Albanesi Energía S.A.

Condensed interim Financial Statements

At March 31, 2023, and for the three-month periods
ended March 31, 2023, and 2022
presented in comparative format

(In thousands of US dollars (USD))

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Contents

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 condensed interim Financial Statements of the Company.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A. / the Company
AFIP	Federal Administration of Public Revenue
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A. (a company merged into BDD)
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.
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.
GLSA	Generación Litoral S.A.
GMGS	GM Gestión y Servicios S.A.C.
GMSA	Generación Mediterránea S.A.
GMOP	GM Operaciones S.A.C.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
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	Sale 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
NO	Negotiable Obligations
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM	Gain/loss on net monetary position
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	Occupational Health, Hygiene and Safety
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 dollar
UVA	Unit of purchasing power

Albanesi Energía S.A.

Members of the Board of Directors and Syndics' Committee
At March 31, 2023

President
Armando Losón (Jr.)

1st Vice President
Guillermo Gonzalo Brun

2nd Vice President
Julián Pablo Sarti

Full Directors
María Eleonora Bauzas
Oscar Camilo De Luise
Ricardo Martín López

Alternate Directors
Juan Gregorio Daly
Osvaldo Enrique Alberto Cado
María Andrea Bauzas

Full Syndics
Enrique Omar Rucq
Francisco Agustín Landó
Marcelo Claudio Barattieri

Alternate Syndics
Carlos Indalecio Vela
Julieta De Ruggiero
Marcelo Rafael Tavarone

Legal Information

Company Name:	Albanesi Energía S.A.
Legal domicile:	Av. L.N. Alem 855, 14th floor - City of Buenos Aires
Main business activity:	Generation and sale of electric energy
Tax Registration Number:	30-71225509-5

Dates of registration with the Public Registry of Commerce

Bylaws or incorporation agreement:	February 23, 2012
Latest amendment:	February 7, 2023
Registration with the Legal Entities Regulator under number:	1085, Book: 111, volume: - Companies by Shares
Expiration of Bylaws or Incorporation Agreement:	February 23, 2111

Albanesi Energía S.A.

Condensed interim Statement of Financial Position
At March 31, 2023, and December 31, 2022
stated in thousands of US dollars

	Note	03/31/2023	12/31/2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**12**	224,125	227,038
Deferred tax assets, net	**17**	20,334	19,842
Other receivables		923	968
Total non-current assets		**245,382**	**247,848**
CURRENT ASSETS			
Inventories		3,824	3,741
Other receivables		1,090	2,197
Trade receivables		19,013	13,599
Cash and cash equivalents	**13**	15,917	15,399
Total current assets		**39,844**	**34,936**
Total Assets		**285,226**	**282,784**
EQUITY			
Share Capital	**14**	8,824	8,824
Capital Adjustment		2,305	2,305
Technical revaluation reserve		52,355	53,060
Other comprehensive income/(loss)		(6)	(6)
Unappropriated retained earnings/(losses)		(32,642)	(32,129)
TOTAL EQUITY		**30,836**	**32,054**
LIABILITIES			
NON-CURRENT LIABILITIES			
Defined benefit plan		235	214
Loans	**16**	123,911	84,929
Trade payables		1,999	1,996
Total non-current liabilities		**126,145**	**87,139**
CURRENT LIABILITIES			
Tax payables		1,916	2,594
Salaries and social security liabilities		308	254
Defined benefit plan		2	2
Loans	**16**	124,905	158,810
Trade payables		1,114	1,931
Total current liabilities		**128,245**	**163,591**
Total liabilities		**254,390**	**250,730**
Total liabilities and equity		**285,226**	**282,784**

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

Albanesi Energía S.A.

Condensed interim Statement of Comprehensive Income
For the three-month periods ended March 31, 2023, and 2022,
stated in thousands of US dollars

	Note	03/31/2023	03/31/2022
Sales revenue	7	14,064	16,078
Cost of sales	8	(6,169)	(8,017)
Gross income/(loss)		**7,895**	**8,061**
Selling expenses	9	(43)	(151)
Administrative expenses	10	(443)	(431)
Operating income/(loss)		**7,409**	**7,479**
Financial income	11	611	213
Financial expenses	11	(8,025)	(7,339)
Other financial results	11	(1,705)	(3,763)
Financial results, net		**(9,119)**	**(10,889)**
Pre-tax profit/(loss)		**(1,710)**	**(3,410)**
Income Tax	17	492	4,931
(Loss)/Income for the period		**(1,218)**	**1,521**
Total comprehensive income/(loss) for the period		**(1,218)**	**1,521**
Earnings/(losses) per share			
Basic and diluted (losses)/earnings per share	15	(0.0016)	0.0020

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

Albanesi Energía S.A.

Condensed interim Statement of Changes in Equity
For the three-month periods ended March 31, 2023, and 2022,
stated in thousands of US dollars

	Share capital (Note 14)	Capital Adjustment	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	Total equity
Balances at December 31, 2021	**8,824**	**2,305**	**55,994**	**2**	**(34,703)**	**32,422**
Reversal of technical revaluation reserve	-	-	(706)	-	706	-
Income for the three-month period	-	-	-	-	1,521	1,521
Balances at March 31, 2022	**8,824**	**2,305**	**55,288**	**2**	**(32,476)**	**33,943**
Other comprehensive income/(loss) for the period	-	-	-	(8)	-	(8)
Reversal of technical revaluation reserve	-	-	(2,228)	-	2,228	-
Loss for the complementary nine-month period	-	-	-	-	(1,881)	(1,881)
Balances at December 31, 2022	**8,824**	**2,305**	**53,060**	**(6)**	**(32,129)**	**32,054**
Reversal of technical revaluation reserve	-	-	(705)	-	705	-
Loss for the three-month period	-	-	-	-	(1,218)	(1,218)
Balances at March 31, 2023	**8,824**	**2,305**	**52,355**	**(6)**	**(32,642)**	**30,836**

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

Albanesi Energía S.A.

