

SCC Power PLC and Subsidiaries

**Unaudited Consolidated Condensed Interim Financial Statements
for the nine-month period ended September 30th, 2024**

SCC Power PLC

UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30th, 2024

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SCC Power PLC and Subsidiaries

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

	Notes	09/30/2024	12/31/2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	640,129,790	632,354,356
Deferred income tax assets	5	78,186,369	86,077,008
Other assets	7 (a)	2,068,279	3,413,282
Tax assets	7 (b)	10,329,755	8,845,415
Total non-current assets		730,714,193	730,690,061
CURRENT ASSETS			
Other assets	7 (a)	18,808,125	25,823,348
Tax assets	7 (b)	10,668,738	17,857,778
Spare parts		5,666,354	4,660,977
Trade receivables	7 (e)	21,021,269	19,867,733
Investments	7 (d)	-	26,307,076
Cash and cash equivalents	7 (c)	38,782,311	42,111,124
Total current assets		94,946,797	136,628,036
Total assets		825,660,990	867,318,097
SHAREHOLDERS' EQUITY			
Share capital		200,060,887	200,060,887
Additional Paid-in capital		(199,998,000)	(199,998,000)
Retained earnings		80,980,338	87,831,607
Total equity		81,043,225	87,894,494
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	7 (g)	679,243,505	675,504,915
Trade and other payables	7 (f)	14,287,430	24,197,237
Total non-current liabilities		693,530,935	699,702,152
CURRENT LIABILITIES			
Loans and borrowings	7 (g)	19,786,064	30,783,314
Tax liabilities		326,020	506,239
Salaries and social security		179,395	114,293
Trade and other payables	7 (f)	30,795,351	48,317,605
Total current liabilities		51,086,830	79,721,451
Total liabilities		744,617,765	779,423,603
Total liabilities and equity		825,660,990	867,318,097

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 nine-month period ended September 30th, 2024

	Notes	09/30/2024 (9 months)	09/30/2023 (9 months)	09/30/2024 (3 months)	09/30/2023 (3 months)
Net revenues		83,778,657	79,495,522	30,105,129	25,032,522
Cost of sales	8 (b)	<u>(40,681,157)</u>	<u>(37,994,674)</u>	<u>(13,944,720)</u>	<u>(11,582,544)</u>
Gross profit		43,097,500	41,500,848	16,160,409	13,449,978
General and administrative expenses	8 (b)	(6,704,032)	(7,098,890)	(2,147,870)	(2,992,305)
Impairment loss on trade receivables	6 (b.3)	(4,866,898)	-	-	-
Net other income and expenses		<u>5,030,565</u>	<u>(6,307,822)</u>	<u>4,548,448</u>	<u>(6,787,777)</u>
Operating profit		<u>36,557,135</u>	<u>28,094,136</u>	<u>18,560,987</u>	<u>3,669,896</u>
Financial income	8 (a.1)	3,168,515	6,988,897	480,579	2,156,529
Financial expenses	8 (a.2)	(40,780,792)	(41,380,791)	(13,793,376)	(14,222,497)
Other financial results	8 (a.3)	6,085,939	25,396,779	4,091,348	(3,983,870)
Net foreign exchange loss		<u>(3,991,427)</u>	<u>(41,595,414)</u>	<u>(1,143,774)</u>	<u>(17,807,660)</u>
Net finance costs		<u>(35,517,765)</u>	<u>(50,590,529)</u>	<u>(10,365,223)</u>	<u>(33,857,498)</u>
Net income / (loss) before income tax		<u>1,039,370</u>	<u>(22,496,393)</u>	<u>8,195,764</u>	<u>(30,187,602)</u>
Income tax expense	5	<u>(7,890,639)</u>	<u>9,321,927</u>	<u>4,399,328</u>	<u>10,618,889</u>
Net (loss) / income for the period		<u>(6,851,269)</u>	<u>(13,174,466)</u>	<u>12,595,092</u>	<u>(19,568,713)</u>
Comprehensive (loss) / income for the period		<u>(6,851,269)</u>	<u>(13,174,466)</u>	<u>12,595,092</u>	<u>(19,568,713)</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 nine-month period ended September 30th, 2024

