# Albanesi Energía S.A.

**FINANCIAL STATEMENTS**

At December 31, 2023
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 Financial Statements of the Company.

| Terms | Definitions |
|---|---|
| /day | Per day |
| AESA | Albanesi Energía S.A. / the Company |
| AFIP | Federal Administration of Public Revenue |
| AJSA | Alba Jet S.A. |
| ASA | Albanesi S.A. |
| 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. |
| 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. |
| GLSA | Generación Litoral S.A. |
| GMGS | GM Gestión y Servicios S.A.C. |
| GMSA | Generación Mediterránea S.A. |
| GMOP | GM Operaciones S.A.C. |
| Large Users | WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs |
| GROSA | Generación Rosario S.A. |

**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

| Terms | Definitions |
|---|---|
| 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 equivalent 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 | Sale liquidations with maturity date to be defined |
| MAPRO | Major Scheduled Maintenance |
| MAT | Forward market |
| WEM | Wholesale Electric Market |
| MMm3 | Million cubic meters |
| MVA | Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x $10^6$ |
| 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 Accounting Financial Reporting Standards |
| NFHCC | New Date Committed for Commercial Authorization |
| SDG | Sustainable Development Goals |
| NO | Negotiable Obligations |
| 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 Agreements" under Energy Secretariat Resolution No. 220/07 |
| GR | General Resolution |
| RGA | Rafael G. Albanesi S.A. |
| RSE | Corporate Social Responsibility |
| TP | Technical Pronouncements |
| SADI | Argentine Interconnection System |
| ES | Energy Secretariat |
| SEK | Swedish crowns |
| GSE | Government Secretariat of Energy |
| OHHS | Occupational Health, Safety and Hygiene |
| 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 dollar |
| UVA | Purchasing power unit |

# Albanesi Energía S.A.

**Composition of the Board of Directors and Statutory Audit Committee**
**at December 31, 2023**

**President**
Armando Losón (Jr.)

**1st Vice President**
Guillermo Gonzalo Brun

**2nd Vice President**
Julián Pablo Sarti

**Full Directors**
María Eleonora Bauzas
Oscar Camilo De Luise
Ricardo Martín López

**Alternate Directors**
Juan Gregorio Daly
Osvaldo Enrique Alberto Cado
María Andrea Bauzas

**Full Statutory Auditors**
Enrique Omar Rucq
Francisco Agustín Landó
Marcelo Claudio Barattieri

**Alternate Statutory Auditors**
Carlos Indalecio Vela
Julieta De Ruggiero
Marcelo Rafael Tavarone

# Legal Information

| | |
|---|---|
| Company Name: | Albanesi Energía S.A. |
| Legal address: | Av. L.N. Alem 855, 14th floor - City of Buenos Aires |
| Main business activity: | Generation and sale of electric energy |
| Tax Registration Number: | 30-71225509-5 |

Dates of registration with the Public Registry of Commerce:

| | |
|---|---|
| Bylaws or incorporation agreement: | February 23, 2012 |
| Latest amendment: | February 7, 2023 |
| Registration with the Legal Entities Regulator under number: | 1085, Book: 111, Volume: - Companies by Shares |
| Expiration of Bylaws or Incorporation Agreement: | February 23, 2111 |

# Albanesi Energía S.A.

**Statement of Financial Position**
at December 31, 2023 and 2022
stated in US dollars

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | **7** | 224,458 | 227,038 |
| Deferred tax assets, net | **20** | 15,089 | 19,842 |
| Other receivables | **9** | 583 | 968 |
| **Total non-current assets** | | **240,130** | **247,848** |
| | | | |
| **CURRENT ASSETS** | | | |
| Inventories | | 4,108 | 3,741 |
| Other receivables | **9** | 1,130 | 2,197 |
| Other financial assets at fair value through profit or loss | | 299 | - |
| Trade receivables | **10** | 11,888 | 13,599 |
| Cash and cash equivalents | **11** | 6,336 | 15,399 |
| **Total current assets** | | **23,761** | **34,936** |
| **Total assets** | | **263,891** | **282,784** |
| | | | |
| **EQUITY** | | | |
| Share Capital | **12** | 8,824 | 8,824 |
| Capital Adjustment | | 2,305 | 2,305 |
| Technical revaluation reserve | | 50,129 | 53,060 |
| Other comprehensive income/(loss) | | (9) | (6) |
| Unappropriated retained earnings/(accumulated losses) | | (46,880) | (32,129) |
| **TOTAL EQUITY** | | **14,369** | **32,054** |
| | | | |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Defined benefit plan | **14** | 133 | 214 |
| Loans | **16** | 140,691 | 84,929 |
| Trade payables | **15** | 1,996 | 1,996 |
| **Total non-current liabilities** | | **142,820** | **87,139** |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Tax payables | **19** | 373 | 2,594 |
| Salaries and social security liabilities | **18** | 177 | 254 |
| Defined benefit plan | **14** | 1 | 2 |
| Loans | **16** | 95,999 | 158,810 |
| Trade payables | **15** | 10,152 | 1,931 |
| **Total current liabilities** | | **106,702** | **163,591** |
| **Total liabilities** | | **249,522** | **250,730** |
| **Total liabilities and equity** | | **263,891** | **282,784** |

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

# Albanesi Energía S.A.

## Statement of Comprehensive Income

For the fiscal years ended December 31, 2023 and 2022
stated in US dollars

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Sales revenue | **21** | 55,025 | 70,017 |
| Cost of sales | **22** | (25,378) | (35,998) |
| **Gross income/(loss)** | | **29,647** | **34,019** |
| | | | |
| Selling expenses | **23** | (228) | (915) |
| Administrative expenses | **24** | (1,850) | (1,861) |
| Other income | | - | 70 |
| Other expenses | | - | (62) |
| **Operating income/(loss)** | | **27,569** | **31,251** |
| | | | |
| Financial income | **25** | 5,348 | 2,198 |
| Financial expenses | **25** | (31,237) | (30,208) |
| Other financial results | **25** | (14,607) | (14,510) |
| **Financial results, net** | | **(40,496)** | **(42,520)** |
| **Pre-tax profit/(loss)** | | **(12,927)** | **(11,269)** |
| | | | |
| Income Tax | **20** | (4,755) | 10,909 |
| **Comprehensive (loss)/income for the year** | | **(17,682)** | **(360)** |
| | | | |
| **Other comprehensive income/(loss)** | | | |
| *Items that will be classified under income/(loss):* | | | |
| Defined benefit plan | **14** | (5) | (13) |
| Impact on Income Tax | **20** | 2 | 5 |
| **Other comprehensive income/(loss) for the year** | | **(3)** | **(8)** |
| **Total comprehensive income/(loss) for the period** | | **(17,685)** | **(368)** |
| | | | |
| **Earnings/(losses) per share** | | | |
| Basic and diluted (losses)/earnings per share | **26** | (0.0236) | (0.0005) |

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

# Albanesi Energía S.A.

**Statement of Changes in Equity**
For the fiscal years ended December 31, 2023 and 2022
stated in US dollars

| | Share capital (Note 12) | Capital adjustment | Technical revaluation reserve | Other comprehensive income/(loss) | Unappropriated retained earnings/(accumulated losses) | Total equity |
|---|---|---|---|---|---|---|
| **Balances at December 31, 2021** | **8,824** | **2,305** | **55,994** | **2** | **(34,703)** | **32,422** |
| Other comprehensive income/(loss) for the year | - | - | - | (8) | - | (8) |
| Reversal of technical revaluation reserve | - | - | (2,934) | - | 2,934 | - |
| Loss for the year | - | - | - | - | (360) | (360) |
| **Balances at December 31, 2022** | **8,824** | **2,305** | **53,060** | **(6)** | **(32,129)** | **32,054** |
| Other comprehensive income/(loss) for the year | - | - | - | (3) | - | (3) |
| Reversal of technical revaluation reserve | - | - | (2,931) | - | 2,931 | - |
| Loss for the year | - | - | - | - | (17,682) | (17,682) |
| **Balances at December 31, 2023** | **8,824** | **2,305** | **50,129** | **(9)** | **(46,880)** | **14,369** |

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

# Albanesi Energía S.A.

**Statement of Cash Flows**
For the fiscal years ended December 31, 2023 and 2022
stated in US dollars

| | Notes | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| **Cash flows provided by operating activities** | | | |
| (Loss) for the year | | (17,682) | (360) |
| **Adjustments to arrive at net cash flows provided by operating activities:** | | | |
| Income Tax | **20** | 4,755 | (10,909) |
| Depreciation of property, plant and equipment | **7 and 22** | 11,827 | 11,826 |
| Provision for defined benefit plans | | 38 | 121 |
| Present value | | - | 99 |
| Exchange difference, net | **25** | (11,941) | (10,146) |
| Accrued interest, net | **25** | 24,279 | 27,779 |
| (Repurchase) Sale of Negotiable Obligations | **25** | 168 | (11) |
| Difference in UVA value | **25** | 30,987 | 26,264 |
| Other financial results | | 154 | 51 |
| Income/(loss) from changes in the fair value of financial instruments | **25** | (8,608) | (5,645) |
| **Changes in operating assets and liabilities:** | | | |
| (Increase) in trade receivables | | (5,551) | (3,601) |
| (Increase)/Decrease in other receivables | | (7,442) | 776 |
| (Increase) in inventories | | (367) | (608) |
| Increase/(Decrease) in trade payables | | 5,354 | (3,762) |
| Increase in salaries and social security liabilities | | 318 | 109 |
| (Decrease) in tax payables | | (2,243) | (2,362) |
| Extraordinary Income Tax prepayments | | (171) | (939) |
| **Net cash flows provided by operating activities** | | **23,875** | **28,682** |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | **7** | (9,199) | (517) |
| Government securities | | 241 | - |
| Investment acquisition | | (299) | - |
| **Net cash flows (used in) investing activities** | | **(9,257)** | **(517)** |
| **Cash flows from financing activities** | | | |
| Borrowings | **16** | 246,318 | 45,631 |
| Payment of interest | **16** | (21,944) | (22,754) |
| Leases received | **16** | 3,269 | 70 |
| Leases paid | **16** | (466) | (329) |
| Payment of principal | **16** | (231,305) | (48,032) |
| (Repurchase)/Sale of Negotiable Obligations | | (1,917) | 6,645 |
| Payment of financial instruments | | (6,167) | (1,015) |
| **Net cash flows (used in) financing activities** | | **(12,212)** | **(19,784)** |
| **Increase in cash, net** | | **2,406** | **8,381** |
| Cash and cash equivalents at the beginning of the year | **11** | 15,399 | 9,448 |
| Financial results of cash and cash equivalents | | (11,469) | (2,430) |
| Cash and cash equivalents at year end | **11** | 6,336 | 15,399 |
| | | **2,406** | **8,381** |

# Albanesi Energía S.A.

**Statement of Cash Flows (Cont'd)**
For the fiscal years ended December 31, 2023 and 2022
stated in US dollars

| | | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| **Significant transactions not entailing changes in cash:** | | | |
| Issue of Negotiable Obligations paid-in in kind | **16** | 53,761 | - |
| Transfer of property, plant and equipment to inventories | | - | 2,652 |
| Acquisition of property, plant and equipment not yet paid | **7** | (20) | (22) |
| Advances to suppliers applied to the acquisition of property, plant and equipment | **7** | (28) | - |
| Benefit plan, net | | 3 | 8 |

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

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

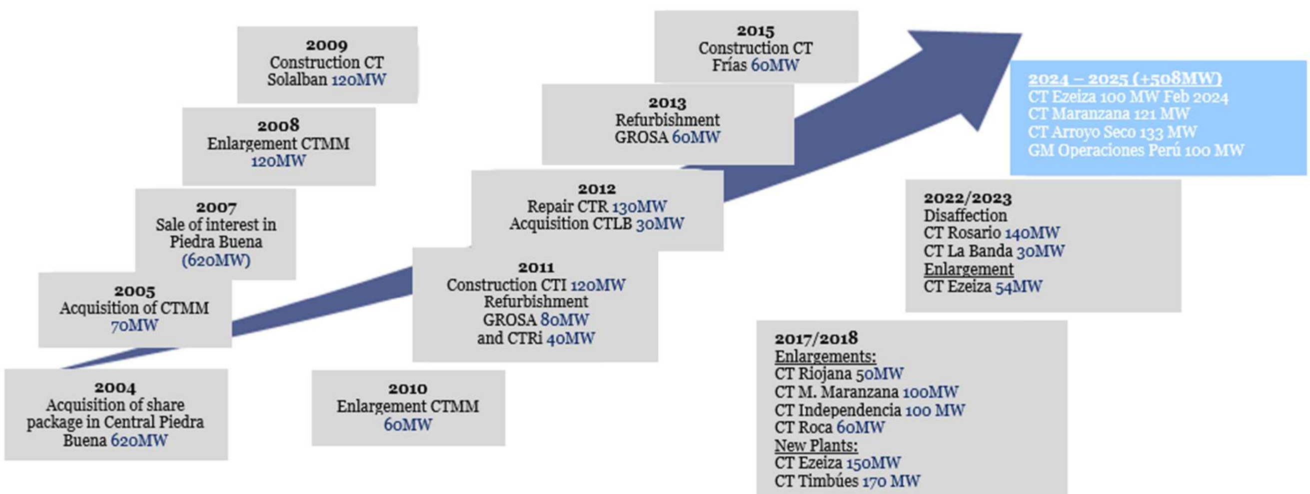
AESA's main line of business is the generation and sale of electric energy and steam through a co-generation system. Nominal installed capacity is 170 MW under EES Resolution No. 21/16.

