

SCC Power PLC and Subsidiaries

**Unaudited Consolidated Condensed Interim Financial Statements
for the three-month period ended March 31, 2023**

SCC Power PLC

UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023

Contents	Page
Unaudited Consolidated Interim Statement of Financial Position	2
Unaudited Consolidated Interim Statement of Comprehensive Income	3
Unaudited Consolidated Interim Statement of Changes in Equity	4
Unaudited Consolidated Interim Statement of Cash Flows	5
NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS	
NOTE 1 - GENERAL INFORMATION	6
1.0) Reporting Entity	6
1.1) Description of the business	6
NOTE 2 - BASIS OF ACCOUNTING	
2.0) Statements of compliance with IFRS	8
2.1) Group's financial position	9
2.2) Preparation of the Unaudited Consolidated Condensed Interim Financial Statements	9
2.3) Basis for measurement and presentation	9
2.4) Translation of Unaudited Consolidated Condensed Interim Financial Statements	10
2.5) Significant accounting policies	10
NOTE 3 - USE OF JUDGMENT AND ESTIMATES	10
NOTE 4 - OPERATING SEGMENTS	11
NOTE 5 - INCOME TAX	11
NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT	13
NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	15
NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	16
NOTE 9 - BALANCES AND TRANSACTIONS WITH KEY MANAGEMENT	17
NOTE 10 - LOANS	17
NOTE 11 - PROPERTY, PLANT AND EQUIPMENT	22
NOTE 12 - CAPITAL	24
NOTE 13 - CONTRACTUAL COMMITMENTS	24
NOTE 14 - BUSINESS COMBINATION	27
NOTE 15 - EBITDA RECONCILIATION WITH NET INCOME (UNAUDITED)	28
NOTE 16 - SUBSEQUENT EVENTS	28

SCC Power PLC and Subsidiaries

Unaudited Consolidated Condensed Interim Statement of Financial Position

(in US dollars)

As of March 31st, 2023

	<u>Notes</u>	<u>3/31/2023</u>	<u>12/31/2022</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	593,309,368	579,767,179
Deferred income tax assets	5	67,982,056	68,663,075
Prepayments	7 (a)	3,720,000	4,023,333
Tax assets	7 (b)	51,170,286	38,200,378
Total non-current assets		716,181,710	690,653,965
CURRENT ASSETS			
Prepayments	7 (a)	16,256,638	15,807,365
Tax assets	7 (b)	20,614,534	21,134,010
Spare parts		2,292,070	2,178,196
Trade receivables	7 (e)	32,091,655	24,154,025
Investments	7 (d)	44,334,615	71,999,994
Cash and cash equivalents	7 (c)	54,342,890	43,369,075
Total current assets		169,932,402	178,642,665
Total assets		886,114,112	869,296,630
SHAREHOLDERS' EQUITY			
Share capital		200,060,887	200,060,887
Additional Paid-in capital		(199,998,000)	(199,998,000)
Retained earnings		158,746,502	142,527,583
Total equity		158,809,389	142,590,470
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	7 (g)	655,898,297	649,522,843
Trade and other payables	7 (f)	35,059,906	37,588,353
Total non-current liabilities		690,958,203	687,111,196
CURRENT LIABILITIES			
Loans	7 (g)	8,979,962	9,268,546
Tax liabilities		115,562	104,946
Salaries and social security		149,527	180,740
Trade and other payables	7 (f)	27,101,469	30,040,732
Total current liabilities		36,346,520	39,594,964
Total liabilities		727,304,723	726,706,160
Total liabilities and equity		886,114,112	869,296,630

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 31st, 2023.