	Share capital	Additional paid-in capital	Retained earnings (accumulated income)	Total
Balances as of December 31st, 2023	200,060,887	(199,998,000)	87,831,607	87,894,494
Comprehensive loss for the period	-	-	(6,851,269)	(6,851,269)
Balances as of September 30th, 2024	200,060,887	(199,998,000)	80,980,338	81,043,225
	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 loss for the period	-	-	(13,174,466)	(13,174,466)
Balances as of September 30th, 2023	200,060,887	(199,998,000)	129,353,117	129,416,004

See accompanying notes to these Unaudited Consolidated Condensed Interim Financial Statements

SCC Power PLC and Subsidiaries

Unaudited Consolidated Condensed Interim Statement of Cash Flows

(In US dollars)

for the nine-month period ended September 30th, 2024

	Notes	09/30/2024	09/30/2023
Cash flow from operating activities			
Net loss for the period		(6,851,269)	(13,174,466)
Adjustments for:			
Income tax expense		7,890,639	(9,321,927)
Depreciation of property, plant and equipment	11	22,320,288	17,486,125
Impairment loss on trade receivables		4,866,898	-
Result of changes in fair value of financial assets	8 (a.3)	(2,416,337)	4,159,191
Gain on disposal of short-term investments	8 (a.3)	(3,669,602)	(30,432,479)
Change in fair value of derivative instruments	8 (a.3)	-	876,509
Net foreign exchange loss		3,991,427	41,595,414
Financial income	8 (a.1)	(3,168,515)	(6,988,897)
Financial expenses	8 (a.2)	40,780,792	41,380,791
Other income and expenses, net		(5,030,565)	6,307,822
Changes in operating assets and liabilities:			
Increase in trade receivables		(6,282,714)	(7,316,523)
Decrease in other assets		6,426,844	3,052,172
Increase in materials and spare parts		(1,005,379)	(1,370,595)
Decrease (increase) in tax assets		3,244,651	(28,449,118)
Decrease in trade and other payables		(24,263,525)	(4,585,571)
Increase in salaries and social charges to be paid		109,431	900
Decrease in tax liabilities		(409,290)	(42,130)
Net cash flows from operating activities		36,533,774	13,177,218
Cash flow from investing activities			
Net proceeds from financial assets and short-term investments		34,909,231	103,216,133
Acquisitions of property, plant and equipment		(26,726,748)	(67,997,247)
Net cash flows from investing activities		8,182,483	35,218,886
Cash flow from financing activities			
Payments of loans	10 (e)	(19,673,542)	(5,606,836)
Payments of interest on bank loans	10 (e)	(1,890,356)	(2,882,026)
Payments of SCC Power San Pedro local secured notes	10 (d)	(4,533,158)	-
Payments of interest on senior secured notes	10 (a, b)	(20,361,460)	(10,414,778)
Net cash flows used in financing activities		(46,458,516)	(18,903,640)
Net (decrease) increase in cash		(1,742,259)	29,492,464
Cash and cash equivalents at the beginning of period		42,111,124	43,369,075
Effect of exchange rate changes of cash and cash equivalents		(1,586,554)	(8,902,433)
Net (decrease) increase in cash		(1,742,259)	29,492,464
Cash and cash equivalents at the end of period		38,782,311	63,959,106

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 September 30th, 2024 (in USD)

NOTE 1 - GENERAL INFORMATION

1.0) Reporting entity

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

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

The Group is comprised by:

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

1.1) Description of the business

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

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

- 686,5 MW of aggregate installed capacity awarded pursuant to Resolution Secretaría Energía Eléctrica (“SEE”) N0. 21/2016. The operation under simple cycle in each plant has the following configuration:
 - four Siemens SGT-800 gas turbines at Las Palmas Plant with an installed capacity of 202 MW;
 - two Siemens SGT-800 gas turbines at San Pedro Plant with an installed capacity of 103,5 MW;
 - four Trent 60 gas turbines at Matheu Plant with an installed capacity of 254 MW;
 - two Trent 60 gas turbines at Lujan Plant with an installed capacity of 127 MW.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 1 - GENERAL INFORMATION (cont.)

1.1) Description of the business (cont.)

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

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 1 - GENERAL INFORMATION (cont.)

