Central Térmica Roca S.A.

Financial Statements

At December 31, 2022
presented in comparative format

(In thousands of US dollars (USD))

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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 condensed Financial Statements of the Company.

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. (a company merged into BDD)
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./The Company
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	Albanesi 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.
GMGS	GM Gestión y Servicios S.A.C.
GMOP	GM Operaciones S.A.C.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
GUMAs	Major Large Users
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
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
IFRS	International Financial Reporting Standards
NFHCC	New Date Committed for Commercial Authorization
SDG	Sustainable Development Goals
ON	Negotiable Obligations
PAS	Arroyo Seco Project
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM	Gain/loss on net monetary position
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
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

CENTRAL TERMICA ROCA S.A.

Annual Report for Fiscal Year 2022

CENTRAL TÉRMICA ROCA S.A.

Annual Report for Fiscal Year 2022

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Annual Report for Fiscal Year 2022

To the Shareholders of CTR,

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

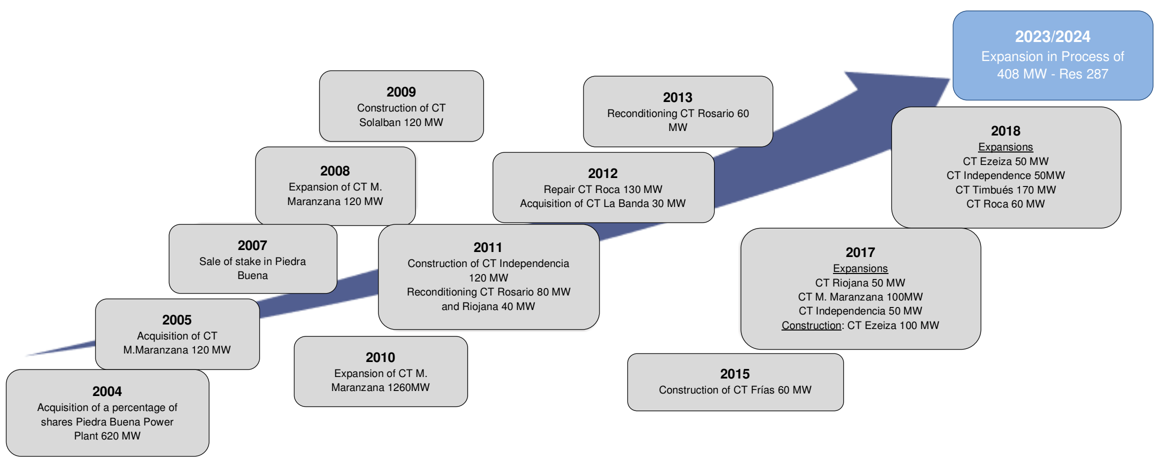
CTR's main line of business is the generation and sale of electric energy. Nominal installed capacity is 190 MW under ES Resolution No. 220/07 and ES Resolution No. 826/2022.

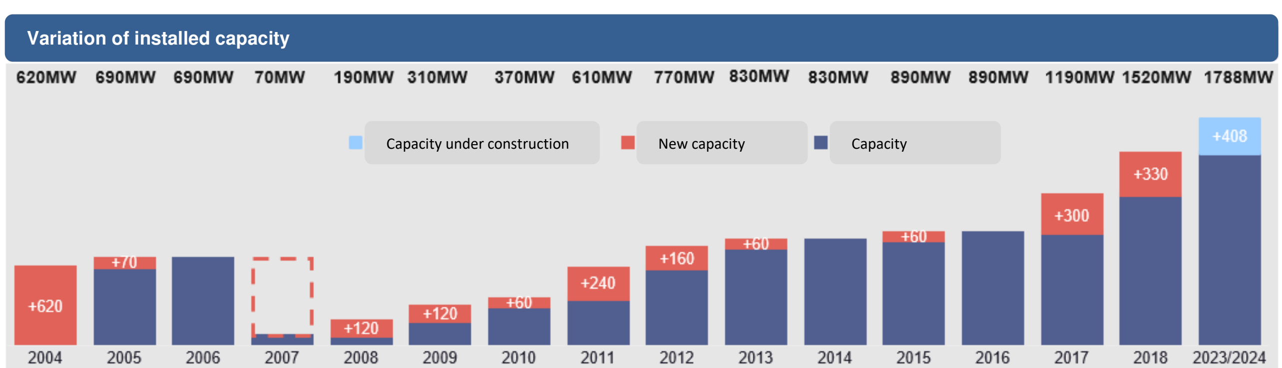
In 2011, Grupo Albanesi acquired through CTR a power plant located in the outskirts of the city of General Roca, province of Río Negro, on Provincial Road No. 6, km 11.1 (the "Power Plant"), which had been unavailable since 2009.

GMSA holds a 75% interest in the capital stock of CTR, and Tefu S.A., the remaining 25%.

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.

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.





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.

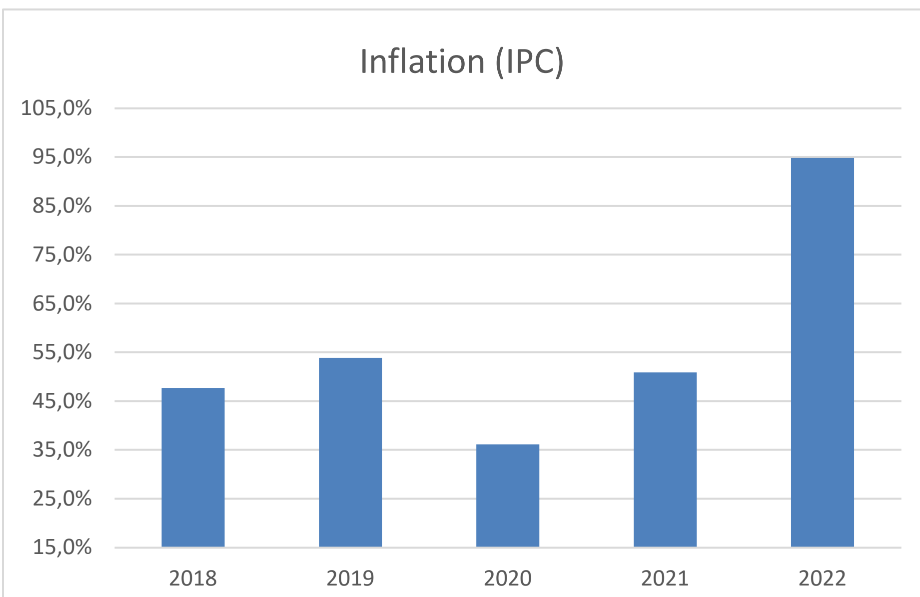
According to the Level of Activity Progress Report prepared by the INDEC, the Gross Domestic Product (GDP), according to preliminary estimates, the macroeconomic evolution for the second quarter of 2022 resulted in a 9.9% variation in global supply vis-à-vis the same period of the previous year, measured 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.

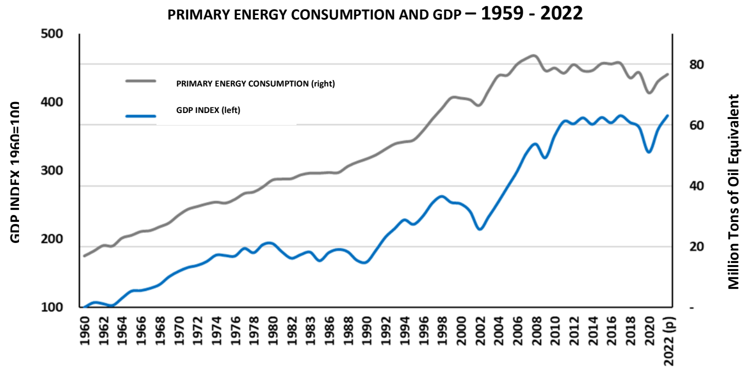
Finally, the bilateral nominal exchange rate (NER) against the US dollar increased 6.4% in December to an average of ARS 172.45 per US dollar. Thus, the BCRA has slowed down the pace of depreciation of the domestic currency as inflation began to moderate.

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.

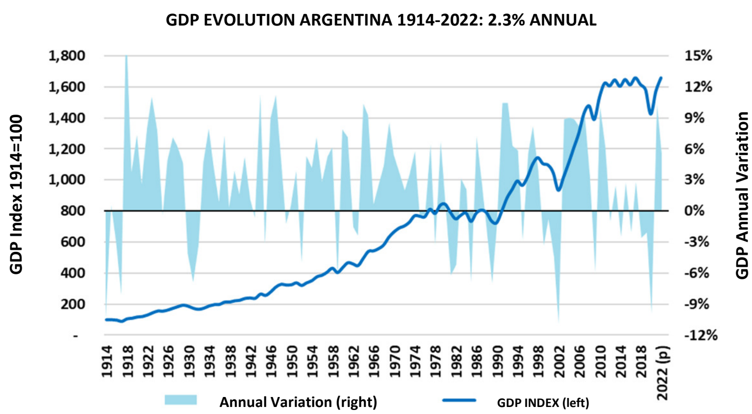
In the period from 1959 to 2022, energy consumption has shown a historical annual average growth of 2.6%[1], with a normalized average of only 0.7% per year since the Great Crisis of 2002. Following the significant drop in energy consumption and GDP in 2020, -8.6% and -9.9% respectively, 2021 showed 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.

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

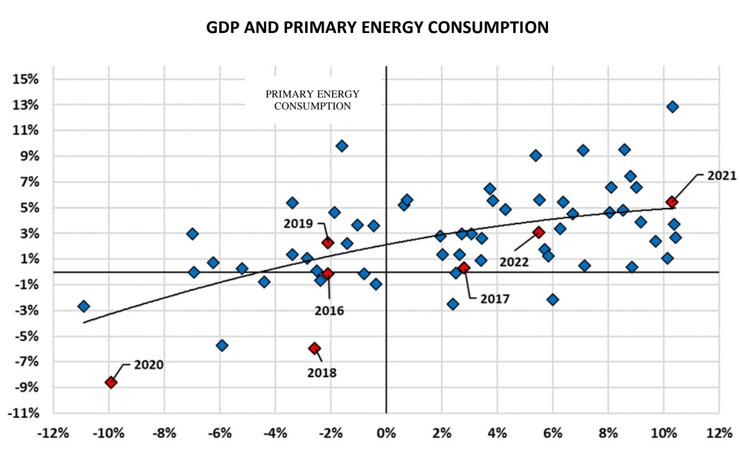


Changes in economic policy alter energy consumption variations. In 2018, the -2.6% recession – which followed 2017's strong performance of +2.8% – along with summertime temperatures lower than those of the previous year, affected energy demand, which fell -6.0% year-on-year. In 2019, despite a new drop 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 March 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.



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.



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.

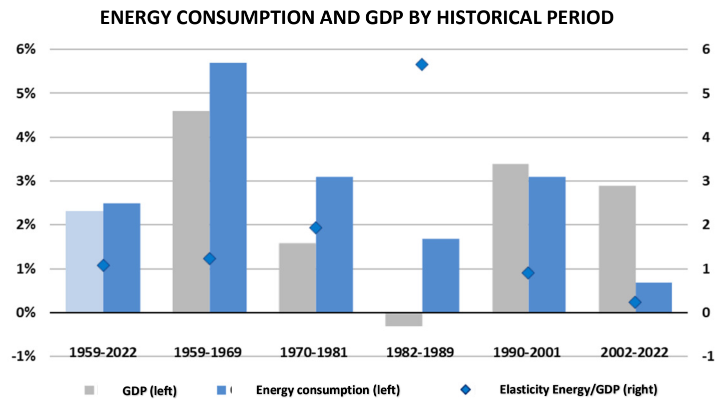
Should a process of solid economic growth exist in the future, the need for energy supply will certainly be ever-increasing, greater than in the last twenty years.

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

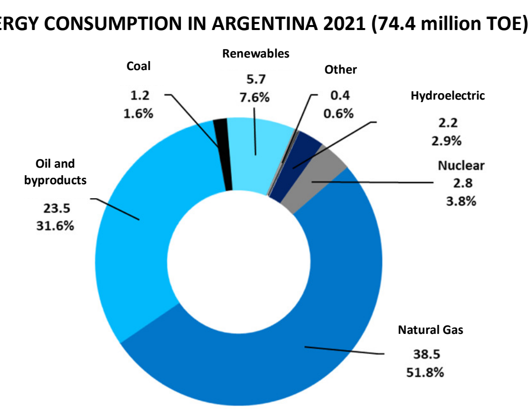
The restrictions on the supply of energy products, such as natural gas in the last cycle of economic growth through to 2011, and the moderate growth in energy demand in broad terms[3] created difficulties in effective supply to demand. Prioritization of supply to gas and electricity consumers in the 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.

[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.



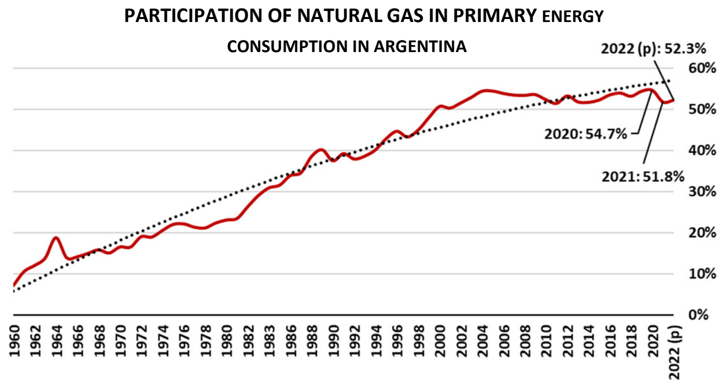
Argentine primary energy consumption is dependent on hydrocarbons, which accounted for 86.8% in 2016, 86.5% in 2017, 85.8% in 2018, 86.1% in 2019, 85.4% in 2020 and 85.15% in 2021. We do not estimate significant variations for 2021, probably at 85.7%, due to the reduction of hydroelectric power supply 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.