Condensed interim Statement of Cash Flows

For the three-month periods ended March 31, 2023, and 2022,
stated in thousands of US dollars

	Notes	03/31/2023	03/31/2022
Cash flows provided by operating activities			
(Loss)/Income for the period		(1,218)	1,521
Adjustments to arrive at net cash flows provided by operating activities:			
Income Tax	**17**	(492)	(4,931)
Depreciation of property, plant and equipment	**8 and 12**	2,957	2,955
Provision for defined benefit plans		12	7
Present value		-	63
Exchange difference, net	**11**	(3,166)	(923)
Accrued interest, net	**11**	7,327	7,094
Sale (repurchase) of AESA's own Negotiable Obligations	**11**	-	(11)
Difference in UVA value	**11**	5,932	4,379
Other financial results		45	33
Income/(loss) from changes in the fair value of financial instruments	**11**	(1,914)	(700)
Changes in operating assets and liabilities:			
(Increase) in trade receivables		(6,153)	(2,081)
(Increase) / Decrease in other receivables		(871)	9,544
(Increase) in inventories		(83)	(39)
(Decrease) in trade payables		(855)	(1,861)
Increase in salaries and social security liabilities		92	68
(Decrease) in employee benefit plan		-	(19)
(Decrease) in tax payables		(920)	(8,564)
Net cash flows provided by operating activities		**693**	**6,535**
Cash flows from investing activities			
Acquisition of property, plant and equipment	**12**	(16)	(130)
Net cash flows (used in) investing activities		**(16)**	**(130)**
Cash flows from financing activities			
Borrowings	**16**	27,174	3,699
Payment of interest	**16**	(4,725)	(5,417)
Leases paid	**16**	(10)	(102)
Payment of principal	**16**	(22,382)	(6,524)
Sale of AESA's own Negotiable Obligations		-	6,676
Payment of financial instruments		(64)	(126)
Net cash flows (used in) financing activities		**(7)**	**(1,794)**
Increase in cash, net		**670**	**4,611**
Cash and cash equivalents at the beginning of the period	**13**	15,399	9,448
Financial results of cash and cash equivalents		(152)	(223)
Cash and cash equivalents at period end	**13**	15,917	13,836
		670	**4,611**
Significant transactions not entailing changes in cash:			
Issue of negotiable obligations paid up in kind		32,625	-
Acquisition of property, plant and equipment not yet paid	**12**	-	(28)
Advances to suppliers applied to the acquisition of property, plant and equipment	**12**	(28)	(15)

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

NOTE 1: GENERAL INFORMATION

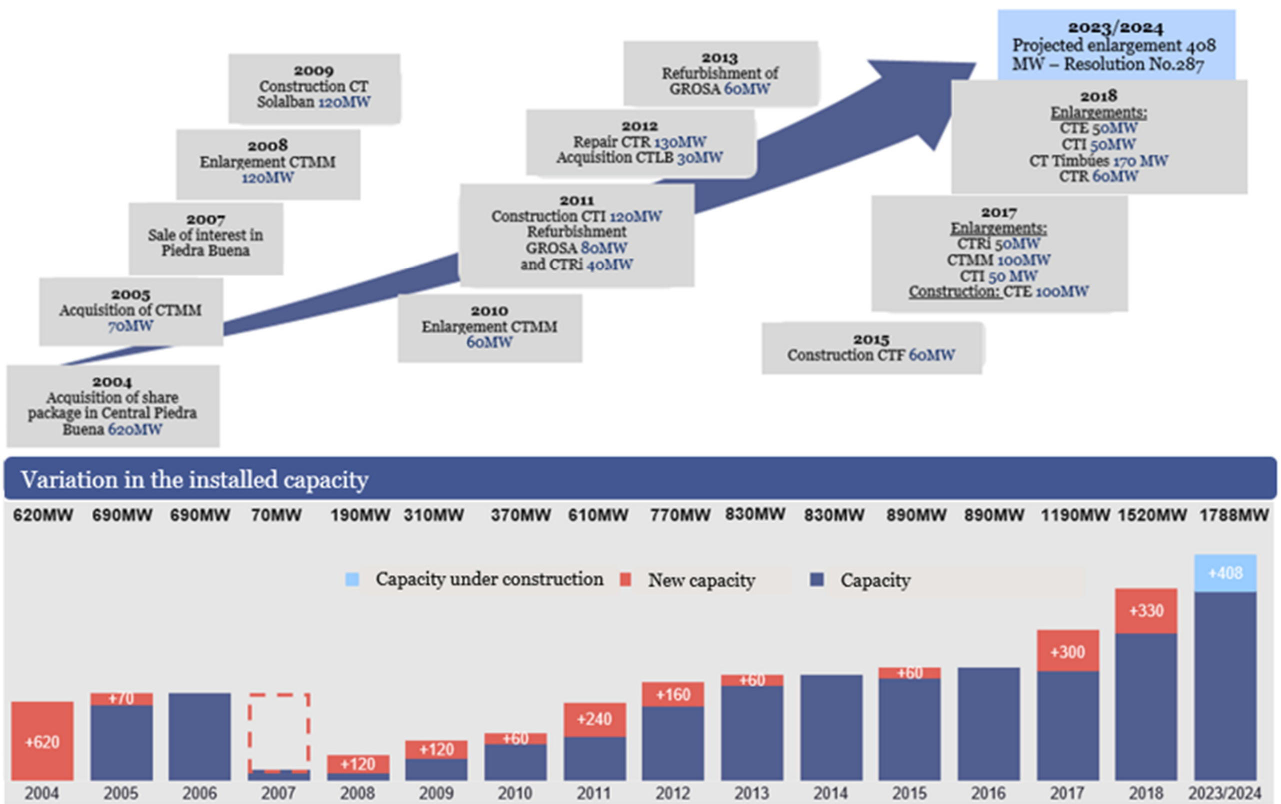
AESA's main line of business is the generation and sale of electric energy and steam through a co-generation system. Nominal installed capacity is 170 MW under EES Resolution No. 21/16.

On February 24, 2018, the Timbúes Cogeneration Thermal Power Plant was authorized for commercial operation in the WEM up to 172 MW of power and on February 11, 2019, it was authorized for steam generation and delivery.

The Company is located in Timbúes, Province of Santa Fe.

At the date of these condensed interim Financial Statements, Grupo Albanesi had a total installed capacity of 1,380 MW, it being expanded with additional 408 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 segment became one of the main purposes of the Group.



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

The regulatory aspects relating to electricity generation applied for these condensed interim Financial Statements are consistent with those used in the financial information corresponding to the last fiscal year.

