The AES Corporation

Third Quarter 2022
Financial Review

November 4, 2022

Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, the impact of the COVID-19 pandemic on our business, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Reconciliation to U.S. GAAP Financial Information
The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Strategic and Financial Highlights

→ With year-to-date Adjusted EPS[1] of $1.18, now expect full year Adjusted EPS[1] to be at or near the high end of the guidance range of $1.55 to $1.65

- Reaffirming 7% to 9% annualized growth target for Adjusted EPS[1] and Parent Free Cash Flow[1] through 2025, off a base year of 2020

→ Strong financial results demonstrate resilience of portfolio to macroeconomic volatility

→ Signed additional agreements that will redirect excess LNG from Panama to international customers

→ Inflation Reduction Act (IRA) is a source of substantial future market growth

→ Signed 3.2 GW of PPAs[2] for new renewables and energy storage projects in year-to-date 2022, increasing backlog to 11.2 GW

1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.
2. Power Purchase Agreement.

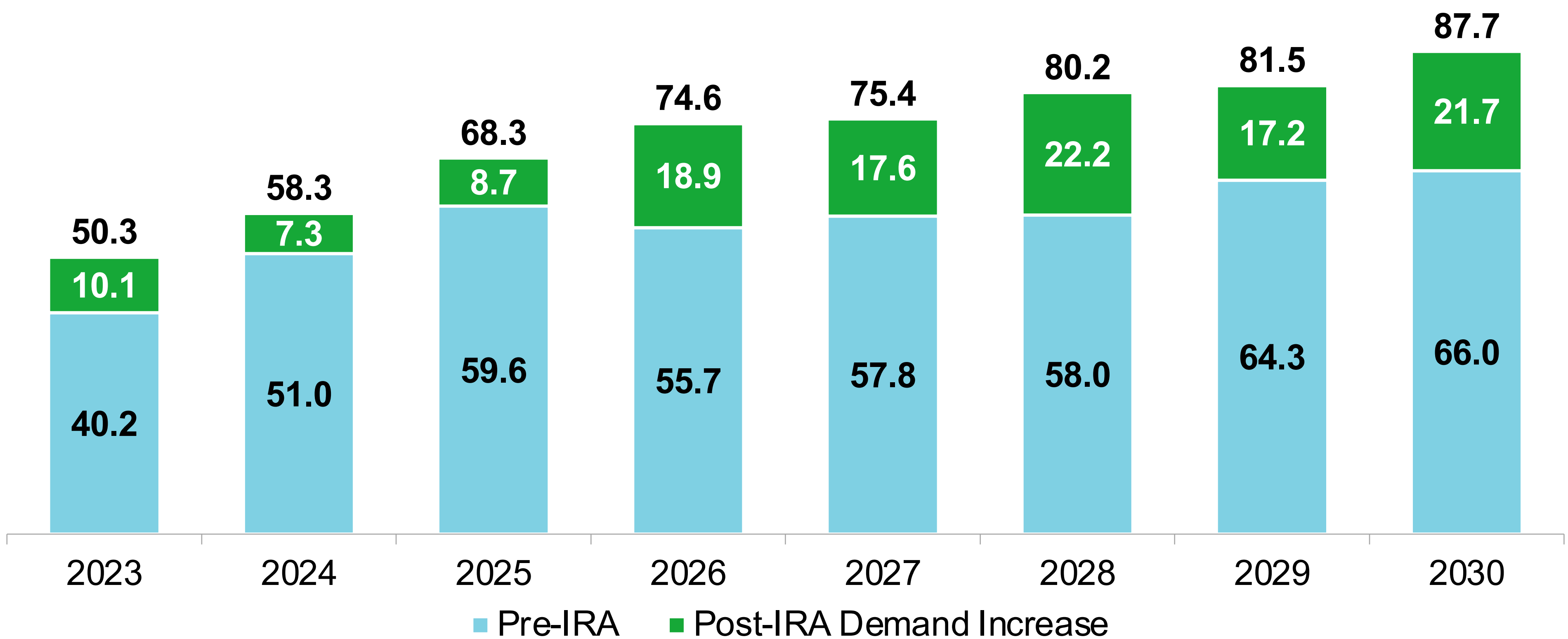
We Have Built Flexibility into Our Portfolio

→ Strategically redirecting LNG from Panama to international customers

- Contractual flexibility allows us to capitalize on high gas prices
- Result of actions we took to limit exposure to both commodity prices and hydrology

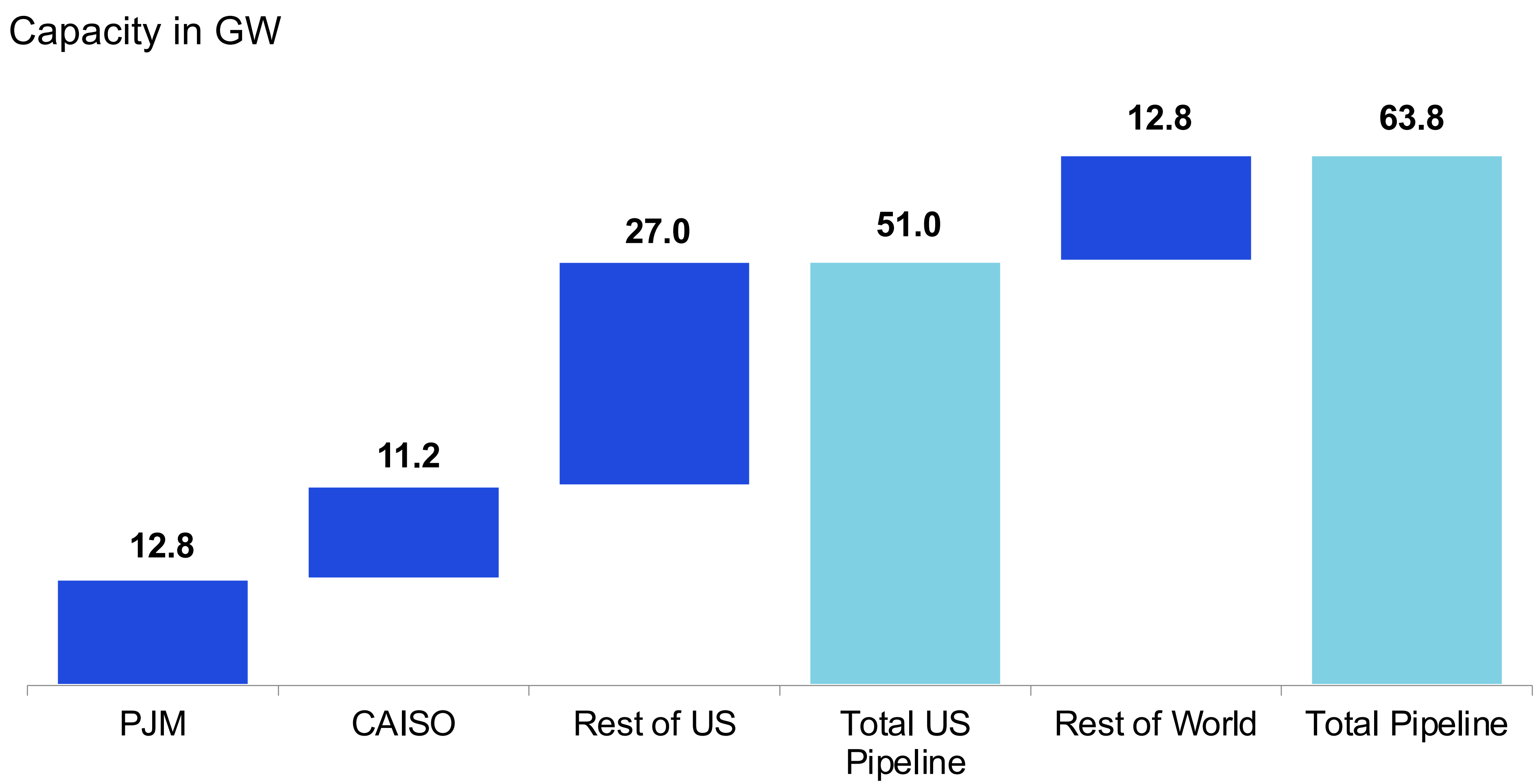
Inflation Reduction Act (IRA) is a Significant Accelerant to Growth of US Renewables Market

Projected Capacity Additions in GW



Source: Bloomberg New Energy Finance.

64 GW Development Pipeline[1] Provides Competitive Advantage for Future PPA Signings

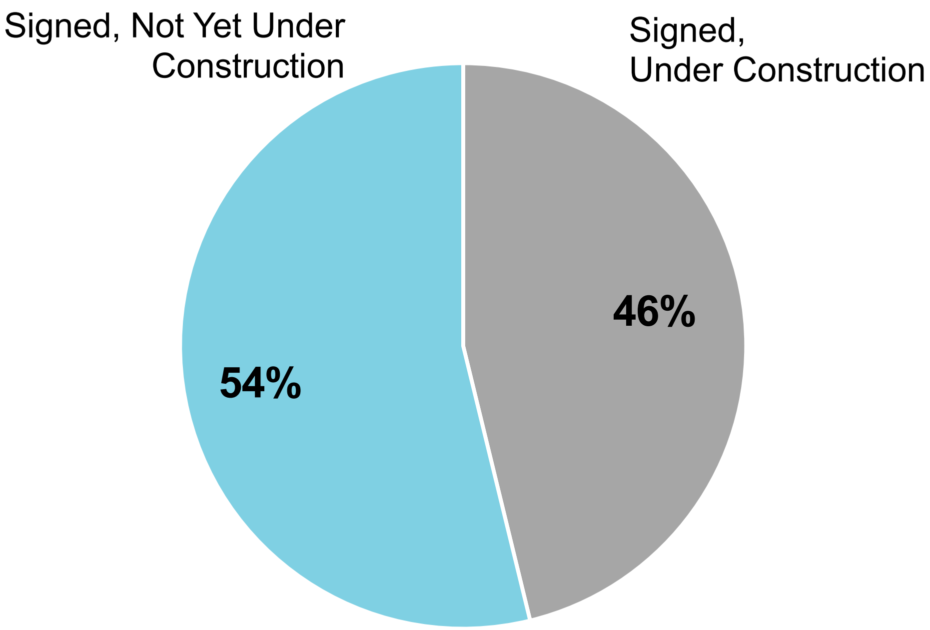


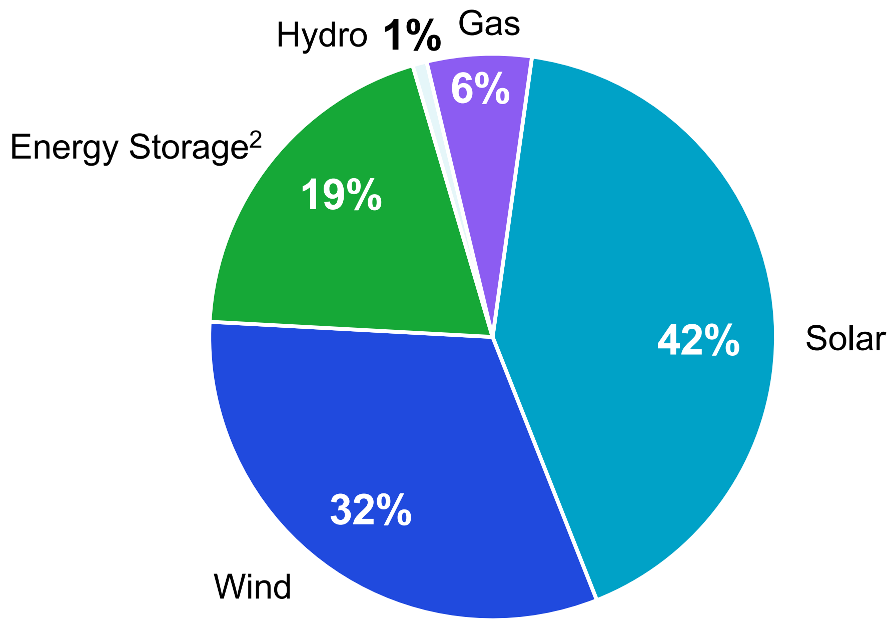
1. As of October 2022.

Majority of 11.2 GW Backlog[1] Expected Online Through 2025

Capacity in MW

11.2 GW Backlog[1] Under Long-Term PPAs





1. As of November 3, 2022. US & Utilities: 5,690 MW; South America: 4,218 MW; MCAC: 1,322 MW. Incorporates almost 5 GW signed in 2021, which includes more contracts signed with C&I customers than anyone else in the world according to Bloomberg New Energy Finance.
2. Includes Energy Storage component of Solar + Storage facilities.

