

Albanesi Energía S.A.

Condensed interim Financial Statements

at June 30, 2023 and for the six-month and three-month periods
ended June 30, 2023 and 2022,
presented in comparative format

(In thousands of US dollars (USD))

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GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the condensed interim 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 energy 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 based on 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 which is equal to 1,000 (one thousand) volts
kW	Kilowatt. Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour. Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sale liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures Market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere. Unit of energy equivalent to 1 volt x 1 ampere x 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 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 Contracts" 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, Hygiene, and Safety
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	United States Dollars
UVA	Unit of Purchasing Power

Albanesi Energía S.A.

Composition of the Board of Directors and Statutory Audit Committee at June 30, 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

Oswaldo 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

Business 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 (CUIT): 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.

Condensed interim Statement of Financial Position

at June 30, 2023 and December 31, 2022

stated in thousands of US dollars

	Note	06/30/2023	12/31/2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	12	224,425	227,038
Deferred tax assets, net	17	19,420	19,842
Other receivables		900	968
Total non-current assets		244,745	247,848
CURRENT ASSETS			
Inventories		3,920	3,741
Other receivables		591	2,197
Other financial assets at fair value through profit or loss		480	-
Trade receivables		15,988	13,599
Cash and cash equivalents	13	6,639	15,399
Total current assets		27,618	34,936
Total assets		272,363	282,784
EQUITY			
Share Capital	14	8,824	8,824
Capital Adjustment		2,305	2,305
Technical revaluation reserve		52,793	53,060
Other comprehensive income/(loss)		(6)	(6)
Unappropriated retained earnings/(accumulated losses)		(36,986)	(32,129)
TOTAL EQUITY		26,930	32,054
LIABILITIES			
NON-CURRENT LIABILITIES			
Defined benefit plan		235	214
Loans	16	121,514	84,929
Trade payables		1,997	1,996
Total non-current liabilities		123,746	87,139
CURRENT LIABILITIES			
Tax payables		2,160	2,594
Salaries and social security liabilities		311	254
Defined benefit plan		2	2
Loans	16	117,355	158,810
Trade payables		1,859	1,931
Total current liabilities		121,687	163,591
Total liabilities		245,433	250,730
Total liabilities and equity		272,363	282,784

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

Albanesi Energía S.A.

Condensed interim Statement of Comprehensive Income for the six-month and three-month periods ended June 30, 2023 and 2022, stated in thousands of US dollars

	Note	Six months at		Three months at	
		06/30/2023	06/30/2022	06/30/2023	06/30/2022
Sales revenue	7	28,891	36,572	14,827	20,494
Cost of sales	8	(13,773)	(18,366)	(7,604)	(10,349)
Gross income/(loss)		15,118	18,206	7,223	10,145
Selling expenses	9	(55)	(333)	(12)	(182)
Administrative expenses	10	(855)	(840)	(412)	(409)
Other income		-	2	-	2
Operating income/(loss)		14,208	17,035	6,799	9,556
Financial income	11	2,890	523	2,279	310
Financial expenses	11	(15,560)	(14,681)	(7,535)	(7,342)
Other financial results	11	(6,240)	(8,802)	(4,535)	(5,039)
Financial results, net		(18,910)	(22,960)	(9,791)	(12,071)
Pre-tax profit/(loss)		(4,702)	(5,925)	(2,992)	(2,515)
Income Tax	17	(422)	6,345	(914)	1,414
(Loss)/Income for the period		(5,124)	420	(3,906)	(1,101)
Total comprehensive income/(loss) for the period		(5,124)	420	(3,906)	(1,101)
Earnings/(losses) per share					
Basic and diluted (losses)/earnings per share	15	(0.0069)	0.0006	(0.0052)	(0.0015)

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

Albanesi Energía S.A.

Condensed interim Statement of Changes in Equity
for the six-month periods ended June 30, 2023 and 2022,
stated in thousands of US dollars

	Share capital (Note 14)	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
Reversal of technical revaluation reserve	-	-	(1,430)	-	1,430	-
Income for the six-month period	-	-	-	-	420	420
Balances at June 30, 2022	8,824	2,305	54,564	2	(32,853)	32,842
Other comprehensive income/(loss) for the period	-	-	-	(8)	-	(8)
Reversal of technical revaluation reserve	-	-	(1,504)	-	1,504	-
Loss for the complementary six-month period	-	-	-	-	(780)	(780)
Balances at December 31, 2022	8,824	2,305	53,060	(6)	(32,129)	32,054
Reversal of technical revaluation reserve	-	-	(267)	-	267	-
Loss for the six-month period	-	-	-	-	(5,124)	(5,124)
Balances at June 30, 2023	8,824	2,305	52,793	(6)	(36,986)	26,930

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

Albanesi Energía S.A.