1.1) Description of the business (cont.)

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

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

During December 2023, the Company was awarded with a new project from the SEE. It includes the transfer of the Matheu Thermoelectric Plant to the Abasto location in Buenos Aires province. According to the terms of the bidding, the Company made reserve payments in December 2023 that will allow the Company to enter into new PPA contracts (242 MW capacity) in the future. On July 8, 2024, CAMMESA under Res. 151/2024, cancelled the awarding of contracts to expand power plants and reimbursed the corresponding total amounts.

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, 2023.

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

The issuance of these Unaudited Consolidated Condensed Interim Financial Statements for the period-end September 30th, 2024 was authorised by the board of directors on November 28th, 2024.

2.1) Group's financial position

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 2 – BASIS OF ACCOUNTING (cont.)

2.1) Group's financial position (cont.)

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

2.2) Preparation of the Unaudited Consolidated Condensed Interim Financial Statements

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

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

2.3) Basis for measurement and presentation

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

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

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

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

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

2.4) New material accounting policies and forthcoming requirements

Except as described below, the accounting policies applied in these Unaudited Consolidated Condensed Interim Financial Statements are the same as those applied in the financial statements as at and for the year ended December 31, 2023. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and it is described in Note 5 (a).

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

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NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.4) New material accounting policies and forthcoming requirements (cont.)

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

<i>New accounting standard or amendment</i>	<i>Effective date</i>	<i>Impact</i>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025	The Company does not expect to have significant impacts due to this amendment.
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS10 and IAS 28	Available for optional adoption / effective rate deferred indefinitely	No impacts.
Classification and measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	The Company is evaluating future impacts of this amendment.
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026	The Company is evaluating future impacts of this amendment.
IFRS 18 – Presentation and disclosures in Financial Statements	1 January 2027	The Company is evaluating future impacts of this amendment.
IFRS 19 – Subsidiaries without Public Accountability	1 January 2027	The Company is evaluating future impacts of this amendment.

2.5) Material accounting policies

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

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 3 - USE OF JUDGMENT AND ESTIMATES

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

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

a. Judgements

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

- Current income tax and deferred income tax determination. (Note 5 a), b) y c)).
- Recoverability of Property, Plant and Equipment (PPE). (Note 2.5.6 of the Consolidated Financial Statements as of December 31, 2023).
- Note 5 (c) – Uncertainty over income tax treatments.

b. Assumption and estimation uncertainties

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

- Deferred tax assets. Note 5 c).

NOTE 4 - OPERATING SEGMENTS

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

All SCC Power PLC non-current assets are located in Argentina as of September 30th, 2024 and December 31st, 2023.

NOTE 5 - INCOME TAX

(a) Income tax expense

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

The thresholds as of September 30, 2024, are: Taxable profit up to AR\$ 34.7 million (USD 38,052) are levied at 25%, up to AR\$ 347 million (USD 380,521) at 30% and more than such amount at 35%.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 5 – INCOME TAX (cont.)

(a) Income tax expense (cont.)

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

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

At the end of September 30, 2024, the effective tax rate calculated for the year reached (759,18%), compared to the 41.44% previously projected at the end of September 30, 2023. The main reason of the increase corresponds to the impact on the inflation adjustment for tax purposes calculation (Note 5 b). Since the Company has higher monetary liabilities than monetary assets, the inflation generates taxable income related to this monetary position. On the other hand, net liabilities denominated in USD generates a deductible loss when a devaluation of ARS occurs. For 2024 the Company estimates that inflation will be higher than the devaluation of the peso, generating an important taxable income for the Argentinian entities.

(b) Inflation adjustments for tax purposes

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

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

(c) Uncertainty over income tax treatments

As of September 30, 2024, and December 31, 2023, carry forward tax losses were measured at the rate of the year on which it is expected to be compensated (35%), determined by applying the tax inflation adjustment procedures mentioned in Note 5 (b). Based on the guidelines of IFRIC 23 “Uncertainty over income tax treatments” and in accordance with the Company’s legal and tax advisors opinions, management assessed that it is more likely than not that the tax authority will accept the fiscal treatment, and as a consequence, has proceeded to apply the tax inflation adjustment to the carry forward tax losses using the wholesale domestic price index, as indicated in article 19 of the mentioned income tax law. The Company recognizes the related deferred tax asset only to the extent that it is probable there is sufficient future taxable profit to allow its consumption.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT

