine peso in Q1 2024 partly offset by lower FX gains on assets of AR\$(36,796) in the first quarter of 2024.

A AR\$9,184 million negative inflation adjustment was registered in the first quarter of 2024, a positive variation of AR\$9,795 compared to the AR\$18,979 million registered in the first quarter of 2023, this variance is associated to the change in the functional currency of the company to AR\$ in February 2020.

Non-Operating Results (AR\$ Million)	1Q			
	2024	2023	Var (\$)	Var (%)
Interest Income	5,812	7,082	(1,270)	(18)%
Other finance income	7,100	8,067	(967)	(12)%
Interest income from related companies	13	2	11	429 %
Financial Income	12,925	15,151	(2,226)	(15)%
Interest on financial debt	(16,482)	(9,937)	(6,545)	66 %
Interest on tax debts	—	—	—	(100)%
Interest on commercial loans	(179)	(158)	(21)	14 %
Interest on obligations for long-term benefits	(567)	(645)	78	(12)%
Loss on liability early payment	—	—	—	---
Financial Expense	(18,049)	(10,739)	(7,310)	68 %
FX difference generated by assets	15,388	52,184	(36,796)	(71)%
FX difference generated by liabilities	(15,563)	(57,391)	41,828	(73)%
Total FX Differences	(175)	(5,207)	5,032	(97)%
Inflation Effect	(9,184)	(18,979)	9,795	(52)%
Total Non-Operating Results	(14,483)	(19,774)	5,291	(27)%

Exchange Rate

The average quarterly AR\$/US\$ exchange rate was 17% higher in the first quarter of 2024 compared to the same quarter of 2023. During the first quarter of 2024, the AR\$/US\$ exchange rate rose 22%, while in the same period of 2023, the AR\$/US\$ exchange rate increased 8%. During the twelve-month year ended March 31 2024, the AR\$/US\$ exchange rate rose 24%.

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Argentine Peso EOP (ARS/US\$)	982	885	907	803
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Argentine Peso EOP (ARS/US\$)	789	860	966	920

	1Q		
	2024	2023	Var (%)
Argentine Peso AVG (ARS/US\$)	946	812	17%

Net Income

AES Argentina's Pre-tax Loss reached AR\$15,112 million in the first quarter of 2024 a negative variation compare to the AR\$1,685 million Pre-tax Gain in the first quarter of 2023, primarily due to a negative variation of AR\$22,044 in Operating Income in conjunction with a negative variation of AR\$7,317 in Financial Expense, This effect was partially offset by a positive variations in Inflation Effect and FX Differences.

AAG recorded a AR\$11,507 million Income tax gain in the first quarter of 2024 a positive variation compared to the Income tax gain of AR\$1,747 million registered in the same period of 2023. Higher Tax benefits due to lower Pre-tax Loss, higher inflation adjustment of the losses and PP&E of the subsidiaries offset by higher tax inflation adjustment derived from the provisions of the Income Tax Law in the Company and its subsidiaries, plus the effect of partial deferred tax asset not recognized, which impacted the deferred tax.

Despite the the increase in Pre-tax Income in the first quarter of 2024 explained above, AAG reported a Net Loss of AR\$3,604 million in the first quarter of 2024, compared to the first quarter of 2023's Net Gain of AR\$3,432 million primarily due to lower Income tax gain.

Cash Flow

Net Cash flow from operations reached AR\$21,245 million in inflows in the Three-month period ended March 31 2024, compared to AR\$28,478 million outflow in the same period in 2023. Operating cash flows grew AR\$7,233 million. This variation is mainly explained by a positive impact on trade accounts receivable and accounts payable.

Investing cash inflows totaled AR\$57,901 million in the period ended March 31 2024, a positive variation compared to the cash outflow of AR\$3,499 million in the same period last year. This variance is primarily due to higher Mutual Funds investments balance of AR\$53,146 million as of March 31 2024, compared to the negative AR\$3,555 million in the same period in 2023.

AES Argentina reported an outflow from financing activities of AR\$54,664 million in the Three-month period ended March 31 2024, compared to the net inflow of AR\$11,442 million in the same period in 2023. The main variation is attributable to higher payments of third-party loans of AR\$123,298 million in the first Three months of 2024, compared to AR\$16,044 million in the same period in 2023, partially offset by higher Amounts from third party loans in the Three-month period ended March 31 2024 compared to the same period in 2023.

The net outflow in cash and cash equivalents during the Three-month period ended March 31 2024, was AR\$17,639 million, a positive variation compared to the AR\$25,766 million outflow registered in the same period of 2023.

