

The AES Corporation

Data Centers & Demand
for Renewable Energy



January 18, 2024



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, 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.

AES is Well-Positioned to Capitalize on Leadership in the Technology Sector to Deliver Sustainable Growth



**Data Center Demand Expected to Grow by at Least 15 GW
(Equivalent to ~45 GW of Renewables) Through 2030¹**

**AES is the Largest Provider of Clean Energy Solutions to Corporates²,
with ~Half of US Backlog Contracted with Large Technology Customers**

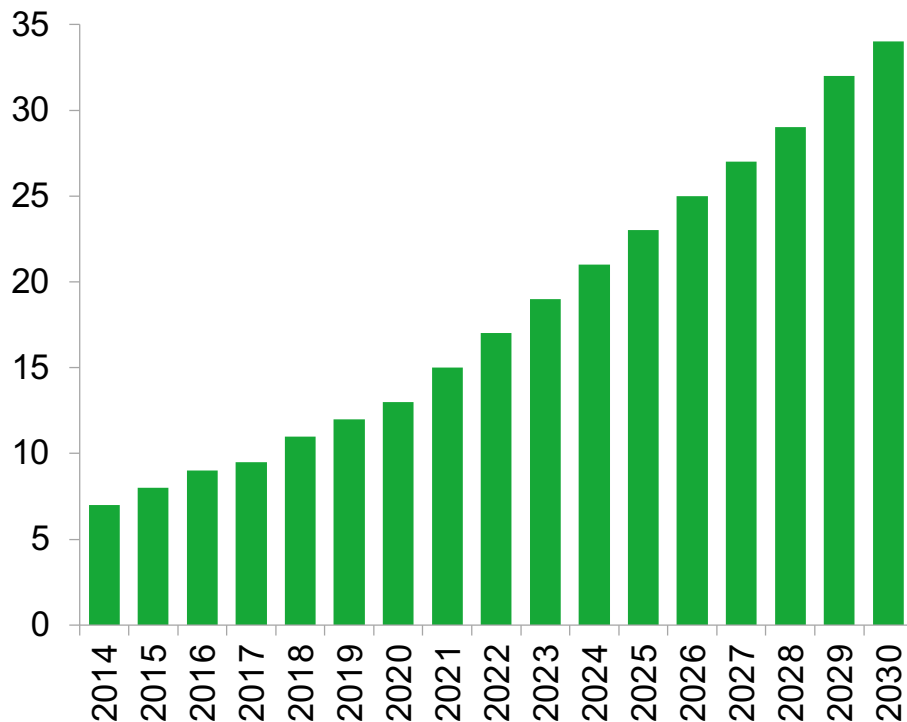
AES' Competitive Advantages Drive Strong Returns

1. McKinsey & Company, "Investing in the Rising Data Center Economy," January 2023.

2. #1 seller globally of clean energy to corporations through PPAs in 2021 and 2022 according to Bloomberg New Energy Finance.

Generative Artificial Intelligence Fueling the Data Center Boom in the United States

**US Data Center Demand¹,
Capacity in GW**



- US data center demand expected to grow 10% annually through 2030¹
- New wave of exponential growth expected due to GenAI²
- GenAI² causing companies to scramble for more data center capacity, looking for first mover advantage
- Power hungry data centers expected to grow from current 2.5% to 6%-7.5% of US total electricity consumption³

1. McKinsey & Company, "Investing in the Rising Data Center Economy," January 2023.
2. Generative Artificial Intelligence.
3. Boston Consulting Group; growth projected through 2030.

Significant Opportunity for Deployment of New Renewables, Driven by Rapid Growth & Companies' Commitments

	 Microsoft		 Meta
24/7 Carbon-Free Energy by 2030	100/100/0 Commitment by 2030	100% Renewable Energy by 2030	Net Zero Emissions by 2030
• Operations powered by clean energy every hour of the day • Reached 100% of annual electricity match with renewables in 2017	• On all the world's grids, 100% of electrons, 100% of the time, generated from zero carbon sources by 2030	• On a path to powering operations with 100% renewable energy by 2025 (five years ahead) • Asking suppliers to switch to renewable energy as well	• Global operations supported by 100% renewable energy
Renewable Electricity Meets Companies' Goals and Commitments			

AES' Approach is Focused on Partnering with Customers to Deliver Differentiated Solutions

