SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Financial Statements
for the six-month period ended June 30th, 2024

SCC Power PLC

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
for the six-month period ended June 30th, 2024

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Report on review of consolidated condensed interim financial statements

To the Board of Directors and Shareholders of
SCC Power PLC

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of of SCC Power PLC and its subsidiaries (the 'Group') as at June 30, 2024 and the related consolidated condensed interim statement of comprehensive income for the six-month and three-month periods ended June 30, and the consolidated condensed interim statements of changes in equity and of cash flows for the six-month period ended June 30, 2024 and notes, comprising significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these consolidated condensed interim financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of 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 statements 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 consolidated condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

PRICE WATERHOUSE & CO. S.R.L.

By
Sergio Cravero (Partner)

Autonomous City of Buenos Aires, Argentina
August 29, 2024

SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Statement of Financial Position
(in US dollars)
as of June 30th, 2024

	Notes	06/30/2024	12/31/2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	636,213,725	632,354,356
Deferred income tax assets	5	73,787,160	86,077,008
Other assets	7 (a)	2,809,949	3,413,282
Tax assets	7 (b)	8,637,922	8,845,415
Total non-current assets		721,448,756	730,690,061
CURRENT ASSETS			
Other assets	7 (a)	22,890,289	25,823,348
Tax assets	7 (b)	13,312,676	17,857,778
Spare parts		4,953,959	4,660,977
Trade receivables	7 (e)	22,059,177	19,867,733
Investments	7 (d)	30,502,639	26,307,076
Cash and cash equivalents	7 (c)	23,621,091	42,111,124
Total current assets		117,339,831	136,628,036
Total assets		838,788,587	867,318,097
SHAREHOLDERS' EQUITY			
Share capital		200,060,887	200,060,887
Additional Paid-in capital		(199,998,000)	(199,998,000)
Retained earnings		68,385,246	87,831,607
Total equity		68,448,133	87,894,494
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	7 (g)	682,561,858	675,504,915
Trade and other payables	7 (f)	17,604,546	24,197,237
Total non-current liabilities		700,166,404	699,702,152
CURRENT LIABILITIES			
Loans and borrowings	7 (g)	41,131,110	30,783,314
Tax liabilities		459,882	506,239
Salaries and social security		324,478	114,293
Trade and other payables	7 (f)	28,258,580	48,317,605
Total current liabilities		70,174,050	79,721,451
Total liabilities		770,340,454	779,423,603
Total liabilities and equity		838.788.587	867,318,097

See accompanying notes to these Consolidated Condensed Interim Financial Statements

SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Statement of Comprehensive Income
(in US dollars)
for the six-month period ended June 30th, 2024

	Notes	06/30/2024 (6 months)	06/30/2023 (6 months)	06/30/2024 (3 months)	06/30/2023 (3 months)
Net revenues		53,673,528	54,463,000	29,890,413	27,830,722
Cost of sales	8 (b)	(26,736,437)	(26,412,130)	(15,018,226)	(12,905,773)
Gross profit		26,937,091	28,050,870	14,872,187	14,924,949
General and administrative expenses	8 (b)	(4,597,984)	(4,106,585)	(2,260,243)	(2,188,772)
Impairment loss on trade receivables	6 (b.3)	(4,866,898)	-	(4,866,898)	-
Net other income and expenses		482,117	479,955	482,117	469,481
Operating profit		17,954,326	24,424,240	8,227,163	13,205,658
Financial income	8 (a.1)	2,687,936	4,832,368	374,471	3,262,584
Financial expenses	8 (a.2)	(26,945,594)	(27,158,294)	(13,503,339)	(13,604,026)
Other financial results	8 (a.3)	1,994,591	29,380,649	175,247	3,001,202
Net foreign exchange loss		(2.847.653)	(23,787,754)	(1,643,862)	(15,074,151)
Net finance costs		(25,110,720)	(16,733,031)	(14,597,483)	(22,414,391)
Net (loss) income before income tax		(7,156,394)	7,691,209	(6,370,320)	(9,208,733)
Income tax expense	5	(12,289,967)	(1,296,962)	(12,479,804)	(615,939)
Net (loss) income for the period		(19,446,361)	6,394,247	(18,850,124)	(9,824,672)
Comprehensive (loss) income for the period		(19,446,361)	6,394,247	(18,850,124)	(9,824,672)

