Central Térmica Roca S.A.

Financial Statements

At December 31, 2021
presented in comparative format

(In thousands of US dollars (USD))

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GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the financial statements of the Company.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AJSA	Alba Jet S.A.
ASA	Albanesi S.A. (a company merged into GMSA)
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of Argentina
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A. (Wholesale Electricity Market Management Company)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza located in Ezeiza, Buenos Aires
CTF	Central Térmica Frías, located in Frías, Santiago del Estero
CTI	Central Térmica Independencia located in San Miguel de Tucumán, Tucumán.
CTLB	Central Térmica La Banda located in La Banda, Santiago del Estero
CTMM	Central Térmica Modesto Maranzana located in Río IV, Córdoba
CTR	Central Térmica Roca S.A./The Company
CTRi	Central Térmica Riojana located in La Rioja, province of La Rioja
CVP	Variable Production Cost
Dam3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
DIGO	Offered guaranteed Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
Grupo Albanesi	Albanesi S.A., its subsidiaries and other related companies
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A. (a company merged into GMSA)
GLSA	Generación Litoral S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
HRSG	Heat recovery steam generator
IASB	International Accounting Standards Board
IGJ	Legal Entities Regulator
CPI	Consumer Price Index
WPI	Wholesale Price Index
kV	Kilovolt Unit of electromotive force which is equal to 1,000 (one thousand) volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NFHCC	New Date Committed for Commercial Authorization
SDG	Sustainable Development Goals
ON	Negotiable Obligations
PAS	Arroyo Seco Project
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM	Gain/loss on purchasing power parity
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contracts" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
CSR	Corporate social responsibility
TP	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
SEK	Swedish crowns
GSE	Government Secretariat of Energy
OHHS	Health, Safety and Hygiene at work
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
GU	Generating unit
CGU	Cash Generating Unit
USD	US dollars
UVA	Purchasing power unit

CENTRAL TERMICA ROCA S.A.

Annual Report for Fiscal Year 2021

CENTRAL TÉRMICA ROCA S.A.

Annual Report for Fiscal Year 2021

Contents

Annual Report for Fiscal Year 2021

To the Shareholders of CTR,

In compliance with current legal and regulatory provisions, the Board of Directors submits for your consideration this Annual Report, the Summary of Activity, the Financial Statements, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Financial Statements for the year ended December 31, 2021.

1. ACTIVITY OF THE COMPANY

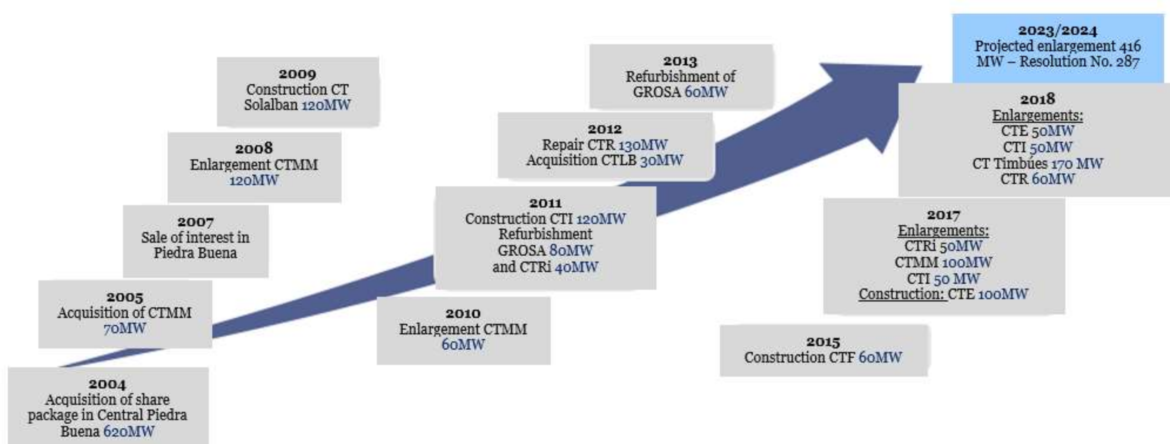
CTR's main line of business is the generation and sale of electric energy. Nominal installed capacity is 190 MW under ES Resolution No. 220/07 and ES Resolution No. 440/2021.

In 2011, Grupo Albanesi acquired through CTR a power plant located in the outskirts of the city of General Roca, province of Río Negro, on Provincial Road No. 6, km 11.1 (the "Power Plant"), which had been unavailable since 2009.

GMSA holds a 75% interest in the capital stock of CTR, and Tefu S.A., the remaining 25%.

At the date of these Financial Statements, Grupo Albanesi had a total installed capacity of 1,520 MW, it being expanded with additional 416 MW with all the new projects awarded.

Grupo Albanesi entered the electricity market in 2004 with the purchase of the power plant Luis Piedra Buena S.A. In this way the development of the electricity market became one of the main purposes of the Group.



2. MACROECONOMIC CONTEXT

International context

According to the International Monetary Fund (IMF) World Economic Outlook report issued in October 2021, global growth is expected to reach a more abated rate in 2022, from 5.9% in 2021 to 4.4%.

For the world economy, the start of 2022 offers weaker than expected conditions. As the Omicron variant of COVID-19 spreads, most countries have relapsed into restrictions on freedom of movement.

The risks underlying global baseline projections show a downward trend. The occurrence of new variants of the COVID-19 virus could lengthen the pandemic and pose renewed economic issues. In addition, the disruption in supply chains, the volatility of electricity prices and specific salary pressures create strong uncertainty about the policies and inflation path. As rates under the monetary policy of advanced economies rise, new risks might arise for financial stability and for the capital flows, currencies and tax position of emerging and developing markets, especially if we consider that indebtedness levels have increased significantly over the last two years. Other global risks could materialize, given that geopolitical tensions are still sharp and current climate emergency carries a strong likelihood of great natural disasters.

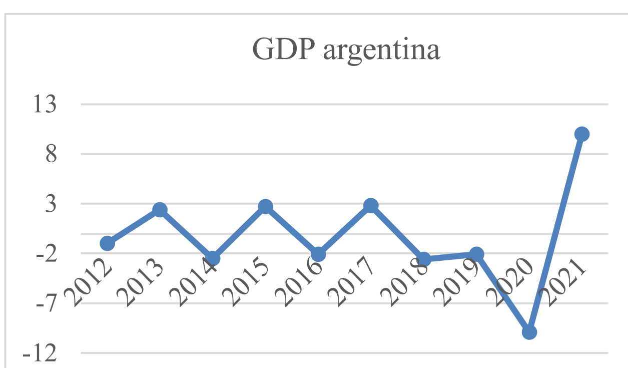
In view that the pandemic maintains its siege, emphasis on a worldwide health strategy is more prominent than ever. Global access to vaccines, detection testing and treatments is essential in averting the risk of new, dangerous variants of the virus. This requires higher production of supplies, better delivery systems within each country and a more equitable distribution around the world. In many countries, monetary policy will need to be tougher in order to curb inflation pressure, while their fiscal policy — with a more limited leeway than at other times during the pandemic — will have to prioritize health and social expenditure, with a focus on helping those most vulnerable. Within this context, international cooperation will be vital for preserving access to liquidity and accelerating orderly debt restructurings as needed. Further, it is imperative to invest in climate policies to ward off the risk of catastrophic climate change.

Regional context

Many Latin American countries, severely hit by the pandemic, faced a major slowdown. GDP recovery for 2021 is estimated at 6.8%, while a 2.4% recovery is projected in 2022 and 2.6% in 2023.

Argentina

The estimated recovery in Argentina for 2021 was around 10%, according to the IMF's World Economic Outlook report dated January 2022. The IMF projects a 3% growth in 2022 and 2.5% in 2023.



The cumulative economic activity for Argentina up to November 2021 – measured by the EMAE (Monthly Economic Activity Estimator) – showed a 10.3% increase with regard to the cumulative economic activity for the same period in 2020.

According to the Level of Activity Progress Report prepared by the INDEC, cumulative gross domestic product (GDP) for the third quarter of 2021 showed an increase of 11.9%, as compared to the same period of the previous year.

Seasonally adjusted GDP for the third quarter of 2021, compared to the second quarter of the same year, shows a variation of 4.1%, while the trend-cycle index records a positive variation of 1.2%.

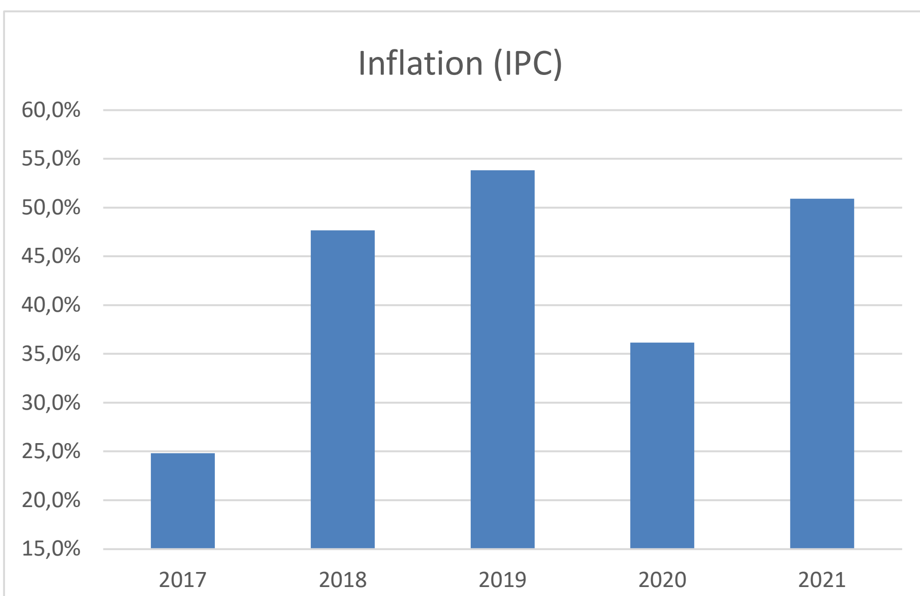
The macroeconomic evolution for the third quarter of 2021 resulted in a 14.5% variation in global supply vis-à-vis the same period of the previous year, measured at 2004 prices, as a result of an 11.9% increase in GDP and a 26.2% variation in real imports of goods and services.

The global demand showed a 21.2% increase in gross fixed capital formation, 12.1% growth in private consumption, an 11.5% increase in public consumption, and an 18.8% increment in real exports of goods and services.

In seasonally adjusted terms with respect to the second quarter of 2021, imports grew by 1.7%, private consumption by 2.8%, public consumption by 3.4%, gross fixed capital formation recorded a variation of -1.2%, while exports increased by 7.3%.

The industrial activity measured by the Manufacturing Industrial Production Index (Manufacturing IPI) increased by 10.1% in November 2021 compared to the same month in 2020. The cumulative for the period January-November 2021 shows an increase of 16.3% compared to the same period in 2020. In turn, the index for the seasonally adjusted series shows a positive variation of 4.8% as against the previous month, and the series trend-cycle index records a positive variation of 0.5% as against the previous month.

According to the Consumer Price Index (CPI), prices showed a cumulative increase of 50.9% in 2021 (INDEC), compared to 36.1% for 2020. Inflation rates for the last 5 years are shown below.



According to INDEC's report on Argentine foreign trade, in the twelve-month period of 2021, exports reached USD 77.934 billion and imports, USD 63.184 billion. International trade (exports plus imports) totaled USD 141.118 billion, the highest level since 2013 (USD 150.405 billion). Exports in 2021 recorded a 42.0% increase as compared to 2020, with their value only surpassed by the amounts for 2012 and 2011 in the historical series (USD 79.982 and USD 82.981 billion, respectively). This outcome was the result of a very dynamic performance in all segments. Imports experienced a year-on-year increase of 49.2%. The trade balance reached USD 14.750 billion (the second largest, following the balance for 2019), favored by beneficial trade conditions. In fact, while the prices of Argentine exports rose 25.8% and quantities increased only by 12.9%, imports performed in the reverse sense, with 14.7% increases in prices and 30.1% in quantities. As usual, Brazil, China and the United States were leaders among the principal business partners. Also, 2021 witnessed an outstanding performance of India, which ranked fourth thanks to a marked increase (71.5%) in purchases from Argentina, and of Chile, the country with which we recorded the highest surplus (USD 3.486 billion), with an increase of 48.3% compared to 2020.

The official foreign exchange rate (wholesale) at the closing of 2021 recorded ARS 102.72, which implies a 22% devaluation accumulated over 2021.

According to the monthly monetary report issued by the Central Bank of Argentina, the monetary base for December was ARS 3.394 trillion, which implies an average monthly nominal increase of 7.8%

The Central Bank's International Reserves ended December with a balance of USD 39.582 billion, reflecting a decrease of USD 1.947 billion since the end of November. Most of the decrease recorded in December obeyed to the payment of principal to the IMF in the framework of the Stand-By Agreement, for approximately USD 1.850 billion. In this way, International Reserves accumulated an increase of USD 195 million in one year.

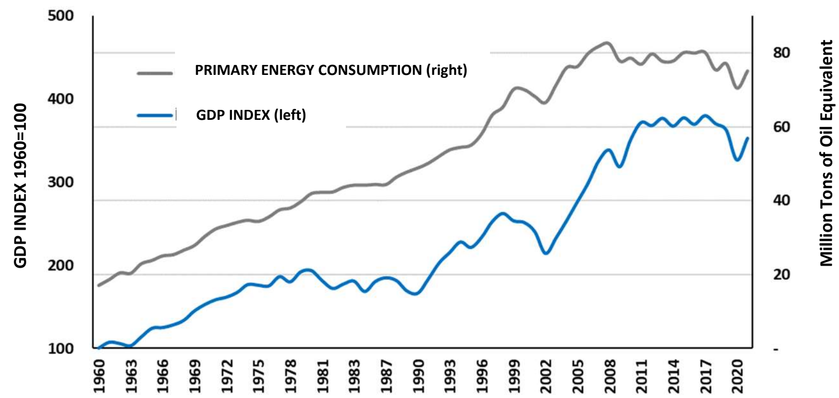
Structure of the energy sector

Energy demand and consumption in Argentina is positively related to Gross Domestic Product, which means that the greater the economic growth, the greater the consolidated demand for all energy products. The reverse is also verified with less intensity, as the decrease in economic activity is linked to a reduction in energy consumption of a lesser magnitude.

In the period from 1959 to 2021, energy consumption has shown a historical annual average growth of 2.5%[1], with a normalized average of only 0.6% per year since the Great Crisis of 2002. The significant drop in energy consumption and GDP in 2020, -6.6% and -9.9% respectively, showed an important reversal in 2021, estimated at +6.6% and +9.0%. The relevance of this recovery is significant, especially seeing that it concentrates in this second half of 2021. However, energy consumption offers a poor performance over the last decade.

[1] Official data from the Energy Secretariat for the period 1959 to 2020 and preliminary estimate for 2021 prepared by G&G Energy Consultants.

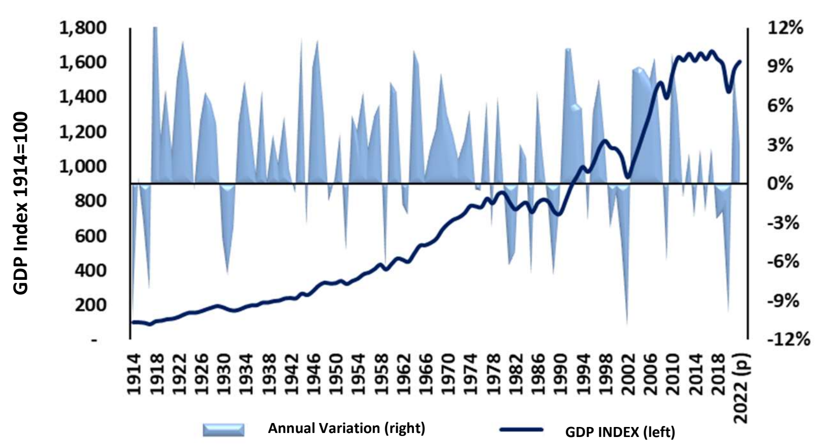
PRIMARY ENERGY CONSUMPTION AND GDP -1959-2021



The economic recession in 2018 – a -2.6% contraction from the good economic level of 2017, which recorded +2.8% – and the summer months with lower temperatures than those of the previous year, had a minimal impact on the energy demand, with a reduction of 6.0% compared to 2017. In 2019, despite a new drop in GDP of -2.1% from 2018, there was a 2.2% increase in energy consumption compared to 2018, with the influence of the freeze on gas and electricity rates since the beginning of the year and on fuel prices since August 2019.

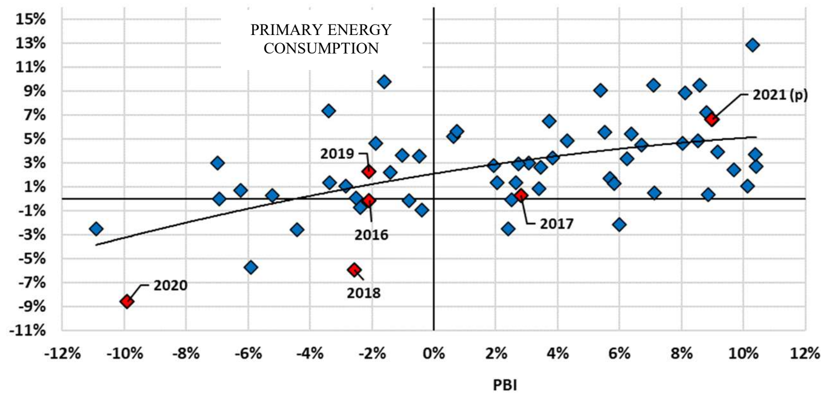
The consequences of the restrictive measures imposed since March 2020 to hold back the effects of the COVID-19 pandemic had an overwhelming impact on the Argentine economy. During 2020, the economic crisis derived from the social isolation measures resulted in a historic economic contraction of -9.9%. The reduction in energy consumption was historic as well, a contraction of -8.6% even with lower temperatures in winter, compared to 2019.

GDP EVOLUTION ARGENTINA 1914-2022



The economy is in recovery, with its annual growth estimated at +9.0% according to consultants specialized in economic analysis. The first estimates prepared by G&G Energy Consultants for energy consumption in 2021 exhibit a strong increase of +6.6%, with temperatures ranging within historic parameters in both summer and winter periods.

GDP AND PRIMARY ENERGY CONSUMPTION



The decrease in primary energy consumption over the past years until the start of the pandemic in 2020, outstanding in the graphic above, represents the peak of the process of economic stagnation that is taking place since 2011. From 2016 to 2018, stagnation in energy consumption had the impact of the gas and electricity rate restoration process. This impact was surpassed by the historic economic crisis of 2020, which in a way evidences that the evolution of economy has a more direct impact on energy consumption. Therefore, we could expect energy rates to be restored when Argentina resumes its economic growth, since the policy of tariff adjustments does not necessarily have a decisive influence on economic development.

The growth in energy consumption during several years of the first decade of the 21st century resulted from high economic growth, which was driven mainly by the demand of energy products from the Residential and Commercial sectors, and to a lesser extent by the growth in Industrial sector consumption, as shown by the levels of gas, gasoline and, in particular, electricity consumption. The economic stagnation of the Argentine economy since 2011, with an alternation between positive and negative years at similar levels, has reduced energy consumption growth rates, which had shown favorable increases above the historical median between 2003 and 2011. The depressed rates of fuel, gas and electricity during those years have probably encouraged energy consumption in this period, although they have proven to be unsustainable for Argentine macroeconomy.

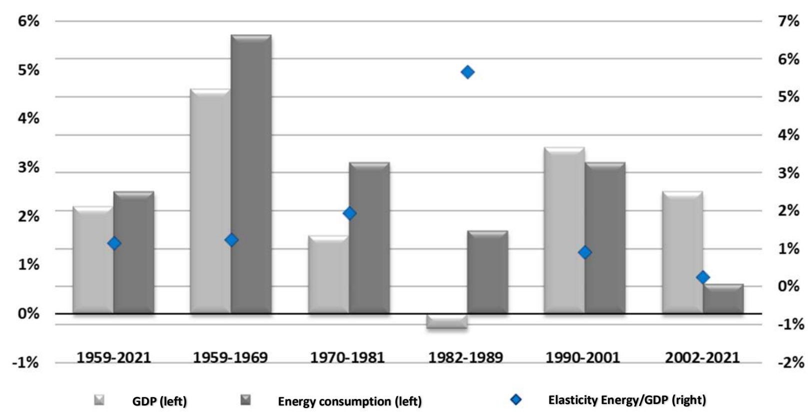
The elasticity of energy consumption in relation to GDP[2]in the last two large political-economic cycles — the 1990 decade and from 2000 to 2020 — has been lower than in previous decades. The restrictions on energy demand due to insufficient supply and the need to import energy to supplement domestic supply had an impact on the economy, and on the Industrial sector in particular.

Should a process of solid economic growth exist in the future, the need for energy supply will certainly be ever-increasing, greater than in the last twenty years.

[2] Data for the period 1982-1989 show apparently high elasticity because the instability and volatility of the GDP, which showed a negative average, distorting the calculation.

HISTORICAL-ECONOMIC-PERIOD	ANNUAL GDP	ELECTRICITY CONSUMPTION	ELASTICITY ENERGY/GDP
1959-2021	2.2%	2.5%	1.1
1959-1969	4.6%	5.7%	1.2
1970-1981	1.6%	3.1%	1.9
1982-1989	-0.3%	1.7%	5.7
1990-2001	3.4%	3.1%	0.9
2002-2021	2.5%	0.6%	0.2

The restrictions on the supply of energy products, such as natural gas in the last cycle of economic growth through to 2011, and the moderate growth in energy demand in broad terms[3]created difficulties in effective supply to demand. Prioritization of supply to gas and electricity consumers in the Residential-Commercial segment, along with a slight to modest industrial recovery, gave way to restrictions and a lesser growth of energy consumption by large consumers.



Argentine primary energy consumption is dependent on hydrocarbons, which accounted for 86.8% in 2016, 86.5% in 2017, 85.8% in 2018, 86.1% in 2019, and 85.4% in 2020.

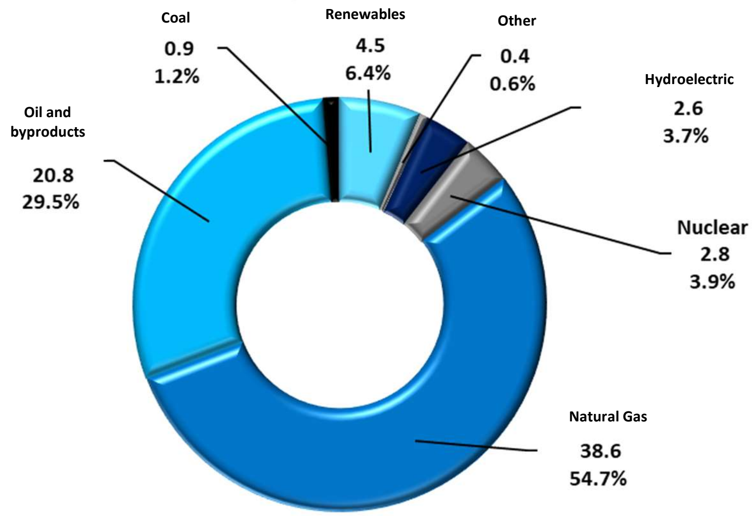
We do not estimate significant variations for 2021, probably at 86%, due to the reduction of hydroelectric power supply which was only partially offset by the increase in renewable sources of electricity supply[4].

This percentage of fossil-fuel sources has dropped slightly in the last years as a result of the obligation imposed on fuel supplying refineries to incorporate a proportion of biodiesel and bioethanol in their production of fossil fuels, such as diesel and gasoline, and also dozens of wind and solar generation plants, especially in 2019, 2020 and 2021. For 2022 and 2023, we expect this process of adding electricity plants from renewable sources to cease, so that the role of fossil hydrocarbons should increase slightly if energy consumption grows, as we consider will be the case.

[3] From the analysis of a specific sub-sector such as electricity, it may be observed that the demand growth rate is higher than the GDP growth rate.

[4] Latest official data for 2020. Estimate for 2021 by G&G Energy Consultants, expressed in million Tons of Oil Equivalent (TOE) for Primary Energy Consumption.

PRIMARY ENERGY CONSUMPTION IN ARGENTINA 2020 (70.6 million TOE)

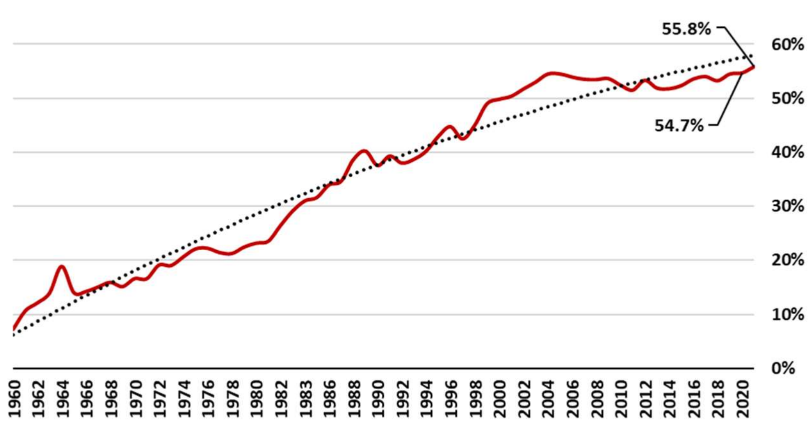


Few countries show this structure of heavy reliance on oil and natural gas byproducts, in coincidence with significant oil and gas reserves. Although Argentina does not have large conventional oil and natural gas reserves in relation to its domestic demand, it has relevant potential in terms of unconventional gas and oil resources. Due to the nature, features and costs of the investments required, there are difficulties in modifying the current energy primary consumption structure in the short term in favor of hydroelectric or renewable sources. Even so, different governments maintained ambitious self-set goals of increasing renewable sources in electric power supply, restrained since 2020 due to scarce financing and limitations to electricity transmission.

The high share of natural gas in primary energy consumption – 53.2% in 2018, 54.5% in 2019, 54.7% in 2020 and an estimated 55.8% in 2021 – fluctuates annually based on imports of natural gas from Bolivia and liquefied natural gas (LNG) from various sources, and on local production from different basins to meet the demand. Despite the increase in domestic production that was observed in the 2018 winter season and, particularly, in 2019, and the imports of gas from Bolivia and LNG, the potential demand of natural gas is partially unsatisfied in winter in the industrial segment and in the thermoelectric generation segment[5].

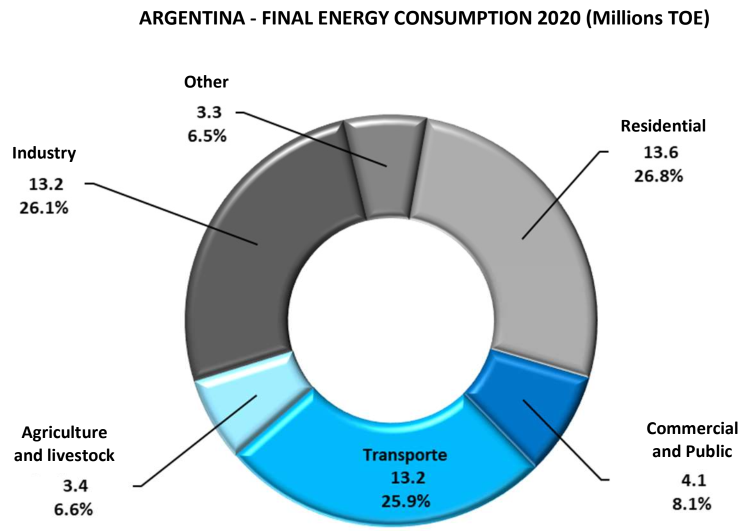
The 2020 winter season witnessed a situation of highest deficit in supply due to a significant reduction in local commercial production of gas, partially mitigated by the hearty recovery of the Neuquén basin in the winter of 2021.

