

# **SCC Power PLC and Subsidiaries**

**Unaudited Consolidated Condensed Interim Financial Statements  
for the 3-month period ended March 31<sup>st</sup>, 2024**

## SCC Power PLC

### UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31<sup>st</sup>, 2024

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## SCC Power PLC and Subsidiaries

### Unaudited Consolidated Condensed Interim Statement of Financial Position (in US dollars) as of March 31<sup>st</sup>, 2024

	<u>Notes</u>	<u>03/31/2024</u>	<u>12/31/2023</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	637,323,024	632,354,356
Deferred income tax assets	5	86,266,845	86,077,008
Prepayments	7 (a)	3,113,282	3,413,282
Tax assets	7 (b)	<u>8,623,260</u>	<u>8,845,415</u>
<b>Total non-current assets</b>		<u>735,326,411</u>	<u>730,690,061</u>
<b>CURRENT ASSETS</b>			
Prepayments	7 (a)	20,926,084	25,823,348
Tax assets	7 (b)	15,721,918	17,857,778
Spare parts		4,785,928	4,660,977
Trade receivables	7 (e)	36,100,168	19,867,733
Investments	7 (d)	27,595,537	26,307,076
Cash and cash equivalents	7 (c)	<u>33,618,878</u>	<u>42,111,124</u>
<b>Total current assets</b>		<u>138,748,513</u>	<u>136,628,036</u>
<b>Total assets</b>		<u>874,074,924</u>	<u>867,318,097</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		200,060,887	200,060,887
Additional Paid-in capital		(199,998,000)	(199,998,000)
Retained earnings		<u>87,235,370</u>	<u>87,831,607</u>
<b>Total equity</b>		<u>87,298,257</u>	<u>87,894,494</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans	7 (g)	677,605,667	675,504,915
Trade and other payables	7 (f)	<u>20,907,812</u>	<u>24,197,237</u>
<b>Total non-current liabilities</b>		<u>698,513,479</u>	<u>699,702,152</u>
<b>CURRENT LIABILITIES</b>			
Loans	7 (g)	38,212,255	30,783,314
Tax liabilities		508,775	506,239
Salaries and social security		238,461	114,293
Trade and other payables	7 (f)	<u>49,303,697</u>	<u>48,317,605</u>
<b>Total current liabilities</b>		<u>88,263,188</u>	<u>79,721,451</u>
<b>Total liabilities</b>		<u>786,776,667</u>	<u>779,423,603</u>
<b>Total liabilities and equity</b>		<u>874,074,924</u>	<u>867,318,097</u>

See accompanying notes to these Unaudited Consolidated Condensed Interim Financial Statements

## SCC Power PLC and Subsidiaries

### Unaudited Consolidated Condensed Interim Statement of Comprehensive Income (in US dollars) for the three-month period ended March 31<sup>st</sup>, 2024

	Notes	03/31/2024	03/31/2023
Net revenues		23,783,115	26,632,278
Cost of sales	8 (b)	(10,359,000)	(12,229,963)
<b>Gross profit</b>		13,424,115	14,402,315
General and administrative expenses	8 (b)	(3,696,952)	(3,194,207)
Net other income and expenses		-	10,474
<b>Operating profit</b>		9,727,163	11,218,582
Financial income	8 (a.1)	2,313,465	1,569,784
Financial expenses	8 (a.2)	(13,442,255)	(13,554,268)
Other financial results	8 (a.3)	1,819,344	26,379,447
Net foreign exchange loss		(1,203,791)	(8,713,603)
<b>Net finance costs</b>		(10,513,237)	5,681,360
<b>Net (loss) income before income tax</b>		(786,074)	16,899,942
Income tax benefit (expense)		189,837	(681,023)
<b>Net (loss) income for the period</b>		(596,237)	16,218,919
<b>Comprehensive (loss) income for the period</b>		(596,237)	16,218,919

See accompanying notes to these Unaudited Consolidated Condensed Interim Financial Statements

## SCC Power PLC and Subsidiaries

### Unaudited Consolidated Condensed Interim Statement of Changes in Equity (in US dollars) for the three-month period ended March 31<sup>st</sup>, 2024

	Share capital	Additional paid-in capital	Retained earnings (accumulated income)	Total
<b>Balances as of December 31<sup>st</sup>, 2023</b>	200,060,887	(199,998,000)	87,831,607	87,894,494
Comprehensive loss for the period	-	-	(596,237)	(596,237)
<b>Balances as of March 31<sup>st</sup>, 2024</b>	200,060,887	(199,998,000)	87,235,370	87,298,257
	Share capital	Additional paid-in capital	Retained earnings (accumulated income)	Total
<b>Balances as of December 31<sup>st</sup>, 2022</b>	200,060,887	(199,998,000)	142,527,583	142,590,470
Comprehensive income for the period	-	-	16,218,919	16,218,919
<b>Balances as of March 31<sup>st</sup>, 2023</b>	200,060,887	(199,998,000)	158,746,502	158,809,389

See accompanying notes to these Unaudited Consolidated Condensed Interim Financial Statements

## SCC Power PLC and Subsidiaries

### Unaudited Consolidated Condensed Interim Statement of Cash Flows (In US dollars) for the three-month period ended March 31<sup>st</sup>, 2024

	Notes	03/31/2024	03/31/2023
<b>Cash Flow from operating activities</b>			
Net (loss) income for the period		(596,237)	16,218,919
Adjustments for:			
Income tax (benefit) expense		(189,837)	681,023
Depreciation of property, plant and equipment	11	6,956,334	5,775,354
Result of changes in fair value of financial assets	8 (a.3)	(1,819,344)	665,315
Gain on disposal of short-term investments	8 (a.3)	-	(27,044,762)
Net foreign exchange loss		1,203,791	8,713,603
Accrued interest, net	8 (a.1, a.2)	11,128,790	11,984,484
Changes in operating assets and liabilities:			
Increase in trade receivables		(15,584,410)	(8,753,259)
Decrease (increase) in prepayments		5,508,800	(193,313)
Increase in materials and spare parts		(124,951)	(113,874)
Decrease (increase) in tax assets		1,384,348	(20,678,309)
Decrease in trade and other payables		(6,758,276)	(4,725,690)
Increase (decrease) in salaries and social charges to be paid		131,745	(24,826)
(Decrease) increase in tax liabilities		(42,123)	15,872
<b>Net cash flows from (used in) operating activities</b>		<b>1,198,630</b>	<b>(17,479,463)</b>
<b>Cash flow from investing activities</b>			
Net proceeds from financial assets and short-term investments		724,394	54,044,826
Acquisitions of property, plant and equipment		(6,627,581)	(19,317,543)
<b>Net cash flows (used in) from investing activities</b>		<b>(5,903,187)</b>	<b>34,727,283</b>
<b>Cash flow from financing activities</b>			
Payments of loans	10 (e)	-	(1,187,278)
Payments of interest on bank loans	10 (e)	-	(1,473,878)
Payments of interest on senior secured notes	10 (a, b)	(3,568,596)	(3,439,756)
<b>Net cash flows used in financing activities</b>		<b>(3,568,596)</b>	<b>(6,100,912)</b>
<b>Net (decrease) increase in cash</b>		<b>(8,273,153)</b>	<b>11,146,908</b>
Cash and cash equivalents at the beginning of period		42,111,124	43,369,075
Exchange rate difference		(219,093)	(173,093)
Net (decrease) increase in cash		<b>(8,273,153)</b>	<b>11,146,908</b>
<b>Cash and cash equivalents at the end of period</b>		<b>33,618,878</b>	<b>54,342,890</b>

See accompanying notes to these Unaudited Consolidated Condensed Interim Financial Statements

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 1 - GENERAL INFORMATION

##### 1.0) Reporting entity

SCC Power PLC (the “Company”) is a public limited company incorporated, domiciled, and registered in the UK. The registered number is 14094520 and the registered address is, c/o TMF Group 13<sup>th</sup> floor, One Angel Court, London, United Kingdom. The Company was incorporated on May 9<sup>th</sup>, 2022.

The Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as “the Group”).

The Group is comprised by:

- SCC Power GP Ltd, incorporated in BVI, a holding entity which is the General Partner 1% controlling shareholder of Stoneway Energy International LP and Stoneway Energy LP.
- Stoneway Energy International LP, incorporated in New Brunswick, Canada, a holding entity which is the 99% controlling shareholder of Stoneway Energy LP (Limited Partner) and holds 5% interests of SCC Power Argentina S.A., SCC Power San Pedro S.A., SCC Power Generation S.A. (former Araucaria Power Generation S.A.) and SCC Generation Argentina S.A. (former Araucaria Generation S.A.);
- Stoneway Energy LP, incorporated in New Brunswick, Canada, a holding entity which is the 95% controlling shareholder of SCC Power Argentina S.A., SCC Power San Pedro S.A., SCC Power Generation S.A. (former Araucaria Power Generation S.A.) and SCC Generation Argentina S.A. (former Araucaria Generation S.A.);
- SCC Power Argentina S.A., incorporated in Argentina to construct and operate three power-generating plants in Buenos Aires, Argentina: Las Palmas, Lujan and Matheu;
- SCC Power San Pedro S.A., incorporated in Argentina to construct and operate a power-generating plant in San Pedro, Buenos Aires, Argentina;
- SCC Power Generation S.A. (former Araucaria Power Generation S.A.), incorporated in Argentina, to acquire and manage investments in real estate; and
- SCC Generation Argentina S.A. (former Araucaria Generation S.A.), incorporated in Argentina to hold the PPA for the San Pedro combined-cycle plant until September 25, 2019, when it transferred all of its rights under such PPA to SCC Power San Pedro S.A.

##### 1.1) Description of the business

The Group owns and operates four thermal generation plants (the “Plants”), located in Buenos Aires province: Las Palmas, Lujan, Matheu and San Pedro.

The Group's profit is derived from long-term power supply and provision agreements entered into with CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) for the total installed capacity, as specified below:

- 686.5 MW of aggregate installed capacity awarded pursuant to Resolution Secretaría Energía Eléctrica (“SEE”) N0. 21/2016. The operation under simple cycle in each plant has the following configuration:
  - four Siemens SGT-800 gas turbines at Las Palmas Plant with an installed capacity of 202 MW;
  - two Siemens SGT-800 gas turbines at San Pedro Plant with an installed capacity of 103,5 MW;
  - four Trent 60 gas turbines at Matheu Plant with an installed capacity of 254 MW;
  - two Trent 60 gas turbines at Lujan Plant with an installed capacity of 127 MW.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 1 - GENERAL INFORMATION (cont.)

##### 1.1) Description of the business (cont.)

- 105 MW of aggregate installed capacity awarded pursuant to Resolution SEE N0. 287/2017 related to the expansion and conversion to combined cycle of the San Pedro Thermoelectric Plant (hereinafter, “New Combined Cycle PPA”). The first phase of the project consisting of adding a third gas turbine achieved commercial operation on December 2019 adding 50 MW of incremental capacity. The second phase related to the installation of three heat recovery steam generators, an aero condenser, a steam turbine and various other auxiliary components, adding 55 MW of incremental capacity, achieved commercial operation on March 12, 2024.

Under the Simple Cycle PPAs, the Group assumed the obligation to maintain a minimum level of generation capacity in each of the Plants for a term of 10 (ten) years, starting from each commercial operation date.

Under the Combined Cycle PPAs, the Group assumed the obligation to expand and convert the San Pedro Plant to combined cycle by installing a third gas turbine, a steam turbine and various other auxiliary components. The combined cycle PPA will mature on February 16<sup>th</sup>, 2036.

##### *Preventive closure of Matheu Plant*

In December 2017, prior to completion of the construction of the Matheu Generation Facility, an injunction (the “2017 Matheu Injunction”) prohibiting the construction and operation of the Matheu Generation Facility was issued by the First Instance Federal Court of Campana, province of Buenos Aires (the “Campana Federal Court”). Before the appeal of SCC Power Argentina, the 2017 Matheu Injunction was overturned on appeal by the Argentine Federal Court of Appeals on May 16, 2018.

On August 16, 2020, the Organismo Provincial para el Desarrollo Sostenible (“OPDS”) ordered the preventive closure of the Matheu Generation Facility based on the existence of disturbing noises, and on the same date the Municipality of Pilar notified a closure order for the Matheu Generation Facility based on the lack of a municipal permit and the order issued by the OPDS.

On December 4, 2020, the Argentine Supreme Court issued a decision reversing the decision made on May 16, 2018 to overturn the 2017 Matheu Injunction and on March 16, 2021, the Argentine Federal Court of Appeals confirmed the 2017 Matheu Injunction, and the closure remained in place.

On May 21, 2021, SCC Power Argentina filed a writ before the Campana Federal Court to (i) modify the Matheu Injunction and authorize SCC Power Argentina to implement a remediation plan (the “Matheu Remediation Plan”). On September 13, 2021, the Campana Federal Court partially modify the Matheu Injunction in order to authorize SCC Power Argentina to begin implementing the Matheu Remediation Plan, if SCC Power Argentina obtains within 30 days the pertinent authorizations from Ministerio de Ambiente de Provincia de Buenos Aires (“MAPBA”) and the Municipality of Pilar. SCC Power Argentina filed the proper documentation in order to obtain the permits to implement the Matheu Remediation Plan, which to this date is still pending.



## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 1 - GENERAL INFORMATION (cont.)

##### 1.1) Description of the business (cont.)

On August 31, 2022 SCC Power Argentina filed before the Federal Judge a new writ to modify the Matheu Injunction in order to authorize SCC Power Argentina to operate with only two (2) turbines until the Matheu Remediation Plan is authorized. On October 31, 2022 the Federal judge rejected the petition, which was appealed by SCC Power Argentina.

On January 23, 2023 the Federal Court of Campana authorized SCC Power Argentina to operate the Matheu Generation Facility on a provisional basis with two (2) turbines, between 8:00 a.m. to 9:00 p.m. and until June 30, 2023. Since July 1, 2023, the facility remains once again non-operational. The Company has requested the Federal Court an extension of the provisional authorization, but such authorization has not yet been granted.