See accompanying notes to these Consolidated Condensed Interim Financial Statements

SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Statement of Changes in Equity
(in US dollars)
for the six-month period ended June 30th, 2024

	Share capital	Additional paid-in capital	Retained earnings (accumulated income)	Total
Balances as of December 31st, 2023	200,060,887	(199,998,000)	87,831,607	87,894,494
Comprehensive loss for the period	-	-	(19,446,361)	(19,446,361)
Balances as of June 30th, 2024	200,060,887	(199,998,000)	68,385,246	68,448,133

	Share capital	Additional paid-in capital	Retained earnings (accumulated income)	Total
Balances as of December 31st, 2022	200,060,887	(199,998,000)	142,527,583	142,590,470
Comprehensive income for the period	-	-	6,394,247	6,394,247
Balances as of June 30th, 2023	200,060,887	(199,998,000)	148,921,830	148,984,717

See accompanying notes to these Consolidated Condensed Interim Financial Statements

SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Statement of Cash Flows
(In US dollars)
for the six-month period ended June 30th, 2024

	Notes	06/30/2024	06/30/2023
Cash flow from operating activities			
Net (loss) income for the period		(19,446,361)	6,394,247
Adjustments for:			
Income tax expense		12,289,967	1,296,962
Depreciation of property, plant and equipment	11	14,739,136	11,594,438
Impairment loss on trade receivables		4,866,898	-
Result of changes in fair value of financial assets	8 (a.3)	(1,994,591)	1,051,830
Gain on disposal of short-term investments	8 (a.3)	-	(30,432,479)
Net foreign exchange loss		2,847,653	23,787,754
Financial income	8 (a.1)	(2,687,936)	(4,832,368)
Financial expenses	8 (a.2)	26,945,594	27,158,294
Other income and expenses, net		(482,117)	-
Changes in operating assets and liabilities:			
Increase in trade receivables		(7,578,065)	(10,270,515)
Decrease in other assets		3,225,756	1,136,196
Increase in materials and spare parts		(292,983)	(218,232)
Decrease (increase) in tax assets		3,011,198	(25,885,793)
Decrease in trade and other payables		(23,409,543)	(7,893,114)
Increase (decrease) in salaries and social charges to be paid		233,820	(49,903)
Decrease in tax liabilities		(198,077)	(64,096)
Net cash flows from (used in) operating activities		12,070,349	(7,226,779)
Cash flow from investing activities			
Net proceeds from financial assets and short-term investments		(117,858)	81,781,103
Acquisitions of property, plant and equipment		(20,926,926)	(45,037,556)
Net cash flows (used in) from investing activities		(21,044,784)	36,743,547
Cash flow from financing activities			
Payments of loans	10 (e)	-	(2,798,397)
Payments of interest on bank loans	10 (e)	-	(2,542,395)
Payments of interest on senior secured notes	10 (a, b)	(8,876,494)	(6,911,242)
Net cash flows used in financing activities		(8,876,494)	(12,252,034)
Net (decrease) increase in cash		(17,850,929)	17,264,734
Cash and cash equivalents at the beginning of period		42,111,124	43,369,075
Effect of exchange rate changes of cash and cash equivalents		(639,104)	(180,923)
Net (decrease) increase in cash		(17,850,929)	17,264,734
Cash and cash equivalents at the end of period		23,621,091	60,452,886

See accompanying notes to these Consolidated Condensed Interim Financial Statements

NOTES TO THE
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
as of June 30th, 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 13th floor, One Angel Court, London, United Kingdom. The Company was incorporated on May 9th, 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.

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 16th, 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.

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 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 31st, 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 Consolidated Condensed Interim Financial Statements for the period-end June 30th, 2024 was authorised by the board of directors on August 29th, 2024.

2.1) Group's financial position

On May 17th, 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 Consolidated Condensed Interim Financial Statements on a going concern basis.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Preparation of the 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 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 Consolidated Condensed Interim Financial Statements have been prepared on the historical cost basis.

The presentation in the 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 Consolidated Condensed Interim Statement of cash flows by the indirect method.