NOTE 3: BASIS FOR PRESENTATION

The condensed interim Financial Statements for the three-month periods ended on March 31, 2023, and 2022 have been prepared in accordance with IAS 34. This condensed interim financial information must be read jointly with the Company's Financial Statements for the year ended on December 31, 2022.

The presentation in the condensed interim 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 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 on December 31 of each year.

Economic and financial results are presented on a fiscal year basis, in proportion to the elapsed period.

The condensed interim Financial Statements for the three-month periods ended on March 31, 2023, and 2022 have not been audited. Company Management considers that they include all the necessary adjustments to reasonably present the results for the period. The results for the three-month periods ended on March 31, 2023, and 2022, do not necessarily reflect the proportion of the Company's results for full fiscal years.

These condensed interim Financial Statements are disclosed in thousands of US dollars without cents, except for the earnings per share.

These condensed interim Financial Statements were approved for issuance by the Company's Board of Directors on May 18, 2023.

Purpose of these condensed interim Financial Statements

The non-statutory condensed interim Financial Statements are presented in United States Dollars (USD), which is the Company's functional currency, and have been prepared to provide interim financial information mainly for use by non-Argentine holders of Company's Negotiable Obligations and foreign financial institutions.

Comparative information

Balances at December 31, 2022, and for the three-month period ended on March 31, 2022, disclosed in these condensed interim consolidated Financial Statements for comparative purposes, arise from financial statements at those dates.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Tax-purpose inflation adjustment

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 for the fiscal period being calculated. This will apply in the fiscal year in which a variation percentage of the Consumer Price Index (CPI) accumulated over the 36 months prior to the year-end exceeds 100%. These provisions are applicable for fiscal years commencing on or after January 1, 2018.

The Company estimated that, on March 31, 2023, the CPI variation exceeded the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current period.

Going concern

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

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim Financial Statements are consistent with those used in the audited financial statements for the last fiscal year, ended on December 31, 2022.

There are no new IFRS or IFRIC interpretations applicable as from the current period which have a material impact on the Company's condensed interim Financial Statements.

These condensed interim Financial Statements must be read jointly with the audited Financial Statements at December 31, 2022, prepared under IFRS.

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. (See accounting policy for property, plant and equipment in Note 4 to the December 31, 2022, Financial Statements). Revaluations are made frequently enough to ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

At March 31, 2023, 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.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim Financial Statements in accordance with IFRS requires the Company to make 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 condensed interim Financial Statements, as well as the income and expenses recorded in the current period.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

The Company makes estimates to calculate the depreciation and amortization charges, the recoverable value of non-current assets, the Income Tax charge, certain labor costs, provisions for contingencies, for labor, civil and commercial lawsuits and bad debt allowance. Actual future results may differ from those estimates and assessments made at the date these Financial Statements were prepared.

In preparing these condensed interim consolidated Financial Statements, the critical judgments delivered by the Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the Financial Statements for the fiscal year ended on December 31, 2022.

a) 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 market comparable techniques.

The fair value calculated by means of the discounted cash flow was used to value facilities, machinery and turbines. These cash flows were 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, 2022, 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: 80%.

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: 20%.

In all scenarios a discount rate in US dollars of approximately 11.50% was used, which contemplates the future scenarios.

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

Actual results could differ from the estimates, so the projected cash flows might 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.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

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

The fair value determination of property, plant and equipment is significantly affected by the US 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 flows differ by 10% from Management estimates, the Company will need:

- To increase the fair value of land, buildings, facilities, and machinery by USD 22 million, if it were favorable; or

- To reduce the fair value of land, buildings, facilities, and machinery by USD 22 million, if it were not favorable.

At March 31, 2023, the Company has analyzed the variables considered in the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in those variables.

NOTE 6: FINANCIAL RISK MANAGEMENT

In view of its business activities, the Company is exposed to various financial risks: market risk (including price risk, interest rate risk and exchange rate risk), credit risk and liquidity risk.

These condensed interim Financial Statements do not include all the information on risk management, as required for the annual Financial Statements. These Financial Statements must be read jointly with the Financial Statements for the year ended on December 31, 2022. There have been no significant changes in the risk management policies since the last annual closing date.

NOTE 7: SALES REVENUE

	03/31/2023	03/31/2022
Sale of energy Res. No. 21/2016	12,194	13,113
Sale of steam	1,870	2,965
	14,064	**16,078**

<u>NOTE 8:</u> COST OF SALES

	03/31/2023	03/31/2022
Purchase of electric energy	(167)	(178)
Gas and diesel consumption at the plant	(1,229)	(3,008)
Salaries and social security liabilities	(635)	(445)
Defined benefit plan	(12)	(7)
Other employee benefits	(95)	(45)
Fees for professional services	(7)	(5)
Maintenance services	(744)	(1,091)
Depreciation of property, plant and equipment	(2,957)	(2,955)
Security guard and janitor	(91)	(61)
Insurance	(185)	(149)
Communication expenses	(14)	(17)
Snacks and cleaning	(27)	(31)
Taxes, rates and contributions	(1)	(21)
Sundry	(5)	(4)
	(6,169)	**(8,017)**

<u>NOTE 9:</u> SELLING EXPENSES

	03/31/2023	03/31/2022
Taxes, rates and contributions	(43)	(151)
	(43)	**(151)**

<u>NOTE 10:</u> ADMINISTRATIVE EXPENSES

	03/31/2023	03/31/2022
Salaries and social security liabilities	(54)	(71)
Other employee benefits	(8)	(11)
Fees and compensation for services	(363)	(335)
Taxes, rates and contributions	(2)	(2)
Leases	(9)	(9)
Per diem, travel, and representation expenses	(1)	-
Office expenses	(4)	(1)
Gifts	-	(1)
Sundry	(2)	(1)
	(443)	**(431)**

