Generación Mediterránea S.A.

Consolidated Financial Statements

At December 31, 2022
presented in comparative format

(Stated in thousands of US dollars (USD))

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Contents

GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the consolidated Financial Statements of the Group.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AJSA	Alba Jet S.A.
ASA	Albanesi S.A. (a company merged into GMSA)
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of Argentina
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A. (Wholesale Electricity Market Management Company)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza, located in Ezeiza, Buenos Aires
CTF	Central Térmica Frías, located in Frías, Santiago del Estero
CTI	Central Térmica Independencia, located in San Miguel de Tucumán, Tucumán
CTLB	Central Térmica La Banda, located in La Banda, Santiago del Estero
CTMM	Central Térmica Modesto Maranzana, located in Río IV, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana, located in La Rioja, province of La Rioja
CVP	Variable Production Cost
Dam3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
DIGO	Offered guaranteed Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
Grupo Albanesi	Generación Mediterránea S.A., its subsidiaries and other related companies
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A. (a company merged into GMSA)
GLSA	Generación Litoral S.A.
GMOP	GM Operaciones S.A.C.
GMSA	Generación Mediterránea S.A.
GMGS	GM Gestión y Servicios S.A.C.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
GUMAs	Major Large Users

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
HRSG	Heat recovery steam generator
IASB	International Accounting Standards Board
IGJ	Legal Entities Regulator
CPI	Consumer Price Index
WPI	Wholesale Price Index
kV	Kilovolt Unit of electromotive force which is equal to 1,000 (one thousand) volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
The Company/The Group	Generación Mediterránea S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
I-FRS	International Financial Reporting Standards
NFHCC	New Date Committed for Commercial Authorization
SDG	Sustainable Development Goals
NO	Negotiable Obligations
PAS	Arroyo Seco Project
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM	Gain/loss on purchasing power parity
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contracts" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
CSR	Corporate social responsibility
TP	Technical Pronouncements
SADI	Argentine Interconnection System
SACDE	Sociedad Argentina de Construcción y Desarrollo Estratégico S.A.
ES	Energy Secretariat
SEK	Swedish crowns
GSE	Government Secretariat of Energy
OHHS	Health, Safety and Hygiene at work
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
GU	Generating unit
CGU	Cash Generating Unit
USD	US dollars
UVA	Purchasing power unit

GENERACIÓN MEDITERRÁNEA

Annual Report for Fiscal Year 2022

Generación Mediterránea S.A.

Annual Report for Fiscal Year 2022

Contents

Annual Report for Fiscal Year 2022

To the Shareholders of GMSA,

In compliance with current legal and regulatory provisions, the Board of Directors submits for your consideration this Annual Report, the Summary of Activity, the Financial Statements, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Financial Statements for the year ended December 31, 2022.

1. ACTIVITY OF THE COMPANY

GMSA's main line of business is the conventional thermal power generation. It has six thermal power plants operating throughout the whole country fed with natural gas as well as diesel as alternative fuel. They sell the energy generated in accordance with different regulatory frameworks. GMSA's nominal installed capacity is 900 MW.

Grupo Albanesi, through GMSA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the natural gas transportation and sale business through RGA.

In recent years, the main strategy of Grupo Albanesi has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the equity interest of GMSA in each company:

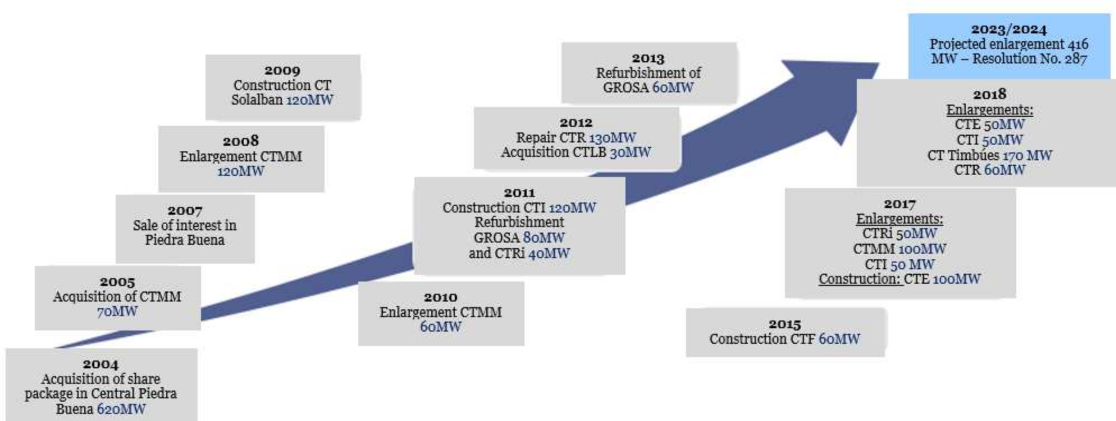
Companies	Country of creation	Main activity	% participation	
			12/31/2022	12/31/2021
CTR	Argentina	Electric power generation	75%	75%
GLSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%
GM Operaciones S.A.C.	Peru	Electric power generation	50%	-
CBEI LLC (*)	United States	Investing company	-	100%

(*) During the first quarter of 2022, GMSA has sold its equity interest in CBEI LLC to Albanesi Power S.A.

At the date of these Financial Statements, Grupo Albanesi had a total installed capacity of 1,380 MW, it being expanded with additional 408 MW with all the new projects awarded.

Power Plant	Company	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350 MW	ES Resolutions Nos. 220/07, 1281/06 Plus and ES Resolution No. 440/2021	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220 MW	ES Resolutions Nos. 220/07, 1281/06 Plus, EES Resolution No. 21/16 and ES Resolution No. 440/2021	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60 MW	ES Resolutions Nos. 220/07 and 440/2021	Frías, Santiago del Estero
Central Térmica Riojana (CTRi)	GMSA	90 MW	ES Resolutions Nos. 220/07 and 440/2021	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30 MW	ES Resolution No. 440/2021	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Total nominal installed capacity (GMSA)		**900 MW**		
Central Térmica Roca (CTR)	CTR	190 MW	ES Resolution No. 220/07 and ES Resolution No. 440/2021	Gral. Roca, Río Negro
Solalban Energía S.A.		120 MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
Total nominal installed capacity (Participation of GMSA)		**310 MW**		
Power Plants	AESA	170 MW	EES Resolution No. 21/16	Timbúes, Santa Fé
Total nominal installed capacity Grupo Albanesi		**1,380 MW**		

Grupo Albanesi entered the electricity market in 2004 with the purchase of the power plant Luis Piedra Buena S.A. In this way the development of the electricity market became one of the main purposes of the Group.



Through EES Resolution No. 287 - E/2017 of May 10, 2017, the ES instructed CAMMESA to call for those interested parties to offer new thermal generation focused on closure of combined cycles and co-generation technology, with the commitment to install and start up new generation to meet the demand in the WEM.

GMSA participated in that call and was awarded two projects for closure of combined cycles through EES Resolution 926 – E/2017. GECEN participated in that call and was awarded a co-generation project through EES Resolution No. 820 – E/2017.

2. MACROECONOMIC CONTEXT

International context

According to the International Monetary Fund (IMF) World Economic Outlook Update issued in January 2023, global growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024.

The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8%. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic (2017–19) levels of about 3.5%.

The balance of risks remains tilted to the downside, but adverse risks have moderated. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia's war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

Regional context

In Latin America and the Caribbean, growth is projected to decline from 3.9% in 2022 to 1.8% in 2023, with an upward revision to 2023 of 0.1 percentage points since October. The forecast revision reflects upgrades of 0.2 percentage points for Brazil and 0.5 percentage points for Mexico due to unexpected domestic demand resilience, higher-than-expected growth in major trading partner economies, and in Brazil, greater-than-expected fiscal support. Growth in the region is projected to rise to 2.1% in 2024, although with a downward revision of 0.3 percentage point, reflecting tighter financial conditions, lower prices of exported commodities, and downward revisions to trading partner growth.

Argentina

The estimated recovery in Argentina for 2022 was around 4%, according to the IMF's World Economic Outlook report dated January 2022. The IMF projects a 2% growth in 2023 and 2% in 2024.

In December 2022, the EMAE (Monthly Economic Activity Estimator) decreased 1.2% compared to the same month of 2021.

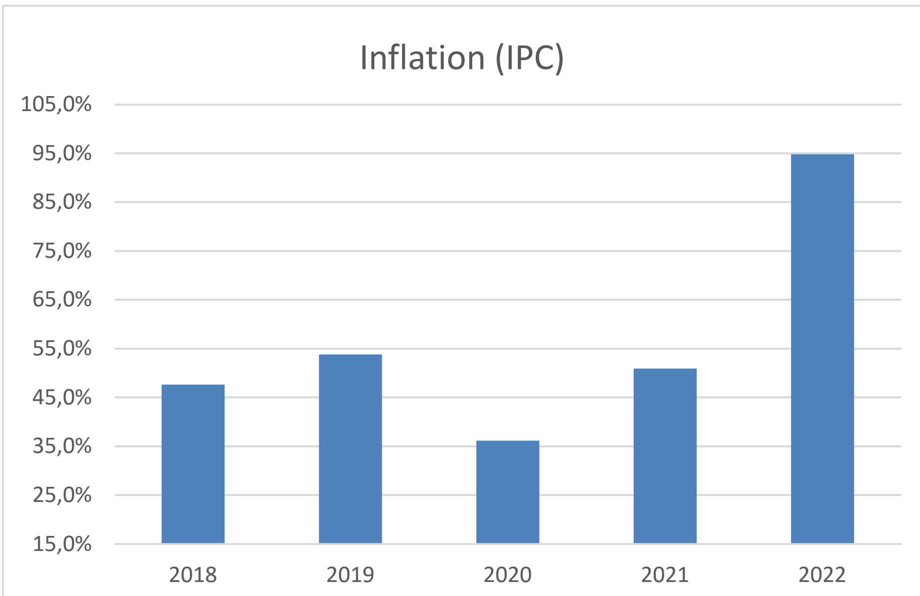
According to the Level of Activity Progress Report prepared by the INDEC, the Gross Domestic Product (GDP), according to preliminary estimates, the macroeconomic evolution for the second quarter of 2022 resulted in a 9.9% variation in global supply vis-à-vis the same period of the previous year, measured at 2004 prices, as a result of an 6.9% increase in GDP and a 23.1% variation in imports of goods and services in real terms.

The global demand showed a 18.8% increase in gross fixed capital formation, 10.7% growth in private consumption, 9.3% increment in exports of goods and services in real terms and 5.3% increase in public consumption.

In seasonally adjusted terms with respect to the first quarter of 2022, imports grew by 2.9%, private consumption by 1.8%, public consumption by 0.2%, exports by 3.5% and gross fixed capital formation by 7.8%.

In December 2022, the Manufacturing Industrial Production Index (IPI Manufacturing) shows a 2.7% drop compared to the same month of 2021. The cumulative for the period January-December 2022 shows an increase of 4.3% compared to the same period in 2021. In December 2022, the index for the seasonally adjusted series shows a negative variation of 1.2% as against the previous month, and the series trend-cycle index records a negative variation of 0.4% as against the previous month.

According to the Consumer Price Index (CPI), prices showed a cumulative increase of 94.8% in 2022 (INDEC), compared to 50.9% for 2021. Inflation rates for the last 5 years are shown below.



According to INDEC's report on Argentine foreign trade, in December 2022, exports reached USD 6.119 billion and imports, USD 5.017 billion. Trade exchange (exports plus imports) decreased by 13.0% compared to the same month of the previous year, reaching USD 11.136 billion. The trade balance recorded a surplus of USD 1.102 billion.

Exports fell 7.1% compared to the same month of 2021 (USD -468 million) due to a 13.1% drop in quantities, as prices increased 6.8%. In seasonally adjusted terms, exports were down 8.6% and trend-cycle, down 1.8% compared to November 2022. Primary products (PP) decreased 26.4% and manufactures of industrial origin (MOI), 9.4%; while fuels and energy (F&E) increased 7.5% and manufactures of agricultural origin (MOA), 5.4%.

Imports decreased 19.3% compared to December 2021 (USD -1.199 billion) due to a 21.8% decrease in quantities, as prices grew 3.3%. In seasonally adjusted terms, foreign purchases fell 2.0% and the trend-cycle, 3.0% compared to November 2022. All economic uses registered negative variations. Fuels and lubricants (F&L) fell 38.6%; others, 35.4%, mostly due to the decrease in goods shipped through postal services (couriers); capital goods (CG), 23.9%; intermediate goods (IG), 19.3%; parts and accessories for capital goods (P&A), 10.5%; consumer goods (CG), 8.4%; and passenger motor vehicles (MV), 5.2%.

The balance of trade balance was USD 1.102 billion, USD 731 million higher than the balance for the same month of the previous year, a period in which a surplus of USD 371 million had been recorded.

The official foreign exchange rate (wholesale) at the closing of 2022 recorded ARS 177.16, which implies a 72.47% devaluation accumulated over 2022.

According to the monthly monetary report issued by the Central Bank of Argentina, the monetary base for December was ARS 4.781 trillion on average, which implies a monthly increase of 9%.

The Central Bank's International Reserves ended 2022 with a balance of USD 44.597 billion, reflecting an increase of USD 6.588 billion in December. This increase was mainly driven by the disbursement of USD 6.021 billion from the IMF under the Extended Fund Facility Program (EFP), which was partially offset by principal payments to the IMF of USD 2.717 billion. In turn, since its reopening on November 28, the Export Increase Program allowed the BCRA to acquire foreign currency for USD 3.155 billion and, considering the rest of the private sector's foreign exchange operations, the net balance was USD 2.330 billion. Valuation gains on net foreign assets and the variation of BCRA current account balances in dollars also had a positive effect.

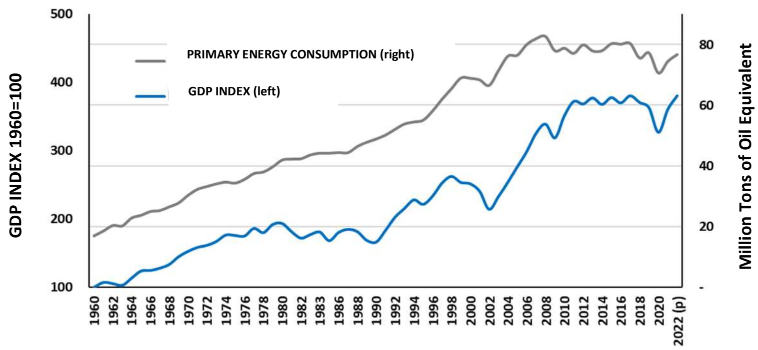
Finally, the bilateral nominal exchange rate (NER) against the US dollar increased 6.4% in December to an average of ARS 172.45 per US dollar. Thus, the BCRA has slowed down the pace of depreciation of the domestic currency as inflation began to moderate.

Structure of the energy sector

Energy demand and consumption in Argentina shows a positive correlation with the Gross Domestic Product, as it happens in countries with intermediate economic development. This means that the higher the economic growth, the higher the consolidated energy demand for all energy products. The reverse is also verified when the economy shrinks, although to a lesser extent, as the decrease in economic activity is linked to a lower reduction in energy consumption.

In the period from 1959 to 2022, energy consumption has shown a historical annual average growth of 2.6%[1], with a normalized average of only 0.7% per year since the Great Crisis of 2002. Following the significant drop in energy consumption and GDP in 2020, -8.6% and -9.9% respectively, 2021 showed a significant rebound of +5.4% and +10.3%, respectively. Our preliminary estimate for 2022 shows recovery rates lower than +3.1% in energy consumption and +5.5% of GDP.

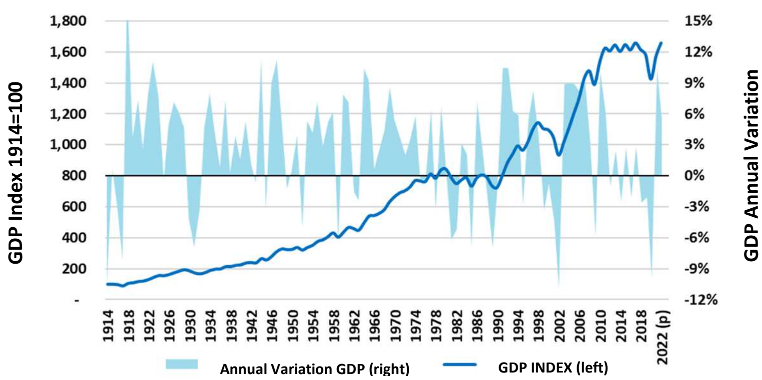
PRIMARY ENERGY CONSUMPTION AND GDP -1959-2022



Changes in economic policy alter energy consumption variations. In 2018, the -2.6% recession – which followed 2017's strong performance of +2.8% – along with summertime temperatures lower than those of the previous year, affected energy demand, which fell -6.0% year-on-year. In 2019, despite a new drop in GDP of -2.1% from 2018, there was a 2.2% increase in energy consumption compared to 2018, with the influence of the freeze on gas and electricity rates since the beginning of the year and on fuel prices since August 2019.

The consequences of the restrictive measures imposed since Marc9h 2020 to hold back the effects of the COVID-19 pandemic had an overwhelming impact on the Argentine economy. During 2020, the social isolation measures resulted in a historic economic contraction of -9.9%. The reduction in energy consumption was historic as well, dropping -8.6% even with lower temperatures in winter, compared to 2019.

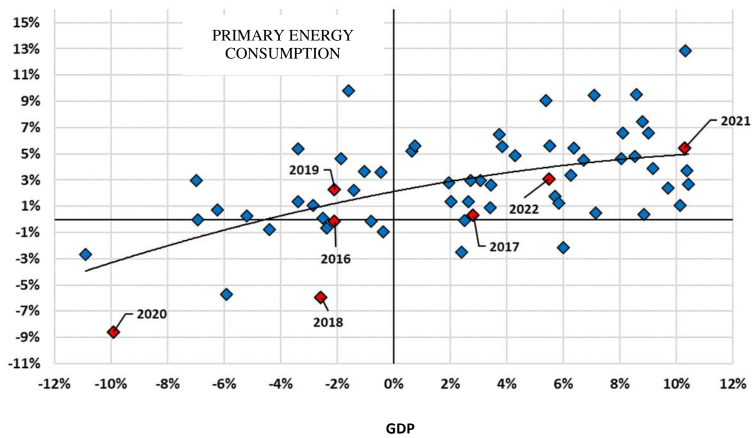
GDP EVOLUTION ARGENTINA 1914-2022: 2,3% ANNUAL



[1] Official data from the Energy Secretariat for the period 1959 to 2021 and preliminary estimate for 2022 prepared by G&G Energy Consultants.

According to INDEC data, the economy recovered in 2021, with an annual growth of +10.3% and an increase in energy consumption of +5.3%. The first estimates prepared by G&G Energy Consultants for energy consumption in 2022 show an increase of +3.1%, with temperatures lower than historic parameters in May and June 2022.

GDP AND PRIMARY ENERGY CONSUMPTION



The stagnation in primary energy consumption from 2011 until the pandemic in 2020 highlighted in the graph above appears to have ended along with the economic stagnation reversed since 2021 and consolidated in 2020. From 2016 to 2018, this process was characterized by the stagnation in energy consumption due to the gas and electricity rate adjustment process. The problem of stagnation was exacerbated by the historic economic crisis of 2020, which in a way evidences that the performance of economy has a more direct impact on energy consumption. Therefore, in light of this positive economic cycle of 2021 and 2022, it would be expected that energy tariffs would be partially adjusted as it started to happen at the end of 2022, since the tariff adjustment policy does not necessarily influence the performance of the economy.

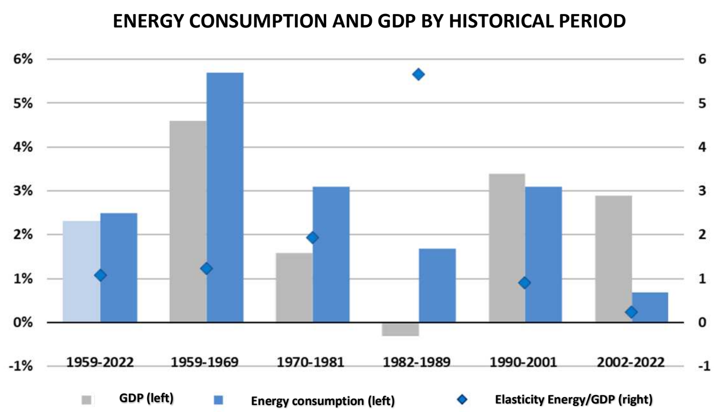
The growth in energy consumption during several years of the first decade of the 21st century resulted from high economic growth, which was driven mainly by the demand of energy products from the Residential and Commercial segments, as shown by the levels of gas, gasoline and, in particular, electricity consumption. The economic stagnation between 2011 and 2020, with an alternation between positive and negative years at similar levels, reduced energy consumption growth rates to the 2003-2011 historical median. The depressed rates of fuel, gas and electricity during those years have probably encouraged energy consumption in this period, although they have proven to be unsustainable for Argentine macroeconomy.

The elasticity of energy consumption in relation to GDP[2] in the last two large political-economic cycles — the 1990 decade and from 2000 to 2020 — has been lower than in previous decades. The restrictions on energy demand due to insufficient supply and the need to import energy to supplement domestic supply had an impact on the economy, and on the Industrial sector in particular.

Should a process of solid economic growth exist in the future, the need for energy supply will certainly be ever-increasing, greater than in the last twenty years.

HISTORICAL–ECONOMIC-PERIOD	ANNUAL GDP	ELECTRICITY CONSUMPTION	ELASTICITY ENERGY/GDP
1959-2022	2.3%	2.5%	1.1
1959-1969	4.6%	5.7%	1.2
1970-1981	1.6%	3.1%	1.9
1982-1989	-0.3%	1.7%	5.7
1990-2001	3.4%	3.1%	0.9
2002-2022	2.9%	0.7%	0.2

The restrictions on the supply of energy products, such as natural gas in the last cycle of economic growth through to 2011, and the moderate growth in energy demand in broad terms[3] created difficulties in effective supply to demand. Prioritization of supply to gas and electricity consumers in the Residential-Commercial segment, along with a slight to modest industrial recovery, gave way to restrictions and a lesser growth of energy consumption by large consumers.



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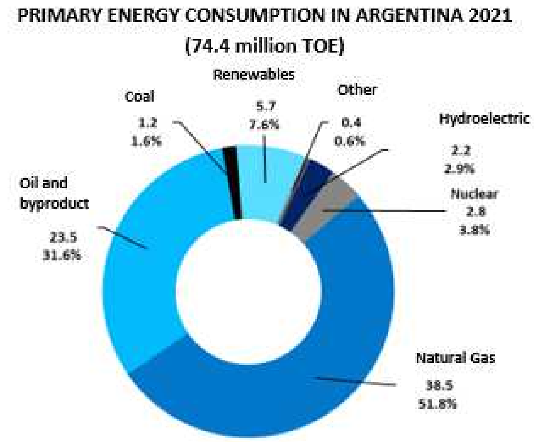
[2] Data for the period 1982-1989 suggesting high elasticity due to the instability and volatility of the GDP, which showed a negative average, distorted the calculation.

[3] From the analysis of a specific sub-sector such as electricity, it may be observed that the demand growth rate is higher than the GDP growth rate.

Argentine primary energy consumption is dependent on hydrocarbons, which accounted for 86.8% in 2016, 86.5% in 2017, 85.8% in 2018, 86.1% in 2019, 85.4% in 2020 and 85.15% in 2021. We do not estimate significant variations for 2021, probably at 85.7%, due to the reduction of hydroelectric power supply which was only partially offset by the increase in renewable sources of electricity supply[4]. This percentage of fossil-fuel sources has dropped slightly in the last years as a result of the obligation imposed on fuel supplying refineries to incorporate a proportion of biodiesel and bioethanol in their production of diesel and gasoline, and also wind and solar generation plants, especially in 2019, 2020 and 2021. Power transmission lines are saturated, so even if the process of incorporating power plants from renewable sources is ongoing, it is slower than in previous years

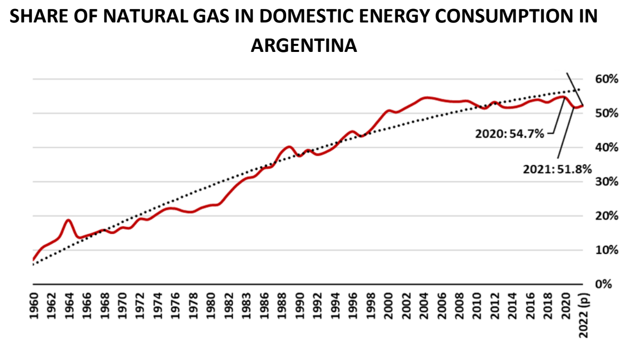


Few countries show this structure of heavy reliance on oil and natural gas byproducts. Although Argentina does not have large conventional oil and natural gas reserves in relation to its domestic demand, it has relevant potential in terms of unconventional gas and oil resources. Due to the nature, features and costs of the investments required, there are difficulties in modifying the current energy primary consumption structure in the short term in favor of hydroelectric, nuclear or renewable sources. Even so, different governments maintained ambitious self-set goals of increasing renewable sources in electric power supply, restrained since 2020 due to scarce financing and limitations to electricity transmission lines.

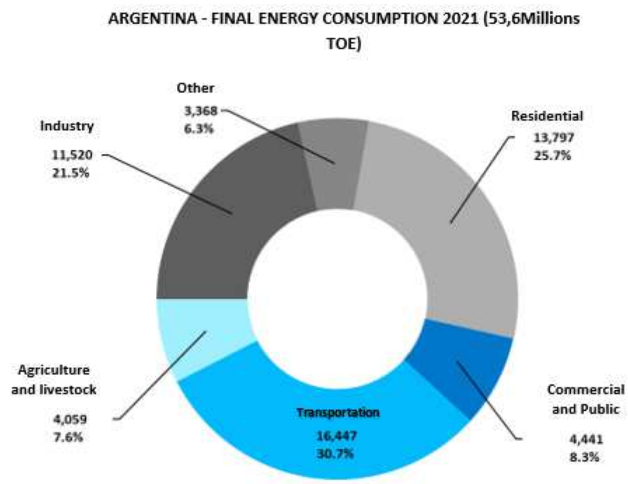
The share of natural gas in primary energy consumption – 53.2% in 2018, 54.5% in 2019, 54.7% in 2020, 51.8% in 2021 and an estimated 52.3% in 2022 – fluctuates annually based on imports of natural gas from Bolivia and liquefied natural gas (LNG) from various sources, and on local gas production from different basins to meet the demand. Despite the fact that local production has increased since the winters of 2018 and, especially, 2019, and also in 2021 and 2022, the demand for natural gas in the Industrial and Thermoelectric Generation segments is only partially satisfied during the winter months .[5] In the winter of 2020, there was a greater supply deficit due to the reduction of local commercial gas production — the largest annual drop percentage in the last decades —, which was partially mitigated by the recovery of the Neuquén basin in the winters of 2021 and 2022.

[4] Latest official data for 2021. Estimate for 2022 by G&G Energy Consultants, expressed in million Tons of Oil Equivalent (TOE) for Primary Energy Consumption.

[5] In the absence of restrictions on gas demand, the share of this product in the primary matrix could be higher, around 60%.



Final energy consumption in Argentina – i.e., primary energy consumption net of losses inherent in the system for production and transportation of primary products and of transformation into final energy products – is evenly distributed between the Transport,[6] Industrial and Residential/Commercial segments. This distribution is similar to that in other developing countries with a vast territory and medium sized population.



The characteristics of the Argentine energy supply and demand are summarized below:

- An atypical breakdown featuring Oil and Gas as the predominant energy sources, typical only of large hydrocarbon exporters such as countries in the Middle East, Russia, African LNG exporters, or Venezuela.
- In addition, between 50% and 55% of internal primary energy consumption relies on natural gas, despite restrictions to the potential demand in winter. Constraints on final supply of gas lead to its substitution through other fuels, like diesel and fuel oil in electricity generation and some industries, and to direct restrictions on industrial activities in some industry sectors.
- This market penetration of gas in energy consumption is significant at a global scale, exceeded by few countries with large surplus production of natural gas.

[6] The strong contraction in Transportation can be noticed in the lockdown of 2020.

- Reduction of local energy supply of natural gas and oil in 2020 and early 2021, in agreement with the additional reduction in domestic demand after several years' stagnation. A strong reversal of this trend is observed since mid-2021 and 2022, with the reversal of the offer of hydrocarbons in the Neuquen basin and reduction in the other producing basins in Argentina.
- The decline in investments, affected by the 2020 economic and health crisis, led to the implementation of an incentive plan for the production of gas in late 2020 (the "Plan Gas.Ar"), making it possible to halt the drop in production and to enable saturation of the gas transportation capacity from the Neuquen basin in the winter of 2021 and maintained in 2022. This Gas.Ar Plan was extended at the end of 2022 until December 2028, with an increase in volumes to complete the first two stages of the new gas pipeline under construction from Neuquén to the west of Buenos Aires and the expansion of the final sections.
- The reduced demand in 2020 — lower than the historical trend in the Industrial, Transport and Commercial segments — was followed by an important recovery in 2021 and 2022 that exceeds the demand of 2019, prior to the pandemic.
- The freeze on gas and electricity rates, declared by Emergency Decrees (DNU) dated December 2019, was extended over 2020 and had only one adjustment of 9% in the first half of 2021. Although additional adjustments lower than the evolution of inflation were implemented, it was not until the end of 2022 that a greater adjustment was made to reduce the fiscal deficit and subsidies, at the same time that adjustments higher than the remuneration of gas and electricity transportation and distribution margins were made. The Comprehensive Tariff Review was postponed again until the end of 2023, when it will be taken by the next administration that will take office in December 2023.

SUPPLY OF ELECTRICITY AND DEMAND STRUCTURE

The electricity generation capacity in Argentina has evolved unevenly over the years, with periods of increased supply in response to the prevailing policies aimed at meeting demand.

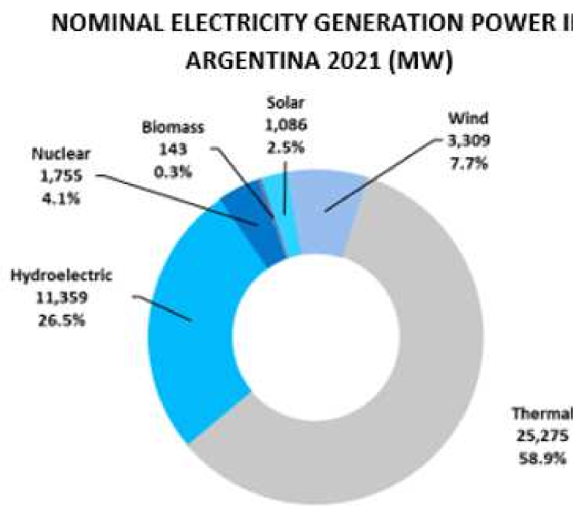
CAMMESA reports a nominal power of 42,927 MW installed and commercially authorized at the end of 2022, with a drop of -0.1% equivalent to -62 MW. This is the first reduction in nominal installed capacity since 2006, with net increases of 2.5% in 2021 and 5.7% in 2020. The net reduction is due to the retirement of thermal units due to the termination of contracts of different origin with CAMMESA, with a lower number of new units being incorporated. To gain an understanding of this reduction, 1,038 MW were installed in 2021; 2,232 MW, in 2020; 1,181 MW, in 2019; and 2,388 MW, in 2018.[7]

Modern units were incorporated with competitive specific consumptions, in case of thermal units, and high effective availability. The operational available power estimated by G&G Energy Consultants prior to the summer of 2022/2023 is around 29,000 MW - slightly above peak power demand - with a 7.2% rotating reserve in the order of 2,050 MW. Notwithstanding this level of nominal installed capacity, there is a sustained increase in the unavailability of thermal units due to the low remunerations paid by CAMMESA for available units without specific contracts.

[7] 408 MW were incorporated in 2016; 2,179 MW in 2017, according to data reported by CAMMESA in January 2023.

Unavailability reaches very high levels on high-temperature days, such as December 6, 2022 — when a new maximum power consumption record of 28,283 MW was set with a 7.2% rotating reserve of 2,036 MW and imports of 1,699 MW. On that day, 9,075 MW of thermal units were reported unavailable due to the minimum remuneration policy without adjustments for units being sold to the spot market without contracts. Also, there were no hydroelectric or nuclear reserves, with 941 MW hydroelectric and 1,582 MW nuclear units under maintenance.[8]

Unlike 2017 and 2018, when various small engine units[9] and gas turbines (GT) units were incorporated in response to the contracts entered into under Resolution No. 21/2016, in 2019, closure of combined cycle or steam turbine (ST) units in co-generation cycles, such as CT Renova's under Resolution No. 287/2017, started to be incorporated. In 2019, GT units of 174 MW were incorporated compared with the 1,232 MW incorporated in 2018; in 2020, the number of GT units was reduced by 1,112 MW, mainly due to the closure of open cycles to combined cycles under Resolution No. 287/2017. In 2021, this process continued with a reduction of 343 MW of GT. In 2022, 128 MW of GT units were retired and sent to other countries upon termination of the contracts under which they were available. In 2019, 210 MW had been incorporated to the closure of combined cycles compared to 598 MW in 2018, and in 2020, there was a substantial increase with the incorporation of 1,875 MW in this power category; in 2021, 383 MW were incorporated finalizing most of the process initiated under Resolution No. 27/2017, and in 2022 there was a technical negative adjustment of 3 MW with no incorporations. There were no changes in hydroelectric, nuclear units or Turbo-Steam groups in 2021 and 2022, following repowering of some hydroelectric power plant turbo groups that had incorporated 22 MW in 2019 and 22 MW in 2020. In 2019 there was a substantial incorporation of 1,130 nominal MW from renewable sources — mainly wind generation — compared to 709 MW in 2018; in 2020, despite operating restrictions on building due to health concerns, other 1,408 MW were added from renewable sources, mostly wind. In 2021, 1,002 MW renewable units were incorporated, again with greater solar share, and in 2022, 60 MW.



[8]The difference between nominal and effective power was due to restrictions on certain units caused by insufficient supply of fuel, difficulties in reaching the nominal yield, but mainly due to recurrent maintenance tasks or technical limitations in some generating units. It must also be considered that renewable units do not operate at their nominal power at all times but rather respond to specific parameters of radiation and wind speed at a point.

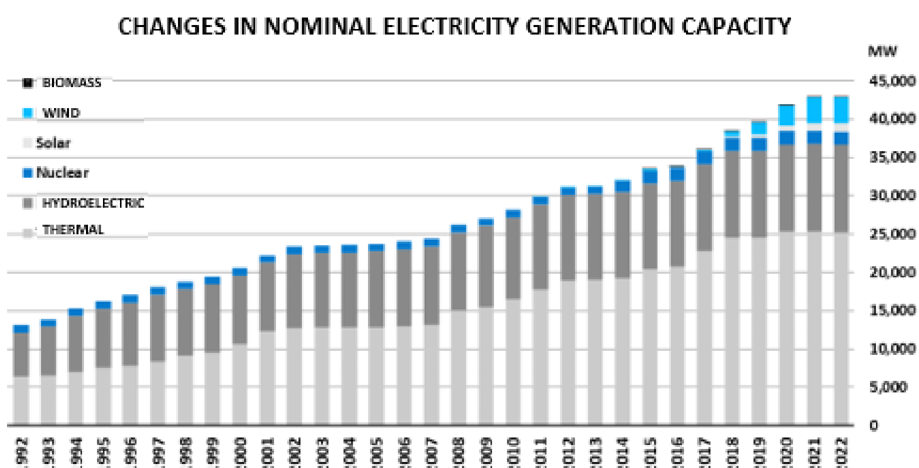
[9] In 2018, 201 MW from this type of units were withdrawn In 2019, diesel engines of 155 MW and ST units of 198 MW were withdrawn.

The financial restrictions of the Government have an impact on the rate of incorporation of power plants such as hydroelectric or nuclear, as a result of the large investments required and the extended execution terms. However, there are two plants under construction with financing from the People's Republic of China for 1,310 MW in Santa Cruz as well as plans for two large nuclear plants with financing from the same country that are not yet underway. Due to the delays and costs of these major projects, successive governments have opted to incorporate thermoelectric generating units requiring lower investments and shorter terms for implementation, even though they use natural gas and liquid fuels. This thermoelectric generation policy has faced restrictions relating to the supply of locally produced fossil fuels from 2004 to 2017, in particular natural gas. Governments have sought to provide incentives for production and, recently, to expand gas transportation capacity.

Between 2016 and 2019, the Government launched an aggressive program for hiring additional generating power, both from thermoelectric and renewable sources. The incorporation of supply was achieved through power availability and energy dispatch remuneration contracts in the case of thermal units, for terms of 10 and 15 years and with remuneration in US dollars. Further units were incorporated by means of long-term (20 years) contracts with CAMMESA for the purchase of the available power, in the case of wind, solar and biomass generation units and small hydroelectric plants.

Nominal Electricity Generation Capacity

The nominal installed capacity is concentrated on thermoelectric generation, although its unavailability is relatively high in relation to other sources of generation, except for nuclear energy which exhibits recurring unavailability due to scheduled and untimely maintenance. An important number of thermoelectric power generating units show unavailability on a recurrent basis and are not reliable for dispatch, in particular during the winter season, when fuel restrictions cause a reduction in available effective power.



The two following charts show the installed capacity at December 2022 and its variations as against 2021[10]:

NOMINAL ELECTRICITY GENERATION CAPACITY (MW) - DECEMBER 2021												
REGION	ST	GT	CC	DI	THERMAL	NUCLEAR	HYDROELECTRIC	SOLAR	WIND	BIOGAS/ BIOMASS	TOTAL	%
CUYO	120	114	384	40	658	0	1,141	307			2,106	4.9%
COMAHUE	0	501	1,490	96	2,087	0	4,769		253	2	7,111	16.5%
NORTH-WESTERN	261	725	1,945	349	3,280	0	220	693	158	5	4,356	10.1%
CENTRAL	3	626	789	51	1,466	648	998	61	128	18	3,240	7.5%
GREATER BA-LITORAL-BA	3,870	3,693	8,594	848	17,005	1,107	945		1,177	44	20,278	47.2%
NORTH-EASTERN	0	12	0	305	317	0	2,745			71	3,113	7.3%
PATAGONIA	0	286	301	0	587	0	607		1,575		2,769	6.4%
MOBILE					0						0	0.0%
TOTAL	4,251	5,957	13,503	1.693	25,400	1,755	11,346	1,061	3,291	140	42,993	100.0%
THERMAL %	16.7%	23.5%	53.2%	6.7%	100.0%							
TOTAL %					59.1%	4.1%	26.4%	2.5%	7.7%	0.3%	100.0%	

NOMINAL ELECTRICITY GENERATION CAPACITY (MW) - DECEMBER 2022												
REGION	ST	GT	CC	DI	THERMAL	NUCLEAR	HYDROELECTRIC	SOLAR	WIND	BIOGAS/ BIOMASS	TOTAL	%
CUYO	120	114	384	40	658	0	1,154	312			2,124	4.9%
COMAHUE	0	501	1,490	96	2,087	0	4,769		253	2	7,111	16.5%
NORTH-WESTERN	261	725	1,945	349	3,280	0	218	703	158	5	4,364	10.2%
CENTRAL		626	789	51	1,466	648	919	71	128	21	3,253	7.6%
GREATER BA-LITORAL-BA	3,870	3,565	8,591	833	16,859	1,107	945		1,195	45	20,151	46.9%
NORTH-EASTERN	0	12	0	328	340	0	2,745			71	3,156	7.4%
PATAGONIA	0	286	301	0	587	0	607		1,575		2,769	6.5%
MOBILE					0						0	0.0%
TOTAL	4,251	5,829	13,500	1.697	25,277	1,755	11,357	1,086	3,309	144	42,928	100.0%
THERMAL %	16.8%	23.1%	53.4%	6.7%	100.0%							
TOTAL %					58.9%	4.1%	26.5%	2.5%	7.7%	0.3%	100.0%	

The record of demand for electric power on a working day was broken on several occasions from December 2021 during heat waves in the central region of the country. The maximum record was held on Friday, January 14, 2022 with an increase of 6.7% (4,108 MW) compared to January 25, 2021, reaching 28,231 MW with forced restrictions hard to be estimated. On Tuesday, December 6, 2022 this record was beaten again when demand soared to 28,283 MW with 0.2% (52 MW) and demand cuts. On Saturday, January 15, 2022 with very high temperatures, the record of power consumption for a Saturday was broken with 26,719 MW and an extraordinary increase of 18.2% (4,108 MW) from that recorded in January 23, 2021. This record has not been broken to date.

