SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Financial Statements for the six-month period ended June 30th, 2023

SCC Power PLC

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
for the six-month period ended June 30th, 2023

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SCC Power PLC and Subsidiaries

Consolidated Condensed Interim Statement of Financial Position

(in US dollars)

as of June 30th, 2023

	Notes	6/30/2023	12/31/2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	613,210,297	579,767,179
Deferred income tax assets	5	68,065,350	68,663,075
Prepayments	7 (a)	3,416,667	4,023,333
Tax assets	7 (b)	46,577,584	38,200,378
Total non-current assets		731,269,898	690,653,965
CURRENT ASSETS			
Prepayments	7 (a)	14,412,590	15,807,365
Tax assets	7 (b)	19,165,432	21,134,010
Spare parts		2,396,428	2,178,196
Trade receivables	7 (e)	32,862,151	24,154,025
Investments	7 (d)	19,599,540	71,999,994
Cash and cash equivalents	7 (c)	60,452,886	43,369,075
Total current assets		148,889,027	178,642,665
Total assets		880,158,925	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		148,921,830	142,527,583
Total equity		148,984,717	142,590,470
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	7 (g)	666,791,673	649,522,843
Trade and other payables	7 (f)	32,917,708	37,588,353
Total non-current liabilities		699,709,381	687,111,196
CURRENT LIABILITIES			
Loans	7 (g)	4,603,203	9,268,546
Tax liabilities		24,394	104,946
Salaries and social security		87,632	180,740
Trade and other payables	7 (f)	26,749,598	30,040,732
Total current liabilities		31,464,827	39,594,964
Total liabilities		731,174,208	726,706,160
Total liabilities and equity		880,158,925	869,296,630

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, 2023

	Notes	6/30/2023 (6 months)	6/30/2022 (52 days)	6/30/2023 (3 months)	6/30/2022 (52 days)
Net revenues		54,463,000	12,425,261	27,830,722	12,425,261
Cost of sales	8 (b)	(23,748,077)	(4,792,229)	(11,518,114)	(4,792,229)
Gross profit		30,714,923	7,633,032	16,312,608	7,633,032
General and administrative expenses	8 (b)	(6,770,638)	(2,087,221)	(3,576,431)	(2,087,221)
Gain on acquisition of business		-	192,026,723	-	192,026,723
Net other income		479,955	-	469,481	-
Operating profit		24,424,240	197,572,534	13,205,658	197,572,534
Financial income	8 (a.1)	4,832,368	410,223	3,262,584	410,223
Financial expenses	8 (a.2)	(27,158,294)	(5,200,893)	(13,604,026)	(5,200,893)
Other financial results	8 (a.3)	29,380,649	(146,012)	3,001,202	(146,012)
Net foreign exchange loss		(23,787,754)	(1,033,646)	(15,074,151)	(1,033,646)
Net finance costs		(16,733,031)	(5,970,328)	(22,414,391)	(5,970,328)
Net income (loss) before income tax		7,691,209	191,602,206	(9,208,733)	191,602,206
Income tax expense		(1,296,962)	(1,317,213)	(615,939)	(1,317,213)
Net income (loss) for the period		6,394,247	190,284,993	(9,824,672)	190,284,993
Other comprehensive income		-	-	-	-
Comprehensive income (loss) for the period		6,394,247	190,284,993	(9,824,672)	190,284,993

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, 2023

	Share capital	Additional paid-in capital	Retained earnings (accumulated income)	Total
Initial Capital Contribution on May 9, 2022	60,887	-	-	60,887
Issuance of preferred shares (Note 12)	200,000,000	(199,998,000)	-	2,000
Comprehensive income for the period	-	-	142,527,583	142,527,583
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, 2023