NOTE 11: FINANCIAL RESULTS

	03/31/2023	03/31/2022
Financial income		
Commercial interest	611	213
Total financial income	**611**	**213**
Financial expenses		
Interest on loans	(7,732)	(7,042)
Commercial and other interest	(206)	(265)
Bank expenses and commissions	(87)	(32)
Total financial expenses	**(8,025)**	**(7,339)**
Other financial results		
Exchange difference, net	3,166	923
Changes in the fair value of financial instruments	1,914	700
Income/(loss) from sale of AESA's own Negotiable Obligations	-	11
Difference in UVA value	(5,932)	(4,379)
Other financial results	(853)	(1,018)
Total other financial results	**(1,705)**	**(3,763)**
Total financial results, net	**(9,119)**	**(10,889)**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Original values				Depreciation			Net book value at period end	
Type of asset	**At the beginning of year**	**Increases**	**Transfers/ withdrawals**	**At period end**	**Accumulated at beginning of year**	**For the period (1)**	**Accumulated at period end**	**At 03/31/2023**	**At 12/31/2022**
Land	250	-	-	250	-	-	-	250	250
Buildings	16,501	-	-	16,501	700	88	788	15,713	15,801
Facilities	36,274	9	-	36,283	3,686	469	4,155	32,128	32,588
Machinery	193,991	35	-	194,026	18,978	2,375	21,353	172,673	175,013
Computer and office equipment	398	-	-	398	354	12	366	32	44
Furniture and fixtures	65	-	-	65	22	2	24	41	43
Vehicles	136	-	-	136	53	11	64	72	83
Spare parts and materials	3,216	-	-	3,216	-	-	-	3,216	3,216
Total at 03/31/2023	**250,831**	**44**	**-**	**250,875**	**23,793**	**2,957**	**26,750**	**224,125**	**-**
Total at 12/31/2022	**252,944**	**539**	**(2,652)**	**250,831**	**11,967**	**11,826**	**23,793**	**-**	**227,038**
Total at 03/31/2022	**252,944**	**173**	**-**	**253,117**	**11,967**	**2,955**	**14,922**	**-**	**238,195**

(1) Depreciation charges for the three-month periods ended on March 31, 2023, and 2022 were allocated to cost of sales.

NOTE 13: CASH AND CASH EQUIVALENTS

	03/31/2023	12/31/2022
Banks	97	138
Mutual funds	4,676	5,051
Short-term investments	11,144	10,210
	15,917	**15,399**

For the purposes of the Statement of Cash Flows, cash and cash equivalents include:

	03/31/2023	03/31/2022
Cash and cash equivalents	15,917	13,836
Cash and cash equivalents	**15,917**	**13,836**

NOTE 14: CAPITAL STATUS

Capital status at March 31, 2023, is detailed below:

Principal	Amount In thousands of USD	Approved by: Date	Approved by: Body	Date of registration with the Public Registry of Commerce
Total at December 31,2015	5	February 15, 2012	Bylaws	February 23, 2012
Capital increase	949	December 16, 2016	Extraordinary Shareholders' Meeting	January 12, 2017
Capital reduction	(148)	April 19, 2018	Ordinary and Extraordinary Shareholders' Meeting	September 10, 2019
Capital increase	8,018	January 06, 2022	Extraordinary Shareholders' Meeting	February 07, 2023
Total	**8,824**			

The Extraordinary Shareholders' Meeting held on January 6, 2021, unanimously approved a capital increase through cash contributions for USD 5,018 ($425,000 thousand) and decided to capitalize shareholders' current receivables for USD 3,000 ($255,000 thousand). Consequently, at June 30, 2022, the Company's capital amounts to USD 8,824 ($747,850 thousand) and is made up of 747,850,000 shares, entitled to 1 vote per share. In view of such capitalization, Section 4 of the Company's bylaws was amended. Such amendment was registered with the Legal Entities Regulator on February 7, 2023, under number 1085, Book 111, Volume: - Companies by Shares

NOTE 15: EARNINGS/(LOSSES) 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 period.

	03/31/2023	03/31/2022
(Loss)/income for the period	(1,218)	1,521
Weighted average of outstanding ordinary shares	747,850	747,850
Basic (losses)/earnings per share	**(0.0016)**	**0.0020**

There are no differences between the calculation of the basic earnings per share and the diluted earnings per share.

NOTE 16: LOANS

Non-current	Note	03/31/2023	12/31/2022
Related companies	19	47,467	46,397
Negotiable Obligations		76,425	38,505
Finance lease debts		19	27
		123,911	**84,929**
Current			
UBS Loan		91,882	100,617
Negotiable Obligations		19,234	52,411
Bank loans		7,028	-
Bond insurance		6,750	5,769
Finance lease debts		11	13
		124,905	**158,810**

At March 31, 2023, the financial debt totals USD 249 million. Our total debt at that date is disclosed in the table below.

	Principal (in thousands)	Balances at March 31, 2023	Interest rate	Currency	Date of Issue	Maturity date
		(In thousands of USD)	(%)			
Debt securities						
Class I Negotiable Obligations	USD 100	109	6.00%	USD Linked	May 6, 2021	November 7, 2023
Class II Negotiable Obligations	UVA 4,997	5,247	UVA + 5.99%	ARS	May 6, 2021	November 7, 2023
Class III Negotiable Obligations	USD 24,104	24,089	4.90%	USD Linked	December 14, 2021	September 14, 2024
Class V Negotiable Obligations	USD 16,933	16,845	2.75%	USD Linked	August 22, 2022	August 24, 2024
Class VI Negotiable Obligations	$ 431,500	2,619	Badlar + 2.35%	ARS	August 22, 2022	August 22, 2023
Class VII Negotiable Obligations	USD 12,913	12,691	4.00%	USD Linked	February 13, 2023	February 13, 2025
Class VIII Negotiable Obligations	$ 388,552	1,938	Badlar + 5.00%	ARS	February 13, 2023	February 13, 2024
Class IX Negotiable Obligations	UVA 31,589	32,121	UVA + 3.80%	ARS	February 13, 2023	February 13, 2026
Subtotal		**95,659**				
Loan agreement						
UBS Loan	USD 92,025	91,882	13.85%	USD	February 3, 2017	December 30, 2023
Subtotal		**91,882**				
Other liabilities						
Related parties (Note 19)	USD 20,000	38,602	17.00%	USD	July 21, 2017	Subordinated to UBS Loan
Related parties (Note 19)	USD 4,701	8,865	19.00%	USD	August 17, 2018	Subordinated to UBS Loan
Chubut loan	USD 535	535	5.12%	USD	January 25, 2023	July 24, 2023
BAPRO loan	$400,000	1,914	84.50%	ARS	February 1, 2023	July 31, 2023
Banco Supervielle loan	$ 700,000	3,366	88.50%	ARS	March 27, 2023	June 25, 2023
Banco Supervielle loan	$ 250,000	1,213	86.50%	ARS	March 23, 2023	December 18, 2023
Bond insurance	USD 500	500	1.00%	USD	September 7, 2022	March 4, 2024
Bond insurance	USD 1,500	1,500	1.00%	USD	September 7, 2022	April 17, 2023
Bond insurance	USD 1,500	1,500	1.00%	USD	September 7, 2022	May 16, 2023
Bond insurance	USD 2,000	2,000	1.00%	USD	September 7, 2022	June 19, 2023
Bond insurance	USD 50	50		USD	November 23, 2022	April 4, 2023
Bond insurance	USD 200	200		USD	November 23, 2022	April 4, 2023
Bond insurance	USD 400	400		USD	March 31, 2023	June 14, 2023
Bond insurance	USD 600	600		USD	March 31, 2023	July 14, 2023
Finance lease		30				
Subtotal		**61,275**				
Total financial debt		**248,816**				