During December 2023, the Company was awarded with a new project from the SEE. It includes the transfer of the Matheu Thermoelectric Plant to the Abasto location in Buenos Aires province. According to the terms of the bidding, the Company made reserve payments in December 2023 that will allow the Company to enter into new PPA contracts (242 MW capacity) in the future. The related amounts had been recorded in Other Receivables, under the Non-Financial Assets line for USD 609,949 (Note 7.a).

#### NOTE 2 - BASIS OF ACCOUNTING

##### 2.0) Statements of compliance with IFRS

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared in conformity with IAS 34 Interim Financial Reporting. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended December 31<sup>st</sup>, 2023.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the Group's financial position and performance since the Company's incorporation.

The issuance of these Unaudited Consolidated Condensed Interim Financial Statements for the period-end March 31<sup>st</sup>, 2024 was authorised by the board of directors on May 30<sup>th</sup>, 2024.

##### 2.1) Group's financial position

On May 17<sup>th</sup>, 2022 the Company acquired the businesses of Stoneway Capital Corporation ("Stoneway"), primarily engaged in the business of constructing, owning and operating, through its subsidiaries, consisting of four power-generating plants, with an aggregate installed capacity 737 MW, that utilize diesel and natural gas to provide base-load electricity to the wholesale electricity market in Argentina.

The Group has prepared cash flow forecasts which includes repayment of the senior secured notes as well as short term debt. Higher cash inflows were estimated as a result of the combined cycle operation in San Pedro plant. The Company estimates that current liabilities will be paid as required.

The directors have assessed that the Group will have sufficient funds to continue to meet its liabilities and obligations as they fall due for at least 12 months from the date of approval of these Financial Statements and have prepared the Unaudited Consolidated Condensed Interim Financial Statements on a going concern basis.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 2 - BASIS OF ACCOUNTING (cont.)

##### 2.2) Preparation of the Unaudited Consolidated Condensed Interim Financial Statements

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and have the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer (see Note 2.1).

The Financial Statements of subsidiaries are included in the Unaudited Consolidated Condensed Interim Financial Statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### 2.3) Basis for measurement and presentation

All intra-group balances, transactions, income and expenses, and profits and losses, including unrealised profits arising from intra-group transactions, have been eliminated on consolidation.

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared on the historical cost basis.

The presentation in the Unaudited Consolidated Condensed Interim Statement of Financial Position makes a distinction between current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or paid within twelve months after the reporting date. In addition, the Group reports the Unaudited Consolidated Condensed Interim Statement of cash flows by the indirect method.

These Unaudited Consolidated Condensed Interim Financial Statements are stated in USD, except as otherwise indicated.

##### 2.4) New material accounting policies

As of March 31, 2024, the Company has adopted the following new accounting policies:

New accounting standard or amendment	Effective date	Impact
Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	No impacts.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	No impacts.
Lease liability on a sale and Leaseback (Amendments to IFRS 16)	1 January 2024	No impacts.

The Company has not adopted in advance any of the new IFRS or modifications to existing IFRS that come into effect after January 1, 2025.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 2 - BASIS OF ACCOUNTING (cont.)

##### 2.5) Material accounting policies

The main accounting policies applied to the preparation of these Unaudited Consolidated Condensed Interim Financial Statement are consistent with those applied to the preparation of the Financial Statements under IFRS for the year ended December 31, 2023.

#### NOTE 3 - USE OF JUDGMENT AND ESTIMATES

Management has made judgements and estimates about the future that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on ongoing basis and are consistent with the Group's risk management. Revisions to estimates are recognised prospectively.

##### a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Current income tax and deferred income tax determination.
- Recoverability of Property, Plant and Equipment (PPE)
- Note 5 (d) – Uncertainty over income tax treatments.
- Revenue recognition.

##### b. Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date have a significant risk of resulting in a material adjustment to the carrying amounts of assets withing the next financial year is included in the following note:

- Deferred tax assets.

#### NOTE 4 - OPERATING SEGMENTS

The Board of Directors is the chief operating decision maker, who receives and reviews financial information considering that the Group has only one operating segment. This is based on the fact that Argentine Subsidiaries have only one customer – CAMMESA (Notes 13 a), b) and c)), to whom they provide with the availability of contractual capacity and the supply of power.

All SCC Power PLC non-current assets are located in Argentina as of March 31<sup>st</sup>, 2024 and December 31<sup>st</sup>, 2023.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 5 - INCOME TAX

##### (a) Income tax expense

As from fiscal year 2021, taxable profit is levied at a variable rate of 25%, 30% or 35% based on the taxable profit of the year. The amount of each range is annually indexed up by the tax authority, based on the variation of the Consumer Price Index.

The thresholds as of March 31, 2024, are: Taxable profit up to AR\$ 34.7 million (USD 40,447) are levied at 25%, up to AR\$ 347 million (USD 404,470) at 30% and more than such amount at 35%.

In addition, as provided for by Law No. 27630, the rate applicable to the dividends on earnings generated in fiscal years beginning on or after January 1, 2018, is set to 7%.

The income tax expense for interim periods is recognized on the basis of the best estimate made by Management of the weighted average rate that is expected at year end, applied to income before taxes for the period.

At the end of March 31, 2024, the effective tax rate calculated for the year reached 24.15%, compared to the 4.03% previously projected at the end of March 31, 2023.

##### (b) Inflation adjustments for tax purposes

The Law No. 27430, created the obligation that, as from fiscal years beginning on or after January 1, 2018, the inflation adjustment calculated based on the procedure described in the Income Tax Law be deducted or included in the tax income/loss, to the extent that the Consumer Price Index (IPC) at a general level accumulated over the 36 months prior to the end of the year that is calculated exceeds 100%.

During the first three years as from effective date (fiscal years beginning on or after January 1, 2018), the tax inflation adjustment was applicable to the extent the IPC variation for each of them exceeds 55%, 30% and 15%, respectively. The resulting inflation adjustment, either gain or loss, was recognized in six equal parts for fiscal years ending on December 31, 2020, and 2019. The first part was computed in the year corresponding to the calculation and the remaining five parts are recognized in the immediately subsequent years. As from December 31, 2021, the amount of the tax inflation adjustment is recognized in the same fiscal year.

##### (c) Uncertainty over income tax treatments

As of March 31, 2024, and December 31, 2023, carry forward tax losses were measured at the rate of the year on which it is expected to be compensated (35%), determined by applying the tax inflation adjustment procedures mentioned in Note 5 (b). Based on the guidelines of IFRIC 23 "Uncertainty over income tax treatments" and in accordance with the Company's legal and tax advisors opinions, management assessed that it is more likely than not that the tax authority will accept the fiscal treatment, and as a consequence, has proceeded to apply the tax inflation adjustment to the carry forward tax losses using the wholesale domestic price index, as indicated in article 19 of the mentioned income tax law. The Company recognizes the related deferred tax asset only to the extent that it is probable there is sufficient future taxable profit to allow its consumption.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT

(a) Classification and fair value of financial instruments

SCC Power PLC uses the following hierarchy to determine the fair value of its financial instruments: Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities; Level 2: inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices), and Level 3: inputs for the asset or liability that are not based on observable market data.