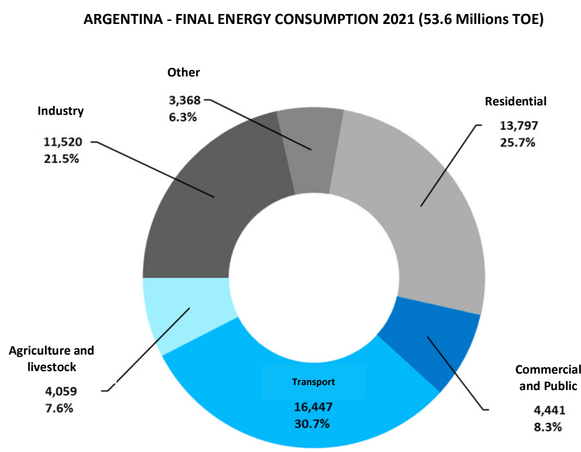
Few countries show this structure of heavy reliance on oil and natural gas byproducts. Although Argentina does not have large conventional oil and natural gas reserves in relation to its domestic demand, it has relevant potential in terms of unconventional gas and oil resources. Due to the nature, features 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.

[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.

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.



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.

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

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

- 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.
- 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]

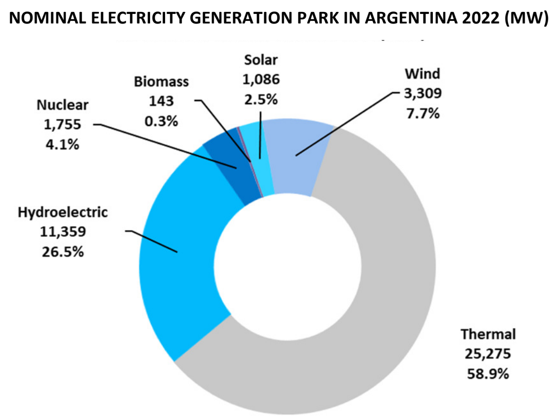
Modern units were incorporated with competitive specific consumptions, in case of thermal units, and high effective availability. The operational available power estimated by G&G Energy Consultants prior to the summer of 2022/2023 is around 29,000 MW - slightly above peak power demand - with a 7.2% rotating 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.

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.

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

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.



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.

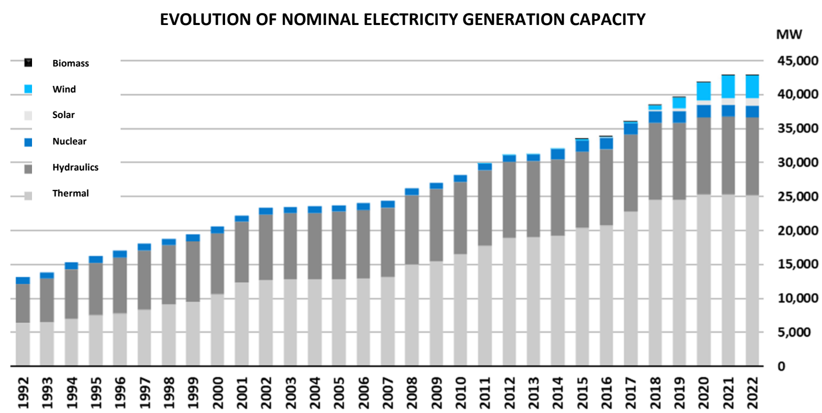
[8] The difference between nominal and effective power was due to restrictions on certain units caused by insufficient supply of fuel, difficulties in reaching the nominal yield, but mainly due to recurrent maintenance tasks or technical limitations in some generating units. It must also be considered 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.

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 following two 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%
NOA	261	725	1,945	349	3,280	0	220	693	158	5	4,356	10.1%
CENTRO		626	789	51	1,466	648	919	61	128	18	3,240	7.5%
GBA-LIT-BAS	3,870	3,693	8,594	848	17,005	1,107	945		1,177	44	20,278	47.2%
NEA	0	12	0	305	317	0	2,745			71	3,133	7.3%
PATAGONIA	0	286	301	0	587	0	607		1,575		2,769	6.4%
MÓVIL											0	0.0%
TOTAL	4,251	5,957	13,503	1,689	25,400	1,755	11,346	1,061	3,291	140	42,993	100.0%
THERMAL %	16.7%	23.5%	53.2%	6.6%	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	16.6%
NOA	261	725	1,945	349	3,280	0	218	703	158	5	4,364	10.2%
CENTRO		626	789	51	1,466	648	919	71	128	21	3,253	7.6%
GBA-LIT-BAS	3,870	3,565	8,591	833	16,859	1,107	945		1,195	45	20,151	46.9%
NEA	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%
MÓVIL											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%	

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

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.

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.

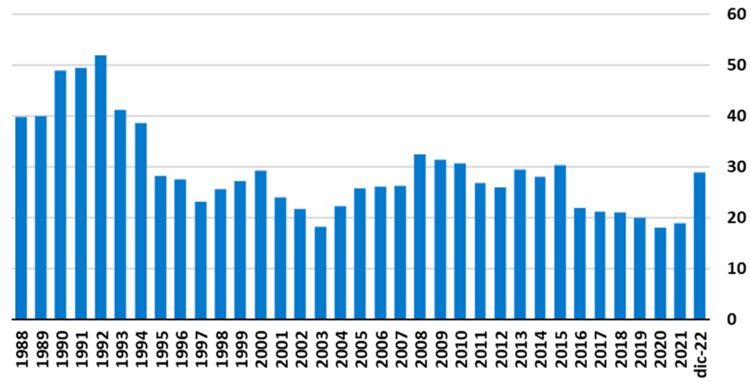
RECENT EVOLUTION OF EFFECTIVE ELECTRICAL CONSUMPTION RECORDS						
DAY	PREVIOUS RECORDS		CURRENT RECORDS		VARIATION	MW
	POWER (MW)					
SATURDAY	23-ene-21	22,611	15-ene-22	26,719	18.2%	4,108
SUNDAY	27-jun-21	23,301	11-dic-22	23,724	1.8%	423
WORKING DAY	14-ene-22	28,231	6-dic-22	28,283	0.2%	52
DAY	ENERGY (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:

[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.

TOTAL UNAVAILABILITY OF THERMAL POWER (%)



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:

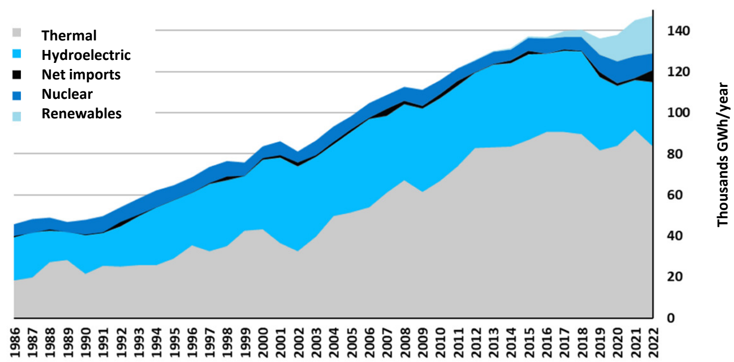
- CTE owned by GMSA received commercial authorization in September 2017, with two Siemens SGT800 turbines of 50 MW each, and a third turbine of 50 MW which was incorporated in 2018.
- CTI owned by GMSA received commercial authorization for a Siemens SGT800 turbine of an additional 50 MW in August 2017 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.

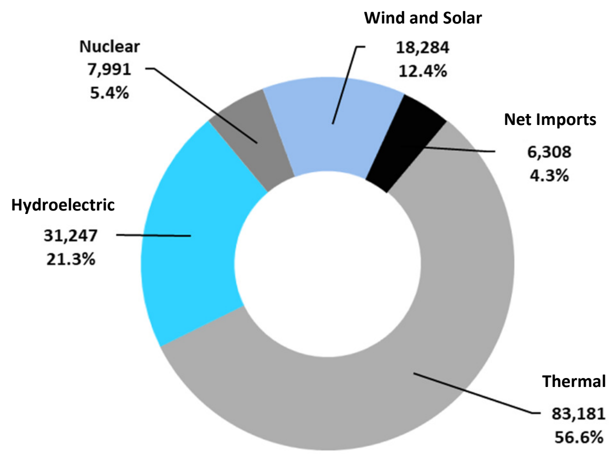
Gross Electricity Demand in the internal and external market – including losses in the transmission and distribution system, and the company's own consumption at rotating generating units – has relied on the thermoelectric power supply in recent decades, accompanied by a slight increase in the hydroelectric 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.

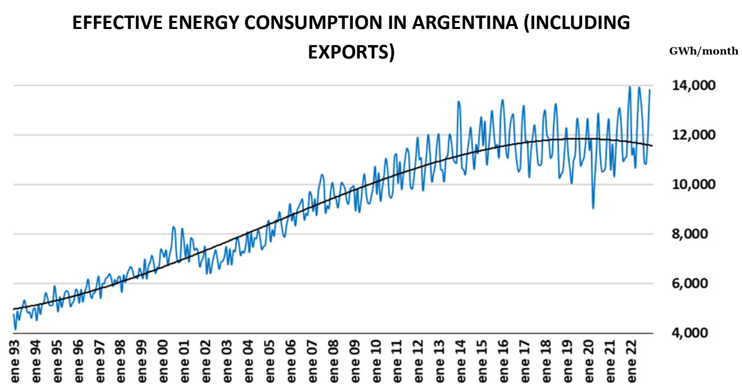
There was a reduction in internal gross electricity demand of -3.0% in 2019 and -0.9% in 2020, while it had a strong recovery of +4.9% in 2021 and solid increase of +4.2% in 2022. The economic reactivation since 2021 with the opening of activities has led to a significant expansion in internal demand 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

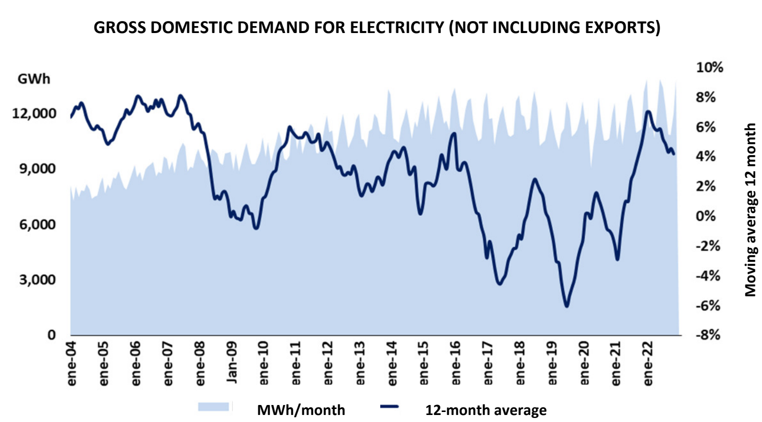
CAMMESA divides Argentina into regions with similar characteristics from the demand point of view, as well as on the basis of the socio-economic characteristics and the integration of each electricity subsystem.

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.

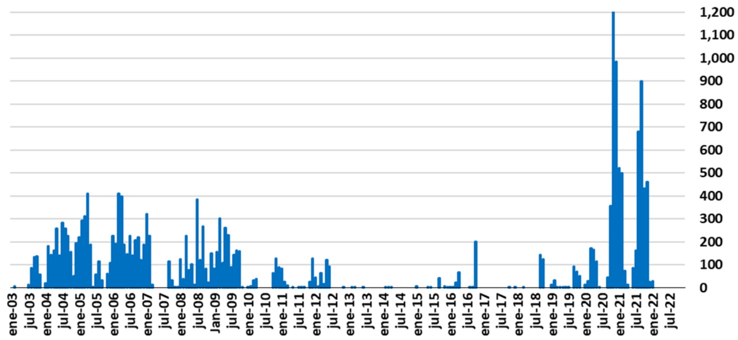


The variations in the moving twelve-month average evidences the changes in energy demand and its trend, with inactivity until mid-year 2019, subsequent budding recovery and renewed fall resulting from social isolation in 2020 until early 2021, and strong subsequent recovery. We believe that growth will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



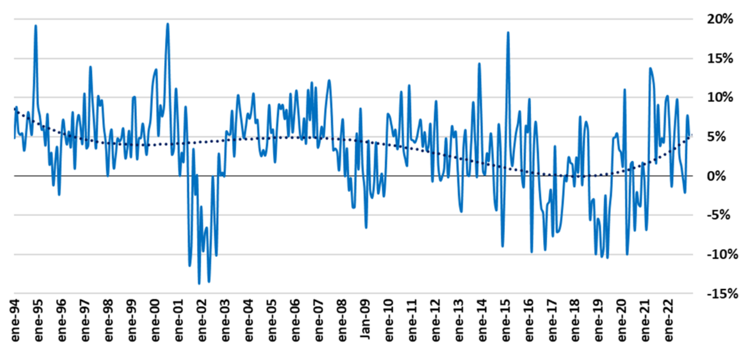
[12] The latest information was officially published in 2021.

ELECTRICITY EXPORTS (GWh/month)

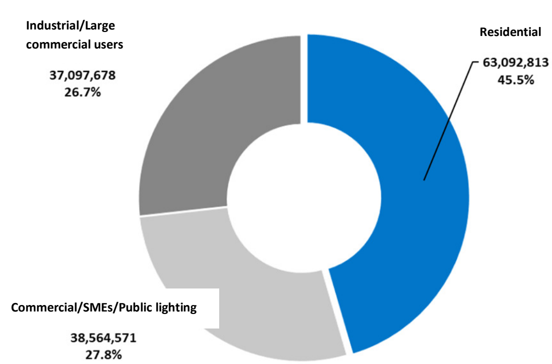


Since late 2015, there has been a reduction in the economic activity, specially in the industrial sector, which is relevant to total electricity consumption. The 2020 lockdown caused unusual year-on-year double-digit decline, which is not the result of the winter or summer temperatures. The reversal 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

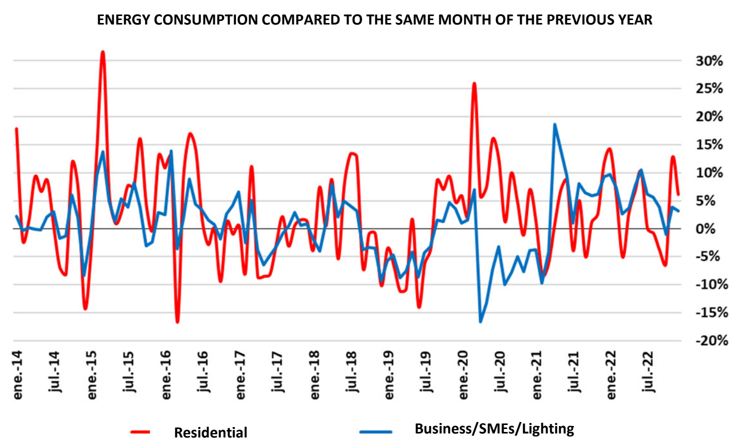


ELECTRICITY CONSUMPTION IN 2021 (MWh; net of losses)



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 and SMEs segment 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.