Total cash and cash equivalents on the Cash Flow statement at the end of March 31 2024, reached AR\$1,671 million, a negative variation of AR\$2,857 million compared to the AR\$4,528 million as of the period ended March 31 2023.

Cash Flow Statement Summary (AR\$ Million)	1Q			
	2024	2023	Var (\$)	Var (%)
Net cash from operating activities	(21,245)	(28,478)	7,233	(25)%
Net cash from investing activities	57,901	(3,499)	61,400	(1,755)%
Net cash from financing activities	(54,664)	11,442	(66,106)	(578)%
Effects of Foreign Exchange Variations	369	(5,231)	5,600	(107)%
Total Net Cash Flow for the Period	(17,639)	(25,766)	8,126	---
Cash at the beginning of the period	19,310	30,294	(10,984)	(36)%
Total Cash at the End of the Period	1,671	4,528	(2,857)	(63)%

Total cash and cash equivalents on the Balance Sheet as of March 31 2024, reached AR\$13,145 million, compared to the AR\$91,098 million as of December 31, 2023. This variation is explained by a lower amount in mutual funds of AR\$11,475 as of March 31, 2024, compared to AR\$71,789 as of December 31, 2023.

The difference between the balance sheet and Cash Flow figures is explained primarily by the treatment of investment funds balances, which are included in the balance sheet cash and cash equivalents balance, however not included in the cash flow. For more details see the Note 15 of the Financial Statements. It is important to mention that as of March 31 2024, 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 March 31 2024, outstanding FONINMEM Receivables associated with the FONINMEM fund III totaled US\$91 million, net of VAT. FONINMEM funds I and II were fully repaid during the first quarter of 2020.

In first quarter of 2024, FONINVEMEM collections, including interest, associated with FONINVEMEM fund totaled approximately US\$8 million, net of VAT.

AES Argentina received a 6% stake in the 865MW José de San Martín and a 7% stake in the 868MW Manuel Belgrano, combined cycle plants associated with FONINVEMEM I and II, as per the agreements reached in May 2020 between the Argentine authorities, AES Argentina and the rest of the generation companies who participate in the operating companies who manage the aforementioned plants. Final transfer of these assets has not been formalized as of March 31 2024. For more details please see Note 3.c.1. of the Financial Statements.

Dividends

The Company paid AR\$0 million in dividends in the period ended March 31 2024 and AR\$0 million as of March 31 2023.

CAPEX

As of March 31 2024 the Company's CAPEX totaled US\$1 million in first quarter of 2024, compared to a total capex of US\$9 million in the same period of 2023.

Financial Debt

As of March 31 2024, AES Argentina has a total financial debt of US\$244 million. As of March 31 2024, 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.

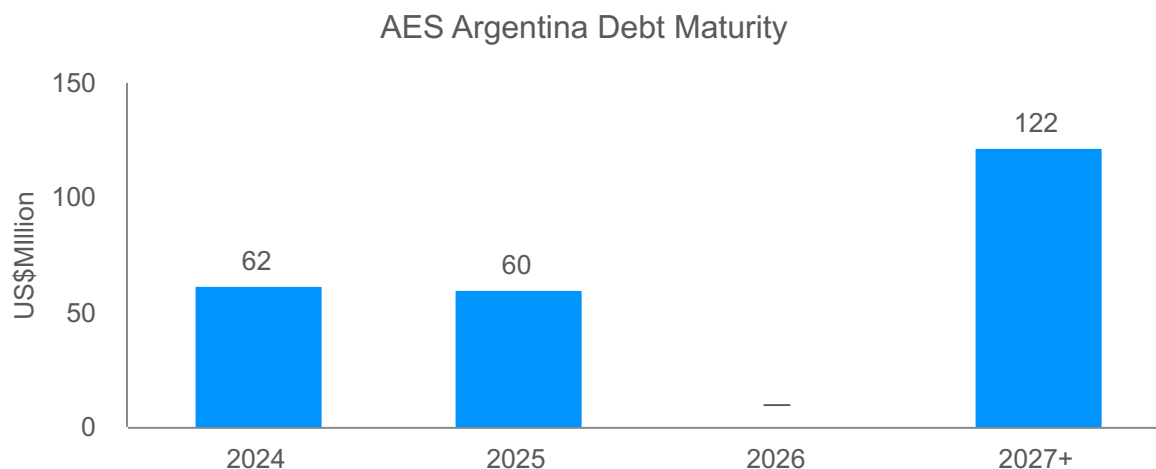
In February 2020, a cash collateralized short-term loan for US\$20 million was raised with Goldman Sachs, at LIBOR + 1.75% Spread interest Rate with due date in February 2021. In February 2021, the Company paid US\$8 million of the outstanding US\$20 million Goldman Sachs Secured Loan. The remaining 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. The remaining USD 129 million at December 31, 2023 as a result of this 7.750% swap maturing on February 2, 2024 was paid in full on that date.