Update on Growth Initiatives at US Utilities

aes Ohio

Electric Security Plan (ESP 4)

→ Creates new foundation for future investment programs

→ Positions AES Ohio for significant investments to modernize and upgrade the network

→ Includes a path to recover deferred regulatory assets and resolve outstanding cases

→ Approval expected in the next 12 months

aes Indiana

Integrated Resource Plan (IRP)

→ Includes a proposal to convert remaining units of AES Indiana's Petersburg coal plant to 1 GW of natural gas in 2025

- Petersburg represents ~20% of AES' current coal-fired generation

→ Potential to add up to 1.3 GW of renewables, including wind, solar and energy storage

→ Filing with the utility commission by December 1, 2022

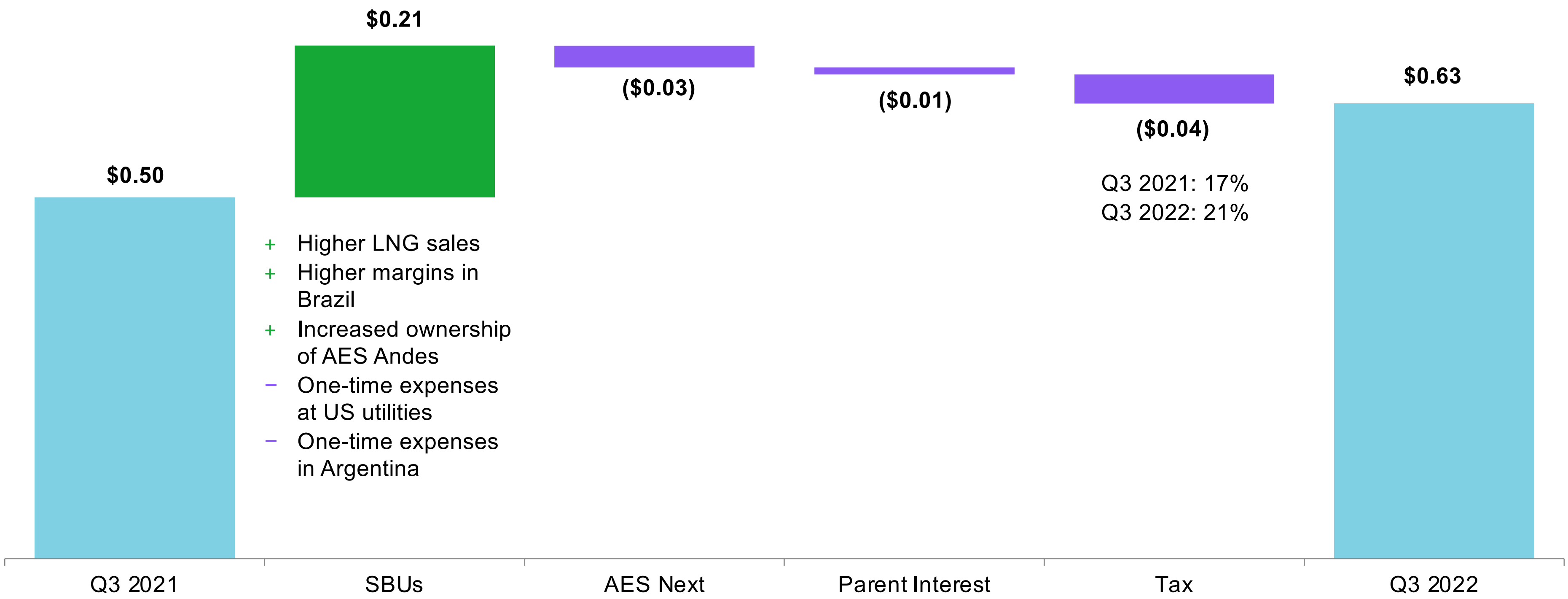
Q3 2022 Financial Review

→ Q3 2022 results

→ 2022 Parent capital allocation

→ 2022 guidance

Q3 2022 Adjusted EPS[1] Increased $0.13



1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q3 2022 Financial Results

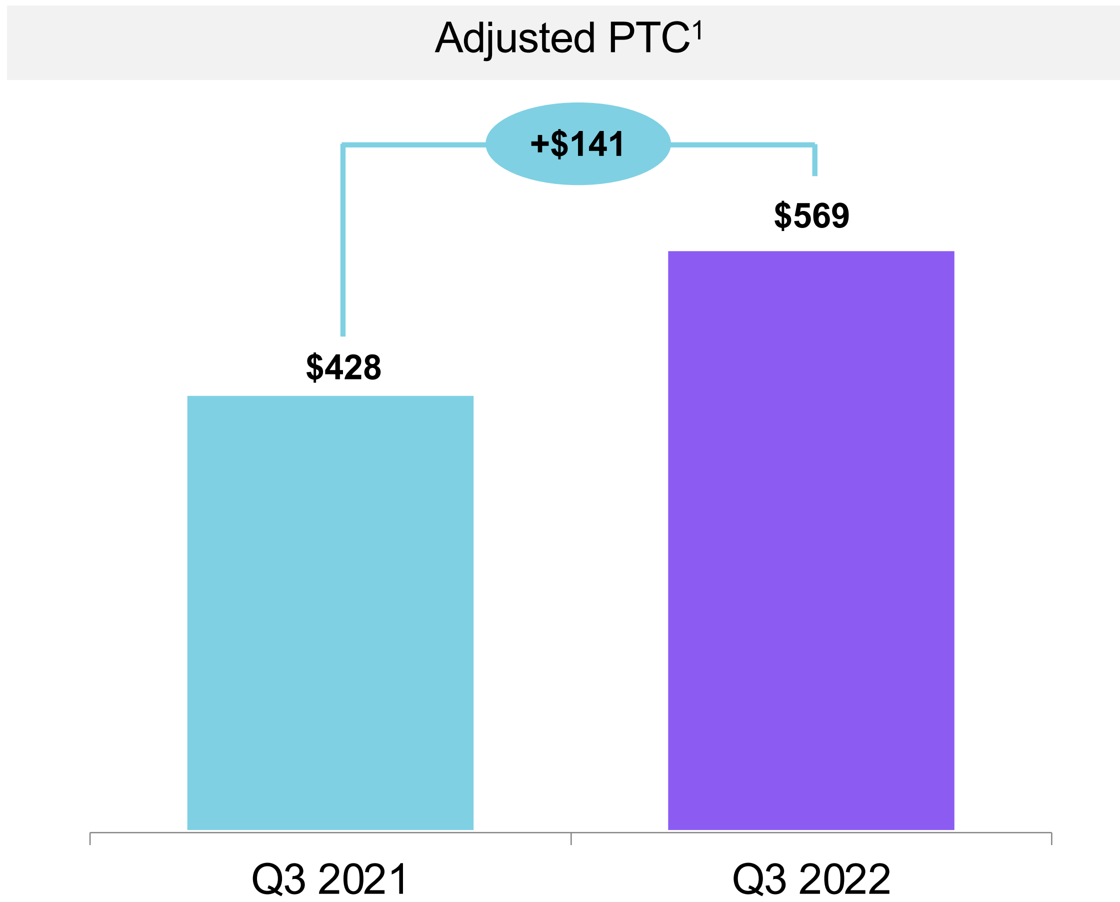
$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:

- Higher LNG sales;
- Higher margins in Brazil; and
- Increased ownership of AES Andes

→ Partially offset by:

- One-time expenses at US utilities;
- One-time expenses in Argentina;
- Higher losses at AES Next; and
- Higher Parent interest



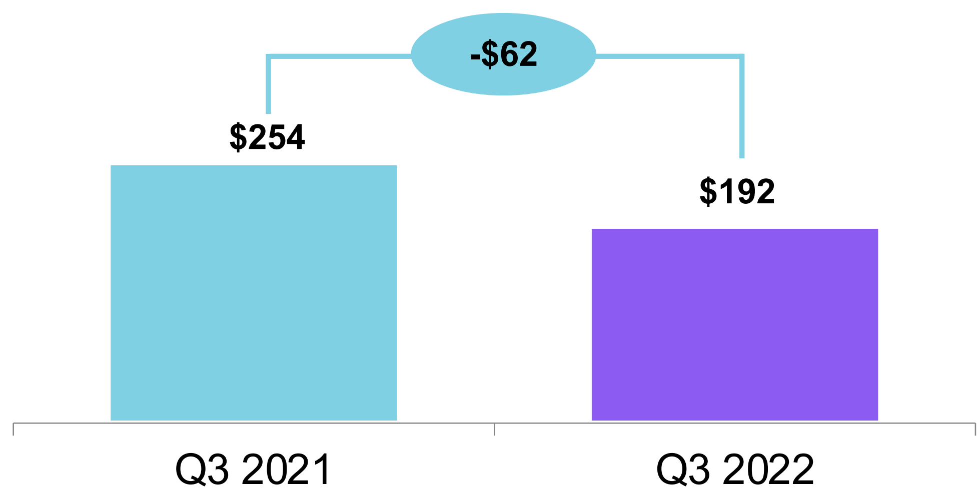
1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Q3 Financial Results: US & Utilities SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:
- Recognition of one-time expenses from previously deferred purchased fuel and energy costs at US utilities; and
- Lower availability in Puerto Rico

Adjusted PTC[1]



1. A non-GAAP financial measure. See Appendix for definition.

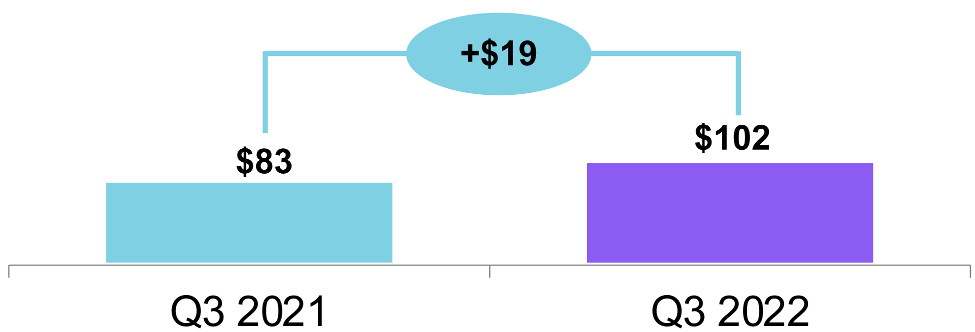
Q3 Financial Results: South America SBU

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:
- Higher margins at both AES Andes and Brazil; and
- Increased ownership of AES Andes

→ Partially offset by a regulatory provision in Argentina

Adjusted PTC[1]



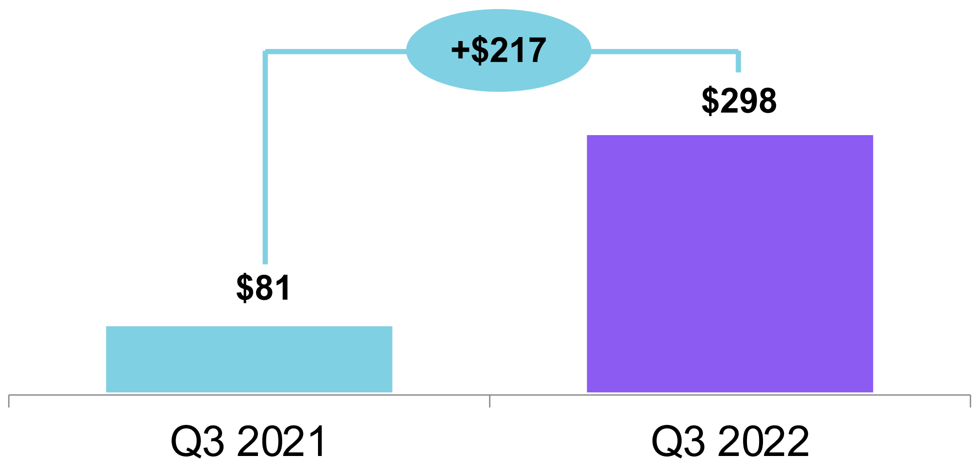
1. A non-GAAP financial measure. See Appendix for definition.