Condensed interim Statement of Cash Flows for the six-month periods ended June 30, 2023 and 2022, stated in thousands of US dollars

	Notes	<u>06/30/2023</u>	<u>06/30/2022</u>
Cash flows provided by operating activities			
(Loss)/Income for the period		(5,124)	420
Adjustments to arrive at net cash flows provided by operating activities:			
Income Tax	17	422	(6,345)
	8 and		
Depreciation of property, plant, and equipment	12	5,916	5,908
Provision for defined benefit plans		22	14
Present value		-	95
Exchange difference, net	11	(6,744)	(3,522)
Accrued interest, net	11	12,408	14,092
(Repurchase) of AESA's own Negotiable Obligations	11	-	(11)
Difference in UVA value	11	13,982	11,488
Other financial results		82	33
Income/(loss) from changes in the fair value of financial instruments	11	(2,922)	(1,176)
Changes in operating assets and liabilities:			
(Increase) in trade receivables		(3,413)	(2,816)
(Increase)/Decrease in other receivables		(650)	1,885
(Increase) in inventories		(179)	(93)
(Decrease) in trade payables		(2,108)	(3,675)
Increase in salaries and social security liabilities		145	79
(Decrease) in employee benefit plan		-	(5)
(Decrease) in tax payables		(210)	(1,079)
Net cash flows provided by operating activities		<u>11,628</u>	<u>15,292</u>
Cash flows from investing activities			
Acquisition of property, plant, and equipment	12	(3,239)	(336)
Government securities		(294)	-
Net cash flows (used in) investing activities		<u>(3,533)</u>	<u>(336)</u>
Cash flows from financing activities			
Borrowings	16	41,823	12,012
Payment of interest	16	(10,913)	(10,976)
Leases received	16	3,083	70
Leases paid	16	(15)	(211)
Payment of principal	16	(50,038)	(21,342)
Sale of AESA's own Negotiable Obligations		-	6,645
Payment of financial instruments		(48)	(179)
Net cash flows (used in) financing activities		<u>(16,108)</u>	<u>(13,981)</u>
(Decrease)/Increase in cash, net		<u>(8,013)</u>	<u>975</u>
Cash and cash equivalents at beginning of period	13	15,399	9,448
Financial results of cash and cash equivalents		(747)	(560)
Cash and cash equivalents at period end	13	<u>6,639</u>	<u>9,863</u>
		<u>(8,013)</u>	<u>975</u>
		<u>06/30/2023</u>	<u>06/30/2022</u>
Significant transactions not entailing changes in cash:			
Issue of Negotiable Obligations paid-in in kind		32,625	-
Acquisition of property, plant, and equipment not yet paid	12	(36)	(19)
Advance to suppliers applied to the acquisition of property, plant, and equipment	12	(28)	-

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

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements
for the six-month and three-month periods ended June 30, 2023 and 2022,
and for the fiscal year ended December 31, 2022,
stated in thousands of US dollars

NOTE 1: GENERAL INFORMATION

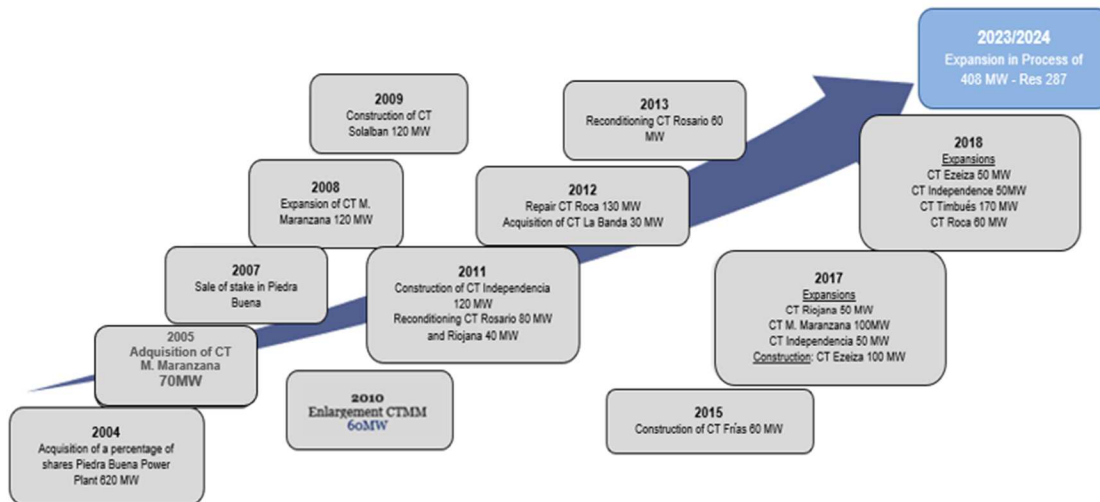
AESA's main line of business is the generation and sale of electric energy and steam through a co-generation system. Nominal installed capacity is 170 MW under EES Resolution No. 21/16.

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.

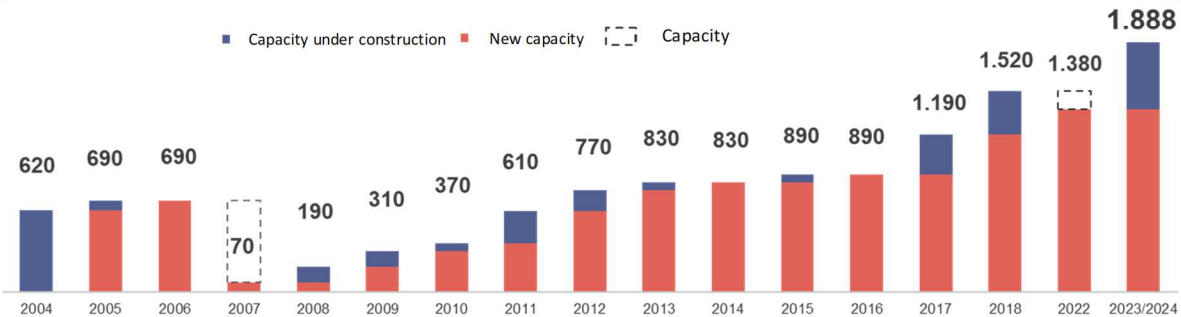
The Company is located in Timbúes, Province of Santa Fe.

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

Grupo Albanesi entered the electricity market in 2004 with the purchase of the thermal 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.