	<u>Notes</u>	<u>3/31/2023</u> <u>(3 months)</u>
Net revenues		26,632,278
Cost of sales	8 (b)	<u>(12,229,963)</u>
Gross profit		<u>14,402,315</u>
General and administrative expenses	8 (b)	(3,194,207)
Net other income		<u>10,474</u>
Operating profit		<u>11,218,582</u>
Financial income	8 (a.1)	1,569,784
Financial expenses	8 (a.2)	(13,554,268)
Other financial results	8 (a.3)	26,379,447
Net foreign loss		<u>(8,713,603)</u>
Net finance income		<u>5,681,360</u>
Net income before income tax		<u>16,899,942</u>
Income tax expense		<u>(681,023)</u>
Net income for the period		<u>16,218,919</u>
Other comprehensive income		<u>-</u>
Comprehensive income for the period		<u>16,218,919</u>

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-months period ended March 31st, 2023

	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	-	-	16,218,919	16,218,919
Balances as of March 31st, 2023	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 Interim Statement of Cash Flows

(In US dollars)

For the three-month period ended March 31st, 2023

	<u>Notes</u>	
Cash Flow from operating activities		
Net income for the period		16,218,919
Adjustments for:		
Income tax expense		681,023
Depreciation of property, plant and equipment	11	5,775,354
Result of changes in fair value of financial assets	8 (a.3)	(27,044,762)
Gain on disposal of short-term investments	8 (a.3)	665,315
Net foreign loss		8,713,603
Net financial expenses	8 (a.1, a.2)	11,984,484
Changes in operating assets and liabilities:		
Increase in trade receivables		(8,753,259)
Increase in prepayments		(193,313)
Increase in materials and spare parts		(113,874)
Increase in tax assets		(20,678,309)
Decrease in trade and other payables		(4,725,690)
Decrease in salaries and social charges to be paid		(24,826)
Increase in tax liabilities		15,872
Net cash flows from operating activities		<u>(17,479,463)</u>
Cash flow from investing activities		
Net proceeds of financial assets at fair value		27,000,064
Interest received from short term investments		27,044,762
Acquisitions of property, plant and equipment		(19,317,543)
Net cash flows from investing activities		<u>34,727,283</u>
Cash flow from financing activities		
Payments of loans	10 (e)	(1,187,278)
Payment of interest on bank loans	10 (e)	(1,473,878)
Payment of interest on senior secured notes	10 (a,b)	(3,439,756)
Net cash flows from financing activities		<u>(6,100,912)</u>
Net increase in cash		<u>11,146,908</u>
Cash and cash equivalents at the beginning of period		43,369,075
Exchange rate difference		(173,093)
Net increase in cash		11,146,908
Cash and cash equivalents at the end of period		<u>54,342,890</u>

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 31st, 2023 (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 8th, floor 20 Farringdon Street, 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., Araucaria Power Generation S.A. and 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., Araucaria Power Generation S.A and 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;
- Araucaria Power Generation S.A., incorporated in Argentina, to acquire and manage investments in real estate; and
- 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, Luján, 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 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 202MW;
 - two Siemens SGT-800 gas turbines at San Pedro Plant with an installed capacity of 103,5MW;
 - four Trent 60 gas turbines at Matheu Plant with an installed capacity of 254MW;
 - two Trent 60 gas turbines at Lujan Plant with an installed capacity of 127MW.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 1 - GENERAL INFORMATION (cont.)

1.1) Description of the business (cont.)

- 105 MW 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 on 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, which is expected to add an additional 55 MW, is currently under construction.

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 date of commercial operation maturing December 1st 2027.

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 be effective upon project completion and will mature 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”). The 2017 Matheu Injunction (i) ordered the suspension of the construction regarding the Matheu Generation Facility (notwithstanding that the construction of the Generation Facility had already been completed), and of any other activity related to its operation (e.g., fuel storage, improper use of groundwater, noise emissions, among others) and (ii) prohibited SCC Power Argentina’s use of underground water resources, the public network water resource, and the suspension of discharges of liquid effluents, until such time that a final judgment is issued. The 2017 Matheu Injunction also prohibited the operation of a neighboring generation plant owned by APR Energy SRL (the “APR Generation Facility”).

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, and construction of the Matheu Generation Facility was undertaken and completed.

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, lack of evidence of current testing of equipment under pressure, improper deposit of special wastes and lack of compliance with the conditions set forth in a Certificate of Environmental Aptitude, and on the same date the Company was formally notified by the Municipality of Pilar of 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 (the “Argentine Supreme Court Decision”) reversing the Argentine Federal Court of Appeals decision 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.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 1 - GENERAL INFORMATION (cont.)

1.1) Description of the business (cont.)