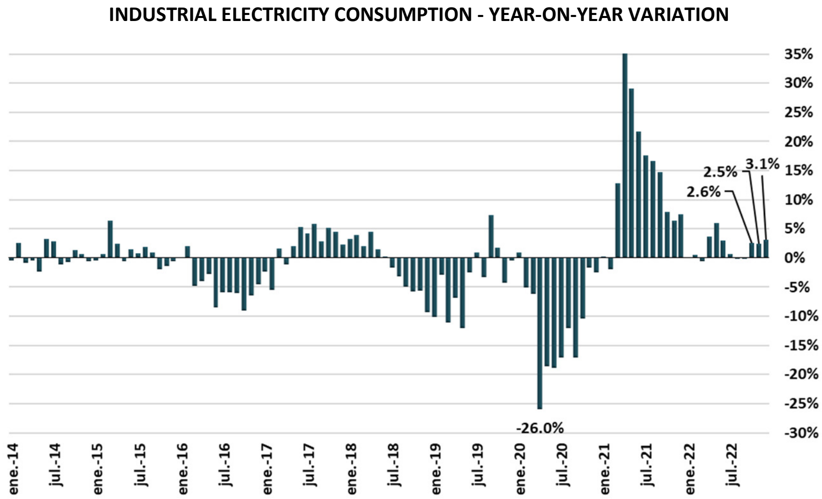


In 2019, the recessive trend grew until mid-year, with an annual contraction of -3.8%.[15] In 2020 an intense contraction of -11,3% was recorded, due to the economic crisis, with a recovery since the end of that year if compared to the bad months of 2019. The reversal observed in 2021 was significant, +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.



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.

In 2022, CTR maintained an annual average plant availability of 80%. The energy generated in 2022 by unit was 1,065,870 MWh.

In June 2022, the Demand Contract involving Central Térmica Roca's GT within the framework of ES Resolution No. 220/07 terminated, and, as a result, it is now remunerated as a basic machine under Resolution No. 826/2022. The Demand Contract involving the Plant's ST unit is still in force.

3.2 Maintenance

The objective of the maintenance tasks carried out during the year was to maintain the availability of the combined cycle.

The maintenance plan comprised the gas turbine, the steam turbine, HRSG, and ancillary and building equipment.

In addition, the provision of parts and local assistance agreements with GE also remained effective.

A major inspection of Rotor out gas turbine was carried out as part of the major maintenance works scheduled, which involved the replacement of hot parts (turbine blades and nozzles) with AGP technology, and the check-up of turbine bearings 1, 2, and 3 (which were replaced with new turbine bearings). The scope of the intervention included the inspection through the NDT method of all compressor blades and the replacement of combustion parts using the new 32K technology, which required the substitution of pipes and installation of new valves. The intervention also gave us a chance to perform a complete GT oil change and replacement of SRV (Stop Ratio Valves) and GCV (Gas Control Valves), and the replacement and startup inspection of IGVs and calibration of all LVDTs.

In this major maintenance work, the rotor was entirely removed from the generator and all relevant trials were carried out.

In accordance with GE document GER-3620N, an HGP inspection should be carried out due to the operating hours accumulated by the gas turbine. However, to take advantage of the new technology made available by the manufacturer, we decided to replace the current technology with new 32k combustion technology, which will allow us to extend the next intervention to 32,000 hours.

It is worth mentioning that this major maintenance work was performed by company staff and local labor force, under the supervision of qualified staff of the manufacturer (General Electric) to guarantee suitable servicing as well as good condition and assembly of parts.

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.

<u>Communications to personnel and HR information systems</u>

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.

<u>Employment opportunities</u>

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

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

	Principal, in thousands	Balances at December 31, 2022	Interest rate	Currency	Date of issue	Maturity date
			(%)			
Debt securities						
International Bond	USD 13,999	14,755	9.63%	USD	July 27, 2016	July 27, 2023
International Bond	USD 53,979	53,819	9.88%	USD	December 1, 2021	December 1, 2027
Class II Negotiable Obligations GMSA-CTR	USD 3,480	3,567	15.00%	USD	August 5, 2019	May 5, 2023
Class VII Negotiable Obligations GMSA-CTR	USD 74	74	6.00%	USD Linked	March 11, 2021	March 11, 2023
Class VIII Negotiable Obligations GMSA-CTR	UVA 61	64	UVA + 4.60%	ARS	March 11, 2021	March 11, 2023
Class IX Negotiable Obligations GMSA-CTR	USD 953	993	12.50%	USD	April 9, 2021	April 9, 2024
Class IX Negotiable Obligations GMSA-CTR	USD 235	237	6.00%	USD Linked	November 12, 2021	November 12, 2024
Class IX Negotiable Obligations GMSA-CTR	UVA 801	843	UVA + 4.60%	ARS	November 12, 2021	November 12, 2024
Class IX Negotiable Obligations GMSA-CTR	USD 1,393	1,443	7.50%	USD	January 10, 2022	January 10, 2024
Class XIV Negotiable Obligations GMSA-CTR	USD 1,138	1,179	9.50%	USD	July 18, 2022	July 18, 2024
Class XV Negotiable Obligations GMSA-CTR	USD 5,255	5,256	3.50%	USD Linked	July 18, 2022	July 18, 2025
Class XVI Negotiable Obligations GMSA-CTR	UVA 3,019	3,135	UVA + 0%	ARS	July 18, 2022	July 18, 2025
Class XVI Negotiable Obligations GMSA-CTR	1,149	1,165	9.50%	USD	November 7, 2022	November 7, 2024
Class XVI Negotiable Obligations GMSA-CTR	11	10	3.75%	USD Linked	November 7, 2022	November 7, 2024
Subtotal		**86,540**				
Other liabilities						
Chubut loan	$ 46,965	270	BADLAR	ARS	June 16, 2022	June 16, 2024
Banco Macro loan	$ 215,637	1,261	BADLAR	ARS	November 14, 2022	November 14, 2024
Supervielle loan	$ 171,082	1,002	83.00%	ARS	November 14, 2022	April 14, 2023
Supervielle loan	$ 347,500	2,109	83.00%	ARS	November 28, 2022	February 10, 2023
Finance lease		82				
Bond insurance		282	88.00%	ARS	November 28, 2022	January 21, 2023
Subtotal		**5,006**				
Total financial debt		**91,546**				

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

In accordance with the provisions of CNV General Resolution No. 368/01 and subsequent amendments, we present below an analysis of the results of operations of CTR and its financial position, which must be read together with the attached financial statements.

	Fiscal year ended December 31:			
	2022	**2021**	**Variation**	**Variation %**
	MWh			
Sales by type of market				
Sale of energy Res. No. 220	742,093	1,147,631	(405,538)	-35%
Sale of energy Res. No. 95, as amended, plus Spot	323,777	3,279	320,498	9774%
	1,065,870	**1,150,910**	**(85,040)**	**-7%**

The sales by type of market (in thousands of US dollars) are shown below:

	Fiscal year ended December 31:			
	2022	**2021**	**Variation**	**Variation %**
	(In thousands)			
Sales by type of market				
Sale of energy Res. No. 220	34,356	41,653	(7,297)	-18%
Sale of energy Res. No. 95, as amended, plus Spot	4,156	208	3,948	1898%
	38,512	**41,861**	**(3,349)**	**-8%**

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

	Fiscal year ended December 31:			
	2022	**2021**	**Variation**	**Variation %**
Sales of energy	38,512	41,861	(3,349)	(8%)
Net sales	**38,512**	**41,861**	**(3,349)**	**(8%)**
Purchase of electric power	(816)	(459)	(357)	78%
Salaries, social security liabilities and employee benefits	(2,014)	(1,563)	(451)	29%
Defined benefit plans	(25)	(17)	(8)	47%
Maintenance services	(593)	(698)	105	(15%)
Depreciation of property, plant and equipment	(10,195)	(9,008)	(1,187)	13%
Security guard and porter	(128)	(90)	(38)	42%
Insurance	(575)	(527)	(48)	9%
Taxes, rates and contributions	(192)	(145)	(47)	32%
Sundry	(199)	(164)	(35)	21%
Cost of sales	**(14,737)**	**(12,671)**	**(2,066)**	**16%**
Gross income/(loss)	**23,775**	**29,190**	**(5,415)**	**(19%)**
Taxes, rates and contributions	(496)	(487)	(9)	2%
Selling expenses	**(496)**	**(487)**	**(9)**	**2%**
Fees and compensation for services	(4,382)	(3,098)	(1,284)	41%
Directors' fees	(370)	(77)	(293)	381%
Leases	(86)	(97)	11	(11%)
Per diem, travel and representation expenses	(2)	(1)	(1)	100%
Gifts	(5)	-	(5)	100%
Sundry	(25)	(68)	43	(63%)
Administrative expenses	**(4,870)**	**(3,341)**	**(1,529)**	**45.8%**
Other operating income	1	-	1	100%
Operating income/(loss)	**18,410**	**25,362**	**(6,952)**	**(27%)**
Commercial interest	1,543	1,225	318	26%
Interest on loans	(5,341)	(11,269)	5,928	(53%)
Bank expenses and commissions	(72)	(117)	45	(38%)
Exchange difference, net	(14,419)	(2,231)	(12,188)	546%
Difference in UVA value	(1,605)	(262)	(1,343)	513%
Other financial results	(365)	419	(784)	(187%)
Financial and holding results, net	**(20,259)**	**(12,235)**	**(8,024)**	**66%**
Pre-tax profit/(loss)	**(1,849)**	**13,127**	**(14,976)**	**(114%)**
Income Tax	1,970	4,584	(2,614)	(57%)
Income/(Loss) for the year	**121**	**17,711**	**(17,590)**	**(99%)**

	Fiscal year ended December 31:			
	2,022	2,021	Variation	Variation %
These items will be reclassified under income/(loss):				
Change of income tax rate - Revaluation of property, plant and equipment	-	(3,589)	3,589	(100%)
Benefit plan	(25)	5.00	(30)	(600%)
Impact on Income Tax	9.00	(2)	11.00	(550%)
Other comprehensive income/(loss) for the year	**(16)**	**(3,586)**	**3,570**	**(100%)**
Total comprehensive income/(loss) for the year	**105**	**14,125**	**(14,020)**	**(99%)**

Sales:

Net sales for the year ended December 31, 2022 amounted to USD 38,512 thousand, as against the USD 41,861 thousand for fiscal year 2021, showing a decrease of USD 3,349 thousand (8%).

During the fiscal year ended December 31, 2022, the dispatch of energy was 1,065,870 MWh, accounting for a decrease of 85,040 MWh compared with the 1,150,910 MWh dispatched in fiscal year 2021. This variation is mainly explained by the major maintenance work carried out at the end of the year. Therefore, the plant did not operate during November-December.

Below is a description of the Company's main revenues, and their variation during the fiscal year ended December 31, 2022, as against fiscal year 2021:

(i) USD 38,512 thousand from energy and power sales on the forward market to CAMMESA under Resolution No. 220/07, representing a 8% decrease as against the USD 41,861 thousand for fiscal year 2021. This variation is mainly explained by the lower dispatch of energy compared to fiscal year 2021.

Cost of sales:

Total cost of sales for the year ended December 31, 2022 reached USD 14,737 thousand, as against the USD 12,671 thousand for fiscal year 2021, representing an increase of USD 2,066 thousand (16%).

Below is a description of the Company's main revenues, and their variation during the fiscal year ended December 31, 2022, as against fiscal year 2021:

(ii) USD 10,195 thousand for depreciation of property, plant and equipment, which accounted for a 13% increase compared with the USD 9,008 thousand for fiscal year 2021. This variation is mainly due to the acquisition of items of property, plant and equipment during this fiscal year. This item does not entail an outlay of cash.

(iii) USD 2,014 thousand for salaries, social security liabilities and employee benefits, up 29% from the USD 1,563 thousand recorded in 2021. This variation is explained by salary increases.

Gross income/(loss):

Gross income/(loss) for the year ended December 31, 2022 amounted to USD 23,775 thousand, compared with the USD 29,190 thousand recorded in fiscal year 2021, accounting for an decrease of USD 5,415 thousand (19%). This variation is mainly explained by an increase in sales of energy and power in the forward market to CAMMESA.

Selling expenses:

Total selling expenses for the year ended December 31, 2022 reached USD 496 thousand, compared with USD 487 thousand for fiscal year 2021, reflecting an increase of USD 9 thousand (2%).

The main component of the Company's selling expenses are listed below:

(i) USD 496 thousand in taxes, rates and contributions, accounting for a 2% increase from the USD 487 thousand recorded in fiscal year 2021.

Administrative expenses:

Total administrative expenses for the fiscal year ended December 31, 2022 amounted to USD 4,870 thousand, showing a 45.8% increase from the USD 3,341 thousand recorded in 2021.

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

(i) USD 4,382 thousand of fees and compensation for services, which accounted for an increase of 41% from the USD 3,098 thousand recorded in 2021. Such variation is due to the increases in billing of administrative services rendered by RGA.