The table below shows the classification of financial instruments held by the Group:

Item	Balances as of March 31, 2024		
	Note	Fair value (Level 1)	Amortized cost
<i>Financial assets</i>			
Other credits	7 (a)	-	6,500,000
Trade receivables	7 (e)	-	36,100,168
Investments	7 (d)	6,887,791	-
Financial credits with banks	7 (d)	-	20,707,746
Cash and cash equivalents	7 (c)	2,438,208	31,180,670
<b>Total financial assets</b>		<b>9,325,999</b>	<b>94,488,584</b>
<i>Financial liabilities</i>			
Loans	7 (g)	-	715,817,922
Trade and other payables	7 (f)	-	70,211,509
<b>Total financial liabilities</b>		<b>-</b>	<b>786,029,431</b>
Item	Balances as of December 31, 2023		
	Note	Fair value (Level 1)	Amortized cost
<i>Financial assets</i>			
Other credits	7 (a)	-	6,500,000
Trade receivables	7 (e)	-	19,867,733
Investments	7 (d)	6,236,450	-
Financial credits with banks	7 (d)	-	20,070,626
Cash and cash equivalents	7 (c)	7,338,021	34,773,103
<b>Total financial assets</b>		<b>13,574,471</b>	<b>81,211,462</b>
<i>Financial liabilities</i>			
Loans	7 (g)	-	706,288,229
Trade and other payables	7 (f)	-	72,514,842
<b>Total financial liabilities</b>		<b>-</b>	<b>778,803,071</b>

As of the date of these Unaudited Consolidated Condensed Interim Financial Statements, the carrying balances of financial instruments are a reasonable estimate of their related fair values except in loans (liability) for which the fair value (Level 2 for Senior secured notes and Level 3 for loans) is USD 686,911,553 and USD 655,684,041 as of March 31 2024 and December 31, 2023, respectively.

As of March 31, 2024 and December 31, 2023, there are no significant expected credit losses (“ECL”) to be recognized following the impairment assessment of financial assets estimated at amortized cost.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

##### (b) Financial risk management

As part as its business activities, SCC Power PLC is exposed to different financial risks: market risk (including exchange rate risk, interest rate risk, and price risk); liquidity risk, and credit risk.

These Unaudited Consolidated Condensed Interim Financial Statements do not include all the information and disclosures regarding financial risk management.

##### 1. Market risk

Market risk stems from the potential fluctuation to which the Group is exposed upon changes in fair value or future cash flows that may be adversely affected by changes in the exchange rates, interest rates or other variables.

- Currency risk

It is the risk that the fair value or future cash flows of financial instruments may fluctuate due to exchange rate changes. Given that the functional currency of Group is the USD, the currency increasing exposure in terms of effects on profit or loss is the peso (legal tender in Argentina).

In order to minimize the results arising from exchange variations and, in an attempt to hedge the volatility risk in the fair value of assets and liabilities in foreign currency, the Group seeks to maintain a balance between assets and liabilities.

- Interest rate risk

The interest risk is related with the change in fair value or in future cash flows of certain financial instruments according to the changes that may occur in market interest rates.

- Exchange rate risk

On September 1, 2019, the Executive Branch issued the Decree No. 609/2019, whereby certain extraordinary and temporary provisions are stated related to the transfers abroad and exchange market operations. Accordingly, on the same date, the Argentine Central Bank (BCRA) issued Communication "A" 6770, whereby the following measures, among others, are set out up to December 31, 2023:

- Any funds from new external financial debts disbursed as from September 1, 2019 are to be brought into the country and converted into local currency.
- Access to the foreign exchange market in relation to liabilities in foreign currency, between Argentine residents, documented in public records or notarized instruments as of August 30, 2019 is allowed upon their maturity. However, access to the foreign exchange market to pay debts and other liabilities in foreign currency agreed by Argentine residents is forbidden as from September 1, 2019.

Access to the foreign exchange market to conduct the following transactions shall require the BCRA's prior authorization:

- Wiring of profits and dividends;
- Payment of services to foreign related companies;
- Prepayment of financial debts (principal or interest) more than 3 days before maturity.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

##### (b) Financial risk management (cont.)

- Exchange rate risk (cont.)

Since then, the BCRA has issued some modifications and an update of the mentioned communications, the main impact on Companies that had to cancel debt abroad, is that the BCRA published guidelines that allow access to the exchange market for 40% of the maturity and the rest of the capital should be acquire through the issuance of new debt with an average life of 2 years.

As of March 31<sup>st</sup>, 2024, the mentioned measures did not affect normal operations and compliance with commitments on time.

##### 2. Liquidity risk

The liquidity risk is related to the Group capacity to finance its obligations and business plans with stable financing resources. It is also associated with the level of indebtedness and the maturity profile of loans.

The Group meets its day-to-day working capital requirements mainly by the cash generated by its operating activities and complemented, with short-term credit facilities as required or access to debt capital markets.

##### 3. Credit risk

The credit risk is defined as the possibility that a third party be unable to meet its contractual obligations, generating losses to the Group.

The Group may face a credit risk related to the balances of trade receivables. Trade receivable balance comprises the value to be collected based on the agreements with CAMMESA for wholesale demand (Note 13).

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly. The Group has determined that the expected credit loss related to CAMMESA is not material considering the Unaudited Consolidated Condensed Interim Financial Statements as a whole and therefore it has not recorded a provision for this.

CAMMESA' payment delays have increased compared to the previous year. As of March 31<sup>st</sup>, 2024, the outstanding balance of accounts receivables, including interest accrued, amounts to USD 36,1 million of which USD 20 million (55% of total credits) are overdue.

On May 8<sup>th</sup>, 2024, the Energy Secretariat ("ES") published resolution 58, proposing the settlement of the outstanding debt held by CAMMESA related to the sales transactions of December 2023, January 2024 and February 2024 through the following mechanism:

- Outstanding amounts related to the December 2023 and January 2024 sales transactions, amounting to USD 15 million as of March 31<sup>st</sup>, 2024, would be settled through the delivery of equivalent nominal amounts of Argentine Law USD denominated Sovereign Bonds due 2038 (AE38).

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

(b) Financial risk management (cont.)

##### 3. Credit risk (cont.)

- Outstanding amounts related to the February 2024 sales transaction, amounting to USD 7.8 million, would be paid in cash by CAMMESA after the execution of the settlement agreement.

On May 23<sup>rd</sup>, 2024, the Argentinian subsidiaries, both SCC Power Argentina and SCC Power San Pedro, have accepted the proposed settlement from CAMMESA. Pursuant to the terms of the agreement, the AE38 Sovereign Bonds will be delivered by CAMMESA approximately 10 days following the execution of the agreement. The impairment of the financial assets considering the exchange rate effect, the bond's market value, and applicable VAT withholding, is estimated approximately at USD 5 million. The recognition of this impairment on the local subsidiaries will be impacted during the second quarter of 2024, once the subsequent events related to the delivery of the bonds become fully completed.