Daily power consumption records are also hit in summer. On Friday, January 14, 2022, the record of energy consumption on a business day was broken with 575.9 MWh, 5.8% higher than in January 2019. On Saturday, January 15 and Sunday, January 16, 2022, records for power demand for a weekend were surpassed with 559.0 MWh and 478.9 MWh, respectively. These records have not yet been broken in the 2022/2023 summer.

[10] Due to rounding, some totals may not correspond with the sum of the separate figures.

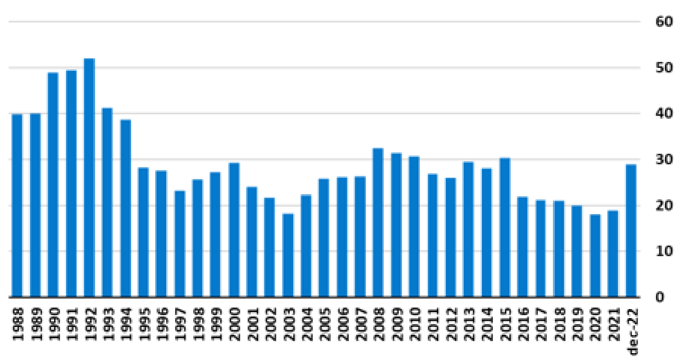
As mentioned, in December 2022 a maximum record of electric power was beaten, although only with 71 MW excess of generation capacity, because there was extraordinary unavailability (9,075 MW of thermal generation units, plus 941 MW hydroelectric and 1,582 MW nuclear units)[11]. This unavailability prevented from maintaining the record for dispatch of the thermoelectric fleet of 17,274 MW, held on January 25, 2021, and it was even lower than 16,408 MW on January 14, 2022 with 411 MW under remaining availability.

RECENT CHANGES IN ELECTRICITY CONSUMPTION RECORDS						
DAY	PREVIOUS RECORDS		CURRENT RECORDS		VARIATION	MW
	POWER (MW)					
Saturday	23-ene-21	22,611	15-ene-22	26,719	18.2%	4,108
Sunday	27-jun-21	23,301	11-dic-22	23,724	1.8%	423
Working day	14-ene-22	28,231	6-dic-22	28,283	0.2%	52
DAY	ENERGY (GWh/d)				VARIATION	GWh
Saturday	30-dic-17	478.4	15-ene-22	559.0	16.8%	80.6
Sunday	24-ene-21	457.8	16-ene-22	478.9	4.6%	21.1
Working day	29-ene-19	544.4	14-ene-22	575.9	5.8%	31.5

The shortage of electric power generation reserves verified in winters and summers up to 2016 was solved with the incorporation of power. In the cold days of winter 2019 and 2020, it was evidenced that the incorporation of new electric power, which increased following the investment program in place since 2016, changed the high available capacity only affected by fuel availability. This situation has changed since 2020, because insufficient power and energy remuneration in the spot market and the termination of some contracts with CAMMESA, which contracts were not renewed, are key factors in the extraordinary accumulation of unavailability of these units.

The status of thermoelectric unavailability, which had improved until 2018-2019, has not continued since January 2021, as those generators with units that have no forward contracts with CAMMESA could not afford necessary investments in maintenance -achieved until 2018/2019- when their remuneration started to decrease. An adjustment of these remunerations at the end of 2022 was not sufficient, nor was it given enough time to improve this unavailability. Such adjustment will be explained below. In the last months of 2021, CAMMESA reported a decrease in the availability of the thermal fleet in its Monthly Reports:

TOTAL UNAVAILABILITY OF THERMAL POWER (%)



[11] Even though the unavailability was high on January 14, 2022, it was lower than that of December 2022: 8,191 MW of thermal generation units, plus 505 MW hydroelectric and 230 MW nuclear units.

Income allocated to electricity generators for different items was adjusted between 2016 and 2018 and was used to keep the fleet available and therefore receive payments for its effective availability. Moreover, the incorporation of new units made it possible to offset an increase in the unavailability of older units. The increase in available power had improved until 2019-2021 with the incorporation of new power plants. In 2021, the incorporation of the cogeneration unit of Terminal 6 where Central Puerto S.A. participates stood out, as well as the stable operation of the Renova cogeneration unit in which Grupo Albanesi takes part.

There were no relevant incorporations in 2022, and the construction of the large combined cycle power plant Ensenada de Barragán owned by Pampa Energía-YPF continued, although a few months behind schedule, with trials in January 2023, as well as that of power plant Brigadier López owned by Central Puerto.

Grupo Albanesi companies made significant investments in various power plants and complied with the incorporation of power in general, over terms agreed with the new units incorporated. The last power plant involved in this investing process was the mentioned Renova cogeneration unit in 2021 (Central Térmica Cogeneración Timbúes). Previously, the new generation capacity incorporated by Grupo Albanesi had been the result of the international public bidding called under SEE Resolution No. 21/2016 of the Ministry of Energy and Mining, in which Grupo Albanesi was the awardee of bids for 420 MW. All awards under SEE Resolution No. 21 have been completed. Grupo Albanesi actively participated in the bidding process with the following power plants:

- CTE owned by GMSA received commercial authorization in September 2017, with two Siemens SGT800 turbines of 50 MW each, and a third turbine of 50 MW which was incorporated in 2018.
- CTI owned by GMSA received commercial authorization for a Siemens SGT800 turbine of an additional 50 MW in August 2017 and a second additional turbine of similar power in 2018.
- CTRi owned by GMSA received commercial authorization for a new Siemens SGT800 turbine of 50 MW in May 2017, in addition to the existing 40 MW.
- CTMM owned by GMSA incorporated 100 MW of nominal power, in July 2017, adding to the existing 250 MW.
- The closure of combined cycle was implemented at the CTR, with the incorporation in 2018 of a 60 MW steam turbine to the existing 130 MW gas turbine.

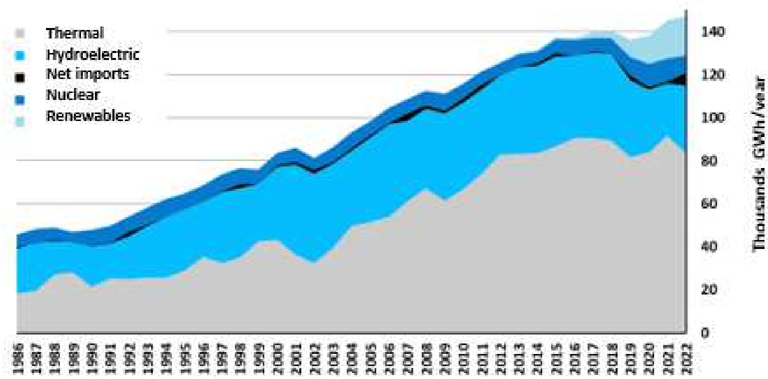
In addition, various companies making up Grupo Albanesi were awarded forward contracts with CAMMESA for expanding their capacity in the coming years. Within the framework of the international public bidding for closure of combined cycle and co-generation projects called for under EES Resolution No. 287-E/2017 of the Energy Secretariat of the Ministry of Energy and Mining, Grupo Albanesi was awarded three projects to install 351 MW of new capacity with other units of different companies. Albanesi was able to have the Renova cogeneration unit in full operation in Santa Fe despite the interruption of financing in Argentina since the 2018-2019 crisis. Grupo Albanesi took part in the incorporation of generation capacity under EES Resolution No. 287E-/2017 with the following power plants:

- The cogeneration project of the Central Térmica Cogeneración Timbúes of 172 MW in the province of Santa Fe, operating since 2019 in association with Renova, producer of oil and soybean crushing, is in full operation capacity since 2021.
- Closure of cycle with additional 125 MW steam turbines in the CTMM in Córdoba.

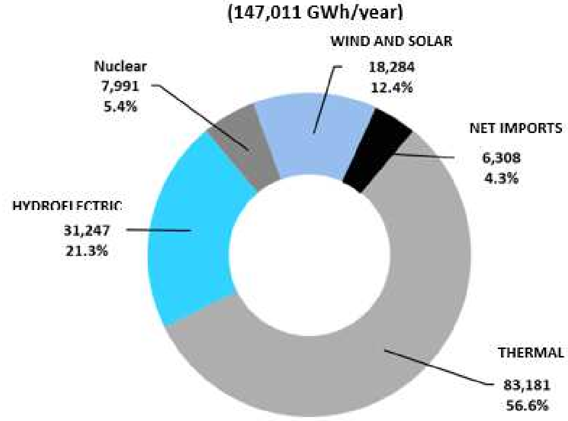
• Closure of cycle with 150 MW steam turbines in the CTE in Buenos Aires.

Gross Electricity Demand in the internal and external market – including losses in the transmission and distribution system, and the company's own consumption at rotating generating units – has relied on the thermoelectric power supply in recent decades, accompanied by a slight increase in the hydroelectric power supply due to the incorporation of the last stage of the CH Yacyretá as from 2006. Renewable generation -of growing importance- has been incorporated since 2017.

CHANGES IN HISTORICAL GROSS SUPPLY OF ELECTRIC POWER



SUPPLY OF ELECTRIC POWER 2022 (GWh/year)
(147,011 GWh/year)



Between 2016 and 2020, the growth trend of electricity demand slowed down due to rate increases and low economic growth, and it aggravated in 2019 partly by moderate winter temperatures and the economic crisis. In 2020, exports to Brazil in the last months of the year enabled a slight upturn of 1.2% with respect to 2019, although domestic market demand was reduced due to the effects of the lockdown.

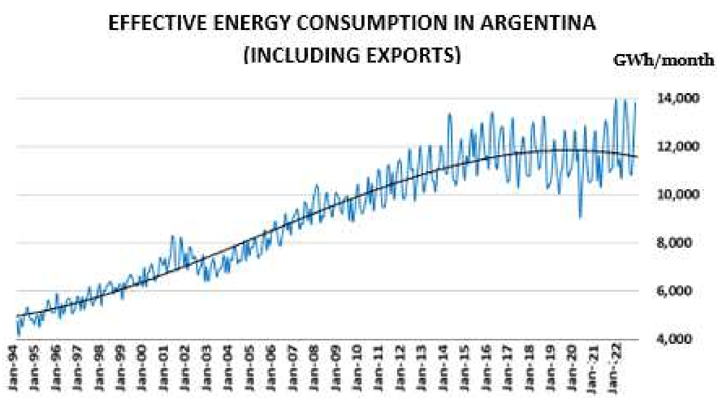
There was a reduction in internal gross electricity demand of -3.0% in 2019 and -0.9% in 2020, while it had a strong recovery of +4.9% in 2021 and solid increase of +4.2% in 2022. The economic reactivation since 2021 with the opening of activities has led to a significant expansion in internal demand which continued in 2022. If energy exports to Brazil in 2020 and 2021 are computed, the expansion in demand was, in the aggregate, +5.4% in 2021 after recording + 1.1% in 2020.

Demand of electric power

CAMMESA divides Argentina into regions with similar characteristics from the demand point of view, as well as on the basis of the socio-economic characteristics and the integration of each electricity subsystem.

Demand is concentrated in the CABA-Greater Buenos Aires area-Litoral region, which accounted for 62.2% of the total electricity demand of the country in 2021; minor changes are estimated for 2022[12], after activities are resumed, especially in Greater Buenos Aires, in 2021 and 2022. Growth rates in other regions, such as the Northwest, Comahue and Patagonia, are higher than in the rest of the regions. However, the changes in the current structure will not be significant in the future; accordingly, investments in electricity supply will be concentrated in these regions.

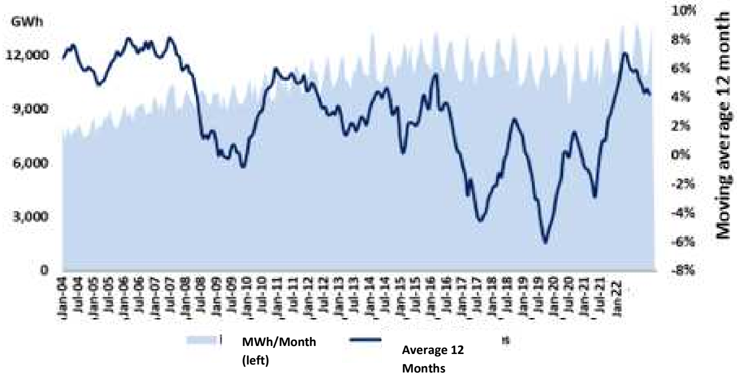
In 2020, the internal gross demand shrank -1.0% despite the rate freeze, due to the restrictions and lockdown. The economic downturn of -9.9% affected the pace of demand growth. In 2021 there was a strong reversal of internal gross demand at +4.9%, with rate freeze and economic reactivation. In 2022, the upward trend of the electricity demand in the domestic market continued with +4.2% while some rates decreased in the last months of the year.



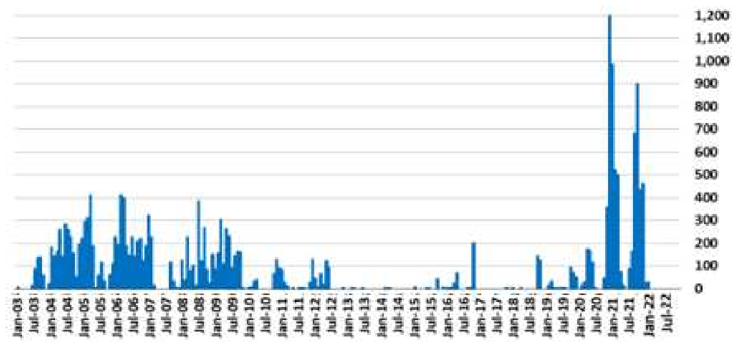
The variations in the moving twelve-month average evidences the changes in energy demand and its trend, with inactivity until mid-year 2019, subsequent budding recovery and renewed fall resulting from social isolation in 2020 until early 2021, and strong subsequent recovery. We believe that growth will continue with a downward trend until winter in 2023.

[12] The latest information was officially published in 2021.

GROSS DOMESTIC DEMAND FOR ELECTRICITY (NOT INCLUDING EXPORTS)

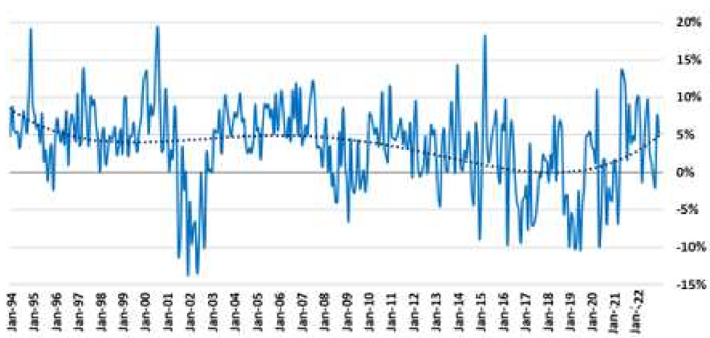


ELECTRICITY EXPORTS (GWh/month)

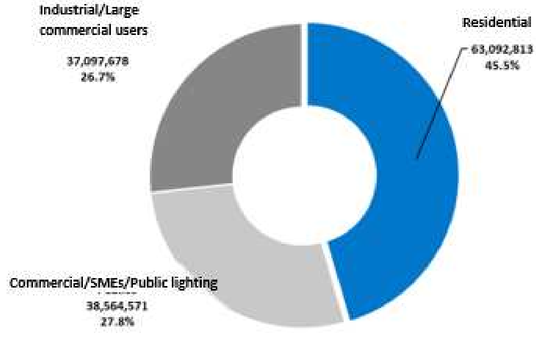


Since late 2015, there has been a reduction in the economic activity, specially in the industrial sector, which is relevant to total electricity consumption. The 2020 lockdown caused unusual year-on-year double-digit decline, which is not the result of the winter or summer temperatures. The reversal present from mid-2021 is evidenced with new year-on-year records of more than 10% and up to 15% in the winter of 2021.

YEAR-ON-YEAR CHANGE IN GROSS DEMAND FOR ELECTRICITY

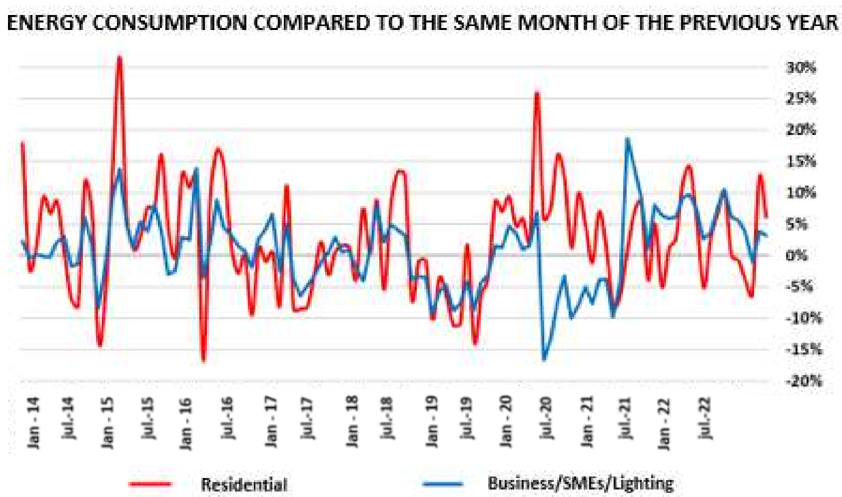


ELECTRICITY CONSUMPTION IN 2022 (MWh; net of losses)



In 2019 there was a reduction of -2.9% in annual electricity demand. The Residential electricity demand segment was reduced by -2.6% in 2019 following the +2.0% increase recorded in 2018 as a result of winter and summer temperatures.[13] In 2020 a sharp increase of 8,1% was recorded, obeying to the rate freeze and social isolation, which implied more hours of consumption at homes. In 2021, energy consumption in the Residential segment increased +1.3% despite the lesser number of people staying at home, driven by economic reactivation and the rate freeze. We believe that consumption in the Residential segment increased +3.8% in 2022, with rate freeze and months of high temperatures at the beginning of the year, and cold weather in May and June.

In 2019, electricity demand in the Commercial segment and SMEs suggested a downward trend of -3.2%[14], with a strong economic recession in this sector. 2020 witnessed a tight contraction of -5.3%, due to the severe economic crisis and lockdown, with a partial reversal of +4.5% in 2021 and an even higher +5.3% in 2022.



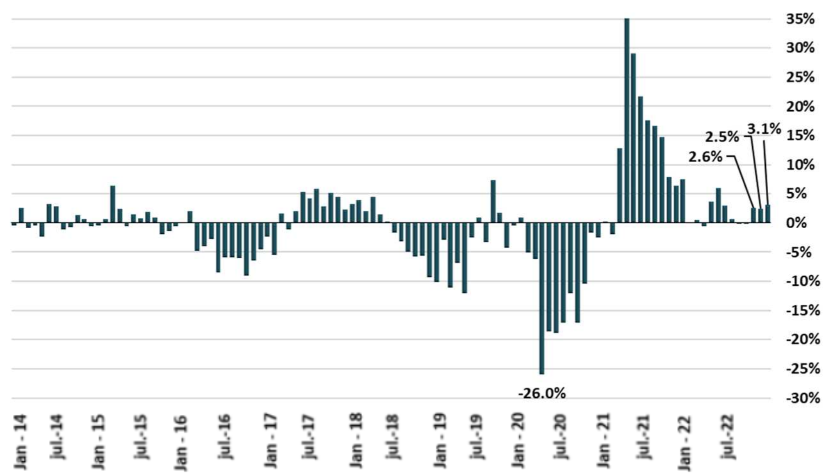
In 2019, the recessive trend grew until mid-year, with an annual contraction of -3.8%.[15] In 2020 an intense contraction of -11,3% was recorded, due to the economic crisis, with a recovery since the end of that year if compared to the bad months of 2019. The reversal observed in 2021 was significant, +13.2%; thus, consumption in this segment is above that at the end of 2019. In 2022, a dynamic recovery continued until mid-year, with an accumulated annual increase of +1.8%.

[13] In 2017, electricity demand from the Residential segment decreased by -2.0% as a result of tariff adjustments and moderate temperatures, after +3.0% in 2016, higher than +2.1% recorded in the recessionary 2014, but lower than +7.7% recorded in 2015.

[14] The Commercial segment grew 3.2% in 2016 compared with 2015, a growth higher than the 0.2% recorded in 2014, and lower than the 3.8% recorded in 2015. In 2017, this segment decreased by -0.4% and in 2018 a further -0.4%.

[15] In 2016, the electricity demand in the Industrial segment showed a -4.7% reduction after the +0.8% shown in 2015. In 2017, the industrial reactivation showed a 2.0% increase in electricity demand, while 2018 ended at –1.3%, with very negative year-on-year figures of -5.8% and -9.7% in November and December 2018.

INDUSTRIAL ELECTRICITY CONSUMPTION - YEAR-ON-YEAR VARIATION



3. HIGHLIGHTS FOR FISCAL YEAR 2022

3.1 Electric power

The total electricity demand in 2022 recorded a positive variation of 4.6% as against 2021. In 2022, all consumption ended up with a greater demand compared with 2021. However, the demand in the Residential segment was the main driver of this growth. In the last two years, demand practically showed the same variations as temperature (similar curves).

Demand of WEM Large Users grew by 1.8% in 2022 as against 2021.

In December 2022, demand for power reached a record high The SADI peak power of 28,283 MW was reached on December 6, 2022 at 2:43 p.m., with an average temperature in the Buenos Aires Metropolitan Area (GBA) of 36,9 °C.

CTMM

The combined cycle has complied with the power availability goals committed to with CAMMESA, maximizing the remuneration for power. The combined cycle availability was 100%.

The main objectives of GMSA in 2022 for CTMM included incorporating WEM large users as new customers as well as renewing contracts with large users in the Forward Market. This was successfully achieved by reflecting in prices the real costs of fuel, operation and maintenance costs plus a reasonable margin. The power from TG03 and TG04 units has been fully contracted. The duration of these contracts is from 1 to 2 years.

As for the TG05 unit, contracts with new Forward Market customers have been entered into for 18MW. The remaining power available is being remunerated under ES Resolution No. 238/2022. GMSA was authorized to trade in the Forward Market all of the power available in the unit.

Complying with the wholesale demand agreements entered into between GMSA and CAMMESA is another major goal. MMARTG06 and MMATG07 have met the availability targets committed in the demand agreement under Resolution No. 220/2007. Therefore, no penalties were imposed for unavailability during the year.

The CTMM combined cycle recorded average annual availability of 80%. The open cycle MMARTG03 unit recorded annual availability of 48%. The open cycle MMARTG04 unit recorded average annual availability of 74%. The open cycle MMARTG05 unit recorded annual availability of 94%. The availability of MMARTG06 and MMARTG07 units were 100%, resulting in an annual average of 85%. The electricity generation at the power plant reached 165,171 MWh during 2022, mostly concentrated in the TG03, 05 and 04 units supplying Large Users in the WEM. 27% of the electricity was generated with gas oil and the rest with natural gas.

CTI

In 2022, CTI units operated at a low dispatch level, meeting the availability targets committed in the demand agreement under Resolutions No. 21/2006. Therefore, no penalties were imposed for significant unavailability during the year.

The WEM supply contract entered into with CAMMESA expired in mid-November 2021, under the framework of ES Resolution No. 220/2007 for 90 MW of TG01 and TG02; as a result, all the power will be remunerated as basic machine under Resolution No. SE 826/2022, and it can also be sold in the Forward Market, in principle up to 15 MW.

The new units installed within the framework of Resolution 21/2016, GT03 and GT04, reached an annual availability average of 100%, and complied with the power agreed upon in the contract for wholesale demand.

Lastly, the energy generated in 2022 by the four units was 105,895 Mwh, up 50% from the energy generated in 2021.

CTRi

In 2022, it had an average plant availability of 100% and the generated energy was 27,728 MWh, 95% of which corresponds to the unit TG24, authorized for operation in 2017.

The TG24 unit have met the availability targets committed in the demand agreement under Resolution No. 220/2007. Therefore, no penalties were imposed for unavailability during the year.

CTLB

In 2022, the availability targets were met, achieving full remuneration for fixed cost power. The Plant had an average plant availability of 100%.

In August 2022, a request was made to the Energy Secretariat to remove both CTLB units from the WEM.

CTF

In 2022, CTF reached an average plant availability of 97%. The Plant produced power amounting to 34,838 MWh, 63% of which was generated with gas oil.

CTE

Throughout 2022, the availability of the three gas turbines was of 99%, which easily allowed to fulfill the availability committed under the demand agreements signed within the framework of Resolution No. 21/2016.

Energy generated in 2022 amounted to 141,062 MWh.

3.2 Maintenance

CTMM

The objective of the maintenance tasks carried out during the year was to ensure the availability of the combined cycle units and open cycle units. The maintenance plan comprised all the units and ancillary equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at GU 01 and 02 of the combined cycle, GU 03, 04 and 05 – Siemens PWPS FT8 Turbines –, and GU 06 and 07 – Siemens SGT 800 Turbines – with company staff and in line with the recommendations and good practices described in the manufacturer's manual as per hours run.

Agreements for the provision of parts with PWPS remained in force.

The first major local inspection was successfully carried out by a specialized turbines repair workshop. By 2023, a second major maintenance work is scheduled in other CTMM Unit.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

CTI

The objective of the maintenance tasks carried out during the year was to ensure the availability of the generating units. The maintenance plan comprised all the units and ancillary equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at 01 and 02 Turbines – PWPS FT8 Turbines –, and 03 and 04 Turbines – Siemens SGT 800 Turbines –, as recommended in the manufacturer's manual as per hours run.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

CTRi

The objective of the maintenance tasks carried out during the year was to ensure the availability of generating units. The maintenance plan comprised the generating units as well as ancillary equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at the GU 21, 22 and 23, as recommended in the Manufacturer's manual as per hours run.

For the Siemens SGT 800 GU 24, the average maintenance recommended by the manufacturer was carried out, according to manuals, with company staff.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

CTLB

The objective of the maintenance tasks carried out during the year was to ensure the availability of the generating units.

The maintenance plan comprised the generating units and ancillary and building equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at GU 21 and 22, as recommended in the manufacturer's manual and the good practices in the art.

CTE

The objective of the maintenance tasks carried out during the year was to ensure the availability of the generating units.

The maintenance plan comprised the three gas turbines and ancillary and building equipment, and it was carried out following the maintenance works recommended in the manufacturer's manual.

It should be highlighted that the maintenance tasks scheduled were carried out simultaneously and that a transition piece called "Diverter Damper" was installed between the gas turbine and the HRSG, which will allow the performance of all assembly tasks, trials, and the start-up of the closure of the combined cycle, without losing days due to maintenance works or unavailabilities.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

3.3 Environmental management

Corporate Environmental Management System

The certification of the Environmental Management System under ISO standard 14001:2015 is still in place for all power generation Plants of the Group, supported by corporate-wide design and implementation. Within this framework, the main aspects to highlight are:

a) GMSA, CTMM also have a Quality Management System certified under ISO standard 9001:2015 implemented in an integrated manner with its Environmental Management System.
b) GMSA, CTE was awarded the ISO 45001:2018 certification on Occupational Safety and Health in December 2021.

This type of environmental management of a corporate character allows working in a unified and coordinated manner at all work sites, applying the same criteria for determining the environmental aspects of the activity, significant assessments and the operational controls adopted in response to those matters.

Supported by standardized documentation and implemented within a work framework based on joint and cooperative performance between the parties, sustained growth has been achieved over time, subject to regular performance reviews and ongoing improvement processes.

Characteristics that stand out as especially identifying for the entire organization can be considered as the core advantages of this work culture, such as:

- Environmental awareness and the involvement of the personnel in the fulfillment of the objectives set.
- The priority given to preventive management actions.
- A history of absence of environmental incidents, resulting from a work culture rooted in deep ethical and professional values.
- Efficient performance in connection with the necessary corrective actions and the permanent eradication of root causes, safe contention of risks and achievement of new opportunities for improvement.
- Attention given in due time and manner to comply with legal requirements.
- Improved management of environmental issues relevant to the activity, with special attention to its life cycles and the interests related to environmental sustainability.
- Effectiveness, fluency and clearness of internal communications, for timely addressing the needs and challenges of management.
- Interest and attention paid to concerns and expectation of the community and other external stakeholders.
- Strict regularity in the follow-up and analysis of environmental parameters.
- Efforts expended, with meritorious results, to the preservation of order, hygiene and aesthetic care of natural spaces.

In October 2022, a new external audit process was conducted by the IRAM, involving the first follow-up step regarding the maintenance process of the Environmental Management Systems of all plants within the current 2021-2024 certification period.

3.4 <u>Human Resources</u>

The flexible work structure, which had been partially adopted in the second half of 2021, was consolidated in 2022 by maintaining the "hybrid 3 x 2" system, according to which support employees work 3 days at the office and 2 days remotely, while plant operators are present at each location, as needed.

Both for our working community and for the other business activities declared essential, the objective is always “Ensuring the Company’s operating condition and preserving the health and well-being of our staff and their families”.

All our actions in the sector to support the challenges faced by company, particularly the Project teams, were driven by the launch of the CTE and CTMM closure of cycle projects and the start of our first international experience in the electricity sector which involves the management of the Cogeneration Power Plant at the refinery owned by the state-run Peruvian company Puertoperú, located in the city of Talara, 1000 km north to Lima.

The need for more collaborators to deal with new projects intensified the recruitment and selection processes, improving every step of the on boarding stage for new employees, as well as the welcome procedures and trainings for all positions.

Regarding payroll, pay bands were finally established for staff not covered by collective bargaining agreements, which made it possible to properly manage both the external competition and internal equality of our structure, and also offer market value salaries for each position in our company. As to the unions, it was a year of intense collective bargaining, due to the inflationary context that dominated the agenda.

An awards ceremony was hosted in the first week of April to honor the ideas presented by more than 40 employees as part of the innovation week, which was launched in late 2021 encourage staff initiative and creativity in submitting fresh concepts to boost productivity and efficiency throughout our value chain.

Communications to personnel and HR information systems

With an increase from 6,000 to 21,000 followers in a year, LinkedIn was added as a new platform to interact with employees and the market, and it is now integrated to our regular communication channels, along with our Newsletter RH+, the email, and the Success Factors platform, with new features added. As a result, communication channels were strengthened.

Two workplace pulse surveys were conducted, which surveys have already been established as standard practice since the pandemic, to obtain direct feedback from employees on issues of general or particular interest and to facilitate the implementation of corrective actions, if necessary.

Employment opportunities

The Group's employment level declined 4.16% compared with the previous year.

It is worth mentioning that through our internal mobility program "MOBI", 6 positions were offered for a temporary international assignment to accompany the knowledge transfer process to the local staff who will operate the Cogeneration Power Plant in Talara, Peru.

The staff turnover rate increased in 2022 and is now at 10%.

Training

More than 12,000 hours were devoted to Training, distributed among soft disciplines aimed at senior and middle managers. Continuous education in languages, Compliance, Leadership Skills and the development of technical competencies, Occupational Health, Hygiene and Safety, technical skills and specialization to be in line with the changes in job positions, across all levels in the organization. In addition, trainings to welcome new employees were carried out, directed to staff involved in the onboarding process.

Well-being and motivation

The main aspects of our benefit plan, which is built around the continual objective of improving employee experience remain, but we introduced several modifications to our program. Based on the opinions gathered in pulse surveys, fruit was reintroduced as a healthy snack offered to the staff working at the Head Office which do not have a dining area, to resume a good practice that was suspended due to the health protocol restrictions imposed by the pandemic.

Prevention and operations at every location with on-site activities

- Protocols were maintained and updated in all plants, following the relevant local and national recommendations provided by government agencies.

Sustainability/CSR

Social Balance

Once more, we have contributed on a continuing basis to the development of the communities in which we operate. We continue supporting these educational and social inclusion projects:

GMSA – Santiago del Estero
Grano de Mostaza Foundation

GMSA – La Rioja
Padre Praolini Foundation

GMSA – Rio Cuarto – Córdoba
General Ignacio Foteringham School

Donation of computer material to educational institutions

Timbúes – Santa Fe
General Roca – Río Negro
San Miguel de Tucumán – Tucumán
Ezeiza – Buenos Aires
Frias – Santiago del Estero
Rio Cuarto – Córdoba

3.5 Systems and Communications

During 2022, the Systems and Communications areas continued to provide maintenance, development, implementation, innovation and solutions relating to applications, technology, telecommunications, information and process security, guaranteeing a suitable service level and covering the Company's business needs.

This area has policies and procedures in line with international standards which are constantly supervised to ensure compliance with the objectives of the sector, internal controls, as well as quality and ongoing improvement.

The projects and objectives achieved during 2022 are summarized below:

- Improvements were made on the system of access to the corporate data center to enhance its security.
- We purchased 35 notebooks for replacement of obsolete equipment and for the new assignees.
- 30 mobile phones of the fleet were upgraded and renewed.
- Commercial systems were expanded and improved, adding new functionalities for daily operation.
- Over 120 improvements were developed for management programs used daily.
- Development of an application site for dynamic use of SAP. (Approval of expenses, releasing orders, etc.).
- A corporate data warehouse was implemented to integrate and combine data from different sources.
- A software for proactive monitoring of the equipment was implemented (cameras, servers, communication equipment, etc.).
- The CCTV system was expanded, and 8 new domes were installed.
- A new tool for ticket requests submitted to the support staff was implemented, along with a dashboard to monitor the metrics defined.
- A new suppliers site for the management of their relevant documentation was created.

The new Systems and Information Technology Management will continue in 2023, with the investment processes aimed at improving productivity and efficiency of existing processes, as well as adding innovative technologies, thus allowing to continue with the process to improve the actions focused on ensuring security, confidentiality, completeness and availability of the information.

Projects for 2023 include the following:

- Development of customers site for the management of their relevant documentation.
- Creation of more features in the suppliers site, for the management of tenders, purchases, etc.
- Development of new dashboards to monitor the metrics defined by the company.
- Automation for the GAS commercial business management circuit.
- Upgrade of computers, notebooks and cell phones.
- Improvement of the commercial and energy billing systems.
- Keep expanding and improving the CCTV system solution.

3.6 Integrity Program

In order to ensure its efficacy in regard to the business-related risks, the Group began strengthening its Integrity Program (the "Integrity Program" or "Program") in February 2018, before National Law No. 27401 entered into force.

The Program was approved by the Directors at a Meeting held on August 16, 2018 and initially relied on: (i) a Code of Ethics and Conduct (the "Code"), (ii) an Anti-Corruption Policy, (iii) Policy on the Participation in Tenders and Bidding Processes, (iv) Policy on Relationships with Government Officials, and (v) an Ethics Line for anonymous third-party complaints (the "Line"), managed by PricewaterhouseCoopers (“PwC”).

The Code and the Ethics Line are available on Albanesi’s website (http://www.albanesi.com.ar/programa-integridad.php), following a publicity and transparency criterion that has continued to be developed after its communication to suppliers and customers. The four channels available for reporting may be consulted on the following website: http://www.albanesi.com.ar/linea-etica.php and we have further created a space for the Program at: Albanesi’s Integrity Program.

The Code provides for the creation of an Ethics Committee which conducts inquiries regarding the complaints received and passes on its conclusions to the Board of Directors, to which it reports, as set forth in a Procedure for Conducting Inquiries that is part of the Program. This Committee is composed of the Corporate Legal & Compliance Manager, the Corporate Internal Audit Manager and one Director from any of the Companies, independent of the Group’s shareholders.

At the same time, additional policies were drafted, such as the Policy on Donations, Scholarships and Sponsors, a Policy on Confidentiality and Use of Work Tools and Materials, a Policy on Travel Expense Reports, and a Policy on Third-party Due Diligence, a complement to the tool for Supplier Integrity Risk Management (GRIP, for its Spanish acronym), developed with PwC’s assistance.

Additionally, in compliance with the provisions of the Code, the following was registered: (i) Gifts, (ii) Relationships with Government Officials and (iii) Conflicts of Interest, all of mandatory use for our employees.

In 2019 and 2020, PwC conducted a Compliance Audit and an Integrity Program Effectiveness Assessment. Both tasks entailed interviews to employees and directors of the Companies, implemented since the approval of the Program, as well as an analysis of random transactions and documentation, which made it possible to gather and document the advancements and progress, as well as the opportunities for improvement to be carried out in the future.

In 2021, the Risk Assessment Matrix of the Companies, designed in 2018, was updated. In 2022, a Code of Conduct for Third-Parties was approved, and we worked with the Law Firm Estudio Muñiz Abogados to develop and implement an Integrity Program for new businesses being carried out by the Group in the Republic of Peru.

Lastly, we point out that, among other goals, a new audit will be conducted in the framework of the Compliance Plan 2023, scheduled for the second half of the year.

3.7 Financial position

In the fiscal year 2022, GMSA was aimed at improving the financial profile, extending financing terms and reducing the indebtedness cost, thus ensuring the need for funds to invest in the enlargement of the capacity and the correct operation of the power plants.