	Notes	6/30/2023	6/30/2022
Cash Flow from operating activities			
Net income for the period		6,394,247	190,284,993
Adjustments for:			
Income tax expense		1,296,962	1,317,213
Depreciation of property, plant and equipment	11	11,594,438	3,074,434
Gain on disposal of short-term investments	8 (a.3)	(30,432,479)	-
Result of changes in fair value of financial assets	8 (a.3)	1,051,830	146,012
Net foreign exchange loss		23,787,754	1,033,646
Net financial expenses	8 (a.1, a.2)	22,325,926	4,790,670
Gain on acquisition of business		-	(192,026,723)
Changes in operating assets and liabilities:			
Increase in trade receivables		(10,270,515)	(7,365,916)
Decrease in prepayments		1,136,196	1,221,868
(Increase) decrease in materials and spare parts		(218,232)	4,922
(Increase) decrease in tax assets		(25,885,793)	261,510
Decrease in trade and other payables		(7,893,114)	(1,266,665)
Decrease in salaries and social charges to be paid		(49,903)	(63,739)
(Decrease) increase in tax liabilities		(64,096)	184,361
Net cash flows from operating activities		(7,226,779)	1,596,586
Cash flow from investing activities			
Net proceeds from financial assets and short-term investments		81,781,103	119,140
Acquisitions of property, plant and equipment		(45,037,556)	-
Net cash flows from investing activities		36,743,547	119,140
Cash flow from financing activities			
Proceeds from senior secured notes		-	133,709,271
Payments of loans	10 (e)	(2,798,397)	(1,039,255)
Payment of interest on bank loans	10 (e)	(2,542,395)	(940,334)
Payment of interest on senior secured notes	10 (a,b)	(6,911,242)	-
Capital increase		-	62,887
Net cash flows from financing activities		(12,252,034)	131,792,569
Net increase in cash		17,264,734	133,508,295
Cash and cash equivalents at the beginning of period		43,369,075	-
Exchange rate difference		(180,923)	(497,288)
Cash and cash equivalents from acquisition of business			29,658,449
Net increase in cash		17,264,734	133,508,295
Cash and cash equivalents at the end of period		60,452,886	162,669,456
Main investing and financing non-cash transactions			
Acquisition of business, net of cash acquired through issuance of debt		-	(641,853,665)
Net main investing and financing non-cash transactions		-	(641,853,665)

See accompanying notes to these Consolidated Condensed Interim Financial Statements

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., 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 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 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, 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"). 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.

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,

NOTE 1 - GENERAL INFORMATION (cont.)

1.1) Description of the business (cont.)

and it 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.

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.

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, 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 Consolidated Condensed Interim Financial Statements for the period-end June 30th, 2023 was authorised by the board of directors on August 29th, 2023.

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 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 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).

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Preparation of the Consolidated Condensed Interim Financial Statements (cont.)

The Condensed 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.

2.4) Translation of 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 Consolidated Condensed Interim Statement of 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 Consolidated Condensed Interim Statement of Comprehensive Income in the Net foreign exchange loss line.

2.5) Significant accounting policies

The accounting policies adopted for these 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 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 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 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.

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 June 30th, 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.

As of June 30th, 2023 the effective tax rate calculated for the year reached 16,86%.

NOTE 5 - INCOME TAX (cont.)

(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	ARS$ 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 June 30, 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%, 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.

(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 must 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.

NOTE 5 - INCOME TAX (cont.)

(d) IFRIC 23 Uncertainty over income tax treatments (cont.)

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 June 30th, 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.

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 June 30th, 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:

	Balances as of June 30, 2023		
Item	Note	Fair value (Level 1)	Amortized cost
Financial assets			
Other financial receivables	7 (a)	-	6,500,000
Trade receivables	7 (e)	-	32,862,151
Investments	7 (d)	19,599,540	-
Cash and cash equivalents	7 (c)	15,033,384	45,419,502
Total financial assets		34,632,924	84,781,653
Financial liabilities			
Loans	7 (e)	-	671,394,876
Trade and other payables	7 (f)	-	59,667,306
Total financial liabilities		-	731,062,182

	Balances as of December 31, 2022		
Item	Note	Fair value (Level 1)	Amortized cost
Financial assets			
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)	2,726,643	40,642,432
Total financial assets		74,726,637	78,130,207
Financial liabilities			
Loans	7 (g)	-	658,791,389
Trade and other payables	7 (f)	-	67,629,085
Total financial liabilities		-	726,420,474

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 607,740,709 and USD 590,661,510 as of June 30, 2023 and December 31, 2022, respectively.

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

(a) Classification and fair value of financial instruments (cont.)

As of June 30, 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 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.