As of the date of the issuance of these Unaudited Consolidated Condensed Interim Financial Statements, the sales transactions of February 2024 and March 2024 (transaction out of scope of the settlement) amounting to USD 7.8 million and USD 9.3 million, respectively, have been fully paid by CAMMESA.

#### NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(a) Prepayments	03/31/2024	12/31/2023
<b>Non current</b>		
Non-financial Assets (Note 1.1)	609,949	609,949
Other prepayments (Note 13 e)	2,503,333	2,803,333
Total	3,113,282	3,413,282
<b>Current</b>		
Insurance costs paid in advance	3,840,545	89,291
Advances to suppliers	8,980,637	17,623,603
Leases paid in advance	388,235	390,454
Other credits	6,500,000	6,500,000
Other prepayments (Note 13 e)	1,216,667	1,220,000
Total	20,926,084	25,823,348
<b>(b) Tax assets</b>		
<b>Non current</b>		
Turnover tax - advance payment	32,426	31,664
Valued added tax	-	40,476
Withholding income tax	8,590,834	8,773,275
Total	8,623,260	8,845,415
<b>Current</b>		
Valued added tax	13,492,737	15,881,609
Other tax assets	2,229,181	1,976,169
Total	15,721,918	17,857,778



## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (cont.)

<b>(c) Cash and cash equivalents</b>	03/31/2024	12/31/2023
Cash	301	306
Banks	31,180,369	34,772,797
Short-term investments	2,438,208	7,338,021
Total	33,618,878	42,111,124
<b>(d) Investments</b>		
Financial credits with banks	20,707,746	20,070,626
Short-term investments	6,887,791	6,236,450
Total	27,595,537	26,307,076
<b>(e) Trade receivables</b>		
Account receivables	26,794,696	12,142,993
Unbilled receivables	9,305,472	7,724,740
Total	36,100,168	19,867,733
<b>(f) Trade and other payables</b>		
<b>Non current</b>		
Fines imposed by CAMMESA (Note 13 a)	20,907,812	24,197,237
Total	20,907,812	24,197,237
<b>Current</b>		
Trade payables	30,227,806	28,165,646
Accrued liabilities	6,000,192	6,736,983
Fines imposed by CAMMESA (Note 13 a)	13,075,699	13,414,976
Total	49,303,697	48,317,605
<b>(g) Loans</b>		
<b>Non current</b>		
Local secured notes (Note 10 d)	133,861,175	138,375,616
Senior secured notes (Notes 10 a, b and c)	543,744,492	537,129,299
Total	677,605,667	675,504,915
<b>Current</b>		
Short-term loans (Note 10 f) (*)	20,707,746	20,070,626
Local secured notes (Note 10 d)	15,889,113	9,112,816
Senior secured notes (Notes 10 a, b and c)	1,615,396	1,599,872
Total	38,212,255	30,783,314

(\*) Loan secured by SCC Power PLC.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

##### (a) Net finance costs

	03/31/2024	03/31/2023
<u>8 (a.1) - Financial income</u>		
Interest income	2,313,465	1,569,784
<b>Total financial income</b>	2,313,465	1,569,784
<u>8 (a.2) - Financial expenses</u>		
Interest expense for bank loans	(637,120)	(1,414,156)
Interest expense for trade payables	(243,412)	(134,356)
Interest expense for SCC Power PLC Senior Secured Notes	(10,199,313)	(9,637,575)
Interest expense for SCC Power San Pedro Local Secured Notes	(2,254,401)	(2,113,627)
Other Financial expenses	(108,009)	(254,554)
<b>Total financial expenses</b>	(13,442,255)	(13,554,268)
<u>8 (a.3) - Other financial results</u>		
Gain on disposal of short-term investments (*)	-	27,044,762
Result of changes in fair value of financial assets	1,819,344	(665,315)
<b>Total Other financial results</b>	1,819,344	26,379,447

(\*) During the period ended March 31 2023, the Company's Argentine subsidiaries acquired certain financial instruments in the U.S. market denominated in U.S. dollars. The fair value of these instruments in the Argentine market measured in Argentine pesos at the official exchange rate was higher than its quoted price in the U.S. market (in U.S dollars), resulting in a fair value gain.

##### (b) Expense by nature

	Cost	General and		Cost	General and	
Items	of sales	administrative	03/31/2024	of sales	administrative	03/31/2023
		expenses	(3 months)		expenses	(3 months)
Salaries and other personnel – related expenses	357,529	162,676	520,205	63,269	116,730	179,999
Operating expenses	2,913,524	-	2,913,524	5,356,812	-	5,356,812
Travel expenses	-	7,224	7,224	-	44,965	44,965
Bank expenses	-	7,932	7,932	-	100,543	100,543
Depreciation	6,929,077	27,257	6,956,334	5,763,582	11,772	5,775,354
Office lease	-	45,536	45,536	-	76,702	76,702
Administrative Penalties	-	-	-	-	1,951	1,951
Professional Fees	-	1,546,962	1,546,962	-	831,943	831,943
Operating Penalties	133,583	-	133,583	1,046,300	-	1,046,300
Taxes, rates and contributions	-	492,661	492,661	-	734,365	734,365
Insurance	-	1,328,182	1,328,182	-	1,267,191	1,267,191
Other expenses	25,287	78,522	103,809	-	8,045	8,045
<b>Total</b>	10,359,000	3,696,952	14,055,952	12,229,963	3,194,207	15,424,170

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 9 - BALANCES AND TRANSACTIONS WITH KEY MANAGEMENT (Board of Directors)

During the period ended March 31, 2024 and 2023, key management received compensations in the total amount of USD 92.500 and USD 92.500 respectively, which are considered short-term benefits and entail the only benefits granted to the Board of Directors. SCC Power PLC does not grant long-term benefits or share-based payments to its employees.

#### NOTE 10 - LOANS

##### (a) SCC Power Senior Secured First Lien Notes

On May 17<sup>th</sup>, 2022, the Company issued Secured First Lien Notes described as follows:

- Principal amount: USD 17,861,000.
- Maturity Date: December 31, 2028.
- Interest rate: 6 % per annum, paid quarterly in cash.
- Scheduled interest payment dates: September 15, December 15, March 15 and June 15 of each year and on the Maturity Date, beginning on September 15, 2022.

In connection with these Secured First Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 17,909,125 (Note 7 g) as of March 31, 2024 and December 31, 2023.

##### (b) SCC Power Senior Secured Second Lien Notes

On May 17<sup>th</sup>, 2022, the Company issued Secured Second Lien Notes described as follows:

- Principal amount: USD 310,000,000.
- Maturity Date: December 31, 2028.
- Interest rate:  
For the first 24 months following the issue date:
  - 4% per annum, paid quarterly in cash; plus
  - 4% per annum, paid quarterly either in cash or in kindThereafter, 8% per annum, paid quarterly in cash
- Scheduled interest payment dates: September 15, December 15, March 15 and June 15 of each year and on the Maturity Date, beginning on September 15, 2022.

In connection with these Secured Second Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 334.574.462 and USD 331,261,646 (Note 7 g) as of March 31, 2024 and December 31<sup>st</sup>, 2023, respectively.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 10 – LOANS (cont.)