SHARE OF NATURAL GAS IN DOMESTIC ENERGY CONSUMPTION



[5] In the absence of restrictions on gas demand, the share of this product in the primary matrix would be even higher, around 60%.

Final energy consumption in Argentina – i.e., primary energy consumption net of losses in the system for production and transportation of primary products and of transformation into final energy products – is evenly distributed between the transport, industrial and residential/commercial segments. This distribution is similar to that in other developing countries with a vast territory and medium sized population.



The characteristics of the Argentine energy supply and demand are summarized below:

- An atypical breakdown featuring Oil and Gas as the predominant energy sources, typical only of large hydrocarbon exporters such as countries in the Middle East, Russia, African LNG exporters, or Venezuela.
- In addition, between 55% and 56% of internal primary energy consumption relies on natural gas with a relevant share in consumption, despite restrictions to discourage potential demand for this energy source in winter. Constraints on final supply of gas lead to its substitution through other fuels in electricity generation and some industries, and to direct restrictions on industrial activities in some industry sectors.
- This market penetration of gas in energy consumption is significant at a global scale, only exceeded by few countries with large surplus production of natural gas.
- Reduction of local energy supply of natural gas and oil in 2020 and early 2021, in agreement with the additional reduction in domestic demand after several years' stagnation. A strong reversal of this trend is observed since mid-2021, with the reversion of the offer of hydrocarbons in the Neuquén basin and extensive reduction in the other oil and gas producing basins in our country.
- The decline in investments, affected by the 2020 economic and health crisis, led to the implementation of an incentive plan for the production of gas in late 2020, making it possible to halt the drop in production and to enable saturation of the gas transportation capacity from the Neuquén basin.
- The reduced demand in 2020 — lower than the historical trend in the Industrial, Transport and Commercial segments — was followed by an important recovery in 2021, and by the end of the year the figures were better than those for the last months of 2019, prior to the pandemic.
- The freeze on gas and electricity rates, declared by Emergency Decrees (DNU) dated December 2019, was extended over 2020 and had only one adjustment of 9% in the first half of 2021. With the economic recovery, coupled with the freeze on rates and fuel prices until January 2022, the increase in demand was repeated in the second half of 2021 and at the beginning of 2022.

SUPPLY OF ELECTRICITY AND DEMAND STRUCTURE

The electricity generation capacity in Argentina has evolved unevenly over the years, with periods of increased supply in response to the prevailing policies aimed at meeting electricity demand.

CAMMESA reports a nominal power of 42,989 MW installed and commercially authorized at the end of 2021, with a net increase of 2.5% in 2021, equivalent to 1,038 MW, after 5.7% in 2020 with respect to the end of 2019. This increase is lower than the 2,244 MW recorded in 2020 after the net rise of 1,166 MW or 3.0% in nominal availability[6] at the end of 2019.

One important feature of the incorporations is that they correspond to new equipment, resulting in high effective availability; therefore, the available operating power estimated by G&G Energy Consultants in the 2021/2022 summer season was about 32,000 MW, including a rotating reserve in the order of 1,900 MW. Even so, the sudden increase of unavailability in December 2021 and January 2022 almost reached 8,000-9,000 MW on certain days, due to the reduced remuneration received by the units with no forward contracts. Several thermal units were under maintenance and with fuel shortage, in addition to limitations to technical availability of the nuclear fleet and less water availability (hydraulicity) at hydroelectric reservoirs due to severe drought[7]. G&G Energy Consultants estimates that under conditions of sufficient remuneration to the generation units without contracts, availability is close to 32,000 MW.

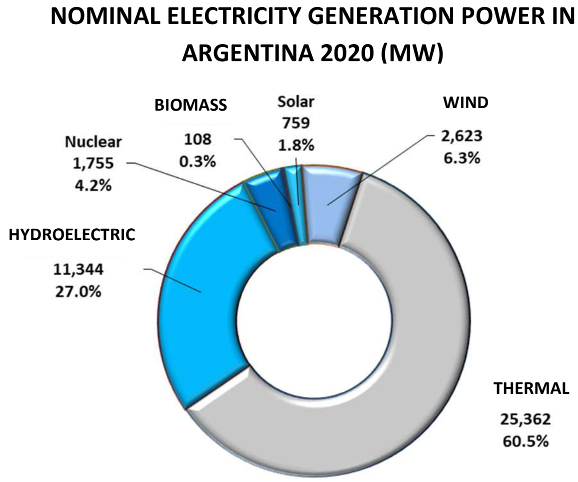
Unlike 2017 and 2018, when a significant number of small engine units[8] and GT units were incorporated in response to the contracts entered into under Resolution No. 21/2016, in 2019, closure of combined cycle or ST units in co-generation cycles, such as CT Renova's under Resolution No. 287/2017, started to be incorporated. In 2019, GT units of 159 MW only were incorporated compared with the 1,254 MW incorporated in 2018; in 2020, the number of GT units was reduced by 1,097 MW, mainly due to the closure of open cycles to combined cycles under Resolution No. 287/2017. In 2019, 210 MW were incorporated to the closure of combined cycles, compared to the 598 MW added in 2018; in 2020 the increase was substantial, with the addition of 1,875 MW in this power category.

In 2019 there was a substantial incorporation of 1,128 nominal MW from renewable sources — mainly wind generation — compared to 709 MW in 2018; in 2020, despite operating restrictions on building, other 1,407 MW were added from renewable sources, mostly wind. No nuclear power generation capacity was added/, and nominal capacity at hydroelectric power plants improved by 22 MW in 2019, and a similar amount in 2020, after the repowering of certain turbines. In 2020, some GT units were added to combined cycles. Renewable units were added as well, while diesel units and engines were withdrawn.

[6] 407 MW were incorporated in 2016, 2,179 MW in 2017, and 2,387 MW in 2018, according to data reported by CAMMESA at the end of 2020.

[7] The difference between nominal and effective power was due to restrictions on certain units caused by insufficient supply of fuel, difficulties in reaching the nominal yield, but mainly due to recurrent maintenance tasks or technical limitations in some generating units. It must also be considered that renewable units do not operate at their nominal power at all times but rather respond to specific parameters of radiation and wind speed at a point.

[8] In 2018, 201 MW from this type of units were withdrawn. In 2019, diesel engines of 155 MW and ST units of 198 MW were withdrawn.



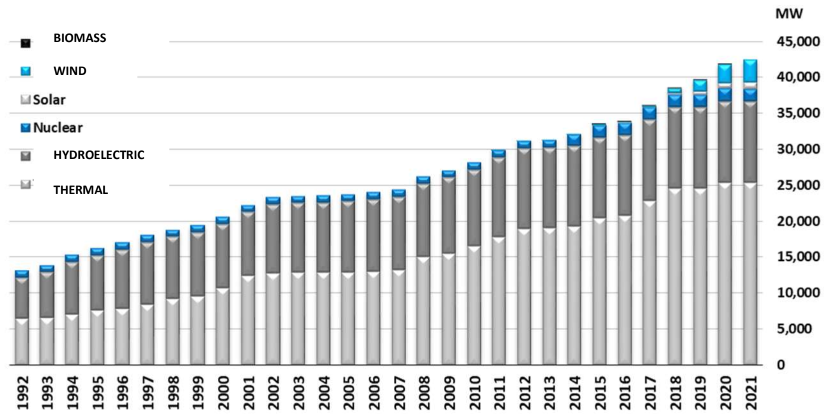
The financial restrictions of the Government have an impact on the rate of incorporation of power plants such as hydroelectric or nuclear, as a result of the large investments required and the extended execution terms. The recurrent fiscal crises of the Government result in delays and/or suspension of these large projects. Thus, successive governments have opted to foster the incorporation of thermoelectric generating units requiring lower investments and shorter terms for implementation, even though they use natural gas and liquid fuels. As production of these fuels has had a predictable and growing development in Argentina – as it happened again in 2018 and 2019 due to higher investment in natural gas after the commercial development of tight and shale gas –, their supply has not necessarily implied a restriction in the past. However, this thermoelectric generation policy has encountered increasing restrictions relating to the supply of locally produced fossil fuels from 2004 to 2014, in particular natural gas.

Between 2016 and 2019, the Government launched an aggressive program for hiring additional generating power, both from thermoelectric and renewable sources. The incorporation of supply was achieved through power availability and energy dispatch remuneration contracts in the case of thermal units, for terms of 10 and 15 years and with remuneration in US dollars. Further units were incorporated by means of long-term (20 years) contracts with CAMMESA for the purchase of the available power, in the case of wind, solar and biomass generation units and small hydroelectric plants.

Nominal Electricity Generation Capacity

The nominal installed capacity is concentrated on thermoelectric generation, although its unavailability is relatively high in relation to other sources of generation, except for nuclear energy which exhibits recurring unavailability due to scheduled and untimely maintenance. An important number of thermoelectric power-generating units show unavailability on a recurrent basis and are not reliable for dispatch, in particular during the winter season, when fuel restrictions cause a reduction in available effective power.

CHANGES IN NOMINAL ELECTRICITY GENERATION CAPACITY



NOMINAL ELECTRICITY GENERATION CAPACITY (MW) - DECEMBER 2021												
REGION	**ST**	**GT**	**CC**	**DI**	**THERMAL**	**NUCLEAR**	**HYDROELECTRIC**	**SOLAR**	**WIND**	**BIOGAS/ BIOMASS**	**TOTAL**	**%**
CUYO	*120*	*114*	*384*	*40*	**658**	**0**	**1,141**	**307**			**2,106**	**4.9%**
COMAHUE	*0*	*501*	*1,490*	*96*	**2,087**	**0**	**4,769**		**253**	**2**	**7,111**	**16.5%**
NORTH-WESTERN	*261*	*725*	*1,945*	*349*	**3,280**	**0**	**220**	**693**	**158**	**5**	**4,356**	**10.1%**
CENTRAL	*3*	*626*	*789*	*51*	**1,466**	**648**	**998**	**61**	**128**	**18**	**3,240**	**7.5%**
GREATER BA-LITORAL-BA	*3,870*	*3,693*	*8,594*	*848*	**17,005**	**1,107**	**945**		**1,177**	**44**	**20,278**	**47.2%**
NORTH-EASTERN	*0*	*12*	*0*	*305*	**317**	**0**	**2,745**			**71**	**3,113**	**7.3%**
PATAGONIA	*0*	*286*	*301*	*0*	**587**	**0**	**607**		**1,575**		**2,769**	**6.4%**
MOBILE					**0**						**0**	**0.0%**
TOTAL	**4,251**	**5,957**	**13,503**	**1.689**	**25,400**	**1,755**	**11,346**	**1,061**	**3,291**	**140**	**42,993**	**100.0%**
THERMAL %	*16.7%*	*23.5%*	*53.2%*	*6.6%*	**100.0%**							
TOTAL %					**59.1%**	**4.1%**	**26.4%**	**2.5%**	**7.7%**	**0.3%**	**100.0%**	

G&G Energy Consultants estimates that by the end of 2021 and early 2022, available effective power -which is lower than declared nominal power for the reasons explained above- reached approximately 32,000 MW, including a rotating reserve of 1,900 MW, which could not be fully used during the heat wave recorded in January 2022 due to the alarming operating and technical unavailability resulting from a low remuneration to the generation units dispatching energy in the spot market.

The record of demand for power on a working day held on Monday, January 25, 2021, was surpassed with successive maximum records on December 29, 2021, but especially on days with maximum temperatures exceeding 41°C in CABA and even higher in Santa Fe during a heat wave in the central region of the country.

The latest maximum record was held on Friday, January 14, 2022 with an increase of 6.7% (4,108 MW) compared to January 25, 2021, reaching 28,231 MW with forced and scheduled restrictions hard to be estimated. On Saturday, January 15, 2022, also recording very high temperatures, the record of power consumption for a Saturday was broken with 26,719 MW and an extraordinary increase of 18.2% (4,108 MW) from that recorded in January 23, 2021.

Daily power consumption records were exceeded during the heat wave. On Friday, January 14, 2022, the demand for energy on a business day was exceeded with 575.9 MWh, 5.8% higher than in January 2019. On Saturday, January 15 and Sunday, January 16, 2022, records for power demand for a weekend were surpassed with 559.0 MWh and 478.9 MWh, respectively.

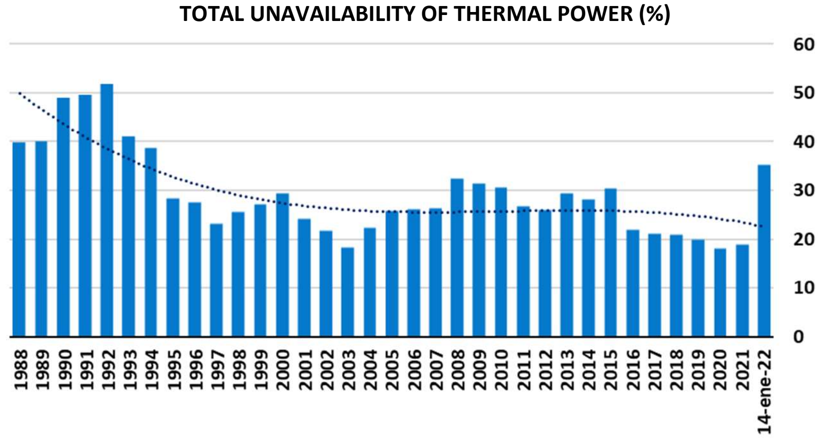
RECENT CHANGES IN ELECTRICITY CONSUMPTION RECORDS						
DAY	PREVIOUS RECORDS		CURRENT RECORDS		VARIATION	MW
	POWER (MW)					
Saturday	23-Jan-21	22,611	15-Jan-22	26,719	18.2%	4,108
Sunday	27-Dec-15	21,973	27-Jun-21	23,301	6.0%	1,328
Working Day	25-Jan-21	26,450	14-Jan-22	28,231	6.7%	1,781
DAY	**ENERGY (GWh/d)**				**VARIATION**	**GWh**
Saturday	30-Dec-17	478.4	15-Jan-22	559.0	16.8%	80.6
Sunday	24-Jan-21	457.8	16-Jan-22	478.9	4.6%	21.1
Working Day	29-Jan-19	544.4	14-Jan-22	575.9	5.8%	31.5

As mentioned, in January 2022 maximum records of electric power demand were beaten, although without excess of generation capacity unlike previous years, because there was extraordinary unavailability (8,191 MW of thermal generation units, plus 505 MW hydroelectric and 230 MW nuclear units). This unavailability prevented from maintaining the record for dispatch of the thermoelectric fleet of 17,274 MW, held on January 25, 2021, reaching 16,408 MW on January 14, 2022, with only 411 MW under remaining availability, which were not used to avoid unexpected interruptions.

The shortage of electric power generation reserves verified in winters and summers up to 2016 was solved with the incorporation of power. In the cold days of winter 2019 and 2020, it was evidenced that the incorporation of new electric power, which increased following the investment program in place since 2016, changed the situation with high available capacity only affected by fuel availability. However, insufficient power and energy remuneration to units that have no forward contracts, together with the completion of contracts under other modalities, is a key factor in the accumulation of unavailability of these units that hindered reliable supply in January 2022.

The status of thermoelectric unavailability, which had improved, was not maintained in January 2022, as those generators with units that have no forward contracts with CAMMESA could not afford necessary investments in maintenance - achieved until 2018/2019- when their remuneration started to decrease.

TOTAL UNAVAILABILITY OF THERMAL POWER (%)



The increase in effective available power had improved considerably until 2021 with the incorporation of new power plants. In 2021, the incorporation of the cogeneration unit of Terminal 6 where Central Puerto S.A. participates stood out, as well as the stable operation of the Renova cogeneration unit in which Grupo Albanesi takes part. In 2022, the construction of the large combined-cycle power plant Ensenada de Barragán owned by Pampa Energía-YPF continues, as well as that of power plant Brigadier Lopez owned by Central Puerto.

Grupo Albanesi companies made significant investments in various power plants and complied with the incorporation of power in general, over terms agreed with the new units incorporated. The last power plant involved in this investing process was the mentioned Renova cogeneration unit in 2021 (Central Térmica Cogeneración Timbúes).

The new generation capacity added in 2019 corresponds in a minimum portion to the international public bidding called under EES Resolution No. 21/2016 of the Ministry of Energy and Mining, in which Grupo Albanesi was the awardee of bids for 420 MW. All power plants related awards under EES Resolution No. 21 have been completed. Grupo Albanesi actively participated in the bidding process with the following power plants:

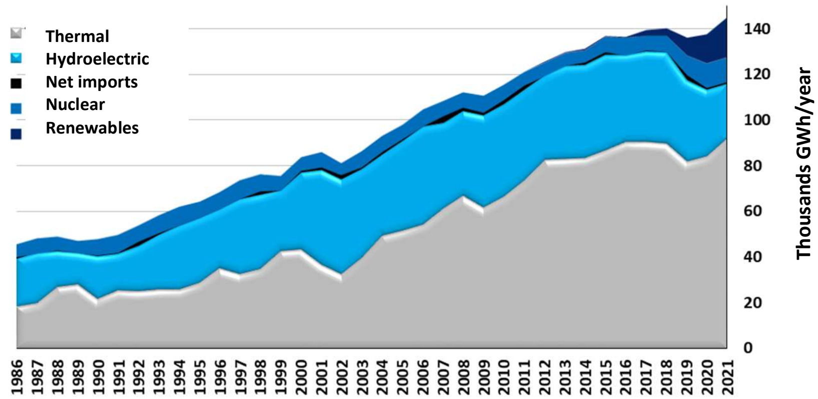
- CTE owned by GMSA received commercial authorization in September 2017, with two Siemens SGT800 turbines of 50 MW each, and a third turbine of 50 MW which was incorporated in 2018.
- CTI owned by GMSA received commercial authorization for a Siemens SGT800 turbine of an additional 50 MW in August 2017 and a second additional turbine of similar power in 2018.
- CTRi owned by GMSA received commercial authorization for a new Siemens SGT800 turbine of 50 MW in May 2017, in addition to the existing 40 MW.
- CTMM owned by GMSA incorporated 100 MW of nominal power, in July 2017, adding to the existing 250 MW.
- The closure of combined cycle was implemented at the CTR, with the incorporation in 2018 of a 60 MW steam turbine to the existing 130 MW gas turbine.

In addition, various companies making up Grupo Albanesi were awarded forward contracts with CAMMESA for expanding their capacity in the coming years. Within the framework of the international public bidding for closure of combined cycle and co-generation projects called for under EES Resolution No. 287-E/2017 of the Energy Secretariat of the Ministry of Energy and Mining, Grupo Albanesi was awarded three projects to install 351 MW of new capacity with other units of different companies. Albanesi was able to have the Renova cogeneration unit in full operation in Santa Fe despite the interruption of financing in Argentina since the 2018-2019 crisis. Grupo Albanesi took part in the incorporation of generation capacity under EES Resolution No. 287E-/2017 with the following power plants:

- The cogeneration project of the Central Térmica Cogeneración Timbúes of 172 MW in the province of Santa Fe, operating since 2019 in association with Renova, producer of oil and soybean crushing, is in full operation capacity since 2021.
- Closure of cycle with additional 125 MW steam turbines in the CTMM in Córdoba, in the process of obtaining financing.
- Closure of cycle with 150 MW steam turbines in the CTE in Buenos Aires.

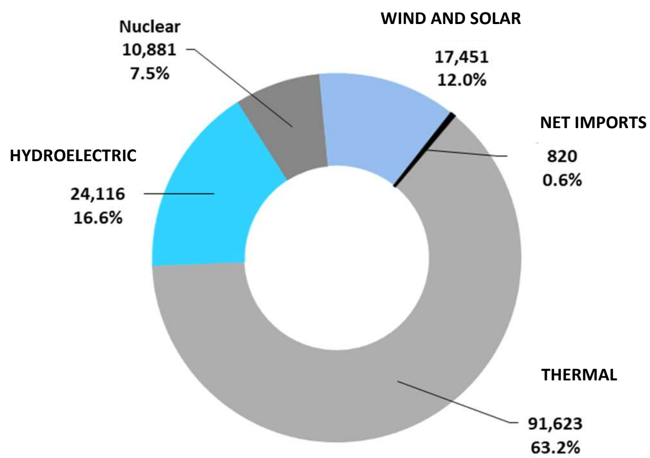
Gross Electricity Demand in the internal and external market – including losses in the transmission and distribution system, and the company's own consumption at rotating generating units – has shown a significant growth in thermoelectric power supply in recent decades, accompanied by a mild increase in the hydroelectric power supply due to the incorporation of the last stage of the CH Yacyretá following the gradual increase of its generating quota as from 2006.

CHANGES IN HISTORICAL GROSS SUPPLY OF ELECTRIC POWER



SUPPLY OF ELECTRIC POWER 2021 (GWh/year)

(144,891 GWh/year)



Between 2016 and 2020, the growth trend of electric power demand showed a slowdown, aggravated in 2019 partly by moderate winter temperatures. In 2020, significant exports to Brazil in the last months of the year enabled a slight upturn of 1.2% with respect to 2019, although domestic market demand was reduced. This long-term trend reflects moderation in electricity demand in periods of economic downturn, such as 2016, 2018, 2019 and especially 2020, with an impact of tariff adjustments implemented until February 2019 to partially improve electricity supply cost coverage. In 2020, the effect of the measures to control the COVID-19 pandemic led to a reduction in demand especially in the industrial and trade sectors.

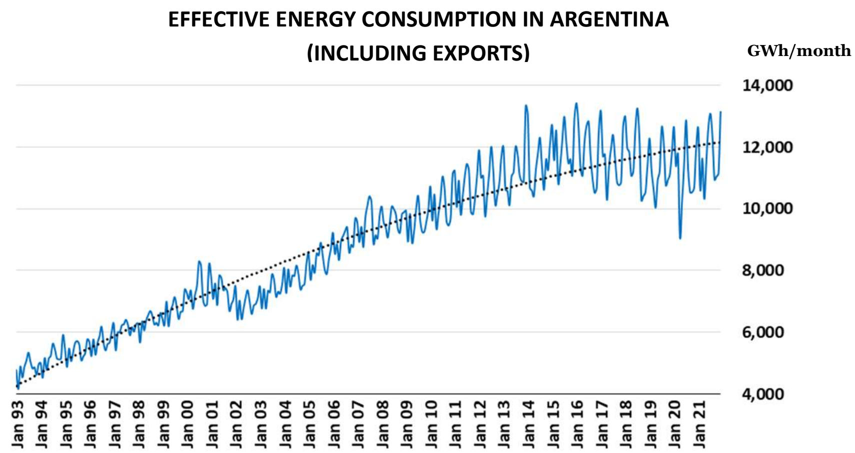
There was a reduction in internal gross electricity demand of -2.9% in 2019 and -1.0% in 2020. The economic reactivation in 2021 with the opening of activities led to a significant expansion in internal demand of +4.9%: If energy exports to Brazil are considered, the expansion in demand was, in the aggregate, +5.4% in 2021 after recording + 1.1% in 2020.

Demand of electric power

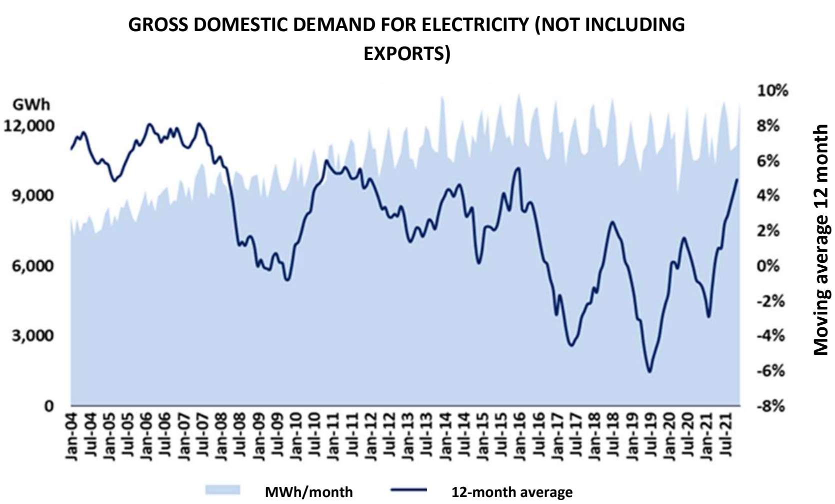
CAMMESA divides Argentina into regions with similar characteristics from the demand point of view, as well as on the basis of the socio-economic characteristics and the integration of each electricity subsystem.

Demand is highly concentrated in the CABA-Greater Buenos Aires area-Litoral region, which accounts for 61.4% of the total electricity demand of the country in 2020; minor changes are estimated for 2021, possibly with a participation of 62% after activities are resumed, especially in Greater Buenos Aires. Growth rates in other regions, such as the Northwest, Comahue and Patagonia, are higher than in the rest of the country. However, the changes in the current structure will not be significant in the future; accordingly, investments in electricity supply will be concentrated in these regions.

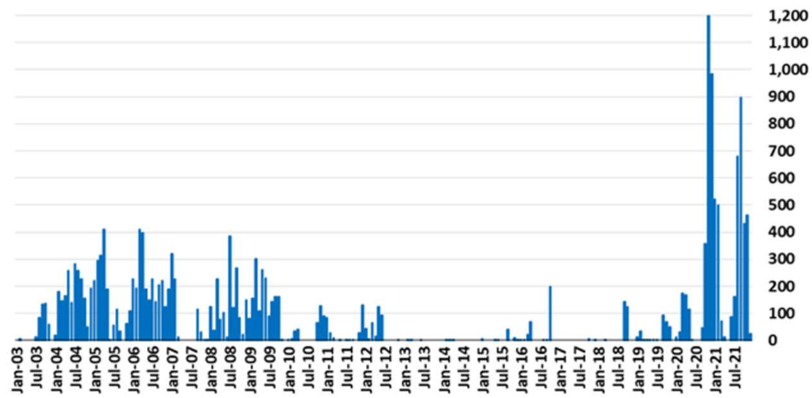
Estimates by G&G Energy Consultants in 2021 suggest a strong reversal of internal gross demand at +4.9%, with rate freeze and economic reactivation. We believe that the growth rates of electricity internal demand will be similar to historical rates once the economy returns to a normal path after the striking, uncustomary variations of the last two years.



The development of the moving twelve-month average evidences a decrease in energy demand, with inactivity until mid-year 2019, subsequent budding recovery and renewed fall resulting from social isolation in 2020 and early 2021. The upward turn sustained over recent months will probably extend at least until the winter of 2022.