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

(a) **Prepayments**	6/30/2023	12/31/2022
Non current		
Other prepayments (Note 13 e)	3,416,667	4,023,333
Total	3,416,667	4,023,333
Current		
Insurance costs paid in advance	2,604,481	376,163
Advances to suppliers	3,693,168	475,721
Leases paid in advance	394,941	399,354
Customs advances	-	5,710
Other financial credits	6,500,000	13,333,750
Other prepayments (Note 13 e)	1,220,000	1,216,667
Total	14,412,590	15,807,365

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

(b) Tax assets	6/30/2023	12/31/2022
Non current		
Turnover tax - advance payment	97,235	172,571
Valued added tax	27,701,578	25,186,148
Withholding income tax	18,778,771	12,841,659
Total	46,577,584	38,200,378
Current		
Valued added tax	16,863,294	17,823,146
Extraordinary income tax advance payment	426,105	1,389,183
Other tax balances	1,876,033	1,921,681
Total	19,165,432	21,134,010

(c) Cash and cash equivalents

Cash	523	668
Banks	45,418,979	40,641,764
Short-term investments	15,033,384	2,726,643
Total	60,452,886	43,369,075

(d) Investments

Short-term investments	19,599,540	71,999,994
Total	19,599,540	71,999,994

(e) Trade receivables

Account receivables	22,881,713	16,750,610
Unbilled receivables	9,980,438	7,403,415
Total	32,862,151	24,154,025

(f) Trade and other payables

Non current		
Fines imposed by CAMMESA (Note 13 a and b)	32,917,708	37,588,353
Total	32,917,708	37,588,353
Current		
Trade payables	9,119,156	10,606,178
Accrued liabilities	7,277,624	8,120,216
Fines imposed by CAMMESA (Note 13 a and b)	10,352,818	11,314,338
Total	26,749,598	30,040,732

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

(g) Loans	6/30/2023	12/31/2022
Non current		
Local secured notes (Note 10 d)	142,759,912	138,300,657
Senior secured notes (Notes 10 a, b and c)	524,031,761	511,222,186
Total	666,791,673	649,522,843
Current		
Short-term loans (Note 10 f)	3,033,425	7,954,879
Senior secured notes (Notes 10 a, b and c)	1,569,778	1,313,667
Total	4,603,203	9,268,546

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

(a) Net finance costs

	06/30/2023 (6 months)	06/30/2022 (52 days)	06/30/2023 (3 months)	06/30/2022 (52 days)
8 (a.1) - Financial income				
Interest income	4,832,368	410,223	3,262,584	410,223
Total financial income	4,832,368	410,223	3,262,584	410,223
8 (a.2) - Financial expenses				
Interest expense for bank loans	(2,355,932)	(1,063,450)	(941,776)	(1,063,450)
Interest expense for trade payables	(256,843)	(39,092)	(122,487)	(39,092)
Interest expense for SCC Power PLC Senior Secured Notes	(19,976,927)	(4,098,351)	(10,339,352)	(4,098,351)
Interest expense for SCC Power San Pedro Local Senior Secured Notes	(4,248,908)	-	(2,135,281)	-
Other Financial expenses	(319,684)	-	(65,130)	-
Total financial expenses	(27,158,294)	(5,200,893)	(13,604,026)	(5,200,893)
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	(1,051,830)	(146,012)	(386,515)	(146,012)
Total Other financial results	29,380,649	(146,012)	3,001,202	(146,012)

(*) During the period ended June 30th, 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.

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

(b) Expense by nature

Items	Cost of sales	General and administrative expenses	06/30/2023	Cost of sales	General and administrative expenses	06/30/2022
			(6 months)			(52 days)
Salaries and other personnel - related expenses	156,641	267,734	424,375	22,365	159,467	181,832
Operating expenses	9,783,854	-	9,783,854	1,050,327	-	1,050,327
Travel expenses	-	107,824	107,824	-	9,514	9,514
Bank expenses	-	135,596	135,596	-	75,179	75,179
Depreciation	11,567,079	27,359	11,594,438	3,070,250	4,184	3,074,434
Consultancy	-	481,741	481,741	-	127,519	127,519
Office lease	-	119,559	119,559	-	42,261	42,261
Administrative Penalties	-	1,951	1,951	-	-	-
Professional Fees	-	1,758,965	1,758,965	-	1,028,530	1,028,530
Operating Penalties	1,199,456	-	1,199,456	488,707	-	488,707
Taxes, rates and contributions	-	1,276,962	1,276,962	-	207,357	207,357
Electrical Services	123,262	-	123,262	19,548	-	19,548
Insurance	-	2,543,231	2,543,231	-	388,680	388,680
Auxiliary Services	917,785	-	917,785	141,032	-	141,032
Other expenses	-	49,716	49,716	-	44,530	44,530
Total	23,748,077	6,770,638	30,518,715	4,792,229	2,087,221	6,879,450