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

The Company undertook certain standard commitments with UBS Loan. As the Company failed to comply with all commitments undertaken, a waiver was obtained at March 31, 2023.

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

	03/31/2023	12/31/2022
Fixed rate		
Less than 1 year	120,336	151,631
Between 1 and 2 years	91,575	38,505
Between 2 and 3 years	32,318	46,397
	244,229	**236,533**
Floating rate		
Less than 1 year	4,569	7,179
Between 1 and 2 years	18	19
Between 2 and 3 years	-	8
	4,587	**7,206**
	248,816	**243,739**

Loans at variable rates have been stated 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:

	03/31/2023	12/31/2022
Argentine pesos	48,448	45,054
US dollars	200,368	198,685
	248,816	**243,739**

NOTE 16: LOANS (Cont'd)

Changes in Company's loans during the three-month periods ended March 31, 2023, and 2022 were as follows:

	03/31/2023	03/31/2022
Loans at beginning of the period	243,739	231,821
Loans received	59,799	3,699
Loans paid	(53,623)	(6,524)
Sale of AESA's own Negotiable Obligations	-	6,676
Leases paid	(10)	(102)
Accrued interest	7,732	7,042
Interest paid	(6,109)	(5,417)
Income/(loss) from sale of AESA's own Negotiable Obligations	-	(11)
Difference in UVA value	5,932	4,379
Exchange difference	(7,105)	(2,936)
Capitalized expenses/present values	(1,539)	74
Loans at period end	**248,816**	**238,701**

On February 13, AESA Class VII, VIII and IX Negotiable Obligations were issued. The results were as follows:

Class VII (Dollar Linked):

Amount issued: USD 12,913
- Swap ratio:
  1. USD 3,162 were paid in cash.
  2. USD 3,837 were paid in kind through Class I Negotiable Obligation.
  3. USD 3138 were paid in kind through Class II Negotiable Obligation:
  4. USD 2,775 were paid in kind through Class VI Negotiable Obligation.

Term: 24 months.
Payment: 100% on maturity. Payable in pesos at the applicable exchange rate.
Interest rate: 4.00% with quarterly payments

Class VIII (ARS):

Amount issued: $ 388,552 thousand
- Swap ratio:
  1. USD 27,000 thousand were paid in cash.
  2. USD 361,552 thousand were paid in kind through Class VI Negotiable Obligation.

Term: 12 months.
Payment: 100% on maturity.
Interest rate: Badlar + 5.00 %, with quarterly payments.

NOTE 16: LOANS (Cont'd)

Class IX (UVA):

Amount issued: UVA 31,589 thousand
- Swap ratio:
    i. 11,478 thousand UVAs were paid in cash; and
    ii. 20,111 thousand were paid in kind through Class II Negotiable Obligation.

Term: 36 months.
Payment: 100% on maturity.
Interest rate: 3.80 %, with quarterly payments.

NOTE 17: INCOME TAX - DEFERRED TAX

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

	03/31/2023	12/31/2022
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	83,511	85,792
	83,511	85,792
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(63,177)	(65,950)
	(63,177)	(65,950)
Deferred tax assets (net)	**20,334**	**19,842**

Gross deferred tax account activity is as follows:

	03/31/2023	03/31/2022
Balance at beginning of year	19,842	8,928
Charge to income statement	492	4,931
Closing balances	**20,334**	**13,859**

NOTE 17: INCOME TAX - DEFERRED TAX (Cont'd)

The Income Tax charge calculated under the deferred tax method corresponds to the following breakdown:

	Balances at December 31, 2022	Charge to income statement	Balances at March 31, 2023
Lease	(229)	35	(194)
Other receivables	(13)	2	(11)
Property, plant and equipment	(57,674)	834	(56,840)
Inventories	(92)	3	(89)
Accumulated tax losses	82,901	(1,912)	80,989
Mutual fund valuation	(80)	37	(43)
Other financial assets at fair value through profit or loss	(3)	1	(2)
Employee benefit plan	22	15	37
Inflation adjustment for tax purposes	(7,859)	1,861	(5,998)
Loans	2,869	(384)	2,485
Total	**19,842**	**492**	**20,334**

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 4 to the annual Financial Statements. In accordance with the guidelines of IFRIC 23 Uncertainty over Income Tax Treatments and with the opinions of the legal and tax advisors, the Company has adjusted the tax losses for inflation by applying the domestic wholesale price index, as laid down in 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.

The Company recorded the following accumulated tax losses pending use at March 31, 2023, which may be offset against taxable income for the period ended on that date:

Year	in thousands of USD	Year of expiration
Tax losses for the year 2018	82,848	2023
Tax losses for the year 2019	93,533	2024
Tax losses for the year 2020	55,016	2025
Total accumulated tax losses at March 31, 2023	**231,397**	

NOTE 17: INCOME TAX - DEFERRED TAX (Cont'd)

On June 16, 2022, the National Executive Branch enacted Law No. 27630. Detailed below are the amendments introduced by the law:

- Income Tax rate: the fixed rate for taxation of Companies' income was discontinued and a progressive scale was set up, starting from a 25% rate for income from $0 to $5 million, a 30% rate for income from $5 to $50 million and a 35% rate for income above $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.

These amendments apply as from fiscal years beginning on or after January 1, 2021.