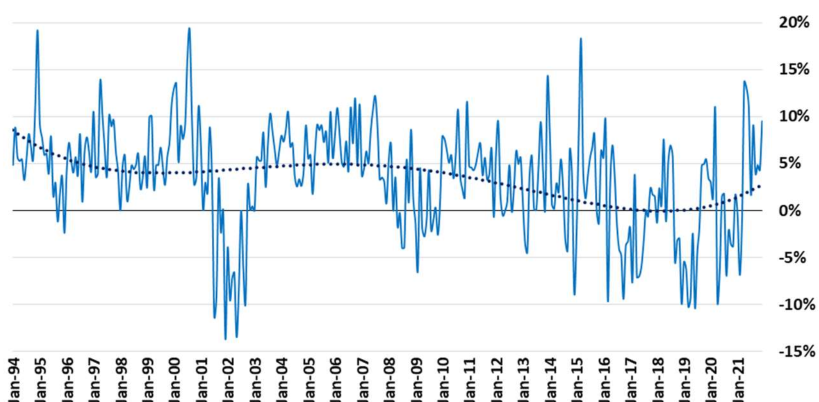


ELECTRICITY EXPORTS (GWh/month)

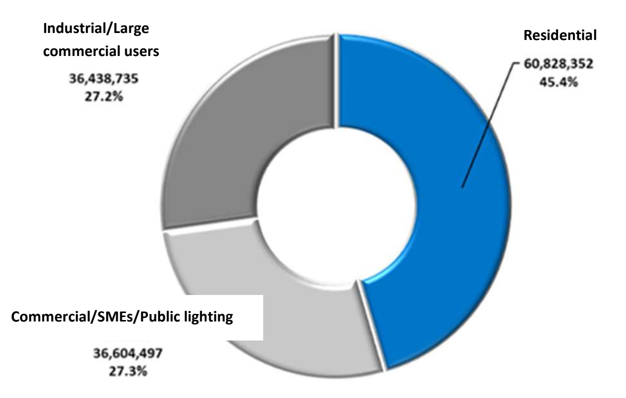


A direct inter-annual analysis, as opposed to the moving twelve-month average, which is useful to observe the changes in the trend, shows a growth rate from 5 to 10% in 2010 and beginning of 2011, with an abrupt slowdown including negative values in 2012 and beginning of 2013, with growth being stimulated after the 2012 winter. December 2013 and January 2014 showed spectacular residential and commercial demand due to the heat wave which affected the central area of Argentina during those periods, which in December 2014 was reverted with a sharp fall in demand when temperatures became normal.

YEAR-ON-YEAR CHANGE IN GROSS DEMAND FOR ELECTRICITY

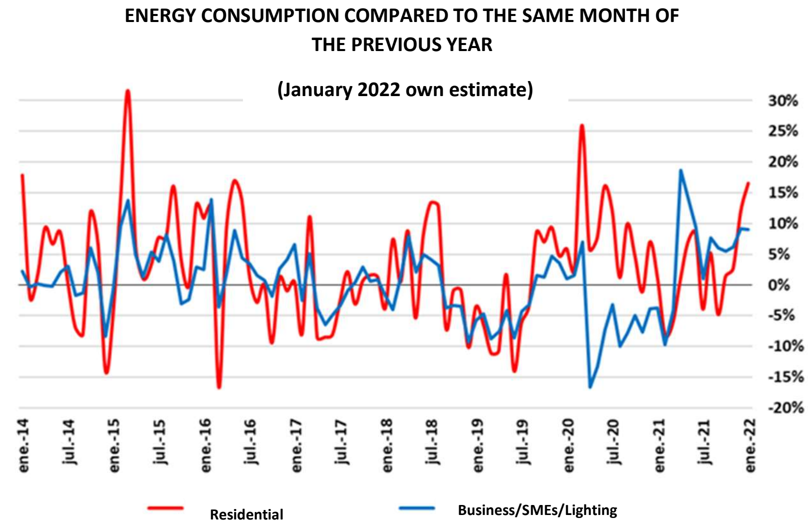


ELECTRICITY CONSUMPTION IN 2021 (MWh; net of losses)

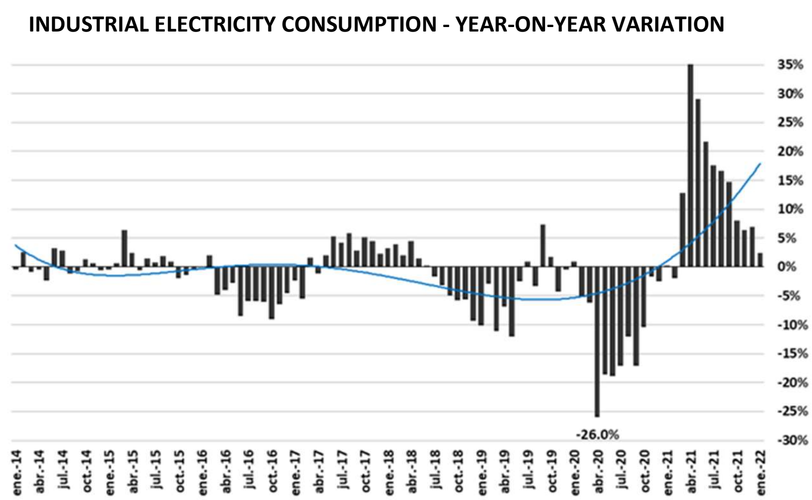


In 2019 there was a reduction of -2.9% in annual electricity demand. The residential electricity demand segment was reduced by -2.0% in 2019 following the 2.0% increase recorded in 2018 as a result of winter and summer temperatures. In 2017, electricity demand from this segment decreased by -2.0% as a result of tariff adjustments and moderate temperatures in summer and winter, after 3.0% in 2016 compared with 2015, higher than 2.1% recorded in the recessionary 2014 compared to 2013, but lower than 7.7% recorded in 2015. In 2020 a sharp increase of 8,1% was recorded, obeying to the rate freeze and social isolation, which implied more hours of consumption at homes. Our estimate in 2021 is that consumption in the residential segment increased +1.3% despite the lesser number of people staying at home, driven by economic reactivation and the rate freeze.

The commercial electricity demand segment grew 3.2% in 2016 compared with 2015, a growth higher than the 0.2% recorded in 2014, and lower than the 3.8% recorded in 2015. In 2017, this segment decreased by -0.4% and in 2018 a further -0.4%. In 2019, this trend increased to -3.2%. The electricity tariff adjustments implemented in February 2016, followed by adjustments to natural gas in April 2016, partly affected consumer demand. 2020 witnessed a tight contraction of -5.3%, due to the severe economic crisis suffered by these consumers, with a partial reversal of +4.4% in 2021.



The industrial activity stopped falling at the beginning of 2017, and the activity growth lasted until early 2018, when once again, a significant slowdown began, accelerated in the last few months of that year. In 2016, the Industrial segment had shown a -4.7% reduction in electricity demand after a modest +0.8% in 2015. In 2017, the industrial reactivation showed a 2.0% increase in electricity demand, while 2018 ended at –1.3%, with very negative year-on-year figures of -5.8% and -9.7% in November and December 2018. In 2019, the recessive trend grew until the first half of the year, with an annual contraction of -3.6% and a recovery in some months. In 2020 an intense contraction of -11,3% was recorded, due to the severe economic crisis, with a recovery since the end of that year if compared to the bad months of 2019. The reversal observed in 2021 was significant, +13.1%; thus, consumption in this segment is above that at the end of 2019.



3. HIGHLIGHTS FOR FISCAL YEAR 2021

3.1 Electric power

In the course of 2021, the demand of electric power increased by 5.07% as compared to the prior year. The most considerable increment was recorded in the second and third quarters of 2021, with 10.61% and 8.61%, respectively. The increase in industrial demand in the second and third quarters of 2021 reached 23.39% and 12.24%, respectively. Residential demand increased by 6.32% in 2021.

In 2021, CTR maintained an average plant availability of 90%. The energy generated in 2021 by unit was 1,150,909 MWh.

3.2 Maintenance

The objective of the maintenance tasks carried out during the year was to maintain the availability of the combined cycle.

The maintenance plan comprised the generating units, HRSG, and ancillary and building equipment.

During the fiscal year, average maintenance tasks were carried out at gas turbines, classified as "CI" for 16000 FFH, according to the manufacturer's manual recommendations.

In addition, the remote and local assistance agreements with GE also remained effective.

3.3 Environmental management

Corporate Environmental Management System

The ISO 14001:2015 certification for the Environmental Management System of Grupo Albanesi is available based on implementation with a corporate scope, for the following companies: GROSA, CTR, AESA and GMSA, with their thermal power plants: CTMM, CTRi, CTI, CTLB, CTF, and CTE. Among these companies, it is important to mention:

a) GMSA, CTMM also have a Quality Management System certified under ISO standard 9001:2015 implemented in an integrated manner with its Environmental Management System.
b) GMSA, CTE obtained the ISO 45001:2018 certification on Occupational Safety and Health in December 2021.

This type of environmental management, especially notable for its corporate character, allows working in a unified and coordinated manner at all work sites, applying the same criteria for determining the environmental aspects of the activity, significant assessments and the operational controls adopted in response to those matters.

Supported by standardized documentation and implemented within a work framework based on joint and cooperative performance between the parties, sustained growth has been achieved over time, subject to regular performance reviews and ongoing improvement processes.

The main benefits of the above may be noted in aspects such as:

- Environmental awareness and the involvement of the personnel in the fulfillment of the objectives set.
- The priority given to preventive management actions.
- A history of absence of environmental incidents, resulting from a work culture rooted in deep ethical and professional values.
- Efficient performance in connection with the necessary corrective actions and the permanent eradication of root causes, safe contention of risks and achievement of new opportunities for improvement.
- Attention given in due time and manner to comply with legal requirements.
- Improved management of environmental issues relevant to the activity, with special attention to its life cycles and the interests related to environmental sustainability.
- Effectiveness, fluency and clearness of internal communications, for timely addressing the needs and challenges of management.

- Interest and attention paid to concerns and expectation of the community and other external stakeholders.
- Strict regularity in the follow-up and analysis of environmental parameters.
- Efforts expended, with meritorious results, to the preservation of order, hygiene and aesthetic care of natural spaces.

In October 2021 a new external audit process was conducted by the IRAM, which resulted in the renewal of the certifications on Management Systems (Quality at CTMM and Environment at Group level in the electricity generation area) for another three-year period.

3.4 Human Resources

This fiscal year pervaded by the pandemic posed a challenge for us to find the most possibly efficient way to adapt to the previously formulated plans for this sector.

The continuance of the restrictive measures enforced, as well as evidence of the effectiveness of an organization model with on-site presence of work teams at the Head Office on a rotating basis, provided the final drive to adopt a flexible work system; this was materialized after mid-year and now is fully implemented, with cooperation from all our staff and coordinated by the Company's Management.

This flexible-work organization, that can be accepted by employees on a voluntary basis, consists in a "hybrid 3 x 2" system, i.e., 3 days at the office and 2 days working from home.

This change, which we consider as pivotal in the history of our company, has triggered actions of various kinds for adapting our Benefit Plan and Training programs, among others, and also the infrastructure, with considerable changes as to layout, communications, ergonomics and working conditions.

Both for our working community and for the other business activities declared essential, the objective is always "Ensuring the Company's operating condition and preserving the health and well-being of our staff and their families".

Communications to personnel and HR information systems

All communication channels continue being used for announcing the measures implemented and raising awareness about care and prevention in connection with the pandemic and quarantine situation.

Available channels:

- Newsletter RH+
- Portal SAP Jam
- Email
- The Performance Management Program was conducted thoroughly online, by means of the Success Factors platform.
- A tool was integrated into the Success Factors platform to enable follow-up of the COVID-19 situation and also that each employee can report the progress of their own vaccine plan.

Employment opportunities

The Group's employment level remained practically stable, with a decrease of only 2.48 % from the previous year.

Through our internal mobility program "MOBI", 8 positions were offered to cover internal rotations, and 21 persons from an external source were incorporated for replacements, 60 % of them at Operations and the remaining 40 % at the Head Office.

Staff turnover figures
7 vacancies were filled through internal searches. Turnover rate for 2021 was 4.3%.

Training

More than 20,000 hours were devoted to Training, distributed among soft disciplines aimed at senior and middle managers. Continuous education in languages, Compliance, Leadership Skills and the development of technical competencies, Occupational Health, Hygiene and Safety, technical skills and specialization to be in line with the changes in job positions, across all levels in the organization.

Well-being and motivation

Based on the constant goal of enhancing our "employee experience", we introduced several modifications to our Benefit Plan; one of the most outstanding is the incorporation of the Gympass platform at a nation-wide scale, to enable access to various well-being programs for employees and their families, with access to the program and gyms in most of the cities where the Group has operations.

By means of our Newsletter RH+, we continued developing contents oriented to achieving work-life balance in remote working.

- Articles on ergonomics, safety and working conditions
- Articles on healthy food
- Stress management

A luncheon benefit was added by means of the tool Restaurant Card, which enables access to a network of restaurants registered with this program in the proximity of the Head Office.

The staff following the flexible work system were provided a notebook for remote working, plus all the accessories needed to perform their tasks under safe ergonomic conditions and for protecting the assets (mouse pad, headset, wireless keyboard and backpack).

Individual lockers were implemented to keep personal belongings after using flexible work stations.

Infrastructure and connectivity for flexible work stations

In order to materialize a flexible work organization, the Technology area equipped all work stations with the connection elements necessary for each station — to be shared by several employees — to meet the required standards in terms of ergonomics, safety and communications.

An application for making reserves of flexible work stations was implemented for all the staff working at the Head Office.

Prevention and operations at every location with on-site activities

- Maintenance and continuous updating of the COVID-19 Protocol for both Operations and Head Office.

- Provision of personal protection elements
  - Face masks for all personnel.
  - Alcohol-based gel sanitizer and liquid alcohol for spraying on clothes.
  - Latex (disposable) gloves and dishwashing type ("Mapa") for cleaning and orderly personnel.

- Prevention, asepsis and sanitarian control
  - Digital thermometers for temperature control at a distance, at all locations.
  - Shoe sanitizing mats at the entrance of each floor, with an additional rug for drying.
  - Visual luminous detectors at the entrance of each restroom facility, to comply with prevention measures.
  - Elements for handling non-perishable food (e.g.: stainless steel tongs + disposable transparent 1.5-micron nylon gloves).

- Head Office
  - Cleaning and sanitization of carpets.
  - Room sanitization using quaternary ammonium spray.

These measures are all in progress and they are adjusted according to the dynamics of each site.

Sustainability/CSR

Social Balance

One year more, we have contributed on a continuing basis to the development of the communities in which we operate. We continue supporting these educational and social inclusion projects:

GENERACION MEDITERRANEA S.A. – Santiago del Estero
Grano de Mostaza Foundation

GENERACION MEDITERRANEA S.A. – La Rioja
Padre Praolini Foundation

GENERACION MEDITERRANEA S.A. – Río Cuarto – Córdoba
General Ignacio Foteringham School

Donation of computer material to educational institutions

Timbúes – Santa Fe
General Roca – Río Negro
San Miguel de Tucumán – Tucumán
Ezeiza – Buenos Aires
Frias – Santiago del Estero
Rio Cuarto – Córdoba

Corporate Volunteering Solidarity Projects

Initiatives developed by our middle-managers as projects within the program for soft skills training, counting with the Group’s logistics support.

- Donation of non-perishable food and/or cleaning supplies to ONGs located in several towns identified by the volunteer teams.

Conin Center – Río Cuarto – Córdoba
Asociación Sumampeña – Frias and La Banda – Santiago del Estero
Proyectar Esperanza Foundation – General Roca – Río Negro
“Llegando a vos” Project – Ezeiza – Buenos Aires
Camino Foundation, jointly with Conin Foundation – Rosario – Santa Fe
Nuestro Hogar children’s home – La Matanza – Buenos Aires

- Distribution of healthy meals through Banco de Alimentos

Rio Cuarto – Córdoba

- Donation of sports clothing to CSD y Cultural Santa Magdalena

Guernica – Buenos Aires

3.5 Systems and Communications

During 2021, the Systems and Communications areas continued to provide maintenance, development, implementation, innovation and solutions relating to applications, technology, telecommunications, information and process security, guaranteeing a suitable service level and covering the Company's business needs, even in the context of the quarantine due to the COVID-19 pandemic.

This area has policies and procedures in line with international standards which are constantly supervised to ensure compliance with the objectives of the sector, internal controls, as well as quality and ongoing improvement.

The projects and objectives achieved during 2021 are summarized below:

- Improvements and enlargement of the fire protection system at the corporate data center, to enhance its security.
- Optical-fiber connection system of the group generator at the corporate data center, enabling remote monitoring and alerts on functioning to have a proactive control on the equipment performance.
- Migration of the SAP servers to a new HP equipment, which implied both a technological enhancement and an improvement in security.
- Windows 10 licenses were renewed and extended.
- We purchased 25 notebooks for replacement of obsolete equipment and for the new assignees under the remote work modality.
- 22 PCs were upgraded, which remained available as they were replaced by the laptops and were sent to different power plants.
- 27-inch visual displays were installed in all work stations (150); also, periscopes with power outlets were installed to facilitate the new mobile-work system on each floor.
- 73 mobile phones of the fleet were upgraded and renewed.
- Commercial systems were expanded and improved, adding new functionalities for daily operation.
- New reports were developed, using new technologies (e.g., Power BI) or existing ones (Business Object).
- The process of calling for investment rounds was automated, with technology by Power Automate.
- SAP data extraction and usage was standardized (OCs, OIs, Payments, PM).
- Over 120 improvements were developed for management programs used daily.

The new Systems and Information Technology Management will continue in 2022, with the investment processes aimed at improving productivity and efficiency of existing processes, as well as adding innovative technologies, thus allowing to continue with the process to improve the actions focused on ensuring security, confidentiality, completeness and availability of the information.

Projects for 2022 include the following:

- Development of an application site for dynamic use of SAP. (Approval of expenses, releasing orders, etc.).
- Implementation of a corporate data warehouse, to integrate and combine data from different sources.
- Development of a platform for managing GAS contracts and customers.
- Upgrade of computers, notebooks and cell phones.
- Expansion and improvement of the commercial and energy billing systems.
- Implementation of a software for proactive monitoring of the equipment (cameras, servers, communication equipment, etc.).
- Expansion and improvement of the commercial and energy billing systems.
- Expansion of the CCTV system.

3.6 Integrity Program

On August 16, 2018, the Board of Directors approved the Integrity Program for the Company (the "Integrity Program" or "Program"), whereby the Code of Ethics and Conduct was strengthened and different policies were implemented, including an Anti-corruption Policy, a Policy on the Submission of Tenders and Bids and a Policy on Relationships with Government Officials. Likewise, a confidential Ethics Line was created for reports that can be anonymous and is available both for Albanesi employees and third parties. This Line is managed by PricewaterhouseCoopers ("PwC"). The Code and the Ethics Line are available on Albanesi's website (http://www.albanesi.com.ar/programa-integridad.php). The four channels available for reporting may be consulted on the following website: http://www.albanesi.com.ar/linea-etica.php

Additional policies were drafted later, such as the Policy on Donations, Scholarships and Sponsors, a Policy on Confidentiality and Use of Work Tools, and a Policy on Third-party Due Diligence, a complement to the tool for Supplier Integrity Risk Management (GRIP, for its Spanish acronym), developed with PwC's assistance.

The Program includes three registers: (i) Gifts, (ii) Relationships with Government Officials and (iii) Conflicts of Interest, of mandatory use for our employees.

The Code mandates the creation of an Ethics Committee (the "Committee"), which is in charge of addressing all issues relating to any behavior reportedly against the Integrity Program. On September 9, 2020 the Company's Board of Directors approved the reform to the Regulations of the Ethics Committee, as well as the appointment of an Ethics and Compliance Officer and the renewal of the Committee members, who are in office for one year. At present, according to the appointments approved by the governing body on September 8, 2021, the Committee is composed of the Corporate Legal & Compliance Manager, the Corporate Internal Audit Manager and one Director from some of the companies, independent of the Group's shareholders.

On May 3, 2021, the Board approved a Procedure for Conducting Inquiries to address the treatment of the reports received through the Line, assign responsibilities and provide safeguards to each of the persons involved in the procedure.

Further, the Company develops an ongoing Training Plan, consisting of classroom and virtual courses for all employees, directors and shareholders. It includes the implementation of short-form ads on specific matters, for instance during the current year, liaison with government officials and red flags within procurement and hiring processes.

3.7 Financial position

At December 31, 2021, the bank and financial debt of the Company was broken down as follows:

	Principal	Balances at December 31, 2021	Interest rate	Currency	Date of issue	Maturity date
			(%)			
Debt securities						
International Bond	USD 13,999	15,033	9.63%	USD	July 27, 2016	July 27, 2023
International Bond	USD 57,120	56,022	9.63%	USD	December 1, 2021	December 1, 2027
Class II Negotiable Obligations GMSA-CTR	USD 6,000	6,115	15.00%	USD	August 5, 2019	May 5, 2023
Class IV Negotiable Obligations GMSA-CTR	USD 2,592	2,601	13.00% until the first amortization date 10.50% until the second amortization date	USD	December 2, 2020	April 11, 2022
Class VII Negotiable Obligations GMSA-CTR	USD 136	137	6.00%	USD	March 11, 2021	February 11, 2023
Class VIII Negotiable Obligations GMSA-CTR	UVA 120	95	UVA + 4.60%	ARS	March 11, 2021	February 11, 2023
Class IX Negotiable Obligations GMSA-CTR	USD 1,422	1,470	12.50%	USD	April 9, 2021	April 9, 2024
Class IX Negotiable Obligations GMSA-CTR	USD 235	237	6.00%	USD	November 12, 2021	November 12, 2024
Class IX Negotiable Obligations GMSA-CTR	UVA 801	750	UVA + 4.60%	ARS	November 12, 2021	November 12, 2024
Subtotal		**82,460**				
Other liabilities						
BAPRO loan	$354,220	3,502	Adjusted Badlar	ARS	January 21, 2020	June 4, 2022
Chubut loan	$62,781	627	Badlar + 5%	ARS	September 7, 2021	September 7, 2022
Banco Macro loan	$48,200	478	Badlar + 10%	ARS	August 3, 2020	January 12, 2022
Finance lease		173				
Subtotal		**4,780**				
Total financial debt		**87,240**				

1. **Brief description of the activities of the issuing company, including references to relevant situations subsequent to year end** (in thousands of pesos)

In accordance with the provisions of CNV General Resolution No. 368/01 and subsequent amendments, we present below an analysis of the results of operations of CTR and its financial position, which must be read together with the attached financial statements.

Fiscal year ended December 31:

	2021	2020	Variation	Variation %
	MWh			
Sales by type of market				
Sale of energy Res. No. 220	1,147,631	1,143,947	3,684	0%
Sale of energy Res. No. 95, as amended, plus Spot	3,279	2,772	507	18%
	1,150,910	**1,146,719**	**4,191**	**0%**

The sales by type of market (in thousands of US dollars) are shown below:

Fiscal year ended December 31:

	2021	2020	Variation	Variation %
	(In thousands)			
Sales by type of market				
Sale of energy Res. No. 220	41,653	38,541	3,112	8%
Sale of energy Res. No. 95, as amended, plus Spot	208	104	104	100%
	41,861	**38,645**	**3,216**	**8%**

Income/(loss) for the fiscal years ended December 31, 2021 and 2020 (in thousands of US dollars):

	Fiscal year ended December 31:			
	2021	**2020**	**Variation**	**Variation %**
Sales of energy	41,861	38,645	3,216	8%
Net sales	**41,861**	**38,645**	**3,216**	**8%**
Purchase of electric energy	(459)	(233)	(226)	97%
Salaries, social security liabilities and employee benefits	(1,563)	(1,426)	(137)	10%
Defined benefit plans	(17)	(17)	-	0%
Maintenance services	(698)	(479)	(219)	46%
Depreciation of property, plant and equipment	(9,008)	(8,368)	(640)	8%
Security guard and porter	(90)	(102)	12	(12%)
Insurance	(527)	(347)	(180)	52%
Taxes, rates and contributions	(145)	(125)	(20)	16%
Sundry	(164)	(121)	(43)	36%
Cost of sales	**(12,671)**	**(11,218)**	**(1,453)**	**13%**
Gross income	**29,190**	**27,427**	**1,763**	**6%**
Taxes, rates and contributions	(487)	(765)	278	(36%)
Selling expenses	**(487)**	**(765)**	**278**	**(36%)**
Fees and compensation for services	(3,098)	(2,445)	(653)	27%
Directors' fees	(77)	-	(77)	100%
Leases	(97)	(54)	(43)	80%
Per diem, travel and representation expenses	(1)	(29)	28	(97%)
Gifts	-	(2)	2	(100%)
Sundry	(68)	(43)	(25)	58%
Administrative expenses	**(3,341)**	**(2,573)**	**(768)**	**29.8%**
Other operating income	-	434	(434)	(100%)
Other operating expenses	-	-	-	100%
Operating income/(loss)	**25,362**	**24,523**	**839**	**3%**
Gain/(loss) on purchasing power parity	-	25,074	(25,074)	(100%)
Commercial interest	1,225	(604)	1,829	(303%)
Interest on loans	(11,269)	(10,412)	(857)	8%
Bank expenses and commissions	(117)	(54)	(63)	117%
Exchange difference, net	(2,231)	(28,288)	26,057	(92%)
Difference in UVA value	(262)	-	(262)	100%
Other financial results	419	102	317	311%
Financial and holding results, net	**(12,235)**	**(14,182)**	**1,947**	**(14%)**
Pre-tax profit/(loss)	**13,127**	**10,341**	**2,786**	**27%**
Income tax	**4,584**	**(4,060)**	**8,644**	**(213%)**
Income/(loss) for the year	**17,711**	**6,281**	**11,430**	**182%**
These items will be reclassified under income:				
Change of income tax rate - Revaluation of property, plant and equipment	(3,589)	-	(3,589)	100%
Benefit plan	5	15	(10)	(67%)
Revaluation of property, plant and equipment	-	7,494	(7,494)	(100%)
Impact on Income Tax	(2)	(1,877)	1,875	(100%)
Other comprehensive income/(loss) for the year	**(3,586)**	**5,632**	**(9,218)**	**(164%)**
Total comprehensive income/(loss) for the year	**14,125**	**11,913**	**2,212**	**19%**

Sales:

Net sales for the year ended December 31, 2021 amounted to USD 41,861 thousand, as against the USD 38,645 thousand for fiscal year 2020, showing an increase of USD 3,216 thousand (8%).

During the fiscal year ended December 31, 2021, the dispatch of energy was 1,150,910 MWh, accounting for an increase of 4,191 Mwh as against the 1,146,719 MWh for fiscal year 2020.

Below is a description of the Company's main revenues, and their variation during the year ended December 31, 2021, as against fiscal year 2020:

(i) USD 41,653 thousand from energy and power sales on the forward market to CAMMESA under Resolution No. 220/07, representing an 8% increase as against the USD 38,541 thousand for fiscal year 2020. Such variation is mainly due to the net effect between the increase in the dispatch of energy and the increase in the exchange rate.

Cost of sales:

Total cost of sales for the year ended December 31, 2021 reached USD 12,671 thousand, as against the USD 11,218 thousand for fiscal year 2020, representing an increase of USD 1,453 thousand (13%).

Below is a description of the Company's main revenues, and their variation during the year ended December 31, 2021, as against fiscal year 2020:

(i) USD 9,008 thousand for depreciation of property, plant and equipment, which accounted for an 8% increase compared with the USD 8,368 thousand for fiscal year 2020. This change is mainly due to the effect of depreciation arising from the technical revaluation in June and December 2020. This item does not entail an outlay of cash.