At December 31, 2022, the bank and financial debt of the Company was broken down as follows:

	Borrower	Principal	Balances at December 31, 2022	Interest rate	Currency	Date of Issue	Maturity date
		(In thousands)	(In thousands of USD)	(%)			
Loan agreement	-						
BLC	GMSA	USD 6,076	6,188	12% first installment, the remaining installments 12-month USD LIBOR + 11%	USD	06/26/2020	06/12/2023
JP Morgan	GMSA	USD 8,885	8,768	6-month LIBOR + 1%	USD	12/28/2020	11/20/2025
Eurobanco Loan	GMSA	USD 2,130	2,139	7.00%	USD	09/21/2020	12/01/2027
Eurobanco Loan	GMSA	USD 2,121	2,137	10.00%	USD	05/04/2022	12/01/2027
Subtotal			**19,232**				
Debt securities	-						
2023 International bonds	GMSA/CTR	USD 67,197	69,973	9.625%	USD	07/27/2016	07/27/2023
2027 International bonds (*) (a)	GMSA/CTR	USD 299,215	294,223	9.625%	USD	12/01/2021	12/01/2027
Class II Negotiable Obligation co-issuance	GMSA/CTR	USD 34,800	35,717	15.00%	USD	08/05/2019	05/05/2023
Class VII Negotiable Obligation co-issuance	GMSA/CTR	USD 1,646	1,654	6.00%	USD Linked	03/11/2021	03/11/2023
Class VIII Negotiable Obligation co-issuance	GMSA/CTR	UVA 2,829	3,028	UVA + 4.60 %	ARS	03/11/2021	03/11/2023
Class IX Negotiable Obligation co-issuance (**)	GMSA/CTR	USD 2,587	2,690	12.50%	USD	04/09/2021	04/09/2024
Class XI Negotiable Obligation co-issuance	GMSA/CTR	USD 38,655	38,972	UVA + 6.5%	USD Linked	11/12/2021	11/12/2024
Class XII Negotiable Obligation co-issuance	GMSA/CTR	UVA 48,161	50,695	7.75%	ARS	11/12/2021	11/12/2024
Class XIII Negotiable Obligation co-issuance	GMSA/CTR	USD 14,066	14,486	7.50%	USD	01/10/2022	01/10/2024
Class XIV Negotiable Obligation co-issuance	GMSA/CTR	USD 5,858	6,045	9.50%	USD	07/18/2022	07/18/2024
Class XV Negotiable Obligation co-issuance	GMSA/CTR	USD 27,659	27,525	3.50%	USD Linked	07/18/2022	07/18/2025
Class XVI Negotiable Obligation co-issuance	GMSA/CTR	UVA 15,889	16,420	UVA + 0%	ARS	07/18/2022	07/18/2025
Class XVII Negotiable Obligation co-issuance	GMSA/CTR	USD 11,486	11,467	9.50%	USD	11/07/2022	11/07/2024
Class XVIII Negotiable Obligation co-issuance	GMSA/CTR	USD 21,108	20,892	3.75%	USD Linked	11/07/2022	11/07/2024
Class XIX Negotiable Obligation co-issuance	GMSA/CTR	UVA 11,555	11,908	UVA + 1%	ARS	11/07/2022	11/07/2025
Class XIII Negotiable Obligations:	GMSA	USD 8,722	8,874	12.50%	USD	12/02/2020	02/16/2024
Class XV Negotiable Obligation	GMSA	UVA 39,121	41,834	UVA + 6.5%	ARS	07/16/2021	07/28/2026

Class XVI Negotiable Obligation	GMSA	USD 106,837	109,363	7.75%	USD Linked	07/16/2021	07/28/2029
Class XVII Negotiable Obligation	GMSA	USD 24,702	24,610	3.50%	USD Linked	05/23/2022	05/28/2027
Class XVIII Negotiable Obligation	GMSA	UVA 14,926	15,517	UVA + 0%	ARS	05/23/2022	05/28/2027
Class XIX Negotiable Obligation	GMSA	USD 88,595	88,413	6.50%	USD Linked	05/23/2022	05/28/2032
Subtotal			**894,306**				
Other liabilities	-						
Banco Ciudad loan	GMSA	USD 4,200	4,201	SOFR + 7.00%	USD	12/28/2021	01/18/2024
BAPRO loan	GMSA	$ 500,000	2,873	53.00%	ARS	03/01/2022	03/17/2023
Banco Chubut loan	GMSA	USD 4,776	4,789	5.00%	USD	11/14/2022	10/14/2023
Mortgage loan	GMSA	$ 400,000	2,277	78.51%	ARS	12/27/2022	02/27/2023
Banco Chubut loan	CTR	$ 46,965	268	BADLAR	ARS	11/14/2022	11/14/2024
Banco Chubut loan	CTR	$ 215,637	1,261	BADLAR	ARS	06/16/2022	06/16/2024
Supervielle loans	CTR	$ 171,082	1,002	83.00%	ARS	11/14/2022	11/14/2024
Supervielle loans	CTR	$ 347,500	2,109	83.00%	ARS	11/14/2022	04/14/2023
Bond insurance	GMSA	USD 1,000	1,000	1.00%	USD	01/19/2022	01/19/2023
Bond insurance	CTR	$ 50,000	282	35.00%	ARS	28/11/2022	21/01/2023
Finance lease	GMSA/CTR		377				
Subtotal			**20,439**				
Total financial debt			**933,977**				

(*) GMSA and GROSA have ALBAAR27 (International Bonds) for a residual value of USD 8,000 thousand and USD 284 thousand, respectively,
(**) GMSA has Class IX Negotiable Obligations co-issuance for a residual value of USD 271 thousand,
(a) Effective June 1, 2022, interest on the Class X Negotiable Obligations shall accrue at an annual rate of 9,875%, and the time frame envisaged in the Pricing Supplement for providing the first Lien on the Credits Assigned in Guarantee to the benefit of the Secured Parties has expired, without the Required Guarantee Consents having been obtained,

1. Brief description of the activities of the issuing company, including references to relevant situations subsequent to year end (in thousands of USD)

In accordance with the provisions of CNV General Resolution No. 368/01, as amended, we present below an analysis of the results of the operations of GMSA and its financial position, which must be read together with the accompanying Financial Statements.

Fiscal year ended December 31:

	2022	2021	Variation	Variation %
	GW			
Sales by type of market				
Sale of energy Res. No. 95, as amended, plus Spot	491	153	338	221%
Energía Plus sales	698	653	45	7%
Sale of energy Res. No. 220	863	1,272	(409)	(32%)
Sale of energy Res. No. 21	178	189	(11)	(6%)
	2,230	**2,267**	**(37)**	**(2%)**

Sales by type of market (in thousands of USD) are shown below:

Fiscal year ended December 31:

	2022	2021	Variation	Variation %
	(In thousands of USD)			
Sales by type of market				
Sale of energy Res. No. 95, as amended, plus spot	17,772	7,294	10,478	144%
Energía Plus sales	44,705	38,345	6,360	17%
Sale of electricity Resolution No. 220	75,542	99,826	(24,284)	(24%)
Sale of energy Res. No. 21	59,417	59,766	(349)	(1%)
Total	**197,436**	**205,231**	**(7,795)**	**(4%)**

Income/(loss) for the fiscal years ended December 31, 2022 and 2021 (in thousands of USD):

	Fiscal year ended December 31:			
	2022	**2021**	**Variation**	**Variation %**
Sales of energy	197,436	205,231	(7,795)	(4%)
Net sales	**197,436**	**205,231**	**(7,795)**	**(4%)**
Cost of purchase of electric energy	(37,903)	(32,137)	(5,766)	18%
Gas and diesel consumption at the plant	(135)	(1,844)	1,709	(93%)
Salaries and social security charges	(8,944)	(7,143)	(1,801)	25%
Defined benefit plan	(137)	(88)	(49)	56%
Maintenance services	(6,650)	(6,110)	(540)	9%
Depreciation of property, plant and equipment	(36,842)	(36,900)	58	(0%)
Insurance	(2,825)	(2,611)	(214)	8%
Sundry	(2,065)	(1,922)	(143)	7%
Cost of sales	**(95,501)**	**(88,755)**	**(6,746)**	**8%**
Gross income/(loss)	**101,935**	**116,476**	**(14,541)**	**(12%)**
Rates and taxes	(564)	(502)	(62)	12%
Selling expenses	**(564)**	**(502)**	**(62)**	**12%**
Salaries and social security charges	(845)	(1,013)	168	(17%)
Fees for professional services	(11,039)	(7,340)	(3,699)	50%
Directors' fees	(1,354)	(790)	(564)	71%
Travel and per diem	(688)	(420)	(268)	64%
Rates and taxes	(724)	(355)	(369)	104%
Gifts	(55)	(42)	(13)	31%
Sundry	(1,004)	(711)	(293)	41%
Administrative expenses	**(15,709)**	**(10,671)**	**(5,038)**	**47%**
Other operating income	7,345	4	7,341	183525%
Operating income/(loss)	**93,007**	**105,307**	**(12,300)**	**(12%)**
Commercial interest, net	6,932	2,463	4,469	181%
Interest on loans, net	(62,296)	(66,558)	4,262	(6%)
Bank expenses and commissions	(1,070)	(461)	(609)	132%
Exchange differences, net	4,034	(6,623)	10,657	(161%)
Impairment of assets	-	(1.953)	1.953	(100%)
Difference in UVA value	(29,567)	(12,432)	(17,135)	138%
Gain/(loss) on purchasing power parity	(586)	462	(1,048)	(227%)
Other financial results	(10,827)	(6,412)	(4,415)	69%
Financial results, net	**(93,380)**	**(91,514)**	**(1,866)**	**2%**
Income/(loss) from interest in associates	(725)	(477)	(248)	52%
Pre-tax profit/(loss)	**(1,098)**	**13,316**	**(14,414)**	**(108%)**
Income Tax	777	66,594	(65,817)	(99%)
Net income/(loss) for the year from continuing operations	**(321)**	**79,910**	**(80,231)**	**(100%)**
Income/(loss) from discontinued operations	(4,362)	(1,304)	(3,058)	235%
(Loss)/Income for the year	**(4,683)**	**78,606**	**(83,289)**	**(106%)**
Other Comprehensive Income for the year				
Items that will not be reclassified under income:				
Defined benefit plan	(134)	(14)	(120)	857%
Impact on income tax - Benefit plan and Revaluation of property, plant and equipment	47	5	42	840%
Change in the income tax rate - Revaluation of property, plant and equipment	-	(14,933)	14,933	(100%)
These items will be reclassified under income/(loss):				
Translation differences of subsidiaries and associates	654	1,708	(1,054)	(62%)
Other comprehensive income/(loss) from continuing operations for the year	**567**	**(13,234)**	**13,801**	**(104%)**
Other comprehensive income/(loss) from discontinued operations	186	(30)	216	(720%)
Other comprehensive income/(loss) for the year	**753**	**(13,264)**	**14,017**	**(106%)**
Total comprehensive income/(loss) for the year	**(3,930)**	**65,342**	**(69,272)**	**(106%)**

<u>Sales:</u>

Net sales for the year ended December 31, 2022 increased to USD 197,436 thousand, compared with USD 205,231 thousand for fiscal year 2021, showing a decrease of USD 7,795 thousand (4%).

During the fiscal year ended December 31, 2022, 2,230 GW of electricity were sold, thus accounting for a 2% decrease compared with the 2,267 GW sold in fiscal year 2021. This decrease was mainly due to the termination of the Wholesale Demand Agreement (Resolution SE No. 220/07) of CTR's TG01 unit in June 2022, which unit became a basic machine, and due to the restitution by GROSA of Sorrento Thermal Power Plant to CTS in May 2022 and subsequent completion of its management duties.

Below is a description of the Company's main revenues, and their variation during the year ended December 31, 2022, as against the previous year:

(i) USD 17,772 thousand from sales of electricity under Resolution No. 95, as amended plus spot market, which accounted for an increase of 144% from the USD 7,294 thousand for fiscal year 2021. This is due to the increase in rates and to the fact that a larger GW amount of electricity was sold in the year ended December 31, 2022 compared to fiscal year 2021, mainly because of the termination of the Wholesale Demand Agreement (Resolution SE No. 220/07) of CTR's TG01 unit in June 2022, now being paid under this method.

(ii) USD 44,705 thousand from sales under Energía Plus, which accounted for a 17% increase from the USD 38,345 thousand sold in fiscal year 2021. This variation is mainly explained by an increase in the dispatch of energy.

(iii) USD 75,542 thousand from sales of electricity in the forward market to CAMMESA down Resolution No. 220/07, representing a 24% decrease compared to the USD 99,826 thousand for 2021. This variation is basically explained by the fact that a smaller amount of electricity was sold, due to the termination of the Wholesale Demand Agreement of CTR's TG01 unit for the year ended December 31, 2022, compared to fiscal year 2021.

(iv) USD 59,417 thousand from sales of electricity under Resolution No. 21, down 1% from the USD 59,766 thousand sold in fiscal year 2021.

<u>Cost of sales:</u>

The total cost of sales for the year ended December 31, 2022 reached USD 95,501 thousand, compared with USD 88,755 thousand for fiscal year 2021, reflecting an increase of USD 6,746 thousand (8%).

Below is a description of the main costs of sales of the Company, in thousands of dollars, and their behavior during the year ended December 31, 2022, compared with the previous fiscal year:

(i) USD 37,903 thousand for the purchase of electricity, representing an 18% increase compared to the USD 32,137 thousand recorded in the same period of 2021, as a result of the higher sales of GW.

(ii) USD 8,944 thousand in salaries and social security liabilities, representing a 25% increase compared with the USD 7,143 thousand recorded in fiscal year 2021. This variation is explained by the salary increases.

(iii) USD 6,650 thousand in maintenance services, representing a 9% increase compared with the USD 6,110 thousand recorded in fiscal year 2021.

Gross income/loss:

Gross income for the year ended December 31, 2022 was USD 101,935 thousand, compared with income of USD 116,476 thousand for fiscal year 2021, accounting for a decrease of USD 14,541 thousand.

Selling expenses:

Selling expenses for the year ended December 31, 2022 amounted to USD 564 thousand, compared with the USD 502 thousand for fiscal year 2021, accounting for an increase of USD 62 thousand. In part, this is due to the change in the Turnover Tax rates on the generation of energy.

Administrative expenses:

Administrative expenses for the year ended December 31, 2022 amounted to USD 15,709 thousand, compared with USD 10,671 thousand recorded in fiscal year 2021, accounting for an increase of USD 5,038 thousand (47%).

The main components of the Company's administrative expenses are listed below:

(i) USD 11,039 thousand for fees for professional services, representing a 50% increase from the USD 7,340 thousand for fiscal year 2021. This variation is due to the increase in expenses billed by RGA for administrative services.

(ii) USD 1,354 thousand for directors' fees, which represented a 71% increase compared to the USD 790 thousand recorded in fiscal year 2021. It is associated with the provision for directors' fees of GMSA and CTR for fiscal year ended December 31, 2022.

Other operating income and expenses:

Total other operating income for the fiscal year ended December 31, 2022 amounted to USD 7,345 thousand, showing an increase of USD 7,341 thousand from the USD 4 thousand recorded in fiscal year 2021. This arises from GMSA's income for a recovery of storage and dispatch services.

Operating income/(loss):

Operating income for the year ended December 31, 2022 was USD 93,007 thousand, compared with income of USD 105,307 thousand for the year 2021, accounting for a decrease of USD 12,300 thousand (12%).

Financial results:

Financial results for the fiscal year ended December 31, 2022 amounted to a total loss of USD 93,380 thousand, compared with the loss of USD 91,514 thousand recorded in fiscal year 2021, which accounted for an increase of USD 1,866 thousand.

The most noticeable aspects of the variation are:

(i) USD 62,296 thousand loss for interest on loans, a 6% decrease from the USD 66,588 thousand loss for fiscal year 2021.

(ii) USD 4,034 thousand gain due to net exchange differences, accounting for a decrease of USD 10,657 thousand loss compared with the USD 6,623 thousand loss recorded in fiscal year 2021.

(iii) USD 29,567 thousand loss due to a difference in the UVA value, which accounted for a 138% increase, compared to the USD 12,432 loss for fiscal year 2021, due to an increase in the negotiable obligations issued by the Group, stated in UVAs.

Income/(loss) before taxes:

The Company reported pre-tax loss of USD 1,098 thousand for the fiscal year ended December 31, 2022, which accounted for a USD 14,014 thousand decrease compared with the profit of USD 13,316 thousand recorded in fiscal year 2021.

The Company recognized an income tax benefit of USD 777 thousand for the fiscal year ended December 31, 2022, representing a 99% decrease as against the income tax benefit of USD 66,594 thousand recorded in fiscal year 2021. This variation is mainly explained by the inclusion of the tax inflation adjustment on accumulated losses as from fiscal year 2021.

Net income/(loss):

Continuing operations for the fiscal year ended December 31, 2022, recorded a loss of USD 321 thousand, which accounted for a decrease of USD 80,231 thousand (100%) considering the USD 79,910 thousand income recorded in fiscal year 2021.

Discontinued operations for the fiscal year ended December 31, 2022, recorded a loss of USD 4,362 thousand, which accounted for an increased loss of USD 3,058 thousand considering the USD 1,304 thousand loss recorded in fiscal year 2021, as a result of the termination of the lease agreement between GROSA and CTS.

A loss of USD 4,683 thousand was reported in fiscal year ended December 31, 2022, representing a decrease of USD 83,289 thousand, compared with the income of USD 78,606 thousand recorded in fiscal year 2021.

Comprehensive income/(loss):

Other comprehensive income from continuing operations for the fiscal year ended December 31, 2022 amounted to USD income 567 thousand, and includes the variation in the defined benefit plans and its impact on income tax, and translation differences of subsidiaries and associates, representing a 104% increase as compared to the loss of USD 13,234 thousand for fiscal year 2021, which included translation differences, defined benefit plans and the change in the income tax rate applicable to the revaluation of property, plant and equipment.

Other comprehensive income from discontinued operations for the fiscal year ended December 31, 2022 amounted to USD 186 thousand, representing a decrease of USD 216 thousand considering the loss of USD 30 thousand recorded in fiscal year 2021.

Total comprehensive income/(loss) for the fiscal year ended December 31, 2022 amounted to a loss of USD 3,930 thousand, accounting for a decrease of USD 69,272 thousand from the comprehensive income of USD 65,342 thousand for fiscal year 2021.

2. Comparative balance sheet figures: (In thousands of USD)

	12/31/2022	12/31/2021
Non-current assets	1,108,860	931,777
Current assets	236,202	236,593
Total assets	**1,345,062**	**1,168,370**
Equity attributable to the owners	236,911	240,270
Equity of non-controlling interest	14,157	13,705
Total equity	**251,068**	**253,975**
Non-current liabilities	858,239	771,576
Current liabilities	235,755	142,819
Total liabilities	**1,093,994**	**914,395**
Total equity and liabilities	**1,345,062**	**1,168,370**

3. Comparative income statement figures: (in thousands of USD):

	12/31/2022	12/31/2021
Ordinary operating income	93,007	105,307
Financial results	(93,380)	(91,514)
Income/(loss) from interest in associates	(725)	(477)
Ordinary net income/(loss)	**(1,098)**	**13,316**
Income Tax	777	66,594
Income from continuing operations	**(321)**	**79,910**
Discontinued operations	(4,362)	(1,304)
Income/(loss) for the year	**(4,683)**	**78,606**
Other comprehensive income/(loss)	753	(13,264)
Total comprehensive income/(loss)	**(3,930)**	**65,342**

4. Comparative cash flow figures: (in thousands of USD):

	12/31/2022	12/31/2021
Cash flows provided by operating activities	66,464	92,181
Cash flows (used in) investing activities	(42,543)	(32,256)
Cash flows (used in) financing activities	(14,419)	(66,493)
Increase/(Decrease) in cash and cash equivalents	**9,502**	**(6,568)**

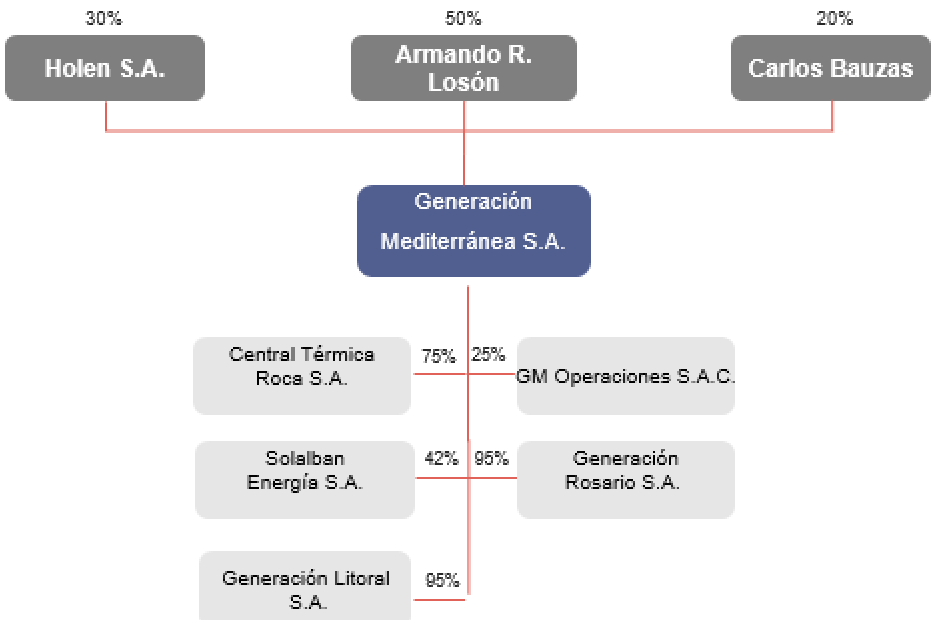
5. Ratios presented comparatively with the previous year:

	12/31/2022	12/31/2021
Liquidity (1)	1.00	1.66
Solvency (2)	0.22	0.26
Tied-up capital (3)	0.82	0.80
Return on equity (4)	(0.02)	0.62

(1) Current Assets / Current Liabilities
(2) Equity attributable to the owners / Total Liabilities
(3) Non-current Assets / Total Assets
(4) Net income/(loss) for the period (without OCI) / Total average Equity

4. CORPORATE STRUCTURE

The structure of the organization at December 31, 2022 is shown in the following table:



Holen S.A., Armando Losón and Carlos Bauzas hold the remaining 5% in GROSA and GLSA.

Share Capital

At December 31, 2022, the Company's capital was made up of 203,123,895 ordinary, non-endorsable, book-entry shares of $1 par value each, and entitled to 1 vote per share, distributed as follows:

- Armando Roberto Losón 50% (101,561,948 shares)
- Holen S.A. 30% (60,937,168 shares)
- Carlos Alfredo Bauzas 20% (40,624,779 shares)

Organization of the decision-making process

As indicated in the various sections of Annex IV, Heading IV, of the Rules of the CNV that are attached to this Annual Report relating to the degree of compliance with the Code of Corporate Governance, the Company's policies and strategies are defined by the Board of Directors to be executed by each of the sectors under the supervision of the corresponding Management divisions and, ultimately, of the Board of Directors.

Decisions that are considered significant and/or relevant in terms of their magnitude and/or amount involved relating to the administration of the Company's activities are made directly by the Board of Directors in a meeting specially convened for this purpose. When required in specific cases, the decision will be made by a specially convened extraordinary Shareholders' Meeting. All the decisions by the Shareholders' Meeting on the events that took place in 2022 have been taken unanimously, while those related to the Board have been taken holding the majority as set forth in the Bylaws.

Directors' fees

The decisions made by the Company relating to the fees of the members of the Board of Directors are in compliance with the limits and guidelines envisaged in Section 261 of Law No. 19550, and Articles 1 to 7 of Chapter III, Heading II, of the Rules of the National Securities Commission.

5. OUTLOOK FOR FISCAL YEAR 2023

5.1 Outlook for the Electricity Generation Market

Numerous power plants were incorporated as a result of the tenders for contracting new energy and power organized since 2016, as explained in detail. The regulatory changes that took place since then, especially after the period of financial and economic instability commenced in April 2018, have given way to a complex situation in the electricity generation sector.

A similar situation occurred in the natural gas sector, which is essential for electricity supply due to its impact on thermoelectric generation. The reduction in gas prices at the wellhead has led to levels below the cost of developing reserves; as a result, investments were halted with the consequent reduction in production.

The change of government administration in December 2019 fueled the uncertainty in the electricity market, owing to a delay in making the necessary decisions to maintain adequate supply conditions; in 2021, the market resumed its growth pattern and 2022 started with prospects of acceleration, at least in the first half of the year as compared with the same months of 2021, marked by social isolation due to the COVID-19 pandemic.

The freezing of tariffs, prices, and remunerations extended in practical terms from February 2019 with a reduced adjustment in current currency to final consumers generated a growing fiscal deficit. The execution of an Agreement with the International Monetary Fund at the end of the first quarter of 2022 established strict deficit reduction targets.

In the last months of 2022, the Ministry of Economy began to push for significant increases in the prices of natural gas and electricity paid by consumers with subsidies, aiming chiefly at reducing the fiscal deficit. Additionally, Public Hearings were called to determine adjustments to the tariffs charged by electricity transmission and distribution companies that are higher than last year's inflation, on account of the Comprehensive Tariff Review process that was postponed until the end of 2023, or passed to the next Administration.

At the time this Report was prepared, the Ministry of Energy was analyzing the situation of thermoelectric generators to increase the availability of thermoelectric units mainly in order to maintain a higher level of certainty as to future supply.

The Ministry has announced that bids for new electric transmission lines will be called in connection with the installation of new renewable energy plants, although the financing and tariff remuneration has not been specified yet.

As anticipated at the beginning of 2022, the maintenance of units whose remuneration has not been fairy adjusted had an impact on the level of unavailability of these generation units that dispatch energy to the spot market. In the current state of uncertainty, no new generation revenues should be expected beyond the closures of the combined cycle at the Ensenada de Barragán and Estanislao López plants.

According to our projections, in 2023, investments in new units will only resume eventually and on a selective basis, and will focus on improving conditions to increase the availability of units with inadequate maintenance.

Since the positive trend in electricity demand has extended over time, it is possible that the Energy Secretariat will accelerate the adjustment of remunerations to generators in the spot market while complying with the long-term contracts with CAMMESA in order to recover the availability that had been achieved.

Despite the persistent reduction in value of the Argentine peso, CAMMESA honored all its long-term contracts meeting the economic and financial conditions, and making the payments at the official exchange rate for US dollars. Despite some delays in payments, CAMMESA recognized interest on late payment at the rates prevailing in the market and regularized most of them following the winter of 2022. The fact of having fulfilled the contractual conditions and made the payments in accordance with prevailing regulations is a significant event in such complex years as the 2018-2022 period.

The incipient improvement in hydroelectric supply during the second half of 2022 and early 2023, together with the marked reduction of LNG import prices in the 2023 futures market, and of gas oil, could result in a lower deficit in CAMMESA allowing for the adjustments previously mentioned. The approved adjustments in the Seasonal Energy Price to a higher than expected number of Residential and Commercial-SME consumers will help to reduce the fiscal deficit.

The extension of the emergency situation in the regulation of the Electricity Sector requires that decisions be made to normalize its operation; however, we believe that it will be up to the next Administration to decide on the matter, including the complete readjustment of Seasonal Energy Prices and tariffs across the electricity value chain.

The outlook for business operations and commercial dispatch is favorable for modern thermoelectrical generators located in regions with a high growth in demand, since their units will receive increasing dispatch requirements. The same will hold true for those power plants with no forward contracts but with their maintenance and availability preserved. Under the scenario expected for 2023, some units in various Grupo Albanesi power plants could require dispatch with probably higher remunerations, as previously mentioned.

The prospects of the Energy Sector are uncertain due to delays in the decisions that must be made and the economic and financial situation of Argentina, particularly, of the National State. The policy of maintaining minimum tariff and price adjustments seems to have been modified during 2022, although the presidential elections make the outlook for 2023 uncertain.

Winter fuel supply prospects will be similar to those of previous winters due to the fact that the entry to Stage I of the new gas pipeline is scheduled for July 2023 and could be delayed.

International financing restrictions for Argentina delay the entry of power generation units under forward contracts, being 2021, 2022, and 2023 years of deceleration in the investment process launched between 2016 and 2020, revaluing the existing energy production and projects at final construction stages.

The absence of new hydroelectric power plants in the coming years and the deterioration of the nuclear fleet, together with the decrease in the entry of new plants from renewable sources, provide a favorable outlook for the dispatch of thermoelectric units. Having halted investment decisions for the entry of new generation units from renewable sources since 2018 also leads to a situation in which the expected growth in electricity demand will have to be satisfied by thermoelectric units. It is probable that a higher increase in the demand of electric power in the first half of 2023 exerts pressure for higher thermoelectric dispatch.

If the incorporation of new renewable energy plants were to be resumed and financed in a way that seems unclear, there might be a reduced thermoelectric dispatch since 2024-2025. However, for this to happen, it will be necessary to expand electricity transmission capacity.

Due to their intrinsic characteristics, renewable units require backup from thermoelectric units in good working condition to be able to operate, given their natural interruptibility. The backup of thermoelectric units is essential to support these units.

The fiscal crisis starting in 2020 and the Agreement reached with the International Monetary Fund, together with a new Administration taking office in December 2023, reopen the opportunity for a stabilization in the electricity market that allows for predictability in a sector that requires long-term rules for investments that can match demand.

5.2 Outlook for the Company

Electric power

In 2023, Company's Management expects to continue operating and maintaining the different generation units correctly in order to keep their high-level availability, thus meeting all the requirements under the demand contracts while supplying energy to WEM large users. The dispatch, occurrence and commissioning of the CTE close cycle project will require obtaining higher levels of dispatch of these units, and thus, increasing the generation of electricity.

For the year 2023, an efficient operating management is expected of the Cogeneration Power Plant of the New Refinery of Talara, owned by Petroperú, located in the city of Talara, district of Pariñas, Perú. The main objective of the Company is to efficiently provide electric energy, steam and condensed steam to the PETROPERU Refinery operating and properly maintaining the cogeneration units.

Financial position

During the current year, the Company's objective is ensuring financing to make progress with the investment works described according to the budgeted schedules. Meanwhile, the financing structure will continue to be strengthened, ensuring the Company’s gradual debt reduction.

6. DISTRIBUTION OF INCOME/LOSS

In compliance with the prevailing legal provisions, the Company Board of Directors states that loss for the year amounted to USD 4,087 thousand, thus recording accumulated losses for USD 3,564 thousand at December 31, 2022.

The Shareholders’ Meeting will discuss and decide on the final destination of such accumulated profits.

7. ACKNOWLEDGEMENTS

The Board of Directors wishes to thank all the employees of the Company for their work during the year under review, which has been essential to the achievement of the Company's technical and economic results. Additionally, it wishes to expressly acknowledge the contribution of its clients and suppliers, and of the banking entities and other collaborators, who have worked toward better management of the business throughout the year.

City of Buenos Aires, March 20, 2023

THE BOARD OF DIRECTORS

Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee
at December 31, 2022

President
Armando Losón (Jr.)

1st Vice President
Guillermo Gonzalo Brun

2nd Vice President
Julián Pablo Sarti

Full Directors
María Eleonora Bauzas
Oscar Camilo De Luise
Ricardo Martín López
Osvaldo Enrique Alberto Cado

Alternate Directors
José Leonel Sarti
Juan Gregorio Daly
Juan Carlos Collin
Jorge Hilario Schneider
María Andrea Bauzas

Full Syndics
Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics
Marcelo Claudio Barattieri
Juan Cruz Nocciolino
Carlos Indalecio Vela

Generación Mediterránea S.A.

Consolidated Financial Statements

Company Name:	**Generación Mediterránea S.A.**
Legal address:	Av. L.N. Alem 855, 14th floor - City of Buenos Aires
Main business activity:	Generation and sale of electric energy Development of energy projects, execution of projects, advisory services, provision of services, management, administration and performance of works of any kind. Investments and financial operations of any kind, except those established by Law No. 21526
Tax Registration Number:	30-68243472-0
Dates of Registration with the Public Registry of Commerce:	
Bylaws or incorporation agreement:	01/28/1993
Latest amendment:	August 24, 2022
Registration with the Legal Entities Regulator under number:	644 of Book 112, Volume A of Corporations
Expiration date of Company By-laws:	01/28/2092

Generación Mediterránea S.A.

Consolidated Statement of Financial Position
At December 31, 2022 and 2021
Stated in thousands of US dollars

	Notes	12/31/2022	12/31/2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**7**	1,079,842	919,245
Investments in associates	**8**	4,765	3,921
Investments in other companies		-	1
Deferred tax assets	**23**	-	-
Income tax credit balance, net		60	33
Other receivables	**10**	11,893	4,695
Financial assets at fair value through profit or loss	**12**	12,300	3,882
Total non-current assets		**1,108,860**	**931,777**
CURRENT ASSETS			
Inventories	**9**	2,724	3,741
Income tax credit balance, net		-	2
Other receivables	**10**	54,734	93,898
Trade receivables	**11**	42,280	37,373
Financial assets at fair value through profit or loss	**12**	115,900	84,086
Cash and cash equivalents	**13**	20,564	17,493
Total current assets		**236,202**	**236,593**
Total assets		**1,345,062**	**1,168,370**

The accompanying notes form an integral part of these consolidated Financial Statements.

Generación Mediterránea S.A.

Consolidated Statement of Financial Position (Cont'd)
At December 31, 2022 and 2021
Stated in thousands of US dollars

	Notes	12/31/2022	12/31/2021
EQUITY			
Share capital	**14**	2,414	2,414
Capital adjustment		20,051	20,051
Additional paid-in capital		19,809	19,809
Legal reserve		3,672	898
Optional reserve		96,598	30,883
Special Reserve GR No. 777/18		45,378	48,854
Technical revaluation reserve		45,574	49,192
Other comprehensive income/(loss)		(149)	(319)
Unappropriated retained earnings/(losses)		3,564	68,488
Equity attributable to the owners		**236,911**	**240,270**
Non-controlling interest		**14,157**	**13,705**
Total Equity		**251,068**	**253,975**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**23**	107,583	108,430
Other liabilities	**17**	872	12
Defined benefit plan	**24**	804	909
Loans	**18**	748,980	645,476
Trade payables	**16**	-	16,749
Total non-current liabilities		**858,239**	**771,576**
CURRENT LIABILITIES			
Other liabilities	**17**	982	279
Social security liabilities	**21**	1,710	2,339
Defined benefit plan	**24**	51	148
Loans	**18**	184,997	91,714
Derivative instruments		42	492
Tax payables	**22**	2,482	2,377
Trade payables	**16**	45,491	45,470
Total current liabilities		**235,755**	**142,819**
Total liabilities		**1,093,994**	**914,395**
Total liabilities and equity		**1,345,062**	**1,168,370**

The accompanying notes form an integral part of these consolidated Financial Statements.

Generación Mediterránea S.A.

Consolidated Statement of Comprehensive Income
For the years ended December 31, 2022 and 2021
Stated in thousands of US dollars

	Notes	USD 12/31/2022	USD 12/31/2021
Sales revenue	**26**	197,436	205,231
Cost of sales	**27**	(95,501)	(88,755)
Gross income		**101,935**	**116,476**
Selling expenses	**28**	(564)	(502)
Administrative expenses	**29**	(15,709)	(10,671)
Other operating income	**30**	7,345	4
Operating income/(loss)		**93,007**	**105,307**
Financial income	**31**	12,073	9,028
Financial expenses	**31**	(68,507)	(73,584)
Other financial results	**31**	(36,946)	(26,958)
Financial results, net		**(93,380)**	**(91,514)**
Income/(loss) from interests in associates	**8**	(725)	(477)
Pre-tax profit/(loss)		**(1,098)**	**13,316**
Income tax	**23**	777	66,594
(Loss)/Income from continuing operations for the year		**(321)**	**79,910**
(Loss) from discontinued operations	**36**	(4,362)	(1,304)
(Loss)/Income for the year		**(4,683)**	**78,606**
Other comprehensive income/(loss)			
These items will not be reclassified under income/(loss):			
Pension plan	**24**	(134)	(14)
Impact on income tax - Benefit plan and Revaluation of property, plant and equipment	**23**	47	5
Change in the income tax rate - Revaluation of property, plant and equipment	**23**	-	(14,933)
These items will be reclassified under income/(loss):			
Translation differences of subsidiaries and associates		654	1,708
Other comprehensive income/(loss) from continuing operations for the year		**567**	**(13,234)**
Other comprehensive income/(loss) from discontinued operations	**36**	186	(30)
Other comprehensive income/(loss) for the year		**753**	**(13,264)**
Comprehensive (loss)/income for the year		**(3,930)**	**65,342**

The accompanying notes form an integral part of these consolidated Financial Statements.

Generación Mediterránea S.A.

Consolidated Statement of Comprehensive Income (Cont'd)
For the years ended December 31, 2022 and 2021
Stated in thousands of US dollars

	Note	12/31/2022	12/31/2021
(Loss)/Income for the year attributable to:			
Owners of the company		(4,087)	74,355
Non-controlling interest		(596)	4,251
		(4,683)	**78,606**
(Loss)/Income for the year attributable to the owners of the company:			
Continuing operations		57	75,594
Discontinued operations		(4,144)	(1,239)
		(4,087)	**74,355**
Comprehensive (loss)/income for the year attributable to:			
Owners of the company		(3,359)	61,989
Non-controlling interest		(571)	3,353
		(3,930)	**65,342**
Comprehensive income/(loss) for the year attributable to the owners of the company:			
Continuing operations		608	63,256
Discontinued operations		(3,967)	(1,267)
		(3,359)	**61,989**
(Losses)/Earnings per share attributable to the owners of the company:			
Basic and diluted earnings per share from continuing operations	**32**	0.00	0.37
Basic and diluted (losses) per share from discontinued operations	**32**	(0.02)	(0.01)
Basic and diluted (losses)/earnings per share	**32**	(0.02)	0.37

The accompanying notes form an integral part of these consolidated Financial Statements.

Generación Mediterránea S.A.

Consolidated Statement of Changes in Equity
For the years ended December 31, 2022 and 2021
Stated in thousands of US dollars

	Attributable to Shareholders											
	Shareholders' contributions			Retained earnings								
	Share capital (Note 14)	Capital adjustment	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	Total	Non-controlling interest	Total equity
Balances at December 31, 2020	**1,642**	**20,051**	**19,809**	**898**	**14,955**	**49,210**	**47,576**	**(49)**	**17,931**	**172,023**	**-**	**172,023**
Addition due to merger as from January 1, 2021 (Note 1)	772	-	-	-	-	10,457	12,509	(233)	(17,247)	6,258	10,352	16,610
Shareholders' Meeting dated June 1, 2021:												
- Setting up of optional reserve	-	-	-	-	15,928	-	-	-	(15,928)	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-	(6,994)	(7,043)	(37)	1,708	(12,366)	(898)	(13,264)
Reversal of technical revaluation reserve	-	-	-	-	-	(3,819)	(3,850)	-	7,669	-	-	-
Income for the year	-	-	-	-	-	-	-	-	74,355	74,355	4,251	78,606
Balances at December 31, 2021	**2,414**	**20,051**	**19,809**	**898**	**30,883**	**48,854**	**49,192**	**(319)**	**68,488**	**240,270**	**13,705**	**253,975**
Shareholders' Meeting dated April 19, 2022:												
- Setting up of legal reserve	-	-	-	2,774	-	-	-	-	(2,774)	-	-	-
- Setting up of optional reserve	-	-	-	-	65,715	-	-	-	(65,715)	-	-	-
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,023	1,023
Other comprehensive income/(loss)	-	-	-	-	-	(615)	(737)	170	1,910	728	25	753
Reversal of technical revaluation reserve	-	-	-	-	-	(2,861)	(2,881)	-	5,742	-	-	-
(Loss) for the year	-	-	-	-	-	-	-	-	(4,087)	(4,087)	(596)	(4,683)
Balances at December 31, 2022	**2,414**	**20,051**	**19,809**	**3,672**	**96,598**	**45,378**	**45,574**	**(149)**	**3,564**	**236,911**	**14,157**	**251,068**

The accompanying notes form an integral part of these consolidated Financial Statements.

Generación Mediterránea S.A.

Consolidated Statement of Cash Flows
For the years ended December 31, 2022 and 2021
Stated in thousands of US dollars

	Notes	12/31/2022	12/31/2021
Cash flows provided by operating activities:			
(Loss)/Income from continuing operations for the year		(321)	79,910
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	**23**	(777)	(66,594)
Income/(loss) from interests in associates	**8**	725	477
Depreciation of property, plant and equipment	**27**	36,842	36,900
Present value of receivables and debts		62	360
Provision for Directors' fees	**29**	1,354	790
Income/(loss) from the sale of property, plant and equipment		(471)	-
Impairment of assets	**31**	-	1,953
Income/(loss) from changes in the fair value of financial instruments	**31**	4,450	(1,104)
Income/(loss) from repurchase of negotiable obligations	**31**	(130)	2,552
Interest and exchange differences and other		56,045	71,957
Gain/(loss) on purchasing power parity	**31**	586	(462)
Difference in UVA value	**31**	29,567	12,432
Accrual of benefit plans	**24 and 27**	137	88
Changes in operating assets and liabilities:			
(Increase) / Decrease in trade receivables		(12,789)	20,068
(Increase) in other receivables (1)		(13,521)	(6,009)
Decrease/(Increase) in inventories		1,017	(156)
(Decrease) in trade payables (2)		(34,538)	(55,469)
(Decrease) in defined benefit plans		(23)	(170)
(Decrease) in other liabilities		(755)	(919)
Increase/(Decrease) in social security liabilities and taxes		2,965	(4,034)
Extraordinary advance payment of Income Tax		(5,016)	-
Net cash flows provided by (used in) operating activities from discontinued operations		1,055	(389)
Net cash flows provided by operating activities		**66,464**	**92,181**
Cash flows from investing activities:			
Cash added due to merger		-	6,980
Capital contributions in subsidiaries and associates		(125)	-
Acquisition of property, plant and equipment	**7**	(33,821)	(36,032)
Government securities		465	(46)
Collection from the sale of property, plant and equipment		713	-
Loans granted	**33**	(9,775)	(4,600)
Loans collected		-	1,442
Net cash flows (used in) investing activities		**(42,543)**	**(32,256)**
Cash flows from financing activities:			
Payment of financial instruments		(1,750)	(757)
Repurchase of negotiable obligations		(819)	(4,359)
Payment of loans	**18**	(146,704)	(125,109)
Lease payments	**18**	(945)	(967)
Payment of interest	**18**	(72,531)	(73,500)
Leases taken out	**18**	645	-
Borrowings	**18**	207,685	138,199
Cash flows (used in) financing activities		**(14,419)**	**(66,493)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**9,502**	**(6,568)**
Cash and cash equivalents at the beginning of the year	**13**	17,493	22,251
Exchange difference of cash and cash equivalents		(1,989)	-
Financial results of cash and cash equivalents		(3,888)	1,891
Gain/loss on purchasing power parity of cash and cash equivalents		(554)	(81)
Cash and cash equivalents at year end	**13**	20,564	17,493
		9,502	**(6,568)**

The accompanying notes form an integral part of these consolidated Financial Statements.