Pursuant to the National Government Budget Law (Law No. 27701), it was stated that taxpayers who, by applying the comprehensive tax inflation adjustment set forth by the Income Tax Law (Title VI), determine a positive inflation adjustment during the first and second fiscal years beginning on January 1, 2022 (inclusive), may allocate one third (1/3) of the adjustment during that fiscal year and the remaining two thirds (2/3) in equal parts in the immediately following two fiscal years.

Only taxpayers who have made an investment equivalent to or exceeding thirty billion Argentine pesos (ARS 30,000 thousand) to purchase, build, manufacture, prepare or import fixed assets -except for vehicles- during each of the two (2) fiscal years immediately following that on which the first third was computed will be able to compute the above-mentioned positive inflation adjustment. Non-compliance with this requirement will result in the benefit loss.

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:

	03/31/2023	**03/31/2022**
Profit/(loss) before Income Tax	(1,710)	(3,410)
Current tax rate	35%	35%
Income/(loss) at the tax rate	599	1,194
Other permanent differences	(17)	-
Effects of exchange and translation differences of property, plant and equipment	(235)	500
Tax-purpose inflation adjustment and tax losses adjustment	145	3,237
Total income tax charge	**492**	**4,931**
Deferred tax for the period	492	4,931
Total Income Tax charge – Gain	**492**	**4,931**

NOTE 18: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

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

At March 31, 2023	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	19,105	-	1,921	21,026
Cash and cash equivalents	97	15,820	-	15,917
Non-financial assets	-	-	248,283	248,283
Total	**19,202**	**15,820**	**250,204**	**285,226**
Liabilities				
Trade payables	3,113	-	-	3,113
Loans (finance leases excluded)	248,786	-	-	248,786
Finance leases	30	-	-	30
Non-financial liabilities	-	-	2,461	2,461
Total	**251,929**	**-**	**2,461**	**254,390**

At December 31, 2022	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	13,988	-	2,776	16,764
Cash and cash equivalents	138	15,261	-	15,399
Non-financial assets	-	-	250,621	250,621
Total	**14,126**	**15,261**	**253,397**	**282,784**
Liabilities				
Trade payables	3,927	-	-	3,927
Loans (finance leases excluded)	243,699	-	-	243,699
Finance leases	40	-	-	40
Non-financial liabilities	-	-	3,064	3,064
Total	**247,666**	**-**	**3,064**	**250,730**

NOTE 18: 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 March 31, 2023	Financial assets at amortized cost	Financial assets/liabilities at fair value	Financial liabilities at amortized cost	Total
Interest earned	611	-	-	611
Interest paid	-	-	(7,938)	(7,938)
Exchange difference, net	(4,079)	-	7,245	3,166
Other financial costs	-	(4,018)	(940)	(4,958)
Total	**(3,468)**	**(4,018)**	**(1,633)**	**(9,119)**

At March 31, 2022	Financial assets at amortized cost	Financial assets/liabilities at fair value	Financial liabilities at amortized cost	Total
Interest earned	213	-	-	213
Interest paid	-	-	(7,307)	(7,307)
Income/(loss) from repurchase of negotiable obligations	11	-	-	11
Exchange difference, net	(2,288)	-	3,211	923
Other financial costs	-	(3.679)	(1.050)	(4,729)
Total	**(2,064)**	**(3.679)**	**(5.146)**	**(10,889)**

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: Inputs such as (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).

The following charts show financial assets and liabilities measured at fair value at March 31, 2023, and their allocation to the different fair value hierarchy levels:

At March 31, 2023	Level 1	Level 3	Total
Assets			
Other financial assets at fair value through profit or loss			
Mutual funds	4,676	-	4,676
Short-term investments	11,144	-	11,144
Property, plant and equipment	-	220,764	220,764
Total	**15,820**	**220,764**	**236,584**

NOTE 18: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

At December 31, 2022	Level 1	Level 3	Total
Assets			
Other financial assets at fair value through profit or loss			
Mutual funds	5,051	-	5,051
Short-term investments	10,210	-	10,210
Property, plant and equipment	-	223,652	223,652
Total	**15,261**	**223,652**	**238,913**

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of these condensed interim 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 and Buildings, they have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value.

b) The fair values of Facilities and Machinery have been calculated based on discounted cash flows (See Note 5.a).

NOTE 19: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances at the date of the statements of financial position

	03/31/2023	12/31/2022
Other receivables		
Current		
RGA	92	390
	92	**390**
Trade payables		
Non-current		
RGA - Surety payable	1,999	1,996
	1,999	**1,996**
Current		
GMSA	-	721
	-	**721**
Financial debts		
Non-current		
RGA	47,467	46,397
	47,467	**46,397**

NOTE 19: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

b) Transactions for the period

	03/31/2023	03/31/2022
	Income/(loss)	
	USD	
Purchase of gas		
RGA	(568)	(1,961)
	(568)	**(1,961)**
Leases		
RGA	(9)	(9)
	(9)	**(9)**
Services		
RGA	(312)	(312)
	(312)	**(312)**
Interest paid		
RGA	(1,083)	(1,070)
	(1,083)	**(1,070)**
Reimbursement of expenses		
RGA	(3)	(1)
GMSA	(8)	-
	(11)	**(1)**
Guarantee		
RGA	(83)	(139)
	(83)	**(139)**

NOTE 19: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

c) Remuneration of key managerial staff

	03/31/2023	03/31/2022
	Income/(loss)	
	USD	
Remuneration of key managerial staff		
Salaries	(37)	(24)
	(37)	**(24)**

d) Loans received from related parties

	03/31/2023	03/31/2022
Loans from RGA		
Loans at beginning of the period	46,397	42,117
Accrued interest	1,070	1,070
Loans at period end	**47,467**	**43,187**

Entity	Principal	Interest rate	Conditions
At 12/31/2022			
RGA	20,000	17%	Maturity date: subordinated to UBS Loan
RGA	4,701	19%	Maturity date: subordinated to UBS Loan
Total in thousands of US dollars	**24,701**		

NOTE 20: INSURANCE CONTRACTS IN FORCE

All-risk insurance:

All-risk insurance policy with coverage for loss of profit

The Company has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of profit as a result, up to 12 months, directly and totally attributable to any cause. This policy is aimed at covering the losses 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.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

On October 30, 2022, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 13 months through first-class insurers such as: Starr Insurance Companies, Nación Seguros, Federación Patronal, Sancor, Chubb and Provincia Seguros.