(a) Classification and fair value of financial instruments

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

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

Item	Balances as of September 30, 2024		
	Note	Fair value (Level 1)	Amortized cost
<i>Financial assets</i>			
Other credits	7 (a)	-	6,086,330
Trade receivables	7 (e)	-	21,021,269
Cash and cash equivalents	7 (c)	37,982,299	800,012
Total financial assets		37,982,299	27,907,611
<i>Financial liabilities</i>			
Loans and borrowings	7 (g)	-	699,029,569
Trade and other payables	7 (f)	-	45,082,781
Total financial liabilities		-	744,112,350
Item	Balances as of December 31, 2023		
	Note	Fair value (Level 1)	Amortized cost
<i>Financial assets</i>			
Other credits	7 (a)	-	6,500,000
Trade receivables	7 (e)	-	19,867,733
Investments	7 (d)	6,236,450	20,070,626
Cash and cash equivalents	7 (c)	7,338,021	34,773,103
Total financial assets		13,574,471	81,211,462
<i>Financial liabilities</i>			
Loans and borrowings	7 (g)	-	706,288,229
Trade and other payables	7 (f)	-	72,514,842
Total financial liabilities		-	778,803,071

As of the date of these Unaudited Consolidated Condensed Interim Financial Statements, the carrying balances of financial instruments are a reasonable estimate of their related fair values except in loans (liability) for which the fair value (Level 2 for Senior secured notes and Level 3 for loans) is USD 714,639,059 and USD 655,684,041 as of September 30, 2024 and December 31, 2023, respectively.

As of September 30, 2024 and December 31, 2023, there are no significant expected credit losses (“ECL”) to be recognized following the impairment assessment of financial assets estimated at amortized cost.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

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

(b) Financial risk management

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

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

1. Market risk

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

- Currency risk

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

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

- Interest rate risk

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

- Exchange rate risk

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

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

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

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

(b) Financial risk management (cont.)

- Exchange rate risk (cont.)

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

As of September 30th, 2024, the mentioned measures did not affect normal operations and compliance with commitments on time.

2. Liquidity risk

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

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

3. Credit risk

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

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

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly.

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

- Outstanding amounts related to the December 2023 and January 2024 sales transactions, amounting to USD 15 million as of March 31st, 2024, would be settled through the delivery of equivalent nominal amounts of Argentine Law USD denominated Sovereign Bonds due 2038 (AE38).
- Outstanding amounts related to the February 2024 sales transaction, amounting to USD 7.8 million, would be paid in cash by CAMMESA after the execution of the settlement agreement.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

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

(b) Financial risk management (cont.)

3. Credit risk (cont.)

On May 23rd, 2024, the Argentinian subsidiaries, both SCC Power Argentina and SCC Power San Pedro, have accepted the proposed settlement from CAMMESA. Pursuant to the terms of the agreement, the AE38 Sovereign Bonds were delivered by CAMMESA 10 days following the execution of the agreement. The trade receivables affected by this transaction have been impaired considering the exchange rate effect and the bond's market value, the adjustment amounted to USD 4,866,898, the related figures have been recorded in line "Impairment loss on trade receivables" of the Unaudited Consolidated Condensed Interim Statement of Comprehensive Income. During July 2024, the Company sold the related bonds.

As of September 30, 2024, the outstanding balance of CAMMESA receivables amounts to USD 21,021,296 and includes USD 10,790,010 which are related to the sales transactions of August 2024 and USD 10,231,259 which are related to the sales transactions of September 2024 both transactions were not overdue. The transactions of August 2024 were fully paid by CAMMESA during October 2024. SCC Power Argentina and SCC Power San Pedro have determined that the expected credit loss related to these balances is not material considering the Unaudited Consolidated Condensed Interim Financial Statements as a whole and therefore it has not recorded a provision for this.