Variation of installed capacity



Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

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

The regulatory aspects relating to electric energy generation applied for these condensed interim Financial Statements are consistent with those used in the financial information corresponding to the last fiscal year.

NOTE 3: BASIS FOR PRESENTATION

The condensed interim Financial Statements for the six-month and three-month periods ended on June 30, 2023 and 2022 have been prepared in accordance with IAS 34. This condensed interim financial information must be read jointly with the Company's Financial Statements for the year ended on December 31, 2022.

The presentation in the condensed interim Statement of Financial Position segregates current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within 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 a fiscal year basis, in proportion to the elapsed period.

The condensed interim Financial Statements for the six-month and three-month periods ended on June 30, 2023 and 2022 have not been audited. Company Management considers that they include all the necessary adjustments to reasonably present the results for the period. The results for the six-month and three-month periods ended on June 30, 2023 and 2022 do not necessarily reflect the proportion of the Company's results for full fiscal years.

These condensed interim Financial Statements are disclosed in thousands of dollars without cents, as are notes, except for the earnings per share.

These condensed interim Financial Statements were approved for issuance by the Company's Board of Directors on August 17, 2023.

Purpose of these condensed interim Financial Statements

The non-statutory condensed interim Financial Statements are presented in United States Dollars (USD), which is the Company's functional currency, and have been prepared to provide interim financial information mainly for use by non-Argentine holders of Company's Negotiable Obligations and foreign financial institutions.

Comparative information

Balances at December 31, 2022, and for the six-month and three-month periods ended on June 30, 2022, disclosed in these condensed interim Financial Statements for comparative purposes, arise from financial statements at those dates.

Certain reclassifications have been included in the Financial Statement figures presented for comparative purposes to conform them to the current period presentation.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Tax-purpose inflation adjustment

To determine the net taxable income, an adjustment for inflation computed pursuant to Sections 105 to 108 of the 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 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 June 30, 2023, the CPI variation exceeded the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current period.

Going concern principle

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

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim Financial Statements are consistent with those used in the audited financial statements for the last fiscal year, ended on December 31, 2022.

4.1 New published standards, modifications, and interpretations that have not yet entered into force and have not been early adopted by the Company.

- Amendment to IAS 12 - International tax reform - Pillar Two model rules. Amended in May 2023. These amendments aim to provide a temporary exception to the accounting for deferred taxes arising from the implementation of the international tax reform by the Organization for Economic Co-operation and Development (OECD). The amendments also introduce targeted disclosure requirements for affected companies. Deferred tax exemption and disclosure of the fact that the exception has been applied are effective immediately. The other disclosure requirements are for annual periods effective beginning on or after January 1, 2023. 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.

There are no new IFRS or IFRIC interpretations applicable as from the current period which have a material impact on the Company's condensed interim Financial Statements.

These condensed interim Financial Statements must be read jointly with the audited Financial Statements at December 31, 2022 prepared under IFRS.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

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. (See accounting policy for property, plant, and equipment in Note 4 to the December 31, 2022 Financial Statements). Revaluations are made frequently enough to ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

At June 30, 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.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim Financial Statements in accordance with IFRS requires the Company to make 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 condensed interim Financial Statements, as well as the income and expenses recorded in the current period.

The Company makes estimates to calculate the depreciation and amortization charges, the recoverable value of non-current assets, the Income Tax charge, certain labor costs, provisions for contingencies, for labor, civil and commercial lawsuits and bad debt allowance. Actual future results may differ from those estimates and assessments made at the date these Financial Statements were prepared.

In preparing these condensed interim Financial Statements, the critical judgments delivered by Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the Financial Statements for fiscal year ended December 31, 2022.

a) 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, machinery, and turbines. These cash flows were prepared on the basis of estimates with an approach to consider different scenarios based on 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 based on vegetative growth; (iii) operating and maintenance cost; (iv) number of employees; (v) discount rate used, among others. Each of these scenarios contemplate different assumptions regarding the critical variables used.

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

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

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

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 based on 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.

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 22 million, if it were favorable; or
- To reduce the fair value of land, buildings, facilities, and machinery by USD 22 million, if it were not favorable.

At June 30, 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.

NOTE 6: FINANCIAL RISK MANAGEMENT

In view of its business activities, the Company is exposed to various financial risks: market risk (including price risk, interest rate risk, and exchange rate risk), credit risk, and liquidity risk.

These condensed interim Financial Statements do not include all the information on risk management, as required for the annual Financial Statements. These Financial Statements must be read jointly with the Financial Statements for the year ended on December 31, 2022. There have been no significant changes in the risk management policies since the last annual closing date.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 7: SALES REVENUE

	06/30/2023	06/30/2022
Sale of energy Res. No. 21/ 2016	24,551	26,991
Sale of steam	4,340	9,581
	28,891	36,572

NOTE 8: COST OF SALES

	06/30/2023	06/30/2022
Purchase of electric energy	(387)	(432)
Gas and diesel consumption at the plant	(3,862)	(8,387)
Salaries and social security liabilities	(1,291)	(921)
Defined benefit plan	(22)	(14)
Other employee benefits	(150)	(87)
Fees for professional services	(13)	(37)
Maintenance services	(1,484)	(2,014)
Depreciation of property, plant, and equipment	(5,916)	(5,908)
Security guard and porter	(185)	(127)
Insurance	(355)	(298)
Communication expenses	(34)	(31)
Snacks and cleaning	(56)	(62)
Taxes, rates, and contributions	(3)	(37)
Sundry	(15)	(11)
	(13,773)	(18,366)