NOTE 20: INSURANCE CONTRACTS IN FORCE (Cont'd)

Civil liability:

These policies provide 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 and product liability, subject to the terms, conditions, limitations and exclusions contained in the policy.
They are structured as follows:

Individual policies were taken out for each of the Group companies, with a maximum compensation of USD 1,000 thousand per event and two reinstatement clauses over the life of the policy.

In addition, an insurance policy common to all companies has been taken out with a compensation limit of USD 9,000 thousand per event and during the effective term of the policy in excess of USD 1,000 thousand (individual policies), with two reinstatements exclusively for operations liability and without reinstatement for product liability.

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 holders of bonds or securities.

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 water (by river or sea).

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.

NOTE 20: INSURANCE CONTRACTS IN FORCE (Cont'd)

Judicial bond:

Insurance bond for judicial guarantees provides litigants with an appropriate means to guarantee their procedural obligations when the respective Code so requires.

These coverages apply both in cases in which the judge hearing the case has ordered the lock of a provisional remedy, and in those in which the constitution of a counterbond has been arranged.

Replacement of provisional remedies: the provisional remedy can be substituted by the defendant in a lawsuit through this policy, thereby releasing the equity affected by such measure.

Counterbond: it is the guarantee that must be provided by the person who has requested the lock of a provisional remedy to guarantee the damages that may arise in case of having requested it without right.

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.

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 diseases, organ transplants and birth of posthumous child.

NOTE 21: WORKING CAPITAL

The Company reported a deficit of USD 88,401 in its working capital (calculated as current assets less current liabilities) at March 31, 2023. The deficit in working capital amounted to USD 128,655 at December 31, 2022.

The Board of Directors and the shareholders will implement measures to improve the working capital, including issuing Negotiable Obligations.

NOTE 22: 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.

NOTE 22: SEGMENT REPORTING (Cont'd)

Upon commercial authorization for generation and delivery of steam in February 2019, the Board of Directors considers the business as two separate segments: generation and sale of electric energy and generation and sale of steam.

The assets (property, plant and equipment) used in these activities are situated in the Republic of Argentina.

At 03/31/2023	Energy	Steam	Total
Sales revenue	12,194	1,870	14,064
Cost of sales	(4,636)	(1,533)	(6,169)
Gross income/(loss)	**7,558**	**337**	**7,895**
Selling expenses	(41)	(2)	(43)
Administrative expenses	(420)	(23)	(443)
Operating income/(loss)	**7,097**	**312**	**7,409**
Financial income	580	31	611
Financial expenses	(7,612)	(413)	(8,025)
Other financial results	(1,617)	(88)	(1,705)
Financial results, net	**(8,649)**	**(470)**	**(9,119)**
Pre-tax profit/(loss)	**(1,552)**	**(158)**	**(1,710)**
Income Tax	467	25	492
(Loss) for the period	**(1,085)**	**(133)**	**(1,218)**

At March 31, 2022	Energy	Steam	Total
Sales revenue	13,113	2,965	16,078
Cost of sales	(6,890)	(1,127)	(8,017)
Gross income/(loss)	**6,223**	**1,838**	**8,061**
Selling expenses	(123)	(28)	(151)
Administrative expenses	(352)	(79)	(431)
Operating income/(loss)	**5,748**	**1,731**	**7,479**
Financial income	174	39	213
Financial expenses	(5,986)	(1,353)	(7,339)
Other financial results	(3,069)	(694)	(3,763)
Financial results, net	**(8,881)**	**(2,008)**	**(10,889)**
Pre-tax profit/(loss)	**(3,133)**	**(277)**	**(3,410)**
Income Tax	4,022	909	4,931
Income for the period	**889**	**632**	**1,521**

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. There are no substantial differences between this information and the disclosures in these condensed interim Financial Statements prepared under IFRS. Considering that the adjustments between the previous accounting standards and IFRS refer to non-operating items, this information has not been substantially affected by the application of new standards.

<u>NOTE 23:</u> ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

The Company has been operating in a complex economic environment characterized by a strong volatility, both nationally and internationally.

The main indicators in our country are as follows:

- The year-on-year GDP increase expected for 2023 is around 2.8% as projected by the IMF WEO Report.
- Cumulative inflation between January 1, 2023, and March 31, 2023, was 21.73% (CPI).
- Between December 31, 2022, and March 31, 2023, the peso depreciated 17.98% 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.

The government took a number of actions in 2023 and 2022 in response to the peso devaluation, the decline in BCRA reserves and in dollar deposits, and the high volatility of interest rates.

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.

1. Brief description of the activities of the issuing company, including references to relevant situations subsequent to period end.

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 AESA and its financial position, which must be read together with the attached Financial Statements.

	Three-month period ended on March 31,			
	2023	**2022**	**Variation**	**Variation %**
	MWh			
Sales by type of market				
Sale of energy Res. No. 21	98,015	204,671	(106,656)	(52%)
	98,015	**204,671**	**(106,656)**	**(52%)**

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

	Three-month period ended on March 31,			
	2023	**2022**	**Variation**	**Variation %**
	(in thousands of dollars)			
Sales by type of market				
Steam sales	1,870.0	2,965.0	(1,095.0)	(37%)
Sale of energy Res. No. 21	12,194.0	13,113.0	(919.0)	(7%)
	14,064.0	**16,078.0**	**(2,014.0)**	**(13%)**

Income/(loss) for the period ended on March 31, 2023 and 2022 (in thousands of US dollars):