Q3 Financial Results: MCAC SBU

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by higher LNG sales

Adjusted PTC[1]

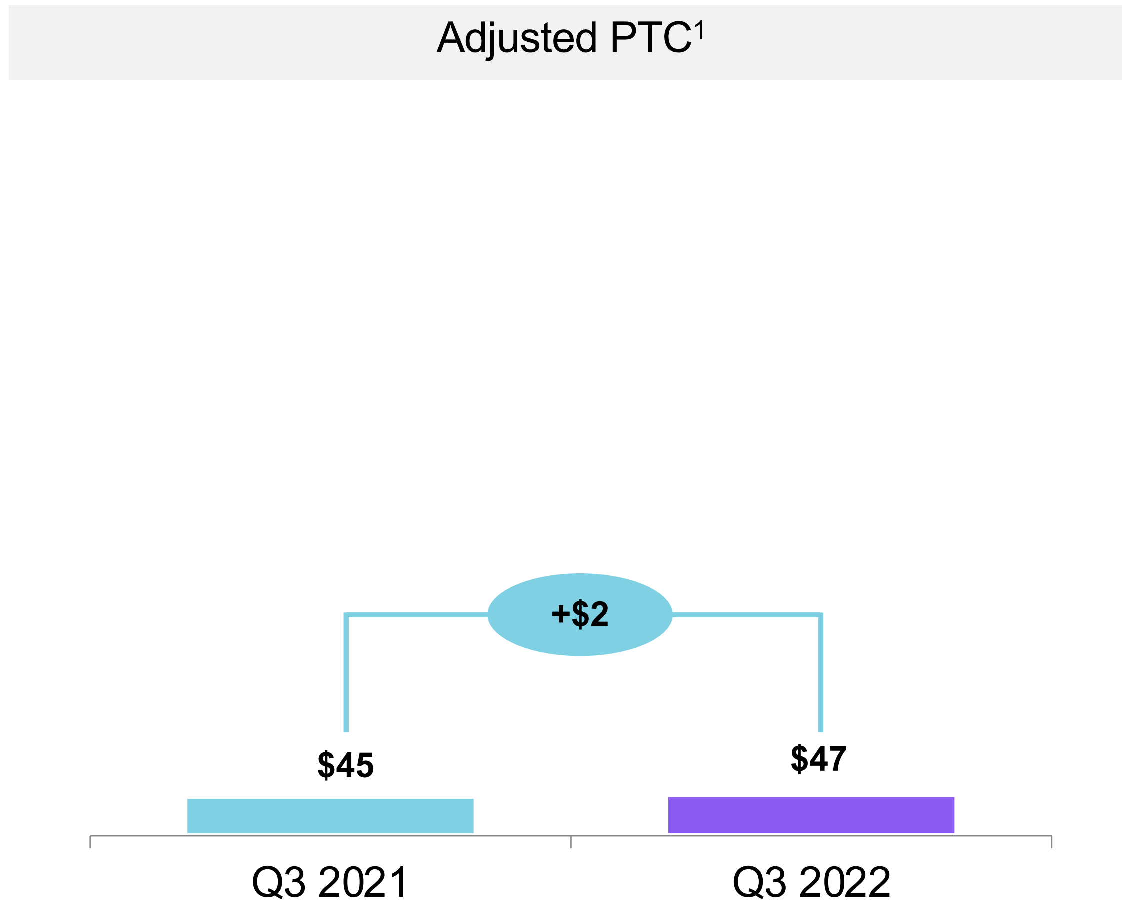


1. A non-GAAP financial measure. See Appendix for definition.

Q3 Financial Results: Eurasia SBU

$ in Millions

→ Relatively flat Adjusted PTC[1] driven primarily by higher power prices at Bulgaria wind



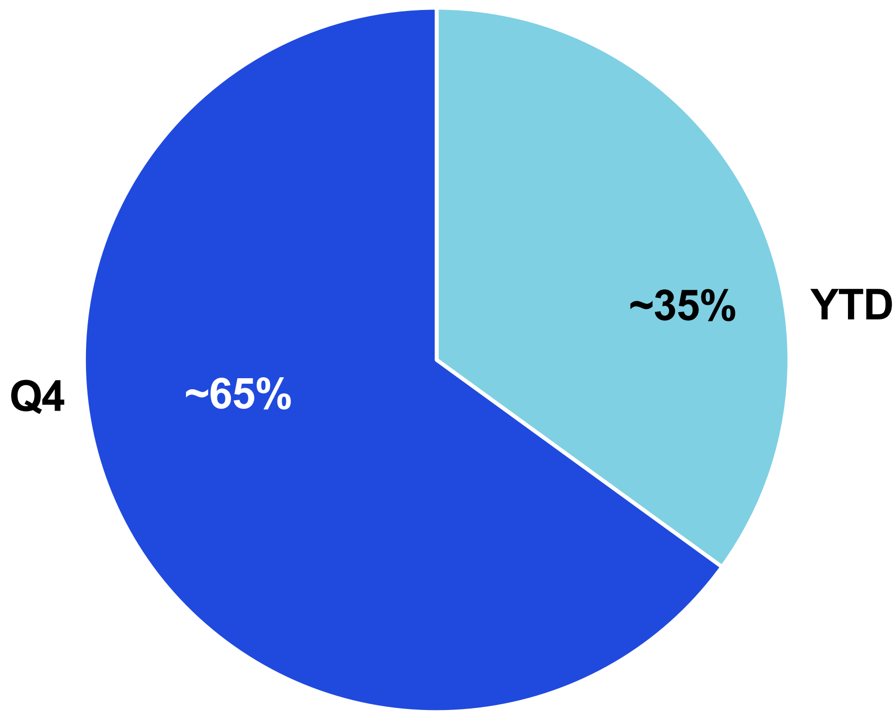
1. A non-GAAP financial measure. See Appendix for definition.

Expect to Come in at or Near the High End of 2022 Adjusted EPS[1] Guidance

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Appendix for definition and a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2021.

Recognizing ~$280-$310 Million of Tax Credits[1] from US Renewables Projects

~$200-$230 Million of Adjusted PTC[2] Related to New Project Commissionings in 2022

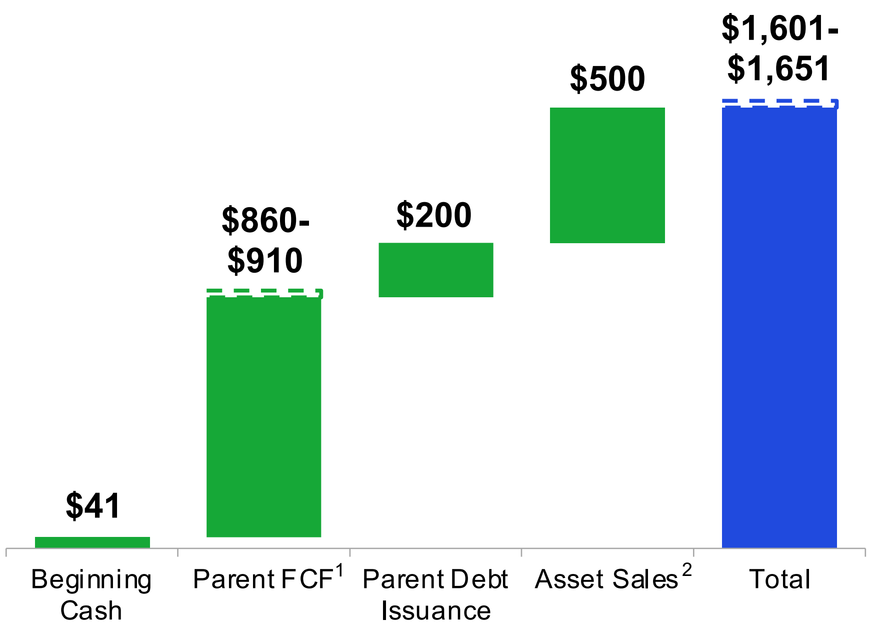


1. Adjusted for AES' ownership.
2. A non-GAAP financial measure. See Appendix for definition.

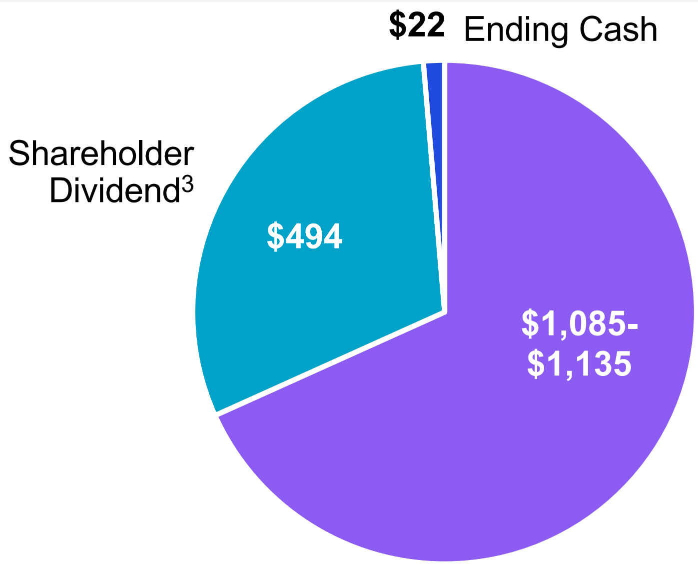
2022 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,601-$1,651)



Discretionary Cash – Uses ($1,601-$1,651)



Investments in Subsidiaries
- → Renewables: $520-$570
- → US Utilities: $245
- → AES Andes: $195
- → LNG Infra & New Technologies: $125

1. A non-GAAP financial measure. See Appendix for definition.
2. Announced asset sale in Jordan and unannounced asset sales
3. Includes 2022 payment of $0.1580 per share each quarter on 667 million shares outstanding as of December 31, 2021, and 6.875% coupon on $1 billion of equity units issued in March 2021.

Key Takeaways

→ Now expect 2022 Adjusted EPS[1] to come in at or near the high end of guidance range of $1.55 to $1.65

- Reaffirming 7% to 9% annualized growth target for Adjusted EPS[1] and Parent Free Cash Flow[1] through 2025, off a base year of 2020

→ Strong financial results demonstrate resilience of portfolio to macroeconomic volatility

→ Signed additional agreements that will redirect excess LNG from Panama to international customers

→ Expect the US Inflation Reduction Act (IRA) to greatly accelerate the demand for renewables and standalone storage

- To address this growth in demand, increased pipeline to 64 GW, including 51 GW in the US

→ Year-to-date, signed 3.2 GW of new renewables and energy storage under long-term contracts

- In late-stage discussion on several large PPAs that we expect will bring us within our full year range of 4.5 to 5.5 GW

1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

Appendix

1. A non-GAAP financial measure. See “definitions”.

Parent Sources and Uses of Liquidity

$ in Millions	Q3		YTD	
	2022	2021	2022	2021
Sources				
Total Subsidiary Distributions[1]	$69	$278	$545	$689
Proceeds from Asset Sales, Net	-	-		$65
Financing Proceeds, Net	$197	($3)	$197	$1,014
Increased/(Decreased) Credit Facility Commitments	$250	$250	$250	$250
Issuance of Common Stock, Net	-	-	-	-
Total Returns of Capital Distributions & Project Financing Proceeds	-	-	$487	-
Beginning Parent Company Liquidity[2]	$443	$1,315	$878	$924
Total Sources	$959	$1,840	$2,357	$2,942
Uses				
Repayments of Debt	-	-	-	-
Shareholder Dividend	($123)	($118)	($370)	($332)
Investments in Subsidiaries, Net	($296)	($85)	($1,245)	($773)
Cash for Development, Selling, General & Administrative and Taxes	($50)	($68)	($217)	($236)
Cash Payments for Interest	($58)	($52)	($117)	($92)
Changes in Letters of Credit and Other, Net	($10)	($4)	$14	$4
Ending Parent Company Liquidity[2]	($422)	($1,513)	($422)	($1,513)
Total Uses	($959)	($1,840)	($2,357)	($2,942)

1. See “definitions”.
2. A non-GAAP financial measure. See “definitions”.

Q3 & YTD 2022 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU	Q3 2022	YTD
US & Utilities	$50	$313
South America	-	$139
MCAC	$2	$29
Eurasia	$7	$43
Corporate & Other[2]	$10	$22
Total	$69	$546

Top Ten Subsidiary Distributions[1] by Business

Q3 2022				YTD			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
IPALCO (US & Utilities)	$32	Andres (MCAC)	$1	AES Andes (South America)	$130	US Holdco (US & Utilities)	$27
AES Clean Energy (US & Utilities)	$14	Mong Duong (Eurasia)	$1	IPALCO (US & Utilities)	$102	Los Mina (MCAC)	$24
Arlington (Corp & Other)	$10	Amman East (Eurasia)	$1	AES Clean Energy (US & Utilities)	$97	Mong Duong (Eurasia)	$11
Maritza East (Eurasia)	$5	CAESS & EEO (US & Utilities)	$0	Southland (US & Utilities)	$82	Global Insurance (Corp & Other)	$10
Southland (US & Utilities)	$4	Energy Storage (Eurasia)	$0	Maritza East (Eurasia)	$30	Arlington (Corp & Other)	$10

1. See “definitions”.
2. Corporate & Other includes Global Insurance.

Reconciliation of Subsidiary Distributions[1] and Parent Company Liquidity[1]