##### (c) SCC Power Senior Secured Third Lien Notes

On May 17<sup>th</sup>, 2022, the Company issued Secured Third Lien Notes described as follows:

- Principal amount: USD 200,000,000.
- Maturity Date: May 17, 2032.
- Interest rate:  
For the first 24 months following the issue date: 4% per annum, paid quarterly in cash or in kind.  
Thereafter, 4% per annum, paid quarterly in cash.
- Scheduled interest payment dates: September 15, December 15, March 15 and June 15 of each year and on the Final Maturity Date, beginning on September 15, 2022.

In connection with these Secured Third Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 215,472,994 and USD 213,339,597 (Note 7 g) as of March 31, 2024 and December 31, 2023, respectively.

These Third Lien Notes have been netted by USD 22,596,693 and USD 23,781,197 (Note 7 g) as of March 31, 2024 and December 31, 2023, respectively, resulting from the fair value assessment of the Management Service Agreement compensation pursuant to IFRS 15 (see Note 13 e)

#### *Amortization*

There is no mandatory scheduled amortization for any of the Senior Secured Notes. The Secured Notes, however, shall be redeemed in accordance with an offshore excess cash sweep mechanism commencing on July 15, 2024, and on a quarterly basis thereafter on each October 15, January 15, April 15 and July 15. Based on the sweep mechanism, the Company will redeem Notes wherever its Consolidated unrestricted cash as of each quarter and is in excess of USD 15 million (or equivalent in Argentinian pesos)

#### *Collateral*

The Secured First, Second and Third Lien Notes are secured by a security interest in and first priority Lien on:

(i) Pursuant to the Security Agreement, the Pledge Agreements and the Depositary Agreement, substantially all assets of the Issuer and the Guarantors, including, without limitation:

1. all accounts receivable;
2. all equipment;
3. all insurance policies and proceeds thereof and all expropriation compensation;
4. all equity Interests of the Issuer and the Guarantors;
5. all general intangibles and rights in intellectual property necessary for the construction and operation of the Project;
6. all proceeds of the foregoing; and

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 10 – LOANS (cont.)

##### (c) SCC Power Senior Secured Third Lien Notes (cont.)

###### *Collateral (cont.)*

##### (ii) Pursuant to the Argentine Guarantee Trust Agreement, the assignment of:

1. all of the Argentine Guarantors' rights to receive any amounts and credits under, with respect to and/or regarding, the power purchase agreement of the Plants;
2. all the rights, and (solely at such time as an Event of Default has occurred and is continuing) the obligations of the Argentine Guarantors under any current and future material project document;
3. the shares of each of the Argentine Guarantors, and any rights over such shares, including, but not limited to, the rights to receive dividends or any other economic benefits related thereto;
4. all moveable assets, registered and unregistered, tangible and intangible, used in connection with the Project, located in Argentina; and
5. all the know-how, rights, designs, patents, industrial models used in connection with the Project.

##### (d) SCC Power San Pedro Class I and II Local secured notes

- SCC Power San Pedro Class I senior secured notes denominated in USD becoming due after 48 months of the issue thereof with the following features:

- Amount of the issue: USD 33,499,900.
- Interest rate: 4% paid in semi-annual basis during the first 24 months after the issue, and on quarterly basis there after.
- Option to capitalize: From the Issue and Settlement Date and up to the date on which 24 months have elapsed from the Issue and Settlement Date (inclusive), the Company may opt for fully or partially capitalize the interest accrued corresponding to the corresponding Interest Accrual Period.
- Date of issue: June 27, 2022.
- Maturity date: June 27, 2026.
- Amortization: The capital will be payable in Argentinian Pesos at the Applicable Exchange Rate in 8 equal and consecutive quarterly instalments starting on September 27, 2024.

In connection with this Senior Secured Note, the Company has principal and interest debt equivalent to the amount of USD 35,871,125 and USD 35,509,402 (Note 7 g) as of March 31, 2024 and December 31, 2023 respectively.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 10 - LOANS (cont.)

(d) SCC Power San Pedro Class I and II Local secured notes (cont.)

- SCC Power San Pedro Class II Local secured notes denominated in USD becoming due after 48 months of the issue thereof with the following features:
  - Amount of the issue: USD 101,500,100.
  - Interest rate: 6.75% paid in semi-annual basis during the first 24 months after the issue, and on quarterly basis thereafter.
  - Option to capitalize: From the Issue and Settlement Date and up to the date on which 24 months have elapsed from the Issue and Settlement Date (inclusive), the Company may opt for fully or partially capitalize the interest accrued corresponding to the corresponding Interest Accrual Period.
  - Date of issue: June 27, 2022.
  - Maturity date: June 27, 2032.
  - Amortization: The capital will be payable in Argentinian Pesos at the Applicable Exchange Rate in 24 consecutive quarterly instalments starting on September 27, 2026.

In connection with this Senior Secured Note, the Company has principal and interest debt equivalent to the amount of USD 113,879,163 and USD 111,979,030 (Note 7 g) as of March 31, 2024 and December 31<sup>st</sup>, 2023, respectively.

(e) Reconciliation required by IAS 7

Changes from financing cash flows and from non-cash items:

	03/31/2024	03/31/2023
<b>Loans at beginning of the period</b>	706,288,229	658,791,389
<i>Cash flows from financing activities:</i>		
Payments of bank loans	-	(1,187,278)
Payments of interest on bank loans	-	(1,473,878)
Payments of interest on senior notes	(3,568,596)	(3,439,756)
<i>Non-cash items changes:</i>		
Exchange differences	7,455	(977,476)
Interest and other financial costs accrued	13,090,834	13,165,258
<b>Loans at period-end</b>	715,817,922	664,878,259

(f) Short-term loans

The breakdown of loans with their related rate and maturity is as follows:

Class	Entity	Type	Currency	Nominal interest rate	Maturity	03/31/2024	12/31/2023
Financial	Eurobank	Loan	USD	13%	2024	20,707,746	20,070,626
Total						20,707,746	20,070,626