NOTE 9: SELLING EXPENSES

	06/30/2023	06/30/2022
Taxes, rates, and contributions	(55)	(333)
	(55)	(333)

NOTE 10: ADMINISTRATIVE EXPENSES

	06/30/2023	06/30/2022
Salaries and social security liabilities	(112)	(108)
Other employee benefits	(24)	(18)
Fees and compensation for services	(682)	(685)
Taxes, rates, and contributions	(3)	(3)
Leases	(18)	(18)
Per diem, travel, and representation expenses	(2)	-
Office expenses	(8)	(4)
Gifts	-	(1)
Sundry	(6)	(3)
	(855)	(840)

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 11: FINANCIAL RESULTS

	<u>06/30/2023</u>	<u>06/30/2022</u>
<u>Financial income</u>		
Commercial interest	2,890	523
Total financial income	2,890	523
<u>Financial expenses</u>		
Interest on loans	(15,032)	(14,107)
Commercial and other interest	(266)	(508)
Bank expenses and commissions	(262)	(66)
Total financial expenses	(15,560)	(14,681)
<u>Other financial results</u>		
Exchange difference, net	6,744	3,522
Changes in the fair value of financial instruments	2,922	1,176
Income/(loss) from sale of AESA's own Negotiable Obligations	-	11
Difference in UVA value	(13,982)	(11,488)
Other financial results	(1,924)	(2,023)
Total other financial results	(6,240)	(8,802)
Total financial results, net	(18,910)	(22,960)

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 12: PROPERTY, PLANT, AND EQUIPMENT

Type of asset	Original values				Depreciation			Net amount at period end	
	At beginning of year	Increases	Transfers/withdrawals	At period end	Accumulated at beginning of year	For the period (1)	Accumulated at period end	At 06/30/23	At 12/31/22
Land	250	-	-	250	-	-	-	250	250
Right of use - Land	-	3,083	-	3,083	-	-	-	3,083	-
Buildings	16,501	148	-	16,649	700	175	875	15,774	15,801
Facilities	36,274	23	-	36,297	3,686	938	4,624	31,673	32,588
Machinery	193,991	45	-	194,036	18,978	4,751	23,729	170,307	175,013
Computer and office equipment	398	4	-	402	354	26	380	22	44
Furniture and fixtures	65	-	-	65	22	4	26	39	43
Vehicles	136	-	-	136	53	22	75	61	83
Spare parts and materials	3,216	-	-	3,216	-	-	-	3,216	3,216
Total at 06/30/2023	250,831	3,303	-	254,134	23,793	5,916	29,709	224,425	-
Total at 12/31/2022	252,944	539	(2,652)	250,831	11,967	11,826	23,793	-	227,038
Total at 06/30/2022	252,944	355	-	253,299	11,967	5,908	17,875	-	235,424

(1) Depreciation charges for the six-month periods ended on June 30, 2023 and 2022 were allocated to cost of sales.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 13: CASH AND CASH EQUIVALENTS

	06/30/2023	12/31/2022
Banks	80	138
Mutual funds	3,566	5,051
Short-term investments	2,993	10,210
	6,639	15,399

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

	06/30/2023	06/30/2022
Cash and cash equivalents	6,639	9,863
Cash and cash equivalents	6,639	9,863

NOTE 14: CAPITAL STATUS

Capital status at June 30, 2023 is detailed below:

			Approved by	
Principal	Amount In thousands of USD	Date	Body	Date of registration with the Public Registry of Commerce
Total at 12/31/2015	5	02/15/2012	Bylaws	02/23/2012
Capital increase	949	12/16/2016	Extraordinary Shareholders' Meeting	01/12/2017
Capital reduction	(148)	04/19/2018	Ordinary and Extraordinary Shareholders' Meeting	09/10/2019
Capital increase	8,018	01/06/2022	Extraordinary Shareholders' Meeting	02/07/2023
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 June 30, 2022, the Company's capital amounts to USD 8,824 (\$747,850 thousand) and is made up of 747,850,000 shares, 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

NOTE 15: EARNINGS/(LOSSES) PER SHARE

Basic

Basic earnings/(losses) per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the fiscal period.

	06/30/2023	06/30/2022	06/30/2023	06/30/2022
(Loss)/Income for the period	(5,124)	420	(3,906)	(1,101)
Weighted average of outstanding ordinary shares	747,850	747,850	747,850	747,850
Basic (losses)/earnings per share	(0.0069)	0.0006	(0.0052)	(0.0015)

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

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 16: LOANS

<u>Non-current</u>	<u>06/30/2023</u>	<u>12/31/2022</u>
Related parties (Note 18)	48,537	46,397
Negotiable Obligations	70,068	38,505
Finance lease debts	2,909	27
	121,514	84,929
<u>Current</u>		
UBS loan	80,168	100,617
Negotiable Obligations	24,016	52,411
Other bank debts	5,180	-
Bond insurance	7,795	5,769
Finance lease debts	196	13
	117,355	158,810

At June 30, 2023, the financial debt totals USD 238 million. Our total debt at that date is disclosed in the table below.