$ in Millions

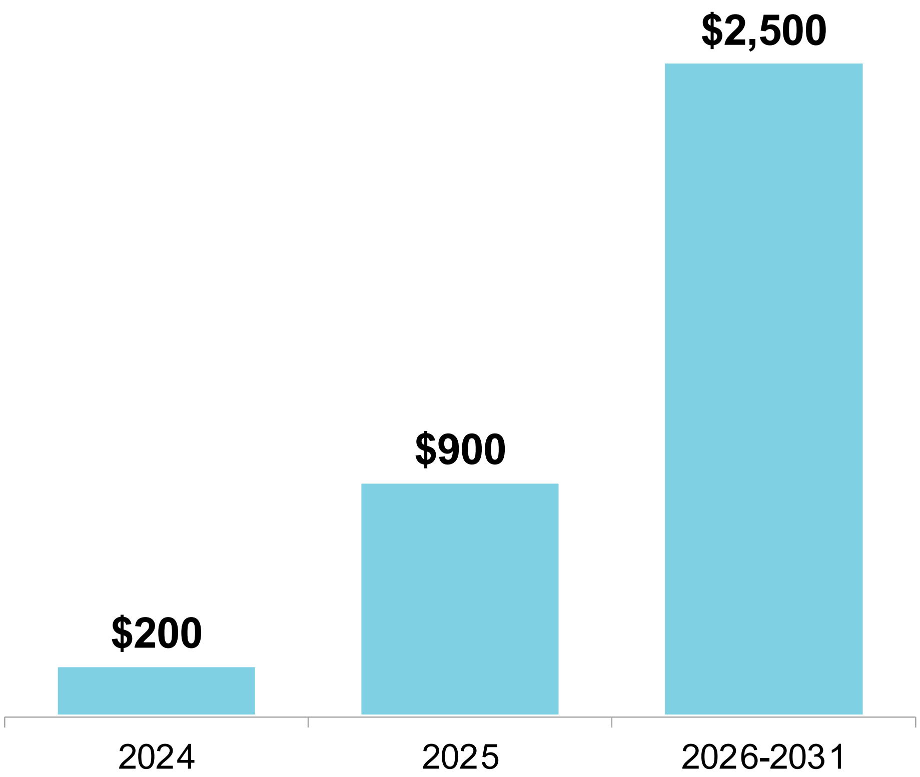
	Quarter Ended			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$69	$311	$165	$477
Total Return of Capital Distributions to Parent & QHCs[2]	-	-	-	$1
Total Subsidiary Distributions[1] & Returns of Capital to Parent	$69	$311	$165	$478

	Balance as of			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Cash at Parent & QHCs[2]	$48	$29	$17	$41
Availability Under Credit Facilities	$374	$414	$621	$837
Ending Liquidity	$422	$443	$638	$878

1. A non-GAAP financial measure. See “definitions”.
2. Qualified Holding Company. See “assumptions”.

Most Recourse Debt[1] Maturities in 2025 and Beyond

$ in Millions, as of September 30, 2022

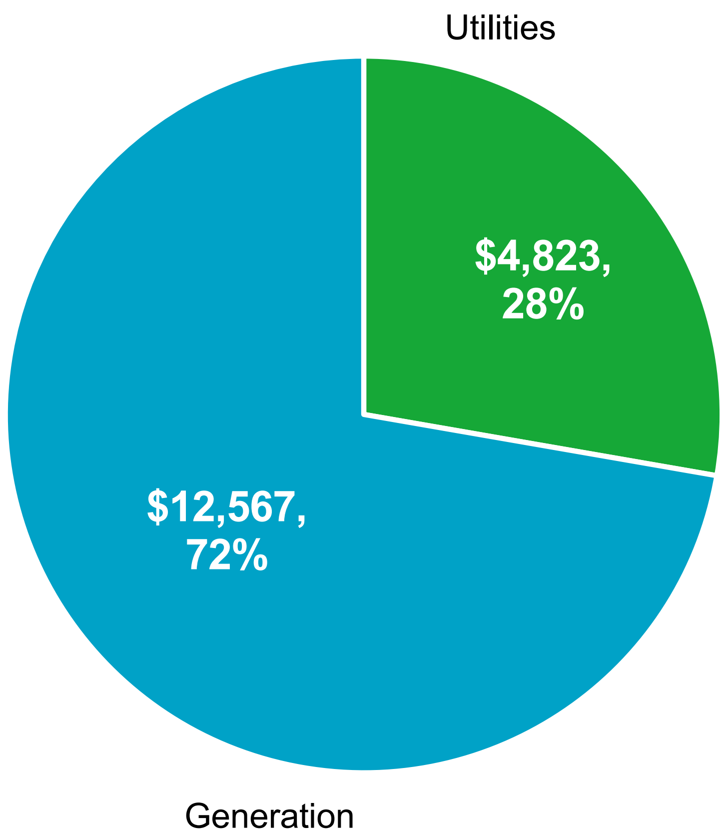


	Recourse Debt
Weighted Average All-in Cost	2.88%
Weighted Average Maturity	5.6 years
Percentage Fixed or Hedged	94%
Percentage in Functional Currency	100%

1. Does not include temporary drawings under revolvers of $1,100 million at Parent Company.

$17.4 Billion of Non-Recourse Debt[1]

$ in Millions, as of September 30, 2022

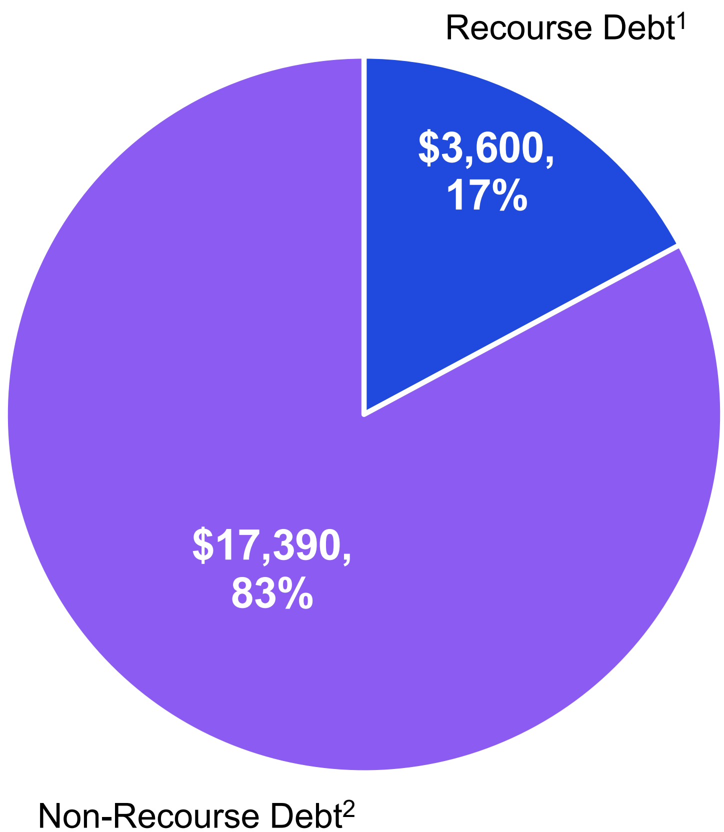


	Non-Recourse Debt
Weighted Average All-in Cost	5.15%
Weighted Average Maturity	9.9 years
Percentage Fixed or Hedged	74%
Percentage in Functional Currency	~100%

1. Does not include temporary drawings under revolvers of $235 million at US Utilities.

Vast Majority of Interest Rate Exposure is Hedged Through Swaps or Contractual Arrangements

$ in Millions, as of September 30, 2022



	Recourse Debt	Non-Recourse Debt
Weighted Average All-in Cost	2.88%	5.15%
Weighted Average Maturity	5.6 years	9.9 years
Percentage Fixed or Hedged	94%	74%
Percentage in Functional Currency	100%	~100%

1. Does not include temporary drawings under revolvers of $1,100 million at Parent Company.
2. Does not include temporary drawings under revolvers of $235 million at US Utilities.

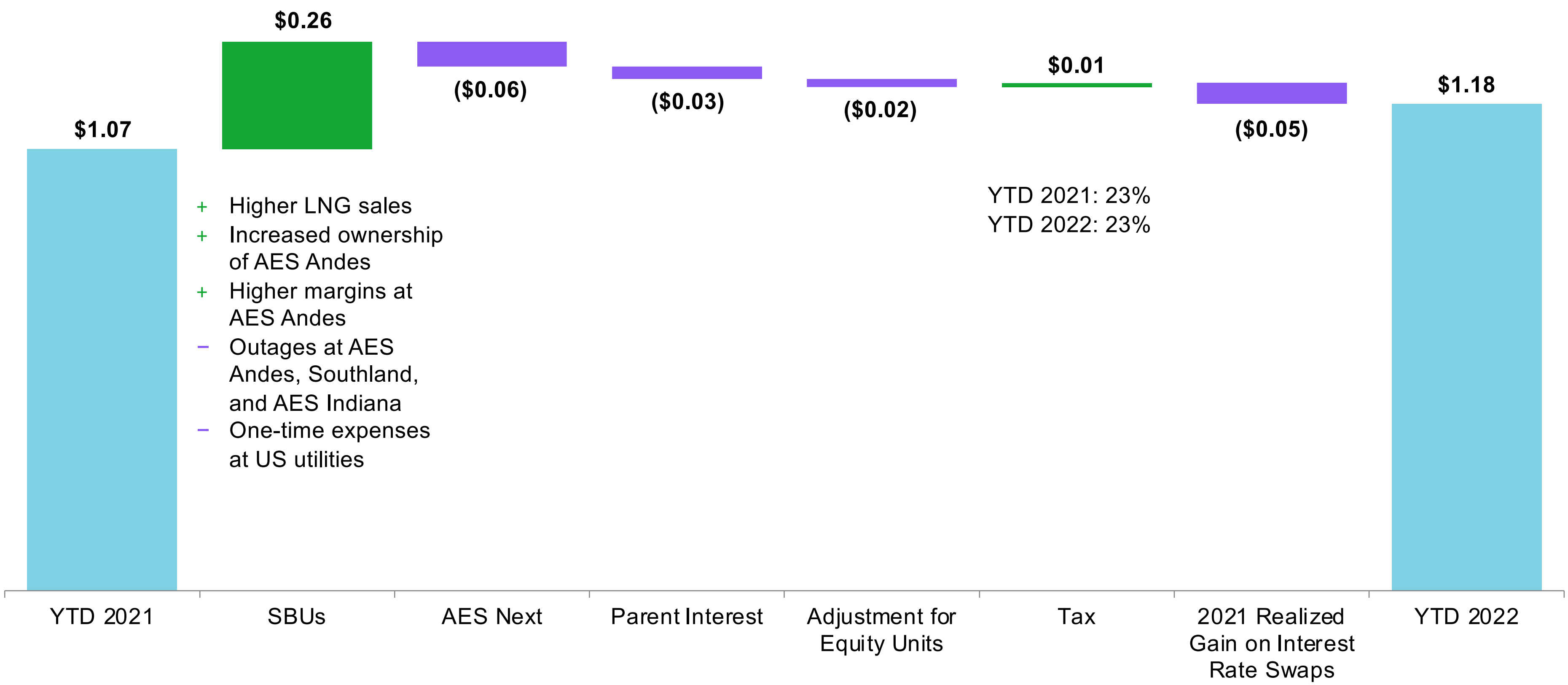
Q3 & YTD Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q3 2022	Q3 2021	Variance	YTD 2022	YTD 2021	Variance
Adjusted PTC[1]						
US & Utilities	$192	$254	($62)	$319	$426	($107)
South America	$102	$83	$19	$375	$267	$108
MCAC	$298	$81	$217	$422	$213	$209
Eurasia	$47	$45	$2	$154	$144	$10
Total SBUs	$639	$463	$176	$1,270	$1,050	$220
Corp/Other[2]	($70)	($35)	($35)	($190)	($72)	($118)
Total AES Adjusted PTC[1,3]	$569	$428	$141	$1,080	$978	$102
Adjusted Effective Tax Rate	21%	17%		23%	23%	
Diluted Share Count	711	711		711	701	
Adjusted EPS[1]	$0.63	$0.50	$0.13	$1.18	$1.07	$0.11

1. A non-GAAP financial measure. See Slides 48-49 for reconciliation to the nearest GAAP measure and “definitions”.
2. Includes $29 million and $4 million of losses from AES Next for the three months ended September 30, 2022 and 2021, respectively, and $96 million and $40 million of losses for the nine months ended September 30, 2022 and 2021, respectively.
3. Includes $36 million and $26 million of adjusted after-tax equity in losses for three and nine months ended September 30, 2022, respectively, and $14 million and $28 million of adjusted after-tax equity in earnings of for the three and nine months ended September 30, 2021, respectively.