(ii) USD 1,563 thousand for salaries, social security liabilities and employee benefits, up 10% from the USD 1,426 thousand recorded in 2020. This variation is explained by salary increases.

(iii) USD 698 thousand in maintenance services, which represented a cost reduction of 46% from the USD 479 thousand for fiscal year 2020. This difference arises from an addendum to the maintenance contract with GE signed on November 15, 2020, which modified the contract conditions. This contract states that inspections of turbines will be carried out during 2020 and parts will be replaced to extend the useful life of equipment.

Gross income/(loss):
Gross income/(loss) for the year ended December 31, 2021 amounted to USD 29,190 thousand, compared with the USD 27,427 thousand recorded in fiscal year 2020, accounting for an increase of USD1,763 thousand (13%). This variation is mainly explained by an increase in sales of energy and power in the forward market to CAMMESA.

Selling expenses:

Total selling expenses for the year ended December 31, 2021 reached USD 487 thousand, compared with USD 765 thousand for fiscal year 2020, reflecting a decrease of USD 278 thousand (36%).

Administrative expenses:
Total administrative expenses for the fiscal year ended December 31, 2021 amounted to USD 3,341 thousand, showing a 29.8% increase from the USD 2,573 thousand recorded in 2020.

The main components of the Company's administrative expenses are listed below:

(i) USD 3,098 thousand of fees and compensation for services, which accounted for an increase of 27% from the USD 2,445 thousand recorded in 2020. Such variation is due to the increases in billing of administrative services rendered by RGA.

Operating income/(loss):
Operating income/(loss) for the year ended December 31, 2021 amounted to USD 25,362 thousand, compared with the USD 24,523 thousand recorded in fiscal year 2020, accounting for an increase of USD 839 thousand (3%).

Financial and holding results, net:
Net financial and holding results for the fiscal year ended December 31, 2021 amounted to a total loss of USD 12,235 thousand compared with the loss of USD 14,182 thousand recorded in fiscal year 2020, which accounted for a decrease of 27%. This variation is primarily due to the effect of the exchange rate fluctuation and the variation in interest on loans.

The most noticeable aspects of the variation are:

(i) USD 11,269 thousand loss for interest on loans, accounting for an increase of 8% compared with the USD 10,412 thousand loss for 2020 due to the new financial instruments taken between both fiscal years and the exchange rate variation.

(ii) USD 2,231 thousand loss due to net exchange differences, accounting for a decrease of 92% compared with the USD 28,288 thousand loss recorded in fiscal year 2020. This variation is mainly because in 2021 the Company changed its functional currency from Argentine pesos to US dollars. This leads to an asset position in pesos for the year ended December 31, 2021, which generates less exchange differential than the liability position in US dollars for the year ended at December 31, 2020.

(iii) USD 25,074 thousand variation due to RECPAM, which represents a decrease of 100%. The variation is due to the change in functional currency applied by the company.

(iv) USD 1,225 thousand income for commercial interest, accounting for a variation of USD 1,829 from the USD 604 thousand loss for fiscal year 2020. This variation obeys mainly to the decrease in commercial interest paid to RGA compared to fiscal year 2020.

Net income/(loss):
The Company reported pre-tax profit for USD 13,127 thousand for the fiscal year ended December 31, 2021, which accounted for a 27% increase as against the USD 10,341 thousand profit in fiscal year 2020. This is mainly due to the variation in sales, costs of sales and the exchange rate.

The Company recognized an Income Tax benefit of USD 4,584 thousand for the fiscal year ended December 31, 2021, as against the income tax expense of USD 4,060 thousand for fiscal year 2020. This variation is mainly explained by the recognition of the inflation adjustment for tax purposes on accumulated tax losses. This variation is also offset because the impacts generated by the change in the rate have been recorded, based on the amendments introduced by Law No. 27630, on the balances of net deferred assets and liabilities.

Thus obtaining income after Income Tax for USD 17,711 thousand compared with USD 6,281 thousand of income for fiscal year 2020.

Comprehensive income/(loss) for the year:

Income recorded under other comprehensive income/(loss) for the year ended December 31, 2021 amounted to USD 3,586 million, representing a 164% decrease from the USD 5,632 in fiscal year 2020. The variation is mainly because income/(loss) for fiscal year 2020 includes the revaluation of property, plant and equipment performed at December 2020 and its effect on Income Tax; in fiscal year 2021 there was no revaluation of property, plant and equipment. Income/(loss) for fiscal year 2021 includes the effect of translation differences arising from adopting the US dollar as functional currency and the effect of the change in Income Tax rate for the revaluation of property, plant and equipment.

Total comprehensive income for the year amounted to USD 14,125 thousand, representing an increase of 19% compared with the comprehensive income of USD 11,913 thousand for fiscal year 2020.

2. Comparative balance sheet figures (in thousands of US dollars)

	December 31, 2021	**12/31/2020**
Non-current assets	138,856	146,238
Current assets	35,098	39,007
Total assets	**173,954**	**185,245**
Equity	54,361	40,236
Total equity	**54,361**	**40,236**
Non-current liabilities	101,296	112,995
Current liabilities	18,297	32,014
Total liabilities	**119,593**	**145,009**
Total Liabilities and Shareholders' equity	**173,954**	**185,245**

3. Comparative income statement figures (in thousands of US dollars)

	December 31, 2021	**12/31/2020**
Ordinary operating income	25,362	24,523
Financial and holding results	(12,235)	(14,182)
Income/(Loss) for the year	**13,127**	**10,341**
Income tax	4,584	(4,060)
Net income/(loss)	**17,711**	**6,281**
Other comprehensive income/(loss)	(3,586)	5,632
Total comprehensive income/(loss)	**14,125**	**11,913**

4. Comparative cash flow figures (in thousands of US dollars)

	December 31, 2021	12/31/2020
Cash provided by operating activities	31,099	24,420
Cash (used in)/provided by investing activities	(2,215)	(16,131)
Cash (used in)/provided by financing activities	(35,674)	(16,319)
(Decrease) in cash and cash equivalents	**(6,790)**	**(8,030)**

5. Comparative ratios:

	12/31/2021	12/31/2020
Liquidity (1)	1.92	1.22
Solvency (2)	0.45	0.28
Tied-up capital (3)	0.80	0.79
Indebtedness (4)	2.54	3.37
Interest coverage (5)	3.05	3.16
Return on equity (6)	0.37	0.18

(1) Current Assets / Current Liabilities

(2) Equity / Total Liabilities

(3) Non-current Assets / Total Assets

(4) Financial debt / annual EBITDA (*)

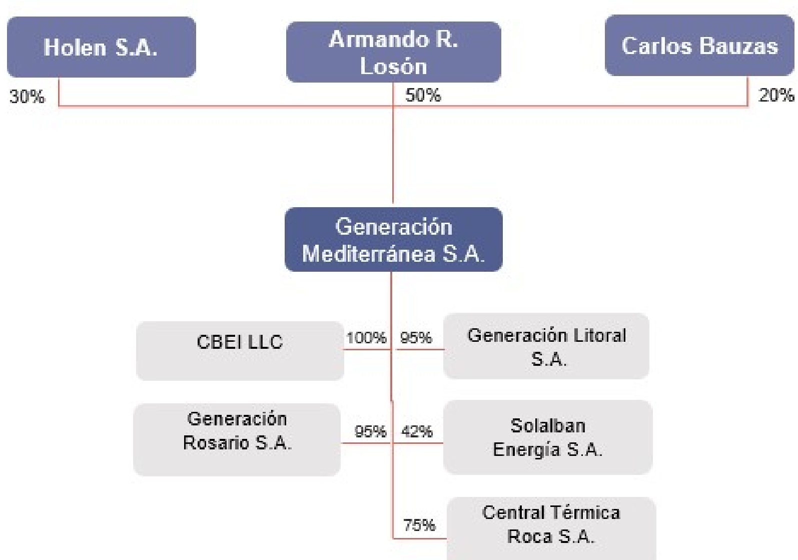
(5) Annual EBITDA (*) / accrued annual financial interest

(6) Net income/(loss) for the period (without OCI) / Total average Equity

(*) Amounts not covered in the Audit Report.

4. CORPORATE STRUCTURE

The structure of the organization at December 31, 2021 is shown in the following table:



Holen S.A., Armando Losón and Carlos Bauzas hold the remaining 5% in GROSA and GLSA.

Share Capital

At December 31, 2021, the Company's capital was made up of 73,070,470 ordinary, non-endorsable, registered shares of $1 par value each, and entitled to 1 vote per share, there being no changes in capital or shareholdings during 2021.

In the fiscal year ended December 31, 2021, the ownership structure was as follows:

GMSA (Parent Company)	75 %
TEFU S.A.	25 %

Organization of the decision-making process

As indicated in the various sections of Annex IV, Heading IV, of the Rules of the CNV that are attached to this Annual Report relating to the degree of compliance with the Code of Corporate Governance, the Company's policies and strategies are defined by the Board of Directors to be executed by each of the sectors under the supervision of the corresponding Management divisions and, ultimately, of the Board of Directors.

Decisions that are considered significant and/or relevant in terms of their magnitude and/or amount involved relating to the administration of the Company's activities are made directly by the Board of Directors in a meeting specially convened for this purpose. All the decisions by the Shareholders' Meeting on the events that took place in 2021 have been taken unanimously, while those related to the Board have been taken holding the majority as set forth in the bylaws.

Directors' fees

The decisions made by the Company relating to the fees of the members of the Board of Directors are in compliance with the limits and guidelines envisaged in Section 261 of Law No. 19550, and Articles 1 to 7 of Chapter III, Heading II, of the Rules of the National Securities Commission.

5. OUTLOOK FOR FISCAL YEAR 2022

5.1 Outlook for the Electricity Generation Market

Numerous power plants were incorporated as a result of the tenders for contracting new energy and power organized since 2016. The regulatory changes that took place since then, especially after the period of financial and economic instability commenced in April 2018, have given way to a complex situation in the electricity generation sector.

The change of government administration in December 2019 fueled the uncertainty in the electricity market, owing to a delay in making the necessary decisions to maintain adequate supply conditions; in 2021, the market resumed its growth pattern and 2022 started with prospects of acceleration, at least in the first half of the year as compared with the same months of 2021, marked by social isolation due to the COVID-19 pandemic.

The freezing of rates, prices and remunerations — which in practical terms extended from February 2019 with only one adjustment of 9% for end consumers — creates uncertainty, although recent announcements of understanding with the International Monetary Fund could indicate the beginning of a gradual rebuilding process for this sector.

We consider that investments will continue to decelerate in 2022; investment in new units will not be resumed in the short term, aside of those contracts pending fulfillment due to the financing difficulties affecting Argentina in general. In addition, and showing a shift in the trend, failure to grant reasonable adjustments on the remuneration to the units dispatching energy in the spot market results in a high degree of unavailability; this will privilege the dispatch from units in good condition and with adequate availability, within a context of recovery of the positive trend in electricity demand.

For this reason, the Energy Secretariat could finally decide to increase remunerations to electricity generators in the spot market and also to fulfill long-term contracts, to recover the availability achieved in the past for a large number of units that can be restored for the system.

Despite the persistent reduction in value of the Argentine peso, CAMMESA honored all its long-term contracts meeting the economic and financial conditions, and making the payments at the exchange rate for US dollars. Despite some delays in payments, CAMMESA recognized interest on late payment at the rates prevailing in the market. The fact of having fulfilled the contractual conditions and made the payments in accordance with prevailing regulations is a significant event in such complex years as 2019, 2020 and 2021.

The outlook for business operations and commercial dispatch is favorable for modern thermoelectrical generators located in regions with a high growth in demand, since their units will receive increasing dispatch requirements. The same will hold true for those power plants with no forward contracts but with their maintenance and availability preserved. Under the scenario expected for 2022, some units in various Grupo Albanesi power plants could require more dispatch with probably higher remunerations, to be decided at some point in the months to come.

The supply of hydroelectric power will not be greater in the next years, and this fact offers a prospect favorable to a higher dispatch from thermoelectric units. Having halted investment decisions for the entry of new generation units from renewable sources since 2018 also leads to a situation in which the expected growth in electricity demand will have to be satisfied by thermoelectric units. It is probable that a higher increase in the demand of electric power in the first half of 2022, upon expansion of the current level of economic activity, exerts pressure for higher thermoelectric dispatch in the years to follow.

After years of deterioration of the various Energy Sector variables, the attempt at normalization carried out from 2016 to 2019 put an end to instability in macroeconomic variables. The physical condition of electricity supply would be good if there were sufficient remunerations to maintain adequate availability in the units dispatching in the spot market, which were affected by Resolutions No. 1/2019, No. 31/2020, Note NO-2020-24910606-APN-SE#MDP and Resolution No. 440/2021. The correct maintenance of these units depends on decisions that should be revised by the Energy Secretariat.

The economic and health crisis of 2020 had an impact on the original intentions of Government of amending the financial deficit in the energy sector. The economic recovery at the end of 2021 and the need to adopt important decisions to avoid impeding this recovery process could be revived in the next months, should an understanding with the International Monetary Fund be reached.

5.2 Outlook for the Company

Electric power

The generation unit is expected to continue operating normally in accordance with the dispatch defined by CAMMESA. The main objective is to maintain the Plant's high level of availability, a fact that ensures the Company's level of profitability. To this end, an exhaustive preventive maintenance plan is carried out for generation units that guarantees the high availability of the Plant's turbomachinery.

The Contract for the Wholesale Demand involving CT Roca's gas turbine unit expires in mid-June 2022, and such unit will start to be considered as a base machine.

Financial position

In the current fiscal year, the Company expects to continue streamlining its financing structure and keeping a level of indebtedness in line with the Power Plant operational needs.

The strategy pursued ensures compliance with the commitments undertaken by the Company and the proper and efficient operation of the Power Plant.

6. DISTRIBUTION OF INCOME/LOSS

In compliance with the prevailing legal provisions, the Board of Directors of the Company states that income for the year amounted to USD 17,711 thousand, thus recording retained earnings for USD 16,986 thousand at December 31, 2021.

The Shareholders' Meeting will discuss and decide on the final destination of such retained earnings.

7. ACKNOWLEDGEMENTS

The Board of Directors wishes to thank all the employees of the Company for their work during the year under review, which has been essential to the achievement of the Company's technical and economic results. Additionally, it wishes to expressly acknowledge the contribution of its customers and suppliers, and of the banking entities and other collaborators, who have worked toward better management of the business throughout the year.

City of Buenos Aires, April 12, 2022

THE BOARD OF DIRECTORS

Central Térmica Roca S.A.

Composition of the Board of Directors and Syndics' Committee at December 31, 2021

President
Armando Losón (Jr.)

Full Directors
Guillermo Gonzalo Brun
Julián Pablo Sarti
Carlos Alfredo Bauzas
Roque Antonio Villa

Full Syndics
Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics
Marcelo Claudio Barattieri
Carlos IndalecioVela
Marcelo Rafael Tavarone

Legal information

Business name:	Central Térmica Roca S.A.
Legal address:	Av. Leandro N. Alem 855, Floor 14, City of Buenos Aires
Main business activity:	Generation and sale of electric energy
Tax Registration Number:	33-71194489-9

Date of registration with the Public Registry of Commerce:

By-Laws:	July 26, 2011
Latest amendment:	May 15, 2014
Registration number with the Legal Entities Regulator:	No. 14827 of Book 55, Volume of Companies by shares
Expiration date of the Company:	July 26, 2110
Name of Parent Company:	Albanesi S.A. (*).
Legal domicile of Parent Company:	Av. Leandro N. Alem 855, Floor 14, City of Buenos Aires
Main line of business of Parent Company:	Investment on the entity's own behalf, or on behalf of or associated to third parties
Percentage of participation of Parent Company in equity:	75%
Percentage of voting rights of Parent Company:	75%

(*) Company in the process of a merger by absorption (see Note 33).

Central Térmica Roca S.A.

Statement of Financial Position

At December 31, 2021, presented in comparative format

Stated in thousands of US dollars

	Note	12/31/2021	12/31/2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**7**	137,905	145,418
Other receivables	**9**	951	820
Total non-current assets		**138,856**	**146,238**
CURRENT ASSETS			
Inventories	**10**	835	529
Other receivables	**9**	23,899	21,175
Trade receivables	**11**	9,850	10,757
Cash and cash equivalents	**12**	514	6,546
Total current assets		**35,098**	**39,007**
Total assets		**173,954**	**185,245**
EQUITY			
Share Capital	**13**	868	868
Capital adjustment		7,543	7,543
Legal reserve		199	199
Optional reserve		3,749	3,749
Special reserve GR No. 777/18		11,394	13,943
Technical revaluation reserve		13,630	16,679
Other comprehensive income/(loss)		(8)	(11)
Unappropriated retained earnings		16,986	(2,734)
TOTAL EQUITY		**54,361**	**40,236**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	**15**	28,962	29,955
Defined benefit plan	**19**	92	89
Loans	**16**	72,242	82,951
Total non-current liabilities		**101,296**	**112,995**
CURRENT LIABILITIES			
Other liabilities		74	-
Tax payables	**18**	1,623	2,020
Salaries and social security liabilities	**20**	311	246
Defined benefit plan	**19**	1	32
Derivative instruments		3	-
Loans	**16**	14,998	27,922
Trade payables	**21**	1,287	1,794
Total current liabilities		**18,297**	**32,014**
Total liabilities		**119,593**	**145,009**
Total liabilities and equity		**173,954**	**185,245**

The accompanying notes form an integral part of these Financial Statements.

Central Térmica Roca S.A.

Statement of Comprehensive Income
For the fiscal years ended December 31, 2021 and 2020,
Stated in thousands of US dollars

	Note	12/31/2021	12/31/2020
Sales revenue	22	41,861	38,645
Cost of sales	23	(12,671)	(11,218)
Gross income/(loss)		**29,190**	**27,427**
Selling expenses	24	(487)	(765)
Administrative expenses	25	(3,341)	(2,573)
Other income	26	-	434
Operating income/(loss)		**25,362**	**24,523**
Financial income	27	7,062	6,679
Financial expenses	27	(17,223)	(17,749)
Other financial results	27	(2,074)	(3,112)
Financial results, net		**(12,235)**	**(14,182)**
Pre-tax profit/(loss)		**13,127**	**10,341**
Income tax	15	4,584	(4,060)
Income for the year		**17,711**	**6,281**
Items that will not be classified under income:			
Change of income tax rate - Revaluation of property, plant and equipment	15	(3,589)	-
Benefit plan	19	5	15
Revaluation of property, plant and equipment	7	-	7,494
Impact on deferred tax	15	(2)	(1,877)
Other comprehensive income/(loss) for the year		**(3,586)**	**5,632**
Total comprehensive income for the year		**14,125**	**11,913**
Earnings per share			
Basic and diluted earnings per share	28	20.40	7.24

The accompanying notes form an integral part of these Financial Statements.

Central Térmica Roca S.A.

Statement of Changes in Equity

For the years ended December 31, 2021 and 2020,

Stated in thousands of US dollars

	Share capital (Note 13)	Capital adjustment	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	Total equity
Balances at December 31, 2019	**868**	**7,543**	**199**	**3,749**	**14,795**	**11,734**	**(23)**	**(10,542)**	**28,323**
Other comprehensive income/(loss) for the year	-	-	-	-	-	5,620	12	-	5,632
Reversal of technical revaluation reserve	-	-	-	-	(852)	(675)	-	1,527	-
Income for the year	-	-	-	-	-	-	-	6,281	6,281
Balances at December 31, 2020	**868**	**7,543**	**199**	**3,749**	**13,943**	**16,679**	**(11)**	**(2,734)**	**40,236**
Other comprehensive income/(loss) for the year	-	-	-	-	(1,634)	(1,955)	3	-	(3,586)
Reversal of technical revaluation reserve	-	-	-	-	(915)	(1,094)	-	2,009	-
Income for the year	-	-	-	-	-	-	-	17,711	17,711
Balances at December 31, 2021	**868**	**7,543**	**199**	**3,749**	**11,394**	**13,630**	**(8)**	**16,986**	**54,361**

The accompanying notes form an integral part of these Financial Statements.

Central Térmica Roca S.A.

Statement of Cash Flows

For the years ended December 31, 2021 and 2020,

Stated in thousands of US dollars

	Notes	12/31/2021	12/31/2020
Cash flows provided by operating activities:			
Income for the year		17,711	6,281
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	**15**	(4,584)	4,060
Accrued interest, net	**27**	10,044	11,016
Depreciation of property, plant and equipment	**7 and 23**	9,008	8,368
Provision for Directors' fees	**25**	77	-
Provision for defined benefit plans	**23**	17	17
Exchange differences and other financial results	**27**	2,831	28,739
Income/(loss) from changes in the fair value of financial instruments	**27**	(1,019)	(553)
Difference in UVA value	**27**	262	-
Gain/(loss) on purchasing power parity	**27**	-	(25,074)
Changes in operating assets and liabilities:			
Decrease in trade receivables		1,370	13,029
(Increase)/Decrease in other receivables (1)		(2,499)	6,036
(Increase) in inventories		(271)	(92)
(Decrease) in trade payables		(768)	(27,407)
(Decrease) in defined benefit plans		(68)	-
Increase/(Decrease) in salaries and social security contributions		87	(40)
(Decrease)/Increase in tax payables		(1,099)	40
Net cash flow provided by operating activities		**31,099**	**24,420**
Cash flow provided by investing activities:			
Acquisition of property, plant and equipment	**7**	(1,498)	(989)
Collection of financial instruments		790	-
Other financial assets at fair value through profit or loss		-	(165)
Loans collected	**29**	6,479	7,493
Loans granted	**29**	(8,757)	(23,687)
Interest earned	**29**	771	1,217
Net cash flow (used in) investing activities		**(2,215)**	**(16,131)**
Cash flows from financing activities:			
Borrowings	**16**	23,688	1,311
Payment of loans	**16**	(41,787)	(4,274)
Payment of interest	**16**	(17,323)	(13,142)
Leases paid	**16**	(252)	(214)
Net cash flows (used in) financing activities		**(35,674)**	**(16,319)**
(DECREASE) IN CASH AND CASH EQUIVALENTS		**(6,790)**	**(8,030)**
Cash and cash equivalents at the beginning of year	**12**	6,546	10,287
Financial results of cash and cash equivalents		758	2,438
Gain/loss on purchasing power parity of cash and cash equivalents		-	1,851
Cash and cash equivalents at year end	**12**	514	6,546
(DECREASE) IN CASH, NET		**(6,790)**	**(8,030)**

The accompanying notes form an integral part of these Financial Statements.

(1) Includes advance payments to suppliers for the purchase of property, plant and equipment for USD 81 and USD 51 at December 31, 2021 and 2020, respectively.

Central Térmica Roca S.A.

Statement of Cash Flows (Cont'd)

For the years ended December 31, 2021 and 2020

Stated in thousands of US dollars

Significant transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	**7**	(11)	(10)
Transfer to inventory of property, plant and equipment		35	-
Advance to suppliers applied to the purchase of property, plant and equipment	**7**	(21)	(145)
(Increase) in technical revaluation, net		-	(5,621)
Net benefit plans		(4)	(11)
Issue of negotiable obligations paid up in kind	**19**	59,219	5,454
Loans to Directors, repaid	**29**	(248)	-

Notes to the Financial Statements
For the years ended December 31, 2021 and 2020,
Stated in thousands of US dollars

NOTE 1: GENERAL INFORMATION

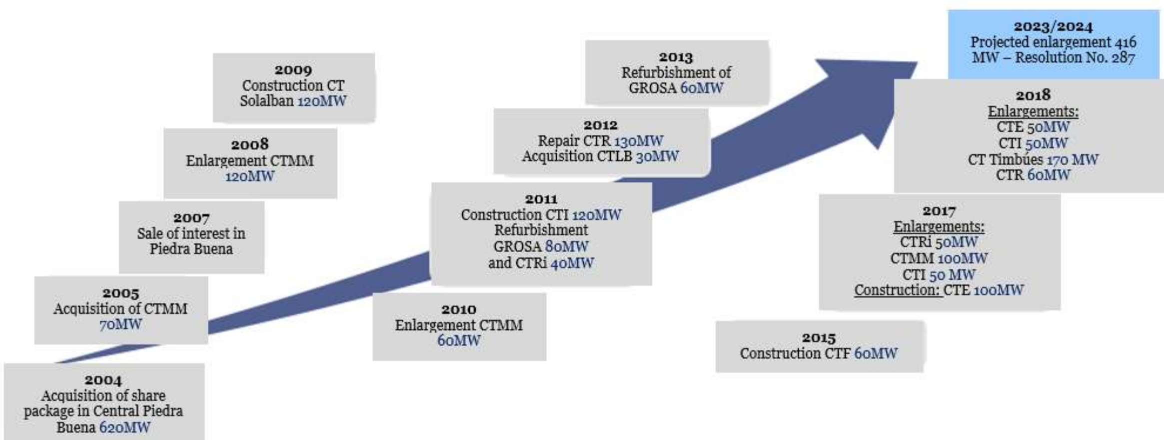
CTR's main line of business is the generation and sale of electric energy. Nominal installed capacity is 190 MW under ES Resolution No. 220/07 and ES Resolution No. 440/2021.

In 2011, Grupo Albanesi acquired through CTR a power plant located in the outskirts of the city of General Roca, province of Río Negro, on Provincial Road No. 6, km 11.1 (the "Power Plant"), which had been unavailable since 2009.

ASA (a company in the process of a merger by absorption, see Note 33) holds a 75% interest in the capital stock of CTR, and Tefu S.A., the remaining 25%.

At the date of these Financial Statements, Grupo Albanesi had a total installed capacity of 1,520 MW, it being expanded with additional 416 MW with all the new projects awarded.

Grupo Albanesi entered the electricity market in 2004 with the purchase of the power plant Luis Piedra Buena S.A. In this way the development of the electricity market became one of the main purposes of the Group.



NOTE 1: GENERAL INFORMATION (Cont'd)

Environmental management

The certification for an Environmental Management System under the ISO 14001:2015 standard, developed and implemented across the entire corporation, is maintained in effect. Its documentation has been updated in compliance with the new requirements of the organization about environmental management, as a result of the changes introduced by the revised version of the Standard and on-field facts in connection with the development of the project related to the extension of existing processes and the installation of new generation sites.

The staff has been trained according to the training needs identified for a correct performance of duties, and the controls and preventative follow-ups undertaken have been performed according to planning.

In July 2017, the Environmental Management System was migrated to the new 2015 version and placed in production, upon completion of the respective in-house training and distance learning.

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES

The generated energy by the two units belonging to the Plants enters the SADI and is remunerated by CAMMESA under the energy and power Supply Contract entered into with CAMMESA, as set forth by ES Resolution No. 220/2007. The sale of energy in excess of the amount agreed in the Supply Contract is paid as set forth by ES Resolution No. 440/2021.

WEM Supply Contracts (ES Resolution No. 220/07)

In January 2007, the Energy Secretariat issued Resolution No. 220 authorizing Supply Contracts between CAMMESA and the generating agents in the WEM to promote the incorporation of new electric power and associated energy. In this regard, the execution of Supply Contracts was foreseen as another way to generate incentives for the development of additional energy projects. These Supply Contracts are entered into between generating agents and CAMMESA, with a duration of 10 years. The prices of the available power and energy were established in each contract based on the costs accepted by the Energy Secretariat. The contracts also establish that the machines and power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Further, as envisaged with respect to the Supply Commitment Contracts and for the purpose of mitigating the collection risk of the generating agents, priority was given to the payment of obligations assumed by CAMMESA under those Supply Contracts.