Customized Solutions

- Bilateral relationships and insights lead to differentiated offerings
- Largest seller of renewables to corporates¹
- International presence supports customer expansion in select markets



Consistent Delivery

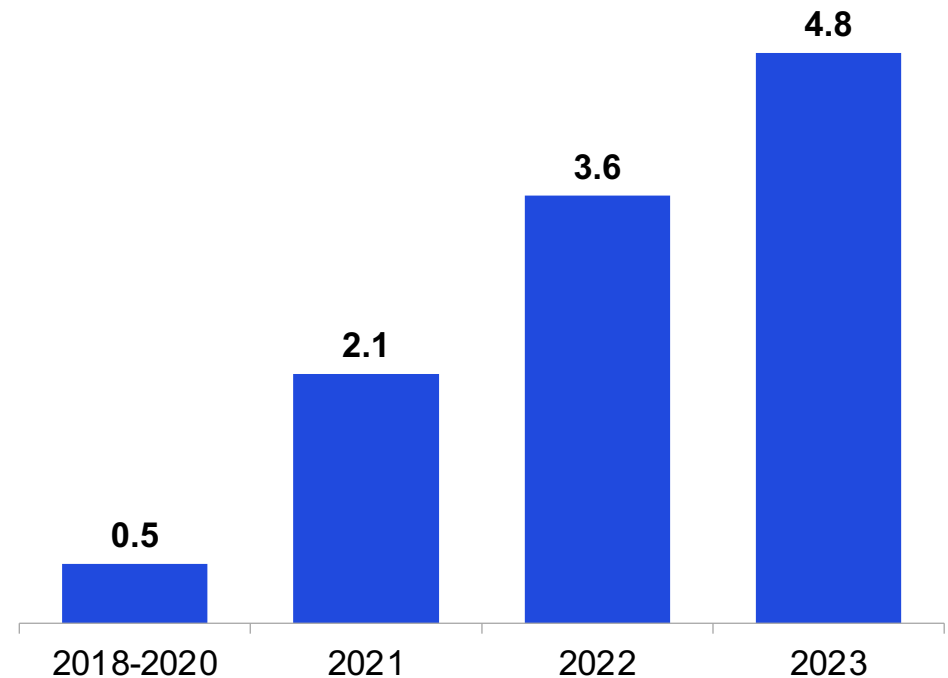
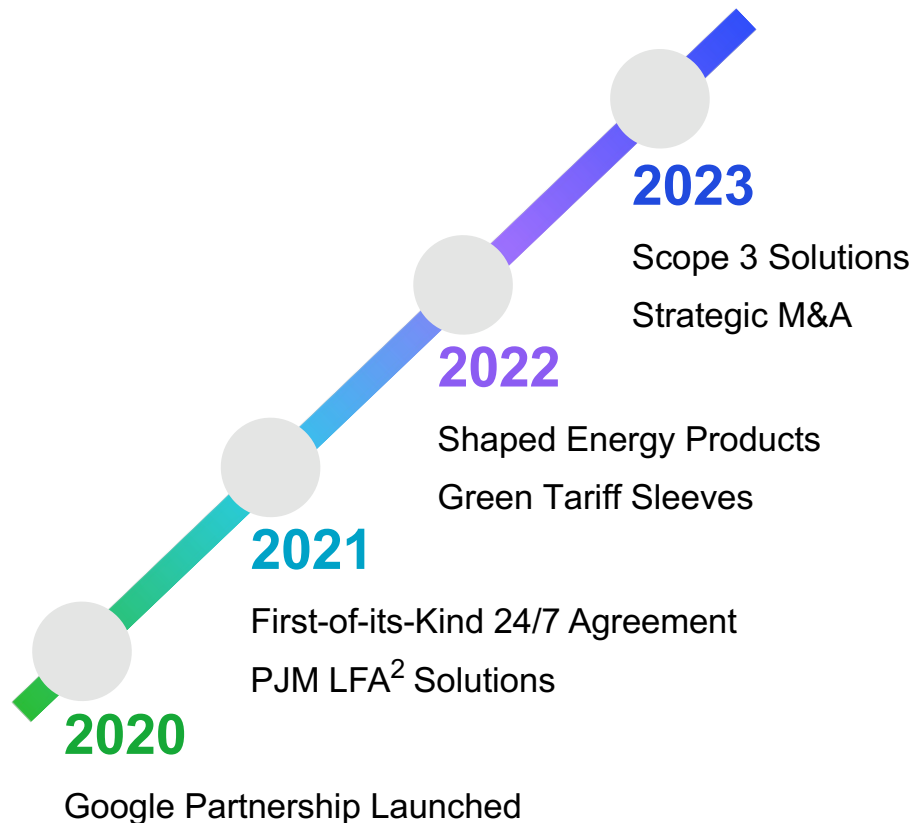
- Control of entire project development cycle across technologies and geographies
- Advantages of scale in supply chain and execution