YTD 2022 Adjusted EPS[1] Increased $0.11



1. A non-GAAP financial measure. See Slide 49 for reconciliation to the nearest GAAP measure and "definitions".

YTD 2022 Financial Results

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:

- Higher LNG sales;
- Increased ownership of AES Andes; and
- Higher margins at AES Andes

→ Partially offset by:

- Prior year realized gain on interest rate swaps;
- Outages at AES Andes, Southland, and AES Indiana;
- One-time expenses at US utilities;
- Higher losses at AES Next; and
- Higher Parent interest

Adjusted PTC[1]

1. A non-GAAP financial measure. See Slide 49 for reconciliation to the nearest GAAP measure and "definitions".

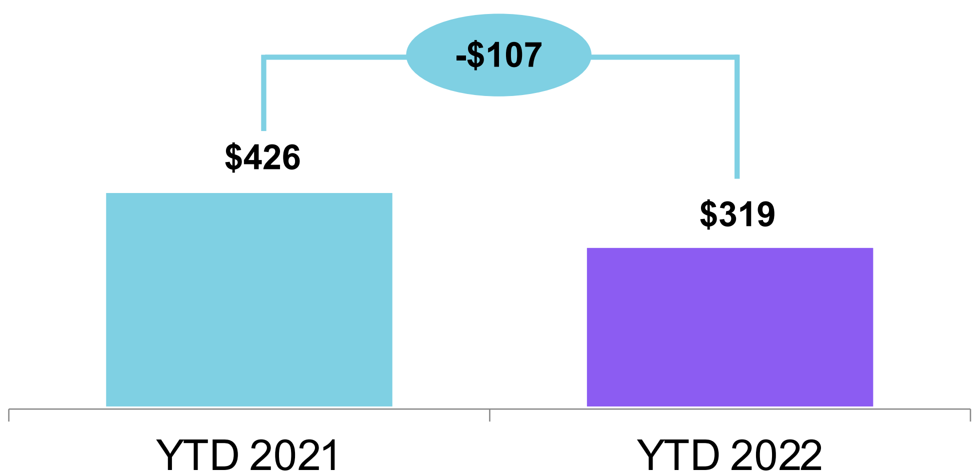
YTD Financial Results: US & Utilities SBU

$ in Millions

→ Lower Adjusted PTC[1] driven primarily by:

- Recognition of one-time expenses from previously deferred purchased fuel and energy costs at US utilities;
- Outages at Southland and AES Indiana;
- Lower contributions from AES Clean Energy; and
- Lower availability in Puerto Rico

Adjusted PTC[1]



1. A non-GAAP financial measure. See “definitions”.

YTD Financial Results: South America SBU

$ in Millions

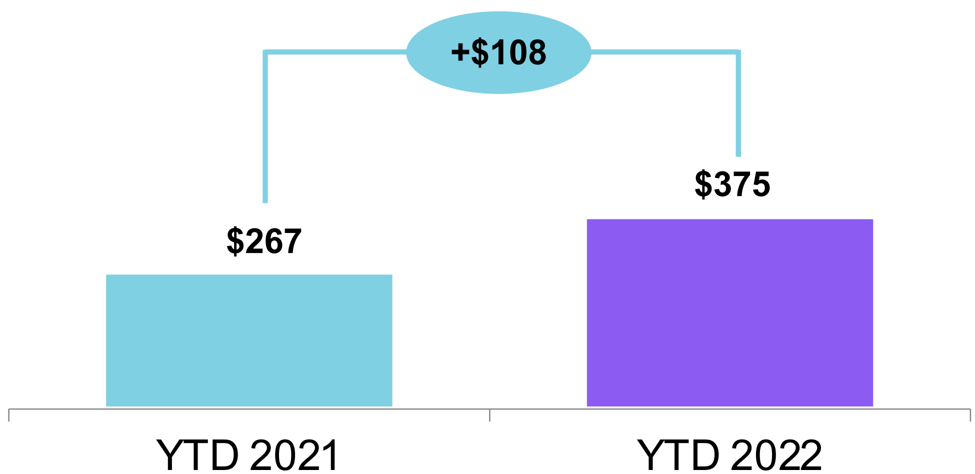
→ Higher Adjusted PTC[1] driven primarily by:

- Increased ownership of AES Andes;
- Higher margins at AES Andes; and
- Higher margins in Brazil

→ Partially offset by:

- Outages at AES Andes; and
- Regulatory write-offs in Argentina

Adjusted PTC[1]



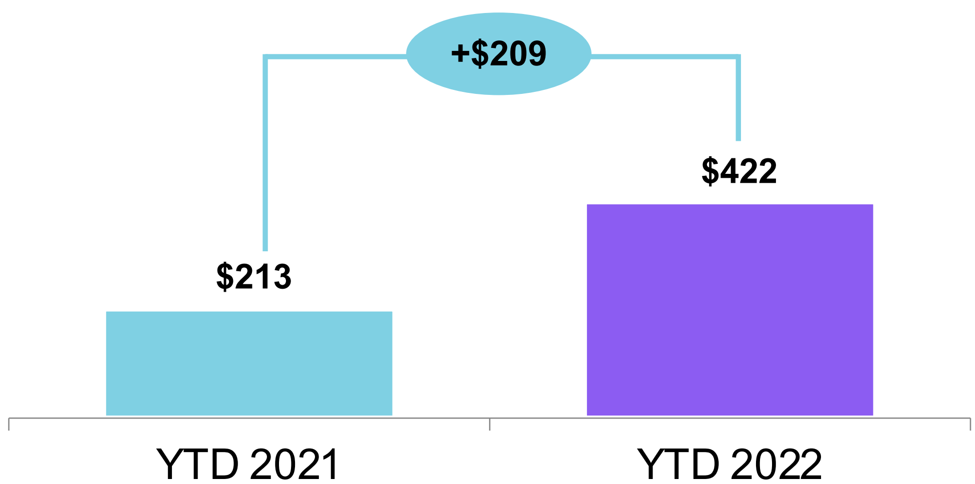
1. A non-GAAP financial measure. See “definitions”.

YTD Financial Results: MCAC SBU

$ in Millions

- → Higher Adjusted PTC[1] driven primarily by higher LNG sales
- → Partially offset by the sale of the Itabo coal plant in the Dominican Republic in 2021

Adjusted PTC[1]



1. A non-GAAP financial measure. See “definitions”.

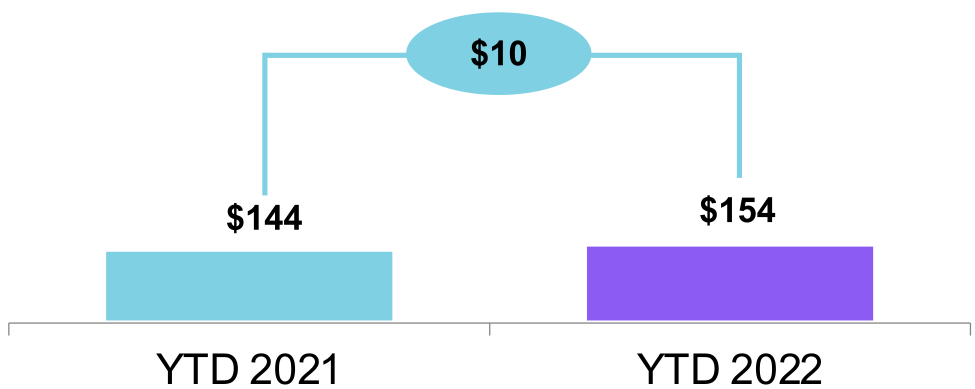
YTD Financial Results: Eurasia SBU

$ in Millions

→ Higher Adjusted PTC[1] driven primarily by:
- Higher power prices at Bulgaria wind; and
- Higher revenue in Vietnam

→ Partially offset by higher interest expense

Adjusted PTC[1]



1. A non-GAAP financial measure. See "definitions".

Q3 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

AES SBU/Reporting Country	US & Utilities/US				South America/Chile		South America/Brazil	
AES Company	IPL		DPL		AES Andes[2]		AES Brasil[2]	
$ in Millions	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
US GAAP Reconciliation								
AES Business Unit Adjusted Earnings[1,3]	$18	$29	($19)	$8	$69	$60	$9	$34
Adjusted PTC[1,3] Public Filer (Stand-alone)	$22	$37	($23)	$7	$104	$68	$10	($13)
Impact of AES Differences from Public Filings	-	-	-	-	$2	$1	-	-
AES Business Unit Adjusted PTC[1]	$22	$37	($23)	$7	$106	$69	$10	($13)
Unrealized Derivatives and Equity Security Gains (Losses)	-	-	-	($1)	$5	$4	$1	$12
Unrealized Foreign Currency Gains (Losses)	-	-	-	-	$2	$3	-	($12)
Impairment Expense	-	-	-	-	-	-	-	-
Disposition/Acquisition Gains (Losses)	($1)	($1)	-	$1	-	$21	($1)	-
Losses on Extinguishment of Debt	-	-	-	-	-	($16)	-	-
Net gains from early contract terminations at Angamos	-	-	-	-	-	$36	-	-
Non-Controlling Interest before Tax	$10	$16	-	-	$10	$64	$19	($12)
Income Tax Expenses	($6)	($10)	$3	($1)	($40)	($54)	($5)	$101
US GAAP Income from Continuing Operations[4]	$25	$42	($20)	$6	$83	$127	$24	$76
Adjustment to Depreciation & Amortization[5]					($11)	($11)	$3	($1)
Adjustment to Taxes					$4	$24	($5)	$8
Other Adjustments					($4)	($14)	($14)	($4)
IFRS Net Income					$72	$126	$8	$79
BRL-USD Implied Exchange Rate							5.2543	5.2989

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's adjusted PTC as it is included in AES consolidated adjusted PTC with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. The listed subsidiary is a public filer in its home country and reports its financial results locally under IFRS. Accordingly certain adjustments presented under IFRS Reconciliation are required to account for differences between US GAAP and local IFRS standards.
3. Total Adjusted PTC, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities.
4. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.
5. Adjustment to depreciation and amortization expense represents additional expense required due primarily to basis differences of long-lived and intangible assets under IFRS for each reporting period.

Q3 2022 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	$192	$83	($18)	$65	$10	($1)	$9	$146	($29)	$117
DPL	($11)	$18	-	$18	-	-	-	$20	-	$20
IPL	$61	$33	($10)	$23	-	-	-	$67	($20)	$47
South America	$102	$82	($20)	$62	$49	($13)	$36	$66	($19)	$47
AES Andes	$204	$39	($5)	$34	$9	-	$9	$39	($7)	$32
AES Brasil	$16	$27	($15)	$12	$21	($11)	$10	$20	($12)	$8
MCAC	$298	$40	($3)	$37	$2	-	$2	$41	($7)	$34
Eurasia	$47	$27	($8)	$19	$38	($19)	$19	$10	($1)	$9
Subtotal	$639	$232	($49)	$183	$99	($33)	$66	$263	($56)	$207
Corp/Other	($70)	$44	-	$44	$1	-	$1	$3	-	$3
Total	$569	$276	($49)	$227	$100	($33)	$67	$266	($56)	$210

1. A non-GAAP financial measure. See Slide 48 for reconciliation to the nearest GAAP measure and "definitions".

Q3 2022 Modeling Disclosures

$ in Millions

	Total Debt			Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	$9,506	($1,910)	$7,596	$943	($123)	$820
DPL	$1,636	-	$1,636	$44	-	$44
IPL	$3,006	($902)	$2,104	$10	($3)	$7
South America	$4,539	($1,092)	$3,447	$971	($399)	$572
AES Andes	$2,757	($331)	$2,426	$169	($11)	$158
AES Brasil	$1,419	($758)	$661	$678	($374)	$304
MCAC	$2,521	($126)	$2,395	$454	($64)	$390
Eurasia	$520	($9)	$511	$71	($11)	$60
Subtotal	$17,086	($3,137)	$13,949	$2,439	($597)	$1,842
Corp/Other	$5,120	-	$5,120	$265	($1)	$264
Total	$22,206	($3,137)	$19,069	$2,704	($598)	$2,106