(1) It includes advances to suppliers for the purchase of property, plant and equipment for USD 42,986 and USD 79,142 at December 31, 2022 and 2021, respectively.

(2) It includes commercial payments for works financing (see Note 38).

Generación Mediterránea S.A.

Consolidated Statement of Cash Flows (Cont'd)
For the years ended December 31, 2022 and 2021
Stated in thousands of US dollars

Material transactions not entailing changes in cash:

	Notes	12/31/2022	12/31/2021
Transfers to property, plant and equipment of assets for sale	**7**	-	35
Acquisition of property, plant and equipment financed by suppliers	**7**	(15,405)	(5,154)
Advances to suppliers applied to the acquisition of property, plant and equipment	**7**	(43,341)	(39)
Net benefit plans		-	35
Financial costs capitalized in property, plant and equipment	**7**	(102,293)	(6,394)
Issuance of negotiable obligations paid up in kind	**18**	10	391,205
Loans to Directors, repaid	**33**	8,960	1,558
Loans to Directors	**33**	(242)	-
Issuance of Class XV and XVI Negotiable Obligations - Trust		-	127,934
Mutual funds - Trust		29,953	(75,568)
Interest on Mutual funds capitalized in property, plant and equipment - Trust	**7**	34,073	12,400
Acquisition of property, plant and equipment - Trust	**7**	(29,364)	(6,640)
Advances to suppliers - Trust		-	(45,447)
Interest and exchange difference capitalized in property, plant and equipment - Trust	**7**	-	(10,897)
Issuance of Class XVII, XVIII and XIX Negotiable Obligations - CTMM Trust	**18**	125,000	-
Mutual funds - CTMM Trust		(107,604)	-
Interest on Mutual funds capitalized in property, plant and equipment - CTMM Trust	**7**	32,323	-
Acquisition of property, plant and equipment - CTMM Trust	**7**	(46,966)	-
Investments in related companies - Capital contributions		(784)	-
Capital paid-in in related companies		(111)	-
Capital increase from debt assignment		(19,833)	-
Net benefit plans from discontinued operations		(96)	-
Sale of property, plant and equipment from discontinued operations		(544)	-
Sale of property, plant and equipment not paid		1,119	-
Capitalized interest on Class XV and XVI Negotiable Obligations - CTE Trust	**18**	10,429	-
Capitalized interest on Class XVI, XVII and XIX Negotiable Obligations - CTMM Trust		3,324	-
Deletion of leases due to termination of the lease agreement		(1,564)	-
Loans to Centennial, repaid	**33**	1,871	-
Addition of balances due to merger by absorption			
Assets			
Property, plant and equipment		-	74,793
Other receivables		-	(41,065)
Investments in subsidiaries		-	37,220
Total assets		**-**	**70,948**
Liabilities			
Loans		-	(50,216)
Other liabilities		-	(50)
Tax payables		-	(13,113)
Salaries and social security liabilities		-	(32)
Trade payables		-	(1,401)
Total liabilities		**-**	**(64,812)**
Equity attributable to the owners		-	(6,258)
Cash added due to merger		-	122

The accompanying notes form an integral part of these consolidated Financial Statements.

Stated in thousands of US dollars

NOTE 1: GENERAL INFORMATION

GMSA's main line of business is the conventional thermal power generation. It has six thermal power plants operating throughout the whole country fed with natural gas as well as diesel as alternative fuel. They sell the energy generated in accordance with different regulatory frameworks. GMSA's nominal installed capacity is 900 MW.

GMSA was controlled by Albanesi S.A., an investing and financing company, which held 95% of its capital and votes. ASA was established in 1994. Through its subsidiaries and related entities, the Company has invested in the energy market, in the power generation and commercialization segment, its main line of business to date. As a result of the merger, GMSA absorbs ASA retrospectively as from January 1, 2021.

On March 10, 2022, the merger by absorption was registered with the Legal Entities' Regulator whereby ASA and GECEN were merged into the Company, with January 1, 2021 being the effective merger date ("Merger 2021"). Further, on March 10, 2022, the dissolutions without liquidation of ASA and GECEN were registered.

Grupo Albanesi, through GMSA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the natural gas transportation and sale business through RGA.

In recent years, the main strategy of Grupo Albanesi has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the equity interest of GMSA in each company, acquired as a result of the merger by absorption:

Companies	Country of creation	Main activity	% participation	
			12/31/2022	12/31/2021
CTR	Argentina	Electric power generation	75%	75%
GLSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%
GM Operaciones S.A.C.	Peru	Electric power generation	50%	-
CBEI LLC (*)	United States	Investing company	-	100%

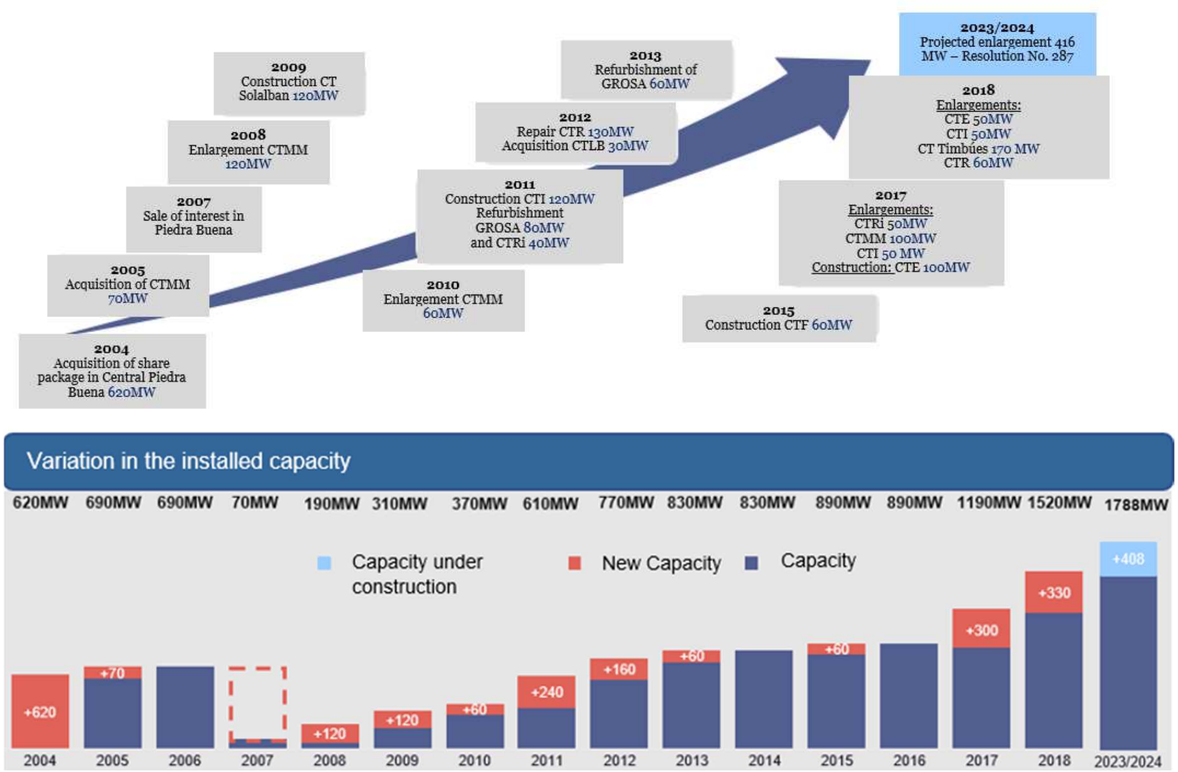
(*) During the first quarter of 2022, GMSA has sold its equity interest in CBEI LLC to Albanesi Power S.A.

At the date of these consolidated Financial Statements, Grupo Albanesi had a total installed capacity of 1,380 MW, it being expanded with additional 408 MW with all the new projects awarded.

NOTE 1: GENERAL INFORMATION (Cont'd)

Power Plant	Company	Nominal installed capacity		Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350	MW	ES Resolutions Nos. 220/07, 1281/06 Plus and ES Resolution No. 440/2021	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220	MW	ES Resolutions Nos. 220/07, 1281/06 Plus, EES Resolution No. 21/16 and ES Resolution No. 440/2021	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60	MW	ES Resolutions Nos. 220/07 and 440/2021	Frías, Santiago del Estero
Central Térmica Riojana (CTRi)	GMSA	90	MW	ES Resolutions Nos. 220/07 and 440/2021	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30	MW	ES Resolution No. 440/2021	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150	MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Total nominal installed capacity (GMSA)		**900**	**MW**		
Central Térmica Roca (CTR)	CTR	190	MW	ES Resolution No. 220/07 and ES Resolution No. 440/2021	Gral. Roca, Río Negro
Solalban Energía S.A.		120	MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
Total nominal installed capacity (Participation of GMSA)		**310**	**MW**		
Power Plants	AESA	170	MW	EES Resolution No. 21/16	Timbúes, Santa Fé
Total nominal installed capacity Grupo Albanesi		**1,380**	**MW**		

Grupo Albanesi entered the electricity market in 2004 with the purchase of the power plant Luis Piedra Buena S.A. In this way the development of the electricity market became one of the main purposes of the Group.



NOTE 1: GENERAL INFORMATION (Cont'd)

Through EES Resolution No. 287 - E/2017 of May 10, 2017, the ES instructed CAMMESA to call for those interested parties to offer new thermal generation focused on closure of combined cycles and co-generation technology, with the commitment to install and start up new generation to meet the demand in the WEM.

GMSA participated in that call and was awarded two projects for closure of combined cycles through EES Resolution No. 926 – E/2017. GECEN participated in that call and was awarded a co-generation project through EES Resolution No. 820 – E/2017.

Project for closure of cycle Ezeiza

One of the awarded projects was the closure of the combined cycle of CTE TG01, TG02 and TG03 units. The project related to this bidding process consists in i) the installation of a fourth Siemens SGT-800 gas turbine of 54 MW and ii) the conversion into combined cycle of the four gas turbines. For the conversion into combined cycle, a steam recovery boiler will be installed at the gas exhaust of each of the gas turbines, which will produce steam in two pressures to feed two steam turbines (2x1 configuration) that will deliver 44 MW each to the network. The project for the closure of CTE combined cycle will enable contributing a net further 138 MW to SADI. Although the new gas turbine to be installed will consume additional fuel, the inclusion of two steam turbines will contribute a further 88 MW without additional fuel consumption, and the two full cycles will have a specific consumption of 1,590 Kcal/KWh.

On September 2, 2019, the SRRYME Resolution No. 25/2019 was published whereby the generating agents awarded projects under EES Resolution No. 287/2017 were authorized to extend the commercial authorization term.

On October 2, 2019, the Company used the option established in the Resolution to formally state a New Date Committed for Commercial Authorization (NFHCC) under the wholesale demand agreements entered into in accordance with EES Resolution No. 287/2017 belonging to CTE and CTMM, respectively. For this purpose, the Company has stated as NFHCC December 6, 2022, for both agreements.

On June 10, 2020, the Energy Secretariat by means of Note No. NO-2020-37458730-APN-SE#MDP temporarily suspended the computing of the period for the performance of the contracts under former EES Resolution No. 287/2017 as to the cases that did not obtain the commercial authorization at the time the pertinent Note was published. This suspension is based on the circumstances occurring as from the COVID-19 pandemic and social, preventive and mandatory isolation imposed by Emergency Decree (DNU) No. 297 dated March 19, 2020. The suspension of the term computing is effective for 180 days as from the date of publication of the Emergency Decree (DNU) No. 260 dated March 12, 2020.

On September 25, 2020, a Note was sent to CAMMESA accepting the terms indicated in Note NO-2020-60366379-APN-SSEE#MEC in which the suspension of the term computing mentioned in the above paragraph is extended until November 15, 2020.

NOTE 1: GENERAL INFORMATION (Cont’d)

Project for closure of cycle Ezeiza (Cont’d)

On January 11, 2021, a Note was sent to CAMMESA accepting the terms indicated in Note NO-2020-88681913-APN-SE#MEC in which the suspension of the term computing is extended for 45 calendar days as from November 16, 2020.

On July 1, 2021, a contract was executed with Sociedad Argentina de Construcción y Desarrollo Estratégico S.A. for the project of the CTE Closure of Cycle. The project includes the review of engineering, management of project’s supplies and procurement, execution of civil and electromechanical works to install the main generation equipment and associated systems. The Company will rely on its own organization system to control the construction, supplies, progress of works and their certification. The pricing method is mixed: unit prices for equipment supplies and civil works, fixed amount for the rest. Execution term is 28 months (See Note 40).

The contract includes a performance bond for 15% on the total contract amount, formalized as a bond insurance. The contract states daily progressive penalties in the case of noncompliance with the term, with a cap of up to 10% of the value and daily rewards for accelerating the dispatch date up to a limit of USD 2 million. It also includes a bonus for project completion of USD 1,5 million.

On July 16, 2021, the Company issued Class XV and XVI Negotiable Obligations for a total amount equivalent to USD 130 million; the proceeds shall be allocated exclusively to investments necessary for the start-up of the CTE enlargement during 2023 (see Note 18).

On January 27, 2022, the Energy Secretariat through Resolution No. 39/2022, required generating agents that have executed Wholesale Demand Agreements (CdD) under the framework of ES Resolution No. 287/2017 and which have not obtained commercial authorization prior to the New Date Committed for Commercial Authorization (NFHCC) to set a New Committed Extended Date (NFCE) within a term of thirty calendar days from publication of this measure, which will be considered as the Committed Date for the purposes of the CdD.

The NFCE cannot exceed one thousand and eighty calendar days counted as from the NFHCC defined pursuant to ES Resolution No. 25/2019 considering the extensions granted due to COVID.

In addition, it was determined that projects whose owners have opted to set the NFCE shall be subject to the adjustment made to the Price for Power Availability, which decreases the greater the term selected up to a maximum of 1,080 days and a minimum of 17,444 USD/MW-month.

In case the full Commercial Authorization of Committed Machines be later than the NFCE, the penalties for noncompliance with Committed Date shall apply.

<u>NOTE 1:</u> GENERAL INFORMATION (Cont’d)

Project for closure of cycle Ezeiza (Cont’d)

Finally, Resolution No 39/2022 establishes that owners of projects who were awarded bids and have no Commercial Authorization at the date of publication of this resolution may request before CAMMESA the termination of their CdD, subject to the payment of an amount equivalent to 17,500 USD/MW to be paid only once.

On June 9, 2022, the Company and CAMMESA entered into Addendum II to the wholesale demand agreement signed on December 14, 2017 and amended by an Addendum dated May 7, 2021, as provided for by EES Resolutions Nos. 287-E/2017 and 926-E/2017 and ES Resolution No. 39/2022. As set forth in Addendum II, the new committed extended date for commercial authorization of the project shall be November 7, 2023, with a price of 19,522 USD/MW-month.

Project for closure of cycle Río IV

The other of the projects is the closure of the combined cycle of the TG06 and TG07 units at CTMM, located in Río Cuarto, Province of Córdoba. The project consists in the installation of a new 54 MW Siemens SGT800 gas turbine (with a guaranteed power of 47.5 MW) and the conversion into combined cycle of the three gas turbines (3x1 configuration). For such conversion, a heat recovery steam generator that will generate steam at two pressures will be installed at the outflow of the gas turbines to feed a steam turbine SST-600 that will supply an additional 65 MW to the network, as well as the necessary infrastructure for its operation and maintenance. The project for the closure of CTMM combined cycle will enable contributing a further 112.5 MW to SADI. The addition of the new gas turbine will demand more fuel for the system. The addition of the steam turbine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1,590 Kcal/KWh.

Regulatory aspects are identical to those described in the Ezeiza closure of cycle Project.

On May 23, 2022, the Company issued Class XVII, XVIII and XIX Negotiable Obligations for a total amount equivalent to USD 125,000,000; the proceeds shall be allocated exclusively to investments necessary for the start-up of the CTMM capacity expansion during 2024 (see Note 18).

On June 9, 2022, the Company and CAMMESA entered into Addendum II to the wholesale demand agreement signed on December 14, 2017 and amended by an Addendum dated May 7, 2021, as provided for by EES Resolutions Nos. 287-E/2017 and 926-E/2017 and ES Resolution No. 39/2022. As set forth in Addendum II, the new committed extended date under Resolution No. 39/2022 for commercial authorization of the project shall be June 15, 2024, with a price of 18,078 USD/MW-month.

NOTE 1: GENERAL INFORMATION (Cont'd)

Co-generation Project Arroyo Seco

Under ES Resolution No. 287/2017, the Energy Secretariat requested offers to implement projects of electricity generation through the closure of open cycles and co-generation. Within this framework, GECEN (Company merged into GMSA) presented a co-generation project in Arroyo Seco, Province of Santa Fe, for 100 MW power.

The installation of three projects including the project presented by GECEN was awarded through ES Resolution No. 820/2017 by the Energy Secretariat. The selected projects comply with the criteria of installing efficient generation and/or improving the thermal units of the current power generation plants. This means an economic benefit for the electric system in all scenarios.

The project consists in the installation of two SGT800 Siemens gas turbines, each with a nominal capacity of 50 MW and two recovery boilers which will generate steam using exhaust fumes from the turbine. The Company will thus generate (i) electricity that will be sold under a contract signed with CAMMESA within the framework of a public bidding under EES Resolution No. 287/2017 and awarded under EES Resolution No. 820/2017 for a term of 15 years, and (ii) steam, to be supplied to LDC Argentina S.A. for its plant in Arroyo Seco, by means of a steam and electric power generation contract for an extendable term of 15 years.

Regulatory aspects are identical to those described in the Ezeiza closure of cycle Project.

On August 9, 2017, the contract for the purchase of the turbines with Siemens was entered into for SEK 270,216,600 million. The contract provides for the purchase of two SGT800 Siemens Industrial Turbomachinery AB gas turbines (currently Siemens Energy AB), including whatever is necessary for their installation and start-up.

On January 12, 2018, a contract was signed with the supplier Vogt Power International Inc. for the provision of two recovery steam boilers for a total amount of USD 14,548. In turn, on March 26, 2018, a contract was signed with the supplier Siemens Ltda. for the purchase of a steam turbine for a total amount of USD 5,370.5. The contract comprises the purchase of an SST-300 steam turbine, including whatever is necessary for its installation and start-up.

GECEN and CAMMESA signed the Wholesale Demand contract on November 28, 2017.

The progress on the project has been limited for prudence reasons until the financing ensuring the completion of the works required for the start of commercial operations is obtained, with only minor payments under the main equipment purchase contracts being made.

NOTE 1: **GENERAL INFORMATION (Cont'd)**

Co-generation Project Arroyo Seco (Cont'd)

On June 8, 2022, the Company and CAMMESA entered into Addendum II to the wholesale demand agreement signed on November 28, 2017 and amended by an Addendum dated May 7, 2021, as provided for by EES Resolutions Nos. 287-E/2017 and 820-E/2017 and ES Resolution No. 39/2022. As set forth in Addendum II, the new committed extended date under Resolution No. 39/2022 for commercial authorization of the project shall be April 25, 2024, with a price of 17,444 USD/MW-month.

On January 23, 2023, the Company, GLSA and CAMMESA entered into Addendum III to the wholesale demand agreement signed on November 28, 2017 and amended by Addendum I and Addendum II dated May 7, 2021, and June 8, 2022, respectively, as provided for by EES Resolutions Nos. 287-E/2017 and 820-E/2017 and ES Resolution No. 39/2022. As set forth in Addendum III, GMSA assigns the agreement to GLSA, which is also a company of Grupo Albanesi, and CAMMESA accepts such assignment to use a special purpose entity to obtain the necessary financing for the project construction under the modality "Project Finance".

The environment

The ISO 14001:2015 certification for the Environmental Management System of Grupo Albanesi is available based on implementation with a corporate scope, for the following companies: GROSA, CTR, AESA and GMSA, with their thermal power plants: CTMM, CTRi, CTI, CTLB, CTF, and CTE. Among these companies, it is important to mention:

a) CTMM also has a Quality Management System certified under ISO standard 9001:2015 implemented in an integrated manner with its Environmental Management System.

b) CTE obtained the ISO 45001:2018 certification on Occupational Safety and Health in December 2021.

This type of environmental management, especially notable for its corporate character, allows working in a unified and coordinated manner at all work sites, applying the same criteria for determining the environmental aspects of the activity, significant assessments and the operational controls adopted in response to those matters.

Supported by standardized documentation and implemented within a work framework based on joint and cooperative performance between the parties, sustained growth has been achieved over time, subject to regular performance reviews and ongoing improvement processes.

In October 2021 a new external audit process was conducted by the IRAM, which resulted in the renewal of the certifications on Management Systems (Quality at CTMM and Environment at Group level in the electricity generation area) for another three-year period.

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION

The Group's revenue from electricity generation activity derives from sales to Large Users on the Forward Market, for surplus demand for energy (ES Resolution No. 1281/06); from sales to CAMMESA under ES Resolution No. 220/07, and sales under ES Resolutions No. 21/16 and ES Resolution No. 826/ 2022. In addition, the excess electricity generated under the modalities of ES Resolutions No. 1281/ 06, 220/07 and 21/16 is sold on the Spot Market, in accordance with the regulations in force in the WEM administered by CAMMESA.

a) Energía Plus Regulations, ES Resolution No. 1281/06

This Resolution provides that the existing energy sold on the Spot Market has the following priorities:

(1) Demand lower than 300 KW;
(2) Demand over 300 KW, with contracts; and
(3) Demand over 300 KW, without contracts.

It also establishes certain restrictions on the sale of electric power and implements the "Energía Plus" service, which allows generating agents to offer the available additional generation. They must fulfill the following requirements: (i) they must be WEM agents whose generating units shall have been authorized for commercial operation after September 5, 2006; and (ii) they must have fuel supply and transportation contracts.

The regulation establishes that:

• Large Users with demand over 300 KW ("GU300") will be authorized to enter into contract for their demand of electricity in the forward market with the generating agents existing in the WEM at the moment, only for the electricity consumption in 2005 ("Basic Demand").

• The electricity consumed by GU300 above their Basic Demand must be hired with new generation (Energía Plus) at a price agreed upon by the parties with the *Energía Plus* generating agent.

• New Agents entering the system must contract 50% of their total demand under the Energía Plus service, under the same conditions as described above and may opt to supply 100% of its demand under the *Energía Plus* service.

At the date of these consolidated Financial Statements, almost all the nominal power of 142MW available is under contract. The duration of these contracts is from 1 to 2 years.

GMSA units under Forward Market Contracts are TG03, TG04, and TG05 of Central Térmica Modesto Maranzana, and 15MW of TG01 and TG02 of Central Térmica Independencia.

<u>NOTE 2:</u> REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION (Cont'd)

b) WEM Supply Contract (ES Resolution No. 220/07)

In January 2007, the ES issued Resolution No. 220, which authorized the execution of Supply Contracts between CAMMESA and the generating agents that would like to install new generation capacity and related energy. In this regard, the execution of Supply Contracts was foreseen as another way to generate incentives for the development of additional energy projects.

These Supply Contracts were entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of generation and the related electricity was established in each contract based on the costs accepted by the ES. In addition, contracts also establish that the machines and power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA and they will be remunerated for the power as long as the machines are available, irrespective of the associated electric power generation.

Sales under this modality are denominated in US dollars and are paid by CAMMESA and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

GMSA entered into various Wholesale Electric Market (WEM) supply contracts with CAMMESA: for CTMM it agreed a power of 45 MW for TG5, for a term of 10 years counted as from October 2010, and 89.9 MW for TG6 and 7 and a duration of 10 years counted as from July 2017; for CTI it agreed a power of 100 MW and a duration of 10 years counted as from November 2011; for CTF it agreed a power of 55.5 MW and a duration of 10 years counted as from December 2015, and for CTRi it agreed a power of 42 MW and a duration of 10 years counted as from May 2017.

In November 2021, the Wholesale Demand Agreement of the units TG01 and TG02 of CTI expired, and started to be governed by ES Resolution No. 440/2021, as amended by ES Resolutions Nos. 238/ 22 and 286/22).

Further, CTR and CAMMESA entered into a WEM supply contract for 116.7 MW, for a term of 10 years counted as from June 2012. On October 14, 2015, a new WEM supply contract for 53.59 MW was signed with CAMMESA for a term of 10 years counted as from the date of authorization for commercial operation of the agreed upon turbine. The latter contract will be supported by the conversion of the gas turbine into a combined cycle The TV01 contract began on August 4, 2018, starting from the conversion of the current gas turbine generator into a combined cycle. To this end, equipment was installed, so that the exhaust fume recovery of the existing gas turbine generates an amount of steam such that when expanded through a steam turbine, additional power of up to 60 MW may be generated.

The Wholesale Demand Contract (ES Resolution No. 220/07) for TG01 unit of CT Roca terminated on June 18, 2022, thus being considered fundamental machinery.

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION (Cont'd)

b) WEM Supply Contract (ES Resolution No. 220/07) (Cont'd)

The agreements set forth a remuneration made up of 5 components:

i) a fixed charge for hired power, affected by monthly average availability; the remunerated price is:

Power plants	Fixed charge for power hired	Hired power
	USD/MW-month	MW
CTI TG 1 and 2	USD 17,155	100
CTF	USD 19,272	55.5
CTMM TG 6 and 7	USD 15,930	89.9
CTRi TG 24	USD 16,790	42
CTR TG01	USD 12,540	116.7
CTR TV01	USD 31,916	53.59

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;

iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant;

Power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTI TG 1 and 2	USD 7.52	USD 7.97
CTF	USD 10.83	USD 11.63
CTMM TG 6 and 7	USD 8.00	USD 10.50
CTRi TG 24	USD 11.44	USD 15.34
CTR TG01	USD 10.28	USD 14.18
CTR TV01	USD 5.38	USD 5.38

iv) a variable charge for repayment of fuel costs, all of them at reference price; and

v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

c) Sales under EES Resolution No. 21/2016

Through ES Resolution No. 21/2016 dated March 22, 2016 interested generating, co-generating and self-generating agents are called for to offer new thermal generation capacity and associated energy production, with the commitment to be available at WEM during the summer periods of (2016/2017 and 2017/2018) and for the winter season of 2017.

Through ES Note No. 161/2016 the Energy Secretariat made public the bidding process whereby 1000 MW of thermoelectric power was expected to be installed. Power to be installed should arise from new generation projects. Bids could not commit, at each connection point proposed, a generation capacity lower than 40 MW total and, in turn, the net power of each generating unit forming the offer for location may not be lower than 10 MW. Equipment committed in the offers should have dual capacity of fuel consumption to operate interchangeably and specific consumption should not exceed 2,500 kilocalories per kWh.

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION (Cont'd)

c) Sales under EES Resolution No. 21/2016(Cont'd)

Finally, through ES Resolution No. 155/2016 the first projects awarded by ES Resolution No. 21/2016 were reported among which were CTE and the enlargement of CTI.

These Supply Contracts were entered into between generating agents and CAMMESA for a term of 10 years. The valuable consideration for availability of power and energy generated was established in each contract based on the bids made by the generators and awarded by the ES. Sales under this modality are denominated in US dollars and paid by CAMMESA.

The agreements set forth a remuneration made up of 5 components:

i) a fixed charge for hired power, affected by monthly average availability; the remunerated price is:

Power plants	Fixed charge for power hired	Hired power
	USD/MW-month	MW
CTE TG 2 and 3	USD 21,900	93
CTE TG 1	USD 20,440	46
CTI TG 3	USD 21,900	46
CTI TG 4	USD 20,440	46

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;
iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant;

Power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTE TG 1, 2 and 3	USD 8.50	USD 10.00
CTI TG 3 and 4	USD 8.50	USD 10.00

iv) a variable charge for repayment of fuel costs, all of them at reference price; and
v) a discount for penalties. These penalties are applied to the hours in which the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

d) Sales under ES Resolutions Nos. 238/ 2022 and 826/2022

ES Resolution No. 238/2022 has replaced Annexes I, II, III, IV and V of ES Resolution No. 440/2021 and adjusted the remuneration for the generation not committed under any kind of contracts for transactions as from February 2022. Remuneration of the availability for power is subdivided into a minimum price associated with the Actual Power Availability ("DRP", for its acronym in Spanish) and a price for the guaranteed power in compliance with the Offered Guaranteed Availability (DIGO). Remuneration for power will be allocated depending on the use factor of the generation equipment.

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION (Cont'd)

d) Sales under ES Resolutions Nos. 238/ 2022 and 826/2022 (Cont'd)

1. Power prices:

    a. Base Power (for those generators not guaranteeing any availability)

Technology/Scale	Base Power Price [$/MW - month] from February to May 2022	Base Power Price [$/MW - month] as from June 2022
CC large P>150 MW	168,791	185,670
CC small P≤150 MW	188,159	206,975
TV large P>100 MW	240,734	264,807
TV small P≤100 MW	287,773	316,551
TG large P>50 MW	196,461	216,107
TG small P≤50MW	254,569	280,025
Internal combustion engines >42 MW	287,773	316,551
CC small P≤15 MW	342,108	376,319
TV small P≤15 MW	523,224	575,546
TG small P≤15MW	462,852	509,137
Internal combustion engines ≤42 MW	523,224	575,546

    b. DIGO Guaranteed Power

Period	DIGO Power Price [$/MW-month] from February to May 2022	DIGO Power Price [$/MW-month] as from June 2022
Summer: December - January - February	603,720	664,092
Winter: June - July - August	603,720	664,092
Rest of the year: March - April - May - September - October - November	452,790	498,069

Power remuneration is defined as the sum of three components: Generated Power, Operating Reserve (associated with Spinning reserve per hour) and the power actually generated in the hours of the month.

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION (Cont'd)

d) Sales under ES Resolutions Nos. 238/ 2022 and 826/2022 (Cont'd)

2. Energy prices

   a. Operation and maintenance

Technology/Scale	Natural gas from February to May 2022	Natural gas as from June 2022	Fuel Oil/Gas Oil from February to May 2022	Fuel Oil/ Gas Oil as from June 2022
	$/MWh	$/MWh	$/MWh	$/MWh
CC large P>150 MW	403	443	705	775
CC small P≤150 MW	403	443	705	775
TV large P>100 MW	403	443	705	775
TV small P≤100 MW	403	443	705	775
TG large P>50 MW	403	443	705	775
TG small P≤50MW	403	443	705	775
Internal combustion engines	403	443	705	775

   b. It will receive $140/MWh for Operating Energy from February 2022 to May 2022, and $154/MWh as from June 2022.

Resolution No. 826/2022, published by the Energy Secretariat on December 14, 2022, adjusted the remuneration of all units, whose power is not committed under any kind of contracts.

Such adjustment has retroactive effects to September 2022 and also establishes increases and a new remuneration methodology as from November 2022 to August 2023.

The first adjustment represents a 20% increase of the remuneration in effect under ES Resolution No. 238/22, while the second increase effective on December 2022 is of 10% over the new prices in effect under ES Resolution No. 826/2022. Prices will subsequently increase by 25% in February 2023 and 28% in August 2023 over the then-effective prices.

This Resolution establishes that power remunerated in the month corresponds to monthly average available power and sets forth a remuneration for the power generated in peak hours (7 p.m. to 11 p.m.) equivalent to twice the remuneration for Operation and Maintenance during summer and winter and to once the remuneration for Operation and Maintenance during spring and autumn.

The Wholesale Demand Contract (ES Resolution No. 220/07) for TG01 unit of CT Roca terminated on June 18, 2022, thus being considered fundamental machinery.

NOTE 3: BASIS FOR PRESENTATION

These consolidated financial statements have been prepared in accordance with IFRS issued by the IASB and IFRIC Interpretations. All IFRS effective at the date of preparation of these financial statements have been applied.

The presentation in the Consolidated Statement of Financial Position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within twelve months following the end of the reporting period. In addition, the Group reports on the cash flows from operating activities using the indirect method.

The fiscal year commences on January 1 and ends December 31 of each year. Economic and financial results are presented on the basis of the fiscal year.

The Company's functional currency, i.e. the currency of the primary economic environment in which the entity operates, is the US dollar.

These consolidated Financial Statements are stated in thousands of US dollars without cents, as are notes, except for net earnings per share.

The preparation of these consolidated Financial Statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these consolidated financial statements, as well as the income and expenses recorded in the fiscal year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 6.

These consolidated Financial Statements were approved for issuance by the Company's Board of Directors on March 20, 2023.

Purpose of these consolidated Financial Statements

These non-statutory consolidated Financial Statements are presented in thousand US dollars (USD), which is the Company's functional currency, and prepared mainly for the purpose of their use by non-Argentine holders of Company Negotiable Obligations and foreign financial entities.

Comparative information

Balances at December 31, 2021, disclosed in these consolidated Financial Statements for comparative purposes, arise from financial statements at those dates.

Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current year presentation.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Inflation adjustment for tax purposes

To determine the net taxable income, an adjustment for inflation computed according to Sections 105 to 108 of Income Tax Law must be deducted from or added to the tax result of the fiscal period being calculated. This will be applicable in the fiscal year in which the variation percentage of the Consumer Price Index (CPI) accumulated over the 36 months prior to the year end is higher than 100%. These provisions are applicable for fiscal years commencing on or after January 1, 2018.

The Company estimated that, at December 31, 2022, the CPI variation will exceed the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current year.

Going concern principle

As of the date of these consolidated Financial Statements, there are no uncertainties regarding events or conditions that may lead to doubts about the possibility that the Company will continue to operate normally as a going concern.

NOTE 4: ACCOUNTING POLICIES

The main accounting policies used in the preparation of these consolidated Financial Statements are explained below.

4.1 Amendments to interpretation and standards

4.1.1 New mandatory accounting standards, modifications and interpretations for fiscal years beginning on January 1, 2022 and not early adopted by the Group

IFRS 3 - Business Combinations, amended in May 2020. It introduces references to the definitions of assets and liabilities under the new conceptual framework as well as clarifications as to contingent assets and liabilities recognized separately from those recognized in a business combination.

IAS 16 - Property, Plant and Equipment, amended in May 2020. It introduces amendments to the recognition of inventories, sales and costs of items incurred while an item of property, plant and equipment is restored to the site and under the necessary conditions to operate as expected.

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, amended in May 2020. Onerous contracts. It clarifies the scope of the cost of fulfilling a contract.

Annual improvements to IFRS 2018-2020 Cycle: the amendments were issued in May 2020.

Annual improvements to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture, and IFRS 16 - Leases: the amendments were issued in May 2020.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1 Amendments to interpretations and standards (Cont'd)

4.1.1 New mandatory accounting standards, modifications and interpretations for fiscal years beginning on January 1, 2022 and not early adopted by the Group (Cont'd)

The application of the detailed standards and/or amendments did not generate any impact on the results of the Group's operations or its financial position.

4.1.2 New accounting standards, modifications and interpretations not yet effective and not early adopted by the Group

IAS 1 - Presentation of Financial Statements, amended in February 2021. It improves the presentation of accounting policies and helps users to distinguish between a change in accounting policy and a change in accounting estimate. Amendments are applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The application thereof will not generate any impact on the results of the Company's operations or its financial position.

IAS 12 - Income Taxes, amended in May 2021. It requires companies to recognize deferred taxes on those transactions which, at initial recognition, give rise to equal temporary taxable and deductible differences. Amendments are applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The application thereof will not generate any impact on the results of the Company's operations or its financial position.

IFRS 17 - Insurance Contracts, amended in June 2020. It replaces IFRS 4, introduced as a provisional standard in 2004 to account for insurance contracts using the national accounting standards, and resulting in multiple application approaches. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and is applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted if both IFRS 15 and IFRS 9 have also been applied. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

IFRS 16 - Lease Liability in a Sale and Leaseback, amended in September 2022. These amendments included the requirements for sale and leaseback transactions to explain how an entity recognizes a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all lease payments are variable and do not depend on an index or rate are more likely to be affected. Amendments are applicable for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

IAS 1 - Non-current Liabilities with Covenants, amended in November 2022. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Amendments are applicable for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.2 Consolidation

The financial statements include the Company's and its subsidiaries' financial statements. Subsidiaries are all entities over which the Company exerts control, generally accompanied by an interest of more than 50% of available voting rights. The Company controls an entity when the entity is exposed or has the right to variable returns for its involvement in the entity and has the ability to affect those returns by exercising its power over the entity. In determining whether the Company controls an entity, the existence and the effect of possible exercisable or convertible voting rights are considered.

The Company also evaluates the existence of control when it does not hold more than 50% of the voting rights but it may direct the operating and financial policies through a factual control. Factual control may exist in circumstances where the relative size of the group's voting rights in relation to the number and dispersion of the other shareholders gives the Group the power to direct the operating and financial policies, etc. Subsidiaries are consolidated as from the date when control is transferred to the Group and are excluded when such control ceases.

The main consolidation adjustments are as follows:

i. Elimination of reciprocal balances for asset and liability accounts between the Group companies, such that the financial statements only disclose the balances held with third parties and uncontrolled related parties;
ii. Elimination of intercompany transactions, such that the financial statements only disclose those transactions carried out with third parties and uncontrolled related parties;
iii. Elimination of the equity interests and results for each fiscal year of the subsidiaries as a whole.

The accounting policies of the subsidiaries have been amended, where applicable, to ensure consistency with the accounting policies adopted by the Company.

GMSA performs its business activities through several subsidiaries. Unless otherwise provided, the subsidiaries detailed below have a share capital made up of ordinary shares only, which are directly in the possession of the Group, and the proportion of shares held is equal to the Group's voting rights. The country of incorporation or registration is also their principal place of business. Below is a detail of subsidiaries.

Companies	Country of creation	Main activity	% participation	
			12/31/2022	12/31/2021
CTR	Argentina	Electric power generation	75%	75%
GLSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%
GM Operaciones S.A.C.	Peru	Electric power generation	50%	-
CBEI LLC (*)	United States	Investing company	-	100%

(*) During the first quarter of 2022, GMSA has sold its equity interest in CBEI LLC to Albanesi Power S.A.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.3 Revenue recognition

a) Sale of energy

Revenue from contracts with CAMMESA (ES Resolution No. 220/07, EES Resolution No. 21/16)

The Company recognizes revenue from supply contracts with CAMMESA for:

i) power availability, if any, on a monthly basis, provided that the different power plants are available for generation, and
ii) energy generated when there is an effective delivery of energy, based on the price set in each contract.

Revenue is not adjusted due to the effects of financing components as sales are performed in an average term of 45 days, which is in line with market practice.

Revenue from Forward Market Contracts

The Company recognized revenue from the sale of *Energía Plus* with the effective delivery of energy at the price set in each contract.

Revenue is not adjusted due to the effects of financing components as sales are performed in an average term of 30 days, which is in line with market practice.

Revenue from the sale of energy in the Spot Market

The Company recognizes revenue from:

i) power availability, if any, on a monthly basis, provided that the different power plants are available for generation,
ii) power generated in the hours of maximum technical requirement in the month, and
iii) generated and operated energy when there is effective delivery of energy, based on the applicable price according to the technology of each power plant, and from the application of the coefficient derived from the average use factor of the latest 12-month period on the power remuneration indicated in the resolution.