Other operating income:

Other operating income for the fiscal year ended December 31, 2022 amounted to USD 1 thousand, showing a 100% increase compared with fiscal year 2021. This income is in relation to the sale of property, plant and equipment.

Operating income/(loss):

Operating income/(loss) for the year ended December 31, 2022 amounted to USD 18,410 thousand, compared with the USD 25,362 thousand recorded in fiscal year 2021, accounting for a decrease of USD 6,952 thousand (27%).

Financial and holding results, net:

Net financial and holding results for the fiscal year ended December 31, 2022 amounted to a total loss of USD 20,259 thousand compared with the loss of USD 12,235 thousand recorded in fiscal year 2021, which accounted for an increase of 66%. This variation is primarily due to the effect of the exchange rate fluctuation and the variation in interest on loans.

The most noticeable aspects of the variation are:

(i) USD 5,341 thousand loss for interest on loans, a 53% decrease from the USD 11,269 thousand loss for fiscal year 2021. This variation is explained by higher interest earned, compared with fiscal year 2021, due to an increase in connection with the loan agreement with GMSA.

(ii) USD 14,419 thousand loss due to net exchange differences, accounting for an increase of 546% compared with the USD 2,231 thousand loss recorded in fiscal year 2021. This variation is mainly due to the fact that the asset position in pesos for the fiscal year ended December 31, 2022 was higher than in fiscal year 2021, generating a greater exchange difference.

(iii) A USD 1,605 thousand loss due to a difference in the UVA value, accounting for a variation of USD 1,343 thousand compared with the USD 262 thousand loss recorded in fiscal year 2021. This variation is mainly due to new financial instruments taken with UVA quotation during fiscal year 2022.

Net income/(loss):

The Company reported a pre-tax loss of USD 1,849 thousand for the fiscal year ended December 31, 2022 compared with the USD 13,127 thousand profit recorded in fiscal year 2021, which accounts for a 114% decrease. This is mainly due to the variation in sales, costs of sales and the exchange rate.

The Company recognized an Income Tax benefit of USD 1,970 thousand for the fiscal year ended December 31, 2022, as against the Income Tax expense of USD 4,584 thousand for fiscal year 2021. This variation is mainly explained by the inclusion of the tax inflation adjustment on accumulated losses as from fiscal year 2021. Moreover, the impact on the balances of net deferred assets and liabilities generated by the change in the rate due to the amendments introduced by Law No. 27630 has been recorded during fiscal year 2021.

Thus obtaining loss after Income Tax for USD 121 thousand compared with USD 17,711 thousand of income for fiscal year 2022.

Comprehensive income/(loss) for the year:

Income recorded under other comprehensive income/(loss) for the year ended December 31, 2022 amounted to USD 16 million, representing a 100% decrease from the USD 3,586 in fiscal year 2021. The variation is mainly due to the fact that the income/(loss) for fiscal year 2021 includes the change in the income tax rate applicable to the revaluation of property, plant and equipment performed in December 2021.

Total comprehensive income for the year amounted to USD 105 thousand, representing an increase of 99% compared with the comprehensive income of USD 14,125 thousand for fiscal year 2021.

2. Comparative balance sheet figures (in thousands of US dollars)

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Non-current assets	141,036	138,856	146,237	145,609	155.22
Current assets	35,143	35,098	39,009	42,342	16,129
Total assets	**176,179**	**173,954**	**185,246**	**187,951**	**171,331**
Equity	54,466	54,361	40,238	28,325	30,826
Total equity	**54,466**	**54,361**	**40,238**	**28,325**	**30,826**
Non-current liabilities	88,520	101,296	112,994	113,778	97,036
Current liabilities	33,193	18,297	32,014	45,848	43,468
Total liabilities	**121,713**	**119,593**	**145,008**	**159,626**	**140,505**
Total Liabilities and Shareholders' equity	**176,179**	**173,954**	**185,246**	**187,951**	**171,331**

3. Comparative income statement figures (in thousands of US dollars)

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Ordinary operating income	18,410	25,362	24,523	27,480	10,320
Financial and holding results	(20,259)	(12,235)	(14,182)	(14,481)	(35,519)
Income/(Loss) for the year	**(1,849)**	**13,127**	**10,341**	**12,999**	**(25,199)**
Income Tax	1,970	4,584	(4,060)	(14,498)	5,955
Net income/(loss)	**121**	**17,711**	**6,281**	**(1,500)**	**(19,244)**
Other comprehensive income/(loss)	(16)	(3,586)	5,632	(1,001)	13,544
Total comprehensive income/(loss)	**105**	**14,125**	**11,913**	**(2,501)**	**(5,700)**

4. Comparative cash flow figures (in thousands of US dollars)

	12/31/2022	12/31/2021
Cash provided by operating activities	28,225	31,100
Cash (used in) investing activities	(21,265)	(2,215)
Cash (used in) financing activities	(5,124)	(35,675)
Increase (Decrease) in cash and cash equivalents	**1,836**	**(6,790)**

5. Comparative ratios:

	12/31/2022	12/31/2021
Liquidity (1)	1.06	1.92
Solvency (2)	0.45	0.45
Tied-up capital (3)	0.80	0.80
Indebtedness (4)	3.20	2.54
Interest coverage (5)	5.36	3.05
Return on equity(6)	0.00	0.37

(1) Current Assets / Current Liabilities

(2) Equity / Total Liabilities

(3) Non-current Assets / Total Assets

(4) Financial debt / annual EBITDA (*)

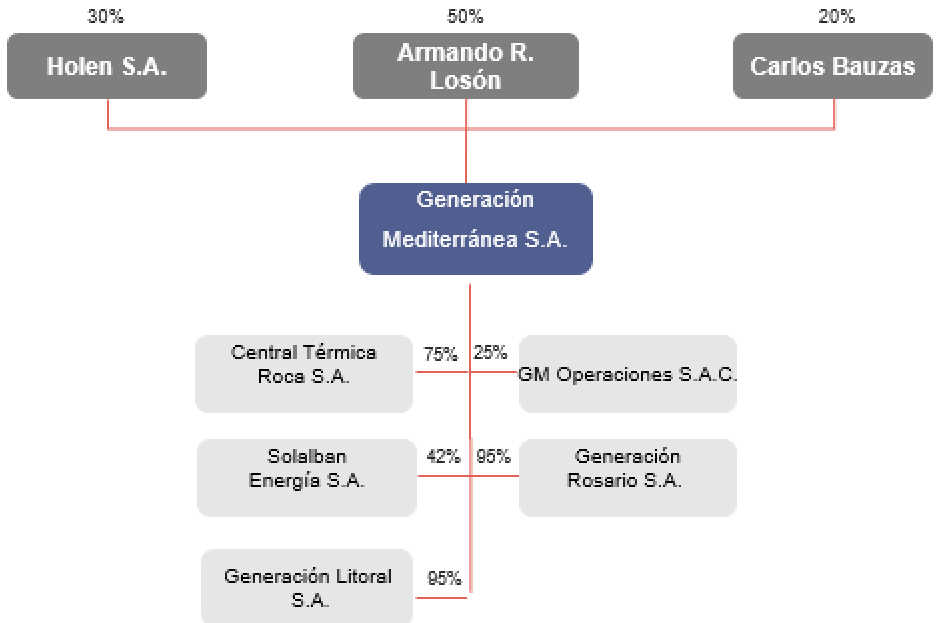
(5) Annual EBITDA (*) / accrued annual financial interest

(6) Net income/(loss) for the period (without OCI) / Total average Equity

(*) Amounts not covered in the Audit Report.

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 73,070,470 ordinary, non-endorsable, registered shares of $1 par value each, and entitled to 1 vote per share, there being no changes in capital or shareholdings during 2022.

In the fiscal year ended December 31, 2022, the ownership structure was as follows:

GMSA (Parent Company)	75 %
TEFU S.A.	25 %

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. 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

The generation unit is expected to continue operating normally in accordance with the dispatch defined by CAMMESA. The main objective is to maintain the Plant’s high level of availability, a fact that ensures the Company's level of profitability.

Financial position

In the current fiscal year, the Company expects to continue streamlining its financing structure and keeping a level of indebtedness in line with the Power Plant operational needs.

The strategy pursued ensures compliance with the commitments undertaken by the Company and the proper and efficient operation of the Power Plant.

6. DISTRIBUTION OF INCOME/LOSS

In compliance with the prevailing legal provisions, the Board of Directors of the Company states that income for the year amounted to USD 121 thousand, thus recording retained earnings for USD 1,926 thousand at December 31, 2022.

The Shareholders' Meeting will discuss and decide on the final destination of such retained earnings.

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 customers 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

Central Térmica Roca S.A.

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

President
Armando Losón (Jr.)

Full Directors
María Eleonora Bauzas
Guillermo Gonzalo Brun
Julián Pablo Sarti
Roque Antonio Villa

Full Syndics
Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics
Marcelo Claudio Barattieri
Carlos IndalecioVela
Marcelo Rafael Tavarone

Legal information

Business name:	Central Térmica Roca S.A.
Legal address:	Av. Leandro N. Alem 855, Floor 14, City of Buenos Aires
Main business activity:	Generation and sale of electric energy
Tax Registration Number:	33-71194489-9

Date of registration with the Public Registry of Commerce:

By-Laws:	07/26/2011
Latest amendment:	August 24, 2022
Registration number with the Legal Entities Regulator:	No. 14827 of Book 55, Volume of Companies by shares
Expiration date of the Company:	07/26/2110
Name of Parent Company:	GMSA
Legal domicile of Parent Company:	Av. Leandro N. Alem 855, Floor 14, City of Buenos Aires
Main line of business of Parent Company:	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.
Percentage of equity interest held by Parent Company:	75%
Percentage of voting rights of Parent Company:	75%

Central Térmica Roca S.A.

Statement of Financial Position

At December 31, 2022, presented in comparative format

Stated in thousands of US dollars

	Note	12/31/2022	12/31/2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**7**	140,293	137,905
Other receivables	**9**	743	951
Total non-current assets		**141,036**	**138,856**
CURRENT ASSETS			
Inventories	**10**	729	835
Other receivables	**9**	26,464	23,899
Trade receivables	**11**	6,329	9,850
Cash and cash equivalents	**12**	1,621	514
Total current assets		**35,143**	**35,098**
Total assets		**176,179**	**173,954**
EQUITY			
Share Capital	**13**	868	868
Capital adjustment		7,543	7,543
Legal reserve		870	199
Optional reserve		20,065	3,749
Special Reserve GR No. 777/18		10,572	11,394
Technical revaluation reserve		12,647	13,630
Other comprehensive income/(loss)		(24)	(8)
Unappropriated retained earnings		1,925	16,986
TOTAL EQUITY		**54,466**	**54,361**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	**15**	26,971	28,962
Defined benefit plan	**19**	127	92
Loans	**16**	61,422	72,242
Total non-current liabilities		**88,520**	**101,296**
CURRENT LIABILITIES			
Other liabilities		81	74
Tax payables	**18**	490	1,623
Salaries and social security liabilities	**20**	297	311
Defined benefit plan	**19**	1	1
Derivative instruments		-	3
Loans	**16**	30,124	14,998
Trade payables	**21**	2,200	1,287
Total current liabilities		**33,193**	**18,297**
Total liabilities		**121,713**	**119,593**
Total liabilities and equity		**176,179**	**173,954**

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

Central Térmica Roca S.A.

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

	Note	12/31/2022	12/31/2021
Sales revenue	**22**	38,512	41,861
Cost of sales	**23**	(14,737)	(12,671)
Gross income/(loss)		**23,775**	**29,190**
Selling expenses	**24**	(496)	(487)
Administrative expenses	**25**	(4,870)	(3,341)
Other income		1	-
Operating income/(loss)		**18,410**	**25,362**
Financial income	**26**	8,182	7,062
Financial expenses	**26**	(12,052)	(17,223)
Other financial results	**26**	(16,389)	(2,074)
Financial results, net		**(20,259)**	**(12,235)**
Pre-tax profit/(loss)		**(1,849)**	**13,127**
Income tax	**15**	1,970	4,584
Income for the year		**121**	**17,711**
Items that will not be classified under income/(loss):			
Change of income tax rate - Revaluation of property, plant and equipment	**15**	**-**	(3,589)
Benefit plan	**19**	(25)	5
Impact on deferred tax	**15**	9	(2)
Other comprehensive income/(loss) for the year		**(16)**	**(3,586)**
Total comprehensive income/(loss) for the year		**105**	**14,125**
Earnings per share			
Basic and diluted earnings per share	**27**	0.00	0.24

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

Central Térmica Roca S.A.

Statement of Changes in Equity

For the years ended December 31, 2022 and 2021,

Stated in thousands of US dollars

	Share capital (Note 13)	Capital adjustment	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	Total equity
Balances at December 31, 2020	**868**	**7,543**	**199**	**3,749**	**13,943**	**16,679**	**(11)**	**(2,734)**	**40,236**
Other comprehensive income/(loss) for the year	-	-	-	-	(1,634)	(1,955)	3	-	(3,586)
Reversal of technical revaluation reserve	-	-	-	-	(915)	(1,094)	-	2,009	-
Income for the year	-	-	-	-	-	-	-	17,711	17,711
Balances at December 31, 2021	**868**	**7,543**	**199**	**3,749**	**11,394**	**13,630**	**(8)**	**16,986**	**54,361**
Minutes of the Shareholders' Meeting held on April 19, 2022:									
- Setting up of legal reserve	-	-	671	-	-	-	-	(671)	-
- Setting up of optional reserve	-	-	-	16,316	-	-	-	(16,316)	-
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(16)	-	(16)
Reversal of technical revaluation reserve	-	-	-	-	(822)	(983)	-	1,805	-
Income for the year	-	-	-	-	-	-	-	121	121
Balances at December 31, 2022	**868**	**7,543**	**870**	**20,065**	**10,572**	**12,647**	**(24)**	**1,926**	**54,466**

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

Central Térmica Roca S.A.