On May 21, 2021, SCC Power Argentina filed a writ before the Campana Federal Court to (i) modify the Matheu Injunction in order to restrict only the joint operation of the Matheu Generation Facility and the APR Generation Facility; and (ii) authorize SCC Power Argentina to implement a remediation plan (the “Matheu Remediation Plan”) filed with Ministerio de Ambiente de Provincia de Buenos Aires (“MAPBA”) on December 31, 2020. On September 13, 2021, the Campana Federal Court issued a decision on the Matheu Environmental Claim in which it decided to (i) reject the petition that the Matheu Generation Facility and the APR Generation Facility be authorized to operate alternately, unless SCC Power Argentina S.A. files the corresponding authorizations from the Municipality of Pilar and MAPBA to operate alternately; and (ii) partially modify the Matheu Injunction in order to authorize SCC Power Argentina to begin implementing the Matheu Remediation Plan, if SCC Power Argentina obtains the pertinent authorizations from MAPBA and the Municipality of Pilar and presents them to the Campana Federal Court within 30 days of receiving such notice. SCC Power Argentina has filed the proper documentation with the Municipality of Pilar (on September 17, 2021) and to MAPBA 20, 2021) in order to obtain the permits to implement the Matheu Remediation Plan and is currently waiting for the Municipality of Pilar and MAPBA to issue the authorization permits in order to start implementing the Matheu Remediation Plan.

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 the Matheu Generation Facility with only two (2) turbines until the Matheu Remediation Plan is authorized considering that the APR Generation Facility will be dismantled. On October 31 the Federal judge rejected the petition, and it was appealed by SCC Power Argentina.

The Group considers that there are no justified reasons that support an extreme measure such as the total preventive closure of the Power Plant. The Group is working on a mitigation plan that aims, among one of the options, at moving the plant to another location.

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.

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 31st, 2022.

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 31st, 2023 was authorised by the board of directors on May 23rd, 2023.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 2 - BASIS OF ACCOUNTING (cont.)

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 (NOTE 14 – BUSINESS COMBINATION).

The Company has prepared cash flow forecasts which includes repayment of the senior secured and unsecured 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 the Financial Statements and have prepared the Financial Statements on a going concern basis.

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 Condensed 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 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 Interim Statement of cash flows by the indirect method.

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.4) Translation of Unaudited Consolidated Condensed Interim Financial Statements

(a) Functional currency

The Company and its subsidiaries' functional currency is the US dollar, determined on the basis of the analysis of various relevant factors set forth in IAS 21 Foreign Currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

(b) Transactions and balances

Transactions denominated in foreign currencies (all currencies other than the functional currency) are translated to the functional currency by applying the exchange rates prevailing at the dates of the transactions or the fair value measurement. The Unaudited Consolidated Interim Statement of profit or loss and other comprehensive income includes foreign exchange gains or losses derived from the settlement of these transactions and the translation at exchange rates prevailing at year-end of monetary assets and liabilities with an original currency other than the US dollar.

Foreign exchange differences are presented in the Unaudited Consolidated Interim Statement of profit or loss and other comprehensive income in the financial income or financial expenses line.

2.5) Significant accounting policies

The accounting policies adopted for these Unaudited Consolidated Condensed Interim Financial Statements are consistent with those applied in the Consolidated Financial Statements corresponding to the last financial year, which ended on December 31, 2022.

NOTE 3 - USE OF JUDGMENT AND ESTIMATES

The preparation of these Unaudited Consolidated Condensed Interim Financial Statements under IFRS requires Management to apply judgment, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses reported.

The related estimates and assumptions are based on expectations and other factors deemed reasonable in the circumstances, the results of which are the basis of judgment on the value of assets and liabilities not easily evident from other sources. The actual value of future results may differ from these estimates.

Estimates and underlying assumptions are continuously reviewed. The effect of reviews of accounting estimates is prospectively recognised.

The critical judgments made in the application of accounting policies to these Unaudited Consolidated Condensed Interim Financial Statements are related to the type of disbursements to be capitalized, such as property, plant and equipment, as the determination of capitalizable items requires a high degree of professional judgment.