The agreement sets forth a remuneration made up of 5 components:

i) a fixed charge for hired power, affected by monthly average availability; the remunerated price is:

Turbines	Fixed charge for hired power	Hired power
	USDMW-month	MW
TG01	USD 12,540	116.7
TV01	USD 31,916	53.59

<u>NOTE 2:</u> REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

<u>WEM Supply Contract (ES Resolution No. 220/07) (Cont'd)</u>

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;

iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant:

Turbines	Variable charge in USD/MWh	
	Gas	Diesel
TG01	USD 10.28	USD 14.18
TV01	USD 5.38	USD 5.38

iv) a variable charge for repayment of fuel costs, all of them at reference price; and

v) a discount for penalties.

These penalties are applied to the hours in which 92% of the agreed-upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

The TV01 contract began on August 4, 2018, starting from the conversion of the current gas turbine generator into a combined cycle. To this end, equipment was installed, so that the exhaust fume recovery of the existing gas turbine generates an amount of steam such that when expanded through a steam turbine, additional power of up to 60 MW may be generated.

The energy generated in excess of the energy undertaken under the WEM Supply Contracts is sold to the Spot Market, pursuant to regulations in effect in the WEM, and paid as established by ES Resolution No. 440/2021.

<u>Sales under ES Resolution No. 440/2021</u>

ES Resolution No. 440/2021 has amended ES Resolution No. 31/2020 and adjusted the remuneration for the generation not committed under any kind of contracts for transactions as from February 2021.

An important aspect of this resolution is the repeal of Section 2 of the ES Resolution ES No. 31/2020, whereby an adjustment mechanism was established to the remuneration rates based on the variations in the Consumer Price Index (60%) and Wholesale Price Index (40%).

The new remuneration rates are published and to become entitled to them, generators must send a note stating, to the satisfaction of CAMMESA, that they fully and unconditionally waive their right to prosecute any pending administrative or legal proceeding or claim against the National State, the Secretariat of Energy and/or CAMMESA in relation to Section 2 of ES Resolution No. 31/2020, and that they waive their right to file

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

Sales under ES Resolution No. 440/2021 (Cont'd)

any administrative and/or judicial claim against the National State, the Secretariat of Energy and/or CAMMESA in the future in relation to it. The term for filing such waiver was 30 calendar days after the publication of ES Resolution No. 440/2021. The Company filed its waiver on May 26,2021.

In EXHIBIT I, specific values are indicated to determine the remuneration of the thermal power generation in the WEM System in Tierra del Fuego.

Different values for the Remuneration of thermal power generation are indicated in EXHIBIT II.

Authorized generators are all those not having executed contracts in the Forward Market under any of its modalities (Resolutions Nos. 1281, 220, 21, and others).

The remuneration of the power availability is subdivided into a minimum price associated with the Actual Power Availability ("DRP", for its acronym in Spanish) and a price for the guaranteed power in compliance with the Offered Guaranteed Availability (DIGO). Remuneration for power will be allocated depending on the use factor of the generating unit.

1. Power prices:

    a. Base Power (for those generators not guaranteeing any availability)

Technology/Scale	PrecBasePot [$/MW-month]
CC large P>150 MW	129,839
CC small P≤150 MW	144,738
TV large P>100 MW	185,180
TV small P≤100MW	221,364
TG large P>50 MW	151,124
TG small P≤50MW	195,822
Internal combustion engines >42 MW	221,364
CC small P≤15 MW	263,160
TV small P≤15 MW	402,480
TG small P≤15MW	356,040
Internal combustion engines ≤42 MW	402,480

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

Sales under ES Resolution No. 440/2021 (Cont'd)

b. DIGO Guaranteed Power

Period	PrecPotDIGO [$/MW-month]
Summer: December - January - February	464,400
Winter: June - July - August	464,400
Rest of the year: March - April - May - September - October - November	348,300

If: UF (Use factor=dispatch) < 30% ➔ REM TOTgm ($/month) = REM DIGO * 0.6.
If: 30 % ≤ UF < 70% ➔ REM TOTgm ($/month) = REM DIGO * (FU + 0.3).
If: UF ≥ 70% REM TOTgm ($/month) = REM DIGO.

Power remuneration is defined as the sum of three components: Generated Power, Operating Reserve (associated with Spinning reserve per hour) and the power actually generated in the hours of the month.

2. Energy prices

a. Operation and maintenance

Technology/Scale	Natural gas $/MWh	Fuel Oil/ Gas Oil $/MWh
CC large P>150 MW	310	542
CC small P≤150 MW	310	542
TV large P>100 MW	310	542
TV small P≤100MW	310	542
TG large P>50 MW	310	542
TG small P≤50MW	310	542
Internal combustion engines	310	542

For the hours the generating unit is dispatching due to forced output requirements to satisfy the demand for transport, voltage or safety controls, a remuneration shall be recognized for the generated energy when it is equal to 60% of net installed power generating capacity, regardless of the energy actually dispatched by the generating unit.

b. It will receive $108/MWh for Operated Energy.

NOTE 2: REGULATORY ASPECTS RELATING TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)

Sales under ES Resolution No. 440/2021 (Cont'd)

From September 1, 2021 to February 28, 2022, the Energy Secretariat through Resolution No. 1037/2021 ordered, on an exceptional and temporary basis, the elimination of the Use Factor to calculate the Remuneration of the Power Availability for all thermal generators remunerated under Resolution No. 440/2021. Further, the same Resolution No. 1037 established the recognition of an additional amount of $1,000/MWh exported in the month in which it will be allocated pro rata to the monthly energy generated by each conventional and hydraulic thermal Generating Agent. Greater costs arising from the application of this instruction shall be deducted from the revenue from electricity exports.

NOTE 3: BASIS FOR PRESENTATION

These Financial Statements have been prepared in accordance with IFRS issued by the IASB and IFRIC Interpretations. All IFRS effective at the date of preparation of these Financial Statements have been applied.

The presentation in the Statement of Financial Position segregates current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within the twelve months following the end of the reporting period. In addition, the Company reports on the cash flows from operating activities using the indirect method.

The fiscal year commences on January 1 and ends December 31 of each year. Economic and financial results are presented on the basis of the fiscal year.

These Financial Statements are stated in thousands of US dollars without cents, as are notes, except for net earnings per share.

The preparation of these Financial Statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these Financial Statements, as well as the income and expenses recorded in the fiscal year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 6.

These Financial Statements were approved for issuance by the Company's Board of Directors on April 12, 2022.

Purpose of the Financial Statements

The non-statutory Financial Statements are presented in US dollars (USD), which is the Company's functional currency, and have been prepared mainly for the purpose of their use by non-Argentine holders of Company Negotiable Obligations and foreign financial entities.

Change in functional currency

Since April 1, 2021, the Company has changed its functional currency from Argentine pesos to United States dollars (USD), as a result of a change in the events and conditions relevant to its business operations. Therefore, since April 1, 2021, it has been recording its operations in US dollars, the new functional currency.

To adopt this modification, the Company has considered the following factors that have had an impact on the environment in which it operates and its selling prices:

(i) the consolidation of the remuneration system for energy generation activity, with prices set by the Argentine government directly in US dollars (a system which remained in force despite the national and international context of financial instability);

(ii) the increasing tendency to enter into contracts in US Dollars, in line with the strategy for focusing investments and resources on expanding installed generation capacity;

<u>NOTE 3:</u> BASIS FOR PRESENTATION (Cont'd)

Change in functional currency (Cont'd)

(iii) the increasing tendency to obtain further financing in US dollars.

The effect of the change in functional currency was recorded prospectively as from April 1, 2021, in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates. For practical effects, to provide users with relevant, reliable, clear and comparable information, especially on the Company's financial returns and cash flows for fiscal year 2021, the change in functional currency was implemented on April 1, 2021, effective as from January 1, 2021. In view of the fact that the fluctuations in the US dollar and the inflation rate were similar in the first quarter (approximately 9% and 13%, respectively), this simplification has not produced any distortive effect on these Financial Statements.

Following the change in functional currency, all transactions in currencies other than the US dollar are considered "transactions in foreign currency".

Comparative information

Balances at December 31, 2020 disclosed for comparative purposes in these Financial Statements, arise from Financial Statements at those dates, stated in terms of the measuring unit current at December 31, 2020, in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies. The change in functional currency has affected comparability with the comparative balances.

Certain reclassifications have been included in the Financial Statement figures presented for comparative purposes to conform them to the current year presentation.

Inflation adjustment for tax purposes

To determine the net taxable income, an adjustment for inflation computed according to Sections 105 to 108 of Income Tax Law must be deducted from or added to the tax result of the fiscal year being calculated. This will be applicable in the fiscal year in which the variation percentage of the General Consumer Price Index (CPI) accumulated over the 36 months prior to the year end is higher than 100%. These provisions are applicable for fiscal years commencing on or after January 1, 2018. For the first, second and third fiscal years following its effective date, it will be applicable when the index variation, calculated from the beginning to the end of each year, exceeds 55%, 30% and 15% in the first, second and third year of application, respectively. The inflation adjustment for the fiscal year under calculation will have effect either as a negative or positive adjustment; 1/6 will be allocated in the relevant fiscal period and the remaining 5/6, in equal parts, in the immediately following fiscal years.

The Company estimated that, at December 31, 2021, the CPI variation will exceed the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current year.

Going concern

At the date of these Financial Statements, there are no uncertainties regarding events or conditions that may lead to doubts about the possibility that the Company will continue to operate normally as a going concern.

<u>NOTE 4:</u> ACCOUNTING POLICIES

The main accounting policies used in the preparation of these Financial Statements are explained below. These accounting policies have been applied consistently for all the fiscal years presented, unless otherwise indicated.

<u>NOTE 4:</u> ACCOUNTING POLICIES (Cont'd)

4.1 Changes in accounting policies

4.1.1 New accounting standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) effective at December 31, 2021, and which have been adopted by the Company

The Company has applied the following standards and/or amendments for the first time as from January 1, 2021:

- Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Presentation, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, and IFRS 16 - Leases, amended in August 2020.

IFRS 16 - Leases (amended in March 2021).

The application of the detailed standards and/or amendments did not generate any impact on the results of the Company's operations or its financial position.

4.1.2 New accounting standards, modifications and interpretations issued by the IASB not yet effective and not early adopted by the Company

IFRS 3 - Business Combinations, amended in May 2020. It introduces references to the definitions of assets and liabilities under the new conceptual framework as well as clarifications as to contingent assets and liabilities recognized separately from those recognized in a business combination. It applies to business combinations as from January 1, 2022. Earlier application is permitted.

IAS 16 - Property, Plant and Equipment, amended in May 2020. It introduces amendments to the recognition of inventories, sales and costs of items incurred while an item of property, plant and equipment is restored to the site and under the necessary conditions to operate as expected. Amendments are applicable for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, amended in May 2020. Onerous contracts. It clarifies the scope of the cost of fulfilling a contract. Amendments are applicable for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- Annual improvements to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture, and IFRS 16 - Leases: the amendments were issued in May 2020 and are effective for annual periods beginning on or after January 1, 2022. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- IAS 1 - Presentation of Financial Statements, amended in January 2020. It includes amendments relating to the classification of liabilities as current or non-current. Amendments are applicable for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The application thereof will not have a significant impact on the results of operations or the financial position of the Company.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1.2 New accounting standards, modifications and interpretations issued by the IASB not yet effective and not early adopted by the Company (Cont'd)

- IAS 1 - Presentation of Financial Statements, amended in February 2021. It improves the presentation of accounting policies and helps users to distinguish between a change in accounting policy and a change in accounting estimate. Amendments are applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- IAS 12 Income Tax, amended in May 2021. It requires companies to recognize deferred taxes on those transactions which, at initial recognition, give rise to equal temporary taxable and deductible differences. Amendments are applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- IFRS 17 - Insurance contracts, amended in June 2020. It replaces IFRS 4, introduced as a provisional standard in 2004 to account for insurance contracts using the national accounting standards, and resulting in multiple application approaches. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and is applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted if both IFRS 15 and IFRS 9 have also been applied. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

4.1.3 Change in functional currency

Until December 31, 2020, the Company applied IAS 29 - Financial Reporting in Hyperinflationary Economies, which required that the financial statements of an entity whose functional currency was that of a hyperinflationary economy be restated for the changes in a general price index and stated in terms of the measuring unit current at the end of the reporting year. The adjustment for inflation was calculated by a conversion factor derived from the Argentine price indexes published by the National Institute of Statistics and Census (INDEC). The applicable price index for the comparative results for the year ended December 31, 2020 had been converted at the exchange rate prevailing at December 31, 2020. As explained in Note 3, Management reviewed the Company's currency and concluded that the currency that most faithfully represents the economic effects of the entity is the US dollar. Accordingly, as from January 1, 2021, its functional currency was changed from local currency to US dollars, with IAS 29 being no longer applicable. This change does not affect the balances at December 31, 2020 or the results or cash flows for the year then ended.

4.2 Revenue recognition

a) Sale of energy

The Company recognizes revenue from supply contracts with CAMMESA for:

i) power availability, if any, on a monthly basis, provided that the different power plants are available for generation, and
ii) energy generated when there is an effective delivery of energy, based on the price set in each contract.

Revenue is not adjusted due to the effects of financing components as sales are performed in an average term of 45 days, which is in line with market practice.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

b) Other revenue - Interest income

Interest income is recognized applying the effective interest rate method. This income is registered on a temporary basis, considering principal and the effective tax rate.

Such income is recognized when it is likely that the entity will receive the economic benefits associated with the transaction and the transaction amount can be measured reliably.

4.3 Effects of the foreign exchange rate fluctuations

a) Functional and presentation currency

The information included in the condensed interim Financial Statements is recorded and disclosed in US Dollars, which is the Company’s functional currency, i.e. the currency of the primary economic environment in which the entity operates.

b) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the selling exchange rate prevailing at the date of the transaction or of revaluation, when the items are remeasured. Exchange gains and losses from the settlement of monetary items and from the translation of monetary items at year-end using the closing exchange rate, are recognized under financial results, in the Statement of Comprehensive Income, except for the amounts that are capitalized.

As a result of applying this policy, the translation from functional currency to a different presentation currency does not modify the way in which the underlying items are measured; thus, the amounts of both income/loss and capital are maintained in the functional currency in which they are generated.

4.4 Property, plant and equipment

In general, property, plant and equipment, excluding land, buildings, installations and machinery are recognized at cost net of accumulated depreciation and/or accumulated impairment losses, if any.

Depreciation of property, plant and equipment begins when available for use. Repair and maintenance expenses of property, plant and equipment are recognized in the Statement of Comprehensive Income during the financial year in which they are incurred.

The Company measures facilities, machinery and buildings at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation, if any. Land is measured at fair value and is not depreciated. Revaluations are made frequently enough to ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

At December 31, 2021, the Company has not revalued land, buildings, facilities and machinery, as there have not been important changes in the fair values of those assets caused by macroeconomic fluctuations.

<u>NOTE 4:</u> ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment (Cont'd)

The Company uses the "income approach" to determine the fair value of facilities and machinery. The income approach consists of valuation techniques that convert future amounts (e.g. cash flows or income and expenses) into a single present value (i.e., discounted). Fair value measurement is determined based on the value indicated by current market expectations of those future amounts. The Company considers that the income approach more reliably reflects the true value of these assets.

The appraiser used a valuation method based on a discounted cash flow model, in view of the absence of comparable market information due to the nature of those assets, that is, a combination of Level 3 inputs has been used.

External appraisers participate in the appraisal of those assets. The participation of external appraisers is decided by the Board of Directors. The criteria for the selection of appraisers include attributes, such as market knowledge, reputation, independence and whether they meet professional standards.

Fair value was determined using the income approach, which reflects current market expectations of those future amounts. This means that the revalued amounts are based on present value techniques which convert future income amounts into a single present value, that is, discounted.

In measuring the facilities and machinery according to the fair value revaluation model, the present value technique was used, as this technique better allows to capture attributes of the use of the asset and the existing synergies with the rest of the Group's assets and liabilities.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

At the time of sale of the revalued assets, any revaluation surplus related to this asset is transferred to retained earnings. However, a portion of the revaluation reserve will be transferred to retained earnings as the asset is used by the company. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

According to IAS 23 - Borrowing Costs, financial costs must be capitalized in the cost of an asset when it is in the process of production, construction, assembly or finishing, and those processes are not interrupted due to their long-term nature; the term for production, construction, assembly or finishing does not exceed the period technically required; the activities needed for the asset to be ready for its intended use or sale are not substantially complete; and the asset is not in condition to be used in the production of other assets or placed into service, according to the purpose of its production, construction, assembly or finishing.

Subsequently to initial recognition, costs are included in the carrying amount of that asset or recognized as a separate asset, as applicable, only when it is probable that the future economic benefits associated to those assets will flow to the Company and their cost can be determined reliably. In the case of replacements, the carrying amounts of the replaced part is derecognized from accounting. Other repair and maintenance costs are recognized as an expense in the fiscal year in which they are incurred.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment (Cont'd)

If land, building, installation and machinery had been measured using the cost model in constant currency, the carrying amounts would have been the following:

	12/31/2021	12/31/2020
Cost	150,265	148,735
Accumulated depreciation	(28,430)	(19,422)
Residual value	**121,835**	**129,313**

In accordance with the technical evaluation made by expert appraisers of property, plant and equipment, reclassifications have been made within the class of elements to disclose them adequately.

4.5 Impairment of non-financial assets

For assets subject to depreciation, an impairment test is performed whenever facts or circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognized for the amount in which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less costs to sell or value in use. The value in use is the total amount of the net discounted cash flows expected to be derived from the use of the assets and from their eventual disposal.

To this purpose, the assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset are considered, among other elements. To assess impairment losses, assets are grouped at the lowest level for which cash flows can be identified separately (cash-generating units).

The possible reversal of impairment losses of non-financial assets is reviewed at every date that financial information is presented.

At December 31, 2021, the Company considered that the carrying amount of land, buildings, installations and machinery does not exceed their recoverable value.

4.6 Financial assets

4.6.1 Classification

The Company classifies its financial assets in the following categories: assets subsequently measured at fair value and assets measured at amortized cost. This classification depends on whether the financial asset is an investment in a debt or equity instrument. For the asset to be measured at amortized cost, the two conditions described below must be fulfilled. The remaining financial assets are measured at fair value. IFRS 9 - Financial Instruments requires that all the investments in equity instruments are measured at fair value.

a) *Financial assets at amortized cost*

Financial assets are measured at amortized cost if the following conditions are met:

- the business model of the Company is aimed at keeping the assets to obtain contractual cash flows;

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.6 Financial assets (Cont'd)

4.6.1 Classification (Cont'd)

a) *Financial assets at amortized cost (Cont'd)*

- contractual conditions give rise on specified dates to cash flows that are only payments of the principal and interest on the principal.

b) *Financial assets at fair value*

If any of the conditions above is not fulfilled, financial assets are measured at fair value through profit or loss.

All the investments in equity instruments are measured at fair value. The Company may irrevocably opt at initial recognition of investments not held for trading to disclose the changes in fair value under Other comprehensive income. The Company has decided to recognize the changes in fair value in income.

4.6.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date, when the Company undertakes to purchase or sell the asset. Financial assets are de-recognized when the rights to receive cash flows from investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets are initially recognized at fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs directly attributable to the purchase of those financial assets.

Financial assets at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets may have suffered impairment losses. A financial asset or a group of financial assets is impaired, and an impairment loss is incurred if, and only if, there is objective evidence of the impairment of value as a result of one or more events that have occurred after the initial recognition of the asset, and such an event (or events) causing the loss has (have) an impact on the estimated future cash flows from the financial asset or group of financial assets, which may be reliably estimated.

The Company uses the following criteria for determining whether there is objective evidence of an impairment loss:

c) significant financial difficulties of the debtor;
d) breach of contractual clauses, such as late payment of interest or principal; and
e) probability that the debtor will enter into bankruptcy or other financial reorganization.

The amount of the impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred),

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.6.2 Recognition and measurement (Cont’d)

Financial assets at amortized cost (Cont’d)

discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced and the amount of the impairment loss is recognized in the Statement of Comprehensive Income. If the financial asset bears a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract.
As a useful measure, the Company may calculate the value of impairment based on the fair value of the financial asset using an observable market price.

If in future fiscal years the amount of the impairment loss declines and that decline may be objectively associated with an event subsequent to the recognition of impairment (such as the improvement in a debtor's credit rating), the reversal of the impairment loss previously recorded is recognized in the Statement of Comprehensive Income.

4.6.3 Offsetting of financial instruments

Financial assets and liabilities are offset, and presented net on the Statement of Financial Position, when there is a legally enforceable right to offset the recognized amounts, and an intention to settle the net amount, or to simultaneously realize the asset and settle the liability.

4.7 Advances to suppliers

The Company has adopted as accounting policy to disclose advances to suppliers under other current receivables, until the assets are received.

At December 31, 2021, the Company recorded an advance to suppliers balance of USD 81.

4.8 Inventories

Materials and spare parts are valued at the lower of acquisition cost or net realizable value.

Since materials and spare parts are not for sale, their value is calculated based on the purchase price, import duties (if any) and other taxes (non-refundable taxes by the tax authorities), transportation, storage and other costs directly attributable to the purchase of those assets.

Cost is determined applying the weighted average price method.

The Company classified materials and spare parts into current and non-current depending on their final allocation and the term during which they are expected to be used, whether for maintenance or improvement of present assets. The non-current portion of materials and spare parts is disclosed under Property, plant and equipment.

The value of inventories as a whole does not exceed their recoverable value at the end of each fiscal year.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.9 Trade and other receivables

Trade receivables are amounts due from customers for sales of energy made by the Company in the ordinary course of business. If collection is expected within one year or less, receivables are classified under current assets. Otherwise, they are classified as non-current assets.

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest rate method and, where appropriate, adjusted at the time value of money.

The Company sets up bad debt allowances when there is objective evidence that it will not be able to collect all amounts due according to the original terms of the receivables, based on an individual analysis of historical performance of accounts receivable to assess the recoverability of the credit portfolio.

To measure expected credit losses, credits have been grouped by segment and, based on shared credit risk characteristics and the number of days past due.

Expected losses at December 31, 2021 and 2020 were determined based on the following ratios calculated for the numbers of days past due:

RATIO PCE	NOT YET DUE	30 days	60 days	90 days	120 days	150 days	180 days	+180 days
CAMMESA	-	-	-	-	-	-	-	-
INTERCO	-	-	-	-	-	-	-	-
OTHER DEBTORS	-	-	-	-	-	-	-	-

For the application of the expected loss model as regards trade receivables, no impairment allowance adjustment has been made at January 1, 2021 as against the allowance recorded at December 31, 2020. Further, in the year ended December 31, 2021, no allowance for impairment was set up.

Trade receivables are written off when there is no reasonable expectation of their recovery. The Company understands that the following are signs of non-compliance: i) reorganization proceedings, bankruptcy or commencement of litigation, ii) insolvency that implies a high degree of impossibility of collection and iii) balances in arrears for more than 180 business days from the first expiration date of the invoice.

In addition, and in the event of similar and/or exception situations, the Company's management may redefine the amounts for setting up provisions to support and justify the criteria adopted.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits in banks and other short-term highly liquid investments originally falling due within three months or less and subject to low material risk of changes in value. Bank overdrafts, if any, are disclosed under cash and cash equivalents in the cash flow statement since they are part of the Company's cash management.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.11 Trade and other payables

Trade payables are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payments fall due within one year or less. Otherwise, they are classified as non-current liabilities.

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost applying the effective interest rate method.

4.12 Borrowings

Loans are initially recognized at fair value, less direct transaction costs incurred. They are subsequently measured at amortized cost, and any difference between the funds received (net of transaction costs) and the amount payable at due date is recognized in the statement of income over the term of the loan, applying the effective interest rate method. The Company analyzes loan renegotiation terms to determine if as a result of the quantitative and qualitative changes to their conditions, they should be considered as amended or settled.

4.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, if any, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

4.14 Income Tax and Minimum Notional Income Tax

a) Current and deferred Income Tax

The Income Tax charge for the year comprises deferred tax. Income Tax is recognized in income/loss.

Deferred tax is recognized, according to the liability method, on the basis of the temporary differences arising between the tax bases of assets and liabilities and their respective carrying amounts shown in the Statement of Financial Position. However, no deferred tax liability is recognized if the differences arise from the initial recognition of goodwill, or from the initial recognition of assets and liabilities in a transaction (different from a business combination) that did not affect accounting income nor tax income at the moment of being performed.

Deferred tax assets are recognized only to the extent that it is likely that the Company has future tax income against which to offset the temporary differences.

Deferred tax assets and liabilities are offset against each other if the Company has a legally recognized right to offset the recorded amounts and if the deferred tax assets and liabilities derive from Income Tax
levied by the same tax authority, incumbent on the same fiscal entity or on different fiscal entities seeking to settle the tax assets and liabilities by their net amount.

Current and deferred income tax assets and liabilities have not been discounted and are stated at nominal value.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.14 Income Tax and Minimum Notional Income Tax (Cont'd)

a) Current and deferred Income Tax (Cont'd)

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 issued in June 2017 clarifies how accounting recognition and measurement requirements under IAS 12 are applied when there is uncertainty over Income Tax treatments.

For this purpose, an entity must assess whether a tax authority will accept an uncertain tax treatment used, or proposed to be used, or planned to be used in its income tax filings.

If the entity concludes that it is probable that a tax authority will accept an uncertain tax treatment, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If the entity concludes that such acceptance is not probable, the entity should reflect the effect of uncertainty in determining its taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity will make judgments and estimates consistent with current Income Tax and deferred tax.

An entity has to reassess its judgments and estimates if facts and circumstances change or as a result of new information affecting the judgment or estimate.

At December 31, 2021, the Company has applied this interpretation to record the current and deferred income tax, in relation to the recognition of the tax-purpose inflation adjustment over cumulative tax loss carry-forwards (Note 15).

b) Minimum Notional Income Tax

Even though the Minimum Notional Income Tax is repealed, the Company recognized the Minimum Notional Income Tax paid in prior years as a credit, considering that it will be offset against future taxable profits.

Minimum Notional Income Tax assets and liabilities have not been discounted and are stated at nominal value.

4.15 Balances with related parties

Debts and receivables with related parties have been valued based on the terms agreed upon between the parties.

4.16 Leases

The Company adopted IFRS 16 - Leases and applied the following options established by the standard:

a) For leases classified as financial due to the application of IAS 17 and IFRIC 4, book values were computed for assets for rights of use and lease liabilities prior to the initial application of IFRS 16, as provided for by item 11 of the Appendix C of the standard. Those values are disclosed under Property, plant and equipment and Loans.

<u>NOTE 4:</u> ACCOUNTING POLICIES (Cont'd)

4.16Leases (Cont'd)

b) Finance charges from lease liabilities are disclosed under Interest on loans in Note 17.

c) The rest of lease commitments identified are related to contracts ending within 12 months as from adoption and which continue to be recognized on a straight-line basis by the Company.