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

The following graph details AES Argentina’s debt maturity profile, as of March 31 2024:



Debt Amortization (US\$ Million)		Average Interest Rate	March 31, 2024			
			2024	2025	2026	2027+
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			
AAG Club Deal 2025	58	122 %	29	29		
AAG ST 2023 ARG	21	104 %	21			
Total	244		62	60	—	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 March 31 2024, 95% 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\$435.9 million impact on the first quarter pretax income.

A 10% variation of the CAMMESA rate would have had a AR\$465 million impact on the first quarter pretax income.

Foreign Currency Risk

The exchange rate risk is the risk of fluctuations in the fair value or the future cash flows of financial instruments due to changes in the exchange rates. The value of those financial assets and liabilities denominated in a currency other than the functional currency of the Company, the AR\$, are subject to variations arising from the fluctuation of exchange rates. The main source of FX exposure is now related to US\$ denominated assets and liabilities.

Since the change in functional currency to US\$ on February 1, 2017, until the dollarization of Energía Base tariffs according to the regulation in force until January 2020, FX exposure was limited as most of the assets and liabilities of the Company were dollar-denominated or dollar-linked. The main exposure came from fixed costs and taxes denominated in AR\$. From February 2020 onwards, after Resolution 31/2020 came in force, tariffs were established in Argentine pesos. The impact of Resolution 31/2020 resulted in a change in functional currency from March 31, 2020 onwards.

According to Argentine tax law, the Company's taxable base is calculated in AR\$ and taxes are paid in AR\$. The variation in the exchange rate can impact the valuation in AR\$ of the Company's US\$ denominated assets and liabilities, which can impact the tax expense.

Foreign currency exchange controls, transfer restrictions, restrictions imposed by the IMF, and other policies of the Argentine government may limit the availability of international and local credit or otherwise adversely affect AES Argentina Generación's business, as well as its ability to repay the notes..

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\$3,727 million impact on the first quarter pretax income.

The following table summarizes the value of assets and liabilities in foreign currencies at their value in AR\$ as of March 31 2024.

AR\$ million	March 31, 2024
Non-current Assets	148,372
Current Assets	84,155
Total Assets	232,527
Non-current Liabilities	136,105
Current Liabilities	55,295
Total Liabilities	191,400

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\$1,829 million impact on the first quarter pretax income.

Energy Price Risks

The Company faces price risk, as revenues depend directly on tariffs set for the “Energía Base” price structure, which are based on a fixed price remuneration set at the regulator’s discretion. These tariffs are readjusted at the discretion of the regulator.

Commodity Price Risk

Most of the fuel for the Company’s thermal plants is provided by CAMMESA, free of charge. However, the Company itself procures the coal used at the San Nicolás plant’s Unit 1, Unit 2 and Unit 5. The cost of coal is currently reimbursed by CAMMESA, as part of the variable cost payment, effectively mitigating the risk of commodity price fluctuations.

Between the fourth quarter of 2018 and the fourth quarter of 2019, as per Resolution 70, the Company could opt to source its own natural gas and diesel fuel or have CAMMESA to supply it. In December 2019, the Argentine Government repealed Resolution 70, and therefore generation companies can no longer source their own diesel or natural gas, leaving CAMMESA as the sole supplier.

Credit Risk

Credit risk is related to the ability of the Company’s counterparties to meet their financial obligations. The Company’s financing and investment agreements are executed with high-quality local and foreign financial institutions.

The main off-taker of the Company is CAMMESA, who acquires all the energy produced by the Company. CAMMESA is directly funded by the Argentine national treasury. Since December 2016, CAMMESA has been meeting its payment obligations, diminishing the credit risk faced by the Company.

The credit risk associated with CAMMESA is linked to Argentina’s country risk. The Argentine sovereign credit rating has been under pressure due to the rapid depreciation of the AR\$ and the high inflation in recent years.