Management recognizes estimation uncertainties with a significant effect on amounts recognised in these Unaudited Consolidated Condensed Interim Financial Statements in relation to the assumptions to determine the amount of deferred tax assets related to estimated tax losses considering availability of future taxable profit against which tax losses carried forward can be utilized.

At the same time, management estimate the residual value of the thermoelectric plants considering the estimated amount that the entity would get currently with reference to the disposal of the related asset, after deducting any estimated costs relating to the disposal of that asset.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 4 - OPERATING SEGMENTS

The Board of Directors is the chief operating decision maker, who receives and reviews financial information considering that SCC Power PLC 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 31st, 2023.

NOTE 5 - INCOME TAX

(a) Income tax expense

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 2023, the effective tax rate calculated for the year reached 4%.

(b) Changes in income tax rate

On June 16, 2021, the Executive Branch (PEN) passed and published Law No. 27630 that rendered a system of tax brackets that will be in force for fiscal years beginning on or after January 1, 2021 which will be adjusted annually on and after January 1, 2022, by considering the variation in the Consumer Price Index (CPI) measured as of October of each year. The adjusted amounts effective for the fiscal year beginning on or after January 1, 2023 are as follows:

Accumulated taxable income		To be paid AR\$	Plus %	Over the excess of AR\$
From AR\$	To AR\$			
AR\$ 0	AR\$ 14,301,209	AR\$ 0	25%	AR\$ 0
AR\$ 14,301,209	AR\$ 143,012,092	AR\$ 3,575,302	30%	AR\$ 14,301,209
AR\$ 143,012,092	Without limit	AR\$ 42,188,567	35%	AR\$ 143,012,092

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%.

As of March 31, 2023, the current tax was measured by applying the progressive tax rates on taxable income determined at such date, whereas the deferred tax balances were measured by applying the progressive tax rate expected to be applied based on the taxable income estimated in the year in which the temporary differences are reversed.

(c) Inflation adjustment 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 shall be applicable to the extent the IPC variation for each of them exceeds 55%,

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 5 - INCOME TAX (cont.)

(c) Inflation adjustment for tax purposes (cont.)

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 y 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.

(d) IFRIC 23 Uncertainty over income tax treatments

The interpretation issued in June 2017 explains how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty over income tax treatments.

For these purposes, an entity has to consider whether it is probable that the relevant authority will accept each tax treatment that it used or plans to use in its income tax filing.

If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine the tax position consistently with the tax treatment used or planned to use in its income tax filings.

If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity will reflect the effect of the uncertainty when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity shall make consistent judgments and estimates for both current tax and deferred tax.

An entity shall reassess a judgment or estimate required by this Interpretation if the facts and circumstances on which the judgment or estimate was based change or as a result of new information that affects the judgment or estimate.

As of March 31st, 2023 the Company has applied this interpretation in the recording of current and deferred income tax, considering the adjustment for tax inflation over accumulated loss tax carryforward.

(e) Argentina extraordinary income tax advance payment

On August 12, 2022 the AFIP established through RG 5248/2022 an extraordinary income tax advance payment which should be paid in 3 monthly instalments, for companies that meet any of the following requirements:

- i) The amount of the income tax determined from fiscal period 2021's tax return (year end between August and December 2021) or 2022 (year end between January and July 2022), as applicable, is equal to or greater than AR\$ 100,000,000.
- ii) The amount of the taxable income that arises from the tax return, without applying the deduction of tax losses from previous years, is equal to or greater than AR\$ 300,000,000.

The extraordinary payment was 25% of the calculation base used for the payment of the advances if point i) is met, or 15% of the taxable income, without considering tax carrying forward losses from previous years if point ii) is met. The aforementioned payment must not be cancelled through the compensation mechanism and, moreover, should not be taken into account when applying to request for reduction of income tax advanced payments.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 5 - INCOME TAX (cont.)

The local Subsidiaries paid to AFIP the amounts described below:

- SCC Power Argentina S.A. AR\$ 103.069.425 (equivalent to USD 700.819) in three consecutive monthly instalments of AR\$ 34.356.475 (equivalent to USD 233.606)
- SCC Power San Pedro S.A. AR\$ 136.636.707 (equivalent to USD 929.059) in three consecutive monthly instalments of AR\$ 45.545.569 (equivalent to USD 309.686)

The installments were due in the months of October, November and December of 2022. As of the date of issuance of these Financial Statements, the Company has already paid the extraordinary advance instalment due on October 22nd, 2022, November 22nd, 2022 and December 22nd, 2022. The credit related to the advance payments is disclosed in line Extraordinary income tax advance payment (Note 7 (b)) as of March 31st, 2023.