	<u>Principal (in thousands)</u>	<u>Balance at June 30, 2023</u> (in thousands of USD)	<u>Interest rate</u> (%)	<u>Currency</u>	<u>Date of issue</u>	<u>Maturity date</u>
<u>Debt securities</u>						
Class I Negotiable Obligations	USD 69	75	6.00%	USD Linked	May 6, 2021	November 7, 2023
Class II Negotiable Obligations	UVA 3,459	3,702	UVA + 5.99%	ARS	May 6, 2021	November 7, 2023
Class III Negotiable Obligations	USD 24,104	24,106	4.90%	USD Linked	December 14, 2021	September 14, 2024
Class V Negotiable Obligations	USD 16,933	16,895	2.75%	USD Linked	August 22, 2022	August 22, 2024
Class VI Negotiable Obligations	\$431,500	1,896	Badlar + 2.35%	ARS	August 22, 2022	August 22, 2023
Class VII Negotiable Obligations	USD 12,913	12,773	4.00%	USD Linked	February 13, 2023	February 13, 2025
Class VIII Negotiable Obligations	\$ 388,552	1,682	Badlar + 5.00%	ARS	February 13, 2023	February 13, 2024
Class IX Negotiable Obligations	UVA 31,589	32,955	UVA + 3.80%	ARS	February 13, 2023	February 13, 2026
Subtotal		94,084				
<u>Loan agreement</u>						
UBS loan	USD 80,179	80,168	13.85%	USD	February 3, 2017	December 30, 2023
Subtotal		80,168				
<u>Other liabilities</u>						
Related parties (Note 19)	USD 20,000	39,462	17.00%	USD	July 21, 2017	Subordinated to UBS loan
Related parties (Note 19)	USD 4,701	9,075	19.00%	USD	August 17, 2018	Subordinated to UBS loan
Chubut loan	USD 135	135	5.12%	USD	January 25, 2023	July 24, 2023
BAPRO loan	USD 400,000	1,558	84.50%	ARS	February 1, 2023	July 31, 2023
Banco Supervielle loan	USD 182,810	721	86.50%	ARS	March 23, 2023	December 18, 2023
CMF loan	USD 700,000	2,766	Badlar + 800 bps	ARS	May 18, 2023	August 22, 2023
Bond insurance		7,795				
Finance lease		3,105				
Subtotal		64,617				
Total financial debt		238,869				

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 16: LOANS (Cont'd)

The Company undertook certain standard commitments with UBS loan. As the Company failed to comply with all the commitments undertaken, a waiver was obtained at June 30, 2023.

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

	06/30/2023	12/31/2022
Fixed rate		
Less than 1 year	110,999	151,631
Between 1 and 2 years	85,671	38,505
Between 2 and 3 years	33,268	46,397
After 3 years	2,562	-
	232,500	236,533
 Floating rate		
Less than 1 year	6,356	7,179
Between 1 and 2 years	13	19
Between 2 and 3 years	-	8
	6,369	7,206
	238,869	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:

	06/30/2023	12/31/2022
Argentine pesos	45,304	45,054
US dollars	193,565	198,685
	238,869	243,739

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 16: LOANS (Cont'd)

Changes in Company's loans during the six-month periods ended June 30, 2023 and 2022 were as follows:

	06/30/2023	06/30/2022
Loans at beginning of period	243,739	231,821
Loans received	74,448	12,012
Loans paid	(81,279)	(21,342)
Sale of AESA's own Negotiable Obligations	-	6,645
Leases received	3,083	70
Leases paid	(15)	(211)
Accrued interest	15,032	14,107
Interest paid	(12,297)	(10,976)
Income/(loss) from sale of AESA's own Negotiable Obligations	-	(11)
Difference in UVA value	13,982	11,488
Exchange difference	(16,247)	(6,125)
Capitalized expenses/present values	(1,577)	60
Loans at period end	238,869	237,538

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

Class VII (Dollar Linked):

Amount issued: USD 12,913.

- Swap ratio:
 - i. USD 3,162 were paid in cash;
 - ii. USD 3,837 were paid-in 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.

Class VIII (ARS):

Amount issued: ARS 388,552 thousands.

- Swap ratio:
 - i. ARS 27,000 thousand were paid-in in cash;
 - ii. ARS 361,552 thousand were paid-in in kind by delivering Class VI Negotiable Obligations.

Term: 12 months.

Payment: 100% on maturity.

Interest rate: Badlar + 5.00 %, with quarterly payments.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 16: LOANS (Cont'd)

Class IX (UVA):

Amount issued: UVA 31,589 thousand

- Swap ratio:

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

Term: 36 months.

Payment: 100% on maturity.

Interest rate: 3.80%, with quarterly payments.

NOTE 17: INCOME TAX - DEFERRED TAX

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

	06/30/2023	12/31/2022
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	71,659	85,792
	71,659	85,792
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(52,239)	(65,950)
	(52,239)	(65,950)
Deferred tax assets (net)	19,420	19,842

Gross deferred tax account activity is as follows:

	06/30/2023	06/30/2022
Balance at beginning of year	19,842	8,928
Charge to income statement	(422)	6,345
Balance at year end	19,420	15,273

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 17: INCOME TAX - DEFERRED TAX (Cont'd)

The Income Tax charge calculated under the deferred tax method corresponds to the following breakdown:

	Balance at December 31, 2022	Charge to income statement	Balance at June 30, 2023
Lease	(229)	71	(158)
Other receivables	(13)	4	(9)
Property, plant, and equipment	(57,674)	10,069	(47,605)
Inventories	(92)	6	(86)
Accumulated tax losses	82,901	(13,343)	69,558
Mutual fund valuation	(80)	45	(35)
Other financial assets at fair value through profit or loss	(3)	1	(2)
Employee benefit plan	22	24	46
Tax-purpose inflation adjustment	(7,859)	3,515	(4,344)
Loans	2,869	(814)	2,055
Total	19,842	(422)	19,420

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 to the annual Financial Statements. 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.