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

2024	Work in progress	Land	Plant (4)	Turbines (4)	Software (3)	Tools, Machinery & Equipment (1) - (3)	Computer equipment and security equipments (1) - (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Total
<i>Cost</i>										
Balance at January 1, 2024	170,599,861	4,142,309	233,480,971	366,833,082	15,638	71,521	440,331	194,692	68,622	775,847,027
Additions	11,447,188	-	57,466	192,994	-	167,511	16,624	13,474	29,745	11,925,002
Transfers	(176,350,916)	-	109,321,230	67,029,686	-	-	-	-	-	-
<b>Balance at March 31, 2024</b>	<b>5,696,133</b>	<b>4,142,309</b>	<b>342,859,667</b>	<b>434,055,762</b>	<b>15,638</b>	<b>239,032</b>	<b>456,955</b>	<b>208,166</b>	<b>98,367</b>	<b>787,772,029</b>
<i>Accumulated depreciation</i>										
Balance at January 1, 2024	-	-	(55,853,418)	(87,321,139)	(3,492)	(1,198)	(162,826)	(82,359)	(68,239)	(143,492,671)
Depreciation charge	-	-	(2,764,751)	(4,155,102)	(394)	(5,039)	(24,068)	(5,110)	(1,870)	(6,956,334)
<b>Balance at March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>(58,618,169)</b>	<b>(91,476,241)</b>	<b>(3,886)</b>	<b>(6,237)</b>	<b>(186,894)</b>	<b>(87,469)</b>	<b>(70,109)</b>	<b>(150,449,005)</b>
<i>Net book value</i>										
<b>Balance at January 1, 2024</b>	<b>170,599,861</b>	<b>4,142,309</b>	<b>177,627,553</b>	<b>279,511,943</b>	<b>12,146</b>	<b>70,323</b>	<b>277,505</b>	<b>112,333</b>	<b>383</b>	<b>632,354,356</b>
<b>Balance at March 31, 2024</b>	<b>5,696,133</b>	<b>4,142,309</b>	<b>284,241,498</b>	<b>342,579,521</b>	<b>11,752</b>	<b>232,795</b>	<b>270,061</b>	<b>120,697</b>	<b>28,258</b>	<b>637,323,024</b>

Reconciliation of carrying amounts:

- (1) Estimated useful life: 10 years
- (2) Estimated useful life: 5 years.
- (3) Estimated useful life: 3 years.
- (4) Estimated useful life: 25 years.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (cont.)

2023	Work in progress	Land	Plant (4)	Turbines (4)	Software (3)	Tools, Machinery & Equipment (1) - (3)	Computer equipment and security equipments (1) - (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Total
<i>Cost</i>										
Balance at January 1, 2023	94,686,870	4,142,309	232,840,021	351,569,858	12,512	-	250,951	163,680	68,622	683,734,823
Additions	77,404,264	-	505,987	13,906,914	3,126	71,521	189,380	31,012	-	92,112,204
Transfers	(1,491,273)	-	134,963	1,356,310	-	-	-	-	-	-
<b>Balance at December 31, 2023</b>	<b>170,599,861</b>	<b>4,142,309</b>	<b>233,480,971</b>	<b>366,833,082</b>	<b>15,638</b>	<b>71,521</b>	<b>440,331</b>	<b>194,692</b>	<b>68,622</b>	<b>775,847,027</b>
<i>Accumulated depreciation</i>										
Balance at January 1, 2023	-	-	(46,621,502)	(73,271,215)	(2,041)	-	(78,561)	(63,960)	(52,375)	(120,089,654)
Depreciation charge	-	-	(9,231,916)	(14,049,924)	(1,451)	(1,198)	(84,265)	(18,399)	(15,864)	(23,403,017)
<b>Balance at December 31, 2023</b>	<b>-</b>	<b>-</b>	<b>(55,853,418)</b>	<b>(87,321,139)</b>	<b>(3,492)</b>	<b>(1,198)</b>	<b>(162,826)</b>	<b>(82,359)</b>	<b>(68,239)</b>	<b>(143,492,671)</b>
<i>Net book value</i>										
<b>Balance at January 1, 2023</b>	<b>94,686,870</b>	<b>4,142,309</b>	<b>186,218,519</b>	<b>278,298,643</b>	<b>10,471</b>	<b>-</b>	<b>172,390</b>	<b>99,720</b>	<b>16,247</b>	<b>563,645,169</b>
<b>Balance at December 31, 2023</b>	<b>170,599,861</b>	<b>4,142,309</b>	<b>177,627,553</b>	<b>279,511,943</b>	<b>12,146</b>	<b>70,323</b>	<b>277,505</b>	<b>112,333</b>	<b>383</b>	<b>632,354,356</b>

Reconciliation of carrying amounts:

- (1) Estimated useful life: 10 years
- (2) Estimated useful life: 5 years.
- (3) Estimated useful life: 3 years.
- (4) Estimated useful life: 25 years.



## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 12 - CAPITAL

	USD 2024	Quantity of Shares 2024
In issue at January 1	200,060,887	200,060,887
In issue at March 31- fully paid	200,060,887	200,060,887

As of March 31<sup>st</sup>, 2024, the Company's capital amounted to USD 200,060,887, represented by USD 60,887 ordinary shares and 200,000,000 preferred common stock shares, with a nominal value of USD 60,887 and USD 2,000, respectively. The holders of Ordinary Shares shall, in respect of any Ordinary Shares held by them, be entitled to have such number of votes as is equal to one (1) vote for each Ordinary Share held by such holder of Ordinary Shares on all matters. The holders of Preferred Shares shall, in respect of the Preferred Shares held by them, be entitled to attend general meetings of the Company but shall not be entitled to vote at such meetings and shall not constitute an eligible member in relation to any such proposed resolution. Nevertheless, the holders of Preferred Shares shall be entitled to a fixed, cumulative, preferential distribution at the rate of 3.50 per cent. per annum, and the directors may determine in their sole discretion if the Preferred Shares Distribution shall be (i) paid in cash, to the extent of distributable reserves and cash funds of the Company legally available to the Company for payment, or (ii) added to the Preferred Shares Liquidation Preference.

On a return of capital on a liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, before any payment or distribution of the Company (whether capital, surplus or otherwise) shall be made to or set apart for the Ordinary Shares, holders of Preferred Shares shall be entitled to receive a liquidation preference equal to one Dollar (USD 1) per Preferred Share plus all accrued distributions that were not previously paid in cash, including the Preferred Shares Distribution, without any duplication thereof, as of the applicable date of payment.

#### NOTE 13 - CONTRACTUAL COMMITMENTS

*Power Purchase Agreements (PPAs) with CAMMESA:*

*a) Simple cycle PPAs*

In July 2016, SCC Power Argentina S.A. and SCC Power San Pedro S.A. were awarded pursuant to Resolution 21 auction, four US dollar denominated PPAs with CAMMESA, for a total contracted capacity of 686.5 MW. Under the terms of the PPAs, the four plants were required to complete construction and reach commercial operation by December 1<sup>st</sup>, 2017 and thereafter, sell under a take-or-pay contract the generation capacity to CAMMESA for a 10-year period.

The remuneration scheme of each PPA consists on: (i) a fixed U.S. dollar denominated price per MW month for the capacity availability (a penalty measured in U.S. dollars per hour may be imposed by CAMMESA for unscheduled unavailability of capacity) and (ii) a variable price per MW hour to cover operation and maintenance costs (such as salaries, administrative expenses and insurance) based on energy dispatched upon CAMMESA's request. Fuel to operate the plants, whether it's natural gas or diesel oil, is procured and supply by CAMMESA.

During February, April and May 2018, all four plants achieved commercial operation, effectively triggering the PPAs for 10 years up until December 1<sup>st</sup>, 2027.

Subject to the terms of the PPAs, Matheu, Las Palmas, Lujan and San Pedro plants didn't achieve commercial operation on or before their committed dates, resulting in penalties.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

*Power Purchase Agreements (PPAs) with CAMMESA: (cont.)*

*a) Simple cycle PPA's (cont.)*

On February 2020, CAMMESA imposed the late commercial operation penalty of the Matheu Plant for a total of USD 10,850,880 which was agreed to be collected in forty-eight (48) equal and consecutive monthly installments, applying an Annual Effective Rate (TEA) equivalent to 1.7% denominated in US dollars.