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

(a) Other assets	09/30/2024	12/31/2023
Non current		
Other credits with Parent Company	74,946	-
Non-financial assets (Note 1.1)	-	609,949
Other prepayments (Note 13 e)	1,993,333	2,803,333
Total	2,068,279	3,413,282
Current		
Insurance costs paid in advance	1,937,104	89,291
Advances to suppliers	9,284,251	17,623,603
Leases paid in advance	383,773	390,454
Other credits	6,086,330	6,500,000
Other prepayments (Note 13 e)	1,116,667	1,220,000
Total	18,808,125	25,823,348
(b) Tax assets		
Non current		
Turnover tax - advance payment	35,529	31,664
Valued added tax	-	40,476
Withholding income tax	10,294,226	8,773,275
Total	10,329,755	8,845,415
Current		
Valued added tax	7,596,455	15,881,609
Other tax assets	3,072,283	1,976,169
Total	10,668,738	17,857,778

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

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

(c) Cash and cash equivalents	09/30/2024	12/31/2023
Cash	289	306
Banks	799,723	34,772,797
Short-term investments (1)	37,982,299	7,338,021
Total	38,782,311	42,111,124
(d) Investments		
Financial credits with banks (Note 2.5) (2)	-	20,070,626
Short-term investments	-	6,236,450
Total	-	26,307,076
(e) Trade receivables		
Account receivables (Note 6 b.3)	10,790,010	12,142,993
Unbilled receivables (Note 6 b.3)	10,231,259	7,724,740
Total	21,021,269	19,867,733
(f) Trade and other payables		
Non current		
Fines imposed by CAMMESA (Note 13 a)	14,287,430	24,197,237
Total	14,287,430	24,197,237
Current		
Trade payables (3)	13,320,282	28,165,646
Accrued liabilities	4,287,759	6,736,983
Fines imposed by CAMMESA (Note 13 a)	13,187,310	13,414,976
Total	30,795,351	48,317,605
(g) Loans and borrowings		
Non current		
Local secured notes (Note 10 d)	129,338,174	138,375,616
Senior secured notes (Notes 10 a, b and c)	549,905,331	537,129,299
Total	679,243,505	675,504,915
Current		
Short-term loans (Note 10 e) (4)	-	20,070,626
Local secured notes (Note 10 d)	18,159,291	9,112,816
Senior secured notes (Notes 10 a, b and c)	1,626,773	1,599,872
Total	19,786,064	30,783,314

- (1) As of September 30, 2024, and December 31, 2023, includes USD 24,648,784 and USD 14,688,616, respectively, restricted.
- (2) On July 31st, 2024, SCC Power PLC collected the financial credits held with Eurobank for both Capital and Interest.
- (3) As of September 30, 2024, and December 31, 2023, includes unpaid balances of Property, plant and equipment of USD 12,995,713 and USD 9,390,152, respectively.
- (4) Loan secured by SCC Power PLC.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

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

(a) Net finance costs

	09/30/2024 (9 months)	09/30/2023 (9 months)	09/30/2024 (3 months)	09/30/2023 (3 months)
<u>8 (a.1) - Financial income</u>				
Interest income	3,168,515	6,988,897	480,579	2,156,529
Total financial income	3,168,515	6,988,897	480,579	2,156,529
<u>8 (a.2) - Financial expenses</u>				
Interest expense for bank loans	(1,477,278)	(2,565,422)	(203,038)	(209,490)
Interest expense for trade payables	(523,685)	(1,877,039)	(139,707)	(1,620,196)
Interest expense for SCC Power PLC Senior Secured Notes	(30,826,315)	(30,017,201)	(10,344,487)	(10,040,274)
Interest expense for SCC Power San Pedro Local Secured Notes	(6,859,635)	(6,467,482)	(2,348,810)	(2,218,574)
Other Financial expenses	(1,093,879)	(453,647)	(757,334)	(133,963)
Total financial expenses	(40,780,792)	(41,380,791)	(13,793,376)	(14,222,497)
<u>8 (a.3) - Other financial results</u>				
Gain on disposal of short-term investments (*)	3,669,602	30,432,479	3,669,602	-
Change in fair value of derivative instruments	-	(876,509)	-	(876,509)
Result of changes in fair value of financial assets	2,416,337	(4,159,191)	421,746	(3,107,361)
Total Other financial results	6,085,939	25,396,779	4,091,348	(3,983,870)

(*) During the period ended September 30, 2024, and September 30, 2023, the Company's Argentine subsidiaries acquired certain financial instruments in the U.S. market denominated in U.S. dollars. The fair value of these instruments in the Argentine market measured in Argentine pesos at the official exchange rate was higher than its quoted price in the U.S. market (in U.S dollars), resulting in a fair value gain.