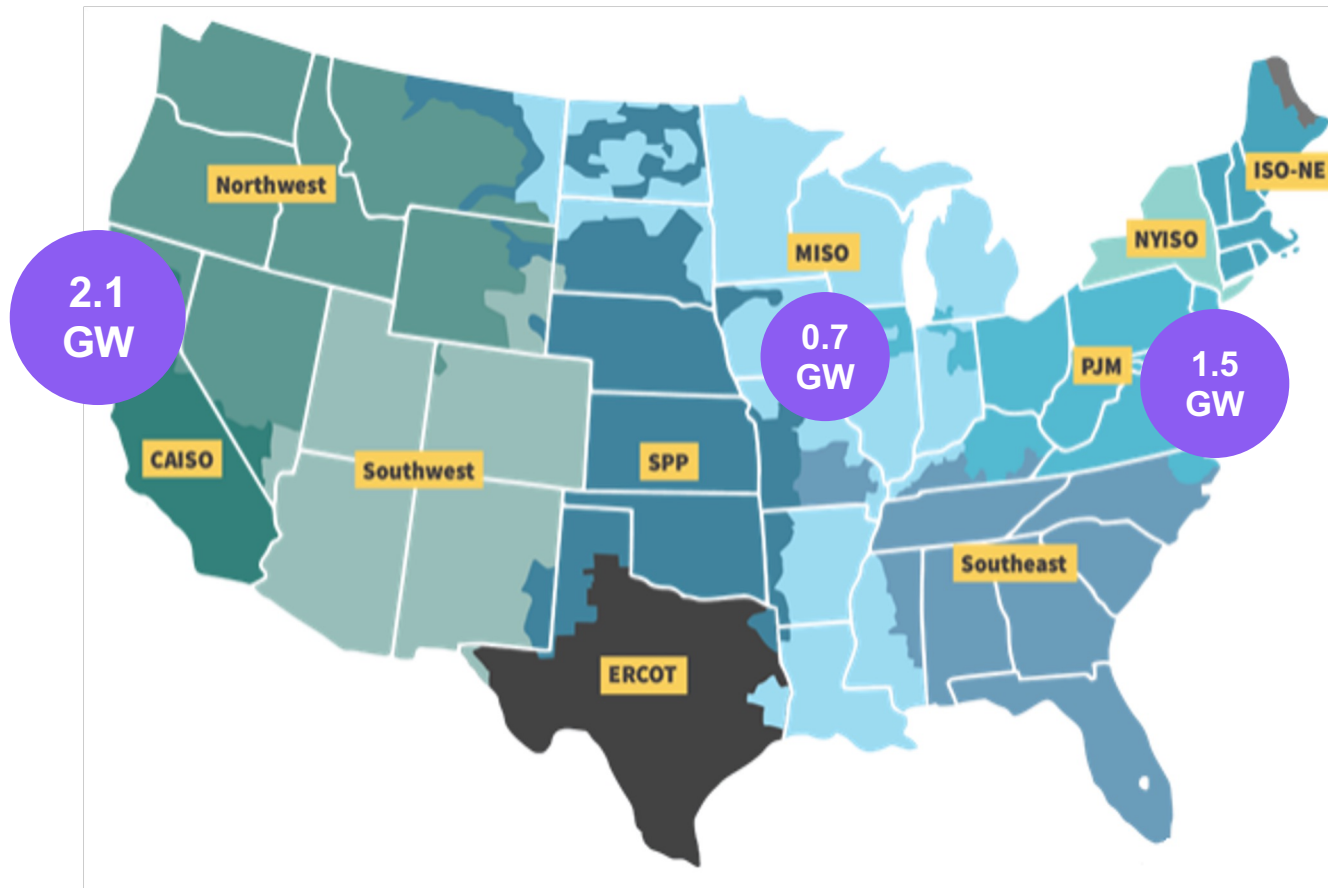
Trusted Partner of Choice

Innovation and Growth Mindsets Provide a Competitive Advantage... it's in Our DNA