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:			
Income for the year		121	17,711
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	**15**	(1,970)	(4,584)
Accrued interest, net	**26**	3,798	10,044
Depreciation of property, plant and equipment	**7 and 23**	10,195	9,008
Provision for Directors' fees	**25**	370	77
Provision for defined benefit plans	**23**	25	17
Exchange differences and other financial results	**26**	15,279	2,831
Income/(loss) from the sale of property, plant and equipment		(1)	-
Income/(loss) from changes in the fair value of financial instruments	**26**	(495)	(1,019)
Difference in UVA value	**26**	1,605	262
Changes in operating assets and liabilities:			
Decrease in trade receivables		2,094	1,370
(Increase) in other receivables (1)		(1,023)	(2,499)
(Increase) in inventories		(268)	(271)
Increase/(Decrease) in trade payables		930	(768)
(Decrease) in defined benefit plans		-	(68)
Increase in salaries and social security liabilities		135	87
(Decrease) in tax payables		(1,506)	(1,098)
Payment of extraordinary income tax advances		(1,064)	-
Net cash flows provided by operating activities		**28,225**	**31,100**
Cash flows provided by investing activities:			
Acquisition of property, plant and equipment	**7**	(11,896)	(1,498)
Collection of financial instruments		-	790
Loans collected	**28**	-	6,479
Loans granted	**28**	(9,369)	(8,757)
Interest earned	**28**	-	771
Net cash flows (used in) investing activities		**(21,265)**	**(2,215)**
Cash flows from financing activities:			
Borrowings	**16**	39,699	23,688
Payment of loans	**16**	(33,786)	(41,787)
Payment of interest	**16**	(10,944)	(17,324)
Leases	**16**	131	-
Leases paid	**16**	(224)	(252)
Net cash flows (used in) financing activities		**(5,124)**	**(35,675)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,836**	**(6,790)**
Cash and cash equivalents at the beginning of year	**12**	514	6,546
Financial results of cash and cash equivalents		(729)	758
Cash and cash equivalents at year end	**12**	1,621	514
NET INCREASE/(DECREASE) IN CASH		**1,836**	**(6,790)**

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

(1) It includes advance payments to suppliers for the purchase of property, plant and equipment for USD 53 and USD 81 at December 31, 2022 and 2021, respectively.

Central Térmica Roca S.A.

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
Significant transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	**7**	(247)	(11)
Transfer to inventory of property, plant and equipment		(379)	35
Advances to suppliers applied to the purchase of property, plant and equipment	**7**	(61)	(21)
Issue of negotiable obligations paid up in kind	**16**	10	59,219
Loans to Directors, repaid	**28**	(486)	(248)

Central Térmica Roca S.A.

Notes to the Financial Statements
For the years ended December 31, 2022 and 2021,
Stated in thousands of US dollars

<u>NOTE 1:</u> GENERAL INFORMATION

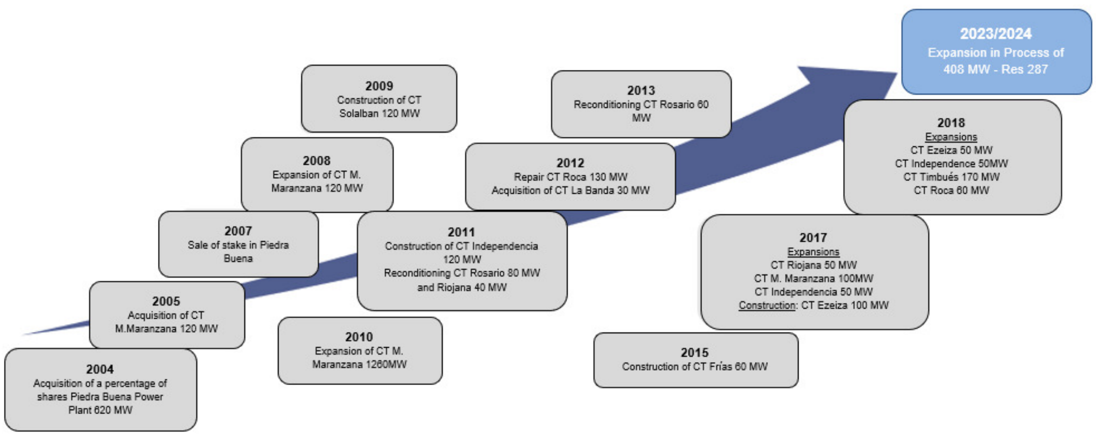
CTR's main line of business is the generation and sale of electric energy. Nominal installed capacity is 190 MW under ES Resolution No. 220/07 and ES Resolution No. 826/2022.

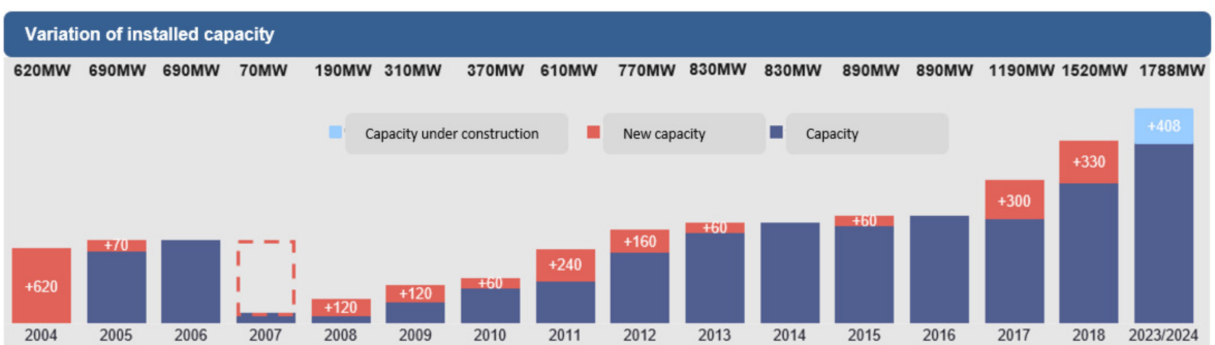
In 2011, Grupo Albanesi acquired through CTR a power plant located in the outskirts of the city of General Roca, province of Río Negro, on Provincial Road No. 6, km 11.1 (the "Power Plant"), which had been unavailable since 2009.

GMSA holds a 75% interest in the capital stock of CTR, and Tefu S.A., the remaining 25%.

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.

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)

Environmental management

The certification for an Environmental Management System under the ISO 14001:2015 standard, developed and implemented across the entire corporation, is maintained in effect. Its documentation has been updated in compliance with the new requirements of the organization about environmental management, as a result of the changes introduced by the revised version of the Standard and on-field facts in connection with the development of the project related to the extension of existing processes and the installation of new generation sites.

The staff has been trained according to the training needs identified for a correct performance of duties, and the controls and preventative follow-ups undertaken have been performed according to planning.

In July 2017, the Environmental Management System was migrated to the new 2015 version and placed in production, upon completion of the respective in-house training and distance learning.

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES

The generated energy by the two units belonging to the Plants enters the SADI and is remunerated by CAMMESA under the energy and power Supply Contract entered into with CAMMESA, as set forth by ES Resolution No. 220/2007. The sale of energy in excess of the amount agreed in the Supply Contract is paid as set forth by ES Resolution No. 826/2022.

WEM Supply Contracts (ES Resolution No. 220/07)

In January 2007, the Energy Secretariat issued Resolution No. 220 authorizing Supply Contracts between CAMMESA and the generating agents in the WEM to promote the incorporation of new electric power and associated 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 are entered into between generating agents and CAMMESA, with a duration of 10 years. The prices of the available power and energy were established in each contract based on the costs accepted by the Energy Secretariat. The contracts also establish that the machines and power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Further, as envisaged with respect to the Supply Commitment Contracts and for the purpose of mitigating the collection risk of the generating agents, priority was given to the payment of obligations assumed by CAMMESA under those Supply Contracts.

The agreement sets forth a remuneration made up of 5 components:

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

Turbines	Fixed charge for hired power	Hired power
	USDMW-month	MW
TG01	USD 12,540	116.7
TV01	USD 31,916	53.59

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

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

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:

Turbines	Variable charge in USD/MWh	
	Gas	Diesel
TG01	USD 10.28	USD 14.18
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.

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 energy generated in excess of the energy undertaken under the WEM Supply Contracts is sold to the Spot Market, pursuant to regulations in effect in the WEM, and paid as established by ES Resolution No. 826/2022.

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.

The remuneration of the power availability 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).

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

ES Resolutions No. 238/2022 and No. 826/2022 (Cont'd)

Remuneration for power will be allocated depending on the use factor of the generating unit.

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≤100MW	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 THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

ES Resolutions No. 238/2022 and No. 826/2022 (Cont'd)

1. 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≤100MW	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 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 Statement of Financial Position segregates current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within the twelve months following the end of the reporting period. In addition, the Company reports on the cash flows from operating activities using the indirect method.

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

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

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

Purpose of the Financial Statements

The non-statutory Financial Statements are presented in US dollars (USD), which is the Company's functional currency, and have been 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 separate Financial Statements for comparative purposes, arise from the 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.

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 year being calculated. This will be applicable in the fiscal year in which the variation percentage of the General 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. For the first, second and third fiscal years following its effective date, it will be applicable when the index variation, calculated from the beginning to the end of each year, exceeds 55%, 30% and 15% in the first, second and third year of application, respectively. The inflation adjustment for the fiscal year under calculation will have effect either as a negative or positive adjustment; 1/6 will be allocated in the relevant fiscal period and the remaining 5/6, in equal parts, in the immediately following fiscal years.

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.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Going concern

At the date of these 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 Financial Statements are explained below. These accounting policies have been applied consistently for all the fiscal years presented, unless otherwise indicated.

4.1 Changes in accounting policies

4.1.1 New accounting standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) effective at December 31, 2022, and which have been adopted by the Company

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.

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

4.1.2 New accounting standards, modifications and interpretations issued by the IASB not yet effective and not early adopted by the Company

- 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 have a significant impact on the results of operations or the financial position of the Company.

- IAS 12 Income Tax, 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.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1.2 New accounting standards, modifications and interpretations issued by the IASB not yet effective and not early adopted by the Company (Cont'd)

Earlier application is permitted. The application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- 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.

4.2 Revenue recognition

a) Sale of energy

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.

b) Other revenue - Interest income

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

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.3 Effects of the foreign exchange rate fluctuations

a) Functional and presentation currency

The information included in the 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) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the selling exchange rate prevailing at the date of the transaction or of revaluation, when the 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 the Company's presentation currency

The Company's results and financial position are translated to presentation currency at the end of each year, 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).

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

The Company classifies and directly accumulates the translation differences generated by its retained earnings/(accumulated losses) at the beginning and for the year in the Retained earnings/(accumulated losses) account, within Equity.

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.

4.4 Property, plant and equipment

In general, property, plant and equipment, excluding land, buildings, installations and machinery 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.

The Company measures facilities, machinery and buildings 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)

4.4 Property, plant and equipment (Cont'd)

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

The Company uses the "income approach" to determine the fair value of facilities and machinery. The income approach 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 Company 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.

External appraisers participate in the appraisal of those assets. 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 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.

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.

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 fiscal year in which they are incurred.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment (Cont'd)

If land, building, installation and machinery had been measured using the cost model in constant currency, the carrying amounts would have been the following:

	12/31/2022	12/31/2021
Cost	162,469	150,265
Accumulated depreciation	(38,625)	(28,430)
Residual value	**123,844**	**121,835**

In accordance with the technical evaluation made by expert appraisers of property, plant and equipment, reclassifications have been made within the class of elements to disclose them adequately.

4.5 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 recoverable amount of an asset is the higher of the fair value less costs to sell or value in use. 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. 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 Company considered that the carrying amount of land, buildings, installations and machinery does not exceed their recoverable value.

4.6 Financial assets

4.6.1 Classification

The Company 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.

<u>NOTE 4:</u> ACCOUNTING POLICIES (Cont'd)

4.6 Financial assets (Cont'd)

4.6.1 Classification (Cont'd)

- contractual conditions give rise on specified dates to cash flows that are only payments of the principal and interest on the principal.

a) 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.

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.

4.6.2 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.

Financial assets at amortized cost

The Company 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 Company 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)

4.6.2 Recognition and measurement (Cont'd)

Financial assets at amortized cost (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 Company 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.

4.6.3 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.

4.7 Advances to suppliers

The Company 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 53.

4.8 Inventories

Materials and spare parts are valued at the lower of acquisition cost or net realizable value.

Since materials and spare parts 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 price method.

The Company classified materials and spare parts 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)

4.9 Trade and other receivables

Trade receivables are amounts due from customers for sales of energy 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 Company sets up bad debt allowances when there is objective evidence that it 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 December 31, 2022 and 2021 were determined based on the following ratios calculated for the numbers of days past due:

RATIO PCE	No vencido	30 días	60 días	90 días	120 días	150 días	180 días	+180 días
CAMMESA	-	-	-	-	-	-	-	-
Interco	-	-	-	-	-	-	-	-
Otros deudores	-	-	-	-	-	-	-	-

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, 2022. Further, in the year ended on December 31, 2022, no allowance for impairment was set up.

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.

4.10 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 Statement of Cash Flows since they are part of the Company's cash management.

4.11 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.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.11 Trade and other payables (Cont'd)

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

4.12 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 Company 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.

4.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, if any, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

4.14 Income Tax and Minimum Notional Income Tax

a) Current and deferred Income Tax

The Income Tax charge for the year comprises deferred tax. Income Tax is recognized in income/loss.

Deferred tax is recognized, according to the liability method, on the basis of the temporary differences arising between the tax bases of assets and liabilities and their respective carrying amounts shown 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 against each other if the Company has a legally recognized right to offset the recorded amounts and if the deferred tax assets and liabilities derive from Income Tax
levied by the same tax authority, incumbent on the same fiscal entity or on different fiscal entities seeking to settle the tax assets and liabilities by their net amount.

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

NOTE 4: ACCOUNTING POLICIES (Cont'd)

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

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.