Items	Cost of sales	General and administrative expenses	06/30/2023	Cost of sales	General and administrative expenses	06/30/2022
			(3 months)			(52 days)
Salaries and other personnel - related expenses	93,372	151,004	244,376	22,365	159,467	181,832
Operating expenses	4,964,446	-	4,964,446	1,050,327	-	1,050,327
Travel expenses	-	62,859	62,859	-	9,514	9,514
Bank expenses	-	35,053	35,053	-	75,179	75,179
Depreciation	5,803,497	15,587	5,819,084	3,070,250	4,184	3,074,434
Consultancy	-	272,369	272,369	-	127,519	127,519
Office lease	-	42,857	42,857	-	42,261	42,261
Professional Fees	-	1,136,394	1,136,394	-	1,028,530	1,028,530
Operating Penalties	153,156	-	153,156	488,707	-	488,707
Taxes, rates and contributions	-	542,597	542,597	-	207,357	207,357
Electrical Services	59,175	-	59,175	19,548	-	19,548
Insurance	-	1,276,040	1,276,040	-	388,680	388,680
Auxiliary Services	444,468	-	444,468	141,032	-	141,032
Other expenses	-	41,671	41,671	-	44,530	44,530
Total	11,518,114	3,576,431	15,094,545	4,792,229	2,087,221	6,879,450

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

During the period-end June 30, 2023, key management received compensations in the total amount of USD 222,500, 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 June 30th , 2023 and December 31st, 2022 respectively.

(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 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 324,733,518 and USD 318,192,173 (Note 7 g) as of June 30th, 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 209,135,136 and USD 204,966,786 (Note 7 g) as of June 30th, 2023 and December 31st, 2022 respectively.

NOTE 10 – LOANS (cont.)

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

These Third Lien Notes have been netted by USD 26,176,240 and USD 28,532,231 (Note 7 g) as of June 30th, 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 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

(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.

NOTE 10 - LOANS (cont.)

(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 34,728,618 and USD 33,977,541 (Note 7 g) as of June 30th, 2023 and December 31st, 2022 respectively.

- 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 108,031,294 and USD 104,323,116 (Note 7 g) as of June 30th, 2023 and December 31st, 2022 respectively.

NOTE 10 - LOANS (cont.)

(e) Reconciliation required by IAS 7

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

	6/30/2023	6/30/2022
Loans at beginning of the period	658,791,389	-
Cash flows from financing activities:		
SCC Power San Pedro Notes issuance	-	133,709,271
Payments of bank loans	(2,798,397)	(1,039,255)
Payments of interest on bank loans	(2,542,395)	(940,334)
Payment of interest on senior notes	(6,911,242)	-
Non-cash items changes:		
SCC Power Notes issuance	-	527,861,496
Loans received	-	16,727,389
Exchange differences	(1,725,963)	(897,503)
Interest and other financial costs accrued	26,581,484	5,209,474
Loans at period-end	671,394,876	680,630,538

(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	06/30/2023	12/31/2022
Financial	Banco Ciudad de Buenos Aires	Loan	ARS	(*)	2023	277,287	801,500
Financial	Banco Galicia	Loan	ARS	(**)	2023	633,798	1,093,817
Financial	Banco Provincia	Loan	ARS	(***)	2023	423,469	4,227,562
Financial	Banco Ciudad de Buenos Aires	Loan	ARS	(*)	2023	1,698,871	1,832,000
Total						3,033,425	7,954,879

(*) Badcor Rate + 7%.
(**) TM20 Rate + 8%
(***) Badcor Rate + 5%

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

2023	Work in progress	Land	Plant (4)	Turbines (4)	Software (3)	Computer equipment and security equipments (1) – (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Advances to suppliers of fixed assets	Total
Cost										
Balance at January 1, 2023	108,973,703	4,142,309	218,634,594	351,489,057	12,512	310,405	163,638	68,604	16,122,011	699,916,833
Additions	34,997,548	-	239,153	5,466,607	3,126	74,352	2,182	-	4,254,588	45,037,556
Transfers	8,996,420	-	-	-	-	-	-	-	(8,996,420)	-
Balance at June 30, 2023	**152,967,671**	**4,142,309**	**218,873,747**	**356,955,664**	**15,638**	**384,757**	**165,820**	**68,604**	**11,380,179**	**744,954,389**
Accumulated depreciation										
Balance at January 1, 2023	-	-	(46,621,502)	(73,271,215)	(2,041)	(138,561)	(63,960)	(52,375)	-	(120,149,654)
Depreciation charge	-	-	(4,610,156)	(6,946,225)	(651)	(23,561)	(8,291)	(5,554)	-	(11,594,438)
Balance at June 30, 2023	**-**	**-**	**(51,231,658)**	**(80,217,440)**	**(2,692)**	**(162,122)**	**(72,251)**	**(57,929)**	**-**	**(131,744,092)**
Net book value										
Balance at January 1, 2023	**108,973,703**	**4,142,309**	**172,013,092**	**278,217,842**	**10,471**	**171,844**	**99,678**	**16,229**	**16,122,011**	**579,767,179**
Balance at June 30, 2023	**152,967,671**	**4,142,309**	**167,642,089**	**276,738,224**	**12,946**	**222,635**	**93,569**	**10,675**	**11,380,179**	**613,210,297**