Revenue is not adjusted due to the effects of financing components as sales are performed in an average term of 45 days, which is in line with market practice.

b) Sale of services

Sale of services is recognized in the period they are rendered, based on the degree of completion.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.3 Revenue recognition (Cont'd)

c) Other revenue - Interest income

Interest income is recognized applying the effective interest rate method. This income is registered on a temporary basis, considering outstanding principal and the effective tax rate.

Such income is recognized when it is likely that the entity will receive the economic benefits associated with the transaction and the transaction amount can be measured reliably.

4.4 Effects of the foreign exchange rate fluctuations

a) Functional and presentation currency

The information included in the consolidated Financial Statements is recorded in US dollars, which is the Company's functional currency, i.e. the currency of the primary economic environment in which the entity operates.

b) Foreign currency balances and transactions

Transactions in foreign currency are translated into the functional currency at the selling exchange rate prevailing at the transaction date or valuation date, when the pertinent items are remeasured. Exchange gains and losses from the settlement of monetary items and from the translation of monetary items at year end using the closing exchange rate are recognized under Financial results, in the Statement of Comprehensive Income, except for the amounts that are capitalized.

c) Translation to Group companies presentation currency

The Company applies the consolidation method in stages, consequently, the Financial Statements of businesses abroad or in a currency other than the Company's functional currency are translated firstly into the Company's functional currency and afterwards into the presentation currency.

The results and financial position of the Company, its subsidiaries and associates with the US dollar as functional currency are translated to presentation currency at the end of each period, as follows:
- assets and liabilities are translated at the closing exchange rates;
- results are translated at the exchange rates of the transactions;
- translation gain/(loss) from functional currency to presentation currency are recorded under Other comprehensive income/loss.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4 Effects of the foreign exchange rate fluctuations (Cont'd)

c) Translation to Group companies presentation currency (Cont'd)

The results and financial position of subsidiaries and associates with the peso as functional currency, corresponding to a hyperinflationary economy, are translated to presentation currency using the exchange rate prevailing at closing. The results from applying the IAS 29 adjustment mechanism corresponding to hyperinflationary economies, to the initial equity measured at functional currency are recorded under Other comprehensive income/(loss).

d) Classification of Other comprehensive income/(loss) within the Company's equity

The Company classifies and directly accumulates the translation differences (at the beginning and for the year) in the Retained earnings/accumulated losses account, within equity of the Company and its subsidiaries, joint ventures and associates with the US dollar as functional currency.

The Company classifies and directly accumulates the results from applying the IAS 29 adjustment mechanism to initial retained earnings/accumulated losses measured at functional currency in the Retained earnings/accumulated losses account, while the rest are disclosed as a component segregated from equity and are accumulated under Other comprehensive income/(loss) until the venture abroad is disposed of, according to IAS 21.

As a result of applying this policy, the translation from functional currency to a different presentation currency does not modify the way in which the underlying items are measured; thus, the amounts of both income/loss and capital are maintained in the functional currency in which they are generated.

4.5 Property, plant and equipment

In general, property, plant and equipment, excluding land, buildings, facilities, and machinery and turbines are recognized at cost net of accumulated depreciation and/or accumulated impairment losses, if any.

Depreciation of property, plant and equipment begins when available for use. Repair and maintenance expenses of property, plant and equipment are recognized in the Statement of Comprehensive Income during the financial year in which they are incurred.

Works in progress are valued based on the degree of progress. Works in progress are stated at cost less impairment losses, if any. Depreciation of these assets begins when they are available for use.

The Company measures buildings, facilities, machinery and turbines at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation, if any. Land is measured at fair value and is not depreciated. Revaluations are made frequently enough to ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.5 Property, plant and equipment

On December 31, 2022, the Group has not revalued land, buildings, facilities, and machinery, for there have not been important changes in the fair values of those assets caused by macroeconomic fluctuations.

To determine the fair value, the Group uses the income approach which consists of valuation techniques that convert future amounts (e.g. cash flows or income and expenses) into a single present value (i.e., discounted). Fair value measurement is determined based on the value indicated by current market expectations of those future amounts. The Group considers that the income approach more reliably reflects the true value of these assets.

The appraiser used a valuation method based on a discounted cash flow model, in view of the absence of comparable market information due to the nature of those assets, that is, a combination of Level 3 inputs has been used.

The participation of external appraisers is decided by the Board of Directors. The criteria for the selection of appraisers include attributes, such as market knowledge, reputation, independence and whether they meet professional standards.

Fair value was determined using the income approach, which reflects current market expectations of those future amounts. This means that the revalued amounts are based on present value techniques which convert future income amounts into a single present value, that is, discounted.

In measuring the facilities and machinery according to the fair value revaluation model, the present value technique was used, as this technique better allows to capture attributes of the use of the asset and the existing synergies with the rest of the Group's assets and liabilities.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in Other comprehensive income/(loss) and accumulated in equity under the heading of Revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in Other comprehensive income/(loss) to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

At the time of sale of the revalued assets, any revaluation surplus related to this asset is transferred to retained earnings. However, a portion of the revaluation reserve will be transferred to retained earnings as the asset is used by the company. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.5 Property, plant and equipment (Cont'd)

According to IAS 23 Borrowing Costs, financial costs must be capitalized in the cost of an asset when it is in the process of production, construction, assembly or finishing, and those processes are not interrupted due to their long-term nature; the term for production, construction, assembly or finishing does not exceed the period technically required; the activities needed for the asset to be ready for its intended use or sale are not substantially complete; and the asset is not in condition to be used in the production of other assets or placed into service, according to the purpose of its production, construction, assembly or finishing. The financial costs capitalized in the carrying value of property, plant and equipment amounted to USD 102,293 and USD 6,394 in the year ended December 31, 2022 and 2021, respectively. The average capitalization rate used for fiscal year 2022 and 2021 was 30.23% and 19.90%, respectively.

Subsequently to initial recognition, costs are included in the carrying amount of that asset or recognized as a separate asset, as applicable, only when it is probable that the future economic benefits associated to those assets will flow to the Company and their cost can be determined reliably. In the case of replacements, the carrying amounts of the replaced part is derecognized from accounting. Other repair and maintenance costs are recognized as an expense in the period in which they are incurred.

If all types of property, plant and equipment had been measured using the cost model, the carrying amounts would have been the following:

	21/31/2022	12/31/2021
Cost	1,159,141	956,429
Accumulated depreciation	(195,403)	(158,562)
Valor residual	**963,738**	**797,867**

4.6 Investments in associates and other companies

Investments in associates

Associates are all entities over which GMSA has a significant influence but no control, generally represented by a 20-50% holding of the voting rights of the entity, Investments in associates are accounted for using the equity value method, According to this method, the investment is initially recognized at cost, and the carrying value increases or decreases to recognize the investor's interest on the income/loss of the associate after the acquisition date.

Investments in other companies

All the investments in equity instruments are measured at fair value through profit or loss, The fair value of the unlisted ordinary shares of TJSM and TMB was estimated using a model of discounted cash flows.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.7 Impairment of non-financial assets

For assets subject to depreciation, an impairment test is performed whenever facts or circumstances suggest that the carrying amount may not be recoverable, An impairment loss is recognized for the amount in which the carrying amount of the asset exceeds its recoverable amount, The value in use is the total amount of the net discounted cash flows expected to be derived from the use of the assets and from their eventual disposal, To this purpose, the assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset are considered, among other elements, The recoverable amount of an asset is the higher of the fair value less costs to sell or value in use, To assess impairment losses, assets are grouped at the lowest level for which cash flows can be identified separately (cash-generating units).

The possible reversal of impairment losses of non-financial assets is reviewed at every date that financial information is presented.

At December 31, 2022, the Group has concluded that the carrying amount of land, real property, facilities, machinery and turbines does not exceed its recoverable value.

4.8 Financial assets

4.8.1 Classification

The Group classifies its financial assets in the following categories: assets subsequently measured at fair value and assets measured at amortized cost, This classification depends on whether the financial asset is an investment in a debt or equity instrument, For the asset to be measured at amortized cost, the two conditions described below must be fulfilled, The remaining financial assets are measured at fair value, IFRS 9 - Financial Instruments, requires that all the investments in equity instruments are measured at fair value.

a) Financial assets at amortized cost

Financial assets are measured at amortized cost if the following conditions are met:

- the business model of the Company is aimed at keeping the assets to obtain contractual cash flows;
- contractual conditions give rise on specified dates to cash flows that are only payments of the principal and interest on the outstanding principal amount.

b) Financial assets at fair value

If any of the conditions above is not fulfilled, financial assets are measured at fair value through profit or loss.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.8 Financial assets (Cont'd)

4.8.1 Classification (Cont'd)

b) Financial assets at fair value (Cont'd)

All the investments in equity instruments are measured at fair value, The Company may irrevocably opt at initial recognition of investments not held for trading to disclose the changes in fair value under Other comprehensive income/(loss), The Company has decided to recognize the changes in fair value in income/(loss).

4.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date, when the Company undertakes to purchase or sell the asset, Financial assets are de-recognized when the rights to receive cash flows from investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets are initially recognized at fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs directly attributable to the purchase of those financial assets.

4.8.3 Impairment of financial assets

Financial assets at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets may have suffered impairment losses, A financial asset or a group of financial assets is impaired, and an impairment loss is incurred if, and only if, there is objective evidence of the impairment of value as a result of one or more events that have occurred after the initial recognition of the asset, and such an event (or events) causing the loss has (have) an impact on the estimated future cash flows from the financial asset or group of financial assets, which may be reliably estimated.

The Group uses the following criteria for determining whether there is objective evidence of an impairment loss:

- significant financial difficulties of the debtor;
- breach of contractual clauses, such as late payment of interest or principal;
- and probability that the debtor will enter into bankruptcy or other financial reorganization.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.8 Financial assets (Cont'd)

4.8.2 Recognition and measurement (Cont'd)

The amount of the impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted using the original effective interest rate, The carrying amount of the asset is reduced and the amount of the impairment loss is recognized in the statement of comprehensive income, If the financial asset bears a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract, As a useful measure, the Group may calculate the value of impairment based on the fair value of the financial asset using an observable market price.

If in future fiscal years the amount of the impairment loss declines and that decline may be objectively associated with an event subsequent to the recognition of impairment (such as the improvement in a debtor's credit rating), the reversal of the impairment loss previously recorded is recognized in the statement of comprehensive income.

4.8.3 Offsetting of financial instruments

Financial assets and liabilities are offset, and presented net on the statement of financial position, when there is a legally enforceable right to offset the recognized amounts, and an intention to settle the net amount, or to simultaneously realize the asset and settle the liability.

4.9 Inventories

Inventories are valued at the lower of acquisition cost or net realizable value.

Since inventories of the Group are not for sale, their value is calculated based on the purchase price, import duties (if any) and other taxes (non-refundable taxes by the tax authorities), transportation, storage and other costs directly attributable to the purchase of those assets, Cost is determined applying the weighted average cost method.

The Group classified inventories into current and non-current depending on their final allocation and the term during which they are expected to be used, whether for maintenance or improvement of present assets, The non-current portion of materials and spare parts is disclosed under Property, plant and equipment, The value of inventories as a whole does not exceed their recoverable value at the end of each fiscal year.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.10 Trade and other receivables

Trade receivables are amounts due from customers for business sales made by the Company in the ordinary course of business, If collection is expected within one year or less, receivables are classified under current assets, Otherwise, they are classified as non-current assets.

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest rate method and, where appropriate, adjusted at the time value of money.

The Group sets up bad debt allowances when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables, based on an individual analysis of historical performance of accounts receivable to assess the recoverability of the credit portfolio.

To measure expected credit losses, credits have been grouped by segment and, based on shared credit risk characteristics and the number of days past due.

Expected losses at January 1, 2022 were determined based on the following ratios calculated for the numbers of days past due:

RATIO PCE	Not yet due	30 days	60 days	90 days	120 days	150 days	180 days	+180 days
CAMMESA	-	-	-	-	-	-	-	-
Interco	-	-	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-	-	10%

Trade receivables are written off when there is no reasonable expectation of their recovery, The Company understands that the following are signs of non-compliance: i) reorganization proceedings, bankruptcy or commencement of litigation, ii) insolvency that implies a high degree of impossibility of collection and iii) balances in arrears for more than 180 business days from the first expiration date of the invoice.

In addition, and in the event of similar and/or exception situations, the Company's management may redefine the amounts for setting up provisions to support and justify the criteria adopted.

For the application of the expected loss model as regards trade receivables, no impairment allowance adjustment has been made at January 1, 2022 as against the allowance recorded at December 31, 2021, Further, in the year 2022, no impairment allowance has been set up.

At December 31, 2022, the Company has set up a provision of USD 15 for trade receivables.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.11 Advances to suppliers

The Group has adopted as accounting policy to disclose advances to suppliers under Other current receivables, until the assets are received.

At December 31, 2022, the Company recorded an advance to suppliers balance of USD 42,986.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits in banks and other short-term highly liquid investments originally falling due within three months or less and subject to low material risk of changes in value, Bank overdrafts, if any, are disclosed under Cash and cash equivalents in the Statements of Cash Flows since they are part of the Group's cash management.

4.13 Trade and other payables

Trade payables are obligations to pay for goods or services acquired from suppliers in the ordinary course of business, Trade payables are classified as Current liabilities if payments fall due within one year or less, Otherwise, they are classified as Non-current liabilities.

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost applying the effective interest rate method.

4.14 Borrowings

Loans are initially recognized at fair value, less direct transaction costs incurred, They are subsequently measured at amortized cost, and any difference between the funds received (net of transaction costs) and the amount payable at due date is recognized in the statement of income over the term of the loan, applying the effective interest rate method, The Group analyzes loan renegotiation terms to determine if as a result of the quantitative and qualitative changes to their conditions, they should be considered as amended or settled.

4.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i,e, those that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets until the moment they are ready for their use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.16 Derivative instruments

Derivative instruments are initially recognized at fair value on the date when the contract is executed, Subsequent to initial recognition, they are again measured at fair value,

The method for recognizing the resulting loss or profit depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item it is covering, The Group has executed derivative contracts in foreign currency to hedge the next installment payments falling due in connection with principal and interest on its loans in US dollars and reduce the exchange rate risk, However, the Group has not applied hedge accounting; therefore, the changes in its value are recognized in profit or loss, in the caption Changes of fair value of financial instruments, under Other financial results.

Fair values of derivative instruments that are traded in active markets are recorded according to quoted market prices, Fair values of derivative instruments that are not traded in active markets are determined by using valuation techniques, The Group applies critical judgment to select the most appropriate methods and to determine assumptions that are based mainly on the market conditions existing at the end of each year.

At December 31, 2022, GMSA has hedge contracts for USD 1,000 to hedge the payment of 2023 International Bond.

4.17 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or implicit, as a result of past events; a resource outflow will likely be necessary to settle that obligation; and the amount of the obligation can be measured reliably.

The amount recorded as provisions was the best estimate of the resource outflow necessary to settle the present obligation, at the end of the reporting period, considering the pertinent risks and uncertainties and the opinion of the Group's legal counsel, When a provision is measured using the estimated cash outflow for settling the present obligation, the amount recorded represents the present value of that cash flow.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.18 Income Tax and Minimum Notional Income Tax

a) Current and deferred income taxes

The Income Tax charge for the year comprises current tax and deferred tax, Income Tax is recognized in income/(loss).

The current income tax expense is calculated as established by the tax laws enacted or to be enacted at the closing balance sheet date, Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and, if necessary, sets out provisions based on the amounts payable to the tax authorities.

Deferred tax is recognized according to the liability method, for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position, However, no deferred tax liability is recognized if the differences arise from the initial recognition of goodwill, or from the initial recognition of assets and liabilities in a transaction (different from a business combination) that did not affect accounting income nor tax income at the moment of being performed.

Deferred tax assets are recognized only to the extent that it is likely that the Company has future tax income against which to offset the temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset recognized amounts and if deferred tax assets and liabilities derive from income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred income tax assets and liabilities have not been discounted and are stated at nominal value.

IFRIC 23 - Uncertainty over Income Tax Treatments:

IFRIC 23 issued in 2017 clarifies how accounting recognition and measurement requirements under IAS 12 are applied when there is uncertainty over Income Tax treatments.

For this purpose, an entity must assess whether a tax authority will accept an uncertain tax treatment used, or proposed to be used, or planned to be used in its income tax filings.

If the entity concludes that it is probable that a tax authority will accept an uncertain tax treatment, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings, If the entity concludes that such acceptance is not probable, the entity should reflect the effect of uncertainty in determining its taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.18 Income Tax and Minimum Notional Income Tax (Cont'd)

a) Current and deferred Income Tax (Cont'd)

An entity will make judgments and estimates consistent with current Income Tax and deferred tax.

An entity has to reassess its judgments and estimates if facts and circumstances change or as a result of new information affecting the judgment or estimate.

At December 31, 2022, the Company has applied this interpretation to record the current and deferred income tax, in relation to the recognition of the tax-purpose inflation adjustment over cumulative tax loss carry-forwards (Note 23).

b) Minimum Notional Income Tax

Although minimum notional income tax was repealed, the Group has recognized as a credit the tax paid in prior years, considering that it will be offset against future taxable profits.

Minimum Notional Income Tax assets and liabilities have not been discounted and are stated at nominal value.

4.19 Balances with related parties

Payables and receivables with related parties have been valued based on the terms agreed upon between the parties.

4.20 Leases

The Group adopted IFRS 16 Leases and applied the following options established by the standard:

- For leases classified as financial due to the application of IAS 17 and IFRIC 4, carrying amounts were computed for assets for rights of use and lease liabilities prior to the initial application of IFRS 16, as provided for by item 11 of the Appendix C of the standard, Those values are disclosed under Property, plant and equipment and Loans.
- Finance charges generated for lease liabilities are disclosed under Interest on loans in Note 31.
- The rest of lease commitments identified are related to contracts ending within 12 months as from adoption and which continue to be recognized on a straight-line basis by the Company.

Consequently, the Group did not change the accounting for assets recorded for operating and finance leases as a result of the adoption of IFRS 16.

NOTE 4: ACCOUNTING POLICIES (Cont’d)

4.21 Defined benefit plan

GMSA, CTR and GROSA grant defined benefit plans, Usually, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, generally dependent on one or more factors such as age, years of service and compensation.

The liability recorded in the statement of financial position in relation to defined benefit plans is the present value of the obligation from defined benefit plans at the closing date, The obligation from defined benefit plans is calculated annually by independent actuaries in accordance with the projected unit credit method, The present value of the obligation from defined benefit plans is determined by discounting the future cash outflows estimated using actuarial assumptions based on the demographic and financial variables that have an influence in determining the amount of those benefits.

Actuarial gains and losses arising from adjustments due to the experience and changes of actuarial assumptions are recognized in Other comprehensive income/(loss) in the year when they occur, The costs for past services are immediately recognized in the income statement.

4.22 Equity accounts

Movements in this item have been accounted for in accordance with the pertinent decisions of shareholders' meetings and legal or regulatory provisions.

a) Share Capital

Share capital represents the capital issued, composed of the contributions that were committed and/or made by the shareholders and represented by shares that comprise outstanding shares at nominal value, Ordinary shares are classified under equity.

b) Legal reserve

Pursuant to General Companies Law No, 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, prior year adjustments, transfers of other comprehensive income/(loss) to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

c) Optional reserve

Corresponds to the allocation decided by the Company's Shareholders' Meeting whereby a specific amount is applied to meet the needs for funds required by the projects and situations relating to the Company policy.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.22 Equity accounts (Cont'd)

d) Technical revaluation reserve

Corresponds to the technical revaluation reserve of the subsidiary companies and associates according to the percentage of interest, as a result of applying the revaluation model for property, plant and equipment.

e) Other comprehensive income/(loss)

Corresponds to actuarial gains and losses from the calculation of liabilities for defined benefit plans and their tax effects.

f) Unappropriated retained earnings (accumulated losses)

Retained earnings comprise accumulated profits or losses without a specific appropriation; positive earnings can be distributable by the decision of the Shareholders' Meeting, as long as they are not subject to legal restrictions, These earnings/(losses) comprise prior year earnings that were not distributed and prior year adjustments derived from application of the accounting standards.

In case of existence of unappropriated losses to be absorbed at the end of the year under consideration by the shareholders' meeting, the following order for appropriation of balances must be followed:

(i) Retained earnings
  - Optional reserves
  - Reserves provided for by Company bylaws
  - Legal reserve

(ii) Capital contributions
(iii) Additional paid-in capital
(iv) Other equity instruments (if feasible from the legal and corporate point of view)
(v) Capital adjustment

g) Distribution of dividends

The distribution of dividends among the shareholders of the Company is recognized as a liability in the financial statements for the period in which dividends are approved by the meeting of shareholders.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.22 Equity accounts (Cont'd)

h) Special Reserve GR No, 777/18

Following the mechanism established in GR No, 777/2018 of the CNV, in the transition year in which the inflation adjustment is disclosed, the Company has set up a special reserve for an amount equivalent to the revaluation balance determined by its nominal value transferred in accounting to unappropriated retained earnings, This special reserve may be reversed following the mechanism provided for by applicable accounting standards, The reserve will be set up ad referendum of the next Annual Ordinary Shareholders' Meeting.

NOTE 5: FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

Financial risk management is encompassed within the global policies of the Group, which are focused on the uncertainty of the financial markets and are aimed at minimizing the potential adverse effects on its financial yield, Financial risks are the risks associated with financial instruments to which the Group is exposed during or at the end of each fiscal year, Financial risks comprise market risk (including the foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

This section includes a description of the main financial risks and uncertainties that could have a material adverse effect on the Group's strategy, performance, results of operations and financial condition.

Financial risk management is controlled by the Finance Division of the Group, which identifies, assesses and covers the financial risks, The financial risk management policies and systems are reviewed regularly to reflect the changes in the market conditions and in the Group's business activities.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont’d)

5.1 Financial risk factors (Cont'd)

a) Market risk

Foreign exchange risk

Most of the sales made by the company are denominated in US dollars, due to the fact that they are performed under Resolutions No. 1281/06 (Energía Plus), No. 220/07, and No. 21/16. Furthermore, the financial debt is mainly denominated in that currency, and a portion of the debt allocated to the investment in the cycle closure project is stated in US dollars, which means that the business has a genuine coverage for exchange rate fluctuations. However, the Company constantly monitors the exchange rate fluctuations of the main world currencies to define foreign exchange strategies.

b) Market risk

Price risk

Group revenues rely, to a lesser extent, on sales made under Resolution No, 440/21, This resolution adapts certain remuneration criteria to economic conditions which are reasonable, foreseeable and efficient, through medium-term commitments, The Group may suffer the impact of any material amendment or repeal of any terms of the Resolution and such repeal or amendment may cause a minor adverse effect on its business, financial position and results of operations.

If for any reason not attributable to the Group, it were no longer eligible to participate in the Energía Plus Program (ES Resolution No, 1281/06), Resolution No, 220/07 and/or ES Resolution No, 21/16, or if these resolutions were repealed or substantially amended, and the Group were obliged to sell all the power generated in the Spot Market or the sales price were limited, the results of the Group could be badly affected.

Additionally, the Group's investments in listed capital instruments are susceptible to the market price risk deriving from the uncertainties on the future value of these instruments, Considering the minor importance of investments in equity instruments vis-à-vis the net position of assets/liabilities, the Group is not significantly exposed to risks relating to price instruments.

In addition, the Group is not exposed to the raw materials price risk.

Interest rate risk

Interest rate risk arises from the Group's debt at floating rate, Indebtedness at floating rate exposes the Group to interest rate risk on their cash flows, At December 31, 2022, a small portion of the loans in effect had been taken out at floating rates, mainly BADLAR (plus an applicable margin).

The Group analyzes its exposure to interest rate risk in a dynamic manner, Hypothetical situations are simulated considering the positions relating to refinancing, renewal of current positions, alternative financing and hedging, Based on these scenarios, the Group estimates the impact on profit or loss of a definite variation in interest rates, Simulation is only made in relation to obligations representing the main positions that accrue interest.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

a) Market risks (Cont'd)

Interest rate risk (Cont'd)

The following table shows the Group's loans broken down by interest rate:

	12/31/2022	12/31/2021
Fixed rate:	912,914	703,370
	912,914	**703,370**
Floating rate:	21,063	33,820
	21,063	**33,820**
	933,977	**737,190**

Based on simulations run with all the other variables kept constant, an increase/(decrease) of 1% in the variable interest rates would (decrease)/increase the profit or loss for the year as follows:

	12/31/2022	12/31/2021
Floating rate:	211	338
Impact on the profit/(loss) for the year	**211**	**338**

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and from the exposure to credit of customers, including the outstanding balances of accounts receivable and arranged transactions.

Our credit analysis division assesses privately-held corporate customers' payment ability, taking as a basis their financial statements, financial position, market reports, historical behavior towards the Company and other financial creditworthiness factors, Credit limits are set on the basis of the indicators described above, and are regularly monitored by the respective area.

The electricity generators with sales to the spot market, per ES Resolution No, 826/22 and generators with contracts under Resolutions Nos, 220/07 and ES No, 21/16 receive through CAMMESA the payments for making available the power and energy supplied to the system.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont’d)

5.1 Financial risk factors (Cont'd)

b) Credit risk

In 2022, CAMMESA paid its past due obligations, recognizing interest and exchange difference as agreed in the pertinent contracts.

c) Liquidity risk

The Management of the Group monitors the updated projections on liquidity requirements to ensure that the Group has enough cash to cover the operational needs while maintaining an adequate level of credit facilities available, In this way, the Group is expected to meet its commitments required as a result of the financial debt arising from any credit facility, The projections take into account payment plans of the Company's debts, compliance with external regulatory requirements and legal requirements.

Temporary cash surpluses are prudently managed until they are used for debt servicing purposes and investment in enlargement projects currently in progress, The Group has worked in the medium and long term financing structure, having, in addition, available credit lines and loans to guarantee compliance with commitments.

The following table shows an analysis of the Group's financial liabilities classified according to the due dates, considering the remaining period from the respective balance sheet date to their contractual due date, The amounts shown in the table are the non-discounted contractual cash flows.

At December 31, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	More than 2 years	Total
Trade and other payables	22,513	23,960	867	5	47,345
Loans	63,002	216,307	353,484	1,986,436	2,619,229
Finance leases	17	51	274	35	377
Total	**85,532**	**240,318**	**354,625**	**1,986,476**	**2,666,951**

At December 31, 2021	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	30,099	15,650	16,751	10	62,510
Loans	63,542	111,171	243,578	803,826	1,222,117
Finance leases	222	860	444	481	2,007
Total	**93,863**	**127,681**	**260,773**	**804,317**	**1,286,634**

5.2 Management of capital risk

The objectives of the Group when it administers capital are to secure the correct operation of the Group, to encourage its growth, to meet the financial commitments taken on and produce yields to its shareholders, keeping an optimum capital structure.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.2 Management of capital risk (Cont'd)

Consistently with the industry, the Group monitors its capital based on the Consolidated Debt to Adjusted EBITDA ratio, This ratio is calculated dividing the net loans by EBITDA, Net borrowings correspond to total borrowings (including current and non-current borrowings) less cash and cash equivalents, Adjusted EBITDA is defined as operating income less operating expenses (including selling and administrative expenses, provided that they are included under operating expenses) plus amortization, depreciation and any other non-cash expenses (provided that they are included under operating expenses).

In the year ended December 31, 2022, the Group incurred in long-term indebtedness mainly through the issuance of Class XVII, XVII and XIX Negotiable Obligations for an amount of USD 24,262, UVA 14,926 thousand and USD 85,710, respectively.

This issue has allowed improvements in the indebtedness profile, by extending the due dates, Consolidated debt to adjusted EBITDA ratio at December 31, 2022 was as follows:

	12/31/2022
Total loans	933,977
Less: cash and cash equivalents	(20,564)
Net debt	913,413
EBITDA (*)	129,849
Net debt / EBITDA	**7.03**

(1) Amount not covered in the Audit Report,

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates made and accounting judgments applied are continually evaluated and are based on past experience and other factors that are believed to be reasonable under the circumstances.

The preparation of the financial statements require that the Group makes estimates and carries out evaluations relating to the future, Actual future results may differ from those estimates and assessments made at the date these consolidated Financial Statements were prepared, The estimates that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next fiscal year are detailed below:

a) Impairment of assets

Long-lived assets are tested for impairment at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

a) Impairment of assets (Cont'd)

Electricity production plants of GMSA's subsidiaries or associates constitute a cash generating unit, already representing the lowest level of separation of assets that generate independent cash flows.

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

In evaluating whether there is any indication that the cash generating unit could be affected, internal and external sources of information are analyzed, Specific events and circumstances are considered, which in general include the discount rate used in the projections of cash flows of each of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand, An impairment loss is recognized when the asset's carrying value exceeds its recoverable value, The recoverable value is the higher of an asset's fair value less costs to sell and value in use, Any impairment loss will be distributed (to reduce the carrying value of the assets of the CGU) as follows:

a) First, to reduce the carrying amount of goodwill allocated to the cash generating unit, and
b) then, reduce the carrying amounts of the other assets of the unit (or group of units) pro rata on the basis of the carrying amount of each asset of the unit (or group of units), The carrying amount of an asset should not be reduced below the highest of its fair value less costs of sales and its value in use, or zero.
c) The amount of the impairment loss that cannot be otherwise allocated to the asset shall be allocated pro rata to the other assets of the CGU.

Judgment is required from Management at the time of estimating the future cash flows, Actual cash flows and values may significantly vary from expected future cash flows and the related values obtained through discount techniques.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

b) Current and deferred income taxes

The Group recognizes income taxes applying the deferred tax method, Consequently, the deferred tax assets and liabilities are recognized according to the future tax consequences attributable to the differences between the carrying amount of existing assets and liabilities and the respective tax bases, Deferred tax assets and liabilities are valued at the approved tax rates that should theoretically be applied on the taxable income in the years in which the temporary differences are expected to be settled, A high degree of judgment is required to determine the provision for income tax since Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and, if necessary, sets out provisions based on the amounts payable to the tax authorities, When the final outcome of these matters is different from the initially recognized amounts, such differences will have an impact on income tax and deferred taxes in the fiscal year in which they are determined.

There are many transactions and calculations according to which the latest tax determination is uncertain, The Company early recognizes tax liabilities based on the estimates as to whether additional taxes must be paid in the future, When the final tax result differs from the amounts initially recognized, any such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination was made.

Deferred tax assets are reviewed at every reporting date and reduced according to the probability that a sufficient tax base might be available to allow recovering these assets in whole or in part, Deferred assets and liabilities are not discounted, When assessing the realizability of deferred tax assets, Management considers it probable that some, or all, deferred tax assets are not realizable.

Whether deferred tax assets are realizable depends on the generation of future taxable income for the periods in which these temporary differences are deductible, In making this assessment, Management takes into account the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies.

c) Allowances and provisions

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Group, In estimating the amounts and probabilities of occurrence, the opinion of the Group's legal advisors has been considered.

At the date of issuance of these consolidated Financial Statements, the Management of the Group understands that there are no elements which may determine the existence of other contingencies that could materialize and have a negative impact on these consolidated Financial Statements.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

d) Allowance for bad debts

The allowance for bad debts has been set up based on a historical analysis of accounts receivable to assess the recoverability of the credit portfolio.

The allowance for bad debts amounted to USD 15 and USD 27 at December 31, 2022 and 2021, respectively.

For more information on the balance of the allowance for bad debts, see Note 11 to these consolidated financial statements.

e) Defined benefit plans

GMSA, CTR and GROSA determine the liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned, considering all the rights accrued by the beneficiaries until period end, based on an actuarial study performed by an independent professional at that date, The actuarial method applied by the Company is the Projected Benefit Unit method,

f) Fair value of property, plant and equipment

The Group has opted to value land, real property, facilities, machinery and turbines at fair value applying discounted cash flows or comparable techniques.

The fair value calculated by means of the discounted cash flow was used to value facilities, machinery and turbines, This cash flow was prepared on the basis of estimates with an approach to consider different scenarios according to their probability of occurrence.

The following variables have been taken into account in relation to the estimates made: (i) exchange rate fluctuations; (ii) availability and dispatch of turbines associated with demand projections according to vegetative growth; (iii) operating and maintenance cost; (iv) number of employees; (v) discount rate used, among others, Each of these scenarios contemplate different assumptions regarding the critical variables used.

The discounted cash flows at December 31, 2022 consider two scenarios (pessimistic and base scenarios) with different probabilities of occurrence, The two scenarios arise from current rate schedules and are combined with different turbine dispatch alternatives.

The criteria considered in each scenario are the following:

1. Base scenario: in this case the Group considers a historical average availability and an expected dispatch according to projections of the demand for energy with a vegetative growth, Probability of occurrence: 70%,

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

f) Fair value of property, plant and equipment (Cont'd)

2. Pessimistic scenario: in this case the Group considers a historical average availability and a dispatch of a lower demand for energy than expected, as well as a lesser adjustment index of remuneration that impact on cash flows, Probability of occurrence: 30%.

In all scenarios a discount rate in dollars of approximately 11,50% was used, which contemplates the future scenarios.

The percentages of probability of occurrence assigned are mainly based on the occurrence of different past events (experience).

Actual results may differ from estimates, so the projected cash flows may be badly affected if one of the above-mentioned factors change in the near future.

The Group cannot assure that the future behavior of those variables will be in line with projections, and differences might arise between the estimated cash flows and the ones really obtained.

The fair value determination of property, plant and equipment is significantly affected by the dollar exchange rate, This situation, valuation processes and results are discussed and approved by the Board of the Companies at least once a year.

However, if the discounted cash flow differs by 10% from Management estimates, the Group will need:

- To increase the fair value of land, buildings, facilities, and machinery by USD 59,323, if it were favorable; or
- To reduce the fair value of land, buildings, facilities, and machinery by USD 59,323, if it were not favorable.

At December 31, 2022, the Company performed an analysis of the variables that are considered for the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in such variables.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Captions	ORIGINAL VALUE							DEPRECIATION						NET VALUE	
	Value at beginning of the year	Addition due to merger/consolidation	Increases (1)	Decreases/transfers	(Impairment)	Translation differences	Value at the end of year	Accumulated at beginning of year	Addition due to merger/consolidation	For the year	Decreases	Translation differences	Accumulated at year end	12/31/2022	12/31/2021
Land	15,588	-	118	191	-	-	15,897	-	-	-	-	-	-	15,897	15,588
Buildings	30,225	-	-	948	-	-	31,173	931	-	874	-	-	1,805	29,368	29,294
Facilities	88,542	-	932	5,367	-	-	94,841	6,819	-	5,117	-	-	11,936	82,905	81,723
Machinery and turbines	477,026	-	18,549	28,330	-	-	523,905	28,879	-	29,962	-	-	58,841	465,064	448,147
Computer and office equipment	1,779	-	1,210	146	-	10	3,145	1,195	-	709	(92)	10	1,822	1,323	584
Vehicles	679	-	675	(70)	-	3	1,287	569	-	181	(65)	3	688	599	110
Tools	1,066	-	-	(1,204)	-	138	-	722	-	29	(844)	93	-	-	344
Furniture and fixtures	75	-	-	(85)	-	10	-	74	-	-	(84)	10	-	-	1
Works in progress	331,475	-	182,246	(36,438)	-	74	477,357	-	-	-	-	-	-	477,357	331,475
Civil constructions on third party property	2,840	-	-	(3,208)	-	368	-	2,547	-	30	(2,907)	330	-	-	293
Installations on third party property	16,699	-	28	(18,888)	-	2,161	-	15,059	-	172	(17,180)	1,949	-	-	1,640
Machinery and turbines on third party property	11,631	-	-	(13,152)	-	1,521	-	9,827	-	149	(11,263)	1,287	-	-	1,804
Right-of-use third party property	2,033	-	-	(2,144)	-	111	-	277	-	52	(213)	(116)	-	-	1,756
Spare parts and materials	6,486	-	1,036	(219)	-	26	7,329	-	-	-	-	-	-	7,329	6,486
Total at 12/31/2022	**986,144**	**-**	**204,794**	**(40,426)**	**-**	**4,422**	**1,154,934**	**66,899**	**-**	**37,275**	**(32,648)**	**3,566**	**75,092**	**1,079,842**	**-**
Total at 12/31/2021	**679,469**	**255,907**	**52,756**	**(35)**	**(1,953)**	**-**	**986,144**	**1,195**	**27,525**	**38,179**	**-**	**-**	**66,899**	**-**	**919,245**

(1) It includes the acquisition of assets of the project for the start-up and enlargement of the electricity generation plant.

NOTE 8: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

a) Information on subsidiaries

The Group carries its business through various operating subsidiaries, See composition of the Economic Group, equity interest percentages, materiality criteria and other relevant information on the Group subsidiaries in Note 4.2.

b) Financial information of subsidiaries with significant non-controlling interest

Non-controlling interest in subsidiaries is not significant for the Group.

At December 31, 2022, the Group's associates are Solalban Energía S,A, and GM Operaciones S,A,C, At December 31, 2021, the Group's associate is Solalban Energía S.A.

In 2008, ASA, with a 42% interest, together with Solvay Indupa S.A.I.C. created Solalban Energía S.A. aimed at building a power plant with a generation capacity of 165 MW located in the petrochemical area of the city of Bahia Blanca, Province of Buenos Aires, On January 1, 2021, GMSA absorbed ASA,

GMSA, GROSA and CBEI LLC created on January 14, 2022 a closed corporation in Peru under the name of GM Operaciones S.A.C. (See Note 41).

Changes in the investments in GMSA's associates for the year ended December 31, 2022 and 2021 are as follows:

	12/31/2022	12/31/2021
At beginning of year	**3,921**	-
Addition due to merger/consolidation	-	4,398
Capital contributions	1,062	-
Income/(loss) from interests in associates	(725)	(477)
Other comprehensive income/(loss) - Translation difference	507	-
Year end	**4,765**	**3,921**

Below is a breakdown of the investments and the value of interests held by the Company in the associates at December 31, 2022 and 2021, as well as the Company's share of profits in these companies' income/(loss) for the years ended on December 31, 2022 and 2021:

Name of issuing entity	Main activity	% share interest		Equity value		Share of profit of the Company in income/(loss)	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Associates							
GM Operaciones S.A.C.	Electricity	50%	0%	951	-	(111)	-
Solalban Energía S.A.	Electricity	42%	42%	3,814	3,921	(614)	(477)
				4,765	**3,921**	**(725)**	**(477)**

NOTE 8: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)

b) Financial information of subsidiaries with significant non-controlling interest (Cont'd)

Summarized statements of financial position:

	GMOP		SESA	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Total non-current assets	2,434	-	9,719	9,521
Total current assets	14,673	-	13,487	10,878
Total assets	**17,107**	**-**	**23,206**	**20,399**
Total equity	**1,898**	**-**	**9,082**	**9,335**
Total non-current liabilities	12,226	-	2,013	1,886
Total current liabilities	2,983	-	12,111	9,178
Total liabilities	**15,209**	**-**	**14,124**	**11,064**
Total liabilities and equity	**17,107**	**-**	**23,206**	**20,399**

Summarized statements of income and statement of comprehensive income:

	GMOP		SESA	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Sales revenue	362	-	74,882	54,024
Income/(loss) for the year	(226)	-	(1,462)	(1,135)
Total comprehensive income/(loss) for the year	**(226)**	**-**	**(1,462)**	**(1,135)**

Statements of Cash Flows:

	GMOP		SESA	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cash flows (used in)/provided by provided by operating activities	(14,315)	-	919	(228)
Cash flows (used in) investing activities	(53)	-	(909)	(665)
Cash flows provided by/(used in) financing activities	15,134	-	(37)	-
Increase/(Decrease) in cash for the year	**766**	**-**	**(27)**	**(893)**

The information above shows the balances recorded in the financial statements of the associates (not the share of the Group in those amounts) adjusted by differences in accounting policies for valuation of property, plant and equipment under the revaluation model.