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

Additionally, certain non-material reclassifications have been made to the comparative figures to maintain consistency in presentation with the figures for the current period.

2.4) New material accounting policies

As of June 30, 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.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.5) Material accounting policies

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

On October 27, 2023 SCC Power PLC signed an agreement with Eurobank to transfer USD 19,657,548 as a collateral deposit in favor of SCC Power Argentina S.A. The comparative information as of December 31st, 2023 included the related amounts as Prepayments in line "Financial Credits with Banks" (Note 7 d), Management has reviewed this transaction according to IFRS 9 and has concluded that presenting the related figures in Investments in line "Short term Investments" will be clearer to the reader of the Financial Statements. Consequently, Management has changed its accounting policy and recorded a reclassification in the comparative figures of the Consolidated Condensed Interim Statement of Financial Position.

The effect of the change in the accounting policy generated in the Statement of Financial position a reclassification within current assets between Other Assets and Investments.

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 June 30th, 2024 and December 31st, 2023.

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 June 30, 2024, are: Taxable profit up to AR$ 34.7 million (USD 38,052) are levied at 25%, up to AR$ 347 million (USD 380,521) 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 June 30, 2024, the effective tax rate calculated for the year reached (171.73%), compared to the 16.86% previously projected at the end of June 30, 2023. The main reason of the increase corresponds to the impact on the inflation adjustment for tax purposes calculation (Note 5 b). Since the Company has higher monetary liabilities than monetary assets, the inflation generates taxable income related to this monetary position. On the other hand, net liabilities denominated in USD generates a deductible loss when a devaluation of ARS occurs. For 2024 the Company estimates that inflation will be higher than the devaluation of the peso, generating an important taxable income.

(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 June 30, 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.

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:

		Balances as of June 30, 2024	
Item	Note	Fair value (Level 1)	Amortized cost
Financial assets			
Other credits	7 (a)	-	7,375,000
Trade receivables	7 (e)	-	22,059,177
Investments	7 (d)	9,157,773	21,344,866
Cash and cash equivalents	7 (c)	23,064,405	556,686
Total financial assets		32,222,178	51,335,729
Financial liabilities			
Loans and borrowings	7 (g)	-	723,692,968
Trade and other payables	7 (f)	-	45,863,126
Total financial liabilities		-	769,556,094

		Balances as of December 31, 2023	
Item	Note	Fair value (Level 1)	Amortized cost
Financial assets			
Other credits	7 (a)	-	6,500,000
Trade receivables	7 (e)	-	19,867,733
Investments	7 (d)	6,236,450	20,070,626
Cash and cash equivalents	7 (c)	7,338,021	34,773,103
Total financial assets		13,574,471	81,211,462
Financial liabilities			
Loans and borrowings	7 (g)	-	706,288,229
Trade and other payables	7 (f)	-	72,514,842
Total financial liabilities		-	778,803,071

As of the date of these 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 691,571,754 and USD 655,684,041 as of June 30, 2024 and December 31, 2023, respectively.

As of June 30, 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.

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 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.

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 June 30th, 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.

On May 8th, 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 31st, 2024, would be settled through the delivery of equivalent nominal amounts of Argentine Law USD denominated Sovereign Bonds due 2038 (AE38).

- 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.

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

(b) Financial risk management (cont.)

3. Credit risk (cont.)

On May 23rd, 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 were delivered by CAMMESA 10 days following the execution of the agreement. The trade receivables affected by this transaction have been impaired considering the exchange rate effect and the bond's market value, the adjustment amounted to USD 4,866,898, the related figures have been recorded in line "Impairment loss on trade receivables" of the Consolidated Condensed Interim Statement of Comprehensive Income.

As of the date of the issuance of these Consolidated Condensed Interim Financial Statements, the sales transactions of February 2024, March 2024 and April 2024 (transactions out of scope of the settlement) amounting to USD 7.8 million, USD 9.3 million and USD 8,7 million, respectively, have been fully paid by CAMMESA.

As of June 30th, 2024, the Company holds AE38 Sovereign Bonds for an amount of USD 9,157,773 included in "Investments" (Note 7 d.) of the Consolidated Condensed Interim Statement of Financial Position. During July 2024, the Company sold the related bonds.