(b) Expense by nature

Items	Cost of sales	General and administrative expenses	09/30/2024 (9 months)	Cost of sales	General and administrative expenses	09/30/2023 (9 months)
Salaries and other personnel – related expenses	1,176,167	600,722	1,776,889	306,063	388,217	694,280
Operating expenses	10,553,878	-	10,553,878	14,954,512	-	14,954,512
Travel expenses	-	45,124	45,124	-	148,251	148,251
Bank expenses	-	77,895	77,895	-	416,182	416,182
Depreciation	22,237,328	82,960	22,320,288	17,431,089	55,036	17,486,125
Office lease	-	131,473	131,473	-	169,038	169,038
Administrative Penalties	-	-	-	-	8,606	8,606
Professional Fees	459,272	4,135,876	4,595,148	231,014	3,455,355	3,686,369
Operating Penalties	749,467	-	749,467	1,331,922	-	1,331,922
Taxes, rates and contributions	-	1,323,600	1,323,600	-	2,033,520	2,033,520
Insurance	5,421,824	68,281	5,490,105	3,740,074	56,723	3,796,797
Other expenses	83,221	238,101	321,322	-	367,962	367,962
Total	40,681,157	6,704,032	47,385,189	37,994,674	7,098,890	45,093,564

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

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

(b) Expense by nature (cont.)

Items	Cost of sales	General and administrative expenses	09/30/2024 (3 months)	Cost of sales	General and administrative expenses	09/30/2023 (3 months)
Salaries and other personnel – related expenses	441,270	239,570	680,840	149,422	120,483	269,905
Operating expenses	3,183,402	-	3,183,402	4,129,611	-	4,129,611
Travel expenses	-	18,337	18,337	-	40,427	40,427
Bank expenses	-	25,293	25,293	-	280,586	280,586
Depreciation	7,553,115	28,037	7,581,152	5,864,010	27,677	5,891,687
Office lease	-	43,396	43,396	-	49,479	49,479
Administrative penalties	-	-	-	-	6,655	6,655
Professional Fees	187,904	1,348,642	1,536,546	77,336	1,368,327	1,445,663
Operating Penalties	351,293	-	351,293	132,466	-	132,466
Taxes, rates and contributions	-	355,691	355,691	-	756,558	756,558
Insurance	2,191,366	16,118	2,207,484	1,229,699	23,867	1,253,566
Other expenses	36,370	72,786	109,156	-	318,246	318,246
Total	13,944,720	2,147,870	16,092,590	11,582,544	2,992,305	14,574,849

NOTE 9 - BALANCES AND TRANSACTIONS WITH KEY MANAGEMENT

(Board of Directors)

During the period ended September 30, 2024, and 2023, key management received compensation in the total amount of USD 318,750 and USD 215,000 respectively, which are considered short-term benefits and entail the only benefits granted to the Board of Directors. SCC Power PLC does not grant long-term benefits or share-based payments to its employees.

NOTE 10 – LOANS AND BORROWINGS

(a) SCC Power Senior Secured First Lien Notes

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

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

In connection with these Secured First Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 17,909,125 (Note 7 g) as of September 30, 2024, and December 31, 2023.

(b) SCC Power Senior Secured Second Lien Notes

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

- Principal amount: USD 310,000,000.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 10 – LOANS AND BORROWINGS (cont.)

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

- Maturity Date: December 31, 2028.
- Interest rate:
For the first 24 months following the issue date:
 - 4% per annum, paid quarterly in cash; plus
 - 4% per annum, paid quarterly either in cash or in 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 336,879,550 and USD 331,261,646 (Note 7 g) as of September 30, 2024 and December 31, 2023, respectively.

(c) SCC Power Senior Secured Third Lien Notes

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 10 – LOANS AND BORROWINGS (cont.)

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

In connection with these Secured Third Lien Notes, the Company has principal and interest debt outstanding equivalent to the amount of USD 216,958,098 and USD 213,339,597 (Note 7 g) as of September 30, 2024 and December 31, 2023, respectively.