NOTE 8: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)

b) Financial information of subsidiaries with significant non-controlling interest (Cont'd)

Secured Private Notes (GMOP)

On October 27, 2022, GM Operaciones S.A.C. issued secured private notes under the following conditions:

Principal: nominal value: USD 12,500.

Interest: 12,5% annual nominal rate

Maturity date: The maturity date of the secured private notes is May 27, 2027.

Payment: the secured private notes were paid-in in US dollars.

The funds from this financing are to be used for the payment of the initial deposit to secure the issuance of the performance bond and the guarantee of compliance with work obligations, both necessary conditions prior to the execution of the supply contract to Petroperú, for electricity, steam and water for boilers, and operation and maintenance of substations GE2 and GE1.

Guarantee trust to secure payment obligations

GM Operaciones S.A.C., as trustor, and TMF Fiduperú S.A., as trustee, entered into an agreement on October 27, 2022 for the assignment in trust and guarantee trust, to secure due and timely compliance with the payment of the secured notes.

The purpose of the trust agreement is to manage the trust assets until full and timely payment of the secured notes, in case of an event of default, always to the benefit of the holders of secured notes.

The trust assets shall include (i) the collection rights arising from the Petroperú contract; (ii) the monetary flows resulting from those collection rights; and (iii) temporarily, the flows provided by the issuance of private notes.

NOTE 9: INVENTORIES

	12/31/2022	12/31/2021
Current		
Supplies and materials	2,724	3,741
	2,724	**3,741**

NOTE 10: OTHER RECEIVABLES

	Note	12/31/2022	12/31/2021
Non-current			
Value added tax		210	3
Minimum Notional Income Tax		573	1,009
Income Tax credits		33	43
Tax Law No, 25413		3,181	3,460
Turnover tax credit balance		144	-
Sub-total tax credits		**4,141**	**4,515**
Related companies	**33**	1,913	177
Loans to Shareholders/Directors	**33**	5,816	-
Other credits with C.T. Sorrento		-	21
Credit provision	**20**	-	(18)
Sundry		23	-
		11,893	**4,695**
Current			
Value added tax		159	4,000
Turnover tax credit balance		179	344
Extraordinary Income Tax prepayment		5,016	-
Other tax credits		5	103
Sub-total tax credits		**5,359**	**4,447**
Advances to suppliers		42,986	79,142
Insurance to be accrued		3,286	2,239
Guarantees		74	-
Related companies	**33**	1,256	635
Advances to Directors	**33**	81	-
Loans to Directors/Shareholders	**33**	-	7,308
Sundry		1,692	127
		54,734	**93,898**

NOTE 11: TRADE RECEIVABLES

	12/31/2022	12/31/2021
Current		
Trade receivables	28,996	21,307
Sales not yet billed	13,299	16,093
Allowance for bad debts	(15)	(27)
	42,280	**37,373**

The movements of the provision for trade and other receivables are as follows:

	For trade receivables
Balances at December 31, 2021	**27**
(Decreases)	(1)
Exchange difference	(11)
Balances at December 31, 2022	**15**

NOTE 12: OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	12/31/2022	12/31/2021
Non-current		
Mutual funds (a)	12,300	3,882
	12,300	**3,882**

	12/31/2022	12/31/2021
Current		
Mutual funds (a)	115,900	84,086
	115,900	**84,086**

(a) The proceeds from Class XV and XVI Negotiable Obligations, and Class XVII, XVIII and XIX Negotiable Obligations of GMSA are restricted and administered by the trust; therefore, they were not considered cash and cash equivalents in the Company’s consolidated Financial Statements (see Note 18).

NOTE 13: CASH AND CASH EQUIVALENTS

	12/31/2022	12/31/2021
Cash	3	7
Checks to be deposited	291	10
Banks	4,676	6,647
Mutual funds	1,635	10,829
Time deposit	13,959	-
Cash and cash equivalents	**20,564**	**17,493**

For the purposes of the Statement of Cash Flows, cash and cash equivalents include:

	12/31/2022	12/31/2021
Cash and cash equivalents	20,564	17,493
Cash and cash equivalents	**20,564**	**17,493**

NOTE 14: CAPITAL STATUS

Subscribed, paid-in and registered capital at December 31, 2022 amounted to USD 2,414 (AR$ 203,124 thousand).

NOTE 15: DISTRIBUTION OF PROFITS

Dividends

A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2020 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2021 will be subject to tax at a rate of 13%.

Dividends on profits obtained until the fiscal year prior to the fiscal year beginning on or after January 1, 2018 will continue to be subject to withholdings, for all beneficiaries, at a rate of 35% of the amount exceeding retained earnings to be distributed free of tax (transition period of equalization tax).

On June 16, 2021, the National Executive Branch enacted Law No, 27630 whereby a tax rate of 7% was set for tax on dividends, This amendment is applicable for annual reporting periods beginning on or after January 1, 2021.

Pursuant to General Companies Law No, 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, net of prior year adjustments, transfers of other comprehensive income/(loss) to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Due to the issuance of the International bonds, the co-issuers must comply with ratios on a consolidated basis to be allowed to distribute dividends.

NOTE 16: TRADE PAYABLES

	Note	12/31/2022	12/31/2021
Non-current			
Suppliers		-	16,749
		-	**16,749**
Current			
Suppliers		34,373	39,856
Advances from customers		-	12
Provisions for invoices to be received		5,477	3,645
Related companies	**33**	5,641	1,957
		45,491	**45,470**

NOTE 17: OTHER LIABILITIES

	Note	12/31/2022	12/31/2021
Non-current			
Other income to be accrued		88	12
Related companies	**33**	784	-
		872	**12**
Current			
Advances from customers		619	-
Related companies	**33**	55	1
Directors' fees	**33**	306	275
Other income to be accrued	-	2	3
		982	**279**

Other long-term receivables are measured at present value applying a market rate, The amount thus obtained does not differ from its fair value.

NOTE 18: LOANS

	12/31/2022	12/31/2021
Non-current		
International bonds	261,756	359,698
Negotiable Obligations	476,353	266,405
Foreign loan debt	9,687	15,580
Other bank debts	876	2,868
Finance lease debt	308	925
	748,980	**645,476**
Current		
International bond	102,440	17,896
Negotiable Obligations	53,757	51,586
Foreign loan debt	9,545	9,855
Other bank debts	17,904	10,662
Finance lease debt	69	1,082
Bond insurance	1,282	633
	184,997	**91,714**

NOTE 18: LOANS (Cont'd)

At December 31, 2022, the total financial debt amounts to USD 933,977, The following table shows the total debt at that date.

	Borrower	Principal	Balances at December 31, 2022	Interest rate	Currency	Date of Issue	Maturity date
		(In thousands)	(In thousands of USD)	(%)			
Loan agreement							
BLC	GMSA	USD 6,076	6,188	12% first installment, the remaining installments 12-month USD LIBOR + 11%	USD	06/26/2020	06/12/2023
JP Morgan	GMSA	USD 8,885	8,768	6-month LIBOR + 1%	USD	12/28/2020	11/20/2025
Eurobanco Loan	GMSA	USD 2,130	2,139	7,00%	USD	09/21/2020	12/01/2027
Eurobanco Loan	GMSA	USD 2,121	2,137	10,00%	USD	05/04/2022	12/01/2027
Subtotal			**19,232**				
Debt securities							
2023 International Bonds	GMSA/CTR	USD 67,197	69,973	9,625%	USD	07/27/2016	07/27/2023
2027 International Bonds (*) (a)	GMSA/CTR	USD 299,215	294,223	9,625%	USD	12/01/2021	12/01/2027
Class II Negotiable Obligation co-issuance	GMSA/CTR	USD 34,800	35,717	15,00%	USD	08/05/2019	05/05/2023
Class VII Negotiable Obligation co-issuance	GMSA/CTR	USD 1,646	1,654	6,00%	USD Linked	03/11/2021	03/11/2023
Class VIII Negotiable Obligation co-issuance	GMSA/CTR	UVA 2,829	3,028	UVA + 4,60 %	ARS	03/11/2021	03/11/2023
Class IX Negotiable Obligation co-issuance (**)	GMSA/CTR	USD 2,587	2,690	12,50%	USD	04/09/2021	04/09/2024
Class XI Negotiable Obligation co-issuance	GMSA/CTR	USD 38,655	38,972	UVA + 6,5%	USD Linked	11/12/2021	11/12/2024
Class XII Negotiable Obligation co-issuance	GMSA/CTR	UVA 48,161	50,695	7,75%	ARS	11/12/2021	11/12/2024
Class XIII Negotiable Obligation co-issuance	GMSA/CTR	USD 14,066	14,486	7,50%	USD	01/10/2022	01/10/2024
Class XIV Negotiable Obligation co-issuance	GMSA/CTR	USD 5,858	6,045	9,50%	USD	07/18/2022	07/18/2024
Class XV Negotiable Obligation co-issuance	GMSA/CTR	USD 27,659	27,525	3,50%	USD Linked	07/18/2022	07/18/2025
Class XVI Negotiable Obligation co-issuance	GMSA/CTR	UVA 15,889	16,420	UVA + 0%	ARS	07/18/2022	07/18/2025
Class XVII Negotiable Obligation co-issuance	GMSA/CTR	USD 11,486	11,467	9,50%	USD	11/07/2022	11/07/2024
Class XVIII Negotiable Obligation co-issuance	GMSA/CTR	USD 21,108	20,892	3,75%	USD Linked	11/07/2022	11/07/2024
Class XIX Negotiable Obligation co-issuance	GMSA/CTR	UVA 11,555	11,908	UVA + 1%	ARS	11/07/2022	11/07/2025
Class XIII Negotiable Obligations	GMSA	USD 8,722	8,874	12,50%	USD	12/02/2020	02/16/2024
Class XV Negotiable Obligations:	GMSA	UVA 39,121	41,834	UVA + 6,5%	ARS	07/16/2021	07/28/2026
Class XVI Negotiable Obligations:	GMSA	USD 106,837	109,363	7,75%	USD Linked	07/16/2021	07/28/2029
Class XVII Negotiable Obligations:	GMSA	USD 24,702	24,610	3,50%	USD Linked	05/23/2022	05/28/2027
Class XVIII Negotiable Obligations:	GMSA	UVA 14,926	15,517	UVA + 0%	ARS	05/23/2022	05/28/2027
Class XIX Negotiable Obligations:	GMSA	USD 88,595	88,413	6,50%	USD Linked	05/23/2022	05/28/2032
Subtotal			**894,306**				
Other liabilities							
Banco Ciudad loan	GMSA	USD 4,200	4,201	SOFR + 7,00%	USD	12/28/2021	01/18/2024
BAPRO Loan	GMSA	$ 500,000	2,873	53,00%	ARS	03/01/2022	03/17/2023
Banco Chubut loan	GMSA	USD 4,776	4,789	5,00%	USD	11/14/2022	10/14/2023
Mortgage loan	GMSA	$ 400,000	2,277	78,51%	ARS	12/27/2022	02/27/2023
Banco Chubut loan	CTR	$ 46,965	268	BADLAR	ARS	11/14/2022	11/14/2024
Banco Chubut loan	CTR	$ 215,637	1,261	BADLAR	ARS	06/16/2022	06/16/2024
Banco Supervielle loans	CTR	$ 171,082	1,002	83,00%	ARS	11/14/2022	11/14/2024
Banco Supervielle loans	CTR	$ 347,500	2,109	83,00%	ARS	11/14/2022	04/14/2023
Bond insurance	GMSA	USD 1,000	1,000	1,00%	USD	01/19/2022	01/19/2023
Bond insurance	CTR	$ 50,000	282	35,00%	ARS	28/11/2022	21/01/2023
Finance lease	GMSA/CTR		377				
Subtotal			**20,439**				
Total financial debt			**933,977**				

(*) GMSA and GROSA have ALBAAR27 (International Bonds) for a residual value of USD 8,000 and USD 284 respectively.

(**) GMSA has Class IX Negotiable Obligations co-issuance for a residual value of USD 271.

(a) Effective June 1, 2022, interest on the Class X Negotiable Obligations shall accrue at an annual rate of 9,875%, and the time frame envisaged in the Pricing Supplement for providing the first Lien on the Credits Assigned in Guarantee to the benefit of the Secured Parties has expired, without the Required Guarantee Consents having been obtained.

NOTE 18: LOANS (Cont'd)

The due dates of Group loans and their exposure to interest rates are as follows:

	12/31/2022	12/31/2021
Fixed rate		
Less than 1 year	170,552	74,228
Between 1 and 2 years	228,503	138,890
Between 2 and 3 years	152,652	170,300
More than 3 years	361,207	319,952
	912,914	**703,370**
Floating rate		
Less than 1 year	14,445	17,486
Between 1 and 2 years	3,855	10,600
Between 2 and 3 years	2,742	3,173
More than 3 years	21	2,561
	21,063	**33,820**
	933,977	**737,190**

The fair value of Company's international bonds at December 31, 2022 and 2021 amounts to approximately USD 240,885 and USD 313,168, respectively, This value was calculated based on the estimated market price of the Company's international bonds at the end of each period, The applicable fair value category would be Level 1.

The other floating rate loans are measured at fair value, Given the proximity of their issuance, fixed-rate loans do not differ significantly from their fair value.

Fair values are based on the present value of the contractual cash flows, using a discount rate derived from observable market prices of other similar debt instruments plus the corresponding credit risk.

As a result of the issue of International Bonds, the Company has undertaken standard commitments for this type of issue, whose specific conditions are detailed in the pertinent public prospectus, At the date of these consolidated financial statements, the Company is in compliance with all commitments undertaken.

Group loans are denominated in the following currencies:

	12/31/2022	12/31/2021
Argentine pesos	149,851	95,787
US dollars	784,126	641,403
	933,977	**737,190**

NOTE 18: **LOANS (Cont'd)**

Changes in Group's loans during the period were the following:

	12/31/2022	12/31/2021
Loans at beginning of year	**737,190**	**459,983**
Loans received	343,124	657,338
Loans paid	(146,714)	(516,314)
Accrued interest	82,464	78,966
Interest paid	(82,960)	(73,500)
Leases taken out	645	-
Leases paid	(945)	(967)
Deletion of leases due to termination of the lease agreement	(1,546)	-
Repurchase of negotiable obligations	(819)	(4,359)
Income/(loss) from repurchase of negotiable obligations	(130)	2,552
Exchange difference	(46,617)	(8,830)
Translation difference	2,654	-
Difference in UVA value	52,678	18,019
Addition due to merger/consolidation	-	142,255
Capitalized expenses	(1,968)	(17,937)
Gain/(loss) on net monetary position (RECPAM)	(3,079)	(16)
Loans at year end	**933,977**	**737,190**

a) Issuance of international bonds

On July 7, 2016, under CNV Resolution No, 18110, GMSA, Generación Frías S,A, and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated negotiable obligations, not convertible for shares, On July 27, 2016, Negotiable Obligations were issued for USD 250 million, maturing in 7 years.

This issuance allowed financing investments under the Company’s expansion plans, as a result of the award by the ES of Wholesale Demand Contracts through Resolution No, 115/2016 dated June 14, 2016, and also the Group’s projects under development, which in the aggregate represent works for installing 460 nominal MW, It has also improved the Group’s financial profile with the early repayment of existing loans, obtaining a term for financing in accordance with the projects and also a considerable decrease in financing costs, which implies financial efficiency and release of guarantees.

On November 8, 2017, under RESFC-2017-19033-APN-DIR#CNV Resolution, GMSA and CTR obtained authorization from the CNV for the International Bond reopening, On December 5, 2017, Negotiable Obligations were issued for USD 86 million, with a nominal value of USD 336 million, The negotiable obligations have the same conditions as the originally issued ones.

NOTE 18: LOANS (Cont'd)

a) Issuance of international bonds (Cont'd)

a.1) 2023 International bond

Principal: Nominal value: USD 336,000; amount assigned to GMSA: USD 266,000 (considering the effect of merger Generación Frías S.A.) and the amount assigned to CTR: USD 70,000.

Amortization term and method: Interest on the International Bond will be paid semi-annually in arrears, on the following dates: January 27 and July 27 of each year, commencing on January 27, 2017 to maturity.

Principal on the Negotiable Obligations shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

As a result of the issuance of International Obligations, the Group has undertaken standard commitments for this type of issuance, whose specific conditions are detailed in the pertinent public prospectus, At the date of these consolidated Financial Statements, the Group is in compliance with all commitments undertaken.

On October 22, 2021, the holders of the International Bond were informed that GMSA and CTR (as co-issuers) offer the subscription of Class X Negotiable Obligations, stated and payable in US dollars, at a fixed interest rate of 9,625%, maturing in 2027.

At November 26, 2021, expiration date of the swap offer, valid offers had been filed by holders of the International bonds for a nominal value of USD 212,802 from USD 266,000 (80%).

Principal balance due on the International Bond at December 31, 2022 amounts to USD 67,197.

a.2) 2027 International bond (Class X Negotiable Obligation Co-issuance)

On 22 October 2021, the holders of the International Bond and the creditors of Existing Loans (Credit Suisse AG London Branch) were informed that GMSA and CTR (as co-issuers) offer the subscription of Class X Negotiable Obligations, stated and payable in US dollars, at a fixed interest rate of 9,625%, maturing in 2027.

At November 26, 2021, expiration date of the swap offer, valid offers were filed by holders of the International bonds for a nominal value of USD 268,803 from USD 336,000 (80%) and by creditors of Existing Loans (Credit Suisse AG London Branch) for a principal amount of USD 51,217 from the USD 51,217 (100%).

With this outcome and the swap ratio offered to holders of the International bond which will file their advanced offer, the total amount issued on December 1, 2021 was USD 325,395.

Together with the swap offers filed, the necessary consents were obtained to amend, subject to the Meeting of Holders to be held on November 30, certain commitments and clauses of the Trust Agreement of the 2023 International bond.

NOTE 18: LOANS (Cont'd)

a) Issuance of international bonds (Cont'd)

a.2) 2027 International bond (Class X Negotiable Obligation Co-issuance) (Cont’d)

The underwriters and Agent for the Request for Consent are Citigroup Global Markets INC, J,P, Morgan Securities LLC and UBS Securities LLC.

The Meeting of Holders was held on November 30, 2021, and concluded the swap of the instruments mentioned and amended certain commitments and clauses of the Trust Agreement of the 2023 International Bond.

On December 1, 2021, GMSA and CTR co-issued Class X Negotiable Obligations under the following conditions:

Principal: nominal value: USD 325,395; amount assigned to GMSA: USD 268,275 and amount assigned to CTR: USD 57,120.

Interest: 9,625% annual nominal rate, payable monthly in arrears on February 1, 2022 and June 1, 2022 and subsequently they will be payable on a half-year basis as follows: December 1, 2022; June 1, 2023; December 1, 2023; June 1, 2024; December 1 2024; June 1, 2025; December 1, 2025; June 1, 2026; December 1, 2026, June 1, 2027 and December 1, 2027.

Payment term and method: The principal of the new Negotiable Obligations shall be payable in 12 installments on the following dates: 2% on February 1, 2022; 3,50% on December 1, 2022; 3,50% on June 1, 2023; 7,00% on December 1, 2023; 10,00% on June 1, 2024; 10,00% on December 1, 2024; 10,00% on June 1, 2025; 10,00% on December 1, 2025; 10,00% on June 1, 2026; 10,00% on December 1, 2026; 10,00% on June 1, 2027; 14,00% on December 1, 2027.

Payment: the Negotiable Obligation was paid with the swap of international bond issued in 2016 and Credit Suisse AG London Branch loan.

Effective June 1, 2022, interest on the Class X Negotiable Obligations shall accrue at an annual rate of 9,875%, and the time frame envisaged in the Pricing Supplement for providing the first Lien on the Credits Assigned in Guarantee to the benefit of the Secured Parties has expired, without the Required Guarantee Consents having been obtained.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 299,215, GMSA and GROSA have 2027 International Bonds for a residual value of USD 8,000 and USD 284, respectively.

<u>NOTE 18:</u> LOANS (Cont'd)

b) Negotiable obligations

On October 17, 2012, GMSA obtained, under Resolution No, 16942 of the CNV, authorization for: (i) the incorporation of GMSA into the public offering system; and (ii) creation of a global program to issue simple negotiable obligations (non-convertible into shares) for a total nominal value outstanding of USD 100,000 or its equivalent in other currencies, in one or more classes or series, This 5 year-program expired on October 17, 2017.

On August 08, 2014, CTR obtained, under Resolution No, 17413 of the CNV, authorization for: (i) the incorporation of CTR into the public offering system; and (ii) creation of a global program to issue simple negotiable obligations (non-convertible into shares) for a total nominal value outstanding of USD 50,000 or its equivalent in other currencies, in one or more classes or series, This 5 year-program expired on August 08, 2019.

Further, on May 10, 2017, GMSA obtained, under Resolution No, 18649 of the CNV, authorization for the creation of a global program to issue simple negotiable obligations (not convertible into shares) for a total nominal value outstanding of USD 100,000 or its equivalent in other currencies, in one or more classes or series.

In line with the preceding paragraph, on September 26, 2017, GMSA and CTR obtained under RESFC-2017-18947-APN-DIR#CNV Resolution authorization from the CNV for the creation of a program for the co-issuance in the local market of simple negotiable obligations, not convertible into shares, for a total nominal value outstanding of USD 100 million or its equivalent in other currencies.

Under Resolution No, RESFC-2019-20111-APN-DIR#CNV dated March 8, 2019, GMSA and CTR obtained authorization from the CNV to increase the International Bond co-issuance program by an amount of up to USD 300,000.

Co-Issuers GMSA and CTR on August 7, 2020, through the Extraordinary General Shareholders' Meetings of GMSA and CTR approved once more the extension of the global program for the issue of negotiable obligations in the amount of USD 400,000, that is, from USD 300,000 up to USD 700,000 , or its equivalent in other currencies, Further, Albanesi S,A, was added as guarantor for the Program.

The increase in the program to USD 700,000 was approved by the CNV through Resolution No, DI-2020-43-APN-GE#CNV dated September 10, 2020.

Further, on August 28, 2020, CTR obtained, through CNV Resolution No, 20771, the authorization for the creation of a global program to issue simple negotiable obligations (not convertible into shares) for a total nominal value outstanding of USD 100,000 or its equivalent in other currencies, in one or more classes or series.

On June 17, 2021, through the Extraordinary General Shareholders' Meeting of GMSA, they approved the extension of the global program for the issue of negotiable obligations in the amount of USD 150,000, that is, from USD 100,000 up to USD 250,000, or its equivalent in other currencies.

The increase in the program to USD 250,000 was approved by the CNV through Resolution No, RE-2021-60316670-APN-GE#CNV dated July 6, 2021.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

At December 31, 2022 there are outstanding Class XIII, XV, XVI, XVII, XVIII and XIX Negotiable Obligations (issued by GMSA) and Class II, VII, VIII, IX, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII and XIX Negotiable Obligations Co-issuance (issued by GMSA and CTR), for the amounts and under the conditions detailed below, Additionally, in the current year, Class IV and V Negotiable Obligations Co-issuance (GMSA-CTR) were redeemed.

b.1) GMSA-CTR Class II Negotiable Obligations Co-issuance:

Co-issuance of Class II Negotiable Obligations took place on August 5, 2019 and were fully subscribed in cash.

On November 18, 2020, the co-issuers of the Class II Negotiable Obligations requested consent from each and all holders to, among other things, change the payment schedule and reduce payments of principal maturing over the next 24 months, On December 4, co-issuers announced that they had obtained consent from 100% of holders, with the amendment being subject to fulfillment of certain conditions precedent, On December 17, those conditions precedent were fulfilled, and the amendments became effective, At the same time, the amendment fulfilled the requirements of Communication “A” 7106 of the Central Bank.

Principal: total nominal value: USD 80,000; amount assigned to GMSA: USD 72,000 and amount assigned to CTR: USD 8,000.

Interest: 15% annual nominal rate, payable quarterly as from November 5, 2019 to maturity.

Maturity date: May 05, 2023

Payment method: Principal on Negotiable Obligations shall be paid in nine (9) quarterly consecutive installments, each of them for an amount equal to the original percentage of the principal established below: May 5, 2021: 7,00%; August 5, 2021: 9,00%; November 5, 2021: 9,00%; February 5, 2022: 6,50%; May 5, 2022: 6,50%; August 5, 2022: 8,50 %; November 5, 2022: 10,00%; February 5, 2023: 10,00%; maturity date: 33,50%.

The proceeds from the issuance of Class II Negotiable Obligations were chiefly allocated to the refinancing of liabilities and investment in fixed assets and, to a lesser extent, to working capital.

Class II Negotiable Obligations are secured by pledges on operating turbines, a mortgage on CTI, a reserve account funded by two periods’ interest and the assignment of collection rights over contracts with CAMMESA under ES Resolutions Nos, No, 220/07 and ES Resolution No, 21/17.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 34,800.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.2) GMSA-CTR Class IV Negotiable Obligations Co-issuance:

On December 2, 2020, GMSA and CTR issued Class IV Negotiable Obligations, fully paid by the swap of the Class III Negotiable Obligations under the following conditions:

Principal: nominal value: USD 16,354; amount assigned to GMSA: USD 10,903 and amount assigned to CTR: USD 5,451.

Interest: Class IV Negotiable Obligations shall accrue interest at a fixed nominal annual interest rate of: (a) 13%, payable as from the issue and settlement date until the second interest payment date (exclusive) (Class IV); and (b) 10,5% from the second interest payment date (inclusive) (Class IV) until the maturity date (exclusive) (Class IV), Interest payment shall be made on the following dates: January 11, 2021, April 12, 2021, May 11, 2021, June 11, 2021, July 12, 2021, August 11, 2021, September 13, 2021, October 11, 2021, November 11, 2021, December 13, 2021, January 11, 2022, February 11, 2022, March 11, 2022 and April 11, 2022.

Payment term and method: Amortization: Class IV Negotiable Obligations shall be amortized in 13 (thirteen) consecutive monthly installments, in accordance with the following schedule: 13 installments, April 11, 2021: 4,75%; May 11, 2021: 4,75%; June 11, 2021: 4,75%; July 11, 2021: 4,75%; August 11, 2021: 4,75%; September 11, 2021 4,75%; October 11, 2021: 8%; November 11, 2021: 8%; December 13, 2021: 8%; January 11, 2022: 8%; February 11, 2022: 8%; March 11, 2022: 8%; April 11, 2022: 23,50%, The issue allowed the swap of 69,39% of the amount timely issued under Class III Negotiable Obligations, improving the financial debt maturities profile of the Company.

At the closing date of these consolidated Financial Statements the amount issued has been fully paid.

b.3) GMSA-CTR Class V Negotiable Obligations Co-issuance:

On November 27, 2020, GMSA issued together with CTR Class V Negotiable Obligations fully paid in cash under the following conditions:

Principal: nominal value: USD 14,369.

Interest: 6% annual nominal rate, payable quarterly to maturity, on November 27, 2022.

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in full at maturity.

At the closing date of these consolidated Financial Statements the amount issued has been fully paid.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.4) GMSA-CTR Class VII Negotiable Obligations Co-issuance:

On March 11, 2021, GMSA together with CTR issued Class VII and VIII Negotiable Obligations under the conditions described below:

Principal: total nominal value: USD 7,708; amount assigned to GMSA: USD 7,363; amount assigned to CTR: USD 345.

Interest: 6,0% annual nominal rate, payable quarterly to maturity, on March 11, 2023.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Payment: the Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of ASA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 1,646.

b.5) GMSA-CTR Class VIII Negotiable Obligations Co-issuance:

Principal: total nominal value: UVA 41,936 thousand; amount assigned to GMSA: UVA 41,023 thousand; and amount assigned to CTR: UVA 913.

Interest: 4,6% annual nominal rate, payable quarterly to maturity, on March 11, 2023.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VIII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Payment: the Negotiable Obligations were paid up in pesos at initial UVA value and in kind under the swap of ASA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to UVA 2,829 thousand.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.6) GMSA-CTR Class IX Negotiable Obligations Co-issuance:

On April 9, 2021, GMSA and CTR co-issued Class IX Negotiable Obligations under the following conditions:

Principal: nominal value: USD 4,266; amount assigned to GMSA: USD 2,844; amount assigned to CTR: USD 1,422.

Interest: 12,5% annual nominal rate, payable quarterly to maturity, on April 9, 2024.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in three consecutive installments, equivalent to 33% for the first installment; 33% for the second installment and 34% for the third and last installment, of the nominal value of Class IX Negotiable Obligations, on the following dates: April 9, 2022, April 9, 2023 and on the maturity date.

Payment: the Negotiable Obligations were paid up in kind through the swap of Class III Negotiable Obligations GMSA and CTR Co-issuance.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 2,587, GMSA has Class IX Negotiable Obligations for a residual value of USD 271.

b,7) GMSA-CTR Class XI and XII Negotiable Obligations Co-issuance:

On November 12, 2021, the Company, together with CTR, issued Class XI and XII Negotiable Obligations under the conditions described below:

b,7,1) GMSA-CTR Class XI Negotiable Obligations:

Principal: nominal value: USD 38,655 (US dollar-linked); amount assigned to GMSA: USD 38,420; amount assigned to CTR: USD 235.

Interest: 6,0% annual nominal rate, payable quarterly to maturity, on November 12, 2024.

Payment term and method: Class XI Negotiable Obligations shall be amortized in four consecutive installments, each for an amount equivalent to 25% of the nominal value of Class XI Negotiable Obligations, on the following dates: February 12, 2024, May 12, 2024, August 12, 2024 and November 12, 2024.

Payment: the Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of Class V, Class VII and Class VIII Negotiable Obligations GMSA-CTR Co-issuance.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 38,655.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.7) GMSA-CTR Class XI and XII Negotiable Obligations Co-issuance: (Cont'd)

b.7.2) GMSA-CTR Class XII Negotiable Obligations:

Principal: nominal value: UVA 48,161 thousand; amount assigned to GMSA: UVA 47,360 thousand; and amount assigned to CTR: UVA 801 thousand

Interest: 4,6% annual nominal rate, payable quarterly to maturity, on November 12, 2024.

Payment term and method: Class XII Negotiable Obligations shall be amortized in four consecutive installments, each for an amount equivalent to 25% of the nominal value of Class XI Negotiable Obligations, on the following dates: February 12, 2024, May 12, 2024, August 12, 2024 and November 12, 2024.

Payment: the Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of Class VIII Negotiable Obligations GMSA-CTR co-issuance.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to UVA 48,161 thousand.

b,8) GMSA-CTR Class XIII Negotiable Obligations Co-issuance:

On January 10, 2022, GMSA and CTR co-issued Class XIII Negotiable Obligations under the following conditions:

Principal: nominal value: USD 14,066; amount assigned to GMSA: USD 12,673; amount assigned to CTR: USD 1,393,

Interest: 7,5% annual nominal rate, payable half-yearly to maturity, on January 10, 2024.

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in full on January 10, 2024.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 14,066.

b,9) GMSA-CTR Class XIV, XV and XVI Negotiable Obligations Co-issuance:

On July 18, 2022, GMSA and CTR co-issued Class XIV, Class XV and Class XVI Negotiable Obligations under the following conditions:

b,9,1) GMSA-CTR Class XIV Negotiable Obligations:

Principal: nominal value: USD 5,858; amount assigned to GMSA: USD 4,720; amount assigned to CTR: USD 1,138.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b,9) GMSA-CTR Class XIV, XV and XVI Negotiable Obligations Co-issuance: (Cont'd)

b.9.1) GMSA-CTR Class XIV Negotiable Obligations: (Cont'd)

Interest: 9,5% annual nominal rate, payable half-yearly to maturity, on July 18, 2024.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be fully amortized in a lump sum payment at maturity, that is, on July 18, 2024.

Payment: the negotiable obligation was paid-in in USD.

The principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 5,858.

b,9,2) CMSA-CTR Class XV Negotiable Obligations Co-issuance:

Principal: nominal value: USD 27,659; amount assigned to GMSA: USD 22,404; amount assigned to CTR: USD 5,255.

Interest: 3,5% annual nominal rate Interest payments shall be made quarterly, on the following dates: October 18, 2022, January 18, 2023, April 18, 2023, July 18, 2023, October 18, 2023, January 18, 2024, April 18, 2024, July 18, 2024, October 18, 2024, January 18, 2025, April 18, 2025, and July 18, 2025.

Payment term and method: Amortization: Class XV Negotiable Obligations shall be amortized in 7 (seven) installments equivalent to: (i) 5% for the first and second installments; (ii) 10% for the third and fourth installments; (iii) 20% for the fifth installment; and (iv) 25% for the sixth and seventh installments, of the initial nominal value of Class XV Negotiable Obligations, on the following dates: July 18, 2023; January 18, 2024; July 18, 2024; October 18, 2024; January 18, 2025; April 18, 2025 and July 18, 2025.

Payment: the negotiable obligation was paid-in in pesos at the exchange rate applied on the date of payment.

The principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 27,659.

b.9.3) GMSA-CTR Class XVI Negotiable Obligations Co-issuance:

Principal: nominal value: UVA 15,889 thousand, equivalent to ARS 2,102,753 thousand,; amount assigned to GMSA: UVA 12,870 thousand; and amount assigned to CTR: UVA 3,019 thousand.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b,9) GMSA-CTR Class XIV, XV and XVI Negotiable Obligations Co-issuance: (Cont'd)

b.9.3) GMSA-CTR Class XVI Negotiable Obligations Co-issuance: (Cont'd)

Interest: 0,0% annual nominal rate Interest payments shall be made quarterly, on the following dates: October 18, 2022, January 18, 2023, April 18, 2023, July 18, 2023, October 18, 2023, January 18, 2024, April 18, 2024, July 18, 2024, October 18, 2024, January 18, 2025, April 18, 2025, and July 18, 2025.

Payment term and method: Amortization: Principal on the negotiable obligations shall be fully amortized on July 18, 2025 (the Maturity Date).

Payment: the negotiable obligations were paid-in in pesos at the initial UVA value.

Principal balance due on that Negotiable Obligation at December 31, 2022 is UVA 15,889 thousand.

b.10) GMSA-CTR Class XVII, XVIII and XIX Negotiable Obligations Co-issuance

On November 3, 2022, GMSA CTR Class XVII, XVIII and XIX Negotiable Obligations Co-issuance was subject to tender.

b.10.1) GMSA-CTR Class XVII Negotiable Obligations Co-issuance:

Principal: USD 11,486,

Interest: 9,50% annual nominal rate Interest shall be paid in arrears, Interest payments shall be made half-yearly, on the following dates: May 07, 2023, November 07, 2023, May 07, 2024 and November 07, 2024.

Payment term and method: Amortization: There will be only one payment at maturity, (November 7, 2024).

Payment: the negotiable obligation was paid-in in USD.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 11,486.

b.10.2) GMSA-CTR Class XVIII Negotiable Obligations (Dollar linked):

Principal: USD 21,108.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.10) GMSA-CTR Class XVII, XVIII and XIX Negotiable Obligations Co-issuance (Cont’d)

b.10.2) GMSA-CTR Class XVIII Negotiable Obligations (Dollar linked): (Cont’d)

Payment: i, USD 18,918 were paid-in in cash; ii, USD 1,953 were paid-in in kind by means of the delivery of Class V Negotiable Obligation; and iii, USD 236 were paid-in in kind by means of the delivery of Class VII Negotiable Obligation,

Interest: 3,75% annual nominal rate Interest shall be paid in arrears, Interest payments shall be made quarterly, on the following dates: February 7, 2023; May 7, 2023; August 7, 2023; November 7, 2023; February 7, 2024; May 7, 2024; August 7, 2024 and November 7, 2024.

Payment term and method: Amortization: There will be only one payment at maturity, (November 7, 2024).

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 21,108.

b,10,3) GMSA-CTR Class XIX Negotiable Obligations:

Principal: UVA 11,555 thousand equivalent to $1,923,159 (100% paid-in in cash),

Interest: 1,00% annual nominal rate Interest shall be paid in arrears, Interest payments shall be made quarterly, on the following dates: February 7, 2023; May 7, 2023; August 7, 2023; November 7, 2023; February 7, 2024; May 7, 2024; August 7, 2024 and November 7, 2024.

Payment term and method: Amortization: There will be only one payment at maturity, (November 7, 2025).

The principal balance due on this Negotiable Obligation at December 31, 2022 amounts to UVA 11,555 thousand.

b.11) Class XIII Negotiable Obligations (GMSA):

On December 2, 2020, GMSA issued Class XIII Negotiable Obligations fully paid by the swap of Class X Negotiable Obligations under the following conditions:

Principal: nominal value: USD 13,077.

Interest: 12,5% annual nominal rate Interest on Class XIII Negotiable obligations shall be paid in arrears, Payment of quarterly interest in the following dates: February 16, 2021, May 16, 2021, August 16, 2021, November 16, 2021, February 16, 2022, May 16, 2022, August 16, 2022, November 16, 2022, February 16, 2023, May 16, 2023, August 16, 2023, November 16, 2023 and February 16, 2024.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.11) Class XIII Negotiable Obligations (GMSA): (Cont'd)

Payment term and method: Amortization: The principal of the Negotiable Obligations shall be amortized in three installments, the first one on February 16, 2021 for 33,33% principal, the second on February 16, 2022 for 33,33% principal, and the third on February 16, 2024 for 33,34% principal, which agrees with their maturity.

The issue allowed the swap of 66,37% of the principal issued under Class X Negotiable Obligations, improving the financial debt maturities profile of the Company.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 8,722.

b.12) Class XV and Class XVI Negotiable Obligations: (GMSA)

To finance the closure of cycle of Central Térmica Ezeiza, the Company requested consent from investors under the International bond 144 A Reg-S (ALBAAR 23) and under Class II Negotiable Obligation co-issued on August 5, 2019.

Amendments were requested to consent the taking out of indebtedness and provision of certain guarantees.

Consent was received from 89,72% of the holders of the International bond 144 A Reg-S and 98,75% of the holders of Class II Negotiable Obligation co-issued.

On July 16, 2021, the Company issued Class XV and XVI Negotiable Obligations for a total joint amount of USD 130,000,000 (or equivalent amount) to finance the closure of cycle of Central Térmica Ezeiza under the conditions set out below:

b.12.1) Class XV Negotiable Obligations (GMSA):

Principal: nominal value: UVA 36,621 thousand equivalent to USD 31,227.

Interest: 6,5% annual nominal rate, Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue Date have elapsed; (ii) 31 months from the Issue Date and (iii) on a monthly basis, as from the month 32 with an option to capitalize interest until month 31, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day, That is, on January 28, 2022; July 28, 2022; January 28, 2023; July 28, 2023; February 28, 2024; March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.12) Class XV and Class XVI Negotiable Obligations (GMSA) (Cont'd)

b.12.1) Class XV Negotiable Obligations (GMSA):

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in 29 consecutive installments payable on a monthly basis as from March 2024, Amortization dates for Class XV Negotiable Obligations shall be: March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026.

Payment: the negotiable obligation was paid in pesos at initial UVA value.

At December 31, 2022, interest were capitalized for UVA 2,500 thousand, Principal balance due on that Negotiable Obligation at December 31, 2022 amounts to UVA 39,121 thousand.

b.12.2) Class XVI Negotiable Obligations (GMSA):

Principal: nominal value: USD 98,773.

Interest: 7,75% annual nominal rate, Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue Date have elapsed; (ii) 31 months from the Issue Date and (iii) on a monthly basis, as from the month 32 with an option to capitalize interest until month 31, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day, That is, January 28, 2022; July 28, 2022; January 28, 2023; July 28, 2023; February 28, 2024; March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025, September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029.

NOTE 18: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.12) Class XV and Class XVI Negotiable Obligations (GMSA) (Cont'd)

b.12.2) Class XVI Negotiable Obligations (GMSA):

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in 48 consecutive installments payable on a monthly basis as from August 2025, The amortization dates for Class XVI Negotiable Obligation shall be: August 28, 2025, September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029.

Payment: the negotiable obligation was paid in pesos at initial exchange rate.

At December 31, 2022, interest were capitalized for USD 8,064.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 106,837.