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 15).

b) Minimum Notional Income Tax

Even though the Minimum Notional Income Tax is repealed, the Company recognized the Minimum Notional Income Tax paid in prior years as a credit, 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.

4.15 Balances with related parties

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

4.16 Leases

The Company 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, book values 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 from lease liabilities are disclosed under Interest on loans in Note 17.

- 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.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.16 Leases (Cont'd)

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

4.17 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 Company 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.
However, the Company 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 Company 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.

In the year ended December on 31, 2021, the Company executed NDF forward purchase contracts of US dollars against Argentine pesos through Banco ICBC, for a nominal value of USD 1 million, at an average exchange rate of 108.2 pesos per US dollar, expiring in July 2022.

At December 31, 2022, the economic impact of these transactions shows net loss in the amount of USD 27, which is shown under Other financial results from the Statement of Comprehensive Income.

4.18 Defined benefit plans

The Company offers 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 in the year when they occur. The costs for past services are immediately recognized in the Statement of Income.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.19 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.

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

Retained earnings/(losses) 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 by-laws
- Legal reserve

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.19 Equity accounts (Cont’d)

f) Unappropriated retained earnings (Cont’d)

- (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 year in which dividends are approved by the meeting of shareholders.

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 Company, 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 Company 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.

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

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

a) Market risks

Foreign exchange risk

Most of the sales made by the company are denominated in US dollars, but since they are performed under Resolution No. 220/07, they are converted into pesos at the exchange rate per BCRA Communication A 3500 (Wholesale) corresponding to the business day preceding the due date.

At December 31, 2022, the largest debt in foreign currency is the principal of the international bond mentioned in Note 16 b), which amounts to USD 67,978.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

***a) Market risk* (Cont'd)**

Price risk

The price for the Company's sales revenues under Resolution No. 220/07 is expressly stipulated in US dollars in the contract in force signed with CAMMESA, the duration of which is 10 years.

If Resolution No. 220/07 was repealed or substantially amended in such a way that the Company is obliged to sell the power generated in the Spot Market, the income/loss of CTR might depend on the price of electricity in the Spot Market. Likewise, the Company's results could also be badly affected if the National Government or CAMMESA limited the price receivable under Resolution No. 220/07. If these situations occur, there might be an adverse impact on the Company business, financial condition and results of operations.

Interest rate risk

Interest rate risk arises from the Company's debt at floating rate. Indebtedness at floating rate exposes the Company to interest rate risk on their cash flows. At December 31, 2022 the main loan in force had a fixed rate in US dollars of 9.875% while most of them had fixed rates in US dollars at 15% and 13% and floating rates equal to Badlar plus margin.

The Company 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 Company 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.

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

	12/31/2022	12/31/2021
Fixed rate	89,933	82,460
Floating rate	1,613	4,780
	91,546	**87,240**

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

	12/31/2022	12/31/2021
Floating rate	16	48
Decrease in income for the year	**16**	**48**

b) *Credit risk*

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

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

b) *Credit risk (Cont'd)*

The electricity generators with sales to the spot market and with contracts under Resolution No. 220/07 collect through CAMMESA the payments for making available the power and energy supplied to the system.

In the last quarter of 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 Company monitors the updated projections on liquidity requirements to ensure that the Company has enough cash to cover the operational needs while maintaining an adequate level of credit facilities available. In this way, the Company 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. The Company 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 Company's financial liabilities classified according to the due dates, considering the remaining period from the respective Statement of Financial Position 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	After 2 years	Total
Trade and other payables	2,200	81	-	-	2,281
Finance leases	4	14	29	35	82
Loans	6,111	33,689	29,937	74,211	143,948
Total	**8,315**	**33,784**	**29,966**	**74,246**	**146,311**

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	1,081	281	-	-	1,361
Finance leases	43	130	-	-	173
Loans	10,975	18,343	39,067	99,074	167,459
Total	**12,099**	**18,754**	**39,067**	**99,074**	**168,993**

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

d) Management of capital risk

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

Consistently with the industry, the Company 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).

Consolidated Debt to Adjusted EBITDA ratio was as follows:

	In thousands of USD
	12/31/2022
Total loans	91,546
Less: Cash and cash equivalents	(1,621)
Net debt	89,925
EBITDA (*)	28,605
Net debt/EBITDA	**3.14**

(*) Amount not covered in the Audit Report.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Financial Statements requires Company Management to make estimates and assumptions concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these 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).

Electricity production plants of the Company 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.

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

a) Impairment of assets (Cont'd)

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:

first, to reduce the carrying value of goodwill allocated to the cash generating unit, and
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 disposal, its value in use, or zero.
The amount of the impairment loss that would otherwise have been 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.

b) Current and deferred Income Tax

The Company 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.

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

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

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) 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.

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

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.

At December 31, 2022 and December 31, 2021, there were no allowances for bad debts.

e) Defined benefit plans

The Company determines 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 year 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 Company has opted to value land, buildings, facilities and machinery at fair value applying discounted cash flows or comparables techniques.

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

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

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

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 Company 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%.

2. Pessimistic scenario: in this case the Company considers a historical average availability and a dispatch of less than expected of the demand for energy. Probability of occurrence: 30%.

In all scenarios a discount rate in US 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 could differ from estimates, so the projected cash flows may be badly affected if any of the above-mentioned factors changes in the near future.

The Company 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 Company will need:

- To increase the fair value of land, buildings, facilities and machinery by USD 14 million, if it were favorable; or

- To reduce the fair value of land, buildings, facilities and machinery by USD 14 million, 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

	Original values				Depreciation				Net amount at year end	
Type of asset	**At beginning of year**	**Increases**	**Transfers/withdrawals**	**At year end**	**Accumulated at beginning of year**	**For the year (1)**	**Withdrawals**	**Accumulated at year end**	**At 12/31/2022**	**At 12/31/2021**
Land	516	-	-	516	-	-	-	-	516	516
Buildings	7,945	-	-	7,945	169	171	-	340	7,605	7,776
Facilities	23,460	645	-	24,105	1,307	1,406	-	2,713	21,392	22,153
Machinery	113,765	10,799	-	124,564	7,492	8,389	-	15,881	108,683	106,273
Computer and office equipment	338	623	-	961	145	207	-	352	609	193
Vehicles	100	137	(5)	232	90	22	(5)	107	125	10
Spare parts and materials	984	379	-	1,363	-	-	-	-	1,363	984
Total at 12/31/2022	**147,108**	**12,583**	**(5)**	**159,686**	**9,203**	**10,195**	**(5)**	**19,393**	**140,293**	**-**
Total at 12/31/2021	**145,613**	**1,530**	**(35)**	**147,108**	**195**	**9,008**	**-**	**9,203**	**-**	**137,905**

(1) Depreciation charges for the fiscal years ended on December 31, 2022 and 2021 were allocated to cost of sales.

NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

The categories of financial instruments were determined based on IFRS 9.

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 and other receivables	30,840	74	2,622	33,536
Cash and cash equivalents	1,471	150	-	1,621
Non-financial assets	-	-	141,022	141,022
Total	**32,311**	**224**	**143,644**	**176,179**
Liabilities				
Trade and other payables	2,281	-	-	2,281
Loans (finance leases excluded)	91,464	-	-	91,464
Finance leases	82	-	-	82
Non-financial liabilities	-	-	27,886	27,886
Total	**93,827**	**-**	**27,886**	**121,713**

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 and other receivables	32,790	-	1,910	34,700
Cash and cash equivalents	109	405	-	514
Non-financial assets	-	-	138,740	138,740
Total	**32,899**	**405**	**140,650**	**173,954**
Liabilities				
Trade and other payables	1,361	-	-	1,361
Derivative instruments	-	3	-	3
Loans (finance leases excluded)	87,067	-	-	87,067
Finance leases	173	-	-	173
Non-financial liabilities	-	-	30,989	30,989
Total	**88,601**	**3**	**30,989**	**119,593**

NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

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 assets at fair value through profit or loss	Financial liabilities at amortized cost	Total
Interest earned	8,182	-	-	8,182
Interest paid	-	-	(11,980)	(11,980)
Exchange differences, net	(18,806)	-	4,387	(14,419)
Other financial results	-	(1,110)	(932)	(2,042)
Total	**(10,624)**	**(1,110)**	**(8,525)**	**(20,259)**

At December 31, 2021	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Total
Interest earned	7,062	-	-	7,062
Interest paid	-	-	(17,106)	(17,106)
Exchange differences, net	(5,590)	-	3,359	(2,231)
Other financial results	-	757	(717)	40
Total	**1,472**	**757**	**(14,464)**	**(12,235)**

Determination of fair value

The Company 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: (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 measured at fair value at December 31, 2022 and 2021 and their allocation to the different hierarchy levels:

At December 31, 2022	Level 1	Level 3	Total
Assets			
Cash and cash equivalents			
Mutual funds	150	-	150
Property, plant and equipment	-	138,196	138,196
Total	**150**	**138,196**	**138,346**

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NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

Determination of fair value (Cont'd)

At December 31, 2021	Level 1	Level 3	Total
Assets			
Cash and cash equivalents			
Mutual funds	405	-	405
Property, plant and equipment	-	136,718	136,718
Liabilities			
Derivative instruments			
Derivative instruments	3	-	3
Total	**408**	**136,718**	**137,126**

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of these Financial Statements. 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. This is the case of the revaluation of certain categories of property, plant and equipment.

Specific valuation techniques used to determine the fair value of property, plant and equipment include:

a) As for Land, it has been adjusted by a method using coefficients that comprise changes in the purchasing power of currency to conform a fair value at December 31, 2022.

b) The fair values of Facilities, Machinery and Buildings were calculated by means of the discounted cash flows (See Note 6.f).

NOTE 9: OTHER RECEIVABLES

	Note	12/31/2022	12/31/2021
Non-current			
Minimum notional income tax credit		150	272
Tax Law No. 25413		593	679
		743	**951**

NOTE 9: OTHER RECEIVABLES (Cont'd)

	Note	12/31/2022	12/31/2021
Current			
Value Added Tax		108	307
Social security withholdings		-	47
Extraordinary Income Tax prepayment		1,064	-
Sundry tax credits		-	1
Sub-total tax credits		1,172	355
Balance with related parties	**28**	24,430	22,588
Loans to Directors - Shareholders	**28**	-	352
Insurance to be accrued		571	441
Advances to suppliers		53	81
Guarantees		74	-
Advances to directors	**28**	81	-
Sundry		83	82
		26,464	**23,899**

Other long-term receivables are measured at amortized cost, which does not differ significantly from their fair value.

NOTE 10: INVENTORIES

	12/31/2022	12/31/2021
Supplies and materials	729	835
	729	**835**

NOTE 11: TRADE RECEIVABLES

	12/31/2022	12/31/2021
Current		
Trade receivables	4,863	5,193
Energy sold to be billed	1,466	4,657
	6,329	**9,850**

The carrying amount of Current trade receivables approximates their fair value since they fall due in the short term.

NOTE 12: CASH AND CASH EQUIVALENTS

	12/31/2022	12/31/2021
Cash	-	1
Banks	71	108
Mutual funds	150	405
Time deposit	1,400	-
	1,621	**514**

NOTE 12: CASH AND CASH EQUIVALENTS (Cont'd)

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

	12/31/2022	12/31/2021
Cash and cash equivalents	1,621	514
	1,621	**514**

NOTE 13: CAPITAL STATUS

Subscribed and registered capital at December 31, 2022 amounted to USD 868 (thousands of ARS 73,070).

NOTE 14: 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, 2022 will be subject to tax at a rate of 13%.

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.

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).

Pursuant to the 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 bond, the co-issuers must comply with ratios on a consolidated basis to be allowed to distribute dividends.

NOTE 15: INCOME TAX - DEFERRED TAX

The analysis of deferred tax assets and liabilities is as follows:

	12/31/2022	12/31/2021
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	15,885	19,043
	15,885	19,043
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(42,856)	(48,005)
	(42,856)	(48,005)
Deferred tax liabilities (net)	**(26,971)**	**(28,962)**

The gross transactions recorded in the deferred tax account are as follows:

	12/31/2022	12/31/2021
Balance at beginning of year	(28,962)	(29,955)
Charge to Income Statement	1,982	4,584
Charge to other comprehensive income	-	(3,589)
Charge to employee benefit plans	9	(2)
Balance at year end	**(26,971)**	**(28,962)**

The income tax charge is broken down as follows:

	12/31/2022	12/31/2021
Deferred tax	1,971	4,523
Expiration of Minimum Notional Income Tax	(12)	-
Overstatement in the provision from prior year	11	61
Income tax	**1,970**	**4,584**

The income tax charge calculated by the deferred tax method is detailed below:

Items	Balance at December 31, 2021	Charge to Income Statement	Charge to employee benefit plans	Balance at December 31, 2022
	USD			
Other receivables	(51)	21	-	(30)
Mutual funds	(5)	8	-	3
Property, plant and equipment	(38,343)	(361)	-	(38,704)
Inventories	(72)	10	-	(62)
Loans	(853)	332	-	(521)
Employee benefit plan	29	5	9	43
Inflation adjustment for tax purposes	(8,767)	5,155	-	(3,612)
Tax loss	19,100	(3,188)	-	15,912
Total	**(28,962)**	**1,982**	**9**	**(26,971)**

NOTE 15: INCOME TAX - DEFERRED TAX (Cont'd)

Income tax losses 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.

Accumulated tax losses pending use at December 31, 2022 and which may be offset against taxable income for the year ended on that date are the following:

Year	USD	Year of expiration
Tax loss for the year 2018	27,380	2,023
Tax loss for the year 2019	18,082	2,024
Total accumulated tax losses at December 31, 2022	**45,462**	

On June 16, 2021, the National Executive Branch enacted Law No. 27630. The most significant amendments introduced by the law are the following:

- Income Tax rate: the fixed rate for companies was eliminated and a new progressive rate structure was established for three income tax brackets, in relation to the level of accumulated net taxable profits. The new rates are the following: 25% for accumulated net taxable profits ranging between $ 0 and $ 5 million; 30% for the second tax bracket, between $ 5 and $ 50 million and 35% for taxable profits 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: a 7% rate has been set.