These Third Lien Notes have been netted by USD 20,214,669 and USD 23,781,197 (Note 7 g) as of September 30, 2024 and December 31, 2023, respectively, resulting from the fair value assessment of the Management Service Agreement compensation pursuant to IFRS 15 (see Note 13 e)

Amortization

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

Collateral

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

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 10 – LOANS AND BORROWINGS (cont.)

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

Collateral (cont.)

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

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

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

- SCC Power San Pedro Class I senior secured notes denominated in USD becoming due after 48 months of the issue thereof with the following features:
 - Amount of the issue: USD 33,499,900.
 - Interest rate: 4% paid in semi-annual basis during the first 24 months after the issue, and on quarterly basis thereafter.
 - Option to capitalize: From the Issue and Settlement Date and up to the date on which 24 months have elapsed from the Issue and Settlement Date (inclusive), the Company may opt for fully or partially capitalize the interest accrued corresponding to the corresponding Interest Accrual Period.
 - Date of issue: June 27, 2022.
 - Maturity date: June 27, 2026.
 - Amortization: The capital will be payable in Argentinian Pesos at the Applicable Exchange Rate in 8 equal and consecutive quarterly instalments starting on September 27, 2024.

In connection with this Senior Secured Note, the Company has principal and interest debt equivalent to the amount of USD 31,704,698 and USD 35,509,402 (Note 7 g) as of September 30, 2024 and December 31, 2023 respectively.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 10 – LOANS AND BORROWINGS (cont.)

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

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

In connection with this Senior Secured Note, the Company has principal and interest debt equivalent to the amount of USD 115,792,767 and USD 111,979,030 (Note 7 g) as of September 30, 2024 and December 31, 2023, respectively.

(e) Short-term loans

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

Class	Entity	Type	Currency	Nominal interest rate	Maturity	09/30/2024	12/31/2023
Financial	Eurobank	Loan	USD	13%	2024	-	20,070,626
Total						-	20,070,626

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

(f) Reconciliation required by IAS 7

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

	09/30/2024	09/30/2023
Loans at beginning of the period	706,288,229	658,791,389
<i>Cash flows from financing activities:</i>		
Payments of bank loans	(19,673,542)	(5,606,836)
Payments of interest on bank loans	(1,890,356)	(2,882,026)
Payments of interest on senior notes	(20,361,460)	(10,414,778)
Payments of amortization on SCC Power San Pedro local secured notes	(4,533,158)	-
<i>Non-cash items changes:</i>		
Exchange differences	36,627	(1,702,237)
Interest and other financial costs accrued	39,163,229	39,049,403
Loans at period-end	699,029,569	677,234,915

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

2024	Work in progress	Land	Plant (4)	Turbines (4)	Software (3)	Tools, Machinery & Equipment (1) - (3)	Computer equipment and security equipments (1) - (3)	Furniture, fittings & Telephone facilities (1)	Vehicle (2)	Total
<i>Cost</i>										
Balance at January 1, 2024	170,599,861	4,142,309	233,480,971	366,833,082	15,638	71,521	440,331	194,692	68,622	775,847,027
Additions	17,690,184	5,969,387	6,615,179	1,381,655	-	245,372	58,211	20,154	29,745	32,009,887
Disposals	-	-	-	(1,914,165)	-	-	-	-	-	(1,914,165)
Transfers	(186,749,488)	-	112,655,514	74,093,974	-	-	-	-	-	-
Balance at September 30, 2024	1,540,557	10,111,696	352,751,664	440,394,546	15,638	316,893	498,542	214,846	98,367	805,942,749
<i>Accumulated depreciation</i>										
Balance at January 1, 2024	-	-	(55,853,418)	(87,321,139)	(3,492)	(1,198)	(162,826)	(82,359)	(68,239)	(143,492,671)
Depreciation charge	-	-	(9,693,021)	(12,510,648)	(1,181)	(20,446)	(74,264)	(15,884)	(4,844)	(22,320,288)
Balance at September 30, 2024	-	-	(65,546,439)	(99,831,787)	(4,673)	(21,644)	(237,090)	(98,243)	(73,083)	(165,812,959)
Net book value										
Balance at January 1, 2024	170,599,861	4,142,309	177,627,553	279,511,943	12,146	70,323	277,505	112,333	383	632,354,356
Balance at September 30, 2024	1,540,557	10,111,696	287,205,225	340,562,759	10,965	295,249	261,452	116,603	25,284	640,129,790