As of June 30th, 2024, the outstanding undue balance of CAMMESA receivables amounts to USD 12,222,440.

The Group has determined that the expected credit loss related to these balances is not material considering the Interim financial statements as a whole and therefore it has not recorded a provision for this.

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

(a) Other assets	06/30/2024	12/31/2023
Non current		
Non-financial assets (Note 1.1)	609,949	609,949
Other prepayments (Note 13 e)	2,200,000	2,803,333
Total	2,809,949	3,413,282
Current		
Insurance costs paid in advance	3,528,791	89,291
Advances to suppliers	10,383,815	17,623,603
Leases paid in advance	386,016	390,454
Other credits	7,375,000	6,500,000
Other prepayments (Note 13 e)	1,216,667	1,220,000
Total	22,890,289	25,823,348

(b) Tax assets		
Non current		
Turnover tax - advance payment	36,285	31,664
Valued added tax	-	40,476
Withholding income tax	8,601,637	8,773,275
Total	8,637,922	8,845,415
Current		
Valued added tax	9,956,312	15,881,609
Other tax assets	3,356,364	1,976,169
Total	13,312,676	17,857,778

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

(c) Cash and cash equivalents	06/30/2024	12/31/2023
Cash	295	306
Banks	556,391	34,772,797
Short-term investments (1)	23,064,405	7,338,021
Total	23,621,091	42,111,124

(d) Investments

Financial credits with banks (Note 2.5)	21,344,866	20,070,626
Short-term investments (Note 6 b.3)	9,157,773	6,236,450
Total	30,502,639	26,307,076

(e) Trade receivables

Account receivables (Note 6 b.3)	12,222,440	12,142,993
Unbilled receivables	9,836,737	7,724,740
Total	22,059,177	19,867,733

(f) Trade and other payables

Non current		
Fines imposed by CAMMESA (Note 13 a)	17,604,546	24,197,237
Total	17,604,546	24,197,237
Current		
Trade payables (2)	9,671,509	28,165,646
Accrued liabilities	5,455,634	6,736,983
Fines imposed by CAMMESA (Note 13 a)	13,131,437	13,414,976
Total	28,258,580	48,317,605

(g) Loans and borrowings

Non current		
Local secured notes (Note 10 d)	133,854,047	138,375,616
Senior secured notes (Notes 10 a, b and c)	548,707,811	537,129,299
Total	682,561,858	675,504,915
Current		
Short-term loans (Note 10 f) (3)	21,344,866	20,070,626
Local secured notes (Note 10 d)	18,159,550	9,112,816
Senior secured notes (Notes 10 a, b and c)	1,626,694	1,599,872
Total	41,131,110	30,783,314

(1) As of June 30, 2024, and December 31, 2023, includes USD 18,165,978 and USD 14.688.616, respectively, restricted.
(2) As of June 30, 2024, and December 31, 2023, includes unpaid balances of Property, plant and equipment of $ 7,061,731 and $ 9,390,152, respectively.
(3) Loan secured by SCC Power PLC.

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

(a) Net finance costs

	06/30/2024 (6 months)	06/30/2023 (6 months)	06/30/2024 (3 months)	06/30/2023 (3 months)
8 (a.1) - Financial income				
Interest income	2,687,936	4,832,368	374,471	3,262,584
Total financial income	2,687,936	4,832,368	374,471	3,262,584
8 (a.2) - Financial expenses				
Interest expense for bank loans	(1,274,240)	(2,355,932)	(637,120)	(941,776)
Interest expense for trade payables	(383,978)	(256,843)	(140,566)	(122,487)
Interest expense for SCC Power PLC Senior Secured Notes	(20,481,828)	(19,976,927)	(10,282,515)	(10,339,352)
Interest expense for SCC Power San Pedro Local Secured Notes	(4,510,825)	(4,248,908)	(2,256,424)	(2,135,281)
Other Financial expenses	(91,375)	(319,684)	(56,046)	(65,130)
Interest expense for liabilities	(203,348)	-	(130,668)	-
Total financial expenses	(26,945,594)	(27,158,294)	(13,503,339)	(13,604,026)
8 (a.3) - Other financial results				
Gain on disposal of short-term investments (*)	-	30,432,479	-	3,387,717
Result of changes in fair value of financial assets	1,994,591	(1,051,830)	175,247	(386,515)
Total Other financial results	1,994,591	29,380,649	175,247	3,001,202