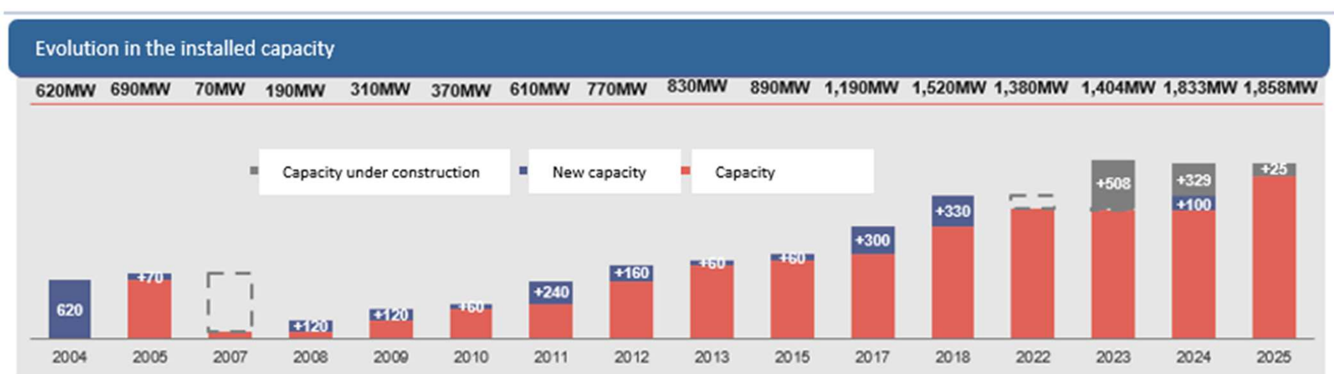
On February 24, 2018 the Timbúes Cogeneration Thermal Power Plant was authorized for commercial operation in the WEM up to 172 MW of power and on February 11, 2019 it was authorized for steam generation and delivery (see Note 30).

The Company is located in Timbúes, Province of Santa Fe.

At the date of these Financial Statements, Grupo Albanesi had a total installed capacity of 1,404 MW, it being expanded with additional 356 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 segment became one of the main purposes of the Group.



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

**Sales under EES Resolution No. 21/2016**

EES Resolution No. 21 dated March 22, 2016, called for bids for new thermal generation capacity and associated energy production by generating, co-generating and self-generating agents, with a commitment to be available in the WEM during the summer periods of (2016/2017 and 2017/2018) and for the 2017 winter season.

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

Finally, through EES Resolution No. 155/2016 the first projects awarded by EES Resolution No. 21/2016 were reported, among which was Central Térmica Cogeneración Timbúes (Cogeneración Timbúes Thermal Power Plant).

The Supply Agreement was entered into between AESA and CAMMESA for ten years. The valuable consideration for availability of power and energy generated was established in each agreement based on the bids made by the generators and awarded by the ES. Sales under this modality are denominated in US dollars and paid by CAMMESA.

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

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

| Power plants | Fixed charge for power hired USD/MW-month | Hired power MW |
|---|---|---|
| C.T. RENOVA Open cycle | USD 18,250 | 165 |
| C.T. RENOVA Cogeneration cycle | USD 23,000 | |

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 agreement and which purpose is to remunerate the operation and maintenance of the Plant:

| Power plants | Variable charge in USD/MWh | |
|---|---|---|
| | Gas | Diesel |
| C.T. RENOVA | USD 8.00 | USD 10.00 |

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

v) a discount for penalties. These penalties are applied to the hours in which 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.

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

**ES Resolutions Nos. 750 and 869/2023**

ES Resolutions Nos. 750/2021 and 869/2023 were published with the aim of adjusting the remuneration for the generation not committed under any kind of agreements for transactions as from August and on November 2023, respectively.

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). Remuneration for power will be allocated depending on the use factor of the generation equipment

On October 27, 2023, the Energy Secretariat of the Ministry of Economy published Resolution 869/2023 setting forth that, in order to secure the reliability and sustainability of the Wholesale Electric Market (WEM) and the Wholesale Electric Market of Tierra del Fuego (WEMTF), remunerations for the economic transactions conducted as from November 2023 must be increased by 28%, to be rendered economically reasonable and efficient.

1. Power prices:

   a. Base power (for generators that do not guarantee availability)

| Technology/Scale | ES Resolution No. 826/2022 (202209) | ES Resolution No. 826/2022 (202212) | ES Resolution No. 826/2022 (202302) | ES Resolution No. 826/2022 (202308) | ES Resolution No. 750/2023 (202309) | ES Resolution No. 869/2023 (202311) |
|---|---|---|---|---|---|---|
| | Base Power Price | Base Power Price | Base Power Price | Base Power Price | Base Power Price | Base Power Price |
| | [ARS/MW-month] | [AR$/MW-month] | [ARS/MW-month] | [ARS/MW-month] | [AR$/MW-month] | [AR$/MW-month] |
| CC large P>150 MW | 222,804 | 245,084 | 306,356 | 392,135 | 482,326 | 617,377 |
| CC small P≤150 MW | 248,370 | 273,207 | 341,509 | 437,131 | 537,672 | 688,220 |
| TV large P>100 MW | 317,768 | 349,545 | 436,932 | 559,272 | 687,906 | 880,520 |
| TV small P≤100 MW | 379,861 | 417,847 | 522,309 | 668,555 | 822,323 | 1,052,573 |
| TG large P>50 MW | 259,328 | 285,261 | 356,577 | 456,418 | 561,394 | 718,586 |
| TG small P≤50MW | 336,030 | 369,633 | 462,041 | 591,413 | 727,439 | 931,122 |
| Internal combustion engines >42 MW | 379,861 | 417,847 | 522,309 | 668,556 | 822,323 | 1,052,573 |
| CC small P≤15 MW | 451,583 | 496,741 | 620,926 | 794,786 | 977,586 | |
| TV small P≤15 MW | 690,655 | 759,721 | 949,651 | 1,215,553 | 1,495,130 | |
| TG small P≤15MW | 610,964 | 672,061 | 840,076 | 1,075,297 | 1,322,616 | |
| Internal combustion engines ≤42 MW | 690,655 | 759,721 | 949,651 | 1,215,553 | | |

   b. DIGO guaranteed power

| | ES Resolution No. 826/2022 (202209) | ES Resolution No. 826/2022 (202212) | ES Resolution No. 826/2022 (202302) | ES Resolution No. 826/2022 (202308) | ES Resolution No. 750/2023 (202309) | ES Resolution No. 869/2023 (202311) |
|---|---|---|---|---|---|---|
| Period | Base Power Price | Base Power Price | Base Power Price | Base Power Price | Base Power Price | Base Power Price |
| | [AR$/MW-month] | [AR$/MW-month] | [AR$/MW-month] | [AR$/MW-month] | [AR$/MW-month] | [AR$/MW-month] |
| Summer: December-January-February | **796,910** | **876,601** | **1,095,752** | **1,402,562** | **1,725,152** | **2,208,193** |
| Winter: June-July-August | **796,910** | **876,601** | **1,095,752** | **1,402,562** | **1,725,152** | **2,208,193** |
| March-April-May-September-October-November | **597,683** | **657,451** | **821,814** | **1,051,922** | **1,293,864** | **1,656,146** |

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 Nos. 750 and 869/2023 (Cont'd)**

2. Power prices:

**a.** Operations and maintenance

| Technology/Scale | Natural gas for September 2023 | Natural gas as from November 2023 | Fuel Oil/Gas Oil for September 2023 | Fuel Oil / Gas Oil as from November 2023 |
|---|---|---|---|---|
| | $/MWh | $/MWh | $/MWh | $/MWh |
| CC large P>150 MW | 1151 | 1473 | 2014 | 2578 |
| CC small P≤150 MW | 1151 | 1473 | 2014 | 2578 |
| TV large P>100 MW | 1151 | 1473 | 2014 | 2578 |
| TV small P≤100MW | 1151 | 1473 | 2014 | 2578 |
| TG large P>50 MW | 1151 | 1473 | 2014 | 2578 |
| TG small P≤50MW | 1151 | 1473 | 2014 | 2578 |
| Internal combustion engines | 1151 | 1473 | 2014 | 2578 |

**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 which are expected to be recovered or settled within 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 14, 2024.

**Purpose of these Financial Statements**

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

**NOTE 3: BASIS FOR PRESENTATION (Cont'd)**

**Comparative information**

Balances at December 31, 2022, disclosed for comparative purposes in these Financial Statements, arise from Financial Statements at those dates.

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

**Tax-purpose inflation adjustment**

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 for the fiscal period being calculated. This will apply in the fiscal year in which a variation percentage of the Consumer Price Index (CPI) accumulated over the 36 months prior to year-end exceeds 100%. These provisions are applicable for fiscal years commencing on or after January 1, 2018.

The Company estimated that, at December 31, 2023, the CPI variation will exceed the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current year.

**Going concern**

As of 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 to 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, 2023 adopted by the Company:**

- IFRS 17 Insurance Contracts. This standard replaced IFRS 4, which allowed a wide variety of practices of accounting for insurance contracts. IFRS 17 introduces a fundamental change to existing insurance accounting practices for all entities that issue insurance contracts.

- Narrow-scope amendments to IAS 1. Practice Statement 2 and IAS 8. The amendments aim to improve accounting policy disclosures and help financial statement users to distinguish between accounting policies and accounting estimates.

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.1.1 New accounting standards, amendments, and interpretations issued by the International Accounting Standards Board (IASB) effective at December 31, 2023 adopted by the Company (Cont'd):**

- Amendments to IAS 12 - Deferred taxes related to assets and liabilities arising from a single transaction. These amendments require companies to recognize deferred taxes on those transactions which, at initial recognition, give rise to equal temporary taxable and deductible differences.
- Amendments to IAS 12 - International tax reform. These amendments aim to provide a temporary exception to the accounting for deferred taxes arising from the implementation of the international tax reform of the Minimum Tax Implementation Handbook. The amendments also introduce disclosure requirements for affected companies.

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 published standards, modifications, and interpretations that have not yet entered into force and have not been early adopted by the Company:**

- Amendments to IFRS 16 - Sale and Leaseback Transactions. Amended in September 2022. These amendments include 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. 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.
- Amendments to IAS 1 Non-Current Liabilities with Covenants Amended in January 2020 and 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. The amendments also aim to improve the information an entity provides in connection with liabilities subject to covenants. Amendments are applicable for annual reporting periods beginning on or after January 1, 2024. 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.
- - Amendments to IAS 7 and IFRS 7 on supplier financing agreements. Amended in May 2023. These amendments contain disclosure requirements to enhance the transparency of supplier financial arrangements and their effects on a company's liabilities, cash flows, and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier financing arrangements are not sufficiently visible, hindering investors' analysis. The amendment applies to annual fiscal years beginning on or after January 1, 2024 (with transitory exemptions in the first year). 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.
- - Amendments to IAS 21 - Lack of Exchangeability. Amended in August 2023. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Amendments are applicable for annual reporting periods beginning on or after January 1, 2025. The Company is currently assessing the potential effects of its application.