The financing obtained is a limited recourse loan, It is guaranteed by the project's main equipment and a PPA contract under Resolution No, 287/17, The conditions are described below:

Guarantee trust to secure payment obligations

On July 8, 2021, the Company, as trustor, and Banco de Servicios y Transacciones S,A,, as trustee, entered into an agreement for the assignment in trust and guarantee trust in favor of Trustee of all GMSA's collection rights, to the benefit of the holders of negotiable obligations, to secure (i) compliance in a timely and proper manner as a method of payment of each and every obligation relating to and/or otherwise associated with the negotiable obligations (including, without limitation, the payment of principal, compensatory interest, penalty interest, cost, expenses and other charges and payment commitments of any nature), including the amounts that may become due and payable by reason of events of acceleration of maturities, and (ii) the application to the Project of the proceeds from the placement of the negotiable obligations.

<u>NOTE 18:</u> LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

b.12) Class XV and Class XVI Negotiable Obligations (GMSA) (Cont’d)

Guarantee trust to secure payment obligations (Cont'd)

The Company assigned under guarantee in favor of Trustee the trust ownership of all GMSA’s rights to be collected, received or accrued, as applicable: **(A)** all sums of money owed to GMSA under the Project Supply Contract, as well as those deriving from any renewal and/or amendment and/or addition and/or replacement (in whole or in part) to that Contract and/or new Project Supply Contract to be entered into with CAMMESA, provided, however, that until an event of default occurs, GMSA and the Trustee will instruct CAMMESA to transfer regarding each (monthly) invoice under the Project Supply Contract (i) a monthly amount ranging between USD 3,063 and USD 3,580, which shall be determined in a manner that defrays the projected principal and interest payments on the negotiable obligations, considering the negotiable obligation issue amount, the interest rate on the negotiable obligations and related expenses to a Trust Account, and (ii) the outstanding payment of each invoice to a margin account under guarantee; **(B)** all sums of money owed to GMSA under, in relation to, or associated with, the EPC Contract and the EPC Guarantee (once it has been provided), as well as any other GMSA's rights as beneficiary of any payment and any of the representations and warranties or indemnities thereunder; **(C)** all sums of money owed to GMSA under, in relation to, or associated with, the equipment purchase contracts, and GMSA’s rights as beneficiary of any payment and any of the representations and warranties or indemnities set forth; **(D)** all sums of money owed to GMSA under, in relation to, or associated with the long-term service agreements, as well as GMSA’s rights as beneficiary of any payment and any of the representations and warranties or indemnities set forth; **(E)** all sums of money owed to GMSA under, in relation to, or associated with any technical assistance contract for the operation of the closed cycle to be entered into by GMSA, as well as GMSA’s rights as beneficiary of any payment and any of the representations and warranties or indemnities eventually set forth in that contract; **(F)** the percentage of the collection rights corresponding to the CTE under the insurance policies and of the funds payable thereunder in relation to the Project or any payment in case of an insurance claim, The collection rights arising under the insurance policies for the project equipment shall be governed by the provisions of the pledge on the project equipment and the creditors’ agreement; **(G)** all proceeds from the placement of the negotiable obligations, which will be deposited into the construction account and disbursed only by following the disbursement procedure; **(H)** all funds deposited under guarantee into the trust accounts and the margin account at any time; **(I)** any payment for condemnation of the assets under Guarantee or for any of the agreements under which assigned rights exist; **(J)** any payment for the sale of assets actually received by GMSA under a sale of assets under guarantee or any of the agreements under which assigned rights exist; and **(K)** any payment in case of payment or termination of the Project documents.

GMSA has also taken out a bond insurance policy and designated the Trustee as beneficiary of that insurance, The funds eventually receivable by the Trustee under the bond insurance policy shall be considered part of the trust assets, guarantee and payment.

<u>NOTE 18:</u> LOANS (Cont'd)

*b) **Negotiable obligations (Cont'd)***

b.12) Class XV and Class XVI Negotiable Obligations (GMSA) (Cont'd)

Guarantee trust to secure payment obligations (Cont'd)

The funds shall be disbursed following the disbursement procedure only, The Trustee shall apply the funds available in the account to the payments of the construction costs that will be determined and reported by the Trustor to the Trustee and approved by the independent engineer at each request for construction funds.

Each request for funds for the construction of the Project shall be signed by a Trustor's authorized person and the independent engineer and shall be accompanied by the respective invoice (or debit note) and, in the case of construction costs relating to the EPC Contract, the pertinent certificate shall be attached for the works approved by the independent engineer, also expressly identifying the bank account to which payment must be made and indicating whether any withholding applies in respect of taxes, rates, contributions and/or other charges.

The guarantee trust to secure payment obligations (and their condition as beneficiaries thereunder) is considered accepted by the holders of the negotiable obligations upon payment of the amount to be paid up of the negotiable obligations awarded to them.

The funds available at the Trust may be invested in mutual funds and the Company has disclosed in its financial statements those investment under current and non-current investments based on the estimated cash flow from the capex expected by the Company for use of those funds, The funds are restricted funds administered by the trust; therefore, they were not considered cash and cash equivalents in the Company's financial statements.

<u>NOTE 18:</u> LOANS (Cont'd)

b.13) GMSA Class XVII, XVIII and XIX Negotiable Obligations

b.13.1) GMSA Class XVII Negotiable Obligations:

Principal: nominal value: USD 24,262.

Interest: 3,5% annual nominal rate, Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue Date have elapsed; (ii) 31 months from the Issue Date and (iii) on a monthly basis, as from the month 32 with an option to capitalize interest until month 31, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day, That is, November 28, 2022; May 28, 2023; November 28, 2023; May 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; and May 28, 2027.

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in 29 consecutive installments payable on a monthly basis as from January 2025, The amortization dates for Class XVII Negotiable Obligation shall be: January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027, and May 28, 2027.

Payment: the negotiable obligation was paid-in in pesos at the exchange rate applied on the date of payment.

At December 31, 2022, interest were capitalized for USD 440.

Principal balance due on those negotiable obligations at December 31, 2022 is USD 24,702.

NOTE 18: LOANS (Cont'd)

b.13) Class XVII, Class XVIII and Class XIX Negotiable Obligations (GMSA) (Cont'd)

b.13.2) GMSA Class XVIII Negotiable Obligations: (Cont'd)

Principal: nominal value: UVA 14,926 thousand equivalent to USD 15,028.

Interest: 0% annual nominal rate, Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue Date have elapsed; (ii) 31 months from the Issue Date and (iii) on a monthly basis, as from the month 32 with an option to capitalize interest until month 31, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day, That is, November 28, 2022; May 28, 2023; November 28, 2023; May 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; and May 28, 2027.

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in 29 consecutive installments payable on a monthly basis as from January 2025, The amortization dates for Class XVIII Negotiable Obligation shall be: January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027, and May 28, 2027.

Payment: the negotiable obligation was paid-in in pesos at the initial UVA value.

The principal balance due on this Negotiable Obligation at December 31, 2022 amounts to UVA 14,926 thousand.

NOTE 18: LOANS (Cont'd)

b.13) GMSA Class XVII, XVIII and XIX Negotiable Obligations (Cont’d)

b.13.3) GMSA Class XIX Negotiable Obligations:

Principal: nominal value: USD 85,710.

Interest: 6,50% annual nominal rate, Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue Date have elapsed; (ii) 31 months from the Issue Date and (iii) on a monthly basis, as from the month 32 with an option to capitalize interest until month 31, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day, That is, November 28, 2022; May 28, 2023; November 28, 2023; May 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025, September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029; August 28, 2029; September 28, 2029; October 28, 2029; November 28, 2029; December 28, 2029; January 28, 2030; February 28, 2030; March 28, 2030; April 28, 2030; May 28, 2030; June 28, 2030; July 28, 2030; August 28, 2030; September 28, 2030 October 28, 2030; November 28, 2030; December 28, 2030; January 28, 2031; February 28, 2031; March 28, 2031; April 28, 2031; May 28, 2031; June 28, 2031; July 28, 2031; August 28, 2031; September 28, 2031; October 28, 2031; November 28, 2031 December 28, 2031; January 28, 2032; February 28, 2032; March 28, 2032; April 28, 2032; and May 28, 2032.

NOTE 18: LOANS (Cont'd)

b.13) GMSA Class XVII, XVIII and XIX Negotiable Obligations (Cont'd)

b.13.3) GMSA Class XIX Negotiable Obligations: (Cont'd)

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in 60 consecutive installments payable on a monthly basis as from June 2027, The amortization dates for Class XIX Negotiable Obligation shall be: June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029; August 28, 2029; September 28, 2029; October 28, 2029; November 28, 2029; December 28, 2029; January 28, 2030; February 28, 2030; March 28, 2030; April 28, 2030; May 28, 2030; June 28, 2030; July 28, 2030; August 28, 2030; September 28, 2030; October 28, 2030; November 28, 2030; December 28, 2030; January 28, 2031; February 28, 2031; March 28, 2031; April 28, 2031; May 28, 2031; June 28, 2031; July 28, 2031; August 28, 2031; September 28, 2031; October 28, 2031; November 28, 2031; December 28, 2031; January 28, 2032; February 28, 2032; March 28, 2032; April 28, 2032; and May 28, 2032.

Payment: the negotiable obligation was paid-in in pesos at initial exchange rate.

At December 31, 2022, interest were capitalized for USD 2,885.

Principal balance due on those Negotiable Obligations at December 31, 2022 amounts to USD 88,595,

The financing obtained is a limited recourse loan, exclusive to the CTMM closure of cycle project, It is guaranteed by the project's main equipment and a PPA contract under Resolution No, 287/17, The conditions are described below:

Guarantee trust to secure payment obligations

On March 22, 2022, the Company, as trustor, and Banco de Servicios y Transacciones S,A,, as trustee, entered into an agreement for the assignment in trust and guarantee trust in favor of Trustee, to the benefit of the holders of negotiable obligations, to secure (i) due and timely compliance as a method of payment of each and every obligation relating to and/or otherwise associated with the negotiable obligations (including, without limitation, the payment of principal, compensatory interest, penalty interest, cost, expenses and other charges and payment commitments of any nature), including the amounts that may become due and payable by reason of events of acceleration of maturities, and (ii) the application to the Project of the proceeds from the placement of the negotiable obligations, This agreement was amended on May 10, 2022.

NOTE 18: LOANS (Cont'd)

b.13) GMSA Class XVII, XVIII and XIX Negotiable Obligations (Cont'd)

Guarantee trust to secure payment obligations (Cont'd)

The Company assigned (or will assign, as applicable) under guarantee in favor of Trustee the trust ownership of all GMSA's rights to be collected, received or accrued, as applicable (all of them jointly referred to as the "Assigned Rights"): (A) All sums of money owed to GMSA under the Project Supply Contract, as well as those deriving from any renewal and/or amendment and/or addition and/or replacement (in whole or in part) of said Project Supply Contract and/or a new Project Supply Contract to be entered into with CAMMESA (the "Collection Rights"), provided, however, that until an Event of Default occurs, GMSA and the Trustee will instruct CAMMESA to transfer regarding each (monthly) invoice under the Project Supply Contract (i) a monthly amount ranging between USD 2,200 and USD 2,500, which will be determined in such manner that it is sufficient to defray the projected principal and interest payments of the Negotiable Obligations, considering the Issued Amount of Negotiable Obligations, the Interest Rate on the Negotiable Obligations and the expenses related to the Negotiable Obligations (the "Transfer Amount") to a Trust Account, and (ii) the remainder of the payment of each invoice to a Margin Account under Guarantee; (B) all sums of money owed to GMSA under, in relation, or linked to, the Equipment Purchase Contracts and the Main Contracts of the Project and the Eligible Bond Insurance Policies (once they have been underwritten), as well as any other rights of GMSA as a beneficiary of any payment and any of the representations and warranties or indemnities thereunder; including, but not limited to, all sums of money owed to GMSA under, in relation, or linked to, the Equipment Purchase Contracts, and the rights of GMSA as a beneficiary of any payment and any of the representations and warranties or indemnities established; (C) all sums of money owed to GMSA under, in relation, or linked to, the Long-Term Service Contracts, as well as the rights of GMSA as a beneficiary of any payment and any of the representations and warranties or indemnities established; (D) the percentage of the collections rights of Maranzana Power Plant under the Insurance Policies and the funds payable thereunder in relation to the Project or any other payment in the event of an Insurance Claim, The collection rights arising under the insurance policies for the Project Equipment shall be governed by the provisions of the Pledge on the Project Equipment and the Creditors' Agreement; (E) all proceeds from the placement of the Negotiable Obligations, which will be deposited into the Construction Account and disbursed only by following the Disbursement Procedure; (F) all funds deposited under guarantee into the Trust Accounts and the Margin Account at any time; (G) any payment for Condemnation of the Assets under Guarantee or for any of the agreements under which Assigned Rights exist; (H) any payment for the sale of assets actually received by GMSA under a Sale of Assets under guarantee or any of the agreements under which Assigned Rights exist; and (I) any payment in Case of Payment or Termination of the Project Documents.

GMSA has also taken out a bond insurance policy and designated the Trustee as beneficiary of that insurance. The funds eventually receivable by the Trustee under the bond insurance policy shall be considered part of the trust assets, guarantee and payment.

NOTE 18: LOANS (Cont'd)

b.13) GMSA Class XVII, XVIII and XIX Negotiable Obligations (Cont'd)

Guarantee trust to secure payment obligations (Cont'd)

The Company will irrevocably instruct the underwriters of the Negotiable Obligations so that the proceeds from the placement is made available to the Trustee, net of the placement expenses, who will deposit or invest those proceeds as set forth in the Guarantee Trust Agreement following the Disbursement Procedure.

The funds shall be disbursed following the disbursement procedure only, The Trustee shall apply the funds available in the account to the payments of the construction costs that will be determined and reported by the Trustor to the Trustee and approved by the independent engineer at each request for construction funds.

Each request for funds for the construction of the Project shall be signed by a Trustor's authorized person and the independent engineer and shall be accompanied by the respective invoice (or debit note) and the pertinent certificate for the works approved by the independent engineer, also expressly identifying the bank account to which payment must be made and indicating whether any withholding applies in respect of taxes, rates, contributions and/or other charges.

The guarantee trust to secure payment obligations (and their condition as beneficiaries thereunder) is considered accepted by the holders of the negotiable obligations upon payment of the amount to be paid up of the negotiable obligations awarded to them.

The funds available at the Trust may be invested in mutual funds and the Company has disclosed in its financial statements those investment under current and non-current investments based on the estimated cash flow from the capex expected by the Company for use of those funds, The funds are restricted funds administered by the trust; therefore, they were not considered cash and cash equivalents in the Company's financial statements.

b.14) Request for incorporation into the public offering system and creation of a global program to issue negotiable obligations for up to USD 200,000 (GLSA)

On October 11, 2022 the shareholders of GLSA unanimously approved its incorporation into the public offering system of securities in accordance with the Capital Market Law and CNV rules, to be placed under the control of the CNV and subject to compliance with the public information requirements of this system.

In addition, the shareholders decided to create a global program to issue negotiable obligations for up to USD 200,000 (or its equivalent in other currencies or value or measuring units), for the issuance of one or more classes or series of negotiable obligations. To date, this request is pending approval by the CNV.

NOTE 18: LOANS (Cont'd)

c) Loan JPMorgan Chase Bank. N.A.

On July 6, 2020, a loan was signed with JPMorgan Chase Bank, N,A for USD 14,808.

The loan is secured by the Export-Import Bank of the United States.

The allocation of funds is the financing of 85% of the service agreement signed with PWPS for the maintenance and upgrade of certain turbines in the plant Modesto Maranzana, located in Río Cuarto, Disbursements under the loan shall be made in stages associated to milestones for the compliance with the service to be provided by PWPS in their workshops in United States of America.

The loan will accrue interest at a rate of 1% plus 6-month LIBOR, Interest are payable on a half-year basis, The loan will be amortized in 10 half-yearly installments, with the first one falling due on May 20, 2021 and the last one on November 20, 2025.

On December 22, 2020, the first disbursement was made for USD 3,048.

A second disbursement was made on February 26, 2021 for USD 3,048, while a third disbursement was made on March 23, 2021 for USD 2,616.

On April 5, 2021 the last disbursement was made for USD 6,096.

At December 31, 2022, the principal balance due under the loan amounts to USD 8,885.

d) BLC Loan

Principal: USD 13,037,

Interest: 12% for the period from 12/17/2020 to 12/13/2021 and 12-month LIBOR + 11% with a floor of 12% from 02/14/2021 to 06/12/2023.

Payment term and method: Amortization: Principal will be amortized in 9 installments, with the first one falling due on June 13, 2021 and the last one on June 12, 2023.

On December 17, those conditions precedent were fulfilled, and the amendments to BLC loan became effective, It amended the payment schedule and the maturity date, with the aim of reducing payments of principal maturing over the next 24 months, At the same time, the amendment fulfilled the requirements of Communication “A” 7106 of the Central Bank.

Principal balance due at December 31, 2022 amounts to USD 6,076.

At December 31, 2022, the Company has complied with the loan-related covenants.

NOTE 19: LEASES

This note provides information on leases in which the Group acts as lessor,

Amounts recognized in the statement of Financial Position:

	12,31,2022	12,31,2021
Right of use of assets		
Original values		
Machinery	21,254	21,073
Vehicles	803	9
Right of use	-	1,368
Accumulated depreciation	(1,989)	(850)
	20,068	21,600
Lease liabilities		
Current	69	1,082
Non-current	308	925

Changes in Group finance leases were as follows:

	12,31,2022	12,31,2021
Financial lease at beginning	2,007	1,084
Addition	645	-
Withdrawals	(1,546)	-
Addition due to merger/consolidation	-	1,404
Payments made for the period	(825)	(849)
Interest paid	(120)	(118)
Accrued interest and exchange difference	(1,081)	168
Gain/(loss) on net monetary position (RECPAM)	1,297	318
Financial lease at the year-end	**377**	**2,007**

NOTE 20: ALLOWANCES AND PROVISIONS

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company, In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered, They include the activity of the provision for trade and other receivables disclosed in the pertinent captions.

	For trade receivables	For other receivables
Balances at December 31, 2021	**27**	**18**
(Decreases)	(1)	(18)
Exchange difference	(11)	-
Balances at December 31, 2022	**15**	**-**

At December 31, 2022, the provision for contingencies has been paid.

NOTE 21: SOCIAL SECURITY LIABILITIES

	12/31/2022	12/31/2021
Current		
Salaries payable	8	4
Social security liabilities payable	1,232	1,662
Provision for vacation pay and Christmas bonus	470	462
Bonus accrual	-	211
	1,710	**2,339**

NOTE 22: TAX PAYABLES

	12/31/2022	12/31/2021
Current		
Withholdings to be deposited	541	624
Payment-in-installment plan	402	1,556
National Fund of Electric Energy	105	94
Value added tax payable	1,319	-
Turnover tax payable	54	79
Other	61	24
	2,482	**2,377**

NOTE 23: INCOME TAX

Deferred assets and liabilities are offset when: a) there is a legally enforceable right to offset tax assets with tax liabilities; and b) the deferred tax charges are related to the same tax authority, The following amounts, determined after offsetting, are disclosed in the Statement of Financial Position.

	12/31/2022	12/31/2021
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	-	-
	-	**-**
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(107,583)	(108,430)
	(107,583)	**(108,430)**
Deferred tax (liabilities), net	**(107,583)**	**(108,430)**

NOTE 23: INCOME TAX (Cont'd)

The gross transactions recorded in the deferred tax account are as follows:

	12/31/2022	12/31/2021
Balance at beginning of year	(108,430)	(117,643)
Addition due to merger/consolidation	-	(42,463)
Charge to Income Statement	800	66,594
Charge to other comprehensive income/(loss)	47	(14,918)
Balance at year end	**(107,583)**	**(108,430)**

The activity in deferred tax assets and liabilities, without considering the offsetting of balances that correspond to the same tax jurisdiction, has been as follows:

Items	Balances at December 31, 2021	Charge to income statement	Charge to other comprehensive income/(loss)	Balances at December 31, 2022
		USD		
Deferred tax - Assets (Liabilities)				
Property, plant and equipment	(175,387)	(3,972)	-	(179,359)
Investments	(4,047)	(9,680)	-	(13,727)
Trade receivables	18	(20)	-	(2)
Other receivables	(2,777)	1,122	-	(1,655)
Loans	(2,941)	877	-	(2,064)
Inventories	93	(1,091)	-	(998)
Provisions	584	(360)	47	271
Deferred assets allowance	-	(371)	-	(371)
Inflation adjustment	(50,544)	29,618	-	(20,926)
Subtotal	**(235,001)**	**16,123**	**47**	**(218,831)**
Deferred tax losses	126,571	(15,323)	-	111,248
Subtotal	**126,571**	**(15,323)**	**-**	**111,248**
Total	**(108,430)**	**800**	**47**	**(107,583)**

On June 16, 2021, the National Executive Branch enacted Law No, 27630, Detailed below are the amendments introduced by the law:

- Income Tax rate: the fixed rate for companies has been eliminated and a new progressive rate structure has been established for Income Tax, with three segments according to the range of cumulative taxable net income, The new rates are the following: 25% for cumulative taxable net income ranging between $0 and $5 million; 30% for the second segment, between $5 million and $50 million; and 35% for taxable income in excess of $50 million, It is also established that the fixed amounts in the tax brackets shall be adjusted by applying the CPI for fiscal years beginning on or after January 1, 2022.

- Tax on dividends: the 7% rate shall apply.

Amendments are applicable for annual reporting periods beginning on or after January 1, 2021.

NOTE 23: INCOME TAX (Cont'd)

By means of Law No, 27701 on the National Budget for 2023, it was established that taxpayers which compute, under Title VI of the Income Tax Law, a positive adjustment for inflation for the first and the second fiscal year beginning on or after January 1, 2022, may allocate one third of such adjustment for inflation in that fiscal period, and the remaining two thirds may be allocated in equal parts in the two fiscal periods immediately following.

The computation of the positive adjustment for inflation under the terms of the foregoing paragraph may only be applicable to taxpayers whose investment in the purchase, construction, manufacture, production or final import of fixed assets, except vehicles, in each of the two fiscal periods immediately following that of the computation of one third of a given period, is equal to or higher than thirty billion ($30,000,000,000), Failure to comply with this requirement will result in the benefit loss.

Extraordinary prepayment

By means of General Resolution No 5248/22, AFIP established an Income Tax prepayment to be made by the so-called *corporate taxpayers* that comply with the following parameters:

- the determined tax amount reported on the tax return for the fiscal period 2021 or 2022, as applicable, was equal to or higher than ARS 100,000,000, or

- the amount of the taxable income, as shown by the tax return mentioned above, without applying the deduction of prior years' tax losses, was equal to or higher than $ 300,000,000.

The prepayment amount is calculated by applying 25% on prior year's determined tax if higher than zero (0), or 15% on the taxable income before computing losses in all other cases.

It was also established that the determined tax prepayment shall be made in three (3) equal and consecutive installments as from October 2022 onwards (according to the year's closing date).

The tax prepayment shall be computable in tax period 2022 for years ended between August and December 2021 and in tax period 2023 for years ended between January and July 2022, It was applicable to the Company and a tax credit for USD 5,016 was disclosed under Other current receivables (see Note 10).

NOTE 23: INCOME TAX (Cont'd)

The reconciliation between the income tax charged to income to that resulting from the application of the tax rate in force in Argentina to the pre-tax profit for the years ended on December 31, 2022 and 2021 is the following:

	12/31/2022	12/31/2021
Pre-tax profit/(loss)	(1,098)	13,316
Current tax rate	35%	35%
Income/(loss) at the tax rate	**384**	**(4,661)**
Permanent differences	597	(1,387)
Difference between the Income Tax provision for the prior period and the tax returns	(7)	61
Income/(loss) from interests in associates	(254)	(167)
Change in the income tax rate (a)	-	(40,703)
Variation in tax losses	-	(50)
Unrecognized tax losses	(2,391)	-
Accounting inflation adjustment	(128)	(300)
Inflation adjustment for tax purposes and restatement of tax losses	(62,275)	86,107
Expiration of Minimum Notional Income Tax	(23)	-
Effects of exchange and translation differences of property, plant and equipment	63,347	27,237
Discontinued operations	1,527	457
Income tax	**777**	**66,594**

	12/31/2022	12/31/2021
Deferred tax	807	66,533
Variation between the income tax provision and the tax returns	(7)	61
Expiration of Minimum Notional Income Tax	(23)	-
Income tax	**777**	**66,594**

(a) Corresponds to the effect of the application of the changes in income tax rates on deferred tax assets and liabilities, in line with the tax reform detailed above, based on the expected year of realization, The impact of the change in the rate was recognized in income for the period, except in the case of the adjustment to deferred liabilities generated from application of the revaluation model for certain types of property, plant and equipment, as it is related to items previously recognized in Other comprehensive income/(loss), This impact has been disclosed in the Statement of Other Comprehensive Income.

The deferred tax assets due to tax losses are recognized insofar as the realization of the corresponding fiscal benefit through future taxable income is probable.

Income tax losses arising from GMSA and CTR are valued at the rate prevailing in the year in which they are expected to be used, considering their index-adjustment in line with the tax-purpose inflation adjustment procedures mentioned in Note 3, Based on the guidelines of IFRIC 23 - Uncertainty over Income Tax Treatments and in accordance with the opinion of the legal and tax advisors, the Company has restated for inflation the tax losses using the Wholesale Price Index, pursuant to Section 19 of the Income Tax Law, The Company recognizes the deferred tax assets only if there are sufficient future taxable profits against which the tax losses may be offset.

NOTE 23: INCOME TAX (Cont'd)

At December 31, 2022, accumulated tax losses amount to USD 317,851 and pursuant to the tax laws in force, they can be offset against tax profits from future fiscal years according to the following breakdown:

Year	Amount in USD	Year of expiration
Tax loss for the period 2018	107,365	2023
Tax loss for the period 2019	123,289	2024
Tax loss for the period 2020	87,833	2025
Tax loss for the period 2021	1,163	2026
Tax loss for the period 2022 (*)	7,167	2027
Total accumulated tax losses at December 31, 2022	**326,817**	
Unrecognized tax losses	(8,966)	
Recorded tax losses	**317,851**	

(*) From losses generated in 2022, USD 7,401 are specific losses.

NOTE 24: DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH PERSONNEL

A detailed description of the estimated cost and liability for benefits after retirement granted to employees of CTR, GMSA and GROSA is included below, These benefits are:

- A bonus for all the employees retiring under the differential regime of Decree No, 937/74, when reaching 55 years of age and 30 years of service, consisting in 10 salaries, augmented by 2% per each year of service exceeding the first 5 years.
- A bonus for service length, consisting in paying one salary after 20 years of employment (17 years, for women) plus another one every 5 years up to 35 years' service (32 years, for women) and two more salaries upon reaching 40 years of service (37 years, for women).

The liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned above were determined considering all the rights accrued by the beneficiaries until closing date of the year ended December 31, 2022, based on an actuarial study performed by an independent professional at that date, The actuarial method applied by the Group is the Projected Benefit Unit method.

The amounts and conditions vary according to the collective bargaining agreement.

	12/31/2022	12/31/2021
Defined benefit plan		
Non-current	804	909
Current	51	148
Total	**855**	**1,057**

NOTE 24: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

Changes in the Company's obligations for benefits at December 31, 2022 and 2021 are as follows:

	12/31/2022	12/31/2021
Present value of the obligations for benefits	855	1,057
Obligations for benefits at year end	**855**	**1,057**

The actuarial assumptions used were:

	12/31/2022	12/31/2021
Interest rate	5,5%	5,5%
Salary growth rate	1,0%	1%
Inflation	82,8%	45%

At December 31, 2022 and 2021, CTR, GMSA and GROSA do not have assets related to pension plans.

The charge recognized in the statement of comprehensive income is as follows:

	12/31/2022	12/31/2021
Cost of current services	137	88
Interest charges	230	256
Actuarial loss through Other comprehensive income/(loss)	134	14
Cost of current services from discontinued operations	13	21
Interest charges from discontinued operations	64	111
Actuarial (gain)/loss through Other comprehensive income/(loss) from discontinued operations	(248)	40
Total cost	**330**	**530**

Changes in the obligation for defined benefit plans are as follows:

	12/31/2022	12/31/2021
Balance at beginning of year	1,057	489
Addition due to merger/consolidation	-	342
Cost of current services	137	81
Interest charges	352	256
Actuarial (gain)/loss through Other comprehensive income/(loss)	134	14
Payments of benefits	(23)	(170)
Exchange differences	(462)	(21)
Translation differences	-	21
Gain/(loss) on net monetary position (RECPAM)	(56)	(127)
Discontinued operations	(284)	165
Closing balances	**855**	**1,057**

Estimates based on actuarial techniques involve the use of statistical tools, such as the demographic tables used in the actuarial valuation of the Group active personnel, To determine mortality for the Group active personnel, the mortality table "RP 2000" has been used, In general, a mortality table shows, for each age group, the probability that a person in that age group will die before reaching a predetermined age, Mortality tables are elaborated separately for men and women, given that both have substantially different mortality rates.

To estimate total and permanent disability due to any cause, the table "Pension Disability Table 1985" has been used.

NOTE 24: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

To estimate the probability that the Group active personnel will leave the job or stay, the table "ESA 77" has been used,

The liabilities related to the above-mentioned benefits were determined considering all the rights accrued by the beneficiaries of the plans until closing date of the year ended December 31, 2022.

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

The following tables show the financial assets and financial liabilities per category of financial instruments and reconciliation with the line exposed in the Statement of Financial Position, as applicable, As the captions Trade and other receivables and Trade and other payables contain both financial instruments and financial assets or liabilities, such as advances, receivables and tax debts), the reconciliation is shown in Non-financial assets and Non-financial liabilities.

Financial assets and liabilities at December 31, 2022 and 2021 were as follows:

At December 31, 2022	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and others	56,398	-	52,509	108,907
Financial assets at fair value through profit or loss	-	128,200	-	128,200
Cash and cash equivalents	18,929	1,635	-	20,564
Non-financial assets	-	-	1,087,391	1,087,391
Total	**75,327**	**129,835**	**1,139,900**	**1,345,062**
Liabilities				
Trade and other payables	47,345	-	-	47,345
Derivative instruments	-	42	-	42
Loans (finance leases excluded)	933,600	-	-	933,600
Finance leases	377	-	-	377
Non-financial liabilities	-	-	112,630	112,630
Total	**981,322**	**42**	**112,630**	**1,093,994**

At December 31, 2021	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and others	47,862	-	88,104	135,966
Financial assets at fair value through profit or loss	-	87,968	-	87,968
Cash and cash equivalents	6,664	10,829	-	17,493
Non-financial assets	-	1	926,942	926,943
Total	**54,526**	**98,798**	**1,015,046**	**1,168,370**
Liabilities				
Trade and other payables	62,510	-	-	62,510
Derivative instruments	-	492	-	492
Loans (finance leases excluded)	735,183	-	-	735,183
Finance leases	2,007	-	-	2,007
Non-financial liabilities	-	-	114,203	114,203
Total	**799,700**	**492**	**114,203**	**914,395**

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

The categories of financial instruments were determined based on IFRS 9,

Below are presented the revenues, expenses, profits and losses arising from each financial instrument category.

At December 31, 2022	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Assets/Liabilities at fair value	Total
Interest earned	12,073	-	-	-	12,073
Interest paid	-	(67,437)	-	-	(67,437)
Changes in the fair value of financial instruments	-	-	-	(4,450)	(4,450)
Income/(loss) from repurchase of negotiable obligations	-	130	-	-	130
Exchange differences, net	(126,678)	130,712	-	-	4,034
Other financial costs	-	(7,577)	(586)	(29,567)	(37,730)
Total	**(114,605)**	**55,828**	**(586)**	**(34,017)**	**(93,380)**

At December 31, 2021	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Assets/Liabilities at fair value	Total
Interest earned	9,028	-	-	-	9,028
Interest paid	-	(73,123)	-	-	(73,123)
Changes in the fair value of financial instruments	-	-	-	1,104	1,104
Income/(loss) from repurchase of negotiable obligations	-	(2,552)	-	-	(2,552)
Exchange differences, net	(89,989)	83,366	-	-	(6,623)
Recovery / Impairment of assets	-	-	(1,953)	-	(1,953)
Other financial costs	-	(5,425)	462	(12,432)	(17,395)
Total	**(80,961)**	**2,266**	**(1,491)**	**(11,328)**	**(91,514)**

Determination of fair value

GMSA classifies fair value measurements of financial instruments using a three-level hierarchy, which gives priority to the inputs used in making such measurements, Fair value hierarchies:

- Level 1: Inputs such as (unadjusted) quoted prices in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i,e,, prices) or indirectly (i,e, deriving from prices).

- Level 3: Inputs on the assets or liabilities not based on observable market inputs (i,e, unobservable inputs).

These charts show financial assets and liabilities of the Group measured at fair value at December 31, 2022 and 2021 and their allocation to the different hierarchy levels:

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

At December 31, 2022	Level 1	Level 3	Total
Assets			
Cash and cash equivalents			
Mutual funds	1,635	-	1,635
Financial assets at fair value through profit or loss			
Mutual funds	128,200	-	128,200
Investment in shares	-	-	-
Property, plant and equipment at fair value	-	593,234	593,234
Total	**129,835**	**593,234**	**723,069**
Liabilities			
Derivative instruments			
Derivative instruments	(42)	-	(42)
Total	**(42)**	**-**	**(42)**

At December 31, 2021	Level 1	Level 3	Total
Assets			
Cash and cash equivalents			
Mutual funds	10,829	-	10,829
Financial assets at fair value through profit or loss	-	-	-
Mutual funds	87,968	-	87,968
Investment in shares	-	1	1
Property, plant and equipment at fair value	-	574,752	574,752
Total	**98,797**	**574,753**	**673,550**
Liabilities			
Derivative instruments			
Derivative instruments	(492)	-	(492)
Total	**(492)**	**-**	**(492)**

There were no reclassifications of financial instruments among the different levels.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the Statement of Financial Position, A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis, The quoted market price used for financial assets held by the Company is the current bid price, These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates, If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2, No financial instruments should be included in Level 2, If one or more of the significant inputs is not based on observable market inputs (i,e, unobservable inputs), the instrument is included in Level 3, These instruments are included in Level 3, These instruments are included in Level 3, This is the case of the revaluation of certain categories of property, plant and equipment.

NOTE 25: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

Specific valuation techniques used to determine the fair value of property, plant and equipment include:

a) The fair values of real properties and land have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value at December 31, 2022.

b) The fair values of Facilities and Machinery and turbines have been calculated by means of the discounted cash flows (see Note 4).

The fair value determination of property, plant and equipment is significantly affected by the dollar exchange rate, This situation, valuation processes and results are discussed and approved by the Board of the Companies at least once a year.

NOTE 26: SALES REVENUE

	12/31/2022	12/31/2021
Sale of energy Res. No. 95. as amended. plus spot	17,772	7,294
Energía Plus sales	44,705	38,345
Sale of electricity Res. No. 220	75,542	99,826
Sale of electricity Res. No. 21	59,417	59,766
	197,436	**205,231**

NOTE 27: COST OF SALES

	12/31/2022	12/31/2021
Cost of purchase of electric energy	(37,903)	(32,137)
Cost of gas and diesel consumption at the plant	(135)	(1,844)
Salaries and social security charges	(8,944)	(7,143)
Defined benefit plan	(137)	(88)
Other employee benefits	(213)	(152)
Fees for professional services	(107)	(66)
Depreciation of property, plant and equipment	(36,842)	(36,900)
Insurance	(2,825)	(2,611)
Maintenance	(6,650)	(6,110)
Electricity, gas, telephone and postage	(330)	(283)
Rates and taxes	(421)	(585)
Travel and per diem	(17)	(11)
Security guard and cleaning	(881)	(755)
Miscellaneous expenses	(96)	(70)
	(95,501)	**(88,755)**

NOTE 28: SELLING EXPENSES

	12/31/2022	12/31/2021
Rates and taxes	(564)	(502)
	(564)	**(502)**

NOTE 29: ADMINISTRATIVE EXPENSES

	12/31/2022	12/31/2021
Salaries and social security charges	(845)	(1,013)
Leases	(323)	(367)
Fees for professional services	(11,039)	(7,340)
Insurance	(1)	(3)
Directors' fees	(1,354)	(790)
Electricity, gas, telephone and postage	(225)	(105)
Rates and taxes	(724)	(355)
Travel and per diem	(688)	(420)
Gifts	(55)	(42)
Miscellaneous expenses	(455)	(236)
	(15,709)	**(10,671)**

NOTE 30: OTHER OPERATING INCOME

	12/31/2022	12/31/2021
Sale of property, plant and equipment	471	-
Revenue from storage and dispatch services	6,501	-
Miscellaneous income	373	4
Total Other operating income	**7,345**	**4**

NOTE 31: FINANCIAL RESULTS

	12/31/2022	12/31/2021
Financial income		
Interest on loans granted	1,393	1,366
Commercial interest	10,680	7,662
Total financial income	**12,073**	**9,028**
Financial expenses		
Interest on loans	(63,689)	(67,924)
Commercial and other interest	(3,748)	(5,199)
Bank expenses and commissions	(1,070)	(461)
Total financial expenses	**(68,507)**	**(73,584)**
Other financial results		
Exchange differences, net	4,034	(6,623)
Changes in the fair value of financial instruments	(4,450)	1,104
Income/(loss) from repurchase of negotiable obligations	130	(2,552)
Impairment of assets	-	(1,953)
Difference in UVA value	(29,567)	(12,432)
Gain/(loss) on purchasing power parity	(586)	462
Other financial results	(6,507)	(4,964)
Total other financial results	**(36,946)**	**(26,958)**
Total financial results, net	**(93,380)**	**(91,514)**

NOTE 32: EARNINGS/(LOSSES) PER SHARE

Basic

Basic earnings/(losses) per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the fiscal year.

-	12/31/2022	12/31/2021
Income from continuing operations attributable to the owners of the company for the year	57	75,594
Weighted average of outstanding ordinary shares	203,124	203,124
Basic and diluted earnings per share from continuing operations	**0,00**	**0,37**

	12/31/2022	12/31/2021
(Loss) from discontinued operations attributable to the owners of the company for the year	(4,144)	(1,239)
Weighted average of outstanding ordinary shares	203,124	203,124
Basic and diluted (losses) per share from discontinued operations	**(0,02)**	**(0,01)**

	12/31/2022	12/31/2021
(Loss)/Income for the year attributable to the owners of the company	(4,087)	74,355
Weighted average of outstanding ordinary shares	203,124	203,124
Basic and diluted (losses)/earnings per share	**(0,02)**	**0,37**

There are no differences between the calculation of the basic earnings/(losses) per share and the diluted earnings/(losses) per share.

NOTE 33: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Transactions with related parties and associates

		12/31/2022	12/31/2021
		USD	
		Income/(Loss)	
Purchase of electric energy and gas			
RGA [(1)]	Related company	(8,662)	(8,619)
Solalban Energía S.A.	Associate	(16)	(119)
Purchase of wines			
BDD	Related company	(153)	(89)
Purchase of flights			
AJSA	Related company	(1,557)	(984)
Purchase of spare parts			
AESA	Related company	(68)	-
Sale of energy			
Solalban Energía S.A.	Associate	1	80
Leases and services agreements			
RGA	Related company	(16,139)	(10,938)
Recovery of expenses			
RGA	Related company	(139)	(101)
AESA	Related company	721	588
AJSA	Related company	-	4
Gas pipeline works and closure of cycle			
RGA	Related company	-	(1,303)
Work management service			
RGA	Related company	(3,976)	(3,008)
Interest generated due to loans granted			
Directors/Shareholders	Related parties	1,043	1,266
Centennial S.A.	Related company	287	48
GMOP	Associate	56	-
Commercial interest			
RGA	Related company	(590)	(998)
Guarantees provided/received			
RGA	Related company	-	(90)
AJSA	Related company	2	3
Exchange difference			
RGA	Related company	(793)	370

(1) They correspond to gas purchases, which are partly assigned to CAMMESA within the framework of the Natural Gas Dispatch Procedure for power generation,

NOTE 33: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

b) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive), Their remunerations for the years ended on December 31, 2022 and 2021 amounted to USD 873 and USD 854, respectively.