(*) During the period ended June 30 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

Items	Cost of sales	General and administrative expenses	06/30/2024 (6 months)	Cost of sales	General and administrative expenses	06/30/2023 (6 months)
Salaries and other personnel – related expenses	734,897	361,152	1,096,049	156,641	267,734	424,375
Operating expenses	7,370,476	-	7,370,476	10,824,901	-	10,824,901
Travel expenses	-	26,787	26,787	-	107,824	107,824
Bank expenses	-	52,602	52,602	-	135,596	135,596
Depreciation	14,684,213	54,923	14,739,136	11,567,079	27,359	11,594,438
Office lease	-	88,077	88,077	-	119,559	119,559
Administrative Penalties	-	-	-	-	1,951	1,951
Professional Fees	271,368	2,787,234	3,058,602	153,678	2,087,028	2,240,706
Operating Penalties	398,174	-	398,174	1,199,456	-	1,199,456
Taxes, rates and contributions	-	967,909	967,909	-	1,276,962	1,276,962
Insurance	3,230,458	93,985	3,324,443	2,510,375	32,856	2,543,231
Other expenses	46,851	165,315	212,166	-	49,716	49,716
Total	26,736,437	4,597,984	31,334,421	26,412,130	4,106,585	30,518,715

NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (cont.)

(b) Expense by nature (cont.)

Items	Cost of sales	General and administrative expenses	06/30/2024 (3 months)	Cost of sales	General and administrative expenses	06/30/2023 (3 months)
Salaries and other personnel – related expenses	377,368	198,476	575,844	93,372	151,004	244,376
Operating expenses	4,456,952	-	4,456,952	5,468,089	-	5,468,089
Travel expenses	-	19,563	19,563	-	62,859	62,859
Bank expenses	-	44,670	44,670	-	35,053	35,053
Depreciation	7,755,136	27,666	7,782,802	5,803,497	15,587	5,819,084
Office lease	-	42,541	42,541	-	42,857	42,857
Professional Fees	178,618	1,333,022	1,511,640	126,267	1,282,496	1,408,763
Operating Penalties	264,591	-	264,591	153,156	-	153,156
Taxes, rates and contributions	-	475,248	475,248	-	542,597	542,597
Insurance	1,963,997	32,264	1,996,261	1,261,392	14,648	1,276,040
Other expenses	21,564	86,793	108,357	-	41,671	41,671
Total	15,018,226	2,260,243	17,278,469	12,905,773	2,188,772	15,094,545

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

During the period ended June 30, 2024, and 2023, key management received compensations in the total amount of USD 215,000 and USD 222,500 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 AND BORROWINGS

(a) SCC Power Senior Secured First Lien Notes

On May 17th, 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 June 30, 2024, and December 31, 2023.

(b) SCC Power Senior Secured Second Lien Notes

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

- Principal amount: USD 310,000,000.

NOTE 10 – LOANS AND BORROWINGS (cont.)

(b) SCC Power Senior Secured First Lien Notes (cont.)

- 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 kind

  Thereafter, 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 336,879,550 and USD 331,261,646 (Note 7 g) as of June 30, 2024 and December 31st, 2023, respectively.

(c) SCC Power Senior Secured Third Lien Notes

On May 17th, 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.

NOTE 10 – LOANS AND BORROWINGS (cont.)

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

In connection with these Secured Third Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 216,958,019 and USD 213,339,597 (Note 7 g) as of June 30, 2024 and December 31, 2023, respectively.

These Third Lien Notes have been netted by USD 21,412,189 and USD 23,781,197 (Note 7 g) as of June 30, 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

NOTE 10 – LOANS AND BORROWINGS (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 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, 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 36,232,750 and USD 35,509,402 (Note 7 g) as of June 30, 2024 and December 31, 2023 respectively.

NOTE 10 – LOANS AND BORROWINGS (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 115,780,847 and USD 111,979,030 (Note 7 g) as of June 30, 2024 and December 31, 2023, respectively.