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

### 4.2 Revenue recognition

**a) Sale of energy**

The Company recognizes revenue from supply agreements with CAMMESA for:

i) power availability, if any, on a monthly basis, to the extent that the power plant is available for generation, and
ii) energy generated when there is an effective delivery of energy, based on the price set in each agreement.

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.

The Company recognizes revenue from the sale of steam on an accrual basis, comprising the steam generated.

**b) Other revenue - Interest income**

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

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

### 4.3 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) Foreign currency balances and transactions*

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

*c) Translation to the Company’s presentation currency*

The results and financial position of the Company are translated into 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.

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

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

*d) Classification of Other comprehensive income within the Company's equity*

The Company classifies and directly accumulates the translation differences (at the beginning and for the year) in the Retained earnings/(accumulated losses) account, within equity of the Company.

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, facilities, 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 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.

At December 31, 2023, 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.

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

### 4.4 Property, plant and equipment (Cont'd)

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income 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, some of the surplus may 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.

If land, building, facilities, and machinery had been measured using the cost model, the carrying amounts would have been the following:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Cost | 166,576 | 162,624 |
| Accumulated depreciation | (52,733) | (40,907) |
| **Residual value** | **113,843** | **121,717** |

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).

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.5 Impairment of non-financial assets (Cont'd)**

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

At December 31, 2023, the Company considered that the carrying amount of land, buildings, facilities, 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;

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

*b) Financial assets at fair value*

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

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. The Company has decided to recognize the changes in fair value in income.

**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.

## NOTE 4: ACCOUNTING POLICIES (Cont'd)

### 4.6 Financial assets (Cont'd)

### 4.6.3 Impairment of 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.

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 agreement. 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.

### 4.7 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.

### 4.8 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, 2023, the Company recorded an advance to suppliers balance of USD 226.

### 4.9 Inventories

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

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.9 Inventories (Cont'd)**

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.

**4.10 Trade and other receivables**

Trade receivables are amounts due from customers for sale of energy and steam 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 recognized at fair value and subsequently 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, 2023 were determined based on the following ratios calculated for the numbers of days past due:

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

For the application of the expected loss model as regards trade receivables, no impairment allowance adjustment has been made at January 1, 2023 as against the allowance recorded at December 31, 2022. Further, in the year ended on December 31, 2023, 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.

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

### 4.11 Leases

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

- For leases classified as finance leases due to the application of IAS 17 and IFRIC 4, carrying amounts of assets for rights of use and lease liabilities were computed 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 Loan interest in Note 17.

- The rest of lease commitments identified are related to agreements ending within 12 months as from adoption and which continue to be recognized on a straight-line basis by the Company.

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

### 4.12 Cash and cash equivalents

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

### 4.13 Trade and other payables

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

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

### 4.14 Loans

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.

### 4.15 Borrowing costs

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

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

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.16 Income tax and minimum notional income tax**

**a) Current and deferred Income Taxes**

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 when the Company has a legally enforceable right to offset recognized amounts and if deferred tax assets and liabilities derive from Income Tax levied by the same tax authority on either the same taxable entity or different taxable entities with intention to settle the tax assets and liabilities on a net basis.

Current and deferred Income Tax assets and liabilities have not been discounted and are stated at nominal value.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation issued in June 2017 clarifies how the recognition and measurement requirements of IAS 12 are applied where there is uncertainty over Income Tax treatments.

To that end, an entity must evaluate whether an uncertain tax treatment used, proposed or expected to be used in its Income Tax return will be accepted by the tax authority.

If an entity concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it should determine its accounting for Income Taxes consistently with that tax treatment. If an entity concludes that it is not probable that the treatment will be accepted, it should reflect the effect of the uncertainty in its Income Tax accounting for the taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates.

IFRIC 23 requires consistent judgments and estimates to be applied to current and deferred taxes.

An entity will reassess the judgments or estimates required by this interpretation whenever facts and circumstances change or when there is new information that affects those judgments.

At December 31, 2023 and 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 20).

**b) Minimum Notional Income Tax**

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

Minimum notional income tax assets and liabilities have not been discounted and are stated at nominal value.

**NOTE 4:** **ACCOUNTING POLICIES (Cont'd)**

### 4.16 Balances with related parties

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

### 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.

At December 31, 2023, the economic impact of NDF and ROFEX shows a net loss in the amount of USD 6,167, which is shown under Changes in the fair value of financial instruments from the Statement of Comprehensive Income.

### 4.19 Defined benefit plan

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 current value of the defined benefit obligation 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.

### 4.20 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.

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.20 Equity accounts (Cont'd)**

*b) Irrevocable contributions*

Irrevocable contributions approved by the competent body have been paid in and arise from a written agreement between the parties, which state the term of permanence and conditions for conversion into shares; as a result, they were considered as part of equity.

*c) Technical revaluation reserve*

Corresponds to the technical revaluation reserve as a result of applying the revaluation model for property, plant and equipment.

*d) Other comprehensive income/(loss)*

It includes income/(loss) generated, plus actuarial gains and losses corresponding to defined benefit plans and their related tax effects.

*e) Unappropriated retained earnings/(accumulated losses)*

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

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

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

(ii) Capital contributions

(iii) Additional paid-in capital

(iv) Other equity instruments (if feasible from the legal and corporate point of view)

(v) Capital Adjustment

*f) 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

## <u>NOTE 5:</u> 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 the 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 risk***

<u>Price risk</u>

The price for the Company's sales revenues under Resolution No. 21/16 is expressly stipulated in US dollars in the agreement in force signed with CAMMESA, the duration of which is 10 years.

The price for the Company's steam sales is stipulated in the agreement in force signed with RENOVA (see Note 30), the duration of which is 15 years as from the start of steam generation.

If Resolution No. 21/16 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 AESA 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. 21/16. If these situations occur, there might be an adverse impact on the Company's business, financial condition and results of operations.

<u>Interest rate risk</u>

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, 2023, a small portion of the loans in effect had been taken out at floating rates.

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 financial debts broken down by interest rate:

| | **12/31/2023** | **12/31/2022** |
|---|---|---|
| Fixed rate | 182,729 | 236,533 |
| Floating rate | 53,961 | 7,206 |
| | **236,690** | **243,739** |

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

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

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

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Floating rate | 540 | 72 |
| **Decrease in income for the year** | **540** | **72** |

***b) Credit risks***

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

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

The electricity generators with sales to the spot market, Resolution No. 826/22, and with agreements under ES Resolution No. 21/16 collect through CAMMESA the payments for making available the power and energy supplied to the system.

In the last quarter of 2023, CAMMESA paid its past due obligations, recognizing interest and exchange difference as agreed in the pertinent agreements.

***c) Liquidity risk***

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, 2023 | Less than 3 months | Between 3 months and 1 year | Between 1 and 2 years | After 2 years | Total |
|---|---|---|---|---|---|
| Trade and other payables | 10,153 | (1) | - | 1,996 | 12,148 |
| Finance leases | 39 | 121 | 189 | 2,700 | 3,049 |
| Loans | 26,252 | 76,893 | 132,337 | 17,540 | 253,022 |
| **Total** | **36,444** | **77,013** | **132,526** | **22,236** | **268,219** |

| 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 | 1,210 | 721 | - | 1,996 | 3,927 |
| Finance leases | 3 | 10 | 19 | 8 | 40 |
| Loans | 30,301 | 144,592 | 47,394 | 55,413 | 277,700 |
| **Total** | **31,514** | **145,323** | **47,413** | **57,417** | **281,667** |

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

### 5.1 Management of capital risk

Consistently with the industry, the Company monitors its capital based on the Principal Debt to Adjusted EBITDA ratio. This ratio is calculated dividing the loan principal by Adjusted EBITDA. Adjusted EBITDA represents the earnings before net financial results, income tax, and depreciation and amortization.

To maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to its shareholders, refund capital to the shareholders, issue new shares or sell assets to reduce its debt.

Principal Debt to Adjusted EBITDA ratio at December 31, 2023 was as follows:

| | In thousands of USD<br>**12/31/2023** |
|---|---|
| Principal debt | 211,843 |
| EBITDA (*) | 39,396 |
| **Net debt/ EBITDA** | **5.377** |

(*) Amount not covered in the Audit Report.

**NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires the Company Management to make estimates and assessments concerning the future, apply critical judgments and establish premises that affect the 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).

The electricity production plant of the Company constitutes a cash generating unit, already representing the lowest level of separation of assets that generate independent cash flows.

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

In evaluating whether there is any indication that the cash generating unit could be affected, internal and external sources of information are analyzed. Specific events and circumstances are considered, which in general include the discount rate used in the projections of cash flows of each of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand.

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

***a) Impairment of financial assets (Cont'd)***

An impairment loss is recognized when the asset's carrying amount 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 amount of the assets of the CGU) as follows:

- First, reduce the carrying amount 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 / Minimum notional 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.

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

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

***c) Allowances and provisions***

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

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

***c) Allowances and provisions (Cont'd)***

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

***d) 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 period end, based on an actuarial study performed by an independent professional at that date. The actuarial method applied by the Company is the Projected Benefit Unit method.

***e) 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 market comparable techniques.

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

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

The discounted cash flows at December 31, 2023 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: 80%.

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: 20%.

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 might be badly affected if any of the above-mentioned factors changes in the near future.

**<u>NOTE 6:</u> CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)**

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

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 US 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 flows differ by 10% from Management estimates, the Company will need:

- To increase the fair value of land, buildings, facilities, and machinery by USD 21 million, if it were favorable; or

- To reduce the fair value of land, buildings, facilities, and machinery by USD 21 million, if it were not favorable.

At December 31, 2023, the Company has analyzed the variables considered in the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in those variables.

***f) 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, 2023 and December 31, 2022, there were no allowances for bad debts.

**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) | Accumulated at year end | At 12/31/2023 | At 12/31/22 |
| Land | 250 | - | - | 250 | - | - | - | 250 | 250 |
| Right of use – Land | - | 3,083 | - | 3,083 | - | - | - | 3,083 | - |
| Buildings | 16,501 | 259 | - | 16,760 | 700 | 353 | 1,053 | 15,707 | 15,801 |
| Facilities | 36,274 | 170 | - | 36,444 | 3,686 | 1,883 | 5,569 | 30,875 | 32,588 |
| Machinery | 193,991 | 434 | - | 194,425 | 18,978 | 9,515 | 28,493 | 165,932 | 175,013 |
| Computer and office equipment | 398 | 6 | - | 404 | 354 | 30 | 384 | 20 | 44 |
| Furniture and fixtures | 65 | - | - | 65 | 22 | 7 | 29 | 36 | 43 |
| Vehicles | 136 | - | - | 136 | 53 | 39 | 92 | 44 | 83 |
| Spare parts and materials | 3,216 | 5,295 | - | 8,511 | - | - | - | 8,511 | 3,216 |
| **Total at 12/31/2023** | **250,831** | **9,247** | **-** | **260,078** | **23,793** | **11,827** | **35,620** | **224,458** | **-** |
| **Total at 12/31/2022** | **252,944** | **539** | **(2,652)** | **250,831** | **11,967** | **11,826** | **23,793** | **-** | **227,038** |

(1) Depreciation charges for the year ended on December 31, 2023 and 2022 were allocated to the cost of sales

**NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES**

| At December 31, 2023 | 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 | 11,888 | - | 1,713 | 13,601 |
| Other financial assets at fair value through profit or loss | - | 299 | - | 299 |
| Cash and cash equivalents | 5,223 | 1,113 | - | 6,336 |
| Non-financial assets | - | - | 243,655 | 243,655 |
| **Total** | **17,111** | **1,412** | **245,368** | **263,891** |
| **Liabilities** | | | | |
| Trade payables | 12,148 | - | - | 12,148 |
| Loans (finance leases excluded) | 233,641 | - | - | 233,641 |
| Finance leases | 3,049 | - | - | 3,049 |
| Non-financial liabilities | - | - | 684 | 684 |
| **Total** | **248,838** | **-** | **684** | **249,522** |

| 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 | 13,988 | - | 2,776 | 16,764 |
| Cash and cash equivalents | 138 | 15,261 | - | 15,399 |
| Non-financial assets | - | - | 250,621 | 250,621 |
| **Total** | **14,126** | **15,261** | **253,397** | **282,784** |
| **Liabilities** | | | | |
| Trade payables | 3,927 | - | - | 3,927 |
| Loans (finance leases excluded) | 243,699 | - | - | 243,699 |
| Finance leases | 40 | - | - | 40 |
| Non-financial liabilities | - | - | 3,064 | 3,064 |
| **Total** | **247,666** | **-** | **3,064** | **250,730** |

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

**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, 2023 | Financial assets at amortized cost | Financial assets/liabilities at fair value | Financial liabilities at amortized cost | Total |
|---|---|---|---|---|
| Interest gain | 5,348 | - | - | 5,348 |
| Interest expense | - | - | (29,627) | (29,627) |
| Income/(loss) from sale of AESA's own Negotiable Obligations | (168) | - | - | (168) |
| Exchange difference, net | (44,775) | - | 56,716 | 11,941 |
| Other financial costs | - | (22,379) | (5,611) | (27,990) |
| **Total** | **(39,595)** | **(22,379)** | **21,478** | **(40,496)** |

| At December 31, 2022 | Financial assets at amortized cost | Financial assets/liabilities at fair value | Financial liabilities at amortized cost | Total |
|---|---|---|---|---|
| Interest gain | 2,198 | - | - | 2,198 |
| Interest expense | - | - | (29,977) | (29,977) |
| Income/(loss) from repurchase of Negotiable Obligations | 11 | - | - | 11 |
| Exchange difference, net | (14,132) | - | 24,278 | 10,146 |
| Other financial costs | - | (20,619) | (4,279) | (24,898) |
| **Total** | **(11,923)** | **(20,619)** | **9,978** | **(42,520)** |

### 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: Inputs such as (unadjusted) quoted prices in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. deriving from prices). No financial instrument should be included in Level 2.

- Level 3: Inputs on the assets or liabilities not based on observable market inputs (i.e. unobservable inputs).

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

**Determination of fair value (Cont'd)**

The following table shows the Company's financial assets measured at fair value at December 31, 2023 and 2022. The Company does not have financial liabilities measured at fair value at those dates.

| At December 31, 2023 | Level 1 | Level 3 | Total |
|---|---|---|---|
| **Assets** | | | |
| *Other financial assets at fair value through profit or loss* | | | |
| Mutual funds | 1,113 | - | 1,113 |
| Other financial assets at fair value through profit or loss | 299 | - | 299 |
| Property, plant and equipment | - | 212,764 | 212,764 |
| **Total** | **1,412** | **212,764** | **214,176** |

| At December 31, 2022 | Level 1 | Level 3 | Total |
|---|---|---|---|
| **Assets** | | | |
| *Other financial assets at fair value through profit or loss* | | | |
| Mutual funds | 5,051 | - | 5,051 |
| Short-term investments | 10,210 | - | 10,210 |
| Property, plant and equipment | - | 223,652 | 223,652 |
| **Total** | **15,261** | **223,652** | **238,913** |

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the Statement of Financial Position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No financial instruments should be included in Level 2.

If one or more of the significant inputs is not based on observable market inputs (i.e., unobservable inputs), the instrument is included in level 3. These instruments are included in Level 3. 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 and Buildings, they have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value at December 31, 2023.
b) The fair values of "Facilities" and "Machinery" were calculated by means of the discounted cash flows (See Note 6.e).

## NOTE 9: OTHER RECEIVABLES

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Non-current | | | |
| Minimum notional income tax credit | | 2 | 11 |
| Tax Law No. 25413 | | 581 | 957 |
| | | **583** | **968** |
| Current | | | |
| Extraordinary Income Tax prepayment | | 171 | 939 |
| Social security withholdings | | 27 | - |
| Sundry tax credits | | - | 6 |
| Sub-total tax credits | | 198 | 945 |
| Balance with related parties | **27** | - | 390 |
| Insurance to be accrued | | 703 | 613 |
| Advances to suppliers | | 226 | 238 |
| Sundry | | 3 | 11 |
| | | **1,130** | **2,197** |

The carrying amount of other current receivables approximates fair value due to their short-term maturity.

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

## NOTE 10: TRADE RECEIVABLES

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Trade receivables - energy | 4,201 | 9,297 |
| Trade receivables- steam | - | 29 |
| Energy sold to be billed | 7,046 | 4,273 |
| Steam sold to be billed | 641 | - |
| | **11,888** | **13,599** |

The carrying amount of current trade receivables approximates fair value due to their short-term maturity.

## NOTE 11: CASH AND CASH EQUIVALENTS

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Banks | 5,223 | 138 |
| Mutual funds | 1,113 | 5,051 |
| Short-term investments | - | 10,210 |
| | **6,336** | **15,399** |

**NOTE 12: CAPITAL STATUS**

Capital status at December 31, 2023 is detailed below:

| Principal | Amount In thousands of USD | Approved by | | Date of registration with the Public Registry of Commerce |
|---|---|---|---|---|
| | | Date | Body | |
| Total at 12/31/2015 | 5 | February 15, 2012 | Bylaws | February 23, 2012 |
| Capital increase | 949 | December 16, 2016 | Extraordinary Shareholders' Meeting | January 12, 2017 |
| Capital reduction | (148) | April 19, 2018 | Ordinary and Extraordinary Shareholders' Meeting | September 10, 2019 |
| Capital increase | 8,018 | January 06, 2021 | Extraordinary Shareholders' Meeting | February 07, 2023 |
| **Total** | **8,824** | | | |

The Extraordinary Shareholders' Meeting held on January 6, 2021 unanimously approved a capital increase through cash contributions for USD 5,018 ($425,000 thousand) and decided to capitalize shareholders' current receivables for USD 3,000 ($255,000 thousand). Consequently, at December 31, 2023, the Company's capital amounts to USD 8,824 ($747,850 thousand) and is made up of 747,850,000 shares, with a nominal value of $1 each and entitled to 1 vote per share. As a result of this capitalization, Article 4 of the Bylaws was amended. Such amendment was registered with the Legal Entities Regulator on February 7, 2023 under number 1085, Book 111, Volume: - Companies by Shares

In compliance with the prevailing legal provisions, the Board of Directors of the Company informs that a loss of USD 17,685 has been recorded for the year.

**NOTE 13: 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, 2023 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2021 will be subject to tax at a rate of 13%.

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

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

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

**<u>NOTE 14:</u> DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH PERSONNEL**

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 bonus for all the employees retiring under the differential regime of Decree No. 937/74, when reaching 55 years of age and 30 years of service, consisting in 10 salaries, augmented by 2% per each year of service exceeding the first 5 years.

- A bonus for service length, consisting in paying one salary after 20 years of employment (17 years, for women) plus another one every 5 years up to 35 years' service (32 years, for women) and two more salaries upon reaching 40 years of service (37 years, for women).

The liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned above were determined considering all the rights accrued by the beneficiaries until closing date of the year ended on December 31, 2023, 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.

| | **12/31/2023** | **12/31/2022** |
|---|---|---|
| Non-current | 133 | 214 |
| Current | 1 | 2 |
| **Total** | **134** | **216** |

Changes in the Company's obligations for benefits at December 31, 2023 and 2021 are as follows:

| | **12/31/2023** | **12/31/2022** |
|---|---|---|
| Present value of the obligations for benefits | 134 | 216 |
| Obligations for benefits at year end | **134** | **216** |

The actuarial assumptions used were:

| | **12/31/2023** | **12/31/2022** |
|---|---|---|
| Obligations for benefits at year end | 5.5% | 5.5% |
| Salary growth rate | 1% | 1.0% |
| Inflation | 106% | 82.8% |

At December 31, 2023, the Company does not have assets related to pension plans.

**NOTE 14: DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH STAFF (Cont'd)**

The charge recognized in the Statement of Comprehensive Income is as follows:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Cost of current services | 38 | 121 |
| Interest charges | 154 | 51 |
| Actuarial gain/(loss) through Other comprehensive income/(loss) | 5 | 13 |
| Total cost | **197** | **185** |

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

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Balance at beginning of year | 216 | 102 |
| Cost of current services | 38 | 121 |
| Interest charges | 154 | 51 |
| Actuarial gain/(loss) through Other comprehensive income/(loss) | 5 | 13 |
| Exchange difference | (279) | (71) |
| Balance at year end | **134** | **216** |

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 "AESA 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, 2023.

**NOTE 15: TRADE PAYABLES**

| | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Non-current | | | |
| Balance with related parties | **27** | 1,996 | 1,996 |
| | | **1,996** | **1,996** |
| Current | | | |
| Suppliers | | 1,320 | 480 |
| Balance with related parties | **27** | - | 721 |
| Balances with related parties in foreign currency | **27** | 8,459 | - |
| Provision for maintenance agreement | | 190 | 209 |
| Suppliers - purchases not yet billed | | 183 | 521 |
| | | **10,152** | **1,931** |

The carrying amount of current trade payables approximates fair value due to their short-term maturity.

## NOTE 16: LOANS

| Non-current | Note | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Related companies | **27** | 30,678 | 46,397 |
| Negotiable Obligations | | 107,124 | 38,505 |
| Finance lease debts | | 2,889 | 27 |
| | | **140,691** | **84,929** |
| Current | | | |
| UBS Loan | | - | 100,617 |
| Related companies | **27** | 20,000 | - |
| Negotiable Obligations | | 19,213 | 52,411 |
| Bank loans | | 4,840 | - |
| Bond insurance | | 51,786 | 5,769 |
| Finance lease debts | | 160 | 13 |
| | | **95,999** | **158,810** |

At December 31, 2023, the financial debt totals USD 237 million. Our total debt at that date is disclosed in the table below.

| | Principal (in thousands) | Balance at December 31, 2023 | Interest rate | Currency | Date of Issue | Maturity date |
|---|---|---|---|---|---|---|
| | | (in thousands of USD) | (%) | | | |
| Debt securities | | | | | | |
| Class III Negotiable Obligations | USD 12,645 | 12,683 | 4.90% | Dollar Linked | December 14, 2021 | September 14, 2024 |
| Class V Negotiable Obligations | USD 6,474 | 6,521 | 2.75% | Dollar Linked | August 22, 2022 | August 22, 2024 |
| Class VII Negotiable Obligations (*) | USD 11,327 | 11,260 | 4.00% | Dollar Linked | February 13, 2023 | February 13, 2025 |
| Class VIII Negotiable Obligations | $ 388,552 | 555 | Badlar + 5.00% | ARS | February 13, 2023 | February 13, 2024 |
| Class IX Negotiable Obligations (**) | UVA 38,196 | 21,722 | UVA + 3.80% | ARS | February 13, 2023 | February 13, 2026 |
| Class X Negotiable Obligations | USD 63,634 | 62,344 | 5.00% | Dollar Linked | September 21, 2023 | September 22, 2025 |
| Class XI Negotiable Obligations | USD 11,052 | 11,252 | 9.50% | USD | September 21, 2023 | March 23, 2026 |
| **Subtotal** | | **126,337** | | | | |
| Other liabilities | | | | | | |
| Related parties (Note 27) | USD 20,000 | 41,184 | 17.00% | USD | July 21, 2017 | Subordinated to UBS Loan |
| Related parties (Note 27) | USD 4,701 | 9,494 | 19.00% | USD | August 17, 2018 | Subordinated to UBS Loan |
| BAPRO loan | $400,000 | 502 | 197.50% | ARS | August 1, 2023 | January 26, 2024 |
| Banco Supervielle loan | $ 149,000 | 138 | 133.00% | ARS | October 6, 2023 | June 28, 2024 |
| BAPRO loan | $ 250,000 | 338 | 128.50% | ARS | October 9, 2023 | April 5, 2024 |
| Banco Supervielle loan | $ 1,100,000 | 1,417 | 157.00% | ARS | December 21, 2023 | March 18, 2024 |
| CMF Loan | $ 1,200,000 | 1,544 | BADLAR | ARS | December 21, 2023 | March 19, 2024 |
| Chubut loan | USD 900 | 901 | 5.00% | USD | December 22, 2023 | June 22, 2024 |
| Bond insurance | | 51,786 | | | | |
| Finance lease | | 3,049 | | | | |
| **Subtotal** | | **110,353** | | | | |
| **Total financial debt** | | **236,690** | | | | |

(*) AESA has Class VII Negotiable Obligations for a residual value of USD 1,587.
(**) AESA has Class IX Negotiable Obligations for a residual value of UVA 314 thousand.