	12/31/2022	12/31/2021
	USD	
	Income/(Loss)	
Salaries	(873)	(854)
	(873)	**(854)**

b) Balances at the date of the consolidated Financial Statements

Captions	Type	12/31/2022	12/31/2021
NON-CURRENT ASSETS			
Other receivables			
Loans to Directors/Shareholders	Related company	5,816	-
TEFU S.A.	Related company	103	177
GM Operaciones S.A.C.	Associate	1,542	-
CBEI LLC.	Related company	268	-
		7,729	**177**
CURRENT ASSETS			
Other receivables			
Centennial S.A.	Related company	-	635
RGA	Related company	21	-
GM Operaciones S.A.C.	Associate	514	-
AESA	Related company	721	-
Loans to Directors/Shareholders	Related parties	-	7,308
Advances to Directors	Related parties	81	-
		1,337	**7,943**
NON-CURRENT LIABILITIES			
Other liabilities			
GM Operaciones S.A.C. - Capital to be paid-in (Note 41)	Associate	784	-
		784	**-**
CURRENT LIABILITIES			
Trade payables			
Solalban Energía S.A.	Associate	-	5
AJSA	Related company	-	520
RGA	Related company	5,641	1,432
		5,641	**1,957**
Other liabilities			
BDD	Related company	55	1
Directors' fees	Related parties	306	275
		361	**276**

NOTE 33: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

d) Loans granted to and received from related parties

	12/31/2022	12/31/2021
Loans to ASA (1)		
Balance at beginning of year	-	59,130
Addition due to merger	-	(59,130)
Balance at year end	**-**	**-**

	12/31/2022	12/31/2021
Loans to Centennial S.A.		
Balance at beginning of year	**635**	**-**
Loans granted	931	605
Loans repaid	(1,871)	-
	18	(18)
Accrued interest	287	48
Balance at year end	**-**	**635**

	12/31/2022	12/31/2021
Loans received from CTR (2)		
Balance at beginning of year	-	(19,885)
Loans added due to merger but eliminated from consolidation	-	19,885
Balance at year end	**-**	**-**

	31,12,22	31,12,21
Loans received from GMOP		
Balance at beginning of year	-	-
Loans granted	1,937	-
Accrued interest	56	-
Exchange difference	160	-
Balance at year end	**2,153**	**-**

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
12/31/2022			
GMOP	1,500	15%	Subordinated to loan with Gramercy
GMOP	500	15%	Maturity date: 24/10/2027
Total in US dollars	**2,000**		

(1) Company merged into GMSA as from January 1, 2021, as a result of the merger by absorption of GMSA with ASA and GECEN, At December 31, 2020, parent company of GMSA.

(2) Subsidiaries of GMSA as from January 1, 2021, as a result of the merger by absorption of GMSA with ASA and GECEN, At December 31, 2020, related companies of GMSA.

NOTE 33: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

d) Loans granted to and received from related parties (Cont'd)

	12/31/2022	12/31/2021
Loans to Directors/Shareholders		
Balance at beginning of year	7,308	782
Loans added due to merger/consolidation	-	5,432
Loans granted	7,149	3,995
Loans repaid	(8,960)	(3,000)
Accrued interest	1,043	1,287
Exchange difference	(505)	(1,134)
Translation difference	(219)	(59)
Balance at year end	**5,816**	**7,308**

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At December 31, 2022			
Directors/Shareholders	679	Badlar + 3%	Maturity date: 1 year
Directors/Shareholders	4,275	25%	Maturity date: 1 year
Total in USD	**4,954**		

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date, No provisions have been recorded for these receivables from related parties in any of the periods covered by these consolidated Financial Statements, Trade payables with related parties arise mainly from transactions of purchases of gas and fall due in the month following the transaction date, Transactions with related parties are performed under similar conditions to those carried out with independent parties.

NOTE 34: WORKING CAPITAL

At December 31, 2022, the Company reports a surplus of USD 448 in its working capital (calculated as current assets less current liabilities), which means a decrease of USD 93,327, compared to the surplus in working capital at December 31, 2021 (USD 93,774), The Board of Directors and the shareholders will implement measures to improve the working capital.

EBITDA(*) at December 31, 2022 amounted to USD 129,849, in line with projections, which shows compliance with the objectives and efficiency of the transactions carried out by the Group.

(*) Amount not covered by the Audit Report, It was determined based on the guidelines of the international bonds.

NOTE 35: SEGMENT REPORTING

The information on exploitation segments is presented in accordance with the internal information furnished to the chief operating decision maker (CODM), The Board of Directors of the Company has been identified as the highest authority in decision-making, responsible for allocating resources and assessing the performance of the operating segments.

The management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

The Board of Directors considers the business as a single segment: the electricity segment, It comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, service delivery, management and execution of works of any nature.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business.

NOTE 36: GROSA - DISCONTINUED OPERATIONS - LEASE AGREEMENT, SETTLEMENT AGREEMENT AND MANAGEMENT CONTRACT ENTERED INTO WITH CENTRAL TÉRMICA SORRENTO S.A.

On April 27, 2011 the Ordinary Shareholders' Meeting of Central Térmica Sorrento S,A, unanimously approved a lease contract with GROSA; the purpose of the agreement is to rent both the building and the assets added to the Power Plant, including the generator, equipment and other available property, plant and equipment and spare parts, The contract was effectively valid as from November 15, 2010 (with a 9-month grace period) and has a set term of 10 years, with a renewal option for 7 additional years, The first fee installment was invoiced on August 1, 2011.

On December 23, 2015 the reorganization proceeding of Central Térmica Sorrento S,A, was initiated, This situation does not affect the lease agreement mentioned above or the electric power generation business.

On November 10, 2016, a mediation hearing was closed without reaching an agreement in connection with the eviction of the property under a lease agreement mentioned in the preceding paragraph, GROSA estimates that it is highly unlikely that the eviction will take place as Central Térmica Sorrento S.A. has no right to be granted this order.

In the case “Central Térmica Sorrento S.A. c/ Generación Rosario S.A. s/Medidas Precautorias” (Central Térmica Sorrento S.A. v, Generación Rosario S.A. on precautionary measures), an attachment was levied on the funds that CAMMESA should settle with Generación Rosario S.A. for $13,817 thousand, plus interest for $6,900 thousand, which was recorded by CAMMESA in the settlement dated December 12, 2017, In reply to this resolution, on April 17, 2018 the attachment decreed against GROSA was replaced with a bond insurance policy, The sums subject to the court-ordered attachment were returned to the Company on June 28, 2018.

Furthermore, payment of monthly rentals through judicial consignment was requested in re, “Generación Rosario S.A. c/ Central Térmica Sorrento s/ Consignación” (“Generación Rosario S.A. v, Central Térmica Sorrento on Consignment”).

NOTE 36: GROSA - DISCONTINUED OPERATIONS - LEASE AGREEMENT, SETTLEMENT AGREEMENT AND MANAGEMENT CONTRACT ENTERED INTO WITH CENTRAL TÉRMICA SORRENTO S.A. (Cont'd)

In December 2020, GROSA decided to exercise the option to extend the term of the lease contract, it being executed on February 10, 2021, Therefore, the useful life of property, plant and equipment has been adjusted at the end of fiscal year 2020.

On May 23, 2022, GROSA and Central Térmica Sorrento S.A. ("CTS") entered into a settlement agreement whereby they decided to put an end to all reciprocal pending legal actions; at the date of issuance of these condensed interim consolidated Financial Statements, the pertinent presentations had been filed in the court records, Further, on the date of execution of the Settlement Agreement with Central Térmica Sorrento, GROSA restored the real property where the power plant is located, retaining its management for a term of 60 (sixty) business days or until the Energy Secretariat acknowledges the change of ownership in favor of CTS as WEM Agent, For this purpose, a Management Contract was entered into to regulate the operation of the power plant during this period.

Within the framework of the Settlement Agreement, the following items were agreed upon as sole and full compensation for the occupation and use of the real property and thermal power plant until the date of execution of the agreement and/or any other liability that might be owed by GROSA as a result of its relationship with CTS and its effects: i) the entire amounts deposited by GROSA in the case "Generación Rosario S.A. c/ Central Térmica Sorrento S.A. s/ Consignación", Case record No, 3181/2016 (the "Consignment Case"), plus interest; (ii) an amount of ARS 8,924 thousand, payable in two equal installments of ARS 4,147 thousand each, the first one on May 27, 2022 and the second on June 27, 2022; and (iii) an amount of ARS 96,357 thousand, plus VAT, which by mutual agreement was considered as paid by being offset against the receivable in favor of GROSA from the assignment to CTS of the improvements on the power plant and the building where it is located.

On September 16, 2022, through Resolution RESOL-2022-654-APN-SE#MEC, the Energy Secretariat authorized the change of ownership in favor of CTS as WEM Agent.

NOTE 36: GROSA - DISCONTINUED OPERATIONS - LEASE AGREEMENT, SETTLEMENT AGREEMENT AND MANAGEMENT CONTRACT ENTERED INTO WITH CENTRAL TÉRMICA SORRENTO S,A, (Cont'd)

DISCONTINUED OPERATIONS

The Statement of Comprehensive Income in relation to discontinued operations is disclosed below:

	Electric power generation - GROSA	
	Year ended on	
	12/31/2022	12/31/2021
Sales revenue	1,352	2,934
Cost of sales	(1,819)	(4,624)
Gross income	**(467)**	**(1,690)**
Selling expenses	(26)	(41)
Other operating income	9	42
Other operating expenses	(4,311)	-
Operating income/(loss)	**(4,795)**	**(1,689)**
Financial income	140	102
Other financial results	293	283
Financial results, net	**433**	**385**
Pre-tax profit/(loss)	**(4,362)**	**(1,304)**
(Loss) from discontinued operations for the year	**(4,362)**	**(1,304)**
Other comprehensive income/(loss)		
These items will not be reclassified under income/(loss):		
Pension plan	248	(40)
Impact on Income Tax - Benefit plan	(62)	10
Other comprehensive income/(loss) from discontinued operations for the year	**186**	**(30)**
Comprehensive (loss) from discontinued operations for the year	**(4,176)**	**(1,334)**

	12/31/2022	12/31/2021
(Loss) from discontinued operations for the year attributable to:		
Owners of the company	(4,144)	(1,239)
Non-controlling interest	(218)	(65)
	(4,362)	**(1,304)**
Comprehensive (loss) from discontinued operations for the year attributable to:		
Owners of the company	(3,967)	(1,267)
Non-controlling interest	(209)	(67)
	(4,176)	**(1,334)**

NOTE 37: OTHER COMMITMENTS

A. GMSA

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at December 31, 2022 and periods in which those obligations must be fulfilled are detailed below, These commitments are originated in supply contracts (energy and power) entered into between the Company and large users on the Forward Market in accordance with regulations set forth by the Energy Secretariat under Resolution No, 1281/06 (Energía Plus), They are contracts denominated in United States dollars, entered into with private customers.

Sale commitments[(1)]	Total	Up to 1 year	From 1 to 3 years
Electric energy and power - Plus	9,577,184	9,145,093	432,091

(1) Commitments are denominated in thousands of pesos and have been valued considering estimated market prices, based on the particular conditions of each contract. They reflect the valuation of the contracts with private customers in force at December 31, 2022, under ES Resolution No, 1281/06.

NOTE 38: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

BLC Asset Solutions B,V,

On February 21, 2018, GMSA signed an agreement with BLC Asset Solutions B,V, (BLC) for the purchase of equipment to be installed at the electric power generation plants located in Río Cuarto, Province of Córdoba, and in Ezeiza, Province of Buenos Aires, for expansion through cycle closures at the two power plants, The purchase agreement sets forth financing by BLC for USD 61,200, according to the irrevocable commitment signed on July 22, 2019, At the date of signing these Financial Statements, machinery amounting to USD 41,2 million was received.

In the agreement with GMSA, BLC expresses its will to amend the documents so as to reschedule the payments related to the Contracts for the Purchase of Equipment, Under such commitment, an additional year was added for the payment of the mentioned equipment, with the expiration date being March 2023, which significantly reduces the payments for 2020.

On June 26, 2020, GMSA and BLC through an amendment to the documents, agreed a new payment schedule for the Contracts for the Purchase of Equipment, In view of the agreement, the first payment was rescheduled from June 2020 to June 2021, with the final maturity remaining unchanged in March 2023.

As a result of Communication “A” 7106 dated September 15, 2020 issued by the Central Bank of Argentina, GMSA and BLC agreed to execute an amendment to reschedule debt payments, On December 17, 2020, BLC and GMSA executed an amendment whereby the payment schedule was changed, with quarterly amortizations, with the next payment of principal maturing in June 2021, Further, a new extension of the term was agreed to pay for the above-mentioned equipment, with the final maturity date being June 2023, thus significantly reducing payments throughout 2021.

NOTE 38: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont’d)

BLC Asset Solutions B,V, (Cont’d)

On May 10, 2022, GMSA and BLC agreed, through an amendment to the documents, to modify the collateral to facilitate the financing of the closure of cycle project to be developed at the CTMM, with the addition of funds from a new issuance of Negotiable Obligations.

Through this amendment, BLC would release from its collateral the CTMM collection rights of the PPA contract under Resolution No, 287, previously assigned in guarantee, and sign an Intercreditor Agreement to share the pledge on the closure of cycle equipment with proceeds from the Negotiable Obligations, That agreement was also signed on May 10, 2022.

NOTE 39: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI, CTF, CTE, CTRi AND CTR POWER PLANTS

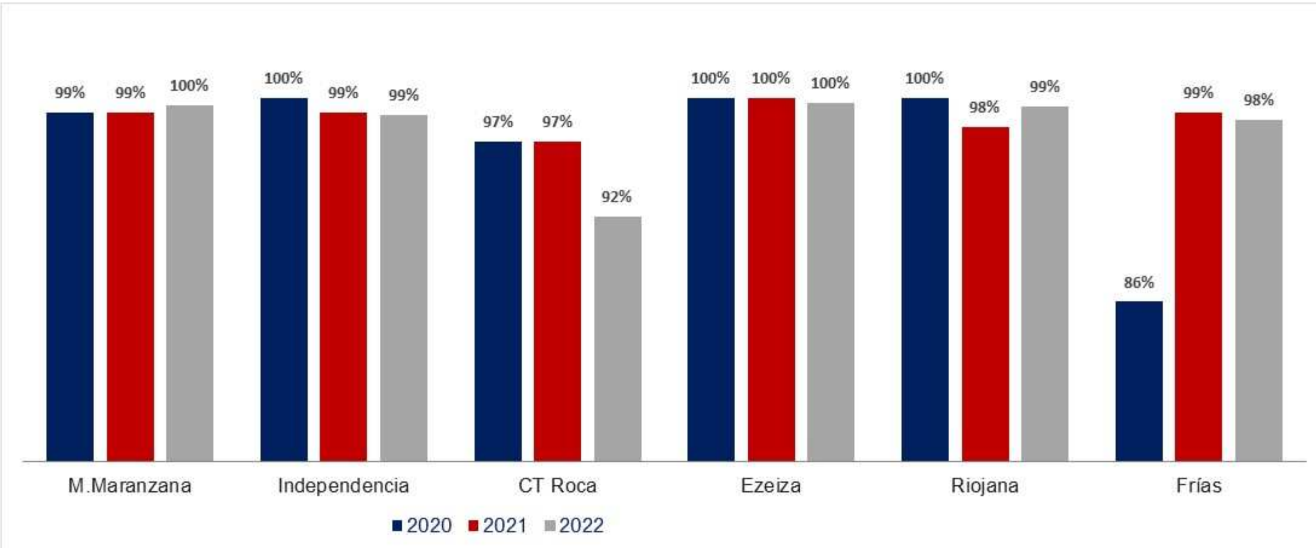
GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plant CTF, which remains in effect, As set forth in the agreement, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department in the USA, original spare parts in a timely manner and repairs for planned and corrective maintenance, GMSA entered into an equipment lease agreement whereby PWPS must make available to GMSA under EXW conditions replacement equipment (Gas Generator/Power Turbine) within 72 hours, in case of unplanned placing of equipment out of service, PWPS thus guarantees to the Power Plant availability of not less than ninety five percent (95%) per contractual year, Also, the Power Plant has its own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the workshop in the USA, The gas turbine equipment can be sent by plane, thus reducing the transportation time.

GMSA and PWPS Argentina entered into a service agreement for the power plant CTF, which remains in effect and whereby PWPS Argentina commits permanent on-site technical assistance as well as the provision of a remote monitoring system to follow-up the operation of turbines and 24-hour assistance.

In addition, GMSA signed with Siemens S,A, and Siemens Energy AB a global service and spare part agreement for the power plants CTRi, CTMM, CTI and CTE, which remains in effect, As set forth in the agreements, Siemens must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and corrective maintenance, as needed, Thus, an average availability of no less than ninety six percent (96%) is guaranteed to the above mentioned power plants for each biannual measurement period, In addition, the power plants have their own repair shop with tools and spare parts in stock to make on-site repairs, Compliance with the energy sale agreement with CAMMESA under Resolution No, 220/07 (for power plants CTRi and CTMM) and Resolution No, 21/16 (for power plants CTI and CTE) is thus guaranteed.

NOTE 39: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI, CTF, CTE, CTRi AND CTR POWER PLANTS (Cont'd)

Availability per Power Plant (%)



The high availability percentages shown in the graphic above ensure to a great extent the estimated operating income/(loss) of the business and the compliance with the goals established by the Board.

At the end of 2019, CTR signed an addendum to the contract in effect with GE International INC and GE Energy Parts International LLC, whereby the Long-term service agreement (LTSA) is changed to an inspection, major and essential repairs and maintenance contract, The aim of the addendum is to adapt contracts in effect -but signed several years ago- to new market offerings appearing year after year, as a result of a greater globalization in the implementation of new manufacturing processes and development of new materials, Gas turbines manufactured and commissioned ten years ago benefit the most from these new opportunities.

This change of type of contract is neither contrary to availability of power generation turbines nor jeopardizes them, as it does not alter the client -service provider relationship, In addition, it allows the company to have its own staff structure, which is highly qualified and with knowledge and skills to operate and maintain the Power Plant at availability values higher than the industry's average, and provides a stock of spare parts and consumables according to needs, as well as a modern workshop, fully equipped with specialized tools for these tasks, ensuring compliance with the agreement for the sale of energy with CAMMESA, under Resolution No, 220/07.

NOTE 40: ENGINEERING, PROCUREMENT AND MANAGEMENT (EPC) CONTRACT

On July 1, 2021, GMSA executed the EPC contract with Sociedad Argentina de Construcción y Desarrollo Estratégico S.A. (SACDE) to perform works, provide services and obtain the necessary equipment supplies for the CTE enlargement project including the installation of a fourth TG04 gas turbine and the closure of cycle and start-up of the combined cycle of CTE by means of the addition of two steam turbines TV01 and TV02 with an incremental net installed capacity of 138 MW and associated systems.

SACDE will carry out civil and electromechanical works with the scope stated in the EPC contract and its main obligations include: (i) completing the works in a maximum term of 845 calendar days counted as from the Works Execution Date (without prejudice to possible extensions that might apply); (ii) making adjustments, repairs and replacements necessary to fulfill its obligations; and (iii) informing, on a weekly and monthly basis, about the progress of works and any other relevant detail in accordance with the construction planning prior to approval of work certificates by GMSA.

The EPC contract shall be payable in Argentine Pesos at Banco Nación selling exchange rate prevailing on the day before effective payment, Notwithstanding the above, the price of the EPC contract is stated in US dollars, Euros and Pesos reasonably in accordance with the cost structure applied to the Project, plus an equitable review on the portion in Argentine Pesos, The contract became effective within five (5) business days from obtaining necessary financing to complete the works and is subject to SACDE's submitting the invoice and guarantee for the advance payment so that GMSA pays the financial advance payment, Sums paid on account of financial advance payment shall be reimbursed through a 15% (fifteen percent) discount on the value of the monthly certificates subsequent to the financial advance payment, until GMSA is fully reimbursed the advance payment made.

Upon finishing all works to be performed and committed to by SACDE for the completion of the Project, in due time and manner, pursuant to the EPC contract and having satisfactorily conducted the testing on ancillary services (BOP) and, among other issues, having reached mechanical completion and start-up of all Project's systems and equipment, SACDE may require the provisional delivery of the works, Once the 12-month period has elapsed counted as from the provisional delivery, period in which SACDE shall grant a technical guarantee for the Project and works performed, provided all rectifications and/or adjustments have been made relating to the technical guarantee, GMSA shall proceed to the final delivery of the works and all guarantees of the equipment shall be delivered to GMSA.

NOTE 41: AWARD OF TALARA REFINERY MODERNIZATION PROJECT

On January 12, 2022, GMSA was awarded, under the framework of the Abbreviated Bidding Process, the "Talara Refinery Modernization Project - Process for engaging the operating management service of auxiliary unit packages of Talara Refinery (Package 4)" called for by Petróleos del Perú S.A.

NOTE 41: AWARD OF TALARA REFINERY MODERNIZATION PROJECT (Cont'd)

The purpose of the bidding process was to engage a specialized legal entity to undertake the operating management of Package 4 of Talara Refinery Auxiliary Units, located in the City of Talara, District of Pariñas, Perú, Package 4 consists of the following components:

- Electric cogeneration units (GE), 100MW
- Water distribution unit for Boilers (steam generation system)
- Condensed treatment unit (RCO)
- Electrical Stations (GE2, GE1)

In this way, the engagement includes the beneficial interest of GMSA over the assets that form part of Package 4, an electricity supply contract to Petroperú, steam and water for boilers, and operation and maintenance of substations GE2 and GE1 for a term of 20 years counted as from the "operating stage".

With the purpose of operating the cogeneration plant in Talara, GMSA (25% equity interest), GROSA (25%) and CBEI LLC (50%) created on January 14, 2022 a closed corporation in Peru under the name of GM Operaciones S.A.C.

GMSA holds an equity interest of 25% in GMOP, and at the Shareholder's Meeting held at March 23, 2022, undertook to pay in capital for PEN 2,000 thousand, At December 31, 2022, PEN 1,496 thousand equivalent to USD 392,5 have not yet been paid-in, GROSA also holds an equity interest of 25% in GMOP and undertook to pay in capital for PEN 2,000 thousand, At December 31, 2022, PEN 1,496 thousand equivalent to USD 392,5 have not yet been paid-in.

NOTE 42: ADVANCE LOSS OF PROFIT INSURANCE COVERAGE

All-risk insurance policy with coverage for loss of profit

The Company has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of profit as a result, up to 12 months, directly and totally attributable to any cause, This policy has the aim of covering the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

On October 30, 2022, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 13 months through first-class insurers, as listed below: Starr Insurance Companies, Nación Seguros, Federación Patronal, Chubb, Sancor and Provincia Seguros.

NOTE 42: ADVANCE LOSS OF PROFIT INSURANCE COVERAGE (Cont'd)

Contractors' all-risk and assembly insurance

Works for installation or enlargement of the capacity developed by the Company are insured by a Contractors' all-risk and assembly insurance, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided that they are not expressly excluded from the policy.

The policy includes delay in start-up (DSU) or advance loss of profit (ALOP) insurance of up to 12 months, providing coverage for the expected commercial profit margin for sales of energy and power, discounting the variable costs during the period of repair or replacement of the damaged equipment.

Once all pieces of equipment are in operation, the new assets will be covered by the All-risk insurance that Grupo Albanesi has taken out, and which covers all power plants in operation.

NOTE 43: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS

On September 30, 2016, GMSA –as seller– and CAMMESA –as buyer–, on behalf of the WEM, entered into the Supply Contracts for the available power and energy supplied by CTE and CTI, July 1, 2017 was the Agreed upon Date set for the commercial operation of the two power plants.

The commercial operation for CTE and CTI were granted on September 29 and August 10, 2017, respectively.

NOTE 43: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS (Cont'd)

On June 28, 2017 GMSA made a filing before CAMMESA and the ES, to inform them that CTE and CTI had suffered certain facts that could be considered as a force majeure event or an act of God, which in turn adversely affected the possibility of obtaining the authorization for commercial operation by the Agreed upon Date set on the Supply Contract. In this regard, GMSA explained, argued, and produced the pertinent evidence supporting the existence of certain factors, not attributable to GMSA, which implied that the authorization for commercial operation was not obtained at the Agreed upon Date as set forth in the Supply Contract.

Under Resolution No, 264/2018 dated June 6, 2018, the Energy Ministry established that the penalties shall be discounted from the sum receivable by the penalized Generating Agent in 12 equal and consecutive monthly installments, and that the Generating Agent may opt to discount the penalty amount in up to 48 equal and consecutive installments, applying to the balance an effective annual rate of 1,7% in US dollars, and the number of installments shall not exceed the contract term.

Without prejudice to the above, CAMMESA has rejected GMSA's arguments and has set the penalties in the amounts of USD 12,580 for CTE and USD 3,950 for CTI.

In view of the foregoing, on July 10 and July 23, 2018, GMSA made the pertinent presentations to CAMMESA making use of the option to discount the penalty amount in up to 48 monthly and consecutive installments, applying to the balance the effective annual rate of 1,7% in US dollars; the number of installments should not exceed the contract term and the first installment payable shall be discounted as from the July 2018 transaction, maturing in September 2018.

At December 31, 2022, the balance of these penalties has been paid, At December 31, 2021, this balance, net of the present value, is disclosed under trade payables.

NOTE 44: ECONOMIC CONTEXT IN WHICH THE GROUP OPERATES

The Group has been operating in a complex economic environment whose main variables have been affected by a strong volatility, both nationally and internationally.

The main indicators in our country are as follows:

- The year-on-year increase in GDP expected for 2022 is around 4%, as projected by the IMF WEO Report of July 2022.
- Cumulative inflation between January 1, 2022 and December 31, 2022 was 94,79% (CPI).
- Between January 1 and December 31, 2022, the peso depreciated at 72,47% relative to the US dollar, according to Banco de la Nación Argentina exchange rates.
- The monetary authority imposed tighter foreign exchange restrictions, which have also affected the value of the foreign currency in existing alternative markets for certain exchange transactions that are restricted in the official market.

<u>NOTE 44:</u> ECONOMIC CONTEXT IN WHICH THE GROUP OPERATES (Cont'd)

In 2022 and 2021, the government took several measures to mitigate the peso devaluation, the fall in BCRA reserves, the withdrawal of deposits in dollars and the highly-volatile interest rates.

This context of volatility and uncertainty persisted at the date of issue of these consolidated Financial Statements, However, all issuances performed over the last 12 months in the capital markets as well as renegotiations with local banks have been successful and it is expected that they continue so in the next fiscal year; this context might limit access to the debt market and could create difficulties in the renegotiation of existing liabilities.

Company Management permanently monitors the performance of variables affecting its business, to define the course of action and identify the potential impact on its economic and financial position, The Company's consolidated Financial Statements must be read in light of these circumstances.

<u>NOTE 45:</u> SUBSEQUENT EVENTS

a) *GLSA capital increase and bylaws' amendment*

At the Extraordinary Shareholders' Meeting held on January 4, 2023, shareholders decided GLSA's capital increase from $1,677 thousand to $972,245 thousand through in-kind contributions for $970,569 thousand of certain components of a recovery boiler. As a result of such increase, article four of the Bylaws was amended and the restated text of the Bylaws was approved, These resolutions are pending registration with the public registry under the Legal Entities Regulator.

b) *GLSA appointment as Financing Subsidiary of Arroyo Seco Co-generation Project*

Through the minutes of the Board of Directors' Meeting dated January 4, 2023, GLSA was appointed as Project Financing Subsidiary to fund the construction and development project of a new co-generation power plant of 133 MW in Arroyo Seco, Province of Santa Fe (mentioned in Note 1), which consists in the installation of two SGT-800 Siemens turbines of 54 MW, a Siemens steam turbine of 25 MW and two VOGT boilers of 60 Tn/h, All this is in compliance with the International Trust Agreement entered into within the framework of GMSA and CTR co-issuance pursuant to the program to issue simple negotiable obligations (non-convertible into shares).

NOTE 45: SUBSEQUENT EVENTS (Cont'd)

c) *Steam and electric power supply agreement with Louis Dreyfus Company Argentina (LDC)*

On May 15, 2018, GECEN entered into a steam and electric power sales agreement ("Steam and Electric Power Agreement") with LDC, whereby GECEN shall supply steam to LDC on a monthly basis for the production processes that LDC has in place in its power plant located in Complejo Industrial Arroyo Seco, General Lagos, Province of Santa Fe, GECEN undertook to make all reasonable business efforts to dispatch steam and electric power to LDC before the 30-month period as from the New Date Committed for Commercial Authorization, Arroyo Seco Project shall have sufficient installed capacity to supply LDC with the maximum volume of steam and power under normal operating conditions, Furthermore, by means of public deed number 356 dated May 31, 2018, GECE and LDC created a gratuitous right to usufruct a fraction of 47,990,2941 m2 of LDC land for the benefit of GECEN to install Arroyo Seco co-generation project and perform ancillary tasks and activities, including, but not limited to, steam and electric power generation (hereinafter, the "Usufruct Agreement"), Lastly, on February 12, 2019, GECEN and LDC entered into a master agreement for the works necessary for LDC's Planta General Lagos to receive steam and electric power, (hereinafter, the "Master Agreement for Works in Planta General Lagos").

As a result of 2021 Merger, GECEN was merged into GMSA, which became the holder of all rights and obligations arising from: (i) the Steam and Electric Power Supply Agreement, (ii) the Usufruct Agreement, and (iii) the Master Agreement for Works in Planta General Lagos.

To resume the Project and for financing purposes, the company strategically decided that GLSA shall be the vehicle to execute Arroyo Seco Project. As a result, on January 23, 2023, GLSA and GMSA subscribed Addendum II to the Supply Contract with CAMMESA, whereby the assignment of GMSA contractual rights to GLSA in the Supply Contract with CAMMESA was formally agreed for Arroyo Seco Project, acting GLSA as Seller.

Furthermore, on February 9, 2023, GMSA assigned its contractual rights to GLSA relating to: (i) the Steam and Electric Power Supply Agreement, (ii) the Usufruct Agreement, and (iii) the Master Agreement for Works in Planta General Lagos, On the same date, GLSA and LDC made amendments to the agreements mentioned in (i), (ii) and (iii) to formally agree that GLSA will become a party thereto, and to include supplementary terms and conditions relating to terms, penalties, guarantees and technical aspects of Arroyo Seco Project, Lastly, GLSA and LDC entered into: (i) a master agreement to buy and allocate green bonds that may be eventually generated by Arroyo Seco Project, and (ii) a loan for use agreement of a portion of LDC's land of 3,3248 hectares, so that GLSA may temporarily collect and store equipment and materials for Arroyo Seco Project.

<u>NOTE 46:</u> SUBSEQUENT EVENTS (Cont'd)

d) Agreement for Power Availability and Efficiency Improvement

ES Resolution No, 59/2023 was published on February 7, 2023, It is aimed at highly-efficient thermal generators of combined cycles not committed under electric power supply contracts, The Energy Secretariat authorizes combined cycle power plant generators, not committed under electric power supply contracts, to adhere to an Agreement for Power Availability and Efficiency Improvement with CAMMESA for the purpose of promoting investments necessary for the Minor and Major Maintenance of machinery, The combined cycle adhering to the agreement must indicate the net power of each unit and committed availability, which will be 85% of net power for a maximum of 5 years.

The unit committed power will be remunerated with 2,000 of USD/MW-month, payable in Argentine pesos, The monthly average availability is set to reach 85% of each committed machine's net power, In case the average availability is higher than 85%, power will be valued at the price set in the month of operation, In case the average power is lower than 55%, the remuneration will be 30% of the price set in the month of operation.

Monthly generated power will be remunerated in accordance with the price set in the agreement in dollars per Megawatt hour payable in Argentine pesos:

Power generated using natural gas: 3,5 USD/MWh
Power generated using gas oil: 6,1 USD/MWh

At the same time, the generating unit applies the remuneration system set forth in ES Resolution No, 826/2022 and related ones, fully accepting that during the effectiveness of each of the allocated machines' availability commitments a 35% discount will be applicable on the price for DIGO Offered Guaranteed Power in December, January, February, June, July and August, and a 15% on the price for DIGO Offered Guaranteed Power in March, April, May, September, October and November.

NOTE 46: SUBSEQUENT EVENTS (Cont'd)

Issuance of GLSA Class I and III Negotiable Obligations

On March 3, 2023, GLSA Class I and III Negotiable Obligations were subject to tender, with the following results.

e.1) Class I Negotiable Obligations: (Dollar Linked)

Principal: USD 6,310 thousand

Interest: 4% annual nominal rate Interest will be payable on a half-year basis as follows: September 28, 2023; March 28, 2024; September 28, 2024; March 28, 2025; September 28, 2025; and on a monthly basis on the following dates: October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28; 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28; 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; and on the Maturity Date, March 28, 2028, or if other than a business day, the immediately following business day.

Payment term and method: Amortization: Class I negotiable obligations shall be amortized in 30 (thirty) consecutive installments payable on a monthly basis as from month 31st, counting as from the issuance and settlement date: October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28; 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; and on the Maturity Date, March 28, 2028.

<u>NOTE 46</u>: SUBSEQUENT EVENTS (Cont'd)

e) Issuance of GLSA Class I and III Negotiable Obligations (Cont'd)

e.2) Class III Negotiable Obligations: (Dollar Linked)

Principal: USD 84,000 thousand

Interest: 6.50% annual nominal rate Interest will be payable on a half-year basis as follows: September 28, 2023; March 28, 2024; September 28, 2024; March 28, 2025; September 28, 2025; and on a monthly basis on the following dates: October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28; 2026; July 28, 2026; August 28, 2026; September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28; 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28; 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28; 2029; July 28, 2029; August 28, 2029; September 28, 2029; October 28, 2029; November 28, 2029; December 28, 2029; January 28, 2030; February 28, 2030; March 28, 2030; April 28, 2030; May 28, 2030; June 28; 2030; July 28, 2030; August 28, 2030; September 28, 2030; October 28, 2030; November 28, 2030; December 28, 2030; January 28, 2031; February 28, 2031; March 28, 2031; April 28, 2031; May 28, 2031; June 28; 2031; July 28, 2031; August 28, 2031; September 28, 2031; October 28, 2031; November 28, 2031; December 28, 2031; January 28, 2032; February 28, 2032; March 28, 2032; April 28, 2032; May 28, 2032; June 28; 2032; July 28, 2032; August 28, 2032; September 28, 2032; October 28, 2032; November 28, 2032; December 28, 2032; January 28, 2033; February 28, 2033; and on the Maturity Date, March 28, 2033, or if other than a business day, the immediately following business day.

Payment term and method: Amortization: Class III negotiable obligations shall be amortized in 60 (sixty) consecutive installments payable on a monthly basis as from month 61st, counting as from the Issuance and Settlement Date, on the following dates: April 28, 2028; May 28, 2028; June 28; 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28; 2029; July 28, 2029; August 28, 2029; September 28, 2029; October 28, 2029; November 28, 2029; December 28, 2029; January 28, 2030; February 28, 2030; March 28, 2030; April 28, 2030; May 28, 2030; June 28; 2030; July 28, 2030; August 28, 2030; September 28, 2030; October 28, 2030; November 28, 2030; December 28, 2030; January 28, 2031; February 28, 2031; March 28, 2031; April 28, 2031; May 28, 2031; June 28; 2031; July 28, 2031; August 28, 2031; September 28, 2031; October 28, 2031; November 28, 2031; December 28, 2031; January 28, 2032; February 28, 2032; March 28, 2032; April 28, 2032; May 28, 2032; June 28; 2032; July 28, 2032; August 28, 2032; September 28, 2032; October 28, 2032; November 28, 2032; December 28, 2032; January 28, 2033; February 28, 2033; and on the Maturity Date, March 28, 2033.

Independent auditor's report

To the Shareholders, President and Directors of
Generación Mediterránea S.A.

Opinion

We have audited the consolidated financial statements of Generación Mediterránea S.A. and its subsidiaries (the Company) which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinión

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Argentina. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Audit response
Fair value of property plant and equipment, and impairment of non-current non-financial assets	
As described in Notes 4, 6, and 7 to the consolidated financial statements at December 31, 2022, the balance of property, plant and equipment is USD 1,079,842 thousand. The Company has chosen to state land, buildings, facilities, machinery and turbines at fair value, using discounted cash flow techniques and market comparables. As described in Notes 4.7 and 6.a, Management analyzes the recoverability of its non-current non-financial assets either periodically or when an event or change of circumstances indicate that its recoverable value may be lower than its carrying value. In evaluating whether there is any indication that an event or circumstance could affect the cash-generating unit (CGU), internal and external sources of information are analyzed. The events and circumstances generally considered are the discount rate used in the cash flow projections of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. Management took the value in use to determine the recoverable amount. To assess impairment losses, assets are grouped under the CGU. The value in use of the CGU is determined based on projected and discounted cash flows, using discount rates which reflect the time value of money and the particular risks of the assets considered.	Audit procedures performed in this key audit matter included, among others: • evaluate the reasonableness of the Management's assessment on the existence of any indication of impairment; • evaluate the preparation and supervision process carried out by Management for calculations of the fair value of property, plant and equipment; • examine the key data and premises used to determine the fair value of property, plant and equipment. In particular: ✓ validate with external sources the premises on trends in inflation exchange rates; ✓ for the operational and regulatory assumptions used to prepare future cash flows, evaluate the consistency of the operating conditions of each thermal power plant and its performance based on historical data, as well as the applicable regulations to date; ✓ examine the method for determining the discount rate and the consistency with the underlying market assumptions, checking that the value is within a reasonable range based on the comparables in the sector and the Company's particular risk;

Key audit matters	Audit response
Fair value of property plant and equipment, and impairment of non-current non-financial assets (Cont'd.) The fair value calculated through discounted cash flow was used to value the facilities, machinery, and turbines. At December 31, 2022, the carrying amount of property, plant and equipment does not significantly differ from their fair value; therefore, no revaluation or impairment was registered. The fair value was determined by using the income approach method based on projected cash flows for each of the thermal power plants based on their useful life, in which different scenarios were weighted depending on their probability of occurrence. In addition to the defined deadlines, the projections of future cash flows determined on the basis of macroeconomic assumptions (inflation and exchange rates), price projections in accordance with the resolutions in force and projections of dispatch volumes based on knowledge of the market by the Company were extrapolated. These recoverable amounts are based on assumptions relating to the market outlook and the regulatory environment, of which any modification could have a material impact on the amount of impairment loss to be recognized. We consider that the measurement of the fair value and the determination of the existence of indications of impairment of property plant and equipment are key audit matters due to their materiality in the Company's consolidated financial position and because they require the application of critical judgments and significant estimates by Management on the key variables used to evaluate cash flows, as well as for the unpredictability of the future variations of this estimates, and the fact that future significant changes in the key premises may heavily impact on the consolidated financial statements.	• evaluate the sensitivity of measurements to changes in certain assumptions; • confirm the mathematical accuracy of calculations and the proper use of the model prepared by Management; • assess the disclosures included in the financial statements; Additionally, the audit was performed with skilled professionals specialized in the subject matter who assisted us in the assessment of the model and certain key assumptions, including the discount rate.

Other information

The other information comprises the Annual report. Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter – Restriction on use and distribution

As described in Note 3, these consolidated financial statements have been prepared to provide information to specific users. This report is intended solely for the information and use of the Board of Directors of the Company and the Company's foreign lenders and should not be used by or distribute to other parties.

Responsibilities of Board of Directors for the consolidated financial statements

Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Autonomous City of Buenos Aires, March 20, 2023.

PRICE WATERHOUSE & CO.S.R.L.
Raúl Leonardo Viglione
Partner