As of March 31, 2024, CAMMESA is in arrears for the transactions of December 2023, January and February 2024 and the payments corresponding to the FONINVEMEM loan of March 2024. Although AES Argentina has requested loans from different financial entities and resorted to other forms of indebtedness in the ordinary course of its business, to date, this situation has not affected its ability to pay its obligations.

As of May 24, 2024, the December 2023 and January 2024 debt was 100% collected through AE38 federal bonds. As of May 27, the February debt was collected at 100% and the March debt was collected at 85%, both in cash.

For more details of the Credit risk and commercial operations with CAMMESA please see Notes 1, 3 and 14 of the Financial Statements.

Liquidity Risk

The Company manages its liquidity to secure the necessary funds to support its business strategy. AES Argentina uses self-generated funds for the payment of its obligations and maintains uncommitted credit lines with premier banks in Argentina, which are disbursed if necessary.

As of March 31 2024, AES Argentina had AR\$13,145 million in available liquid resources, classified as cash and cash equivalents (including short-term investments) on the balance sheet, compared to AR\$91,098 million as of March 31 2023. It is important to mention that as of March 31 2024, 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 "Energía 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.

On February 7, 2024, the Ministry of Economy - Secretariat of Energy published Resolution 9/2024 establishing an increase of 74% of the remunerations established in Resolution 869/2023 published on October 27, 2023, this new resolution became effective as from the economic transactions corresponding to February 2024.

Capacity (Price per MW/Month)

(AR\$/MW/month)

		9/2024	Res 869/2023	Res 750/2023	Res 238/2022*	Res 440/2021	
Hydro	Large Hydro	AR\$ 1,056,015	AR\$ 607,254	AR\$ 474,417	AR\$ 166,023	AR\$ 127,710	
	Small Hydro	AR\$ 1,936,025	AR\$ 1,113,298	AR\$ 869,764	AR\$ 304,376	AR\$ 234,135	
	Renewable Hydro	AR\$ 3,168,041	AR\$ 1,821,760	AR\$ 1,423,250	AR\$ 498,069	AR\$ 383,130	
Thermal	DIGO Rate	Winter/Summer	AR\$ 3,840,048	AR\$ 2,208,195	AR\$ 1,725,152	AR\$ 603,720	AR\$ 464,400
		Spring/Fall	AR\$ 2,880,038	AR\$ 1,656,146	AR\$ 1,293,864	AR\$ 452,790	AR\$ 348,300
	Base Rate	Large CCGT	AR\$ 1,073,619	AR\$ 617,337	AR\$ 482,326	AR\$ 168,791	AR\$ 129,839
		Large Steam Turbine	AR\$ 1,531,224	AR\$ 880,520	AR\$ 687,906	AR\$ 240,734	AR\$ 185,180
		Small Steam Turbine	AR\$ 1,830,424	AR\$ 1,052,573	AR\$ 822,323	AR\$ 287,773	AR\$ 221,364
		Small GAS Turbine	AR\$ 1,619,221	AR\$ 591,414	AR\$ 727,439	AR\$ 254,569	AR\$ 195,822
	Utilization Factor	No	No	No	No	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)

		Res 9/2024	Res 869/2023	Res 750/2023	Res 238/2022*	Res 440/2021
Hydro		AR\$ 2,240	AR\$ 1,283	AR\$ 1,006	AR\$ 388	AR\$ 271
Thermal	Natural Gas	AR\$ 2,562	AR\$ 1,473	AR\$ 1,151	AR\$ 443	AR\$ 310
	Fuel Oil / Gas Oil	AR\$ 4,483	AR\$ 2,578	AR\$ 2,014	AR\$ 775	AR\$ 542
	Mineral Coal	AR\$ 7,681	AR\$ 4,417	AR\$ 3,541	AR\$ 1,328	AR\$ 929

* 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)	(AR\$/MWh)	(US\$/MWh)
	Res 9/2024	Res 826/2022***	Res 826/2022**	Res 238/2022*	Res 440/2021	Res 31/2020 Res 1/2019
Hydro	AR\$ 892	AR\$ 326	AR\$ 204	AR\$ 154	AR\$108	AR\$ 84 (US\$ 1.4) 1.4
Thermal	AR\$ 326	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 progressive scale applicable for the year 2024 is shown below:

Accumulated Net Taxable Profit ⁽¹⁾					
Since	Up to	Will Pay	Plus % of	On the surplus of	
—	34,703,523	—	25%	—	
34,703,523	347,035,231	8,675,881	30%	34,703,523	
347,035,231	Onwards	102,375,393	35%	347,035,231	

(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 March 31 2024, and December 31, 2023

International Financial Reporting Standards (IFRS).