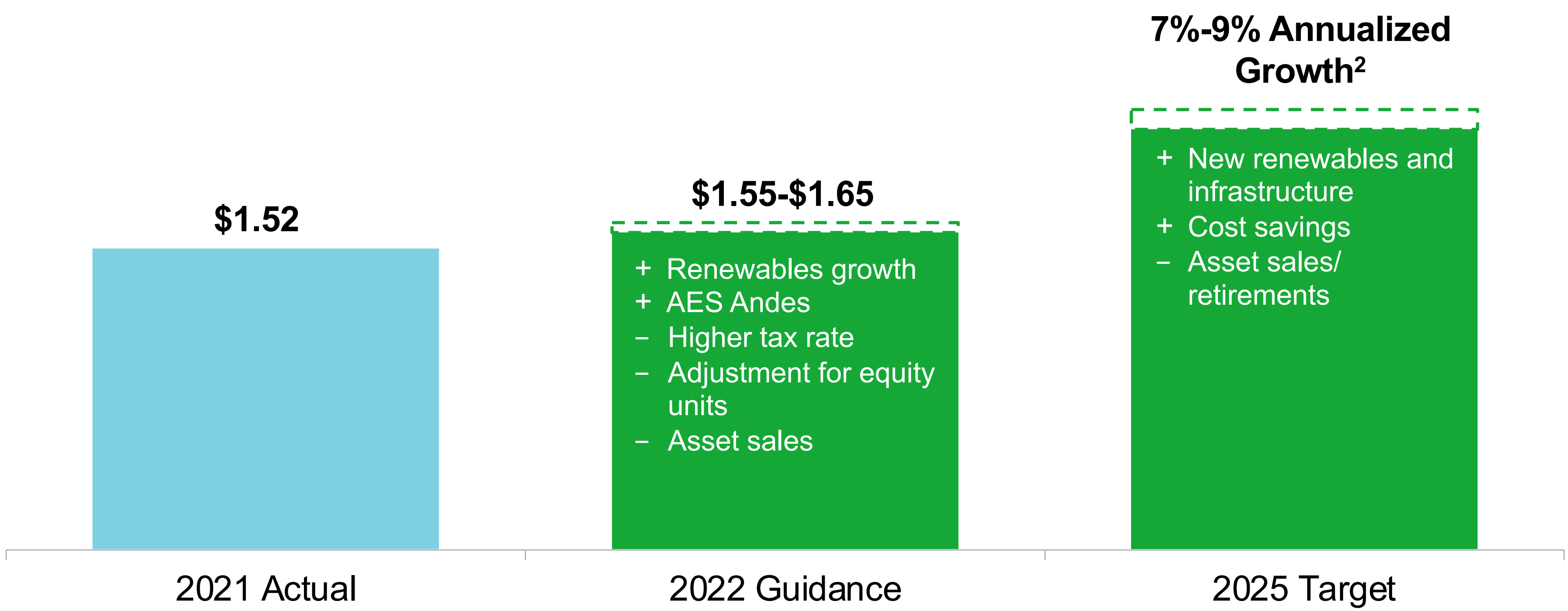
2022 Adjusted PTC Modeling Ranges

$ in Millions

SBU	2021 Adjusted PTC[1]	2022 Adjusted PTC Modeling Ranges as of 2/25/22[1]	Drivers of Growth Versus 2021
US & Utilities	$660	$740-$780	+ Renewables growth + Growth at US utilities
South America	$423	$530-$570	+ Increased ownership of AES Andes + Normalized hydrology + Renewables growth
MCAC	$314	$310-$330	+ Relatively flat YoY
Eurasia	$196	$160-$170	– Announced asset sales – Normalized operations at Bulgaria wind
Total SBUs	$1,593	$1,740-$1,850	
Corporate & Other	($175)	($220)-($230)	– Assumed dilution from additional asset sales – Others
Total AES Adjusted PTC[1,2]	$1,418	$1,520-$1,620	

1. A non-GAAP financial metric. See "definitions".
2. Total AES Adjusted PTC includes after-tax adjusted equity in earnings.

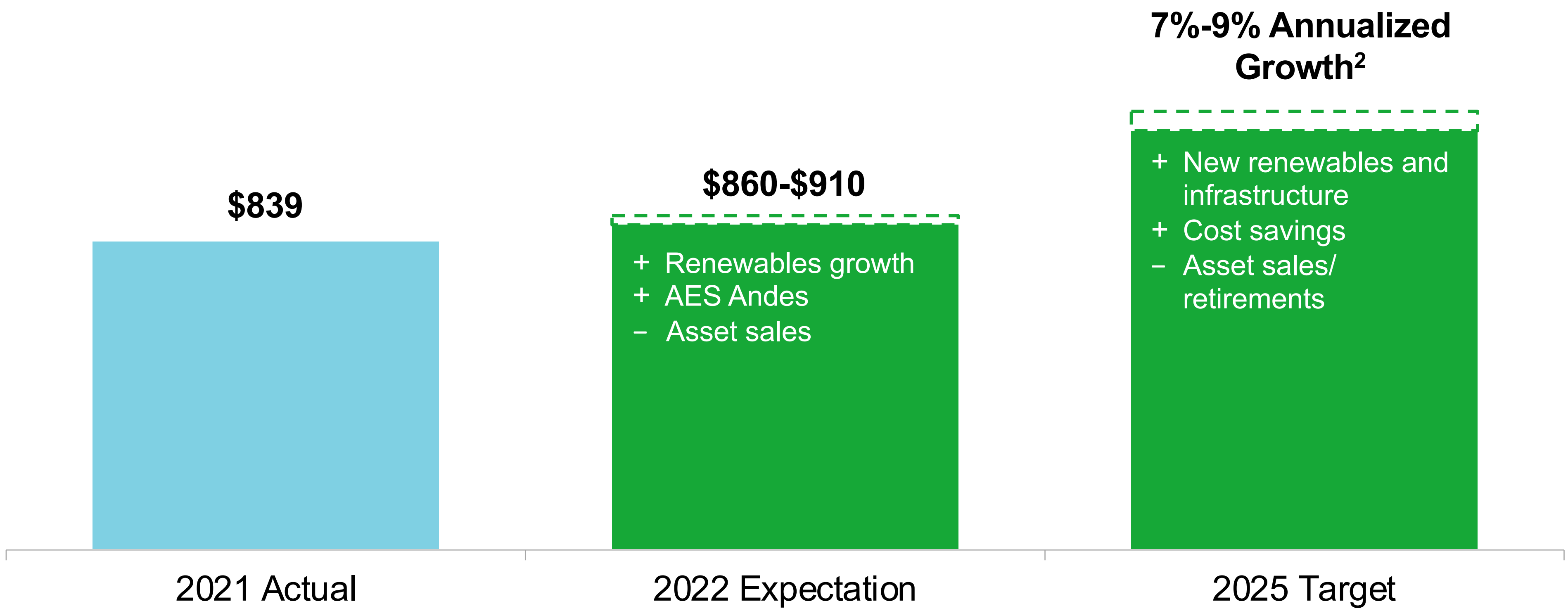
Reaffirming 2022 Adjusted EPS[1] Guidance and Annualized Growth Through 2025



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See "definitions" and Slide 50 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2021.
2. From a base of 2020 Adjusted EPS of $1.44.

Reaffirming 2022 Parent Free Cash Flow[1] Expectations and Annualized Growth Through 2025

$ in Millions



1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See "definitions" and Slide 51 for a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2021.
2. From a base of 2020 Parent Free Cash Flow of $777 million.

AES Modeling Disclosures

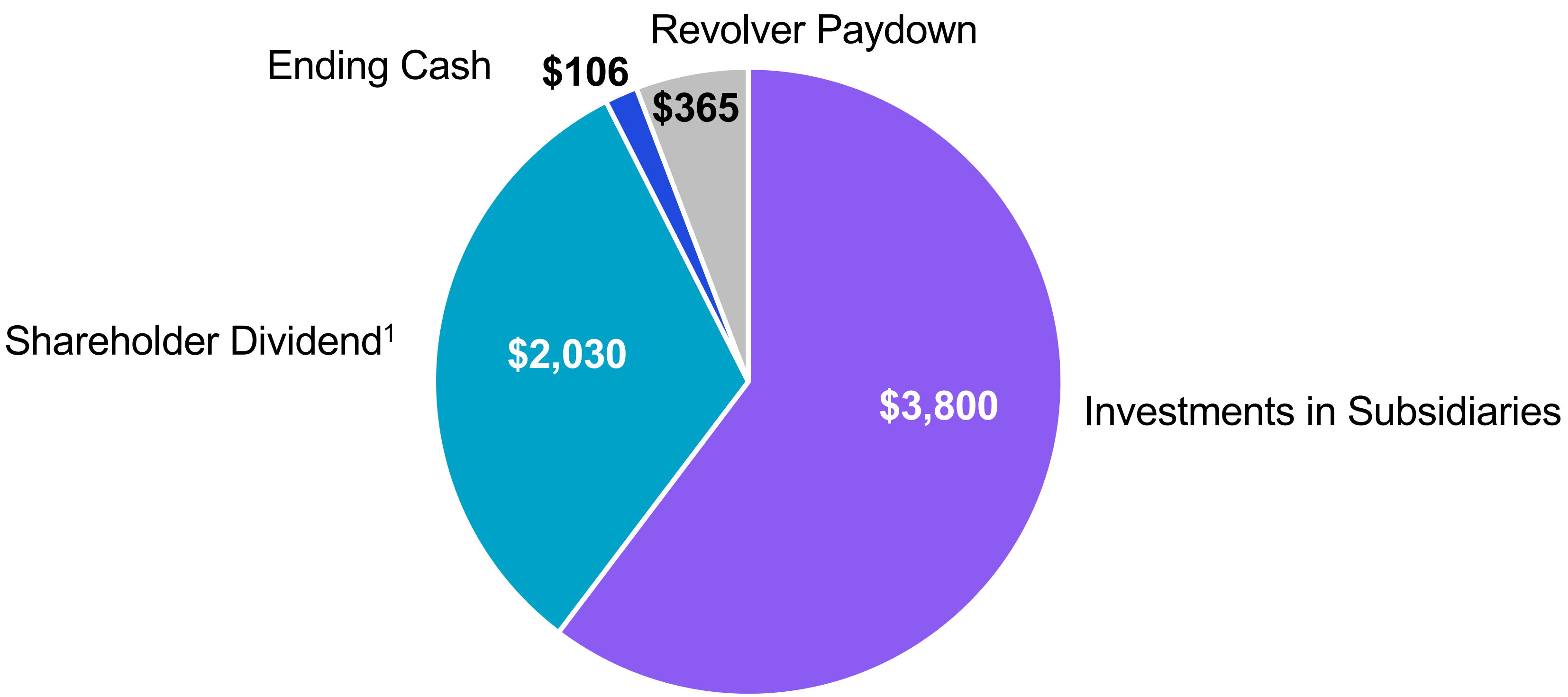
$ in Millions

	2022
Subsidiary Distributions (a)	$1,185-$1,235
Cash Interest (b)	($115)
Corporate Overhead	($100)
Parent-Funded SBU Overhead	($95)
Business Development/Taxes	($15)
Cash for Development, General & Administrative and Tax (c)	($210)
Parent Free Cash Flow[1] (a – b – c)	$860-$910

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See “definitions”.

2022-2025: Uses of $6.3 Billion Discretionary Cash

$ in Millions

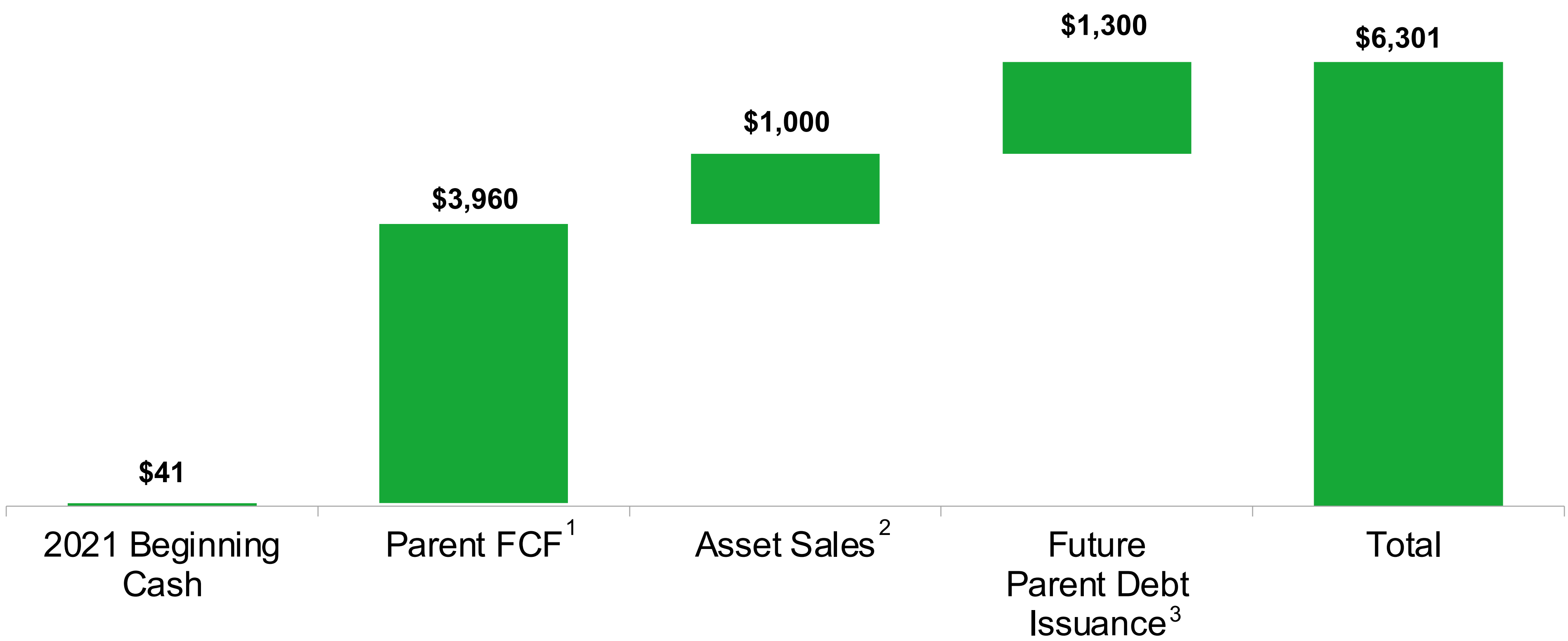


Allocating Capital to Maximize Shareholder Value

1. Assumes 2022 payment of $0.1580 per share each quarter on 667 million shares outstanding as of December 31, 2021, growing at 4%-6% per year through 2025, subject to Board approval, and 6.875% coupon on $1 billion of equity units issued in March 2021.