Consequently, the Company did not change the accounting for assets recorded for operating and financial leases as a result of the adoption of IFRS 16.

4.17 Derivative instruments

Derivative instruments are initially recognized at fair value on the date when the contract is executed. Subsequent to initial recognition, they are again measured at fair value.

The method for recognizing the resulting loss or profit depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item it is covering. The Company has executed derivative contracts in foreign currency to hedge the next installment payments falling due in connection with principal and interest on its loans in US dollars.
However, the Company has not applied hedge accounting; therefore, the changes in its value are recognized in profit or loss, in the caption Changes of fair value of financial instruments, under Other financial results.

Fair values of derivative instruments that are traded in active markets are recorded according to quoted market prices. Fair values of derivative instruments that are not traded in active markets are determined by using valuation techniques. The Company applies critical judgment to select the most appropriate methods and to determine assumptions that are based mainly on the market conditions existing at the end of each year.

In the year ended December 31, 2021, the Company executed NDF forward purchase contracts of US dollars against Argentine pesos through Banco ICBC, for a nominal value of USD 1 million, at an average exchange rate of 108.2 pesos per US dollar, expiring in July 2022.

Also, in the year ended December 31, 2020, the Company executed ROFEX forward purchase contracts of US dollars against Argentine pesos through Banco SBS, for a nominal value of USD 8.17 million, at an average exchange rate of 72.63 pesos per US dollar, expiring in July 2020.

At December 31, 2021, the economic impact of these transactions shows net loss in the amount of USD 3 million, which is shown under Other financial results from the Statement of Comprehensive Income.

4.18 Defined benefit plans

The Company offers defined benefit plans. Usually, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, generally dependent on one or more factors such as age, years of service and compensation.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.18 Defined benefit plans (Cont’d)

The liability recorded in the Statement of Financial Position in relation to defined benefit plans is the present value of the obligation from defined benefit plans at the closing date. The obligation from defined benefit plans is calculated annually by independent actuaries in accordance with the projected unit credit method.

The present value of the obligation from defined benefit plans is determined by discounting the future cash outflows estimated using actuarial assumptions based on the demographic and financial variables that have an influence in determining the amount of those benefits.

Actuarial gains and losses arising from adjustments due to the experience and changes of actuarial assumptions are recognized in Other comprehensive income in the year when they occur. The costs for past services are immediately recognized in the Income Statement.

4.19 Equity accounts

Movements in this item have been accounted for in accordance with the pertinent decisions of shareholders' meetings and legal or regulatory provisions.

a) Share Capital

Share capital represents the capital issued, composed of the contributions that were committed and/or made by the shareholders and represented by shares that comprise outstanding shares at nominal value. Ordinary shares are classified under equity.

b) Legal reserve

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

c) Optional reserve

Corresponds to the allocation decided by the Company's Shareholders' Meeting whereby a specific amount is applied to meet the needs for funds required by the projects and situations relating to the Company policy.

d) Technical revaluation reserve

Corresponds to the technical revaluation reserve of the subsidiary companies and associates according to the percentage of interest, as a result of applying the revaluation model for property, plant and equipment.

e) Other comprehensive income/(loss)

Corresponds to actuarial gains and losses from the calculation of liabilities for defined benefit plans and their tax effects.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.19 Equity accounts (Cont'd)

f) Unappropriated retained earnings (accumulated losses)

Retained earnings/(losses) comprise accumulated profits or losses without a specific appropriation; positive earnings can be distributable by the decision of the shareholders' meeting, as long as they are not subject to legal restrictions. These earnings/(losses) comprise prior year earnings that were not distributed and prior year adjustments derived from application of the accounting standards.

In case of existence of unappropriated losses to be absorbed at the end of the year under consideration by the shareholders' meeting, the following order for appropriation of balances must be followed:

(i) Retained earnings:

- Optional reserves
- Reserves provided for by Company by-laws
- Legal reserve

(ii) Capital contributions

(iii) Additional paid-in capital

(iv) Other equity instruments (if feasible from the legal and corporate point of view)

(v) Capital Adjustment

g) Distribution of dividends

The distribution of dividends among the shareholders of the Company is recognized as a liability in the Financial Statements for the year in which dividends are approved by the meeting of shareholders.

h) Special Reserve GR No. 777/18

Following the mechanism established in GR No. 777/2018 of the CNV, in the transition year in which the inflation adjustment is disclosed, the Company has set up a special reserve for an amount equivalent to the revaluation balance determined by its nominal value transferred in accounting to unappropriated retained earnings. This special reserve may be reversed following the mechanism provided for by applicable accounting standards. The reserve will be set up ad referendum of the next Annual Ordinary Shareholders' Meeting.

NOTE 5: FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

Financial risk management is encompassed within the global policies of the Company, which are focused on the uncertainty of the financial markets and are aimed at minimizing the potential adverse effects on its financial yield. Financial risks are the risks associated with financial instruments to which the Company is exposed during or at the end of each fiscal year. Financial risks comprise market risk (including the foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

Financial risk management is controlled by the Finance Division of the Company, which identifies, assesses and covers the financial risks. The financial risk management policies and systems are reviewed regularly to reflect the changes in the market conditions and in the Company's business activities.

This section includes a description of the main financial risks and uncertainties that could have a material adverse effect on the Company's strategy, performance, results of operations and financial condition.

a) Market risks

Foreign exchange risk

Sales made by the company are denominated in US dollars, but due to the fact that they are performed under Resolution No. 220/07, they are converted into pesos at the exchange rate per BCRA Communication A 3500 (Wholesale) corresponding to the business day preceding the due date.

At December 31, 2021 the largest debt in foreign currency is the principal of the international bond mentioned in Note 16 b), and amounting to USD 71,120.

Price risk

The price for the Company's sales revenues under Resolution No. 220/07 is expressly stipulated in US dollars in the contract in force signed with CAMMESA, the duration of which is 10 years.

If Resolution No. 220/07 was repealed or substantially amended in such a way that the Company is obliged to sell the power generated in the Spot Market, the income/loss of CTR might depend on the price of electricity in the Spot Market. Likewise, the Company's results could also be badly affected if the National Government or CAMMESA limited the price receivable under Resolution No. 220/07. If these situations occur, there might be an adverse impact on the Company business, financial condition and results of operations.

Interest rate risk

Interest rate risk arises from the Company's debt at floating rate. Indebtedness at floating rate exposes the Company to interest rate risk on their cash flows. At December 31, 2021 the main loan in force had a fixed rate in US dollars of 9.625% while most of them had fixed rates in US dollars at 15% and 13% and floating rates equal to Badlar plus margin.

The Company analyzes its exposure to interest rate risk in a dynamic manner. Hypothetical situations are simulated considering the positions relating to refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the Company estimates the impact on profit or loss of a definite variation in interest rates. Simulation is only made in relation to obligations representing the main positions that accrue interest.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

Interest rate risk (Cont'd)

The following table shows the Company's loans broken down by interest rate:

	12/31/2021	12/31/2020
Fixed rate	82,460	96,995
Floating rate	4,780	13,878
	87,240	**110,873**

Based on simulations run, with all the other variables kept constant, an increase of 1% in the variable interest rates would (decrease)/increase the income/(loss) for the year as follows:

	12/31/2021	12/31/2020
Floating rate	48	139
Decrease in income for the year	**48**	**139**

b) *Credit risk*

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and from the exposure to credit with CAMMESA, including the outstanding balances of accounts receivable and arranged transactions.

The electricity generators with sales to the spot market and with contracts under Resolution No. 220/07 collect through CAMMESA the payments for making available the power and energy supplied to the system.

In the last quarter of 2021, CAMMESA paid its past due obligations, recognizing interest and exchange difference as agreed in the pertinent contracts.

c) Liquidity risk

The Management of the Company monitors the updated projections on liquidity requirements to ensure that the Company has enough cash to cover the operational needs while maintaining an adequate level of credit facilities available. In this way, the Company is expected to meet its commitments required as a result of the financial debt arising from any credit facility. The projections take into account payment plans of the Company's debts, compliance with external regulatory requirements and legal requirements.

Temporary cash surpluses are prudently managed until they are used for debt servicing purposes. The Company has worked in the medium and long term financing structure, having, in addition, available credit lines and loans to guarantee compliance with commitments.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.2 Financial risk factors (Cont'd)

c) Liquidity risk (Cont'd)

The following table shows an analysis of the Company's financial liabilities classified according to the due dates, considering the remaining period from the respective date of the Statement of Financial Position to their contractual due date. The amounts shown in the table are the non-discounted contractual cash flows.

At December 31, 2021	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	1,081	280	-	-	1,361
Finance leases	43	130	-	-	173
Loans	10,975	18,343	39,067	99,074	167,459
Total	**12,099**	**18,753**	**39,067**	**99,074**	**168,993**

At December 31, 2020	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	1,691	103	-	-	1,794
Finance leases	47	142	164	-	353
Loans	14,792	37,177	37,707	89,072	178,748
Total	**16,530**	**37,422**	**37,871**	**89,072**	**180,895**

5.3 Management of capital risk

The objectives of the Company when it administers capital are to secure the correct operation of the Company, to encourage its growth, to meet the financial commitments taken on and produce yields to its shareholders, keeping an optimum capital structure.

Consistently with the industry, the Company monitors its capital based on the Consolidated Debt to Adjusted EBITDA ratio. This ratio is calculated dividing the net loans by EBITDA. Net borrowings correspond to total borrowings (including current and non-current borrowings) less cash and cash equivalents. Adjusted EBITDA is defined as operating income less operating expenses (including selling and administrative expenses, provided that they are included under operating expenses) plus amortization, depreciation and any other non-cash expenses (provided that they are included under operating expenses).

Consolidated Debt to Adjusted EBITDA ratio was as follows:

	In thousands of USD 12/31/2021
Total loans	87,240
Less: Cash and cash equivalents	(514)
Net debt	86,726
EBITDA (*)	34,370
Net debt/EBITDA	**2.52**

(*) Amount not covered in the Audit Report.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Financial Statements requires Company Management to make estimates and assumptions concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these Financial Statements were prepared. The estimates that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next fiscal year are detailed below:

a) Impairment of assets

Long-lived assets are tested for impairment at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

Electricity production plants of the Company constitute a cash generating unit, already representing the lowest level of separation of assets that generate independent cash flows.

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

In evaluating whether there is any indication that the cash generating unit could be affected, internal and external sources of information are analyzed. Specific events and circumstances are considered, which in general include the discount rate used in the projections of cash flows of each of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand.

An impairment loss is recognized when the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss will be distributed (to reduce the carrying value of the assets of the CGU) as follows:

first, to reduce the carrying value of goodwill allocated to the cash generating unit, and

then, reduce the carrying amounts of the other assets of the unit (or group of units) pro rata on the basis of the carrying amount of each asset of the unit (or group of units). The carrying amount of an asset should not be reduced below the highest of its fair value less costs of disposal, its value in use, or zero.

The amount of the impairment loss that would otherwise have been allocated to the asset shall be allocated pro rata to the other assets of the CGU.

Judgment is required from Management at the time of estimating the future cash flows. Actual cash flows and values may significantly vary from expected future cash flows and the related values obtained through discount techniques.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

b) Current and deferred Income Tax

The Company recognizes income taxes applying the deferred tax method. Consequently, the deferred tax assets and liabilities are recognized according to the future tax consequences attributable to the differences between the carrying amount of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are valued at the approved tax rates that should theoretically be applied on the taxable income in the years in which the temporary differences are expected to be settled. A high degree of judgment is required to determine the provision for income tax since Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and, if necessary, sets out provisions based on the amounts payable to the tax authorities.
When the final outcome of these matters is different from the initially recognized amounts, such differences will have an impact on income tax and deferred taxes in the fiscal year in which they are determined.

There are many transactions and calculations according to which the latest tax determination is uncertain. The Company early recognizes tax liabilities based on the estimates as to whether additional taxes must be paid in the future. When the final tax result differs from the amounts initially recognized, any such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination was made.

Deferred tax assets are reviewed at every reporting date and reduced according to the probability that a sufficient tax base might be available to allow recovering these assets in whole or in part. Deferred assets and liabilities are not discounted. When assessing the realizability of deferred tax assets, Management considers it probable that some, or all, deferred tax assets are not realizable.

Whether deferred tax assets are realizable depends on the generation of future taxable income for the periods in which these temporary differences are deductible. In making this assessment, Management takes into account the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies.

c) Provisions

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

At the date of issue of these Financial Statements, the Company Management understands that there are no elements which may determine the existence of other contingencies that could materialize and have a negative impact on these Financial Statements.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

d) Allowance for bad debts

The allowance for bad debts has been set up based on a historical analysis of accounts receivable to assess the recoverability of the credit portfolio.

At December 31, 2021 and December 31, 2020, there were no allowances for bad debts.

e) Defined benefit plans

The Company determines the liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned, considering all the rights accrued by the beneficiaries until year end, based on an actuarial study performed by an independent professional at that date. The actuarial method applied by the Company is the Projected Benefit Unit method.

f) Fair value of property, plant and equipment

The Company has opted to value land, buildings, facilities and machinery at fair value applying discounted cash flows or comparables techniques.

The fair value calculated by means of the discounted cash flow was used to value facilities and machinery. This cash flow was prepared on the basis of estimates with an approach to consider different scenarios according to their probability of occurrence.

The following variables have been taken into account in relation to the estimates made: (i) exchange rate fluctuations; (ii) availability and dispatch of turbines associated with demand projections according to vegetative growth; (iii) operating and maintenance cost; (iv) number of employees; (v) discount rate used, among others. Each of these scenarios contemplate different assumptions regarding the critical variables used.

The discounted cash flows at December 31, 2021 consider two scenarios (pessimistic and base scenarios) with different probabilities of occurrence. The two scenarios arise from current rate schedules and are combined with different turbine dispatch alternatives.

The criteria considered in each scenario are the following:

1. Base scenario: in this case the Company considers a historical average availability and an expected dispatch according to projections of the demand for energy with a vegetative growth. Probability of occurrence: 70%.

2. Pessimistic scenario: in this case the Company considers a historical average availability and a dispatch of less than expected of the demand for energy. Probability of occurrence: 30%.

In all scenarios a discount rate in US dollars of approximately 10.89% was used, which contemplates the future scenarios.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

f) Fair value of property, plant and equipment (Cont'd)

The percentages of probability of occurrence assigned are mainly based on the occurrence of different past events (experience).

Actual results could differ from estimates, so the projected cash flows may be badly affected if any of the above-mentioned factors changes in the near future.

The Company cannot assure that the future behavior of those variables will be in line with projections, and differences might arise between the estimated cash flows and the ones really obtained.

The fair value determination of property, plant and equipment is significantly affected by the dollar exchange rate. This situation, valuation processes and results are discussed and approved by the Board of the Companies at least once a year.

However, if the discounted cash flow differs by 10% from Management estimates, the Company will need:

To increase the fair value of land, buildings, facilities, and machinery by USD 13.67 million, if it were favorable; or

To reduce the fair value of land, buildings, facilities, and machinery by USD 13.67 million, if it were not favorable.

At December 31, 2021, the Company performed an analysis of the variables that are considered for the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in such variables.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Original values					Depreciation				Net amount at year end	
Type of asset	**At beginning of year**	**Increases**	**Transfers/} withdrawals**	**Technical revaluation (2)**	**At year end**	**Accumulated at beginning of year**	**For the year (1)**	**Technical revaluation (2)**	**Accumulated at year end**	**At 12/31/2021**	**At 12/31/2020**
Land	516	-	-	-	516	-	-	-	-	516	516
Buildings	7,760	185	-	-	7,945	-	169	-	169	7,776	7,760
Facilities	22,433	1,027	-	-	23,460	-	1,307	-	1,307	22,153	22,433
Machinery	113,642	123	-	-	113,765	-	7,492	-	7,492	106,273	113,642
Computer and office equipment	143	195	-	-	338	108	37	-	145	193	35
Vehicles	100	-	-	-	100	87	3	-	90	10	13
Spare parts and materials	1,019	-	(35)	-	984	-	-	-	-	984	1,019
Total at 12/31/2021	**145,613**	**1,530**	**(35)**	**-**	**147,108**	**195**	**9,008**	**-**	**9,203**	**137,905**	**-**
Total at 12/31/2020	**145,314**	**1,144**	**(9)**	**(836)**	**145,613**	**157**	**8,368**	**(8,330)**	**195**	**-**	**145,418**

(1) Depreciation charges for the fiscal years ended December 31, 2021 and 2020 were allocated to cost of sales.

(2) At December 31, 2020, corresponds to an increase of USD 7,494 resulting from a revaluation, net of accumulated depreciation at the time of revaluation for USD 8,330.

NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

The categories of financial instruments were determined based on IFRS 9.

At December 31, 2021	Financial assets/liabilities at amortized cost	At fair value through profit or loss	Non-financial assets/liabilities	Total
Assets				
Trade and other receivables	32,790	-	1,910	34,700
Cash and cash equivalents	514	-	-	514
Non-financial assets	-	-	138,740	138,740
Total	**33,304**	**-**	**140,650**	**173,954**
Liabilities				
Trade and other payables	1,361	-	-	1,361
Derivative instruments	-	3	-	3
Loans (finance leases excluded)	87,067	-	-	87,067
Finance leases	173	-	-	173
Non-financial liabilities	-	-	30,989	30,989
Total	**88,601**	**3**	**30,989**	**119,593**

At December 31, 2020	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Non-financial assets/liabilities	Total
Assets				
Trade and other receivables	31,121	-	1,631	32,752
Cash and cash equivalents	79	6,467	-	6,546
Non-financial assets	-	-	145,947	145,947
Total	**31,200**	**6,467**	**147,578**	**185,245**
Liabilities				
Trade and other payables	1,794	-	-	1,794
Loans (finance leases excluded)	110,520	-	-	110,520
Finance leases	353	-	-	353
Non-financial liabilities	-	-	32,342	32,342
Total	**112,667**	**-**	**32,342**	**145,009**

NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

Below are presented the revenues, expenses, profits and losses arising from each financial instrument category.

At December 31, 2021	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest earned	7,062	-	-	-	7,062
Interest paid	-	-	(17,106)	-	(17,106)
Exchange differences, net	(5,590)	-	3,359	-	(2,231)
Other financial results	-	1,019	(979)	-	40
Total	**1,472**	**1,019**	**(14,726)**	**-**	**(12,235)**

At December 31, 2020	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest earned	6,679	-	-	-	6,679
Interest paid	-	-	(17,695)	-	(17,695)
Exchange differences, net	4,827	-	(33,115)	-	(28,288)
Other financial results	-	553	(505)	25,074	25,122
Total	**11,506**	**553**	**(51,315)**	**25,074**	**(14,182)**

Determination of fair value

The Company classifies fair value measurements of financial instruments using a three-level hierarchy, which gives priority to the inputs used in making such measurements: Fair value hierarchies:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. deriving from prices);

- Level 3: Inputs on the assets or liabilities not based on observable market inputs (i.e. unobservable inputs).

NOTE 8: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

Determination of fair value (Cont'd)

These charts show financial assets and liabilities measured at fair value at December 31, 2021 and 2020 and their allocation to the different hierarchy levels:

At December 31, 2021	Level 1	Level 3	Total
Assets			
Cash and cash equivalents			
Mutual funds	405	-	405
Property, plant and equipment	-	136,718	136,718
Liabilities			
Derivative instruments			
Derivative instruments	(3)	-	(3)
Total	**402**	**136,718**	**137,120**

At December 31, 2020	Level 1	Level 3	Total
Assets			
Cash and cash equivalents			
Mutual funds	6,467	-	6,467
Property, plant and equipment	-	144,351	144,351
Total	**6,467**	**144,351**	**150,818**

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of these Financial Statements. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No financial instruments should be included in Level 2. If one or more of the significant inputs is not based on observable market inputs (i.e. unobservable inputs), the instrument is included in level 3. These instruments are included in Level 3. This is the case of the revaluation of certain categories of property, plant and equipment.

Specific valuation techniques used to determine the fair value of property, plant and equipment include:

a) As for Land, they have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value at December 31, 2021.

b) The fair values of Facilities, Machinery and Buildings were calculated by means of the discounted cash flows (See Note 6.f).

NOTE 9: OTHER RECEIVABLES

	Note	12/31/2021	12/31/2020
Non-current			
Minimum notional income tax credit		272	332
Tax Law No. 25413		679	488
		951	**820**
Current			
Value Added Tax		307	-
Social security withholdings		47	43
Sundry tax credits		1	-
Sub-total tax credits		355	43
Balance with related parties	**29**	22,588	19,885
Loans to Directors - Shareholders	**29**	352	479
Insurance to be accrued		441	397
Advances to suppliers		81	51
Sundry		82	320
		23,899	**21,175**

Other long-term receivables are measured at amortized cost, which does not differ significantly from their fair value.

NOTE 10: INVENTORIES

	12/31/2021	12/31/2020
Supplies and materials	835	529
	835	**529**

NOTE 11: TRADE RECEIVABLES

	12/31/2021	12/31/2020
Current		
Trade receivables	5,193	6,613
Energy sold to be billed	4,657	4,144
	9,850	**10,757**

The carrying amount of current trade receivables approximates their fair value since they fall due in the short term.

NOTE 12: CASH AND CASH EQUIVALENTS

	12/31/2021	12/31/2020
Cash	1	1
Banks	108	78
Mutual funds	405	6,467
	514	**6,546**

NOTE 12: CASH AND CASH EQUIVALENTS (Cont'd)

For the purposes of the cash flow statement, cash and cash equivalents include:

	12/31/2021	12/31/2020
Cash and cash equivalents	514	6,546
	514	**6,546**

NOTE 13: CAPITAL STATUS

Subscribed and registered capital at December 31, 2021 amounted to USD 868.

NOTE 14: DISTRIBUTION OF PROFITS

Dividends

A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2020 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2021 will be subject to tax at a rate of 13%.

On June 16, 2021, the National Executive Branch enacted Law No. 27630 whereby a tax rate of 7% was set for tax on dividends. This amendment is applicable for annual reporting periods beginning on or after January 1, 2021.

Dividends on profits obtained until the fiscal year prior to the fiscal year beginning on or after January 1, 2018 will continue to be subject to withholdings, for all beneficiaries, at a rate of 35% of the amount exceeding retained earnings to be distributed free of tax (transition period of equalization tax).

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

NOTE 15: INCOME TAX - DEFERRED TAX

The analysis of deferred tax assets and liabilities is as follows:

	12/31/2021	12/31/2020
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	19,043	9,895
	19,043	9,895
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(48,005)	(39,850)
	(48,005)	(39,850)
Deferred tax liabilities (net)	**(28,962)**	**(29,955)**

NOTE 15: INCOME TAX - DEFERRED TAX (Cont'd)

The gross transactions recorded in the deferred tax account are as follows:

	12/31/2021	12/31/2020
Balance at beginning of year	(29,955)	(24,018)
Charge to Income Statement	4,584	(4,060)
Charge to other comprehensive income	(3,589)	(1,874)
Charge to employee benefit plans	(2)	(3)
Balance at year end	**(28,962)**	**(29,955)**

The income tax charge calculated by the deferred tax method is detailed below:

Items	Balance at December 31, 2020	Charge to Income Statement	Charge to other comprehensive income	Charge to employee benefit plans	Balance at December 31, 2021
			USD		
Other receivables	(47)	(4)	-	-	(51)
Mutual funds	(5)	-	-	-	(5)
Property, plant and equipment	(29,119)	(5,635)	(3,589)	-	(38,343)
Inventories	-	(72)	-	-	(72)
Loans	(870)	17	-	-	(853)
Employee benefit plan	23	8	-	(2)	29
Inflation adjustment for tax purposes	(9,884)	1,117	-	-	(8,767)
Tax loss	9,947	9,153	-	-	19,100
Total	**(29,955)**	**4,584**	**(3,589)**	**(2)**	**(28,962)**

Income tax losses are valued at the rate prevailing in the year in which they are expected to be used, considering their index-adjustment in line with the tax-purpose inflation adjustment procedures mentioned in Note 3. Based on the guidelines of IFRIC 23 - Uncertainty over Income Tax Treatments and in accordance with the opinion of the legal and tax advisors, the Company has restated for inflation the tax losses using the Wholesale Price Index, pursuant to Section 19 of the Income Tax Law. The Company recognizes the deferred tax assets only if there are sufficient future taxable profits against which the tax losses may be offset.

Accumulated tax losses pending use at December 31, 2021 and which may be offset against taxable income for the year ended on that date are the following:

Year	USD	Year of expiration
Tax loss for the year 2018	38,560	2,023
Tax loss for the year 2019	16,010	2,024
Total accumulated tax losses at December 31, 2021	**54,570**	

NOTE 15: INCOME TAX - DEFERRED TAX (Cont'd)

Tax Reform and Law on Social Solidarity and Productive Reactivation

On December 29, 2017, the National Executive Branch enacted Law No. 27430 on Income Tax. This law introduced several changes to the Income Tax treatment, whose key components are as follows:

Income Tax rate: The Income Tax rates for Argentine companies will be reduced gradually from 35% to 30% for fiscal years beginning on or after January 1, 2018 until December 31, 2019, and to 25% for fiscal years beginning on or after January 1, 2020, inclusive.

Tax on dividends: A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2019 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2020 will be subject to tax at a rate of 13%.

Dividends on profits obtained until the fiscal year prior to the fiscal year beginning on or after January 1, 2018 will continue to be subject to withholdings, for all beneficiaries, at a rate of 35% of the amount exceeding retained earnings to be distributed free of tax (transition period of equalization tax).

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Index-adjustments to deductions: Acquisitions or investments made in the fiscal years beginning on or after January 1, 2018 will be adjusted by applying the percentage variations in the Consumer Price Index (CPI) published by the National Institute of Statistics and Census, which will increase the deductible depreciation and computable cost of sale, if any.

On December 27, 2019, the National Executive Branch enacted Law No. 27541 on Social Solidarity and Productive Reactivation.

As for Income tax applicable to companies, the following amendments introduced by the law are highlighted:

- It maintains the tax rate at 30% for 2020 (this rate should have been reduced to 25% in accordance with the 2017 Tax Reform).

- Inflation adjustment for tax purposes: The allocation of the tax-purpose inflation adjustment for the first and second year commenced as from 1/1/2019 must be allocated in equal parts during 6 fiscal years.

Tax on personal property, shares and equity interests: Tax rate rises from 0.25% to 0.50%.

On June 16, 2021, the National Executive Branch enacted Law No. 27630. The most significant amendments introduced by the law are the following:

NOTE 15: INCOME TAX - DEFERRED TAX (Cont'd)

Tax Reform and Law on Social Solidarity and Productive Reactivation (Cont'd)

- Income Tax rate: the fixed rate for companies was eliminated and a new progressive rate structure was established for three income tax brackets, in relation to the level of accumulated net taxable profits. The new rates are the following: 25% for accumulated net taxable profits ranging between $ 0 and $ 5 million; 30% for the second tax bracket, between $ 5 and $ 50 million and 35% for taxable profits in excess of $ 50 million. The law also provides that the fixed amounts in the tax brackets shall be CPI-adjusted as from the fiscal years beginning on or after January 1, 2022.

- Tax on dividends: a 7% rate has been set.

Amendments are applicable for annual reporting periods beginning on or after January 1, 2021.