(End of period exchange rate used to convert AR\$ into US\$ for referential purposes is 982 AR\$/US\$.)

Assets	AR\$ Million			US\$ Million
	March 31, 2024	December 31, 2023	Var. %	March 31, 2024
Non- Current Assets				
Investments in subsidiaries and associates	761	655	16 %	1
Property, plant & equipment	326,081	416,795	(22)%	332
Intangible Assets	18,270	19,589	(7)%	19
Inventory	14,074	14,074	— %	14
Accounts receivable from related parties	15	22	(32)%	0
Other financial assets	370	219	69 %	0
Other non-financial assets	554	360	54 %	1
Trade & Other accounts receivable	40,670	70,520	(42)%	41
Tax assets	1,222	1,198	2 %	1
Deferred tax assets	9,982	4,489	122 %	10
Total Non-Current Assets	412,000	527,921	(22)%	420
Current Assets				
Inventory	22,840	25,863	(12)%	23
Accounts receivable from related parties	960	1,056	(9)%	1
Other financial assets	16,783	22,940	(27)%	17
Other non-financial assets	2,891	2,920	(1)%	3
Trade & Other accounts receivable	83,216	83,692	(1)%	85
Cash & Cash equivalents	13,145	91,098	(86)%	13
Tax assets	2,876	6,577	(56)%	3
Total Current Assets	142,710	234,147	(39)%	145
TOTAL ASSETS	554,711	762,068	(27)%	565

AES ARGENTINA GENERACIÓN BALANCE SHEET

As of March 31, 2024, and December 31, 2023

International Financial Reporting Standards (IFRS).

(End of period exchange rate used to convert AR\$ into US\$ for referential purposes is 982 AR\$/US\$)

Liabilities and Shareholders' Equity	AR\$ Million			US\$ Million
	March 31, 2024	December 31, 2023	Var. %	March 31, 2024
Equity				
Issued Equity	1,153	1,153	— %	1
Equity Adjustment	59,896	59,896	— %	61
Irrevocable contributions	1,516	1,516	— %	2
Additional paid-in capital	14,708	14,708	— %	15
Legal Reserve	15,151	15,151	— %	15
IFRS special reserve	34,874	34,874	— %	36
Optional Reserves	194,017	194,017	— %	198
Other Reserves	109,650	136,561	(20)%	112
Retained Earnings	(151,628)	(147,930)	2 %	(154)
Equity Attributable to Shareholders of Parent	279,338	309,947	(10)%	284
Non-controlling Interest in Controlled Subsidiaries	573	585	(2)%	1
TOTAL EQUITY	279,911	310,531	(10)%	285
Non-Current Liabilities				
Employee benefits	1,979	2,126	(7)%	2
Tax liabilities	570	875	(35)%	1
Deferred tax liabilities	67	7,252	(99)%	—
Provisions	1,392	1,815	(23)%	1
Accounts payable to related parties	397	860	(54)%	—
Interest-accruing liabilities	151,330	191,404	(21)%	154
Total Non-Current liabilities	155,735	204,332	(24)%	159
Current Liabilities				
Employee benefits	4,655	7,395	(37)%	5
Tax liabilities	1,390	2,115	(34)%	1
Accounts payable to related parties	20,135	17,780	13 %	21
Trade & other accounts payable	31,930	35,871	(11)%	33
Interest-accruing liabilities	60,955	184,044	(67)%	62
Total Current liabilities	119,065	247,204	(52)%	121
TOTAL LIABILITIES	274,800	451,536	(39)%	280
Total Liabilities and Equity	554,711	762,068	(27)%	565

AES ARGENTINA GENERACIÓN INCOME STATEMENT

For the periods ended March 31, 2024, and March 31 2023
 International Financial Reporting Standards (IFRS)
 (Average exchange rate used to convert AR\$ into US\$ for referential purposes is 946.01 AR\$/US\$ for the Three-month periods ended March 31, 2024.