The Company recorded the following accumulated tax losses pending use at June 30, 2023, which may be offset against taxable income for the period ended on that date:

Year	In thousands of USD	Year of expiration
Tax losses for the year 2018	51,929	2023
Tax losses for the year 2019	92,436	2024
Tax losses for the year 2020	54,371	2025
Total accumulated tax losses at June 30, 2023	198,736	

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 17: INCOME TAX - DEFERRED TAX (Cont'd)

On June 16, 2022, 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.

Amendments are applicable for annual reporting periods 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 (ARS 30,000,000 thousands) 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.

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:

	06/30/2023	06/30/2022
Pre-tax profit/(loss)	(4,702)	(5,925)
Current tax rate	35%	35%
Income/(loss) at the tax rate	1,646	2,074
Other permanent differences	(29)	(30)
Effects of exchange and translation differences of property, plant, and equipment	(615)	973
Tax-purpose inflation adjustment and restatement of tax losses	(1,424)	3,318
Overstatement in the prior-year provision	-	10
Total income tax charge	(422)	6,345
Deferred tax for the period	(422)	6,345
Total Income Tax charge - (Loss)/Profit	(422)	6,345

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 18: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

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

At 06/30/23	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	15,987	-	1,492	17,479
Other financial assets at fair value through profit or loss	-	480	-	480
Cash and cash equivalents	79	6,560	-	6,639
Non-financial assets	-	-	247,765	247,765
Total	16,066	7,040	249,257	272,363
Liabilities				
Trade payables	3,856	-	-	3,856
Loans (finance leases excluded)	235,764	-	-	235,764
Finance leases	3,105	-	-	3,105
Non-financial liabilities	-	-	2,708	2,708
Total	242,725	-	2,708	245,433
At 12/31/22	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

Below are presented the revenues, expenses, profits, and losses arising from each financial instrument category.

At 06/30/23	Financial assets at amortized cost	Financial assets/liabilities at fair value	Financial liabilities at amortized cost	Total
Interest earned	2,890	-	-	2,890
Interest paid	-	-	(15,298)	(15,298)
Exchange difference, net	(8,595)	-	15,339	6,744
Other financial costs	-	(11,060)	(2,186)	(13,246)
Total	(5,705)	(11,060)	(2,145)	(18,910)

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 18: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

At 06/30/22	Financial assets at amortized cost	Financial assets/liabilities at fair value	Financial liabilities at amortized cost	Total
Interest earned	523	-	-	523
Interest paid	-	-	(14,615)	(14,615)
Income/(loss) from repurchase of Negotiable Obligations	11	-	-	11
Exchange difference, net	(2,452)	-	5,974	3,522
Other financial costs	-	(10,312)	(2,089)	(12,401)
Total	(1,918)	(10,312)	(10,730)	(22,960)

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

The following charts show financial assets and liabilities measured at fair value at June 30, 2023, and their allocation to the different fair value hierarchy levels:

At 06/30/23	Level 1	Level 3	Total
Assets			
<i>Other financial assets at fair value through profit or loss</i>			
Mutual funds	3,566	-	3,566
Short-term investments	2,993	-	2,994
Other financial assets at fair value through profit or loss	480	-	480
Property, plant, and equipment	-	218,004	218,004
Total	7,039	218,004	225,043

At 12/31/22	Level 1	Level 3	Total
Assets			
<i>Other financial assets at fair value through profit or loss</i>			
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

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 18: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

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

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

b) The fair values of Facilities and Machinery have been calculated based on discounted cash flows (See Note 5.a).

NOTE 19: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	06/30/2023	12/31/2022
Other receivables		
<u>Current</u>		
RGA	-	390
	-	390
Trade payables		
<u>Non-current</u>		
RGA - Surety payable	1,997	1,996
	1,997	1,996
<u>Current</u>		
GMSA	-	721
RGA	302	-
	302	721
Financial debts		
<u>Non-current</u>		
RGA	48,537	46,397
	48,537	46,397

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 19: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

b) Transactions for the period

	06/30/2023	06/30/2022
	Income/(Loss)	
	USD	
Purchase of gas		
RGA	(2,814)	(6,574)
	(2,814)	(6,574)
 Leases		
RGA	(18)	(18)
	(18)	(18)
 Services		
RGA	(623)	(624)
	(623)	(624)
 Interest paid		
RGA	(2,279)	(2,147)
	(2,279)	(2,147)
 Reimbursement of expenses		
RGA	(6)	(2)
GMSA	(8)	-
	(14)	(2)
 Guarantee		
RGA	(167)	(223)
	(167)	(223)

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 19: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

c) Remuneration of key managerial staff

	06/30/2023	06/30/2022
	Income/(Loss)	
	USD	
Remuneration of key managerial staff		
Salaries	(81)	(79)
	(81)	(79)

d) Loans received from related parties

	06/30/2023	06/30/2022
Loans from RGA		
Loans at beginning of period	46,397	42,117
Accrued interest	2,140	2,141
Loans at period end	48,537	44,258

Entity	Principal	Interest rate	Conditions
At 06/30/2023			
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 20: 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. This policy is aimed at covering the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

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

On October 30, 2022, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 13 months through first-class insurers such as: Starr Insurance Companies, Nación Seguros, Federación Patronal, Sancor, Chubb, and Provincia Seguros.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 20: 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 thousand 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 thousand per event and during the effective term of the policy in excess of USD 1,000 thousand (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 sea.

Environmental bond:

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

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 20: 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 21: WORKING CAPITAL

The Company reported a deficit of USD 94,069 in its working capital (calculated as current assets less current liabilities) at June 30, 2023. The deficit in working capital amounted to USD128,655 at December 31, 2022.