The reconciliation between income tax charged to income and that resulting from the application of the tax rate to the accounting profit before taxes is shown below:

	12/31/2021	12/31/2020
Pre-tax profit/(loss)	13,127	10,341
Current tax rate	35%	30%
Income/(loss) at the tax rate	(4,594)	(3,102)
Other permanent differences	(533)	(94)
Inflation adjustment for tax purposes and restatement of tax losses	11,851	(6,183)
Accounting inflation adjustment	-	4,120
Change in the income tax rate (a)	(6,447)	1,285
Effects of exchange and translation differences on property, plant and equipment	4,296	-
Variation in tax losses	(50)	(50)
Understatement in the provision from prior year	61	(36)
Total income tax charge	**4,584**	**(4,060)**
Deferred tax for the year	4,584	(4,060)
Total income tax charge - Income/(Loss)	**4,584**	**(4,060)**

(a) Corresponds to the effect of the application of the changes in income tax rates on deferred tax assets and liabilities, in line with the tax reform detailed above, based on the expected year of realization.

NOTE 16: LOANS

	12/31/2021	12/31/2020
Non-current		
International bond	66,679	69,856
Negotiable obligations	5,563	8,720
Other bank debts	-	4,210
Finance lease debts	-	165
	72,242	**82,951**
Current		
International bond	4,376	2,757
Negotiable obligations	5,842	10,892
Other bank debts	4,607	14,085
Finance lease debts	173	188
	14,998	**27,922**

At December 31, 2021, the total financial debt amounts to USD 87 million. Total financial debt at that date is disclosed in the table below:

	Principal	Balances at December 31, 2021	Interest rate	Currency	Date of Issue	Maturity date
			(%)			
Debt securities						
International Bond	USD 13,999	15,033	9.63%	USD	July 27, 2016	July 27, 2023
International Bond	USD 57,120	56,022	9.63%	USD	December 1, 2021	December 1, 2027
Class II Negotiable Obligations GMSA-CTR	USD 6,000	6,115	15.00%	USD	August 5, 2019	May 5, 2023
Class IV Negotiable Obligations GMSA-CTR	USD 2,592	2,601	13.00% until the first amortization date 10.50% until the second amortization date	USD	December 2, 2020	April 11, 2022
Class VII Negotiable Obligations GMSA-CTR	USD 136	137	6.00%	USD	March 11, 2021	February 11, 2023
Class VIII Negotiable Obligations GMSA-CTR	UVA 120	95	UVA + 4.60%	ARS	March 11, 2021	February 11, 2023
Class IX Negotiable Obligations GMSA-CTR	USD 1,422	1,470	12.50%	USD	April 9, 2021	April 9, 2024
Class IX Negotiable Obligations GMSA-CTR	USD 235	237	6.00%	USD	November 12, 2021	November 12, 2024
Class IX Negotiable Obligations GMSA-CTR	UVA 801	750	UVA + 4.60%	ARS	November 12, 2021	November 12, 2024
Subtotal		**82,460**				
Other liabilities						
BAPRO loan	$354,220	3,502	Adjusted Badlar	ARS	January 21, 2020	June 4, 2022
Chubut loan	$62,781	627	Badlar + 5%	ARS	September 7, 2021	September 7, 2022
Banco Macro loan	$48,200	478	Badlar + 10%	ARS	August 3, 2020	January 12, 2022
Finance lease		173				
Subtotal		**4,780**				
Total financial debt		**87,240**				

NOTE 16: LOANS (Cont'd)

a) *Negotiable Obligations*

On August 8, 2014, CTR obtained, under Resolution No. 17413 of the CNV, authorization for: (i) the incorporation of CTR into the public offering system; and (ii) creation of a global program to issue simple (non-convertible into shares) negotiable obligations for a total nominal value outstanding of USD 50,000 or its equivalent in other currencies, in one or more classes or series. This 5 year-program expired on August 8, 2019.

Also, on September 26, 2017, GMSA and CTR obtained under RESFC-2017-18947-APN-DIR#CNV Resolution authorization from the CNV for the creation of a program for the co-issuance in the local market of simple negotiable obligations, not convertible into shares, for a total outstanding nominal value of up to USD 100 million or its equivalent in other currencies.

On March 8, 2019, GMSA and CTR obtained, through CNV Resolution No. RESFC-2019-20111-APN-DIR#CNV authorization for increasing the maximum amount up to USD 300,000 of the program for co-issuance of Negotiable Obligations.

Co-Issuers GMSA and CTR on August 7, 2020, through the Extraordinary General Shareholders' Meetings of GMSA and CTR approved once more the extension of the global program for the issue of negotiable obligations in the amount of USD 400,000, that is, from USD 300,000 up to USD 700,000, or its equivalent in other currencies. Further, Albanesi S.A. was added as guarantor for the Program.

The increase in the program to USD 700,000 was approved by the CNV through Resolution No. DI-2020-43-APN-GE#CNV dated September 10, 2020.

Further, on August 28, 2020, CTR obtained, through CNV Resolution No. 20771, the authorization for the creation of a global program to issue simple (not convertible into shares) negotiable obligations for a total nominal value outstanding of USD 100,000 or its equivalent in other currencies, in one or more classes or series.

At December 31, 2021, there are outstanding Class II, Class IV, Class VII, Class VIII, Class IX and Class XI Negotiable Obligations co-issued by the Company and GMSA, for the amounts and under the following conditions: In addition, in the course of the fiscal year Class IV and Class III Negotiable Obligations GMSA-CTR co-issuance were redeemed.

Class II Negotiable Obligations (GMSA and CTR co-issuance):

Co-issuance of Class II negotiable obligations took place on August 5, 2019 and were fully subscribed in cash.

On November 18, 2020, the co-issuers of the Class II negotiable obligations requested consent from each and all holders to, among other things, change the payment schedule and reduce payments of principal maturing over the next 24 months. On December 4, co-issuers announced that they had obtained consent from 100% of holders, with the amendment being subject to fulfillment of certain conditions precedent. On December 17, those conditions precedent were fulfilled, and the amendments became effective. At the same time, the amendment fulfilled the requirements of Communication "A" 7106 of the Central Bank.

Principal: total nominal value USD 80 million; amount assigned to CTR: USD 8 million.

Interest: 15% annual nominal rate, payable quarterly as from November 5, 2019 to maturity.

NOTE 16: LOANS (Cont'd)

a) Negotiable obligations (Cont'd)

Class II Negotiable Obligations (GMSA and CTR co-issuance) (Cont’d):

Maturity date: May 5, 2023

Payment method: Principal on Negotiable Obligations shall be paid in nine (9) quarterly consecutive installments, each of them for an amount equal to the original percentage of the principal established below: May 5, 2021: 7.00%; August 5, 2021: 9.00%; November 5, 2021: 9.00%; February 5, 2022: 6.50%; May 5, 2022: 6.50%; August 5, 2022: 8.50 %; November 5, 2022: 10.00%; February 5, 2023: 10.00%; maturity date 33.50%.

The proceeds from the issuance of Class II Negotiable Obligations will be mainly applied to the refinancing of liabilities and investment in fixed assets and, to a lesser extent, to the financing of working capital.

Class II Negotiable Obligations will be: (i) secured by GMSA with suretyships; and (ii) guaranteed with pledges on operating turbines, a mortgage on CTI, a reserve account with funds from two interest periods and an assignment of rights to collect debts on contracts with CAMMESA under ES Resolutions Nos. 220/07 and 21/17.

Principal balance due on this Negotiable Obligation at December 31, 2021 amounts to USD 6,000.

Class IV Negotiable Obligations (GMSA and CTR co-issuance):

On December 2, 2020, GMSA and CTR issued Class IV Negotiable Obligations, fully paid by the swap of the Class III Negotiable Obligations under the following conditions:

Interest: Class IV Negotiable Obligations shall accrue interest at a fixed nominal annual interest rate of: (a) 13%, payable as from the issue and settlement date until the second interest payment date (exclusive) (Class IV); and (b) 10.5% from the second interest payment date (inclusive) (Class IV) until the maturity date (exclusive) (Class IV). Interest payment shall be made on the following dates: January 11, 2021; April 12, 2021; May 11, 2021; June 11, 2021; July 12, 2021; August 11, 2021; September 13, 2021; October 11, 2021; November 11, 2021; December 13, 2021; January 11, 2022; February 11, 2022; March 11, 2022, and April 11, 2022.

Payment term and method:

Amortization: Class IV Negotiable Obligations shall be amortized in 13 (thirteen) consecutive monthly installments, in accordance with the following schedule: 13 installments, April 11, 2021: 4.75%; May 11, 2021: 4.75%; June 11, 2021: 4.75%; July 11, 2021: 4.75%; August 11, 2021: 4.75%; September 11, 2021: 4.75%; October 11, 2021: 8% ; November 11, 2021: 8%; December 13, 2021: 8%; January 11, 2022: 8%; February 11, 2022: 8%; March 11, 2022: 8%; April 11, 2022: 23.50%.

The issuance allowed the swap of 69.39% of Class III Negotiable Obligations, improving the financial debt maturities profile of the Company.

Principal balance due on this Negotiable Obligation at December 31, 2021 amounts to USD 2,592.

<u>NOTE 16:</u> LOANS (Cont'd)

a) Negotiable obligations (Cont'd)

On March 11, 2021, GMSA and CTR co-issued Class VII and Class VIII Negotiable Obligations under the following conditions:

Class VII Negotiable Obligations (GMSA and CTR co-issuance)

Principal: nominal value: USD 7,707

Amount assigned to CTR: USD 344

Maturity date: March 11, 2023

Interest: 6% annual nominal rate, payable on a quarterly basis up to and including March 11, 2023.

Payment term and method: Amortization: They shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Payment: the Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of Albanesi SA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

The principal balance due at December 31, 2021 amounts to USD 136.

Class VIII Negotiable Obligations (GMSA and CTR co-issuance):

Principal: nominal value: UVA 41,936 equivalent to $2,915 thousand;

Amount assigned to CTR: UVA 913 thousand.

Interest: 4.60 % annual nominal rate, payable on a quarterly basis up to and including March 11, 2023.

Payment term and method: Amortization: They shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VIII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Payment: the Negotiable Obligations were paid up in pesos at initial UVA value and in kind under the swap of Albanesi SA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on this Negotiable Obligation at December 31, 2021 amounts to UVA 890 thousand.

<u>NOTE 16:</u> LOANS (Cont'd)

a) Negotiable obligations (Cont'd)

Class IX Negotiable Obligations (GMSA and CTR co-issuance)

On April 9, 2021, GMSA and CTR co-issued Class IX Negotiable Obligations under the following conditions:

Principal: nominal value: USD 4,265

Amount assigned to CTR: USD 1,422

Interest: 12.5% annual nominal rate, payable quarterly to maturity, on April 9, 2024.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in 3 (three) consecutive installments, equivalent to 33% for the first installment; 33% for the second installment, and 34% for the third and last installment, of the nominal value of Class IX Negotiable Obligations, on the following dates: April 9, 2022, April 9, 2023 and the Maturity Date.

Payment: the Negotiable Obligations were paid up in kind through the swap of GMSA and CTR Class III Negotiable Obligation Co-issuance.

The principal balance due at December 31, 2021 amounts to USD 1,422.

On November 12, 2021 the Company, jointly with GMSA, co-issued Class XI Negotiable Obligations under the following conditions:

Class XI Negotiable Obligations:

Principal: nominal value: USD 38,654 (US dollar-linked)

Amount assigned to CTR: USD 235

Interest: 6.0% annual nominal rate, payable quarterly to maturity, on November 12, 2024.

Payment term and method: Class XI Negotiable Obligations shall be amortized in four consecutive installments, each for an amount equivalent to 25% of the nominal value of Class XI Negotiable Obligations, on the following dates: February 12, 2024, May 12, 2024, August 12, 2024 and November 12, 2024.

Payment: the Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of Class V, Class VII and Class VIII Negotiable Obligations GMSA-CTR co-issuance.

Principal balance due on this Negotiable Obligation at December 31, 2021 amounts to USD 235.

NOTE 16: LOANS (Cont'd)

a) Negotiable obligations (Cont'd)

Class XII Negotiable Obligations:

Principal: nominal value: UVA 48,161 thousand

Amount assigned to CTR: UVA 801 thousand

Interest: 4.6% annual nominal rate, payable quarterly to maturity, on November 12, 2024.

Payment term and method: Class XII Negotiable Obligations shall be amortized in four consecutive installments, each for an amount equivalent to 25% of the nominal value of Class XI Negotiable Obligations, on the following dates: February 12, 2024, May 12, 2024, August 12, 2024 and November 12, 2024.

Payment: the Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of Class VIII Negotiable Obligations GMSA-CTR co-issuance.

Principal balance due on this Negotiable Obligation at December 31, 2021 amounts to UVA 801 thousand.

b) International Bonds Issuance

On July 7, 2016, under CNV Resolution No. 18110, GMSA, Generación Frías S.A. and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated negotiable obligations, not convertible for shares. On July 27, 2016, Negotiable Obligations were issued for USD 250 million, maturing in 7 years.

This issuance allowed financing investments under the Company's expansion plans, as a result of the award by the ES of Wholesale Demand Contracts through Resolution No. 115/2016 dated June 14, 2016, and also the Group's projects under development, which in the aggregate represent works for installing 460 nominal MW. It has also improved the Group's financial profile with the early repayment of existing loans, obtaining a term for financing in accordance with the projects and also a considerable decrease in financing costs, which implies financial efficiency and release of guarantees.

On November 8, 2017, under RESFC – 2017-19033-APN – DIR #CNV Resolution, GMSA and CTR obtained authorization from the CNV for the International Bond reopening. On December 5, 2017, Negotiable Obligations were issued for USD 86,000, reaching a nominal value of USD 336,000. These Negotiable Obligations are issued under the same conditions as the original issuance.

International Bond 2023:

Principal: Total nominal value: USD 336,000

Nominal value assigned to CTR: USD 70,000

Interest: Fixed rate of 9.625%.

Payment term and method: Interest on the International Bond will be paid semi-annually in arrears, on the following dates: January 27 and July 27 of each year, commencing on January 27, 2017 to maturity.

NOTE 16: LOANS (Cont'd)

b) International Bonds Issuance (Cont'd)

International Bond 2023 (Cont'd):

Principal on the Negotiable Obligations shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

The International Bond has been rated as CCC (Moody's).

As a result of the issue of International Bonds, the Company has undertaken standard commitments for this type of issue, whose specific conditions are detailed in the pertinent public prospectus. At the date of these Financial Statements, the Company is in compliance with all commitments undertaken.

On October 22, 2021, the holders of the International Bond were informed that GMSA and CTR (as co-issuers) offer the subscription of Class X Negotiable Obligations, stated and payable in US dollars, at a fixed interest rate of 9.625%, maturing in 2027.

On November 26, 2021, expiration date of the swap offer, valid offers were filed by holders of the International bonds for a nominal value of USD 212,802 from USD 266,000 (80%).

Principal balance due on this Negotiable Obligation at December 31, 2021 amounts to USD 13,999.

2027 International bond (Class X Negotiable Obligations Co-issuance)

On 22 October 2021, the holders of the International Bond and the creditors of Existing Loans (Credit Suisse AG London Branch) were informed that GMSA and CTR (as co-issuers) offer the subscription of Class X Negotiable Obligations, stated and payable in US dollars, at a fixed interest rate of 9.625%, maturing in 2027.

At November 26, 2021, the swap offer expiration date, the holders of the International Bond duly filed swap offers for a nominal value of USD 268,803 out of USD 336,000 (80%) and the holders of Existing Loans (Credit Suisse AG London Branch) for a principal amount of USD 51,217 from USD 51,217 (100%).

With this outcome and the swap ratio offered to holders of the International bond which will file their advanced offer, the total amount issued on December 1, 2021 was USD 325,395.

Together with the swap offers filed, the necessary consents were obtained to amend, subject to the Meeting of Holders to be held on November 30, certain commitments and clauses of the Trust Agreement of the 2023 International bond.

The underwriters and Request for Consent Agent are Citigroup Global Markets INC., J.P. Morgan Securities LLC and UBS Securities LLC.

The Meeting of Holders was held on November 30, 2021, and concluded the swap of the instruments mentioned and amended certain commitments and clauses of the Trust Agreement of the 2023 International Bond.

On December 1, 2021, GMSA and CTR co-issued Class X Negotiable Obligations under the following conditions:

NOTE 16: LOANS (Cont'd)

b) International Bonds Issuance (Cont’d)

2027 International bond (Class X Negotiable Obligations Co-issuance) (Cont’d)

Principal: nominal value: USD 325,395

Amount assigned to CTR: USD 57,120

Interest: 9.625% annual nominal rate, payable monthly in arrears on February 1, 2022 and June 1, 2022 and subsequently they will be payable on a half-year basis as follows: December 1, 2022; June 1, 2023; December 1, 2023; June 1, 2024; December 1, 2024; June 1, 2025; December 1, 2025; June 1, 2026; December 1, 2026, June 1, 2027 and December 1, 2027.

Payment term and method: The principal of the new Negotiable Obligations shall be payable in 12 installments on the following dates: 2% on February 1, 2022; 3.50% on December 1, 2022; 3.50% on June 1, 2023; 7.00% on December 1, 2023; 10.00% on June 1, 2024; 10.00% on December 1, 2024; 10.00% on June 1, 2025; 10,00% on December 1, 2025; 10,00% on June 1, 2026; 10.00% on December 1, 2026; 10.00% on June 1, 2027; 14.00% on December 1, 2027.

Payment: the Negotiable Obligation was paid with the swap of international bond issued in 2016 and Credit Suisse AG London Branch loan.

Principal balance due on the 2027 International Bond at December 31, 2021 is USD 57,120 thousand.

c) BCRA Resolutions

- Communication “A” 7044

On June 18, 2020, Communication “A” 7044 of the BCRA established that financial institutions must add unpaid installments corresponding to maturities falling due between April 1, 2020 (including past due installments at March 31, 2020 and September 30, 2020) to the month following the end of the loan term, considering the accrued compensatory interest.

- Communication “A” 7106

On September 15, 2020, the BCRA issued Communication “A” 7106 which states in item 7 that debtors having scheduled payments of principal falling due between October 15, 2020 and June 30, 2021 for the following transactions:

(i) Financial debts abroad with the non-financial private sector with a creditor that is not a related party of debtor;

(ii) Financial debts abroad for entities’ own transactions and/or;

NOTE 16: LOANS (Cont'd)

c) BCRA Resolutions (Cont'd)

- Communication "A" 7106 (Cont'd)

(iii) Issuance of publicly traded debt securities in Argentina stated in foreign currency of private sector clients or of the own entities, must submit to the BCRA a detail of the refinancing plan based on the following criteria:

a) the net amount for which access to the exchange market is given in the original terms is not to exceed forty percent (40%) of the principal amount due; and

b) the rest of the principal has been, at least, refinanced with a new external indebtedness with an average life of two (2) years.

Item 7 of Communication "A" 7106 further establishes that new financial debts abroad granted by other creditors and settled in the exchange market by client will be admitted in addition to the refinancing granted by the original creditor. In the case of issuance of publicly traded debt securities in Argentina in foreign currency, new issuances will be admitted when the conditions of item 3.6.4 of the Foreign Trade and Exchange regulations are met.

Lastly, the regulation states that the refinancing plan must be submitted to the BCRA before September 30, 2020 for those maturities until December 31, 2020. In turn, for maturities between January 1, 2021 and June 30, 2021, the refinancing plans must be submitted thirty (30) calendar days before the maturity of the principal under refinancing.

The foregoing is not applicable in the following cases: (i) debts with international organizations or their associated agencies or secured by them, (ii) debts granted to the debtor by official credit agencies or secured by them and (iii) when the amount for which the exchange market would be accessed to pay the principal of those debts would not exceed the equivalent to USD 1,000,000 (one million US dollars) per calendar month.

Principal amortizations of the UBS AG Stamford Branch loan falling due in December 2020 and March 2021 are within the period defined by Communication "A" 7106. On April 14, 2021 the Company executed the amendment to the loan mentioned above under the terms explained in Note 16 d), having complied with current regulations.

- Communication "A" 7230

On February 25, 2021, the BCRA released Communication "A" 7230 whereby:

(i) It extended the obligation to refinance and submit refinancing plans to access the exchange market to pay principal on financial debt in foreign currency as laid down in Communication "A" 7106, for those recording principal amounts maturing between April 1, 2021 and December 31, 2021; and

(ii) It relaxed the requirements established by Communication 7106 which shall be taken into account for refinancing, increasing from USD 1,000,000 to USD 2,000,000 maturities that are to be rescheduled per calendar month.

<u>NOTE 16:</u> LOANS (Cont'd)

c) BCRA Resolutions (Cont'd)

- Communication "A" 7230 (Cont'd)

In this line, Communication 7230 also states that the refinancing plan shall be submitted to the BCRA before March 15, 2021 for principal amounts maturing between April 1, 2021 and April 15, 2021, while in the other cases, it shall be submitted at least 30 calendar days prior to the maturity of principal to be refinanced.

The following are not subject to this norm:

- Maturities of indebtedness as from January 1, 2020, provided the funds have been brought in and traded through the MULC.

- Maturities in 2020, rescheduled, in accordance with the provisions of Communication 7106.

- Communication "A" 7416

On December 9, 2021, the BCRA released Communication "A" 7416 whereby:

It extended the obligation to refinance and submit refinancing plans to access the exchange market to pay principal on financial debt in foreign currency as laid down in item 3.17 of the Foreign Trade and Exchange regulations (Communication "A" 7308), for those recording principal amounts maturing between January 1, 2022 and June 30, 2022; and

In this line, Communication "A" 7416 also states that the refinancing plan shall be submitted to the BCRA before December 27, 2021 for principal amounts maturing between January 1, 2021 and January 26, 2022, while in the other cases, it shall be submitted at least 30 calendar days prior to the maturity of principal to be refinanced.

The following are not subject to this norm:

- Maturities of indebtedness as from January 1, 2020, provided that the funds have been brought into Argentina and traded on the MULC.

- Maturities of indebtedness as from January 1, 2020 that comprise refinancing of principal maturities subsequent to that date, to the extent this refinancing has enabled to reach the parameters defined in item 3.17.3 of the Foreign Trade and Exchange regulations.

- The remaining portion of refinanced maturities, to the extent this refinancing has enabled to reach the parameters defined in item 3.17.3 of the Foreign Trade and Exchange regulations.

NOTE 16: LOANS (Cont'd)

The due dates of Company loans and their exposure to interest rates are as follows:

	12/31/2021	12/31/2020
Fixed rate		
Less than 1 year	10,218	18,417
Between 1 and 2 years	23,819	4,963
Between 2 and 3 years	12,622	73,613
After 3 years	35,801	
	82,460	**96,993**
Floating rate		
Less than 1 year	4,780	9,505
Between 1 and 2 years	-	4,375
	4,780	**13,880**
	87,240	**110,873**

The fair value of Company's international bonds at December 31, 2021 and December 31, 2020 amounts to approximately $5,946 million and $3,704 million, respectively. This value was calculated based on the estimated market price of the Company's international bonds at the end of each fiscal year. The applicable fair value hierarchy would be Level 1.

The other floating rate loans are measured at fair value. Given the proximity of their issuance, fixed-rate loans do not differ significantly from their fair value.

Fair values are based on the present value of the contractual cash flows, using a discount rate derived from observable market prices of other similar debt instruments plus the corresponding credit risk.

Company loans are denominated in the following currencies:

	12/31/2021	12/31/2020
Argentine pesos	5,452	18,181
US dollars	81,788	92,692
	87,240	**110,873**

Changes in Company's loans during the fiscal year ended December 31, 2021 and 2020 were as follows:

	12/31/2021	12/31/2020
Loans at beginning of year	110,873	114,352
Loans received	82,907	6,765
Loans paid	(100,900)	(9,631)
Leases paid	(252)	(214)
Accrued interest	16,438	14,682
Interest paid	(17,429)	(13,240)
Difference in UVA value	262	-
Exchange difference	(3,159)	31,737
Capitalized expenses/present values	(1,500)	(77)
Gain/(loss) on purchasing power parity	-	(33,501)
Loans at year end	**87,240**	**110,873**

NOTE 17: LEASES

This note provides information on leases in which the Company acts as lessor.

Amounts recognized in the Statement of Financial Position:

	12/31/2021	12/31/2020
Right of use of assets		
Original values		
Machinery	519	559
Vehicles	-	9
Accumulated depreciation	(19)	(4)
	500	564

Changes in Company financial leases were as follows:

	12/31/2020	12/31/2020
Finance lease at beginning of year	353	500
Payments made for the year	(227)	(163)
Interest paid	(25)	(51)
Accrued interest and exchange difference	72	198
Gain/(loss) on purchasing power parity		(131)
Finance lease at year end	**173**	**353**

NOTE 18: TAX PAYABLES

Current	12/31/2021	12/31/2020
Income tax withholdings to be deposited	21	13
Provision for Turnover Tax, net	77	65
Turnover tax withholdings to be deposited	3	1
Payment-in-installment plan	1,520	1,563
Value added tax	-	377
Sundry	2	1
	1,623	**2,020**

NOTE 19: DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH PERSONNEL

A detailed description of the estimated cost and liability for benefits after retirement granted to employees of the Company is included below. These benefits are:

- A bonus for all the employees retiring under the differential regime of Decree No. 937/74, when reaching 55 years of age and 30 years of service, consisting in 10 salaries, augmented by 2% per each year of service exceeding the first 5 years.

NOTE 19: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

- A bonus for service length, consisting in paying one salary after 20 years of employment (17 years, for women) plus another one every 5 years up to 35 years' service (32 years, for women) and two more salaries upon reaching 40 years of service (37 years, for women).

The liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned above were determined considering all the rights accrued by the beneficiaries until closing date of the year ended December 31, 2021, based on an actuarial study performed by an independent professional at that date. The actuarial method applied by the Company is the Projected Benefit Unit method.

The amounts and conditions vary according to the collective bargaining agreement.

	12/31/2021	12/31/2020
Non-current	92	89
Current	1	32
Total	**93**	**121**

Changes in the Company's obligations for benefits at December 31, 2021 and 2020 are as follows:

	12/31/2021	12/31/2020
Present value of the obligations for benefits	93	121
Obligations for benefits at year end	**93**	**121**

The actuarial assumptions used were:

	12/31/2021	12/31/2020
Obligations for benefits at year end	5.5%	5.5%
Salary growth rate	1%	1%
Inflation	45.0%	45%

At December 31, 2021 and 2020, the Company does not have assets related to pension plans.

The charge recognized in the Statement of Comprehensive Income is as follows:

	12/31/2021	12/31/2020
Cost of current services	17	17
Interest charges	50	47
Actuarial gain through Other comprehensive income	(5)	(15)
Total cost	**62**	**49**

NOTE 19: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

Changes in the obligation for defined benefit plans are as follows:

	12/31/2021	12/31/2020
Balance at beginning of year	121	111
Cost of current services	17	17
Interest charges	50	47
Actuarial gain through Other comprehensive income	(5)	(15)
Payments of benefits	(68)	-
Exchange difference	(22)	-
Gain/(loss) on purchasing power parity	-	(39)
Balance at year end	**93**	**121**

Estimates based on actuarial techniques involve the use of statistical tools, such as the demographic tables used in the actuarial valuation of the Group active personnel. To determine mortality for the Group active personnel, the mortality table "RP 2000" has been used. In general, a mortality table shows, for each age group, the probability that a person in that age group will die before reaching a predetermined age. Mortality tables are elaborated separately for men and women, given that both have substantially different mortality rates.