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 SCC Power PLC:

Item	Balances as of March 31, 2023		
	Note	Fair value (Level 1)	Amortized cost
<i>Financial assets</i>			
Other financial receivables	7 (a)	-	8,081,250
Trade receivables	7 (e)	-	32,091,655
Investments	7 (d)	44,334,615	-
Cash and cash equivalents	7 (c)	54,342,890	-
Total financial assets		98,677,505	40,172,905
<i>Financial liabilities</i>			
Loans	7 (e)	-	664,878,259
Tax liabilities		-	115,562
Salaries and social security		-	149,527
Trade and other payables	7 (f)	-	62,161,375
Total financial liabilities		-	727,304,723

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

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

Item	Balances as of December 31, 2022		
	Note	Fair value (Level 1)	Amortized cost
<i>Financial assets</i>			
Other financial receivables	7 (a)	-	13,333,750
Trade receivables	7 (e)	-	24,154,025
Investments	7 (d)	71,999,994	-
Cash and cash equivalents	7 (c)	-	43,369,075
Total financial assets		71,999,994	80,856,850
<i>Financial liabilities</i>			
Loans	7 (g)	-	658,791,389
Tax liabilities		-	104,946
Salaries and social security		-	180,740
Trade and other payables	7 (f)	-	67,629,085
Total financial liabilities		-	726,706,160

As of the date of these 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 600,788,282 and USD 590,661,510 as of March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023, and December 31, 2022, there are no significant expected credit losses (“ECL”) to be recognized following the impairment assessment of financial assets estimated at amortized cost.

(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); credit risk, and liquidity risk.

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

- 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.

- Liquidity risk

The liquidity risk is related to SCC Power PLC 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.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

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

	3/31/2023	12/31/2022
(a) Prepayments		
Non current		
Other prepayments (Note 13)	3,720,000	4,023,333
Total	3,720,000	4,023,333
Current		
Insurance costs paid in advance	3,983,018	376,163
Advances to suppliers	606,070	475,721
Leases paid in advance	397,159	399,354
Customs advances	1,969,141	5,710
Other financial credits	8,081,250	13,333,750
Other prepayments (Note 13)	1,220,000	1,216,667
Total	16,256,638	15,807,365
(b) Tax assets		
Non current		
Turnover tax - advance payment	116,770	172,571
Valued added tax	32,793,326	25,186,148
Withholding income tax	18,260,190	12,841,659
Total	51,170,286	38,200,378
Current		
Valued added tax	17,564,768	17,823,146
Extraordinary income tax advance payment	1,178,842	1,389,183
Other tax balances	1,870,924	1,921,681
Total	20,614,534	21,134,010
(c) Cash and cash equivalents		
Cash	596	668
Banks	47,266,294	40,641,764
Temporary investments	7,076,000	2,726,643
Total	54,342,890	43,369,075
(d) Investments		
Short-term investments	44,334,615	71,999,994
Total	44,334,615	71,999,994
(e) Trade receivables		
Account receivables	23,353,679	16,750,610
Provision for deferred income not invoiced	8,737,976	7,403,415
Total	32,091,655	24,154,025
(f) Trade and other payables		
Non current		
Fines imposed by CAMMESA (Note 13 a and b)	35,059,906	37,588,353
Total	35,059,906	37,588,353

SCC Power PLC and Subsidiaries

**NOTES TO THE
UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**
as of March 31st, 2023 (in USD)

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

(f) Trade and other payables (cont.)	3/31/2023	12/31/2022
Current		
Trade payables	12,203,606	10,606,178
Accrued liabilities	3,865,221	8,120,216
Fines imposed by CAMMESA (Note 13 a and b)	11,032,642	11,314,338
Total	27,101,469	30,040,732
 (g) Loans		
Non current		
Senior secured notes (Note 10 a, b, c and d)	655,898,297	649,522,843
Total	655,898,297	649,522,843
Current		
Loans (Note 10 f)	5,624,880	7,954,879
Senior secured notes (Note 10 a, b, c and d)	3,355,082	1,313,667
Total	8,979,962	9,268,546

**NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

(a) Net finance costs

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

(*) During the period ended March 31st, 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.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont.)