The Board of Directors and the shareholders will implement measures to improve the working capital, including issuing Negotiable Obligations.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 22: 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, 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 06/30/23	Energy	Steam	Total
Sales revenue	24,551	4,340	28,891
Cost of sales	(10,234)	(3,539)	(13,773)
Gross income/(loss)	14,317	801	15,118
Selling expenses	(54)	(1)	(55)
Administrative expenses	(838)	(17)	(855)
Operating income/(loss)	13,425	783	14,208
Financial income	2,831	59	2,890
Financial expenses	(15,244)	(316)	(15,560)
Other financial results	(6,113)	(127)	(6,240)
Financial results, net	(18,526)	(384)	(18,910)
Pre-tax profit/(loss)	(5,101)	399	(4,702)
Income Tax	(413)	(9)	(422)
(Loss)/Income for the period	(5,514)	390	(5,124)

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 22: SEGMENT REPORTING (Cont'd)

At 06/30/22	Energy	Steam	Total
Sales revenue	26,991	9,581	36,572
Cost of sales	(11,622)	(6,744)	(18,366)
Gross income/(loss)	15,369	2,837	18,206
Selling expenses	(318)	(15)	(333)
Administrative expenses	(802)	(38)	(840)
Other income	2	-	2
Operating income/(loss)	14,251	2,784	17,035
Financial income	499	24	523
Financial expenses	(14,019)	(662)	(14,681)
Other financial results	(8,405)	(397)	(8,802)
Financial results, net	(21,925)	(1,035)	(22,960)
Pre-tax profit/(loss)	(7,674)	1,749	(5,925)
Income Tax	6,059	286	6,345
(Loss)/Income for the period	(1,615)	2,035	420

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 condensed interim 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.

NOTE 23: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

The Company has been operating in a complex economic environment whose main variables have been affected by a strong volatility, both nationally and internationally.

The main indicators in our country are as follows:

- The year-on-year GDP increase expected for 2023 is around 2.8% as projected by the IMF WEO Report.
- Cumulative inflation between January 1, 2023 and June 30, 2023 was 50.68% (CPI).
- Between December 31, 2022 and June 30, 2023, the peso depreciated 44.90% relative to the US dollar, according to the Banco de la Nación Argentina exchange rate.
- The monetary authority imposed tighter foreign exchange restrictions, which have also affected the value of the foreign currency in existing alternative markets for certain exchange transactions that are restricted in the official market.

The government took a number of actions in 2023 and 2022 in response to the peso devaluation, the decline in BCRA reserves and in dollar deposits, and the high volatility of interest rates.

This context of volatility and uncertainty persisted at the date of issue of these Financial Statements. However, all issuances performed over the last 12 months in the capital markets as well as renegotiations with local banks have been successful and it is expected that they continue so in the next fiscal year; this context might limit access to the debt market and could create difficulties in the renegotiation of existing liabilities.

Albanesi Energía S.A.

Notes to the condensed interim Financial Statements (Cont'd)

NOTE 23: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)

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.

Albanesi Energía S.A.

Summary of Activity at June 30, 2023 and 2022

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

For the six-month period ended June 30

	2023	2022	Variation	Variation %
	MWh			
Sales by type of market				
Sale of energy Res. No. 21	177,886	482,130	(304,244)	(63%)
	177,886	482,130	(304,244)	(63%)

(Information not covered by the review report on the condensed interim Financial Statements issued by independent auditors)

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

For the six-month period ended June 30

	2023	2022	Variation	Variation %
	(in thousands of dollars)			
Sales by type of market				
Sale of steam	4,340	9,581	(5,241)	(55%)
Sale of energy Res. No. 21	24,551	26,991	(2,440)	(9%)
	28,891	36,572	(7,681)	(21%)

Albanesi Energía S.A.

Summary of Activity at June 30, 2023 and 2022

Income/(loss) for the periods ended on June 30, 2023 and 2022 (in thousands of US dollars):

	For the six-month period ended June 30			
	2023	2022	Variation	Variation %
Sales	28,891	36,572	(7,681)	(21%)
Net sales	28,891	36,572	(7,681)	(21%)
Purchase of electric energy	(387)	(432)	45	(10%)
Gas and diesel consumption at the plant	(3,862)	(8,387)	4,525	(54%)
Salaries, social security liabilities, and employee benefits	(1,441)	(1,008)	(433)	43%
Defined benefit plans	(22)	(14)	(8)	57%
Maintenance services	(1,484)	(2,014)	530	(26%)
Depreciation of property, plant, and equipment	(5,916)	(5,908)	(8)	0%
Security guard and porter	(185)	(127)	(58)	46%
Insurance	(355)	(298)	(57)	19%
Taxes, rates, and contributions	(3)	(37)	34	(92%)
Other	(118)	(141)	23	(16%)
Cost of sales	(13,773)	(18,366)	4,593	(25%)
Gross income/(loss)	15,118	18,206	(3,088)	(17%)
Taxes, rates, and contributions	(55)	(333)	278	(83%)
Selling expenses	(55)	(333)	278	(83%)
Salaries, social security liabilities, and employee benefits	(136)	(126)	(10)	8%
Fees and compensation for services	(682)	(685)	3	(0%)
Leases	(18)	(18)	0	0%
Per diem, travel, and representation expenses	(2)	-	(2)	100%
Office expenses	(8)	(4)	(4)	100%
Sundry	(9)	(7)	(2)	29%
Administrative expenses	(855)	(840)	(15)	2%
Other operating income/expenses	-	2	-2	(100%)
Operating income/(loss)	14,208	17,035	(2,827)	(17%)
Commercial interest	2,624	15	2,609	17393%
Interest on loans	(15,032)	(14,107)	(925)	7%
Bank expenses and commissions	(262)	(66)	(196)	297%
Gain/(loss) from sale of negotiable obligations	0	11	(11)	(100%)
Exchange difference, net	6,744	3,522	3,222	91%
Changes in the fair value of financial instruments	2,922	1,176	1,746	148%
Difference in UVA value	(13,982)	(11,488)	(2,494)	22%
Other financial results	(1,924)	(2,023)	99	(5%)
Financial and holding results, net	(18,910)	(22,960)	4,050	(18%)
Pre-tax profit/(loss)	(4,702)	(5,925)	1,223	(21%)
Income Tax	(422)	6,345	(6,767)	(107%)
Income/(Loss) for the period	(5,124)	420	(5,544)	(1320%)