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.)

2022	Work in progress	Land	Plant (4)	Turbines (4)	Software (3)	Computer equipment and security equipments (1) - (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Advances to suppliers of fixed assets	Total
Cost										
At May 9, 2022	-	-	-	-	-	-	-	-	-	-
Incorporation	65,193,547	4,142,309	235,790,222	389,151,668	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**	**218,634,594**	**351,489,057**	**12,512**	**310,405**	**163,638**	**68,604**	**16,122,011**	**699,916,833**
Accumulated depreciation										
At May 9, 2022	-	-	-	-	-	-	-	-	-	-
Incorporation	-	-	(40,400,750)	(62,665,618)	(1,375)	(128,530)	(53,927)	(45,239)	-	(103,295,439)
Depreciation charge	-	-	(6,220,752)	(10,605,597)	(666)	(10,031)	(10,033)	(7,136)	-	(16,854,215)
At December 31, 2022	**-**	**-**	**(46,621,502)**	**(73,271,215)**	**(2,041)**	**(138,561)**	**(63,960)**	**(52,375)**	**-**	**(120,149,654)**
Net book value										
At May 9, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At December 31, 2022	**108,973,703**	**4,142,309**	**172,013,092**	**278,217,842**	**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.

NOTE 12 - CAPITAL

	USD 2023	Quantity of Shares 2023
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, 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.

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, 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 (Note 7 f).

Aggregate late commercial operation penalties amounted to USD 43,270,526 and USD 48,902,691 As of June 30th, 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.

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.

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 the date of these Consolidated Condensed Interim Financial Statements the company have already paid USD 77,599,240 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 Consolidated Condensed Interim Financial Statements the subsidiaries have already paid USD 13,945,000 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 included in Note 7 (a) Other Prepayments (USD 4,636,667 and USD 5.240.000 as of June 30th, 2023 and December 31st, 2022, respectively).

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

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	(37,338,027)
Total identifiable net assets acquired	671,512,114

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	(671,512,114)
Gain on acquisition of business	(192,026,723)

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.

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.

The effect of the adjustment reviewed during the measurement period was included as of December 31st, 2022. Comparative prior period information as of June 30th, 2022 has been revised to include the effect of the measurement period adjustment as if the accounting for the business combination had been completed on the acquisition date. The related adjustment caused changes in depreciation and net assets acquired due to the business combination.

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

Net profit for the period	6,394,247
Net finance costs	16,733,031
Income tax expense	1,296,962
Depreciation and amortization	11,594,438
Non-recurrent settlement gains and others	(479,955)
EBITDA	35,538,723

NOTE 16 - SUBSEQUENT EVENTS

As of the issuance date of the Company's Interim Condensed Financial Statements, dated July 19, 2023 SCC Power San Pedro S.A. has cancelled the entire debt for financial loans for USD 277,287 maintained with Banco Ciudad de Buenos Aires as of June 30th, 2023.

On July 14, 2023 SCC Power Argentina S.A. has cancelled the entire debt for financial loans for USD 423,469 maintained with Banco Provincia de Buenos Aires and USD 633,798 maintained with Banco Galicia as of June 30th, 2023.

On July 19, 2023 SCC Power Argentina S.A. has cancelled the entire debt for financial loans for USD 1,698,871 maintained with Banco Ciudad de Buenos Aires as of June 30th, 2023.

No events or transactions 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 Company or the results of its operations as of period-end June 30th, 2023.

[Signature page follow]

[Signature page]

Consolidated Condensed Interim Financial Statements for the six-month period ended June 30th, 2023.

Diego Juan Abelleyra Llodra

Chairman

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 30,2023 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, 2023 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, 2023