(b) Expense by nature

Items	Cost of sales	General and administrative expenses	3/31/2023 (3 months)
Salaries and other personnel - related expenses	63,269	116,730	179,999
Operating expenses	4,819,408	-	4,819,408
Travel expenses	-	44,965	44,965
Bank expenses	-	100,543	100,543
Depreciation	5,763,582	11,772	5,775,354
Consultancy	-	209,372	209,372
Office lease	-	76,702	76,702
Administrative Penalties	-	1,951	1,951
Professional Fees	-	622,571	622,571
Operating Penalties	1,046,300	-	1,046,300
Taxes, rates and contributions	-	734,365	734,365
Electrical Services	64,087	-	64,087
Insurance	-	1,267,191	1,267,191
Auxiliary Services	473,317	-	473,317
Other expenses	-	8,045	8,045
Total	<u>12,229,963</u>	<u>3,194,207</u>	<u>15,424,170</u>

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

During the period-end March 31, 2023, key management received compensations in the total amount of USD 107,502, 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 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 March 31st, 2023 and December 31st, 2022 respectively.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 10 – LOANS (cont.)

(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.
- 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 321,233,103 and USD 318,192,173 (Note 7 g) as of March 31st, 2023 and December 31st, 2022 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.

In connection with these Secured Third Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 206,952,188 and USD 204,966,786 (Note 7 g) as of March 31st, 2023 and December 31st, 2022 respectively.

These Third Lien Notes have been netted by USD 27,360,744 and USD 28,532,231 (Note 7 g) as of March 31st, 2023 and December 31st, 2022 respectively, resulting from the fair value assessment of the Management Service Agreement compensation pursuant to IFRS 15 (see Note 13)

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)

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 10 – LOANS (cont.)

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
- (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.

The Collateral will be subject to a number of exceptions and qualifications. For more details, see the Indenture.

(d) SCC Power San Pedro Class I and II senior 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 34,352,430 and USD 33,977,541 (Note 7 g) as of March 31st, 2023 and December 31st, 2022 respectively.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 10 - LOANS (cont.)

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

- SCC Power San Pedro Class II senior 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 106,167,277 and USD 104,323,116 (Note 7 g) as of March 31st, 2023 and December 31st, 2022 respectively.

(e) Reconciliation required by IAS 7

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

	3/31/2023	12/31/2022
Loans at beginning of the period	658,791,389	-
<i>Cash flows from financing activities:</i>		
SPI Notes issuance	-	135,000,000
Payments of financing expenses	-	(1,290,729)
Payments of loans	(1,187,278)	(4,225,928)
Payments of interest on bank loans	(1,473,878)	(5,056,588)
Payment of interest on senior notes	(3,439,756)	(7,824,046)
<i>Non-cash items changes:</i>		
SCC Power Notes issuance	-	527,861,496
Loans received	-	16,727,389
Fair value assessment	-	(31,500,000)
Exchange differences	(977,476)	33,483,379
Accrual of financing expenses	1,201,556	77,101
Interest and other financial costs accrued	11,963,702	(4,460,685)
Loans at period-end	664,878,259	658,791,389

SCC Power PLC and Subsidiaries

**NOTES TO THE
UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**
as of March 31st, 2023 (in USD)

NOTE 10 - LOANS (cont.)

(f) Loans

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

<u>Class</u>	<u>Entity</u>	<u>Type</u>	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Maturity</u>	<u>03/31/2023</u>	<u>12/31/2022</u>
Financial	Banco Ciudad de Buenos Aires	Loan	USD	(*)	2023	723,864	801,500
Financial	Banco Galicia	Loan	USD	(**)	2023	750,816	1,093,817
Financial	Banco Provincia	Loan	USD	(***)	2023	2,986,079	4,227,562
Financial	Banco Ciudad de Buenos Aires	Loan	USD	(*)	2023	1,164,121	1,832,000
Total						<u>5,624,880</u>	<u>7,954,879</u>

(*) Badcor Rate + 7%.