**NOTE 16: LOANS (Cont'd)**

**a) Loan with UBS AG Stamford Branch**

On April 14, 2021, an amendment to the loan agreement was executed to extend the repayment term for a further two years and modify the loan interest rate.

Below are the original and new payment schedules, after the amendment.

**Original Payment Schedule:**

| Payment Date of Principal | Principal percentage | Principal, in thousands |
|---|---|---|
| December 31, 2020 | 2.00% | USD 3,900 |
| March 31, 2021 | 7.50% | USD 14,800 |
| June 30, 2021 | 10.00% | USD 19,700 |
| September 30, 2021 | 10.00% | USD 19,700 |
| December 31, 2021 | 57.50% | USD 113,500 |

**New Payment Schedule:**

| Payment Date of Principal | Principal percentage | Principal, in thousands |
|---|---|---|
| June 30, 2021 | 8.90% | USD 15,280 |
| September 30, 2021 | 4.60% | USD 7,897 |
| December 31, 2021 | 12.00% | USD 20,602 |
| March 31, 2022 | 3.80% | USD 6,524 |
| June 30, 2022 | 3.80% | USD 6,524 |
| September 30, 2022 | 3.80% | USD 6,524 |
| December 31, 2022 | 4.30% | USD 7,382 |
| March 31, 2023 | 5.20% | USD 8,927 |
| June 30, 2023 | 6.90% | USD 11,846 |
| September 30, 2023 | 6.90% | USD 11,846 |
| December 30, 2023 | 39.80% | USD 68,332 |

The loan accrued an applicable interest rate of 13.85% as from January 1, 2022.

The UBS Loan required Company's compliance with financial commitments, as usual in this type of transactions (leverage ratio and EBITDA-to-interest coverage ratio) and limitations on indebtedness, the creation of liens, distribution of dividends, disposition of assets, and realization of investments, among others.

On December 29, 2023, the last installment of the principal and interest was paid (USD 70,725), triggering the process for the release of guarantees: (i) RGA surety; (ii) the assignment of funds to be received by the Company under the Supply Agreement; (iii) the contractual position of the Company under the main agreements of the Projects; (iv) the insurance policies hired by the Company in relation to the Project; (v) the Gas Turbine and Recovery Steam Generator assignment; and (vi) the pledge on shares, among others.

**NOTE 16: LOANS (Cont'd)**

**b) Issuance of Negotiable Obligations**

On May 6, 2021, AESA issued Class I and Class II Negotiable Obligations under the following conditions:

**Class I Negotiable Obligations (Dollar Linked):**

**Principal:** USD 5,937.

**Interest:** Nominal annual rate of 6%.

**Payment term and method:** November 7, 2023 (the "Maturity date"). Interest payments shall be made on a quarterly basis, on the following dates: August 7, 2021, November 7, 2021,February 7, 2022, May 7, 2022, August 7, 2022, November 7, 2022, February 7, 2023, May 7, 2023, August 7, 2023 and the Maturity Date.

The principal of Class I Negotiable Obligations shall be amortized in 5 (five) consecutive installments equivalent to: 15% for the first installment; 20% for the second installment; 20% for the third installment; 20% for the fourth installment and 25% for the fifth and last installment, of the nominal value of Class I Negotiable Obligations, on the following dates: November 7, 2022, February 7, 2023, May 7, 2023, August 7, 2023 and the Maturity Date.

This Negotiable Obligation was fully settled on November 7, 2023.

**Class II Negotiable Obligations (UVA):**

**Principal:** UVA 42,321 thousand

**Interest:** Nominal annual rate of 5.99%.

**Payment term and method:** November 7, 2023 (the "Maturity date"). Interest payments shall be made on a quarterly basis, on the following dates: August 7, 2021, November 7, 2021, February 7, 2022, May 7, 2022, August 7, 2022, November 7, 2022, February 7, 2023, May 7, 2023, August 7, 2023 and the Maturity Date.

The principal of Class II Negotiable Obligations shall be amortized in 5 (five) consecutive installments equivalent to: 15% for the first installment; 20% for the second installment; 20% for the third installment; 20% for the fourth installment and 25% for the fifth and last installment, of the nominal value of Class I Negotiable Obligations, on the following dates: November 7, 2022, February 7, 2023, May 7, 2023, August 7, 2023 and the Maturity Date.

This Negotiable Obligation was fully settled on November 7, 2023.

On December 14, 2021, AESA issued Class III Negotiable Obligations under the following conditions:

**Class III Negotiable Obligations (Dollar Linked):**

**Principal:** USD 24,104. Issuance is US dollar-linked.

**Interest:** Nominal annual rate of 4.90%.

**Payment of interest:** They shall be paid in arrears. Interest payments shall be made on a quarterly basis, in arrears, on the following dates: March 14, 2022, June 14, 2022, September 14, 2022, December 14, 2022, March 14, 2023, June 14, 2023, September 14, 2023, December 14, 2023, March 14, 2024, June 14, 2024 and September 14, 2024.

**NOTE 16: LOANS (Cont'd)**

**b) Issuance of Negotiable Obligations (Cont'd)**

**Class III Negotiable Obligations (Dollar Linked) (Cont'd):**

**Payment term and method:** Class III Negotiable Obligations shall be amortized in four consecutive installments equivalent to: 10% for the first installment, and 30% for the second, third, fourth and last installment of the nominal value of Class III Negotiable Obligations, on the dates on which 24, 27, 30 and 33 months have elapsed, counted as from the issuance and settlement date; that is, respectively, on December 14, 2023, March 14, 2024, June 14, 2024 and September 14, 2024.

Principal balance due on that class of Negotiable Obligations at December 31, 2023 is USD 12,645.

**Class VI Negotiable Obligations (ARS):**

On August 22, 2022, AESA tendered Class V and Class VI Negotiable Obligations under the following conditions:

**Class V Negotiable Obligations (Dollar Linked):**

**Principal:** USD 16,933.

**Interest:** Nominal annual rate of 2.75%.

**Payment term and method:** August 22, 2024 (the "Maturity Date"). Interest payments shall be made on a quarterly basis, on the following dates: November 22, 2022, February 22, 2023, May 22, 2023, August 22, 2023, November 22, 2023, February 22, 2024, May 22, 2024 and the Maturity Date.

Principal on the Class V Negotiable Obligations shall be amortized in a lump sum payment at maturity, that is, August 22, 2024.

Principal balance due on that class of Negotiable Obligations at December 31, 2023 is USD 6,474.

**Class VI Negotiable Obligations (ARS):**

**Principal:** ARS 1,191,500 thousand.

**Interest:** Badlar + 2.35%, with quarterly payments.

**Payment term and method:** August 22, 2023 (the "Maturity date"). Interest payments shall be made on a quarterly basis, on the following dates: November 22, 2022, February 22, 2023, May 22, 2023 and the Maturity Date.

Principal on the Class VI Negotiable Obligations shall be amortized in a lump sum payment at maturity, that is, August 22, 2023.

This Negotiable Obligation was fully redeemed on August 23, 2023.

On February 13, AESA Class VII, Class VIII, and Class IX Negotiable Obligations were issued. The results were as follows:

**NOTE 16: LOANS (Cont'd)**

**b) Issuance of Negotiable Obligations (Cont'd)**

**Class VII Negotiable Obligations (Dollar Linked):**

**Amount issued:** USD 12,913.

- Swap ratio:

  i. USD 3,162 were paid in cash;
  ii. USD 3,837 were paid in kind through Class I Negotiable Obligations;
  iii. USD 3138 were paid in kind through Class II Negotiable Obligations; and
  iv. USD 2,775 were paid in kind through Class VI Negotiable Obligations.

**Term:** 24 months.
**Payment:** 100% on maturity. Payable in pesos at the applicable exchange rate.
**Interest rate:** 4.00%, with quarterly payments.

Principal balance due on that class of Negotiable Obligations at December 31, 2023 is USD 11,327.

**Class VIII Negotiable Obligations (ARS):**

**Amount issued:** $388,552 thousand.

- Swap ratio:

  i. $27,000 thousand were paid in cash;
  ii. $361,552 thousand were paid in kind by delivering Class VI Negotiable Obligations.

**Term:** 12 months.
**Payment:** 100% on maturity.
**Interest rate:** Badlar + 5.00 %, with quarterly payments.

The principal balance due on that class of Negotiable Obligations at December 31, 2023, is $388,552 thousand.

**Class IX Negotiable Obligations (UVA):**

**Amount issued:** UVA 31,589 thousand

- Swap ratio:

  i. 11,478 thousand UVAs were paid in cash; and
  ii. 20,111 thousand UVAs were paid in kind through Class II Negotiable Obligations.

**Term:** 36 months.
**Payment:** 100% on maturity.
**Interest rate:** 3.80 %, with quarterly payments.

On November14, 2023, AESA Class IX Negotiable Obligations were issued:

**Amount issued:** UVA 6,921 thousand.

**NOTE 16: LOANS (Cont'd)**

**b) Issuance of Negotiable Obligations (Cont'd)**

**Class IX Negotiable Obligations (UVA) (Cont'd):**

They were paid in as follows:

i. UVA 6,921 thousand equivalent to $2,804,504 were paid in cash;

Principal balance due on that class of Negotiable Obligations at December 31, 2023, is UVA 38,196 thousand.

On September 21, AESA Class X and Class XI Negotiable Obligations were issued. The results were as follows:

**Class X Negotiable Obligations (Dollar Linked):**

**Amount issued:** USD 36,843.

They were paid in as follows:

ii. USD 19,878 were paid in cash;
iii. USD 7,197 were paid in kind through Class III Negotiable Obligations.
iv. USD 9,766 were paid in kind through Class V Negotiable Obligations.

**Term:** 24 months.
**Payment:** 100% on maturity. Payable in pesos at the applicable exchange rate.
**Interest rate:** 5.00%, with quarterly payments.

On November 16, AESA Class X additional Negotiable Obligations were issued:

**Amount issued:** USD 26,791.

They were paid in as follows:

i. USD 22,618 were paid in cash;
ii. USD 3,150 were paid in kind through Class III Negotiable Obligations.
iii. USD 1,023 were paid in kind through Class V Negotiable Obligations.

Principal balance due on that class of Negotiable Obligations at December 31, 2023 is USD 63,634.

**Class XI Negotiable Obligations (Hard Dollar):**

**Amount issued:** USD 6,734 were paid in cash.

**Term:** 30 months.
**Payment:** 100% on maturity.
**Interest rate:** 9.50%, with half-yearly payments.

On November 16, AESA Class XI additional Negotiable Obligations were issued:

**Amount issued:** USD 4,317 were paid in cash.

Principal balance due on that class of Negotiable Obligations at December 31, 2023 is USD 11,052.