2022-2025: Sources of $6.3 Billion Discretionary Cash

$ in Millions



1. A non-GAAP financial measure. See Appendix "definitions". The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort.
2. Includes announced pending asset sales in Jordan and Vietnam, as well as unannounced asset sales.
3. Includes $200 million of Parent debt issued in 2022.

Year-to-Go 2022 Guidance Estimated Sensitivities

Interest Rates[1]

100 bps increase in interest rates over 2022 is forecasted to have a change in Adjusted EPS of ($0.01)

Currencies

10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts:	YTG 2022	
	Average Rate	Sensitivity
Argentine Peso (ARS) [2]	156.95	Less than ($0.005)
Brazilian Real (BRL)	5.25	Less than ($0.005)
Chilean Peso (CLP)	975.54	Less than $0.005
Colombian Peso (COP)	4,644	Less than ($0.005)
Dominican Peso (DOP)	53.6	~$0.015
Euro (EUR)	0.98	Less than ($0.005)
Mexican Peso (MXN)	20.29	~$0.015

Commodities

10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	YTG 2022	
	Average Rate	Sensitivity
IPE Brent Crude Oil[3]	$89.86/bbl	Less than ($0.005)
NYMEX Henry Hub Natural Gas[3]	$6.90/mmbtu	Less than ($0.005)
Rotterdam Coal (API 2)[3]	$312.45/ton	Less than $0.005
US Power – SP15	$79.49/MWh	Less than $0.005

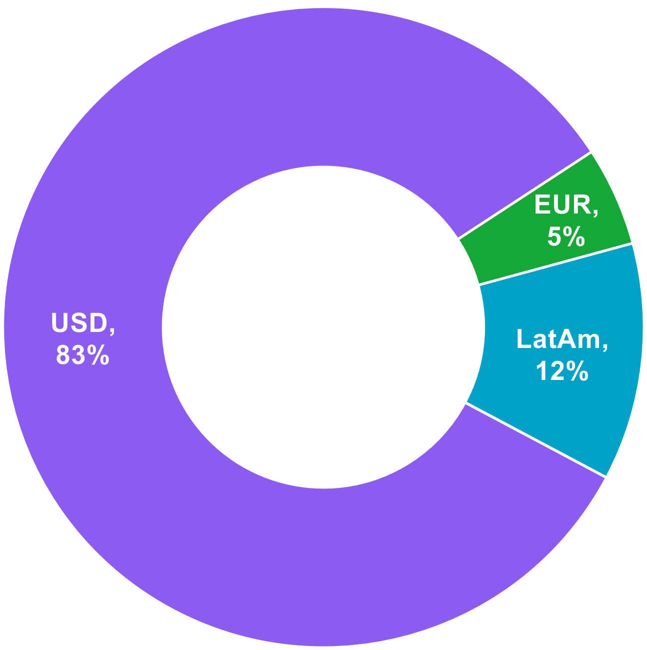
Note: Guidance reaffirmed on November 4, 2022. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on year-to-go 2022 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2022 guidance is based on currency and commodity forward curves and forecasts as of September 30, 2022. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented. Please see Item 1 of the Form 10-K for a more complete discussion of this topic. AES has exposure to multiple coal, oil, natural gas and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest $0.005 per share.

1. The move is applied to the floating interest rate portfolio balances as of September 30, 2022.
2. Argentine Peso sensitivities are based on AES internal FX rate assessment.
3. Sensitivity assumes no change in power prices.

Limited Exposure to Fluctuations in Foreign Currency

2022-2024 Cumulative Exposure

Composition by Currency



Annualized Impact[1] of 10% USD Appreciation on Adjusted PTC[2,3] After Hedging

Non-USD Currencies	$ in Millions
Argentine Peso (ARS)	($7.0)
Euro (EUR)	($7.0)
Colombian Peso (COP)	($5.0)
Chilean Peso (CLP)	$6.0
Brazilian Real (BRL)	($6.0)
Others	<($0)
% of Annualized Adjusted PTC[2]	1.2%

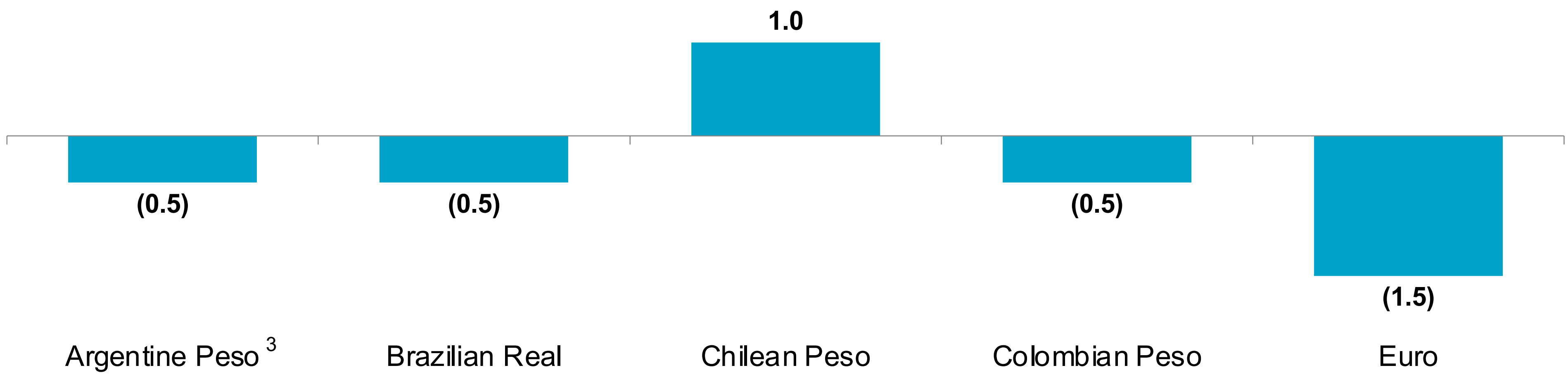
$0.02 Annualized EPS Impact From 10% Appreciation of USD

1. 10% USD appreciation relative to currency market forward curves as of September 30, 2022. Exception: Argentine Peso and Brazilian Real forward curves are based on AES internal FX rate assessment. Sensitivities are rounded to the nearest $1 million. Excludes inflation adjustments earned through contracts in Argentina and Colombia in the first 12 months.
2. Annualized values are cumulative exposure as of September 30, 2022.
3. As of September 30, 2022. A non-GAAP financial measure. See "definitions".

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share

Full Year 2024 Adjusted EPS[1] FX Sensitivity[2]



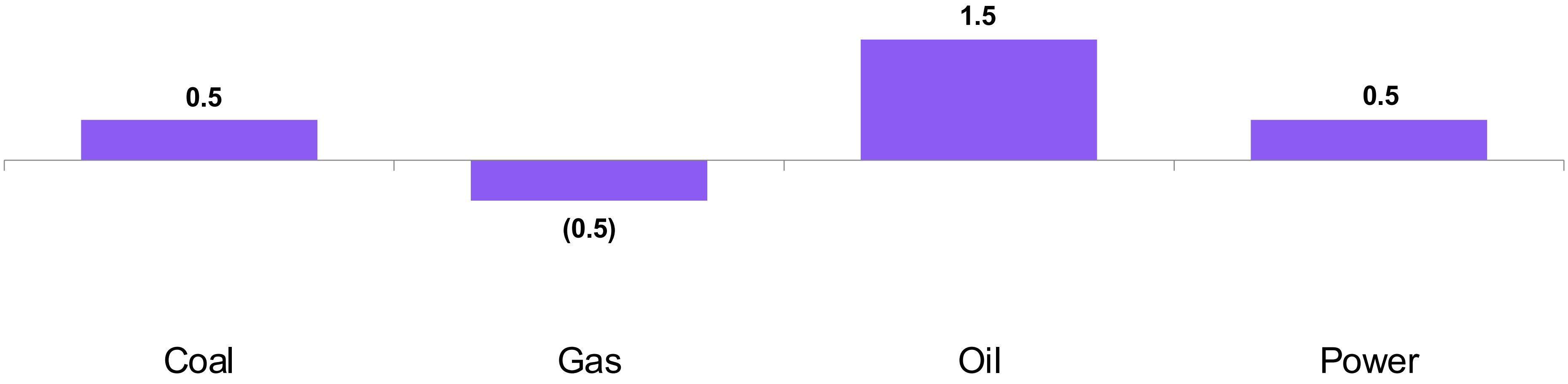
- → 2024 FX risk for 10% US Dollar appreciation against foreign currency, before impact of financial hedge instruments
- → Estimated realized FX moves include inflation adjustments earned through contracts in Argentina and Colombia; historic analysis indicates that such adjustments could offset FX risk by at least 60% in Argentina and 80% in Colombia over a 3-year period

1. A non-GAAP financial measure. See "definitions".
2. Sensitivity represents full year 2024 exposure as of December 31, 2021.
3. Argentine Peso 2024 sensitivity based on AES internal FX rate assessment (Average USD/ARS rate = 180) due to lack of liquidity in forward market.

Commodity Risk

Cents Per Share

Full Year 2024 Adjusted EPS[1] Commodity Sensitivity[2]



1. A non-GAAP financial measure. See “definitions”.
2. Sensitivities assume fuel and power prices move 10% relative to commodities as of December 31, 2021. Adjusted EPS is negatively correlated to gas price movements, and positively correlated to coal, oil and power price movements.

PPAs Signed or Awarded in YTD 2022

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
AES Clean Energy (ACE)	US-Various	Solar	740	75%	1H 2023- 2H 2024	10-20
		Wind	185			
		Energy Storage	137			
AES Puerto Rico	US-PR	Solar	355	100%	1H 2024	25
		Energy Storage	208			
AES Andes	Chile/Colombia	Solar	291	99%	2H 2022- 2H 2027	10-20
		Wind	188			
		Energy Storage	250			
AES Brasil[2]	Brazil	Wind	524	44%	In Operation[3]/ 1H 2024	13-20
AES Dominicana	Dominican Republic	Wind	50	85%	In Operation[4]	15
AES Panama	Panama	Solar	250	49%	1H 2024- 2H 2025	20
Total YTD 2022			3,178			

1. Commercial Operations Date.
2. Announced by AES Brasil in March 2022 for a total of 114 MW signed in December 2021-January 2022.
3. Acquisition expected to close in 1H 2023.
4. Acquired in June 2022.

Reconciliation of Q3 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q3 2022 Net of NCI[2]	Q3 2022 Per Share (Diluted) Net of NCI[2]	Q3 2021 Net of NCI[2]	Q3 2021 Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$421	$0.59	$343	$0.48
Add: Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	$128		$151	
Pre-Tax Contribution	$549		$494	
Adjustments				
Unrealized Derivative and Equity Securities Losses	($8)	($0.01)	($53)	($0.07)[3]
Unrealized Foreign Currency Losses (Gains)	$3	-	$11	$0.01
Disposition/Acquisition Losses (Gains)	$4	$0.01	($33)	($0.05)[4]
Impairment Losses	$17	$0.02[5]	$18	$0.03[6]
Loss on Extinguishment of Debt	$4	$0.01	$27	$0.04[7]
Net Gains from Early Contract Terminations at Angamos	-	-	($36)	($0.05)[8]
Less: Net Income Tax Benefit	-	$0.01	-	$0.11[9]
Adjusted PTC[1] & Adjusted EPS[1]	$569	$0.63	$428	$0.50

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized gains on power and commodities swaps at Southland of $22 million, or $0.03 per share, and unrealized gains on foreign currency derivatives in Argentina associated with government receivables of $15 million, or $0.02 per share, and in Brazil of $11 million, or $0.02 per share.
4. Amount primarily relates to a gain on remeasurement of contingent consideration at AES Clean Energy of $24 million, or $0.03 per share, and gain on sale of Guacolda of $22 million, or $0.03 per share, partially offset by loss on Uplight transaction with shareholders of $11 million, or $0.02 per share.
5. Amount primarily relates to asset impairment at Jordan of $19 million, or $0.03 per share.
6. Amount primarily relates to asset impairments at AES Clean Energy of $14 million, or $0.02 per share, and at Panama of $5 million, or $0.01 per share.
7. Amount relates to losses on early retirement of debt at AES Andes of $15 million, or $0.02 per share, and Argentina of $8 million, or $0.01 per share
8. Amounts relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $37 million, or $0.05 per share.
9. Amount primarily relates to a reduction in the income tax benefit associated with the impairment at Puerto Rico of $44 million, or $0.06 per share, income tax expense related to the gain on sale of Guacolda of $6 million, or $0.01 per share, and income tax expense related to the gain on remeasurement of contingent consideration at AES Clean Energy of $6 million, or $0.01 per share.