(**) TM20 Rate + 6%

(***) Badcor Rate + 5%

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

2023	Work in progress	Land	Plant (4)	Turbines's Right of use (4)	Pipeline (4)	Gis (4)	Software (3)	Computer equipment and security equipments (1) - (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Advances to suppliers of fixed assets	Total
<i>Cost</i>												
Balance at January 1, 2023	108,973,703	4,142,309	206,085,996	351,489,057	7,677,874	4,870,724	12,512	310,405	163,638	68,604	16,122,011	699,916,833
Additions	9,661,486	-	88,615	3,369,608	-	-	-	53,697	8,922	-	6,135,215	19,317,543
Transferences	8,290,040	-	-	-	-	-	-	-	-	-	(8,290,040)	-
Balance at March 31, 2023	126,925,229	4,142,309	206,174,611	354,858,665	7,677,874	4,870,724	12,512	364,102	172,560	68,604	13,967,186	719,234,376
<i>Accumulated depreciation</i>												
Balance at January 1, 2023	-	-	(43,770,559)	(73,271,215)	(1,456,740)	(1,394,203)	(2,041)	(138,561)	(63,960)	(52,375)	-	(120,149,654)
Depreciation charge	-	-	(2,151,151)	(3,454,108)	(76,813)	(76,222)	(313)	(9,824)	(4,146)	(2,777)	-	(5,775,354)
Balance at March 31, 2023	-	-	(45,921,710)	(76,725,323)	(1,533,553)	(1,470,425)	(2,354)	(148,385)	(68,106)	(55,152)	-	(125,925,008)
<i>Net book value</i>												
Balance at January 1, 2023	108,973,703	4,142,309	162,315,437	278,217,842	6,221,134	3,476,521	10,471	171,844	99,678	16,229	16,122,011	579,767,179
Balance at March 31, 2023	126,925,229	4,142,309	160,252,901	278,133,342	6,144,321	3,400,299	10,158	215,717	104,454	13,452	13,967,186	593,309,368

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 31st, 2023 (in USD)

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

2022	Work in progress	Land	Plant (4)	Turbines's Right of use (4)	Pipeline (4)	Gis (4)	Software (3)	Computer equipment and security equipments (1) - (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Advances to suppliers of fixed assets	Total
<i>Cost</i>												
At May 9, 2022	-	-	-	-	-	-	-	-	-	-	-	-
Incorporation	65,193,547	4,142,309	223,241,624	389,151,668	7,677,874	4,870,724	5,789	251,921	150,548	68,604	-	694,754,608
Impairment	-	-	(19,455,556)	(44,456,159)	-	-	-	-	-	-	-	(63,911,715)
Additions	43,780,156	-	2,299,928	6,793,548	-	-	6,723	58,484	13,090	-	16,122,011	69,073,940
At December 31, 2022	108,973,703	4,142,309	206,085,996	351,489,057	7,677,874	4,870,724	12,512	310,405	163,638	68,604	16,122,011	699,916,833
<i>Accumulated depreciation</i>												
At May 9, 2022	-	-	-	-	-	-	-	-	-	-	-	-
Incorporation	-	-	(37,928,996)	(62,665,618)	(1,266,413)	(1,205,341)	(1,375)	(128,530)	(53,927)	(45,239)	-	(103,295,439)
Depreciation charge	-	-	(5,841,563)	(10,605,597)	(190,327)	(188,862)	(666)	(10,031)	(10,033)	(7,136)	-	(16,854,215)
At December 31, 2022	-	-	(43,770,559)	(73,271,215)	(1,456,740)	(1,394,203)	(2,041)	(138,561)	(63,960)	(52,375)	-	(120,149,654)
<i>Net book value</i>												
At May 9, 2022	-	-	-	-	-	-	-	-	-	-	-	-
At December 31, 2022	108,973,703	4,142,309	162,315,437	278,217,842	6,221,134	3,476,521	10,471	171,844	99,678	16,229	16,122,011	579,767,179

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 31st, 2023 (in USD)

NOTE 12 - CAPITAL

	USD 2023	Quantity of Shares 2023
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, 2023, 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.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

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

b) 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, which are being collected in forty-eight (48) equal and consecutive monthly installments, applying an Annual Effective Rate (TEA) equivalent to 1.7% denominated in US dollars.