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 September 30th, 2024 (in USD)

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

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

Reconciliation of carrying amounts:

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 12 - CAPITAL

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

As of September 30th, 2024, the Company's capital amounted to USD 200,060,887, represented by USD 60,887 ordinary shares and 200,000,000 preferred common stock shares, with a nominal value of USD 60,887 and USD 2,000, respectively. The holders of Ordinary Shares shall, in respect of any Ordinary Shares held by them, be entitled to have such number of votes as is equal to one (1) vote for each Ordinary Share held by such holder of Ordinary Shares on all matters. The holders of Preferred Shares shall, in respect of the Preferred Shares held by them, be entitled to attend general meetings of the Company but shall not be entitled to vote at such meetings and shall not constitute an eligible member in relation to any such proposed resolution. Nevertheless, the holders of Preferred Shares shall be entitled to a fixed, cumulative, preferential distribution at the rate of 3.50 per cent per annum, and the directors may determine in their sole discretion if the Preferred Shares Distribution shall be (i) paid in cash, to the extent of distributable reserves and cash funds of the Company legally available to the Company for payment, or (ii) added to the Preferred Shares Liquidation Preference.

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

NOTE 13 - CONTRACTUAL COMMITMENTS

Power Purchase Agreements (PPAs) with CAMMESA:

a) Simple cycle PPAs

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

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

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

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

a) Simple cycle PPA's (cont.)

On February 2020, CAMMESA imposed the late commercial operation penalty of the Matheu Plant for a total of USD 10,850,880 which was agreed to be collected in forty-eight (48) equal and consecutive monthly installments, applying an Annual Effective Rate (TEA) equivalent to 1.7% denominated in US dollars. On February 2024, SCC Power Argentina paid the last installment of the late operating penalty.

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

Aggregate late commercial operation penalties amounted to USD 27,474,740 and USD 37,612,213 (Note 7 f) as of September 30, 2024 and December 31, 2023, respectively.

b) Combined cycle PPA

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

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

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

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

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

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

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

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

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

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

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

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

In order to guarantee the works and supplies of the necessary equipment for the expansion and conversion of the simple cycle thermoelectric plant into a combined cycle, on May 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 September 30th, 2024 SCC Power San Pedro owes USD 7,596,227 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 September 30th, 2024, there is no outstanding debt related to this contract.

e) Management service agreement

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

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

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

The Non-Cash Consideration fair value, determined at the acquisition date, amounted to USD 6,000,000, as a result, the Non-Cash Consideration has been adjusted accordingly (Note 10 c). The remaining amount of the credit, included in Note 7 (a) Other Prepayments, as of September 30, 2024 and December 31, 2023 is USD 3,110,000 and USD 4,023,333, respectively.

SCC Power PLC and Subsidiaries

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS as of September 30th, 2024 (in USD)

NOTE 14 - EBITDA RECONCILIATION WITH NET INCOME - UNAUDITED

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

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

a) For the nine-month period ended September 30th, 2024 and 2023 as follows:

	09/30/2024	09/30/2023
Net loss for the period	(6,851,269)	(13,174,466)
Net finance costs	35,517,765	50,590,529
Income tax expense	7,890,639	(9,321,927)
Depreciation and amortization	22,320,288	17,486,125
Net other income and expenses	(5,030,565)	6,307,822
EBITDA	53,846,858	51,888,083

NOTE 15 - SUBSEQUENT EVENTS

No events or transactions, other than those mentioned above, have occurred from period-end to the date of issuance of these Unaudited Consolidated Condensed Interim Financial Statements, that would have a material effect on the financial position of the Group or the results of its operations as of period-end September 30th, 2024.

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Unaudited Consolidated Condensed Interim Financial Statements for the nine-month period ended September 30th, 2024.

A handwritten signature in black ink, appearing to read 'Sofia', written over a faint rectangular box.

Sofia Scallela

Chairwoman