To estimate total and permanent disability due to any cause, the table "Pension Disability Table 1985" has been used. To estimate the probability that the Group active personnel will leave the job or stay, the table "ESA 77" has been used. The liabilities related to the above-mentioned benefits were determined considering all the rights accrued by the beneficiaries of the plans until closing date of the year ended December 31, 2021.

NOTE 20: SALARIES AND SOCIAL SECURITY LIABILITIES

Current	12/31/2021	12/31/2020
Social security charges payable	259	196
Provision for vacation pay	52	50
	311	**246**

NOTE 21: TRADE PAYABLES

Current	Note	12/31/2021	12/31/2020
Suppliers in local currency		188	134
Suppliers in foreign currency		210	-
Balances with related parties, in local currency	**29**	15	1,557
Balances with related companies, in foreign currency	**29**	667	-
Suppliers - purchases not yet billed		207	103
		1,287	**1,794**

NOTE 22: SALES REVENUE

	12/31/2021	12/31/2020
Sale of energy Res. No. 220 (*)	41,653	38,541
Sale of energy Res. No. 95, as amended, plus Spot	208	104
	41,861	**38,645**

(*) Includes costs of USD 5,794 recognized by CAMMESA at December 31, 2021 and USD 9,605 for the purchase of Gas from RGA at December 31, 2020.

NOTE 23: COSTS OF SALES

	12/31/2021	12/31/2020
Purchase of electric energy	(459)	(233)
Salaries and social security contributions	(1,504)	(1,371)
Defined benefit plan	(17)	(17)
Other employee benefits	(59)	(55)
Fees for professional services	(17)	(22)
Maintenance services	(698)	(479)
Depreciation of property, plant and equipment	(9,008)	(8,368)
Security guard and porter	(90)	(102)
Per diem, travel and representation expenses	(8)	(4)
Insurance	(527)	(347)
Communication expenses	(41)	(34)
Snacks and cleaning	(81)	(51)
Taxes, rates and contributions	(145)	(125)
Sundry	(17)	(10)
	(12,671)	**(11,218)**

NOTE 24: SELLING EXPENSES

	12/31/2021	12/31/2020
Taxes, rates and contributions	(487)	(765)
	(487)	**(765)**

NOTE 25: ADMINISTRATIVE EXPENSES

	12/31/2021	12/31/2020
Fees and compensation for services	(3,098)	(2,445)
Directors' fees	(77)	-
Taxes, rates and contributions	(54)	(26)
Leases	(97)	(54)
Per diem, travel and representation expenses	(1)	(29)
Insurance	(1)	-
Office expenses	(1)	(9)
Gifts	-	(2)
Sundry	(12)	(8)
	(3,341)	**(2,573)**

NOTE 26: OTHER INCOME AND EXPENSES

26.1 Other income	12/31/2021	12/31/2020
Fine on suppliers for noncompliance	-	434
	-	**434**

NOTE 27: FINANCIAL RESULTS

	12/31/2021	12/31/2020
Financial income		
Commercial and other interest	1,892	2,409
Interest on loans granted	5,170	4,270
Total financial income	**7,062**	**6,679**
Financial expenses		
Interest on loans	(16,439)	(14,682)
Commercial and other interest	(667)	(3,013)
Bank expenses and commissions	(117)	(54)
Total financial expenses	**(17,223)**	**(17,749)**
Other financial results		
Exchange differences, net	(2,231)	(28,288)
Gain/(loss) on purchasing power parity	-	25,074
Changes in the fair value of financial instruments	1,019	553
Difference in UVA value	(262)	-
Other financial results	(600)	(451)
Total other financial results	**(2,074)**	**(3,112)**
Total financial results, net	**(12,235)**	**(14,182)**

NOTE 28: EARNINGS PER SHARE

Basic

Basic earnings/(losses) per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the fiscal year.

	12/31/2021	12/31/2020
Income for the year	17,711	6,281
Weighted average of outstanding ordinary shares	868	868
Basic earnings per share	**20.40**	**7.24**

There are no differences between the calculation of the basic earnings/(losses) per share and the diluted earnings/(losses) per share.

NOTE 29: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Income/(Loss) $	
	12/31/2021	12/31/2020
a) Purchase of gas and energy		
Other related parties:		
RGA	-	(1,593)
	-	**(1,593)**
b) Commercial interest		
Other related parties:		
RGA	(9)	(2,538)
	(9)	**(2,538)**
c) Administrative services		
Other related parties:		
RGA	(2,894)	(2,258)
	(2,894)	**(2,258)**
d) Rental		
Other related parties:		
RGA	(97)	(54)
	(97)	**(54)**
e) Other purchases and services received		
Other related parties:		
BDD – Purchase of wines	-	(1)
AJSA - Flights made	-	(29)
GROSA	(16)	-
GMSA - Surety bonds received	(9)	(13)
	(25)	**(43)**
f) Recovery of expenses		
Other related parties:		
RGA	(5)	-
GROSA	-	(1)
GMSA	(192)	(488)
	(197)	**(489)**
g) Interest generated due to loans granted		
Other related parties:		
Directors - Shareholders	12	107
GMSA	5,149	4,160
	5,161	**4,267**

NOTE 29: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

h) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Managerial staff's fees at December 31, 2021 and 2020 amounted to USD 152 and USD 142, respectively.

	12/31/2021	12/31/2020
Salaries	(152)	(142)
	(152)	**(142)**

j) Balances at the date of the Statements of Financial Position

	12/31/2021	12/31/2020
Other current receivables from related parties		
GMSA	22,588	19,885
Directors - Shareholders	352	479
	22,940	**20,364**

	12/31/2021	12/31/2020
Current trade payables with related parties		
RGA	1	970
GMSA	681	585
BDD	-	2
	682	**1,557**

	12/31/2021	12/31/2020
Loans to Directors - Shareholders		
Balance at beginning of year	479	330
Loans granted	112	169
Loans forgiven	(248)	-
Accrued interest	12	107
Exchange difference	(3)	-
Gain/(loss) on purchasing power parity	-	(127)
Balance at year end	**352**	**479**

Entity	Principal	Interest rate	Conditions
12/31/2021			
Directors - Shareholders	191	Badlar + 3%	Maturity date: 1 year
Total in USD	**191**		

NOTE 29: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

l) Loans between related parties

	12/31/2021	12/31/2020
Loans from GMSA		
Balance at beginning of year	19,885	5,002
Loans granted	8,645	23,518
Loans collected	(6,479)	(7,493)
Accrued interest	5,149	4,160
Paid interest	(771)	(1,217)
Exchange difference	(3,841)	-
Gain/(loss) on purchasing power parity	-	(4,085)
Balance at year end	**22,588**	**19,885**

Entity	Principal	Interest rate	Conditions
12/31/2021			
GMSA	15,920	35%	Maturity date: 1 year
Total in USD	**15,920**		

NOTE 30: WORKING CAPITAL

The Company reported a surplus of USD 16,801 in its working capital (calculated as current assets less current liabilities) at December 31, 2021. The surplus in working capital amounted to USD 6,993 at December 31, 2020.

NOTE 31: SEGMENT REPORTING

The information on exploitation segments is presented in accordance with the internal information furnished to the chief operating decision maker (CODM). The Board of Directors of the Company has been identified as the highest authority in decision-making, responsible for allocating resources and assessing the performance of the operating segments.

The management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

The Board of Directors considers the business as having a single segment, the generation and sale of electricity.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. Considering that the adjustments between the prior accounting standards and IFRS refer to non-operating items, such information is not substantially affected by the application of the new standards.

NOTE 32: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV adopted General Resolution No. 629 introducing amendments to its regulations on storage and preservation of corporate books, accounting records and business documents. The Company keeps and preserves its corporate books, accounting records and relevant business documents at its principal place of business located at Av. L.N. Alem 855, Floor 14, City of Buenos Aires.

<u>NOTE 32:</u> STORAGE OF DOCUMENTATION (Cont'd)

Furthermore, the Company has sent its working papers and non-sensitive information for fiscal years not yet statute-barred to its storage services supplier:

Entity responsible for warehousing of information - Domicile

Bank S.A. - Colectora Oeste Panamericana and 28 Street, Garín
Bank S.A. - Colectora Oeste Panamericana km 31,7, Gral. Pacheco
Bank S.A. - Carlos Pellegrini 1201, Dock Sud

A detail of the documentation sent for preservation is available at the registered office of that entity, as well as the documentation referred to by article 5, clause a.3), Section I of Chapter V, Title II, of the REGULATIONS (N.T. 2013 as amended).

<u>NOTE 33:</u> MERGER BY ABSORPTION

On December 21, 2020, the Board of Directors of Albanesi S.A. resolved to carry out a process of corporate reorganization between Generación Mediterránea S.A. ("GMSA"), Generación Centro S.A. ("GECEN") and Albanesi S.A. ("ASA") whereby GECEN and ASA would be merged into GMSA (ASA and GECE jointly referred to as the "Merged Companies") to achieve a consistent and coordinated performance of the business activities of the companies involved to their own benefit and to the benefit of their shareholders, third-party contractors, trading partners and, particularly, their investors and creditors. The merger with GMSA will streamline costs, processes and resources, and the effective merger date is January 1, 2021. Subsequently, on March 19, 2021, a Preliminary Merger Agreement was signed whereby all assets, liabilities, shareholders' equity, including recordable assets, rights and obligations of the Merged Companies would be added to GMSA's equity subject to the registration of the Final Merger Agreement with the Legal Entities Regulator (IGJ) on the Effective Merger Date. It was further agreed that GMSA would act on its own behalf in relation to all acts it performs for the administration of the Merged Companies' business activities and GMSA would be responsible for all profits, losses and consequences of the acts performed during that year.
Notwithstanding the foregoing, it was also agreed that all the acts performed by GMSA as from the Effective Merger Date as a result of the administration of the business activities to be merged shall be deemed to be carried out on behalf of the Merged Companies in case that the Final Merger Agreement cannot be registered with the pertinent Public Registries for whatever reason. In addition, it was resolved to convene an extraordinary meeting of shareholders of the companies involved in the merger to consider all documents relating to the merger for May 11, 2021.

The meetings were held and an adjournment was resolved to be able to publish the merger offering circular in compliance with CNV rules. On May 26, 2021, the adjournment period ended and the extraordinary general meetings were held at which the shareholders resolved to approve the merger, its documentation, the execution of the final merger agreement, the dissolution of ASA and GECEN and the consequent GMSA capital increase. On November 18, 2021 the CNV, by means of Resolution No. RESFC-2021-21508-APN-DIR#CNV, approved the process of merger through absorption, which to date is pending registration with the public registry under the Legal Entities Regulator.

NOTE 34: MAIN INSURANCE CONTRACTS

Insured items:

Kind of Risk	Insured amount 2021	Insured amount 2020
Operational all-risk - material damages	USD 145,000	USD 111,340
Operational all-risk - loss of profit	USD 41,830	USD 48,258
Civil liability (primary)	USD 1,000	USD 1,000
Civil liability (excess coverage)	USD 9,000	USD 9,000
Directors and Officers (D&O) liability insurance	USD 15,000	USD 15,000
Automobile	$10,100	$5,480
Personal accidents	USD 1,000	USD 1,000
Transport insurance, Argentine and international market	USD 5,000	USD 12,000
Directors' qualification bond	$4,050	$250
Customs bond	-	-
Environmental bond	$23,538	$19,554
Equipment technical insurance	USD 96	USD 92
Life - mandatory life insurance	$119	$93
Life - mandatory group life insurance (LCT, employment contract law)	Disability: 1 salary per year	Disability: 1 salary per year
	Death: 1/2 salary per year	Death: 1/2 salary per year
Life - additional group life insurance	24 salaries	24 salaries

Operational all risk coverage - loss of profit

Operational all risk insurance provides coverage for all risks of loss or physical damage to the insured's property and/or for risks for which it is responsible while situated in the location(s) described in the policy, provided that such damages occurred accidentally, suddenly and in an unforeseen manner and make it necessary to repair and/or replace as a direct consequence of any of the risks covered by the insurance policy. The aim of this policy is to cover the loss of profit caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

On October 15, 2021, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 12 months through first-class insurers, as listed below: Starr Insurance Companies, Federación Patronal, La Meridional, Provincia Seguros, Chubb, Sancor and Zurich.

Civil liability

The Company has taken out insurance coverage for underlying civil liability of the insured, as a result of injuries and/or death of third parties and/or damages to third-party property, caused and/or derived from the development of the insured's activity, subject to the terms, conditions, limitations and exclusions contained in the policy.
This coverage is structured as follows:

An individual policy for each of the Group companies was taken out, with a compensation limit of USD 1,000 per event and per location and two reinstatements during the effective term of the policy.

NOTE 34: MAIN INSURANCE CONTRACTS (Cont'd)

Civil liability (Cont'd)

In addition, an insurance policy common to all companies has been taken out with a compensation limit of USD 9,000- per event and during the effective term of the policy in excess of USD 1,000 (individual policies), with two reinstatements.

Directors and Officers (D&O) liability insurance

This policy covers all actions or decision-making of directors and/or officers acting in such capacity, outside the professional service or company where they work; for example, hirings and firings of employees; financial, advertising and marketing decisions; mergers or acquisitions; shareholders' statements, accounting records, which are performed with negligence or fault, error or imprudence and cause an economic damage to an employee, shareholder or third party. It does not cover fraudulent activities.

It also covers the company in case of stock-exchange claims or from bondholders or securities holders.

It covers the personal property of present, past or future directors and/or officers, and the company's exposure to capital market risks.

Automobile insurance

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

Transport insurance

The Company has an insurance policy that covers the transport expenses incurred by all generators of Grupo Albanesi under the modality of sworn statement to be presented monthly in arrears. This urban, national or international transport insurance policy covers the losses or damages to the insured's goods while they are being carried whether by land, air or sea.

Customs Bonds

Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.

Temporary exports: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

Directors' qualification bond

This guarantee is required by the General Companies Law (Law No. 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This bond protects the Company against non-compliance with obligations by Directors or Managing partners while performing their duties.

NOTE 34: MAIN INSURANCE CONTRACTS (Cont'd)

Mandatory life insurance

Employers are required to take out Mandatory Group Life Insurance in favor of their employees. This insurance policy provides 24-hour coverage for employees' risk of death for whatever reason and without limitation in Argentina and abroad.

Life insurance, as required by the Employment Contract Law (LCT)

This insurance covers obligations arising under the Employment Contract Law, if the company has to pay compensation in case of total and permanent disability or death of the employee, for whatever reason.

Group Life insurance

The Company has taken out a Group Life Insurance Policy to the benefit of all Group's employees. This Policy provides coverage by granting compensation in case of death, partial losses caused by accidents, total and permanent disability, advance payments in case of serious and deadly diseases, organ transplants and birth of posthumous child.

Environmental bond

The Environmental Damage Risk Insurance Policy with Group Incidence complies with environmental bond required by the enforcement authorities under General Environmental Law No. 25675, Section. 22.

Electronic equipment technical insurance

This insurance provides coverage for the risks that may be suffered by fixed or mobile office electronic equipment for data processing, such as PCs, notebooks, photocopiers, telephone central systems, etc., as per a detail provided by the insured in case of accidental, sudden and unforeseen events.

NOTE 35: GUARANTEES PROVIDED FOR FINANCIAL OPERATIONS WITH RELATED PARTIES

Loan JPMorgan Chase Bank, N.A.

On July 7, 2020, ASA, CTR and JP Morgan Chase Bank N.A. ("JPM") entered into a Corporate Guarantee Agreement, whereby they secured the loan granted to GMSA by JPM for USD 14,808. This loan is allocated to financing 85% of the amount payable to PW Power Systems LLC ("PWPS"), as exporter, for the repair and upgrading services provided for certain natural gas turbines owned by GMSA (formerly purchased from PWPS) as agreed upon under a service contract. This financing is secured by Export-Import Bank ("Exim Bank") and ASA and CTR acted as guarantors, as stated above.

The guarantee package includes the following: (i) a promissory note issued by GMSA in favor of JPM for the amount of the principal to be provided in each disbursement under the loan agreement, each of them secured by CTR and ASA, under the Argentine law; (ii) a promissory note governed by the laws of the State of New York, issued by GMSA; and (iii) a suretyship by CTR and ASA, both as joint and several debtors and principal payors, pursuant to the Corporate Guarantee Agreement.

At December 31, 2021, GMSA received the disbursement from the loan amounting to USD 13,328.

<u>NOTE 36:</u> ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

The Company has been operating in a complex economic environment whose main variables have been affected by a strong volatility, both nationally and internationally.

2021 was a year marked by recovery of the economic activity, after the GDP contraction by 9.9% experienced by Argentine economy in 2020. A rebound in economic activity was foreseeable, after being practically blocked for several consecutive months as a result of the sanitary restrictions relating to the COVID-19 pandemic; even so, the improvement in international prices of Argentine exportable products, the approval and massive application of vaccines — especially in the second half of 2021 — which gave way to less strict health measures, and the extraordinary inflow of funds as a stimulus measure by the IMF to help countries address the effects of COVID-19, produced a greater recovery than was expected at the beginning of the year. It is estimated that GDP grew by 10% in 2021.

However, various factors caused recovery to be uneven among all sectors, with some segments still unable to reach the levels of 2018, when recession began.

In addition, by mid-year uncertainty over the congressional elections to be held in September and November came about, generating an increase in demand for foreign currency by individuals and businesses. This led the BCRA to tighten controls on access to the foreign exchange market; as a consequence, the different alternative rates of exchange reached values up to 100% higher than the official rate. A combination of money issuance, global inflation, inertia and expectation resulted in 2021 ending with the second highest record of year-on-year price increase since 1991 — 50.9% year-on-year variation in the CPI at December 2021.

In the first quarter of 2022, Argentina must find a solution to its indebtedness with the IMF. By the end of January an understanding was reached between our country and that Organization, whereby fiscal and monetary targets would have been agreed in exchange for a refinancing of debt maturities.

The main indicators in our country are as follows:

- The increase in GDP year-on-year expected for 2021 is around 10%.
- Year-on-year inflation for December 2021 with respect to December 2020 recorded 50.9% (CPI).
- Between December 30, 2020 and December 30, 2021, the peso depreciated 20.7% relative to the US dollar, according to the Banco de la Nación Argentina exchange rate.
- The monetary authority imposed tighter foreign exchange restrictions, which have also affected the value of the foreign currency in existing alternative markets for certain exchange transactions that are restricted in the official market.

With these measures, which aim at restricting access to the exchange market to curb the demand for US dollars, prior authorization from the Central Bank of Argentina is required for certain transactions (save for the exceptions specifically stated in the regulations); the following being applicable to the Company:

- Payment of financial loans granted by non-residents: companies that have scheduled payments of principal falling due between 10/15/2020 and 06/30/2022 must submit a refinancing plan of at least 60% of the principal amount due, with a new external indebtedness with an average life of two years, allowing them to access the foreign exchange market only to pay 40% of the principal amount due.
- Payment for the issuance as from 09/01/2019 of publicly traded debt securities issued in Argentina and denominated in foreign currency.
- Payment of debts in foreign currency between residents.
- Payment abroad for certain imports (e.g., advance or sight payments if the importer has no quota available).
- Payment for imports of services to foreign related companies.
- Formation of external assets

NOTE 36: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)

Additionally, the currency system had already determined that funds obtained from the following transactions and items have to be brought in and traded in the local exchange market:

- Exports of goods.
- Collections of pre-export financing, advances and post-export financing of goods.
- Exports of services.
- Sale of nonproduced non-financial assets.
- Sale of external assets.

These foreign exchange restrictions, or those to be issued in the future, might affect the Company's ability to access the Single Free Foreign Exchange Market (*Mercado Único y Libre de Cambios*, MULC) for the purchase of the necessary foreign currency to meet its financial obligations.

In addition, the Government announced a series of measures in October 2020 to contribute to the development of exportable assets and to boost the domestic market and the construction industry.

This context of volatility and uncertainty persisted at the date of issue of these Financial Statements. However, all issuances performed over the last 12 months in the capital markets as well as renegotiations with local banks have been successful and it is expected that they continue so in the next fiscal year; this context might limit access to the debt market and could create difficulties in the renegotiation of existing liabilities.

Company Management permanently monitors the performance of variables affecting its business, to define the course of action and identify the potential impact on its economic and financial position. The Company's Financial Statements must be read in light of these circumstances.

NOTE 37: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL

The breakdown of receivables and debts at December 31, 2021, according to their collection or payment term and restatement clauses, is detailed in the table below:

	Trade receivables	Other receivables	Trade payables	Loans	Salaries and social security contributions	Tax payables and deferred tax liability	Defined benefit plan	Derivative instruments	Other liabilities
	In thousands of USD								
To be due									
Q1	9,324	315	1,080	7,137	277	1,081	1	3	-
Q2	-	187	207	4,180	17	-	-	-	74
Q3	-	187	-	903	17	-	-	-	-
Q4	-	23,210	-	2,778	-	-	-	-	-
More than 1 year	-	951	-	72,242	-	28,962	92	-	-
Subtotal	**9,324**	**24,850**	**1,287**	**87,240**	**311**	**30,043**	**93**	**3**	**74**
Past due	526	-	-	-	-	542	-	-	-
Without stated term	-	-	-	-	-	-	-	-	-
Total at 12/31/2021	**9,850**	**24,850**	**1,287**	**87,240**	**311**	**30,585**	**93**	**3**	**74**
Non-interest bearing	9,324	1,910	1,287	-	311	29,065	-	3	74
At fixed rate	-	22,588	-	(1) 82,459	-	1,520	93	-	-
At floating rate	526	352	-	(1) 4,781	-	-	-	-	-
Total at 12/31/2021	**9,850**	**24,850**	**1,287**	**87,240**	**311**	**30,585**	**93**	**3**	**74**

(1) See Note 16 to the Financial Statements at December 31, 2021.

NOTE 38: SUBSEQUENT EVENTS

Class XIII Negotiable Obligations

On January 10, 2022, GMSA and CTR co-issued Class XIII Negotiable Obligations under the following conditions:

Principal: nominal value: USD 14,065

Amount assigned to CTR: USD 1,393

Interest: 7.5% annual nominal rate, payable half-yearly to maturity, on January 10, 2024.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be fully amortized in a lump sum payment at maturity, that is, on January 10, 2024.

Independent auditor's report

To the Shareholders, President and Directors of
Central Térmica Roca S.A.

Opinion

We have audited the financial statements of Central Térmica Roca S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2021 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Argentina. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters	Audit response
Financial position and going concern assessment	
The Company has prepared its financial statements based on the going concern assumption, as mentioned in Note 3 to the financial statements at December 31, 2021. As mentioned in Note 30, the Company presents a working capital surplus. Such surplus was the result of the refinancing plan for short-term financial liabilities developed by the Company's Management and shareholders. In Note 36, the Company states that debt issuances carried out in the capital market as well as renegotiations with local banks in the last 12 months have been successful. Management expects the same behavior for the next accounting period. However, the current context of the Argentine economy could limit access to the debt market and, in turn, create difficulties in the renegotiation of existing liabilities. The Company's ability to continue as a going concern depends on management's ability to maintain liquidity to comply with deadlines of existing obligations with its creditors.	The audit procedures that we have carried out to validate the correct application of the going concern principle included, among others: • carry out inquiries to the key members of Management and Board of Directors, to understand the process of assessing the principle of a going concern; • verify the mathematical precision of Management's cash flow projections and validate the initial cash position; • gather evidence on Management's underlying cash flow projections for the Company by validating data with other external and internal sources as necessary, including recent dispatch volumes, prices as per current resolutions, and comparing cost assumptions with historical and actual ones and assessing the realistic likelihood of achieving cost reductions; • carry out an independent sensitivity analysis to assess the impact of changes in the key premises underlying cash flow forecasts. These could be a change in the prices set up in the current resolutions or a lower-than-expected operating performance;

Key audit matters	Audit response
Financial position and going concern assessment (cont'd) Management carried out a sensitivity analysis on its cash flow forecast using alternative financing scenarios and rate patterns. Management's assessment of the going concern is based on cash flow projections and business plans, each of which depends on significant management judgment and may be influenced by management bias. The situation described above, the way in which the Company's business will develop and how it will obtain the necessary resources for its normal operation in an uncertain context, have led us to consider this matter as a key issue in our audit.	• carry out an acid test of liquidity verifying the Company's ability to comply with existing deadlines within one year without restructuring debts that have not delivered on the date of issuance of the financial statements; • consider the financial situation of the Company's main clients, the impact of a potential delay in their payments and its correlation on the Company's cash flows; • assess the disclosures included in the financial statements.
Fair value of property, plant and equipment As described in Notes 4, 6 and 7 to the financial statements as of December 31, 2021, the balance of property, plant and equipment is $ 137,905 thousand. The Company has chosen to value land, real estate, facilities, machinery and turbines at fair value, with discounted cash flow techniques and market comparables. The fair value calculated through discounted cash flow was used to value the facilities, machinery and turbines. At December 31, 2021, the carrying amount of Property, plant and equipment does not differ significantly from their fair value; thus, no revaluation or impairment was registered.	Audit procedures performed in this key matter included, among others: • evaluate the preparation and supervision process carried out by management for calculations of the fair value of property, plant and equipment; • examine the key data and premises used to determine the fair value of property, plant and equipment. In particular: ✓ validate with external sources the premises on trends in inflation exchange rates;

Key audit matters	Audit response
Fair value of property, plant and equipment (cont'd) The fair value was determined by using the income approach method based on projected cash flows for each of the thermal power plants based on their useful life, in which different scenarios were weighted according to their probability of occurrence. In addition to the deadlines determined, the projections of future cash flow determined on the basis of macroeconomic assumptions (inflation and exchange rates), price projections based on current resolutions and projections of dispatch volumes based on knowledge of the market by the Company were extrapolated. These recoverable amounts are based on assumptions related to the market outlook and the regulatory environment, of which any modification could have a material impact on the amount of impairment losses to be recognized. We consider that the measurement of the fair value of property, plant and equipment is a key audit matter, due to its materiality in the Company's financial statement and because it requires the application of critical judgments and significant estimates by Management on key variables used in the evaluation of cash flows, as well as by the unpredictability of the future evolution of these estimates and the fact that future significant changes in key premises may have a significant impact on the financial statements.	✓ for the operational and regulatory assumptions used to prepare future cash flows, evaluate the consistency of the operating conditions of each thermal power plant and its performance based on historical data, as well as the applicable regulations to date; ✓ examine the method for determining the discount rate and the consistency with the underlying market assumptions, checking that the value is within a reasonable range based on the comparables in the sector and the Company's particular risk; • evaluate the sensitivity of measurements to changes in certain assumptions; • confirm the mathematical accuracy of calculations and the adequate use of the model prepared by Management; • assess the disclosures included in the financial statements. In addition, the audit effort involved the use of professionals with specialized skills and knowledge to assist us in evaluating the model and certain important assumptions, including the discount rate.

Other information

The other information comprises the Annual report. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter – Restriction on use and distribution

As described in Note 3, these financial statements have been prepared to provide information to specific users. This report is intended solely for the information and use of the Board of Directors of the Company and the Company's foreign lenders and should not be used by or distribute to other parties.

Responsibilities of Board of Directors for the financial statements

Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

City of Buenos Aires, April 12, 2022.

PRICE WATERHOUSE & CO.S.R.L.
Raúl Leonardo Viglione
Partner