The Lujan plant late commercial operation penalty has not yet been enforced by CAMMESA, however, the company has included in 2019 a provision for USD 16,459,200.

Aggregate late commercial operation penalties amounted to USD 46,092,548 and USD 48,902,691 as of March 31st, 2023 and December 31st, 2022, respectively.

b) Combined cycle PPA

On November 2, 2017, pursuant to Resolution 287 auction, Araucaria Generation S.A. (an affiliated company incorporated in Argentina) was awarded an additional PPA (the "Additional PPA") with CAMMESA for an additional 105MW 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 208.5MW.

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, Araucaria Generation S.A. transferred all of its rights related to the Additional PPA to SCC Power San Pedro S.A.

Committed commercial operation date of November 1, 2019, pursuant to Resolution 39/2022, has been extended to February 1, 2024.

The first phase of the project, related to the installation of an additional gas turbine has been completed and achieved commercial operation on December 2019. The second phase of the combined cycle project is currently under construction and is expected to reach commercial operation by the committed date.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

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.

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, 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 the date of these Unaudited Consolidated Condensed Interim Financial Statements the company have already paid USD 46,389,337 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 the date of these Unaudited Consolidated Condensed Interim Financial Statements the subsidiaries have already paid USD 13,945,000 related to this contract.

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 included in Note 7 (a) Other Prepayments (USD 4,900,000 and USD 5.240.000 as of March 31st, 2023 and December 31st, 2022, respectively).

As a result, the Non-Cash Consideration has been adjusted accordingly (Note 10 C).

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 14 – BUSINESS COMBINATION

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

The acquisition and restructuring transactions were affected pursuant to the chapter 11 plan (the “Chapter 11 Plan”) and the plan of arrangement pursuant to the Canada Business Corporations Act (the “CBCA Plan” and, together with the Chapter 11 Plan, the “Plans”) of Stoneway and its affiliated debtors-in-possession, which went effective on May 17, 2022.

The following table summarises the amounts preliminary recognized of assets acquired and liabilities assumed at the date of the acquisition by SCC Power PLC:

Cash and cash equivalents	29,658,449
Property plant and equipment	591,459,169
Deferred tax asset	90,132,523
Account payables	(2,400,000)
Other net liabilities acquired	<u>(37,338,027)</u>
Total identifiable net assets acquired	<u>671,512,114</u>

As consideration for the assets, SCC Power PLC issued USD 16,985,391 Secured First Lien Notes due 2028, USD 300,000,000 Secured Second Lien Notes due 2028 and USD 162,500,000 Secured Third Lien Notes due 2032.

Goodwill arising from the acquisition has been recognized as follows:

Total consideration transferred	479,485,391
Fair value of identifiable assets	<u>(671,512,114)</u>
Gain on acquisition of business	<u>(192,026,723)</u>

The negative goodwill is attributable mainly to the condonation of the public liabilities originally due by Stoneway Capital Corporation in the amount of USD 790 M which were renegotiated with the involvement of SCC Power PLC as an acquirer of the business.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Acquisition-related charges are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business, and the fair value of the acquirer's previously held equity interest in the acquired business (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the fair value of the acquirer's previously held equity interest in the acquired business (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of March 31st, 2023 (in USD)

NOTE 14 – BUSINESS COMBINATION (cont.)

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTE 15 - 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 31st, 2023 as follows:

Net profit for the period	<u>16,218,919</u>
Net finance costs	(5,681,360)
Income tax expense	681,023
Depreciation and amortization	5,775,354
Non-recurrent settlement gains and others	<u>(10,474)</u>
EBITDA	<u><u>16,983,462</u></u>

NOTE 16 - SUBSEQUENT EVENTS

No events or transactions 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 Company or the results of its operations as of period-end March 31st, 2023.

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Unaudited Consolidated Condensed Interim Financial Statements for the three-month period ended
March 31, 2023

Diego Juan Abelleira Llodra

Chairman