Amendments are applicable for annual reporting periods beginning on or after January 1, 2021.

By means of Law No. 27701 on the National Budget for 2023, it was established that taxpayers who 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). Failure to comply with this requirement will result in the benefit loss.

NOTE 15: INCOME TAX - DEFERRED TAX (Cont'd)

Extraordinary prepayment

Through 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, 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 on January and July 2022.

It was applicable to the Company and is disclosed under Other current receivables in the amount of USD 1,064 (see Note 9).

The reconciliation between income tax charged to income and that resulting from the application of the tax rate to the accounting profit before taxes is shown below:

	12/31/2022	12/31/2021
Pre-tax profit/(loss)	(1,849)	13,127
Current tax rate	35%	35%
Income/(loss) at the tax rate	647	(4,594)
Other permanent differences	(1,403)	(533)
Inflation adjustment for tax purposes and restatement of tax losses	(1,585)	11,851
Change in the income tax rate (a)	-	(6,447)
Effects of exchange and translation differences on property, plant and equipment	4,312	4,296
Variation in tax losses	-	(50)
Expiration of Minimum Notional Income Tax	(12)	-
Variation in the provision from prior year	11	61
Total income tax charge	**1,970**	**4,584**
Deferred tax for the year	1,971	4,523
Expiration of Minimum Notional Income Tax	(12)	-
Variation in the provision from prior year	11	61
Total income tax charge	**1,970**	**4,584**

(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.

NOTE 16: LOANS

Non-current	12/31/2022	12/31/2021
International bond	47,388	66,679
Negotiable obligations	13,094	5,563
Other bank debts	876	-
Finance lease debts	64	-
	61,422	**72,242**

Current		
International bond	21,186	4,376
Negotiable obligations	4,872	5,842
Other bank debts	3,766	4,607
Bond insurance	282	-
Finance lease debts	18	173
	30,124	**14,998**

At December 31, 2022, the total financial debt amounts to USD 91,546 million. Total financial debt at that date is disclosed in the table below:

	Principal, in thousands	**Balance at December 31, 2022**	**Interest rate**	**Currency**	**Date of issue**	**Maturity date**
			(%)			
Debt securities						
International Bond	USD 13,999	14,755	9.63%	USD	July 27, 2016	July 27, 2023
International Bond	USD 53,979	53,819	9.88%	USD	December 1, 2021	December 1, 2027
GMSA-CTR Class II Negotiable Obligations	USD 3,480	3,567	15.00%	USD	August 5, 2019	May 5, 2023
GMSA-CTR Class VII Negotiable Obligations	USD 74	74	6.00%	USD Linked	March 11, 2021	March 11, 2023
GMSA-CTR Class VIII Negotiable Obligations	UVA 61	64	UVA + 4.60%	ARS	March 11, 2021	March 11, 2023
GMSA-CTR Class IX Negotiable Obligations	USD 953	993	12.50%	USD	April 9, 2021	April 9, 2024
GMSA-CTR Class XI Negotiable Obligations	USD 235	237	6.00%	USD Linked	November 12, 2021	November 12, 2024
Class IX Negotiable Obligations GMSA-CTR	UVA 801	843	UVA + 4.60%	ARS	November 12, 2021	November 12, 2024
Class IX Negotiable Obligations GMSA-CTR	USD 1,393	1,443	7.50%	USD	January 10, 2022	January 10, 2024
GMSA-CTR Class XIV Negotiable Obligations	USD 1,138	1,179	9.50%	USD	July 18, 2022	July 18, 2024
GMSA-CTR Class XV Negotiable Obligations	USD 5,255	5,256	3.50%	USD Linked	July 18, 2022	July 18, 2025
GMSA-CTR Class XVI Negotiable Obligations	UVA 3,019	3,135	UVA + 0%	ARS	July 18, 2022	July 18, 2025
GMSA-CTR Class XVI Negotiable Obligations	1,149	1,165	9.50%	USD	November 7, 2022	November 7, 2024
GMSA-CTR Class XVI Negotiable Obligations	11	10	3.75%	USD Linked	November 7, 2022	November 7, 2024
Subtotal		**86,540**				
Other liabilities						
Chubut loan	$ 46,965	270	BADLAR	ARS	June 16, 2022	June 16, 2024
Banco Macro loan	$ 215,637	1,261	BADLAR	ARS	November 14, 2022	November 14, 2024
Banco Supervielle loan	$ 171,082	1,002	83.00%	ARS	November 14, 2022	April 14, 2023
Banco Supervielle loan	$ 347,500	2,109	83.00%	ARS	November 28, 2022	February 10, 2023
Finance lease		82				
Bond insurance		282	88.00%	ARS	November 28, 2022	January 21, 2023
Subtotal		**5,006**				
Total financial debt		**91,546**				

NOTE 16: LOANS (Cont'd)

b) International Bonds Issuance

International Bond 2023:

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 86,000 reaching a nominal value of USD 336,000 These Negotiable Obligations are issued under the same conditions as the original issuance.

Principal: Total nominal value: USD 336,000.

Nominal value assigned to CTR: USD 70,000.

Interest: Fixed rate of 9.625%.

Payment 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.

The International Bond has been rated as CCC (Moody’s).

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 Financial Statements, the Company 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.

On 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 212,802 from USD 266,000 (80%).

Principal balance due on this Negotiable Obligation at December 31, 2022 is USD 13,999.

2027 International bond (Class X Negotiable Obligations Co-issuance)

On October 22, 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) offered the subscription of Class X Negotiable Obligations, stated and payable in US dollars, at a fixed interest rate of 9.625%, maturing in 2027.

On 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 of creditors of Existing Loans (Credit Suisse AG London Branch) for a principal amount of USD 51,217 from the USD 51,217 (100%).

NOTE 16: LOANS (Cont'd)

a) International Bonds Issuance (Cont'd)

2027 International bond (Class X Negotiable Obligations Co-issuance) (Cont'd)

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.

The underwriters and Request for Consent Agent 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 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 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 the 2027 International Bond at December 31, 2022 is USD 53,979.

b) Negotiable Obligations

On August 8, 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 (non-convertible) negotiable obligations 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 8, 2019.

<u>NOTE 16</u>: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Also, 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 outstanding nominal value of up to 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 (not convertible into shares) negotiable obligations for a total outstanding nominal value of up to USD 100,000 or its equivalent in other currencies, in one or more classes or series.

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

GMSA and CTR Class II Negotiable Obligation 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 million; amount assigned to CTR: USD 8 million.

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

Maturity date: 05/05/2023

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

GMSA and CTR Class II Negotiable Obligation Co-issuance (Cont'd):

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 will be mainly applied to the refinancing of liabilities and investment in property, plant and equipment and, to a lesser extent, to the financing of working capital.

Class II Negotiable Obligations will be: (i) secured by GMSA with suretyships; and (ii) guaranteed with pledges on operating turbines, a mortgage on CTI, a reserve account with funds from two interest periods and an assignment of rights to collect debts on contracts with CAMMESA under ES Resolutions Nos. 220/07 and 21/17.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 3,480.

GMSA and CTR Class IV Negotiable Obligation 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:

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 issuance allowed the swap of 69.39% of Class III Negotiable Obligations, improving the financial debt maturities profile of the Company.

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

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

GMSA and CTR Class VII Negotiable Obligation Co-issuance:

Principal: nominal value: USD 7,707.

Amount assigned to CTR: USD 344.

Maturity date: March 11, 2023.

Interest: 6% annual nominal, payable on a quarterly basis up to and including March 11, 2023.

Payment term and method: Amortization: They 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 Albanesi SA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

The principal balance due at December 31, 2022 amounts to USD 74.

GMSA and CTR Class VIII Negotiable Obligation Co-issuance:

Principal: nominal value: UVA 41,936 equivalent to $2,915 thousand;

Amount assigned to CTR: UVA 913 thousand.

Interest: 4.60% annual nominal, payable on a quarterly basis up to and including March 11, 2023.

Payment term and method: Amortization: They 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 Albanesi SA 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 61 thousand.

GMSA and CTR Class IX Negotiable Obligation Co-issuance:

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

Principal: nominal value: USD 4,265.

<u>NOTE 16</u>: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

GMSA and CTR Class IX Negotiable Obligation Co-issuance:

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 3 (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 the Maturity Date.

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

Principal balance due at December 31, 2022 amounts to USD 953.

On November 12, 2021 the Company, jointly with GMSA, co-issued Class XI Negotiable Obligations under the following conditions:

GMSA and CTR Class XI Negotiable Obligation Co-issuance:

Principal: nominal value: USD 38,654 (dollar-linked).

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 GMSA-CTR Class V, Class VII and Class VIII Negotiable Obligations co-issuance.

The principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 235.

GMSA and CTR Class XII Negotiable Obligation Co-issuance:

Principal: nominal value: UVA 48,161 thousand

Amount assigned to CTR: UVA 801 thousand

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

GMSA and CTR Class XII Negotiable Obligation Co-issuance (Cont'd):

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 GMSA-CTR Class VIII Negotiable Obligation Co-issuance.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to UVA 801 thousand.

GMSA and CTR Class XIII Negotiable Obligation Co-issuance:

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

Principal: nominal value: USD 14,065.

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 fully amortized in a lump sum payment at maturity, that is, on January 10, 2024.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 1,393.

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

GMSA and CTR Class XIV Negotiable Obligation Co-issuance:

Principal: nominal value: USD 5,858.

Amount assigned to CTR: USD 1,138.

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 obligations were paid-in in USD

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 1,138.

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

GMSA and CTR Class XV Negotiable Obligation Co-issuance:

Principal: nominal value: USD 27,659.

Amount assigned to CTR: USD 5,255.

Interest: 3.5% annual nominal rate Interest payment shall be made on a quarterly basis, 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 obligations were paid-in in ARS at the exchange rate applied on the date of payment.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 5,255.

GMSA and CTR Class XVI Negotiable Obligation Co-issuance:

Principal: nominal value: UVA 15,889 thousand equivalent to ARS 2,102,753 thousand.

Amount assigned to CTR: ARS 3,019 thousand

Interest: 0.0% annual nominal rate Interest payment shall be made on a quarterly basis, 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 ARS at the initial UVA value.

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to UVA 3,019 thousand.

NOTE 16: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

On November 3, 2022, GMSA-CTR Class XVII and XVIII Negotiable Obligations Co-issuance were subject to tender, with the following results.

GMSA and CTR Class XVII Negotiable Obligation Co-issuance:

Principal: USD 11,485.

Amount assigned to CTR: USD 1,149.

Interest: Nominal annual rate of 9.50%. It 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).

Principal balance due on this Negotiable Obligation at December 31, 2022 amounts to USD 1,149.

GMSA and CTR Class XVIII Negotiable Obligation Co-issuance

Principal: USD 21,096.

Amount assigned to CTR: USD 11.

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 t were paid-in in kind by means of the delivery of Class VII Negotiable Obligation.

Interest: Nominal annual rate of 3.75%. They shall be paid in arrears. Interest payments shall be made on a quarterly basis, 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 this Negotiable Obligation at December 31, 2022 amounts to USD 11.

NOTE 16: LOANS (Cont'd)

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

	12/31/2022	12/31/2021
Fixed rate		
Less than 1 year	29,451	10,218
Between 1 and 2 years	17,431	23,819
Between 2 and 3 years	18,201	12,622
After 3 years	24,850	35,801
	89,933	**82,460**
Floating rate		
Less than 1 year	673	4,780
Between 1 and 2 years	905	-
Between 2 and 3 years	35	-
	1,613	**4,780**
	91,546	**87,240**

The fair value of the Company's international bonds at December 31, 2022 and December 31, 2021 amounts to approximately USD 45,046 and USD 57,889, respectively. This value was calculated based on the estimated market price of the Company's international bonds at the end of each fiscal year. The applicable fair value hierarchy 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.

Company loans are denominated in the following currencies:

	12/31/2022	12/31/2021
Argentine pesos	9,048	5,452
US dollars	82,498	81,788
	91,546	**87,240**

Changes in Company's loans during the fiscal year ended on December 31, 2022 and 2021 were as follows:

	12/31/2022	12/31/2021
Loans at beginning of year	87,240	110,873
Loans received	39,709	82,907
Loans paid	(33,796)	(100,900)
Leases collected	131	-
Leases paid	(224)	(252)
Accrued interest	11,317	16,439
Interest paid	(10,944)	(17,430)
Difference in UVA value	1,605	262
Exchange difference	(3,381)	(3,159)
Capitalized expenses/present values	(111)	(1,500)
Loans at year end	**91,546**	**87,240**

NOTE 17: LEASES

This note provides information on leases in which the Company 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	701	519
Vehicles	147	-
Accumulated depreciation	(113)	(19)
	735	500

Changes in Company finance leases were as follows:

	12/31/2022	12/31/2021
Finance lease at beginning of year	173	353
Addition	131	-
Payments made for the year	(190)	(227)
Interest paid	(34)	(25)
Accrued interest and exchange difference	2	72
Finance lease at year end	**82**	**173**

NOTE 18: TAX PAYABLES

Current	12/31/2022	12/31/2021
Income tax withholdings to be deposited	28	21
Provision for Turnover Tax, net	54	77
Turnover tax withholdings to be deposited	4	3
Payment-in-installment plan	404	1,520
Sundry	-	2
	490	**1,623**

NOTE 19: DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH STAFF

A detailed description of the estimated cost and liability for benefits after retirement granted to employees of the Company is included below. These benefits are:

a) 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.

NOTE 19: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

b) 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 on December 31, 2022, 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.

The amounts and conditions vary according to the collective bargaining agreement.