**Cumulative Signed PPAs (GW)
with Technology Customers¹**



Renewables for Tech Customers Currently Concentrated in PJM and CAISO; Expanding in MISO, Southeast & ERCOT



Diversified Portfolio of Solutions Across Different Markets

Examples of Renewables Solutions: Seeing Demand Trending Towards More Premium Structures

Degree of Customization for Select Solutions

PPAs &
VPPAs¹

Green
Tariff
Sleeves²

Shaped
Energy

LFA³ &
24/7
Matching

Description	Long-term contract at fixed price (bundled or unbundled)	Long-term contract at fixed price with load serving entity as intermediary	Combination of technologies under one contract with specific energy shape and settlement	Combination of projects and technologies under one contract to follow and match customer load
Example	Contracts at Delta Wind project in Mississippi	Prevalent in WECC and other regulated markets	Contracts at solar + storage facilities in California	24/7 Retail Agreement in Virginia - LFA² in PJM

1. Virtual PPAs.

2. PPAs where regulated utilities, municipalities or electric cooperatives contract between AES and corporates.

3. Load Following Agreement.

Examples of Renewables Solutions: Green Tariff Sleeve PPA and Solar + Storage Shaped Energy

West Line Solar



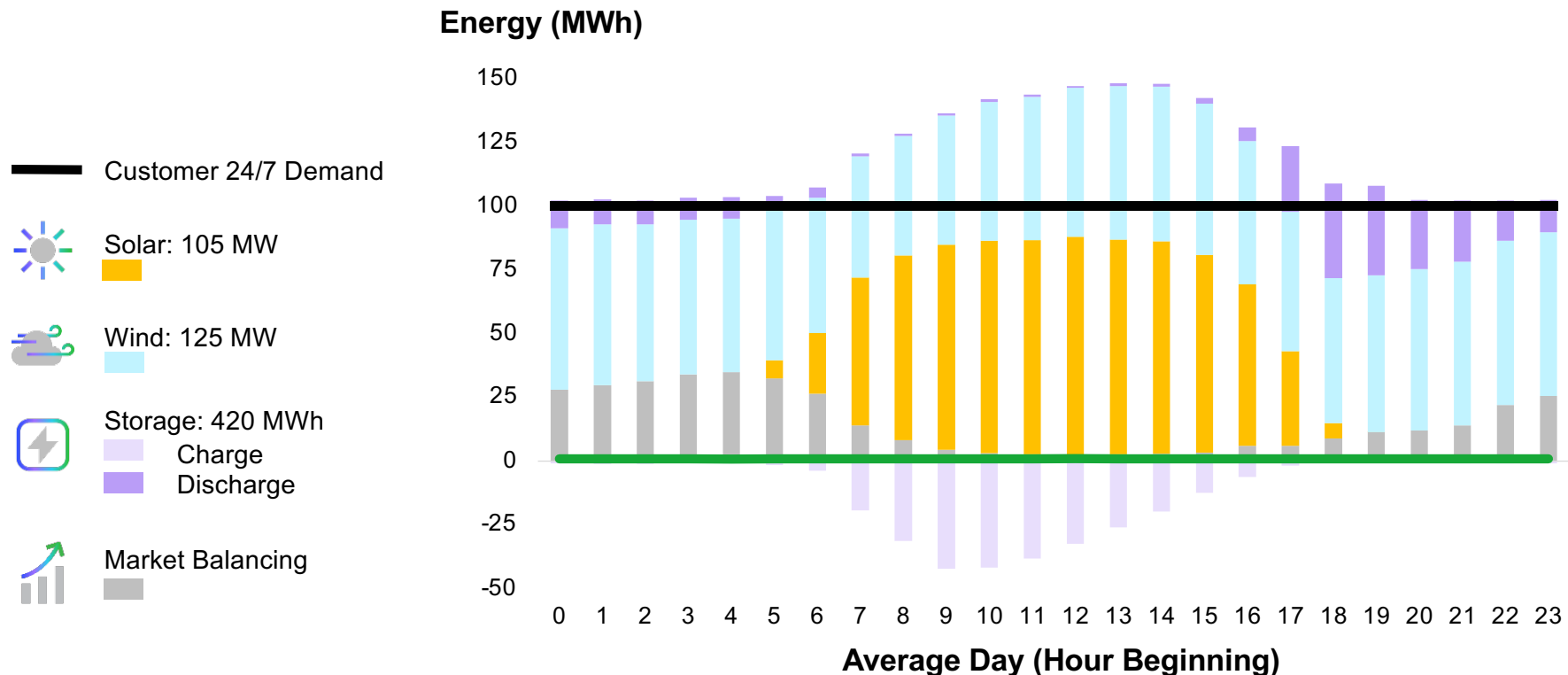
100 MW Solar Project in Arizona
Green Tariff Sleeve¹ with SRP²
Serving  Meta