Income Statement	AR\$ Million			US\$ Million
	1Q			1Q
	2024	2023	Var (%)	2024
Operating Revenue	36,472	96,255	(62)%	39
Cost of Sales	(30,009)	(68,565)	(56)%	(32)
Gross Profit	6,463	27,690	(77)%	7
Administrative Expenses	(5,562)	(4,490)	24 %	(6)
Trading Expenses	(1,633)	(1,793)	(9)%	(2)
Other income and expenses	(28)	(123)	(77)%	—
Operating Income	(761)	21,283	(104)%	(1)
Financial Income	12,925	15,151	(15)%	14
Financial Expense	(18,056)	(10,739)	68 %	(19)
Effect of FX differences	(175)	(5,207)	(97)%	—
Inflation effect	(9,184)	(18,979)	(52)%	(10)
Income from Investments in Associates	139	175	(21)%	0
Income (Loss) before Taxes	(15,112)	1,685	(997)%	(16)
Income Tax	11,507	1,747	559 %	12
Net Income	(3,604)	3,432	(205)%	(4)
EBITDA	8,547	30,976	(72)%	9

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT

For the Three months period ended March 31, 2024, and March 31 2023 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$946.01 AR\$/US\$ for the Three-month period ended in March 31, 2024)

	AR\$ Million			US\$ Million
	March 31		Var (%)	March 31
	2024	2023		2024
Operating Activities				
Net income	(3,532)	3,442	(203)%	(4)
Earnings reconciliation adjustments				
Depreciation & amortization expenses	9,279	9,569	(3)%	10
Result due to loss of property, plant and equipment and intangibles	—	11	(100)%	—
FX differences and conversion differences	14,639	22,410	(35)%	15
Loss for partial repurchase of negotiable obligations	—	—	---	—
Interest gains and other financial income	(12,925)	(15,151)	(15)%	(14)
Income from investments in other companies	(139)	(175)	(21)%	—
Income tax expenses	(11,507)	(1,747)	559 %	(12)
Provision expenses	28	123	(77)%	—
Accrued interest expenses	17,560	10,023	75 %	19
Bad debt provision	175	88	---	—
Pension plan	627	726	(14)%	1
Adjustments for balance sheet accounts variations				
Inventory	16,135	3,728	333 %	17
Trade & other account receivables	(17,095)	(48,623)	(65)%	(18)
Account receivables from related parties	2,637	(1,454)	(281)%	3
Other non-financial assets	(3,670)	(213)	1623 %	(4)
Trade & other account payables	(34,369)	(12,298)	179 %	(36)
Accounts payable to related parties	(970)	616	(257)%	(1)
Provisions	(275)	(32)	759 %	0
Tax Assets	441	1,454	(70)%	—
Tax Liabilities	1,012	(1,635)	(162)%	1
Employee benefits	(286)	(1,335)	(79)%	—
Income tax paid	(412)	(312)	32 %	—
Interests received on trade accounts	1,770	2,305	(23)%	2
Net cash flow from operations	(21,245)	(28,478)	(25)%	(22)

AES ARGENTINA GENERACIÓN CASH FLOW STATEMENT (CONTINUED)

For the years ended March 31, 2024, and March 31 2023 (cumulative results)

International Financial Reporting Standards (IFRS)

(Average exchange rate used to convert AR\$ into US\$ for referential purposes is \$946.01 AR\$/US\$ for the Three-month period ended March 31, 2024)

	AR\$ Million			US\$ Million
	March 31		Var (%)	March 31
	2024	2023		2024
Investment Activities				
Purchase of Property, Plant & Equipment	(1,252)	(8,103)	(85)%	(1)
Purchase of intangible assets	(230)	(258)	(11)%	—
Interests received	7,100	8,067	(12)%	8
Dividend Received	25	351	---	—
Capital contribution in a subsidiary	(1)	—	---	—
Net decrease of common investment funds	53,146	(3,555)	(1595)%	56
Loans granted to related parties	—	—	---	—
Collections from loan to related parties	—	—	---	—
Net cash flows used in investment activities	57,901	(3,499)	(1755)%	61
Financing Activities				
Proceeds from third-party loans	82,228	39,321	109 %	87
Payments of third-party loans	(123,298)	(16,044)	668 %	(130)
Interests paid on third-party loans	(18,724)	(11,824)	58 %	(20)
Payment of financial leases	(10)	(11)	(9)%	0
Dividend payments	—	—	---	—
Net Cash flows from (used in) financing activities	(54,664)	11,442	(578)%	(58)
Effect of FX difference on cash & cash equivalents	369	(5,231)	(107)%	—
Net Increase in cash & cash equivalents	(17,639)	(25,766)	(32)%	(19)
Opening Cash & Cash Equivalent	19,310	30,294	(36)%	20
Ending Cash & Cash Equivalent	1,670	4,528	(63)%	2

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 \$13 billion in revenues and owned and managed \$38 billion in total assets.

To learn more, please visit www.aes.com