Albanesi Energía S.A.

Summary of Activity at June 30, 2023 and 2022

Sales:

Net sales for the six-month period ended on June 30, 2023 amounted to USD 28,891, compared with USD 36,572 for the same period in 2022, showing an increase of USD 7,681 (21%).

During the six-month period ended on June 30, 2023, the dispatch of energy was 177,886 MWh, showing a 63% decrease, compared with 482,130 MWh for the same period in 2022.

Below is a description of the Company's main revenues, and their variation during the six-month period ended on June 30, 2023, as against the same period of 2022:

- (i) USD 24,551 from energy and power sales on the forward market to CAMMESA under Resolution No. 21, representing a 9% decrease as against the USD 26,991 reached in the same period in 2022. This variation is mainly explained by the net effect of exchange rate fluctuations and the decrease in MWh sold.
- (ii) USD 4,340 for steam sales under the contract for steam supply to Renova SA, which represented a decrease of 55% compared to USD 9,581 for the same period in 2022. This variation is mainly explained by the variation in the steam volumes sold.

Cost of sales:

Total cost of sales for the six-month period ended on June 30, 2023 reached USD 13,773 compared with USD 18,366 for the same period in 2022, reflecting a decrease of USD 4,593 (25%).

The main costs of sales of the Company during the six-month period ended on June 30, 2023 are the depreciation of property, plant, and equipment; gas and diesel consumption; maintenance services; and salaries, social security liabilities, and employee benefits.

Administrative expenses:

Total administrative expenses for the six-month period ended on June 30, 2023 amounted to USD 855, showing a USD 15 increase compared with USD 840 recorded in the same period of 2022.

Operating income/(loss):

Operating income/(loss) for the six-month period ended on June 30, 2023 amounted to USD 14,208 compared with the USD 17,035 recorded in the same period of 2022, accounting for a decrease of USD 2,827.

Financial and holding results, net:

Net financial and holding results for the six-month period ended on June 30, 2023 amounted to a USD 18,910 loss, compared to a USD 22,960 loss for the same period in 2022, representing a 18% decrease. This is mainly due to the variation in interest on loans, exchange difference, and the difference in UVA value.

The most noticeable aspects of the variation are:

- (i) USD 15,032 loss from interest on loans, accounting for an increase of 7% compared with the USD 14,107 loss recorded in the same period of 2022.
- (ii) USD 6,744 gain due to net exchange differences, reflecting an increase of USD 3,222 (or 91%) compared to the USD 3,522 gain obtained in the same period of 2022. This variation is mainly explained by a liability position in pesos for the period ended on June 30, 2023.

Albanesi Energía S.A.

Summary of Activity at June 30, 2023 and 2022

Net income/(loss):

The Company reported a pre-tax loss of USD 4,702 for the six-month period ended on June 30, 2023, as against USD 5,925 loss in the same period of 2022.

The Company recognized an Income Tax expense of USD 422 for the six-month period ended on June 30, 2023, as against the Income Tax benefit of USD 6,345 for the same period in 2022. This variation is mainly explained by the effect of the tax-purpose inflation adjustment on accumulated tax losses during fiscal year 2022.

Net loss for the six-month period ended on June 30, 2023 amounted to USD 5,124 compared with the USD 420 income obtained in the same period of the previous year.



REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi Energía S.A.
Legal address: Leandro N. Alem 855 - 14th Floor
City of Buenos Aires
Tax Registration Number: 30-71225509-5

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Albanesi Energía S.A. as at June 30th, 2023 and the related condensed interim statements of comprehensive income for the three-month and six-month periods then ended, and condensed statements of changes in equity and cash flows for the six-month period then ended and notes, comprising significant accounting policies and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 Interim Financial Information (IAS 34). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of our review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

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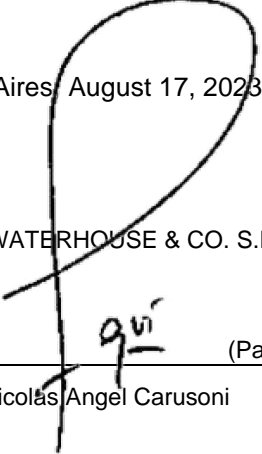


Emphasis of Matter – Purpose of these condensed interim financial statements

We draw attention to note 3 to the condensed interim financial statements, which discloses the basis of preparation, including the purposes for preparing them. Our conclusion is not modified in respect of this matter.

City of Buenos Aires, August 17, 2023.

PRICE WATERHOUSE & CO. S.R.L.

A large, stylized handwritten signature in black ink, appearing to be "N. Carusoni", is written over the text. The signature starts with a large loop at the top and ends with a horizontal stroke that underlines the text below.

(Partner)
Nicolás Angel Carusoni