	12/31/2022	12/31/2021
Non-current	127	92
Current	1	1
Total	**128**	**93**

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	128	93
Obligations for benefits at year end	**128**	**93**

The actuarial assumptions used were:

	12/31/2022	12/31/2021
Obligations for benefits at year end	5.5%	5.5%
Salary growth rate	1.0%	1.0%
Inflation	82.8%	45.0%

At December 31, 2022 and 2021, the Company does 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	25	17
Interest charges	46	46
Actuarial gain/loss through Other comprehensive income/(loss)	25	(5)
Total cost	**96**	**58**

NOTE 19: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

Changes in the obligation for defined benefit plans are as follows:

	12/31/2022	12/31/2021
Balance at beginning of year	93	99
Cost of current services	25	17
Interest charges	46	46
Actuarial gain through Other comprehensive income/(loss)	25	(5)
Payments of benefits	-	(63)
Exchange difference	(61)	-
Balance at year end	**128**	**93**

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. 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 on December 31, 2022.

NOTE 20: SALARIES AND SOCIAL SECURITY LIABILITIES

Current	12/31/2022	12/31/2021
Social security liabilities payable	205	259
Salaries payable	1	-
Provision for vacation pay	91	52
	297	**311**

NOTE 21: TRADE PAYABLES

Current	Note	12/31/2022	12/31/2021
Suppliers in local currency		216	188
Suppliers in foreign currency		471	210
Balances with related parties, in local currency	**28**	545	15
Balances with related companies, in foreign currency	**28**	676	667
Suppliers - purchases not yet billed		292	207
		2,200	**1,287**

Central Térmica Roca S.A.

Notes to the Financial Statements (Cont'd)

NOTE 22: SALES REVENUE

	12/31/2022	12/31/2021
Sale of energy Res. No. 220	34,356	41,653
Sale of energy Res. No. 95, as amended, plus Spot	4,156	208
	38,512	**41,861**

NOTE 23: COSTS OF SALES

	12/31/2022	12/31/2021
Purchase of electric energy	(816)	(459)
Salaries and social security liabilities	(1,928)	(1,504)
Defined benefit plan	(25)	(17)
Other employee benefits	(86)	(59)
Fees for professional services	(33)	(17)
Maintenance services	(593)	(698)
Depreciation of property, plant and equipment	(10,195)	(9,008)
Security guard and porter	(128)	(90)
Per diem, travel and representation expenses	(1)	(8)
Insurance	(575)	(527)
Communication expenses	(54)	(41)
Snacks and cleaning	(91)	(81)
Taxes, rates and contributions	(192)	(145)
Sundry	(20)	(17)
	(14,737)	**(12,671)**

NOTE 24: SELLING EXPENSES

	12/31/2022	12/31/2021
Taxes, rates and contributions	(496)	(487)
	(496)	**(487)**

NOTE 25: ADMINISTRATIVE EXPENSES

	12/31/2022	12/31/2021
Fees and compensation for services	(4,382)	(3,098)
Directors' fees	(370)	(77)
Taxes, rates and contributions	(17)	(54)
Leases	(86)	(97)
Per diem, travel and representation expenses	(2)	(1)
Insurance	-	(1)
Office expenses	(2)	(1)
Gifts	(5)	-
Sundry	(6)	(12)
	(4,870)	**(3,341)**

NOTE 26: FINANCIAL RESULTS

	12/31/2022	12/31/2021
Financial income		
Commercial and other interest	2,206	1,892
Interest on loans granted	5,976	5,170
Total financial income	**8,182**	**7,062**
Financial expenses		
Interest on loans	(11,317)	(16,439)
Commercial and other interest	(663)	(667)
Bank expenses and commissions	(72)	(117)
Total financial expenses	**(12,052)**	**(17,223)**
Other financial results		
Exchange differences, net	(14,419)	(2,231)
Changes in the fair value of financial instruments	495	1,019
Difference in UVA value	(1,605)	(262)
Other financial results	(860)	(600)
Total other financial results	**(16,389)**	**(2,074)**
Total financial results, net	**(20,259)**	**(12,235)**

NOTE 27: EARNINGS 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 for the year	121	17,711
Weighted average of outstanding ordinary shares	73,070	73,070
Basic earnings per share	**0.00**	**0.24**

There are no differences between the calculation of the basic earnings/(losses) per share and the diluted earnings/(losses) per share.

NOTE 28: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	USD Income/(Loss) $	
	12/31/2022	12/31/2021
a) Commercial interest		
Other related parties:		
RGA	(54)	(9)
	(54)	**(9)**
b) Administrative services		
Other related parties:		
RGA	(4,143)	(2,894)
	(4,143)	**(2,894)**
c) Leases		
Other related parties:		
RGA	(86)	(97)
	(86)	**(97)**
d) Other purchases and services received		
Other related parties:		
GROSA	-	(16)
GMSA - Surety bonds received	(3)	(9)
	(3)	**(25)**
e) Recovery of expenses		
Other related parties:		
RGA	(8)	(5)
GMSA	(800)	(192)
	(808)	**(197)**
f) Purchase of spare parts		
Other related parties:		
ALEN	(68)	-
	(68)	**-**
g) Interest generated due to loans granted		
Other related parties:		
Directors - Shareholders	-	12
GMSA	5,970	5,149
	5,970	**5,161**
h) Exchange difference		
Other related parties:		
RGA	(2)	-
	(2)	**-**

NOTE 28: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

i) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Managerial staff's fees at December 31, 2022 and 2021 amounted to USD 182 and USD 152, respectively.

	12/31/2022	12/31/2021
Salaries	(182)	(152)
	(182)	**(152)**

j) Balances at the date of the Statements of Financial Position

	12/31/2022	12/31/2021
Other current receivables from related parties		
GMSA	24,430	22,588
Directors - Shareholders	-	352
Directors - Fees advances	81	-
	24,511	**22,940**

	12/31/2022	12/31/2021
Current trade payables with related parties		
RGA	511	1
GMSA	710	681
	1,221	**682**

	12/31/2022	12/31/2021
Other current receivables from related parties		
Directors' fees	81	74
	81	**74**

k) Loans between related parties

	12/31/2022	12/31/2021
Loans to Directors - Shareholders		
Balance at beginning of year	352	479
Loans granted	-	112
Loans repaid	(486)	-
Loans forgiven	-	(248)
Accrued interest	-	12
Exchange difference	134	(3)
Balance at year end	**-**	**352**

NOTE 28: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

l) Loans between related parties

	12/31/2022	12/31/2021
Loans from GMSA		
Balance at beginning of year	22,588	19,885
Loans granted	9,369	8,645
Loans collected	-	(6,479)
Accrued interest	5,970	5,149
Paid interest	-	(771)
Exchange difference	(13,497)	(3,841)
Balance at year end	**24,430**	**22,588**

Entity	Principal	Interest rate	Conditions
12/31/2022			
GMSA	18,321	35%	Maturity date: 1 year
Total in USD	**18,321**		

NOTE 29: WORKING CAPITAL

The Company reported a surplus of USD 1,950 in its working capital (calculated as current assets less current liabilities) at December 31, 2022. The surplus in working capital amounted to USD 16,801 at December 31, 2021.

NOTE 30: 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 having a single segment, the generation and sale of electricity.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. Considering that the adjustments between the prior accounting standards and IFRS refer to non-operating items, such information is not substantially affected by the application of the new standards.

NOTE 31 - MAIN INSURANCE CONTRACTS

Insured items:

Kind of Risk	Insured amount 2022	Insured amount 2021
Operational all-risk - material damages	USD 182,750	USD 145,000
Operational all-risk - loss of profit	USD 31,392	USD 41,830
Civil liability (primary)	USD 1,000	USD 1,000
Civil liability (excess coverage)	USD 9,000	USD 9,000
Directors and Officers (D&O) liability insurance	USD 15,000	USD 15,000
Automobile	$ 20,100	$ 10,100
Personal accidents	USD 1,000	USD 1,000
Transport insurance, Argentine and international market	USD 5,000	USD 5,000
Directors' qualification bond	$ 5,000	$ 4,050
Customs bond	-	-
Environmental bond	$ 41,019	$ 23,538
Equipment technical insurance	USD 204	USD 96
Life - mandatory life insurance	$ 182	$ 119
Life - mandatory group life insurance (LCT, employment contract law)	Disability: 1 salary per year	Disability: 1 salary per year
	Death: 1/2 salary per year	Death: 1/2 salary per year
Life - additional group life insurance	24 salaries	24 salaries

Operational all risk coverage - loss of profit

Operational all risk insurance provides coverage for all risks of loss or physical damage to the insured's property and/or for risks for which it is responsible while situated in the location(s) described in the policy, provided that such damages occurred accidentally, suddenly and in an unforeseen manner and make it necessary to repair and/or replace as a direct consequence of any of the risks covered by the insurance policy. The aim of this policy is to cover the loss of profit 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.

NOTE 31 - MAIN INSURANCE CONTRACTS (Cont'd)

Operational all risk coverage - loss of profit (Cont’d)

On October 15, 2022, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 12 months through first-class insurers, as listed below: Starr Insurance Companies, Federación Patronal, La Meridional, Provincia Seguros, Chubb, Sancor and Zurich.

Civil liability

The Company has taken out insurance coverage for underlying civil liability of the insured, as a result of injuries and/or death of third parties and/or damages to third-party property, caused and/or derived from the development of the insured’s activity, subject to the terms, conditions, limitations and exclusions contained in the policy.
This coverage is structured as follows:

Individual policies were taken out for each of the companies of Grupo Albanesi, with a maximum compensation of USD 1,000 per event and two reinstatement clauses over the life of the policy.

In addition, an insurance policy common to all Group companies has been taken out with a compensation limit of USD 9,000 per event and during the effective term of the policy in excess of USD 1,000 (individual policies), with two limit reinstatements.

Directors and Officers (D&O) liability insurance

This policy covers all actions or decision-making of directors and/or officers acting in such capacity, outside the professional service or company where they work; for example, hirings and firings of employees; financial, advertising and marketing decisions; mergers or acquisitions; shareholders’ statements, accounting records, which are performed with negligence or fault, error or imprudence and cause an economic damage to an employee, shareholder or third party. It does not cover fraudulent activities.

It also covers the company in case of stock-exchange claims or from bondholders or securities holders.

It covers the personal property of present, past or future directors and/or officers, and the company’s exposure to capital market risks.

Automobile insurance

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

Transport insurance

The Company has an insurance policy that covers the transport expenses incurred by all generators of Grupo Albanesi under the modality of sworn statement to be presented monthly in arrears. This urban, national or international transport insurance policy covers the losses or damages to the insured's goods while they are being carried whether by land, air or sea.

NOTE 31 - MAIN INSURANCE CONTRACTS (Cont'd)

Customs Bonds

Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.

Temporary exports: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

Directors' qualification bond

This guarantee is required by the General Companies Law (Law No. 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This bond protects the Company against non-compliance with obligations by Directors or Managing partners while performing their duties.

Mandatory life insurance

Employers are required to take out Mandatory Group Life Insurance in favor of their employees. This insurance policy provides 24-hour coverage for employees’ risk of death for whatever reason and without limitation in Argentina and abroad.

Life insurance, as required by the Employment Contract Law (LCT)

This insurance covers obligations arising under the Employment Contract Law, if the company has to pay compensation in case of total and permanent disability or death of the employee, for whatever reason.

Group Life insurance

The Company has taken out a Group Life Insurance Policy to the benefit of all Group's employees. This Policy provides coverage by granting compensation in case of death, partial losses caused by accidents, total and permanent disability, advance payments in case of serious and deadly diseases, organ transplants and birth of posthumous child.

Environmental bond

The Environmental Damage Risk Insurance Policy with Group Incidence complies with environmental bond required by the enforcement authorities under General Environmental Law No. 25675, Section. 22.

Electronic equipment technical insurance

This insurance provides coverage for the risks that may be suffered by fixed or mobile office electronic equipment for data processing, such as PCs, notebooks, photocopiers, telephone central systems, etc., as per a detail provided by the insured in case of accidental, sudden and unforeseen events.

NOTE 32: GUARANTEES PROVIDED FOR FINANCIAL OPERATIONS WITH RELATED PARTIES

Loan JPMorgan Chase Bank, N.A.

On July 7, 2020, ASA, CTR and JP Morgan Chase Bank N.A. ("JPM") entered into a Corporate Guarantee Agreement, whereby they secured the loan granted to GMSA by JPM for USD 14,808. This loan is allocated to financing 85% of the amount payable to PW Power Systems LLC ("PWPS"), as exporter, for the repair and upgrading services provided for certain natural gas turbines owned by GMSA (formerly purchased from PWPS) as agreed upon under a service contract. This financing is secured by Export-Import Bank ("Exim Bank") and ASA and CTR acted as guarantors, as stated above.

The guarantee package includes the following: (i) a promissory note issued by GMSA in favor of JPM for the amount of the principal to be provided in each disbursement under the loan agreement, each of them secured by CTR and ASA, under the Argentine law; (ii) a promissory note governed by the laws of the State of New York, issued by GMSA; and (iii) a suretyship by CTR and ASA, both as joint and several debtors and principal payors, pursuant to the Corporate Guarantee Agreement.

Principal balance at the date of presentation of these Financial Statements totaled USD 8,885.

NOTE 33: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

The Company 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 April 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.

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 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 Financial Statements must be read in light of these circumstances.

NOTE 34: MERGER BY ABSORPTION

On March 10, 2022, the merger by absorption was registered with the Legal Entities' Regulator whereby ASA and GECEN were merged into GMSA, 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.

NOTE 35: SUBSEQUENT EVENTS

a) 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.

Independent auditor's report

To the Shareholders, President and Directors of
Central Térmica Roca S.A.

Opinion

We have audited the financial statements of Central Térmica Roca S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2022 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 financial statements at December 31, 2022, the balance of property, plant and equipment is USD 140,293 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 4.5 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. The fair value calculated through discounted cash flow was used to value the facilities, machinery, and turbines.	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.)	
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 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 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. The Board of Directors is responsible for the other information.

Our opinion on the 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 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 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 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 financial statements

Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

City of Buenos Aires, March 20, 2023.

PRICE WATERHOUSE & CO.S.R.L.
Raúl Leonardo Viglione
Partner