**NOTE 16: LOANS (Cont'd)**

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

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Fixed rate** | | |
| Less than 1 year | 42,104 | 151,631 |
| Between 1 and 2 years | 126,970 | 38,505 |
| Between 2 and 3 years | 11,189 | 46,397 |
| After 3 years | 2,466 | - |
| | **182,729** | **236,533** |
| **Floating rate** | | |
| Less than 1 year | 53,895 | 7,179 |
| Between 1 and 2 years | 20 | 19 |
| Between 2 and 3 years | 46 | 8 |
| | **53,961** | **7,206** |
| | **236,690** | **243,739** |

Loans at variable rates have been stated 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:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Argentine pesos | 26,295 | 45,054 |
| US dollars | 210,395 | 198,685 |
| | **236,690** | **243,739** |

The changes to the Company's loans during the year were as follows:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Loans at beginning of year | 243,739 | 231,821 |
| Loans received | 300,079 | 45,631 |
| Loans paid | (285,066) | (48,032) |
| Sale of AESA's own Negotiable Obligations | - | 6,645 |
| Leases received | 3,269 | 70 |
| Leases paid | (466) | (329) |
| Accrued interest | 29,000 | 28,902 |
| Interest paid | (21,944) | (22,754) |
| Income/(loss) from sale of AESA's own Negotiable Obligations | - | (11) |
| Repurchase of Negotiable Obligations | (1,917) | - |
| Income/(loss) from repurchase of Negotiable Obligations | 168 | - |
| Difference in UVA value | 30,987 | 26,264 |
| Exchange difference | (57,352) | (24,114) |
| Capitalized expenses/present values | (3,807) | (354) |
| **Loans at period end** | **236,690** | **243,739** |

### NOTE 17: LEASES

This note provides information on leases in which the Company acts as lessor.

Amounts recognized in the Statement of Financial Position:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Right of use of assets** | | |
| **Original value** | | |
| Machinery | 194 | 2,624 |
| Vehicles | 71 | 112 |
| Right of use | 3,083 | - |
| **Accumulated depreciation** | (14) | (261) |
| | 3,334 | 2,475 |
| **Lease liabilities** | | |
| Current | 160 | 13 |
| Non-current | 2,889 | 27 |

Changes in Company finance leases were as follows:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Finance lease at the beginning | 40 | 226 |
| Additions | 3,269 | 72 |
| Payments made for the year | (466) | (329) |
| Accrued interest and exchange difference | 206 | 71 |
| **Financial lease at the year-end** | **3,049** | **40** |

### NOTE 18: SALARIES AND SOCIAL SECURITY LIABILITIES

| Current | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Social security liabilities payable | 102 | 177 |
| Salaries payable | - | 2 |
| Vacation accrual | 75 | 75 |
| | **177** | **254** |

### NOTE 19: TAX PAYABLES

| Current | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Income tax withholdings to be deposited | 8 | 542 |
| Provision for Turnover Tax, net | 203 | 55 |
| Payment-in-installment plan | - | 1,526 |
| Value added tax | 160 | 466 |
| Sundry | 2 | 5 |
| | **373** | **2,594** |

## NOTE 20: INCOME TAX - DEFERRED TAX

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

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Deferred tax assets: | | |
| Deferred tax assets to be recovered over more than 12 months | 70,693 | 85,792 |
| | 70,693 | 85,792 |
| Deferred tax liabilities: | | |
| Deferred tax liabilities to be settled over more than 12 months | (55,604) | (65,950) |
| | (55,604) | (65,950) |
| **Deferred tax assets (net)** | **15,089** | **19,842** |

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

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Balance at beginning of year | 19,842 | 8,928 |
| Charge to Income Statement | (4,755) | 10,909 |
| Charge to employee benefit plans | 2 | 5 |
| **Balance at year end** | **15,089** | **19,842** |

The activity in deferred tax assets and liabilities, without considering the offsetting of balances that correspond to the same tax jurisdiction, has been as follows:

| | Balances at December 31, 2022 | Charge to income statement | Charge to employee benefit plans | Balances at December 31, 2023 |
|---|---|---|---|---|
| Lease | (229) | 177 | - | (52) |
| Other receivables | (13) | (3) | - | (16) |
| Property, plant and equipment | (57,674) | 3,262 | - | (54,412) |
| Inventories | (92) | 16 | - | (76) |
| Accumulated tax losses | 82,901 | (13,473) | - | 69,428 |
| Mutual fund valuation | (80) | 68 | - | (12) |
| Other financial assets at fair value through profit or loss | (3) | 3 | - | - |
| Trade payables | - | - | - | - |
| Employee benefit plans | 22 | 11 | 2 | 35 |
| Tax-purpose inflation adjustment | (7,859) | 6,823 | - | (1,036) |
| Loans | 2,869 | (1,639) | - | 1,230 |
| **Total** | **19,842** | **(4,755)** | **2** | **15,089** |

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 4.16. In accordance with the guidelines of IFRIC 23 Uncertainty over Income Tax Treatments and with the opinions of the legal and tax advisors, the Company has adjusted the tax losses for inflation by applying the domestic wholesale price index, as laid down in 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.

**<u>NOTE 20:</u> INCOME TAX - DEFERRED TAX (Cont'd)**

Accumulated tax losses pending use at December 31, 2023 and which may be offset against taxable income for the year ended on that date are the following:

| Year | In thousands of USD | Year of expiration |
|---|---|---|
| Tax losses for the year 2019 | 76,010 | 2024 |
| Tax losses for the year 2020 | 44,709 | 2025 |
| Tax losses for the year 2023 | 77,648 | 2028 |
| **Total accumulated tax losses at December 31, 2023** | **198,367** | |

On June 16, 2021, the National Executive Branch enacted Law No. 27630. Detailed below are the amendments introduced by the law:

- Income Tax rate: the fixed rate for taxation of Companies' income was discontinued and a progressive scale was set up, starting from a 25% rate for income from $0 to $5 million, a 30% rate for income from $5 to $50 million and a 35% rate for income above $50 million. The law also provides that the fixed amounts in the tax brackets shall be CPI-adjusted as from the fiscal years beginning on or after January 1, 2022.
- Tax on dividends: a 7% rate has been set.

These amendments apply to fiscal years beginning on or after January 1, 2021.

Pursuant to the National Government Budget Law (Law No. 27701), it was stated that taxpayers who, by applying the comprehensive tax inflation adjustment set forth by the Income Tax Law (Title VI), determine a positive inflation adjustment during the first and second fiscal years beginning on or after January 1, 2022, may allocate one third (1/3) of the adjustment during that fiscal year and the remaining two thirds (2/3) in equal parts in the immediately following two fiscal years.

Only taxpayers who have made an investment equivalent to or exceeding thirty billion Argentine pesos ($30,000,000) to purchase, build, manufacture, prepare, or import fixed assets -except for vehicles- during each of the two (2) fiscal years immediately following that on which the first third was computed will be able to compute the above mentioned positive inflation adjustment. Failure to comply with this requirement will result in the benefit loss.

**<u>Extraordinary Income Tax prepayment</u>**

By means of General Resolution No 5391/23, AFIP established an Income Tax prepayment to be made by the so-called *corporate taxpayers* that comply with the following parameters:

- Having reported a tax gain/loss -without applying the deduction of tax losses from previous years- equal to or higher than six hundred million pesos ($600,000,000), and
- Having failed to determine the tax.

For the purposes of the requirements set in the first paragraph, the taxpayers should consider:

- The Income Tax return for the 2023 tax period, for fiscal years ending between August and December 2022, both inclusive.

**NOTE 20: INCOME TAX - DEFERRED TAX (Cont'd)**

**Extraordinary Income Tax prepayment (Cont'd)**

- The Income Tax return for the 2024 tax period, for fiscal years ending between January and July 2023, both inclusive.

The tax prepayment shall be computable in tax period 2023 for years ended between August and December 2022 and in tax period 2024 for years ended between January and July 2023.

The amount of the prepayment was determined as follows:

- Taxpayers: 15% on the tax gain/loss for the previous tax period to which the prepayment is to be allocated, without taking into account tax losses from previous fiscal years.

It was also established that the determined tax prepayment shall be made in three (3) equal and consecutive installments as from August 2023 onwards (according to the fiscal year-end).

It was applicable to the Company, and a tax credit for USD 171 was disclosed under Other current receivables (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:

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Pre-tax profit/(loss) | (12,927) | (11,269) |
| Current tax rate | 35% | 35% |
| Income/(loss) at the tax rate | 4,524 | 3,944 |
| Other permanent differences | (23) | (626) |
| Effects of exchange and translation differences of property, plant and equipment | (843) | 1,701 |
| Tax-purpose inflation adjustment and tax loss adjustment | (1,474) | 5,883 |
| Expiration of tax losses | (6,939) | |
| Overstatement in the prior-year provision | - | 7 |
| **Total income tax charge** | **(4,755)** | **10,909** |
| | | |
| Deferred tax for the year | (4,755) | 10,909 |
| **Total Income Tax charge - (Loss)/Profit** | **(4,755)** | **10,909** |

**NOTE 21: SALES REVENUE**

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Sale of energy Res. No. 21/2016 | 48,493 | 52,412 |
| Sale of steam | 6,532 | 17,605 |
| | **55,025** | **70,017** |

## NOTE 22: COST OF SALES

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Purchase of electric energy | (325) | (895) |
| Gas and diesel consumption at the plant | (6,510) | (16,100) |
| Salaries and social security liabilities | (2,524) | (1,982) |
| Defined benefit plan | (38) | (121) |
| Other employee benefits | (293) | (269) |
| Fees for professional services | (23) | (53) |
| Maintenance services | (2,535) | (3,563) |
| Depreciation of property, plant and equipment | (11,827) | (11,826) |
| Security guard and porter | (360) | (296) |
| Insurance | (707) | (608) |
| Communication expenses | (70) | (64) |
| Snacks and cleaning | (119) | (128) |
| Taxes, rates, and contributions | (6) | (62) |
| Sundry | (41) | (31) |
| | **(25,378)** | **(35,998)** |

## NOTE 23: SELLING EXPENSES

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Taxes, rates, and contributions | (228) | (915) |
| | **(228)** | **(915)** |

## NOTE 24: ADMINISTRATIVE EXPENSES

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Salaries and social security liabilities | (237) | (223) |
| Other employee benefits | (42) | (27) |
| Fees and compensation for services | (1,468) | (1,534) |
| Taxes, rates, and contributions | (7) | (6) |
| Leases | (36) | (36) |
| Per diem, travel, and representation expenses | (9) | (3) |
| Office expenses | (16) | (21) |
| Gifts | - | (1) |
| Sundry | (35) | (10) |
| | **(1,850)** | **(1,861)** |

### NOTE 25: FINANCIAL RESULTS

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Financial income | | |
| Commercial interest | 5,348 | 2,198 |
| **Total financial income** | **5,348** | **2,198** |
| | | |
| Financial expenses | | |
| Interest on loans | (29,000) | (28,902) |
| Commercial and other interest | (627) | (1,075) |
| Bank expenses and commissions | (1,610) | (231) |
| **Total financial expenses** | **(31,237)** | **(30,208)** |
| | | |
| Other financial results | | |
| Exchange difference, net | 11,941 | 10,146 |
| Changes in the fair value of financial instruments | 8,608 | 5,645 |
| Income/(loss) from purchase/sale of AESA's own Negotiable Obligations | (168) | 11 |
| Difference in UVA value | (30,987) | (26,264) |
| Other financial results | (4,001) | (4,048) |
| **Total other financial results** | **(14,607)** | **(14,510)** |
| **Total financial results, net** | **(40,496)** | **(42,520)** |

### NOTE 26: EARNINGS/(LOSSES) PER SHARE

***Basic***

The basic earnings 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.