On May 2022, CAMMESA imposed the Las Palmas and the San Pedro plants late commercial operation penalties for USD 21,573,600 and USD 10,370,700 respectively. On September 2023, CAMMESA additionally imposed the Lujan plant late commercial operation penalties for USD 16,459,200. These penalties are being collected in forty-eight (48) equal and consecutive monthly installments since its applications, applying an Annual Effective Rate (TEA) equivalent to 1.7% denominated in US dollars.

Aggregate late commercial operation penalties amounted to USD 33,983,511 and USD 37,612,213 (Note 7 f) as of March 31, 2024 and December 31, 2023, respectively.

*b) Combined cycle PPA*

On November 2, 2017, pursuant to Resolution 287 auction, SCC Generation Argentina S.A. (former Araucaria Generation S.A.), an affiliated company incorporated in Argentina, was awarded an additional PPA (the "Additional PPA") with CAMMESA for an additional 105 MW to complete the expansion and conversion to combined cycle of the San Pedro plant. Under the terms of the PPAs, the combined cycle project was required to achieve commercial operation by November 1<sup>st</sup>, 2019, and thereafter, sell under a take-or-pay contract the generation capacity to CAMMESA for a 15-year period.

The expansion and conversion to combined cycle consists on the installation of an additional Siemens SGT-800 gas turbine, three heat recovery steam generators, a steam turbine, an aero-condenser and various other auxiliary components which will increase San Pedro plant installed capacity to 208.5 MW.

The combined cycle operation enhances energy efficiency by using the exhaust heat from the gas turbines to produce steam in three heat recovery steam generators that connected to the steam turbine generates more electricity with no additional fuel consumption.

The remuneration of the Additional PPA has substantially the same scheme and provisions as the Simple Cycle PPAs described in Note 13 a).

On September 25, 2019, SCC Generation Argentina S.A. (former Araucaria Generation S.A.) transferred all of its rights related to the Additional PPA to SCC Power San Pedro S.A.

Committed commercial operation ("COD") date of November 1, 2019, pursuant to Resolution 39/2022, has been extended to February 1, 2024. Due to force majeure events beyond the Company's control, the date of COD was delayed until March 12, 2024, date on which CAMMESA notified the Company about the commercial authorization of the San Pedro Thermal Power Plant to carry out commercial operations in the SADI (Sistema Eléctrico Interconectado Argentino).

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

*c) Service contract agreement with Siemens S.A. and Siemens Industrial Turbomachinery AB*

SEILP entered into a long-term service contract with Siemens S.A. (manufacturer of the turbines and equipment set up at the Plants) and Siemens Industrial Turbomachinery AB in order to guarantee availability and compliance with the Wholesale Demand Agreements mentioned above, by providing maintenance services, spare parts and remote monitoring system.

On September 22, 2023, SCC Power San Pedro S.A. and SCC Power Argentina entered into an agreement with Siemens for the early termination of the Operation & Maintenance contracts of San Pedro and Las Palmas plants, the total amount for the agreement and other items included in the scope of the negotiation was USD 6,809,319.

As of October 1, 2023, SCC Power San Pedro S.A. and SCC Power Argentina took over the operation of the San Pedro and the Las Palmas plant, respectively, with personnel included in the company's payroll.

*d) Equipment, procurement, and construction ("EPC") turnkey contracts – Combined Cycle SCC Power San Pedro S.A.*

In order to guarantee the works and supplies of the necessary equipment for the expansion and conversion of the simple cycle thermoelectric plant into a combined cycle, on May 31<sup>st</sup>, 2022, SCC Power San Pedro S.A., DVS Construcciones S.A. and DV Santos LLC implemented a contract for the provision of certain engineering, supply, construction, and equipment provision services (Engineering, Procurement and Construction, "EPC"), for a total amount of USD 98,142,288. As of March 31<sup>st</sup> 2024 SCC Power San Pedro owes USD 5,003,000 related to this contract.

Additionally, on July 20, 2022, SCC Power San Pedro S.A. and Siemens entered into a contract for the provision of the steam turbine and auxiliary equipment that will be installed in the thermoelectric plant which amounts to USD 14,400,000. As of March 31<sup>st</sup>, 2024 SCC Power San Pedro owes USD 455,000 related to this contract.

*e) Management service agreement*

SEILP has entered into a Management Service Agreement (the "MSA") with Agrouy S.A. and Bienkal S.A. (the "MSA providers") to receive among other services related to advice, planning and controlling the operational, financial and administrative tasks to be carried out by the entity.

As compensation, SCC Power PLC will pay USD 2,5 million in cash per year and, additionally, has issued, in favor of the MSA Providers, Third Lien Notes in the principal amount of USD 37,500,000 (the "Non-Cash Consideration"). The compensation will be effective for the next five years from May 17<sup>th</sup>, 2022 (the "Acquisition date").

According to IFRS 15 standard to determine the transaction price for contracts in which a customer promises consideration in a form other than cash, an entity shall measure the non-cash consideration (or promise of non-cash consideration) at fair value.

The Non-Cash Consideration fair value, determined at the acquisition date, amounted to USD 6,000,000, as a result, the Non-Cash Consideration has been adjusted accordingly (Note 10 c). The remaining amount of the credit, included in Note 7 (a) Other Prepayments, as of March 31, 2024 and December 31, 2023 is USD 3,720,000 and USD 4,023,333, respectively.

## SCC Power PLC and Subsidiaries

### NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31<sup>st</sup>, 2024 (in USD)

#### NOTE 14 - EBITDA RECONCILIATION WITH NET INCOME - UNAUDITED

Management has presented the performance measure EBITDA because it believes that this measure is relevant to an understanding of the financial performance. EBITDA is calculated by adding back to net profit for the period: (i) net finance costs, (ii) income tax expense and (iii) depreciation and amortization expense, and (iv) non-recurrent settlement gains and others.

EBITDA is not a defined performance measure in IFRS Standards. The definitions of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

a) For the three-month period ended March 31<sup>st</sup>, 2024 as follows:

Net profit for the period	<u>(596,237)</u>
Net finance costs	10,513,237
Income tax expense	(189,837)
Depreciation and amortization	<u>6,956,334</u>
<b>EBITDA</b>	<b><u>16,683,497</u></b>

#### NOTE 15 - SUBSEQUENT EVENTS

On May 8<sup>th</sup>, 2024, the Ministry of energy published a resolution proposing an exceptional payment regime that affect CAMMESA's payments to the entity (Note 6 (b). 3. Credit risk)

No events or transactions, other than those mentioned above, have occurred from period-end to the date of issuance of these Unaudited Consolidated Condensed Interim Financial Statements, that would have a material effect on the financial position of the Group or the results of its operations as of period-end March 31<sup>st</sup>, 2024.

*[Signature page follow]*

*[Signature page]*

Unaudited Consolidated Condensed Interim Financial Statements for the three-month period ended March 31<sup>st</sup>, 2024.

Diego Juan Abelleira Llodra

Chairman