Reconciliation of YTD Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	YTD 2022 Net of NCI[2]	YTD 2022 Per Share (Diluted) Net of NCI[2]	YTD 2021 Net of NCI[2]	YTD 2021 Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$357	$0.50	$219	$0.31
Add: Income Tax Expense from Continuing Operations Attributable to AES	$149		$91	
Pre-Tax Contribution	$506		$310	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	($2)	-	$24	$0.03[3]
Unrealized Foreign Currency Losses	$23	$0.03[4]	$5	$0.01
Disposition/Acquisition Losses (Gains)	$36	$0.05[5]	($277)	($0.04)[6]
Impairment Losses	$497	$0.70[7]	$1,121	$1.61[8]
Loss on Extinguishment of Debt	$20	$0.03	$51	$0.07[9]
Net Gains from Early Contract Terminations at Angamos	-	-	($256)	($0.37)[10]
Less: Net Income Tax Benefit	-	($0.13)[11]	-	($0.19)[12]
Adjusted PTC[1] & Adjusted EPS[1]	$1,080	$1.18	$978	$1.07

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to net unrealized derivative losses in Argentina mainly associated with foreign currency derivatives on government receivables of $26 million, or $0.04 per share.
4. Amount primarily relates to unrealized foreign currency losses mainly associated with the devaluation of long-term receivables denominated in Argentine pesos of $19 million, or $0.03 per share.
5. Amount primarily relates to the recognition of an allowance on the AES Gilbert sales-type lease receivable as a cost of disposition of a business interest of $20 million, or $0.03 per share.
6. Amount primarily relates to the gain on remeasurement of our equity interest in sPower to acquisition-date fair value of $214 million, or $0.31 per share, and gain on Fluence issuance of shares of $60 million, or $0.09 per share, a gain on remeasurement of contingent consideration at AES Clean Energy of $24 million, or $0.03 per share, and gain on sale of Guacolda of $22 million, or $0.03 per share, partially offset by day-one loss recognized at commencement of a sales-type lease at AES Renewable Holdings of $13 million, or $0.02 per share, and loss on Uplight transaction with shareholders of $11 million, or $0.02 per share.
7. Amount primarily relates to asset impairments at Maritza of $468 million, or $0.66 per share, and at Jordan of $19 million, or $0.03 per share.
8. Amount primarily relates to asset impairments at AES Andes of $540 million, or $0.77 per share, at Puerto Rico of $475 million, or $0.68 per share, at Mountain View of $67 million, or $0.10 per share, at our sPower equity affiliate, impacting equity earnings by $21 million, or $0.03 per share, and at AES Clean Energy of $14 million, or $0.02 per share.
9. Amount primarily relates to losses on early retirement of debt at Andres and Los Mina of $15 million, or $0.02 per share, at AES Andes of $15 million, or $0.02 per share, and at Argentina of $8 million, or $0.01 per share.
10. Amounts relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $256 million, or $0.37 per share.
11. Amount primarily relates to income tax benefits associated with the impairments at Maritza of $73 million, or $0.10 per share, and at Jordan of $8 million, or $0.01 per share.
12. Amount primarily relates to income tax benefits associated with the impairments at AES Andes of $174 million, or $0.25 per share, at Puerto Rico of $70 million, or $0.10 per share, and at Mountain View of $18 million, or $0.03 per share, partially offset by income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $83 million, or $0.12 per share, income tax expense related to the gain on remeasurement of our equity interest in sPower to acquisition-date fair value of $47 million, or $0.07 per share, and income tax expense related to the gain on Fluence issuance of shares of $13 million, or $0.02 per share.

Reconciliation of FY Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	FY 2021 Net of NCI[2]	FY 2021 Per Share (Diluted) Net of NCI[2]	FY 2020 Net of NCI[2]	FY 2020 Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	($413)	($0.59)	$43	$0.06
Add: Income Tax Expense (Benefit) from Continuing Operations Attributable to AES	($31)		$130	
Pre-Tax Contribution	($444)		$173	
Adjustments				
Unrealized Derivative and Equity Securities Losses (Gains)	($1)	-	$3	$0.01
Unrealized Foreign Currency Losses (Gains)	$14	$0.02	($10)	($0.01)
Disposition/Acquisition Losses	$861	$1.22[3]	$112	$0.17[4]
Impairment Losses	$1,153	$1.65[5]	$928	$1.39[6]
Loss on Extinguishment of Debt	$91	$0.13[7]	$223	$0.33[8]
Net Gains from Early Contract Terminations at Angamos	($256)	($0.37)[9]	($182)	($0.27)[10]
U.S. Tax Law Reform Impact	-	($0.25)[11]	-	$0.02[12]
Less: Net Income Tax Benefit	-	($0.29)[13]	-	($0.26)[14]
Adjusted PTC[1] & Adjusted EPS[1]	$1,418	$1.52	$1,247	$1.44

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to loss on deconsolidation of Alto Maipo of $1.5 billion, or $2.09 per share, loss on Uplight transaction with shareholders of $25 million, or $0.04 per share, and a day-one loss recognized at commencement of a sales-type lease at AES Renewable Holdings of $13 million, or $0.02 per share, partially offset by gain on initial public offering of Fluence of $325 million, or $0.46 per share, gain on remeasurement of our equity interest in sPower to acquisition-date fair value of $249 million, or $0.35 per share, gain on Fluence issuance of shares of $60 million, or $0.09 per share, and gain on sale of Guacolda of $22 million, or $0.03 per share.
4. Amount primarily relates to loss on sale of Uruguaiana of $85 million, or $0.13 per share, loss on sale of the Kazakhstan HPPs of $30 million, or $0.05 per share, as a result of the final arbitration decision, and advisor fees associated with the successful acquisition of additional ownership interest in AES Brasil of $9 million, or $0.01 per share; partially offset by gain on sale of OPGC of $23 million, or $0.03 per share.
5. Amount primarily relates to asset impairments at AES Andes of $540 million, or $0.77 per share, at Puerto Rico of $475 million, or $0.68 per share, at Mountain View of $67 million, or $0.10 per share, at our sPower equity affiliate, impacting equity earnings by $24 million, or $0.03 per share, at Buffalo Gap of $22 million, or $0.03 per share, at Clean Energy of $14 million, or $0.02 per share, and at Laurel Mountain of $7 million, or $0.01 per share.
6. Amount primarily relates to asset impairments at AES Andes of $527 million, or $0.79 per share, other-than-temporary impairment of OPGC of $201 million, or $0.30 per share, impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $85 million, or $0.13 per share, and $57 million, or $0.09 per share, respectively; impairment at AES Hawaii of $38 million, or $0.06 per share, and impairment at Panama of $15 million, or $0.02 per share.
7. Amount primarily relates to losses on early retirement of debt at AES Brasil of $27 million, or $0.04 per share, at Argentina of $17 million, or $0.02 per share, at AES Andes of $15 million, or $0.02 per share, and at Andres and Los Mina of $15 million, or $0.02 per share.
8. Amount primarily relates to losses on early retirement of debt at the Parent Company of $146 million, or $0.22 per share, DPL of $32 million, or $0.05 per share, Angamos of $17 million, or $0.02 per share, and Panama of $11 million, or $0.02 per share.
9. Amount relates to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $256 million, or $0.37 per share.
10. Amounts relate to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $182 million, or $0.27 per share.
11. Amount relates to the tax benefit on reversal of uncertain tax positions effectively settled upon closure of the Company's 2017 U.S. tax return exam of $176 million, or $0.25 per share.
12. Amount represents adjustment to tax law reform remeasurement due to incremental deferred taxes related to DPL of $16 million, or $0.02 per share.
13. Amount primarily relates to income tax benefits associated with the loss on deconsolidation of Alto Maipo of $209 million, or $0.30 per share, income tax benefits associated with the impairments at AES Andes of $146 million, or $0.21 per share, at Puerto Rico of $20 million, or $0.03 per share, and at Mountain View of $15 million, or $0.02 per share, partially offset by income tax expense associated with the gain on initial public offering of Fluence of $73 million, or $0.10 per share, income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $69 million, or $0.10 per share, and income tax expense associated with the gain on remeasurement of our equity interest in sPower of $55 million, or $0.08 per share.
14. Amount primarily relates to income tax benefits associated with the impairments at AES Andes and Guacolda of $164 million, or $0.25 per share, and income tax benefits associated with losses on early retirement of debt at the Parent Company of $31 million, or $0.05 per share; partially offset by income tax expense related to net gains at Angamos associated with the early contract terminations with Minera Escondida and Minera Spence of $49 million, or $0.07 per share.

Reconciliation of Parent Free Cash Flow[1]

$ in Millions	2021	2020	2019
Net Cash Provided by Operating Activities at the Parent Company[2]	$570	$434	$583
Subsidiary Distributions to QHCs Excluded from Schedule 1[3]	$47	$198	$183
Subsidiary Distributions Classified in Investing Activities[4]	$290	$238	$60
Parent-Funded SBU Overhead and Other Expenses Classified in Investing Activities[5]	($69)	($85)	($97)
Other	$1	($8)	($3)
Parent Free Cash Flow[1]	$839	$777	$726

1. Parent Free Cash Flow (a non-GAAP financial measure) should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company's cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company's investment plan.
2. Refer to Net Cash Provided by Operating Activities at the Parent Company as reported at Part IV—Item 15—Schedule I—Condensed Financial Information of Registrant included in the Company's most recent 10-K filed with the SEC.
3. Subsidiary distributions received by Qualified Holding Companies ("QHCs") excluded from Schedule 1. Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries' business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Consolidated Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.
4. Subsidiary distributions that originated from the results of operations of an underlying investee but were classified as investing activities when received by the relevant holding company included in Schedule 1.
5. Net cash payments for parent-funded SBU overhead, business development, taxes, transaction costs, and capitalized interest that are classified as investing activities or excluded from Schedule 1.

Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in the Gross Domestic Product (GDP), foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain Key Performance Indicators (KPIs) such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualified holding companies ("QHCs") represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to AES, the Parent Company; however, cash held at qualified holding companies does not reflect the impact of any tax liabilities that may result from any such cash being repatriated to the Parent Company in the U.S. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES' indebtedness.

Definitions

Adjusted Earnings Per Share, a non-GAAP financial measure, is defined as diluted earnings per share from continuing operations excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and the tax impact from the repatriation of sales proceeds, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence; and (g) tax benefit or expense related to the enactment effects of 2017 U.S. tax law reform and related regulations and any subsequent period adjustments related to enactment effects to include the 2021 tax benefit on reversal of uncertain tax positions effectively settled upon the closure of the Company's 2017 U.S. tax return exam.

Adjusted Pre-Tax Contribution, a non-GAAP financial measure, is defined as pre-tax income from continuing operations attributable to The AES Corporation excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; and (f) net gains at Angamos, one of our businesses in the South America SBU, associated with the early contract terminations with Minera Escondida and Minera Spence. Adjusted PTC also includes net equity in earnings of affiliates on an after-tax basis adjusted for the same gains or losses excluded from consolidated entities.

NCI is defined as noncontrolling interests.

Parent Company Liquidity (a non-GAAP financial measure) is defined as as cash available to the Parent Company, including cash at qualified holding companies (“QHCs”), plus available borrowings under our existing credit facility. The cash held at qualified holding companies represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to the Parent Company.

Parent Free Cash Flow (a non-GAAP financial measure) should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities, which is determined in accordance with US GAAP. Parent Free Cash Flow is the primary, recurring source of cash that is available for use by the Parent Company. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Management uses Parent Free Cash Flow to determine the cash available to pay dividends, repay recourse debt, make equity investments, fund share buybacks, pay Parent Company hedging costs and make foreign exchange settlements. We believe that Parent Free Cash Flow is useful to investors because it better reflects the Parent Company’s cash available to make growth investments, pay shareholder dividends, and make principal payments on recourse debt. Factors in this determination include availability of subsidiary distributions to the Parent Company and the Company’s investment plan.

Subsidiary Liquidity (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.

Subsidiary Distributions should not be construed as an alternative to Consolidated Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries’ business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Consolidated Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.