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| (Loss) for the year | (17,682) | (360) |
| Weighted average of outstanding ordinary shares | 747,850 | 747,850 |
| **Basic (loss) per share** | **(0.0236)** | **(0.0005)** |

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

**NOTE 27: TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

*a) Balances at the date of the statements of financial position*

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Other receivables** | | |
| Current | | |
| RGA | - | 390 |
| | **-** | **390** |
| **Trade payables** | | |
| Non-current | | |
| RGA - Surety payable | 1,996 | 1,996 |
| | **1,996** | **1,996** |
| Current | | |
| GMSA | 766 | 721 |
| RGA | 7,693 | - |
| | **8,459** | **721** |
| **Financial debts** | | |
| Non-current | | |
| RGA | 30,678 | 46,397 |
| | **30,678** | **46,397** |
| **Financial debts** | | |
| Current | | |
| RGA | 20,000 | - |
| | **20,000** | **-** |

*b) Transactions for the year*

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| | **Income/(loss)** | |
| | **USD** | |
| **Purchase of gas** | | |
| RGA | (4,762) | (12,998) |
| | **(4,762)** | **(12,998)** |
| **Leases** | | |
| RGA | (36) | (36) |
| | **(36)** | **(36)** |
| **Services** | | |
| RGA | (1,248) | (1,248) |
| | **(1,248)** | **(1,248)** |

**NOTE 27: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)**

*b) Transactions for the year (Cont'd)*

| | Income/(loss) | |
|---|---|---|
| | $ | |
| **Sale of spare parts** | | |
| CTRO | - | (68) |
| | **-** | **(68)** |
| **Interest expense** | | |
| RGA | (5,014) | (4,333) |
| | **(5,014)** | **(4,333)** |
| **Exchange difference** | | |
| RGA | (549) | (607) |
| | **(549)** | **(607)** |
| **Wines** | | |
| BDD | (2) | - |
| | **(2)** | **-** |
| **Reimbursement of expenses** | | |
| RGA | (16) | (7) |
| GMSA | (775) | (721) |
| | **(791)** | **(728)** |
| **Guarantee** | | |
| RGA | (337) | (393) |
| | **(337)** | **(393)** |

*c) Remuneration of key managerial staff*

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| | Income/(loss) | |
| | USD | |
| **Remuneration of key managerial staff** | | |
| Salaries | (133) | (135) |
| | **(133)** | **(135)** |

## NOTE 27: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

*d) Loans received from related parties*

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Loans from RGA** | | |
| Loans at beginning of the year | 46,397 | 42,117 |
| Accrued interest | 4,281 | 4,280 |
| **Loans at period end** | **50,678** | **46,397** |

| Entity | Principal | Interest rate | Conditions |
|---|---|---|---|
| **At 12/31/2023** | | | |
| RGA | 20,000 | 17% | Maturity date: subordinated to UBS loan |
| RGA | 4,701 | 19% | Maturity date: subordinated to UBS loan |
| **Total in thousands of US dollars** | **24,701** | | |

## NOTE 28: 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.

Management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

Upon commercial authorization for generation and delivery of steam in February 2019 (see Note 30), the Board of Directors considers the business as two separate segments: generation and sale of electric energy and generation and sale of steam.

The assets (property, plant and equipment) used in these activities are situated in the Republic of Argentina.

| At 12/31/2023 | Energy | Steam | Total |
|---|---|---|---|
| Sales revenue | 48,493 | 6,532 | 55,025 |
| Cost of sales | (17,736) | (7,642) | (25,378) |
| **Gross income/(loss)** | **30,757** | **(1,110)** | **29,647** |
| Selling expenses | (201) | (27) | (228) |
| Administrative expenses | (1,629) | (221) | (1,850) |
| **Operating income/(loss)** | **28,927** | **(1,358)** | **27,569** |
| Financial income | 4,709 | 639 | 5,348 |
| Financial expenses | (27,507) | (3,730) | (31,237) |
| Other financial results | (12,863) | (1,744) | (14,607) |
| **Financial results, net** | **(35,661)** | **(4,835)** | **(40,496)** |
| **Pre-tax profit/(loss)** | **(6,734)** | **(6,193)** | **(12,927)** |
| Income Tax | (4,187) | (568) | (4,755) |
| **(Loss) for the year** | **(10,921)** | **(6,761)** | **(17,682)** |

**<u>NOTE 28:</u> SEGMENT REPORTING (Cont´d)**

| At 12/31/2022 | Energy | Steam | Total |
|---|---|---|---|
| Sales revenue | 52,412 | 17,605 | 70,017 |
| Cost of sales | (17,634) | (18,364) | (35,998) |
| **Gross income/(loss)** | **34,778** | **(759)** | **34,019** |
| | | | |
| Selling expenses | (686) | (229) | (915) |
| Administrative expenses | (1,395) | (466) | (1,861) |
| Other income | 52 | 18 | 70 |
| Other expenses | (46) | (16) | (62) |
| **Operating income/(loss)** | **32,703** | **(1,452)** | **31,251** |
| | | | |
| Financial income | 1,648 | 550 | 2,198 |
| Financial expenses | (22,648) | (7,560) | (30,208) |
| Other financial results | (10,879) | (3,631) | (14,510) |
| **Financial results, net** | **(31,879)** | **(10,641)** | **(42,520)** |
| **Pre-tax profit/(loss)** | **824** | **(12,093)** | **(11,269)** |
| | | | |
| Income Tax | 8,179 | 2,730 | 10,909 |
| **Income/(Loss) for the year** | **9,003** | **(9,363)** | **(360)** |

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. There are no substantial differences between this information and the disclosures in these Financial Statements prepared under IFRS. Considering that the adjustments between the previous accounting standards and IFRS refer to non-operating items, this information has not been substantially affected by the application of new standards.

**<u>NOTE 29:</u> INSURANCE CONTRACTS IN FORCE**

**All-risk insurance:**

***All-risk insurance policy with coverage for loss of profit***

The Company has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of profit as a result, up to 12 months, directly and totally attributable to any cause. The aim of this policy is to cover the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

On November 30, 2023, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 12 months through first-class insurers such as: Starr Insurance Companies, Nación Seguros, Federación Patronal, La Meridional, Chubb, and Provincia Seguros.

**NOTE 29: INSURANCE CONTRACTS IN FORCE (Cont'd)**

**Civil liability:**

These policies provide 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 and product liability, subject to the terms, conditions, limitations and exclusions contained in the policy.
They are structured as follows:

Individual policies were taken out for each of the Group companies, 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 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 reinstatements exclusively for operations liability and without reinstatement for product liability.

**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 claims from holders of bonds or securities.

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 water (by river or sea).

**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.

**NOTE 29: INSURANCE CONTRACTS IN FORCE (Cont'd)**

**Judicial bond:**

Insurance bond for judicial guarantees provides litigants with an appropriate means to guarantee their procedural obligations when the respective Code so requires.

These coverages apply both in cases in which the judge hearing the case has ordered the lock of a provisional remedy, and in those in which the constitution of a counterbond has been arranged.

Replacement of provisional remedies: the provisional remedy can be substituted by the defendant in a lawsuit through this policy, thereby releasing the equity affected by such measure.

Counterbond: it is the guarantee that must be provided by the person who has requested the lock of a provisional remedy to guarantee the damages that may arise in case of having requested it without right.

**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.

**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 diseases, organ transplants and birth of posthumous child.

**NOTE 30: OFFER FOR THE SALE OF STEAM**

On January 12, 2017, AESA sent to RENOVA an offer to agree on the sale of steam which was accepted by RENOVA at that date. The agreement establishes the technical and commercial conditions for the cogeneration thermal power plant owned by AESA to supply steam to the plant, owned by RENOVA, located in Timbúes, province of Santa Fe. The agreement will become effective as from the starting date of steam generation, for a period of 15 years, during which RENOVA will give priority to the consumption of the steam supplied by AESA.

Further, during the first 60 months, a minimum payment will be set, calculated as the highest between the real consumption and the minimum required in the month. If the generation exceeds the amount required by RENOVA, it can be used freely for the generation of electricity.

The effective date for the start of generation and sale of steam was February 11, 2019.

## <u>NOTE 31:</u> WORKING CAPITAL

At December 31, 2023, the Company reports a negative working capital of USD 82,941 (calculated as current assets less current liabilities), which means a negative increase of USD 45,714, compared to the working capital at the previous annual closing (USD 128,655 negative working capital at December 31, 2022).

The Board of Directors and the shareholders will implement measures to improve the working capital; among these, the issuance of Negotiable Obligations that took place subsequent to year end. This new issuance paid-in in cash will allow for the short-term debt payment. (See Note 33).

## <u>NOTE 32:</u> 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 were as follows:

- Based on GDP preliminary data, Argentina ended 2023 with a 1.4% drop in activity.
- Cumulative inflation between January 1, 2023 and December 31, 2023 was 211% (CPI).
- Between January 1, 2023 and December 31, 2023, the peso depreciated against the US dollar, from ARS 177.16/USD 1 at the beginning of the year to ARS 808,45/USD 1 at year end.
- The monetary authority imposed exchange restrictions to curb the demand for US dollars.

On December 10, 2023, Argentina's new government took office and set several goals, including a new economic regime in the country, proposing the implementation of a comprehensive reform of laws and regulations.

The plan put forth by the new government calls for a significant deregulation of the economy as well as structural reforms that lift restrictions on foreign investment and business operations, These reforms include a gradual easing of the previously-mentioned exchange restrictions, with the ultimate goal of eliminating them altogether once the necessary macroeconomic conditions are met.

One of the first measures adopted by the president-elect was to publish an Emergency Decree (DNU), which repeals and/or amends nearly 300 laws and introduces reforms to the labor market, the Customs Code, and the status of state-owned companies, among others. Although the DNU must be discussed and ratified by at least one of the houses of Congress, its provisions are partially in force as from December 29, 2023, considering a series of judicial actions ordering the suspension of certain reforms.

The situation as of December 31, 2023, including the main measures taken by the new government that affect our business and that are already in force, such as, restrictions on access to the official exchange market are maintained.

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.

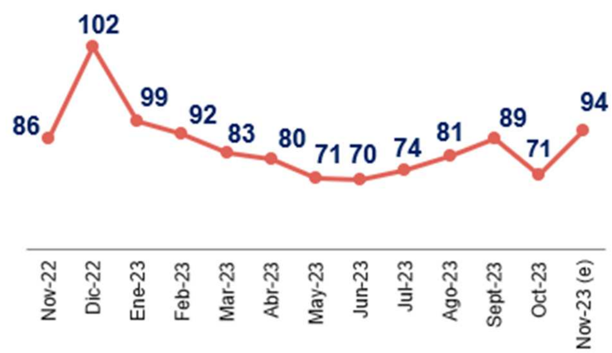
The reforms proposed by the new administration started to be discussed by the legislative, It is not possible to anticipate neither their progress nor any new measure that might be announced, Company Management permanently monitors the performance of variables affecting its business, to define the course 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 33: CAMMESA COLLECTION TERM**

In 2023, CAMMESA paid its past due obligations, recognizing interest and exchange difference as agreed in the pertinent agreements.

The average collection dates per transaction conducted in 2023 are detailed below.




**NOTE 34: SUBSEQUENT EVENTS**

On February 8, 2024, AESA issued Class XII; Class XIII and Class XIV Negotiable Obligations under the following conditions:

**Class XII Negotiable Obligations (Dollar Linked):**

**Nominal value:** USD 5,563.

They were paid in as follows:
(i) USD 745 were paid in kind through Class V Negotiable Obligations;
(ii) USD 4,817 were paid in cash.

**Maturity date:** February 14, 2026 (24 months)

**Rate:** 6.5%

**Interest:** interest payments shall be made on a quarterly basis, in arrears, on the following dates: May 14, 2024; August 14, 2024; November 14, 2024; February 14, 2025; May 14, 2025; August 14, 2025; November 14, 2025 and February 14, 2026.

**Amortization:** they shall be fully amortized in a lump sum payment on February 14, 2026.

**Class XIII Negotiable Obligations (Hard Dollar):**

**Nominal value:** USD 11,627 were paid in cash.

**Maturity date:** August 14, 2026 (30 months)

**Rate:** 9.0%

**Interest:** interest payments shall be made on a half-year basis, in arrears, on the following dates: August 14, 2024; February 14, 2025; August 14, 2025; February 14, 2026; and August 14, 2026.

**Amortization:** they shall be fully amortized in a lump sum payment on August 14, 2026.

**NOTE 34: SUBSEQUENT EVENTS (Cont'd)**

**Class XIV Negotiable Obligations (BADLAR):**

**Nominal value:** $4,601,456 thousand were paid in cash.

**Maturity date:** February 14, 2025 (12 months)

**Rate:** Badlar + 5.0%

**Interest:** interest payments shall be made on a quarterly basis, in arrears, on the following dates: May 14, 2024, August 14, 2024, November 14, 2024, February 14, 2025.

**Amortization:** they shall be fully amortized in a lump sum payment on February 14, 2025.

# Albanesi Energía S.A.

## Summary of Activity at December 31, 2023 and 2022

1. Brief description of the activities of the issuing company, including references to relevant situations subsequent to year end.

We present below an analysis of the results of operations of AESA and its financial position, which must be read together with the attached financial statements.