	Three-month period ended on March 31,			
	2023	**2022**	**Variation**	**Variation %**
Sales	14,064	16,078	(2,014)	(13%)
Net sales	**14,064**	**16,078**	**(2,014)**	**(13%)**
Purchase of electric energy	(167)	(178)	11	(6%)
Gas and diesel consumption at the plant	(1,229)	(3,008)	1,779	(59%)
Salaries, social security liabilities and employee benefits	(730)	(490)	(240)	49%
Defined benefit plans	(12)	(7)	(5)	71%
Maintenance services	(744)	(1,091)	347	(32%)
Depreciation of property, plant and equipment	(2,957)	(2,955)	(2)	0%
Security guard and janitor	(91)	(61)	(30)	49%
Insurance	(185)	(149)	(36)	24%
Taxes, rates and contributions	(1)	(21)	20	(95%)
Others	(53)	(57)	4	(7%)
Cost of sales	**(6,169)**	**(8,017)**	**1,848**	**(23%)**
Gross income/(loss)	**7,895**	**8,061**	**(166)**	**(2%)**
Taxes, rates and contributions	(43)	(151)	108	(72%)
Selling expenses	**(43)**	**(151)**	**108**	**(72%)**
Salaries, social security liabilities and employee benefits	(62)	(82)	20	(24%)
Fees and compensation for services	(363)	(335)	(28)	8%
Leases	(9)	(9)	0	0%
Per diem, travel, and representation expenses	(1)	0	(1)	100%
Office expenses	(4)	(1)	(3)	300%
Sundry	(4)	(4)	0	0%
Administrative expenses	**(443)**	**(431)**	**(12)**	**3%**
Operating income/(loss)	**7,409**	**7,479**	**(70)**	**(1%)**
Commercial interest	405	(52)	457	(879%)
Interest on loans	(7,732)	(7,042)	(690)	10%
Bank expenses and commissions	(87)	(32)	(55)	172%
Income/(loss) from sale of Negotiable Obligations	0	11	(11)	(100%)
Exchange differences, net	3,166	923	2,243	243%
Changes in the fair value of financial instruments	1,914	700	1,214	173%
Difference in UVA value	(5,932)	(4,379)	(1,553)	35%
Other financial results	(853)	(1,018)	165	(16%)
Financial and holding results, net	**(9,119)**	**(10,889)**	**1,770**	**(16%)**
Pre-tax profit/(loss)	**(1,710)**	**(3,410)**	**1,700**	**(50%)**
Income Tax	492	4,931	(4,439)	(90%)
Income/(loss) for the period	**(1,218)**	**1,521**	**(2,739)**	**(180%)**
Total comprehensive income/(loss) for the period	**(1,218)**	**1,521**	**(2,739)**	**(180%)**

Sales:

Net sales for the three-month period ended on March 31, 2023 amounted to USD 14,064, compared with USD 16,078 for the same period in 2022, showing a decrease of USD 2,014 (13%).

During the three-month period ended on March 31, 2023, the dispatch of energy was 98,015 MWh, accounting for a 52% decrease, compared with 204,671 MWh for the same period in 2022.

Below is a description of the Company's main revenues, and their variation during the three-month period ended on March 31, 2023, as against the same period in 2022:

(i) USD 12,194 from energy and power sales in the forward market to CAMMESA under the framework of Resolution No. 21, representing a 7% decrease as against the USD 13,113 reached in the same period in 2022. This variation is mainly explained by the variation in the Mwh sold.

(ii) USD 1,870 for steam sales under the contract for steam supply to Renova SA, which represented a decrease of 37% compared to USD 2,965 for the same period in 2022. This variation is mainly explained by the variation in the steam volumes sold.

Cost of sales:

Total cost of sales for the three-month period ended on March 31, 2023, reached USD 6,169 compared with USD 8,017 for the same period in 2022, reflecting a decrease of USD 1,848 (or 23%).

The main costs of sales of the Company during the three-month period ended on March 31, 2023 are the depreciation of property, plant and equipment, gas and diesel consumption, maintenance services, and salaries, social security liabilities and employee benefits.

Administrative expenses:

Total administrative expenses for the three-month period ended on March 31, 2023, amounted to USD 443, a USD 12 increase compared with USD 431 recorded in the same period of 2022.

Operating income/(loss):

Operating income/(loss) for the three-month period ended on March 31, 2023 amounted to USD 7,409 compared with the USD 7,479 recorded in the same period of 2022, accounting for a decrease of USD 12.

Financial and holding results, net:

Financial and holding results, net for the three-month period ended on March 31, 2023 amounted to a loss of USD 9,119 compared with the loss of USD 10,889 recorded in the same period of 2022, which accounted for a 16% decrease. This is mainly due to the variation in interest on loans, exchange difference and the difference in UVA value.

The most noticeable aspects of the variation are:

(i) USD 7,732 loss from interest on loans, accounting for an increase of 10% compared with the USD 7,042 loss recorded in the same period of 2022.

(ii) USD 3,166 gain due to net exchange differences, reflecting an increase of USD 2,243 (243%) compared to the USD 923 gain obtained in the same period of 2022. The variation is mainly due to a liability position in pesos for the period ended on March 31, 2023, along with devaluation that reached 17.98% for the first three quarters of 2023 and 8.07% for the first three quarters of 2022.

Net income/(loss):

The Company reported pre-tax losses for USD 1,710 for the three-month period ended on March 31, 2023, as against the USD 3,410 loss for the same period in 2022.

The company recognized Income Tax benefit in the amount of USD 492 for the three-month period ended on March 31, 2023, as against the USD 4,931 income for the same period in 2022. This variation is mainly explained by the effect of the tax-purpose inflation adjustment on accumulated tax losses during fiscal year 2022.

Net loss for the three-month period ended on March 31, 2023 amounted to USD 1,218 compared with the USD 1,521 income obtained in the previous period.

Comprehensive income/(loss) for the period:

Total comprehensive loss for the three-month period amounted to USD 1,218 representing a 180% decrease compared to the comprehensive income of USD 1,521 for the three-month period of 2022.

2. Brief remarks on the outlook for fiscal year 2023

Electric energy

In 2023, the Company aims at maintaining the availability of the unit and steam supply already enabled at the maximum levels to comply with the Demand Contract.

Financial Position

During this fiscal year, the Company will maintain the plant's high operating standards, which ensures stable cash flows, and will seek to refinance the existing debt to gradually reduce the Company's debt.

REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Albanesi Energía S.A.
Legal address: Leandro N. Alem 855 - 14th Floor
City of Buenos Aires
Tax Registration Number: 30-71225509-5

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Albanesi Energía S.A. as at March 31st, 2023 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Board of Directors is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 Interim Financial Information (IAS 34). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of our review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Emphasis of Matter – Purpose of these condensed interim financial statements

We draw attention to note 3 to the condensed interim financial statements, which discloses the basis of preparation, including the purposes for preparing them. Our conclusion is not modified in respect of this matter.

City of Buenos Aires, May 18, 2023.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Nicolas Angel Carusoni