(e) Reconciliation required by IAS 7

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

	06/30/2024	06/30/2023
Loans at beginning of the period	706,288,229	658,791,389
Cash flows from financing activities:		
Payments of bank loans	-	(2,798,397)
Payments of interest on bank loans	-	(2,542,395)
Payments of interest on senior notes	(8,876,494)	(6,911,242)
Non-cash items changes:		
Exchange differences	14,340	(1,725,963)
Interest and other financial costs accrued	26,266,893	26,581,484
Loans at period-end	723,692,968	671,394,876

(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	06/30/2024	12/31/2023
Financial	Eurobank	Loan	USD	13%	2024	21,344,866	20,070,626
Total						21,344,866	20,070,626

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**
Cost										
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	16,911,131	-	14,237	1,381,655	-	217,171	25,498	19,068	29,745	18,598,505
Transfers	(186,644,658)	-	112,550,684	74,093,974	-	-	-	-	-	-
Balance at June 30, 2024	**866,334**	**4,142,309**	**346,045,892**	**442,308,711**	15,638	**288,692**	**465,829**	**213,760**	**98,367**	**794,445,532**
Accumulated depreciation										
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	-	-	(6,098,349)	(8,565,428)	(788)	(11,945)	(48,778)	(10,491)	(3,357)	(14,739,136)
Balance at June 30, 2024	**-**	**-**	**(61,951,767)**	**(95,886,567)**	**(4,280)**	**(13,143)**	**(211,604)**	**(92,850)**	**(71,596)**	**(158,231,807)**
Net book value										
Balance at January 1, 2024	**170,599,861**	**4,142,309**	**177,627,553**	**279,511,943**	**12,146**	**70,323**	**277,505**	**112,333**	**383**	**632,354,356**
Balance at June 30, 2024	**866,334**	**4,142,309**	**284,094,125**	**346,422,144**	**11,358**	**275,549**	**254,225**	**120,910**	**26,771**	**636,213,725**

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.

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
Cost										
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	-	-	-	-	-	-
Balance at December 31, 2023	**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**
Accumulated depreciation										
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)
Balance at December 31, 2023	**-**	**-**	**(55,853,418)**	**(87,321,139)**	**(3,492)**	**(1,198)**	**(162,826)**	**(82,359)**	**(68,239)**	**(143,492,671)**
Net book value										
Balance at January 1, 2023	**94,686,870**	**4,142,309**	**186,218,519**	**278,298,643**	**10,471**	**-**	**172,390**	**99,720**	**16,247**	**563,645,169**
Balance at December 31, 2023	**170,599,861**	**4,142,309**	**177,627,553**	**279,511,943**	**12,146**	**70,323**	**277,505**	**112,333**	**383**	**632,354,356**

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.

NOTE 12 - CAPITAL

	USD 2024	Quantity of Shares 2024
In issue at January 1	200,060,887	200,060,887
In issue at June 30 - fully paid	200,060,887	200,060,887

As of June 30th, 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 1st, 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 1st, 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.

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 30,735,983 and USD 37,612,213 (Note 7 f) as of June 30, 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 1st, 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).

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 31st, 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 June 30th , 2024 SCC Power San Pedro owes USD 3,095,902 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 June 30th, 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 17th, 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 June 30, 2024 and December 31, 2023 is USD 3,416,667 and USD 4,023,333, respectively.

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 six-month period ended June 30th, 2024 and 2023 as follows:

	06/30/2024	06/30/2023
Net (loss) profit for the period	(19,446,361)	6,394,247
Net finance costs	25,110,720	16,733,031
Income tax expense	12,289,967	1,296,962
Depreciation and amortization	14,739,136	11,594,438
Net other income and expenses	(482,117)	(479,955)
EBITDA	32,211,345	35,538,723

NOTE 15 - SUBSEQUENT EVENTS

On July 29th, 2024, SCC Power Argentina S.A. cancelled both capital and interest debt for financial loans held with Eurobank (Note 10 f.).

On July 31st, 2024, SCC Power PLC collected the financial credits held with Eurobank for both Capital and Interest. (Note 7 d.).

No events or transactions, other than those mentioned above, have occurred from period-end to the date of issuance of these 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 June 30th, 2024.

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Consolidated Condensed Interim Financial Statements for the six-month period ended June 30th, 2024.

Sofía Scallela

Chairwoman