Baldy Mesa



225 MW Solar + Storage Project in California
Shaped Energy Structure
Serving 

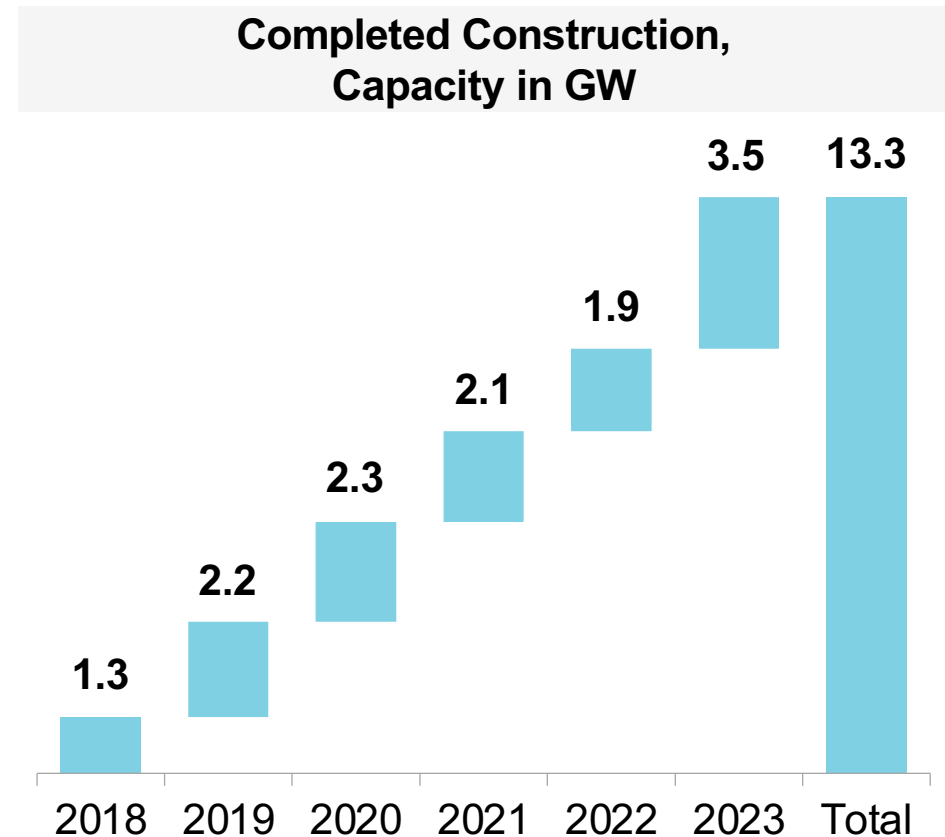
Examples of Renewables Solutions: We Combine Different Technologies Under One Contract to Deliver 24/7 Energy



Customer Insights and Commercial Structuring Add Premium to Projects

Solid Track Record of Delivering Projects on Schedule and on Budget

- Partnerships with suppliers, EPC firms and financing institutions
- Rigorous estimation process and team expertise to de-risk projects
- Securing major equipment and construction contractors, as well hedging long-term financing costs, at time of PPA signing



“We Deliver on Our Commitments” Reputation

Takeaways

- Data centers and Generative AI driving enormous power demand
- Major technology firms have ambitious clean energy goals
- AES is the premier provider of renewable solutions for technology customers and others
- AES has unique competitive advantages that lead to outsized returns



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.