**Fiscal year ended December 31:**

| | 2023 | 2022 | Variation | Variation % |
|---|---|---|---|---|
| | MWh | | | |
| **Sales by type of market** | | | | |
| Sale of energy Res. No. 21 | 301,003 | 757,996 | (456,993) | (60%) |
| | **301,003** | **757,996** | **(456,993)** | **(60%)** |

(Information not covered by the auditor's report on the financial statements issued by independent auditors)

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

**Fiscal year ended December 31:**

| | 2023 | 2022 | Variation | Variation % |
|---|---|---|---|---|
| | (in thousands of US dollars) | | | |
| **Sales by type of market** | | | | |
| Sale of steam | 6,532 | 17,605 | (11,073) | (63%) |
| Sale of energy Res. No. 21 | 48,493 | 52,412 | (3,919) | (7%) |
| | **55,025.0** | **70,017.0** | **(14,992)** | **(21%)** |

# Albanesi Energía S.A.

## Summary of Activity at December 31, 2023 and 2022

Income/(loss) for the fiscal years ended December 31, 2023 and 2022 (in thousands of US dollars):

| | Fiscal year ended December 31: | | | |
|---|---|---|---|---|
| | **2023** | **2022** | **Variation** | **Variation %** |
| Sales | 55,025 | 70,017 | (14,992) | (21%) |
| **Net sales** | **55,025** | **70,017** | **(14,992)** | **(21%)** |
| Purchase of electric energy | (325) | (895) | 570 | (64%) |
| Gas and diesel consumption at the plant | (6,510) | (16,100) | 9590 | (60%) |
| Salaries, social security liabilities, and employee benefits | (2,817) | (2,251) | (566) | 25% |
| Defined benefit plans | (38) | (121) | 83 | (69%) |
| Maintenance services | (2,535) | (3,563) | 1028 | (29%) |
| Depreciation of property, plant, and equipment | (11,827) | (11,826) | (1) | 0% |
| Security guard and porter | (360) | (296) | (64) | 22% |
| Insurance | (707) | (608) | (99) | 16% |
| Taxes, rates, and contributions | (6) | (62) | 56 | (90%) |
| Other | (253) | (276) | 23 | (8%) |
| **Cost of sales** | **(25,378)** | **(35,998)** | **10,620** | **(30%)** |
| **Gross income/(loss)** | **29,647** | **34,019** | **(4,372)** | **(13%)** |
| Taxes, rates, and contributions | (228) | (915) | 687 | (75%) |
| **Selling expenses** | **(228)** | **(915)** | **687** | **(75%)** |
| Salaries, social security liabilities, and employee benefits | (279) | (250) | (29) | 12% |
| Fees and compensation for services | (1,468) | (1,534) | 66 | (4%) |
| Leases | (36) | (36) | 0 | 0% |
| Per diem, travel, and representation expenses | (9) | (3) | (6) | 200% |
| Office expenses | (16) | (21) | 5 | (24%) |
| Sundry | (42) | (17) | (25) | 147% |
| **Administrative expenses** | **(1,850)** | **(1,861)** | **11** | **(1%)** |
| Other operating income/expenses | - | 8 | (8) | (100%) |
| **Operating income/(loss)** | **27,569** | **31,251** | **(3,682)** | **(12%)** |
| Commercial interest | 4,721 | 1,123 | 3,598 | 320% |
| Interest on loans | (29,000) | (28,902) | (98) | 0% |
| Bank expenses and commissions | (1,610) | (231) | (1,379) | 597% |
| Income/(loss) from sale of negotiable obligations | (168) | 11 | (179) | (1627%) |
| Exchange difference, net | 11,941 | 10,146 | 1,795 | 18% |
| Changes in the fair value of financial instruments | 8,608 | 5,645 | 2,963 | 52% |
| Difference in UVA value | (30,987) | (26,264) | (4,723) | 18% |
| Other financial results | (4,001) | (4,048) | 47 | (1%) |
| **Financial and holding results, net** | **(40,496)** | **(42,520)** | **2,024** | **(5%)** |
| **Pre-tax profit/(loss)** | **(12,927)** | **(11,269)** | **(1,658)** | **15%** |
| Income Tax | (4,755) | 10,909 | (15,664) | (144%) |
| **Income/(loss) for the year** | **(17,682)** | **(360)** | **(17,322)** | **4812%** |
| **Other comprehensive income/(loss) for the year** | | | | |
| *Items that will not be reclassified under income/(loss):* | | | | |
| Benefit plan | (5) | (13) | 8 | (62%) |
| Impact on Income Tax | 2 | 5 | (3) | (60%) |
| **Other comprehensive income/(loss) for the year** | **(3)** | **(8)** | **5.00** | **(63%)** |
| **Total comprehensive income/(loss) for the year** | **(17,685)** | **(368)** | **(17,317)** | **4706%** |

# Albanesi Energía S.A.

## Summary of Activity at December 31, 2023 and 2022

Sales:

Net sales for the year ended on December 31, 2023, amounted to USD 55,025, as against the USD 70,017 for fiscal year 2022, showing a decrease of USD 14,992 (21%).

During the fiscal year ended on December 31, 2023, the dispatch of energy was 301,303 MWh, accounting for a 60% decrease against the 757,996 MWh for fiscal year 2022.

Below is a description of the Company's main revenues, and their variation during the year ended on December 31, 2023, as against fiscal year 2022:

(i) USD 48,492 from energy and power sales in the forward market to CAMMESA under the framework of Resolution No. 21, representing a 7% decrease as against the USD 52,412 reached in fiscal year 2022. This variation is mainly explained by the drop in MWh sold.

(ii) USD 6,532 for steam sales under the contract for steam supply to Renova SA, which represented a 63% drop compared to the USD 17,605 in fiscal year 2022. This variation is mainly explained by the variation in the steam volumes sold.

Cost of sales:

Total cost of sales for the fiscal year ended on December 31, 2023, reached USD 25,378 compared with USD 35,998 in fiscal year 2022, reflecting a decrease of USD 10,620 (30%).

The main costs of sales of the Company for the fiscal year ended on December 31, 2023 were the depreciation of property, plant and equipment; gas and diesel consumption; maintenance services; and salaries, social security charges and employee benefits.

Administrative expenses:

Total administrative expenses for the fiscal year ended on December 31, 2023, amounted to USD 1,850, showing a decrease of USD 11 from the USD 1,861 recorded in 2022.

Operating income/(loss):

Operating income for the fiscal year ended on December 31, 2023, amounted to USD 27,569, compared with the USD 31,251 recorded in fiscal year 2022, accounting for a decrease of USD 3,682.

Financial and holding results, net:

Net financial and holding results for the fiscal year ended on December 31, 2023, amounted to a total loss of USD 40,496 compared with the loss of USD 42,520 recorded in fiscal year 2022, which accounted for a 15% fall. This variation is primarily due to the effect of the difference in UVA value, exchange differences and the variation in interest on loans.

Financial and holding results, net (Cont'd):

The most noticeable aspects of the variation are:

(i) USD 29,000 loss from interest on loans, accounting for an increase of USD 98 compared with the USD 28,902 loss recorded in fiscal year 2022. This variation is due to a higher financial debt in 2023 compared to 2022.

(ii) USD 11,941 gain due to net exchange differences, reflecting a 18% increment compared to the USD 10,146 gain obtained in fiscal year 2022. The variation is mainly due to a liability position in pesos for the fiscal year ended on December 31, 2023, along with devaluation that reached 356.34% for fiscal year 2023 and 103.2% for fiscal year 2022.

(iii) USD 30,987 variation due to the difference in UVA value, which represents a 18% increase. The variation is mainly explained by the change in the UVA value.

Net income/(loss):

For the fiscal year ended on December 31, 2023, the Company reports a pre-tax loss of USD 12,927, compared to a loss of USD 11,269 for fiscal year 2022.

The Company recognized an Income Tax expense of USD 4,755 for the fiscal year ended on December 31, 2023, as against the income tax benefit of USD 10,909 for fiscal year 2022. The variation is mainly due to the higher impact of the tax-purpose inflation adjustment as compared to the same period of the prior year.

The Company reported a loss of USD 17,682 for the fiscal year ended on December 31, 2023, compared to the loss of USD 360 for fiscal year 2022.

Total comprehensive income/(loss) for the year:

Total comprehensive loss for the year amounted to USD 17,685, representing a 4706% increase compared with the comprehensive loss of USD 368 for fiscal year 2022.

# *Independent auditor's report*

To the Shareholders, President and Directors of
Albanesi Energía S.A.

## Opinion

We have audited the financial statements of Albanesi Energía S.A.(the Company) which comprise the statement of financial position as at December 31, 2023, 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, comprising material accounting policy information 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, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards

## 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 |
|---|---|
| **Financial position and going concern assessment** | |
| The Company has prepared its financial statements based on the going concern assumption, as mentioned in Note 3 to the financial statements at December 31, 2023.<br><br>As mentioned in Note 31, at December 31, 2023, the Company presents a working capital deficit. To reverse this situation, the Company's Management and shareholders have developed a refinancing plan for short-term financial liabilities.<br><br>In Note 32, the Company states that debt issuances carried out in the capital market as well as renegotiations with local banks in the last 12 months have been successful. Management expects the same behavior for the next accounting period. However, the current context of the Argentine economy could limit access to the debt market and, in turn, create difficulties in the renegotiation of existing liabilities.<br><br>The Company's ability to continue as a going concern depends on management's ability to maintain liquidity to comply with deadlines of existing obligations with its creditors.<br><br>Management carried out a sensitivity analysis on its cash flow forecast using alternative financing scenarios and rate patterns.<br><br>Management's assessment of the going concern is based on cash flow projections and business plans, each of which depends on significant management judgment and may be influenced by management bias.<br><br>The situation described above, the way in which the Company's business will develop and how it will obtain the necessary resources for its normal operation in an uncertain context, have led us to consider this matter as a key issue in our audit. | The audit procedures that we have carried out to validate the correct application of the going concern principle included, among others:<br><br>• carry out inquiries to the key members of Management and Board of Directors, to understand the process of assessing the principle of a going concern;<br><br>• verify the mathematical precision of Management's cash flow projections and validate the initial cash position;<br><br>• gather evidence on Management's underlying cash flow projections for the Company by validating data with other external and internal sources as necessary, including recent dispatch volumes, prices as per current resolutions, and comparing cost assumptions with historical and actual ones and assessing the realistic likelihood of achieving cost reductions;<br><br>• carry out an independent sensitivity analysis to assess the impact of changes in the key premises underlying cash flow forecasts. These could be a change in the prices set up in the current resolutions or a lower-than-expected operating performance;<br><br>• carry out an acid test of liquidity verifying the Company's ability to comply with existing deadlines within one year with no debts restructured at the date of issuance of the financial statements;<br><br>• consider the financial situation of the Company's main clients, the impact of a potential delay in their payments and its correlation on the Company's cash flows;<br><br>• assess the disclosures included in the financial statements. |

| Key audit matters | Audit response |
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| **Fair value of property plant and equipment, and impairment of non-current non-financial assets**<br><br>As described in Notes 4, 6, and 7 to the financial statements at December 31, 2023, the balance of property, plant and equipment is USD 224,458 thousand.<br><br>The Company has chosen to state land, buildings, facilities, machinery and turbines at fair value, using discounted cash flow techniques and market comparables.<br><br>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.<br><br>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:<br><br>• evaluate the reasonableness of the Management's assessment on the existence of any indication of impairment;<br><br>• evaluate the preparation and supervision process carried out by Management for calculations of the fair value of property, plant and equipment;<br><br>• examine the key data and premises used to determine the fair value of property, plant and equipment. In particular:<br>✓ validate with external sources the premises on trends in inflation exchange rates;<br>✓ 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;<br>✓ 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.)**<br><br>At December 31, 2023, the carrying amount of property, plant and equipment does not significantly differ from their fair value; therefore, no revaluation or impairment was registered.<br><br>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.<br><br>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.<br><br>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.<br><br>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;<br><br>• confirm the mathematical accuracy of calculations and the proper use of the model prepared by Management;<br><br>• assess the disclosures included in the financial statements;<br><br>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 Summary of Activity. 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 Accounting Standards, 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 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.

Autonomous City of Buenos Aires, March 14, 2024.

PRICE WATERHOUSE & CO.S.R.L.
Nicolas Angel Carusoni
Partner